

TREASURER'S REPORT

Redondo Beach

FY24/25 Q1


Presented By: Eugene Solomon, City Treasurer

Nilesh Mehta, Chief Deputy City Treasurer



Treasurer's Quarterly Admin Report

- ▶ **Treasurer's Portfolio Summary**
- ▶ **Investment Reporting Guidelines**
- ▶ **Investment Report by Meeder Investment**
 - ▶ **Portfolio Summary**
 - ▶ **Investment Policy Compliance**
 - ▶ **Investment Activity Report**
 - ▶ **Economic and Market Update**



Treasurer's Report PowerPoint Presentation:

- Investment Reporting Objectives/Guidelines
- Policy Compliance
- Quarterly Performance
- Historical Book Value
- Cash Flow Analysis
- Month-End Portfolio Book Yield
- Maturity Distribution
- Trading Activity
- Fiscal Impact

Key Investment Objectives for Municipal

Investing - The City Treasurer maintains the City's cash flows while earning a competitive rate of return on the Investments within the constraints of the City's investment policy and state law.

- **Safety**- Protect Principal
- **Liquidity** – Provide necessary liquidity to cover both ongoing and unexpected cash needs
- **Yield** – Maximize earnings recognizing need for safety and liquidity, and subject to restrictions specified by state statutes and the local governing body



INVESTMENT REPORTING GUIDELINES - CMTA

- **Always remember whose money it is (it's the community's, not yours) – and act according in a responsible stewardship capacity.**
- **An investment manager's objective is to earn a reasonable rate of return on the City's investments, while preserving capital in the overall portfolio. It should never be an investment manager's goal to earn maximum returns on the City's portfolio as this would expose the City to an unacceptable level of risk**



Guidelines Cont'd

- ▶ **Failures in public investing occur when either:**
 - **Policies were not clear.**
 - **Policies were inappropriate.**
 - **Policies were not followed.**
 - **Oversight was inadequate.**

Guidelines Cont'd

► Questions to Ask:

- Do you review the investment policy?
- Do you understand the City's investment program?
- Do you receive and review periodic investment reports?
- Are they clear, concise? Are they readable?
- Do you fully understand them?
 - If you can't, this is more likely to be because they've been presented poorly, and may in fact reflect problems, than any "technical" problems with your ability to understand them because it's too "complex."
 - It's the job of your staff to make them readable and understandable;
 - and if the City's portfolio is genuinely that complex, perhaps it shouldn't be.

POLICY COMPLIANCE

Investment Policy Compliance

City of Redondo Beach

6/30/2024

Category	Book Value	% of Portfolio	% Allowed by Policy	In Compliance
US Treasuries	33,785,898.60	31.47%	100%	Yes
US Federal Agencies	46,615,560.54	43.42%	100%	Yes
Supranational Obligations	0.00	0.00%	15%	Yes
LAIF	102,941.43	0.10%	65,000,000	Yes
Commercial Paper	0.00	0.00%	25%	Yes
Money Market Funds	18,202,927.12	16.95%	20%	Yes
Negotiable Certificates of Deposit	247,964.77	0.23%	30%	Yes
Corporate Obligations	8,405,345.37	7.83%	30%	Yes
Total	107,360,637.83	100.00%		

Other Metrics	Portfolio	Metric	In Compliance
Weighted Average Maturity	1.39	Less than 2.5 Years	Yes
Liquidity	39.55%	25% Under 365 Days	Yes
Ratings			Yes

FY 24-25 Performance

Comparison of Investment Portfolio Positions F.Y. 2024-2025								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%						
Cash in Banks	\$7,621,789	*						
Money Market	\$6,410,529	6.86%						
Local Agency Investment Fund	\$104,103	0.11%						
Federal Agency Issues	\$35,668,724	38.19%						
Commercial Paper	\$0	0.00%						
Corporate Medium Term Notes	\$12,463,061	13.35%						
Bank Certificates of Deposit	\$247,995	0.27%						
Treasuries	\$38,496,825	41.22%						
Total: Investment Portfolio	\$93,391,237	100%						
Weighted Average Maturity (Yrs)	1.45							
Portfolio Effective Rate of Return (YTD)	3.21%							
L.A.I.F. Yield	4.58%							
Yield on Benchmark	4.21%							
Interest earned YTD	\$615,313.46							
General Fund Contribution (60%)	\$369,188							

