Investment options for the six to nine-month period, tailored to balance safety, liquidity, and a reasonable return:

1. U.S. Treasury Bills (T-Bills)

- **Overview**: T-Bills are one of the safest investments backed by the U.S. government. They have maturities as short as 4, 8, 13, 26, and 52 weeks, making them perfect for short-term needs.
- **Benefits**: Very low risk, highly liquid
- **Drawback**: The returns are typically lower than riskier investments, but they are still highly competitive for a secure option.
- **Recommendation**: A 6-month or 9-month T-Bill can be an excellent fit, providing predictable and secure returns.

Treasury Bills (T-Bills): As of September 2024, 3-month T-Bills have a yield of approximately **4.52%**(YCharts)

2. Local Government Investment Pools (LGIPs)

- **Overview**: LGIPs are state-administered investment funds that allow local governments to pool their resources for investment in short-term, low-risk securities.
- **Benefits**: Diversification, professional management, and liquidity tailored specifically for government entities. Many LGIPs offer daily liquidity, ensuring funds can be accessed as needed.
- **Drawback**: The returns are generally conservative, but they are highly reliable.
- **Recommendation**: LGIP participation for a portion of the funds can ensure both liquidity and safety while generating interest.

Local Government Investment Pools (LGIPs): LGIP rates tend to vary but are often close to the federal funds rate, currently yielding between **4.5% to 5%** (Edward Jones)

3. Certificates of Deposit (CDs)

- **Overview**: CDs are time deposits offered by banks that typically provide a higher interest rate than savings accounts. They can be tailored to 6- or 9-month terms.
- **Benefits**: FDIC-insured (up to $250,000 per bank), offering security and a fixed return.
- **Drawback**: Funds are locked in for the term of the CD, although some banks offer early withdrawal options with penalties.
- **Recommendation**: Consider laddering CDs to stagger maturities, allowing for access to funds at different times.

Certificates of Deposit (CDs): Depending on the size of the investment and the term, CD rates range from **5.09% for shorter terms (3–6 months)** (Edward Jones)

4. Money Market Accounts

- **Overview**: These are interest-bearing accounts that offer higher returns than standard savings accounts while still being relatively low risk.
- **Benefits**: High liquidity, FDIC-insured up to $250,000, and competitive interest rates.
- **Drawback**: Returns may not be as high as other investment options, such as CDs or T-Bills, but they offer flexibility.
- **Recommendation**: Money market accounts can serve as a good option for a portion of the funds needing immediate liquidity.

Money Market Accounts: The yield on money market accounts typically ranges from **0.65% to 1.85%**, depending on the amount invested (Edward Jones) (TreasuryDirect)

5. Municipal Bonds with Short-Term Maturities

- **Overview**: Municipal bonds are issued by local or state governments, and they can be structured with short maturities to fit within a 6-9 month period.
- **Benefits**: Interest earned on municipal bonds is generally exempt from federal and state taxes (if the bond is issued within the state of residence). Short-term municipal bonds are relatively low risk.
- **Drawback**: Slightly higher risk compared to U.S. Treasury securities but still considered safe.
- **Recommendation**: Select high-quality, short-term municipal bonds for tax-advantaged returns and a reliable income stream.

Municipal Bonds: Tax-free municipal bonds yield anywhere from **1.26% to 4.23%**, depending on the bond's rating (AAA, AA, or A) (Edward Jones)

Summary for the Board:

These five options combine the principles of safety, liquidity, and reasonable yield. I recommend a diversified approach that blends some funds in ultra-safe investments like T-Bills and LGIPs while potentially placing some in CDs or municipal bonds to capture higher yields without sacrificing security. This will allow the town to meet both short-term financial goals and longer-term stability.

Investment Option	Interest Rate (Approx.)	Pros	Cons
Treasury Bills (T-Bills)	4.52%	Low risk, highly liquid, government-backed	Lower yield compared to riskier options
Local Government Investment Pools (LGIPs)	4.5% - 5%	Diversified, managed professionally, tailored for local governments	Lower returns, subject to management fees
Certificates of Deposit (CDs)	5.09%	FDIC insured, higher yields for fixed terms	Funds locked for the term, penalty for early withdrawal
Money Market Accounts	0.65% - 1.85%	Highly liquid, FDIC insured	Lower returns compared to other options
Municipal Bonds	1.26% - 4.23%	Potential for higher returns, low risk	Moderate risk if the bond rating is lower, longer time to maturity