FY 23-24 Performance

Comparison of Investment Portfolio Positions F.Y. 2023-2024								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%						
Cash in Banks	\$6,469,818	*	13,256,219	*	\$11,755,717	*	\$ 10,560,379.31	*
Money Market	\$8,733,993	8.78%	\$19,612,340	19.53%	\$15,881,678	15.37%	\$ 18,202,927.12	16.95%
Local Agency Investment Fund	\$98,106	10.00%	\$100,842	0.10%	\$101,853	0.10%	\$ 102,941.43	0.10%
Federal Agency Issues	\$49,969,031	50.24%	\$48,017,978	47.81%	\$48,066,986	46.52%	\$ 46,615,560.54	43.42%
Commercial Paper	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$ -	0.00%
Corporate Medium Term Notes	\$6,905,358	6.94%	\$2,921,402	2.91%	\$4,468,652	4.32%	\$ 8,405,345.37	7.83%
Bank Certificates of Deposit	\$991,797	1.00%	\$991,856	0.99%	\$991,914	0.96%	\$ 247,964.77	0.23%
Treasuries	\$32,755,612	32.94%	\$28,785,152	28.66%	\$33,811,331	32.72%	\$ 33,785,898.60	31.47%
Total Investment Portfolio	\$99,453,897	100%	\$100,429,570	100.0%	\$103,322,415	100.00%	\$ 107,360,637.83	100.00%
Weighted Average Maturity (Yrs)	1.96		1.73		1.54		1.39	
Portfolio Effective Rate of Return (YTD)	2.82%		2.96%		2.71%		2.78%	
L.A.I.F. Yield	3.55%		3.93%		4.25%		4.33%	
Yield on Benchmark	2.66%		3.10%		3.53%		3.95%	
Interest earned YTD	\$675,178.00		\$1,260,353.00		\$2,023,050		\$2,773,041	
General Fund Contribution (60%)	\$405,107		\$756,212		\$1,213,830		\$1,663,824.86	

FY 22-23 Performance

Comparison of Investment Portfolio Positions F.Y. 2022-2023								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%						
Cash in Banks	\$10,955,229	*	9,223,658	*	\$6,359,470	*	\$ 9,742,075	*
Money Market	\$0	0.0%	\$5,149,678	4.38%	\$13,392,052	11.33%	\$ 8,931,843	7.80%
Local Agency Investment Fund	\$16,071,480	14.5%	\$27,137,556	23.1%	\$5,225,372	4.42%	\$ 1,087,813	0.95%
Federal Agency Issues	\$53,439,957	48.3%	\$47,448,367	40.4%	\$56,867,881	48.12%	\$ 56,918,780	49.70%
Commercial Paper	\$0	0.0%	\$0	0.0%	\$0	0.00%	\$0	0.00%
Corporate Medium Term Notes	\$6,981,521	6.3%	\$8,847,387	7.5%	\$8,866,737	7.50%	\$ 8,885,872	7.76%
Bank Certificates of Deposit	\$1,239,564	1.1%	\$991,622	0.8%	\$991,680	0.84%	\$ 991,738	0.87%
Treasuries	\$32,895,368	29.7%	\$27,910,842	23.8%	\$32,831,737	27.78%	\$ 37,713,483	32.93%
Total: Investment Portfolio	\$110,627,890	100%	\$117,485,452	100.0%	\$118,175,459	100.00%	\$ 114,529,529	100.00%
Weighted Average Maturity (Yrs)	1.99		1.72		1.97		1.91	
Portfolio Effective Rate of Return (YTD)	1.51%		1.71%		2.10%		2.29%	
L.A.I.F. Yield	1.60%		2.17%		2.83%		3.17%	
Yield on Benchmark	0.97%		1.38%		1.76%		2.19%	
Interest earned YTD	\$425,011.78		\$952,194.05		\$1,695,368		\$2,435,724	
General Fund Contribution (60%)	\$255,007		\$571,316.00		\$1,017,221		\$1,461,434.40	

FY 21-22 Performance

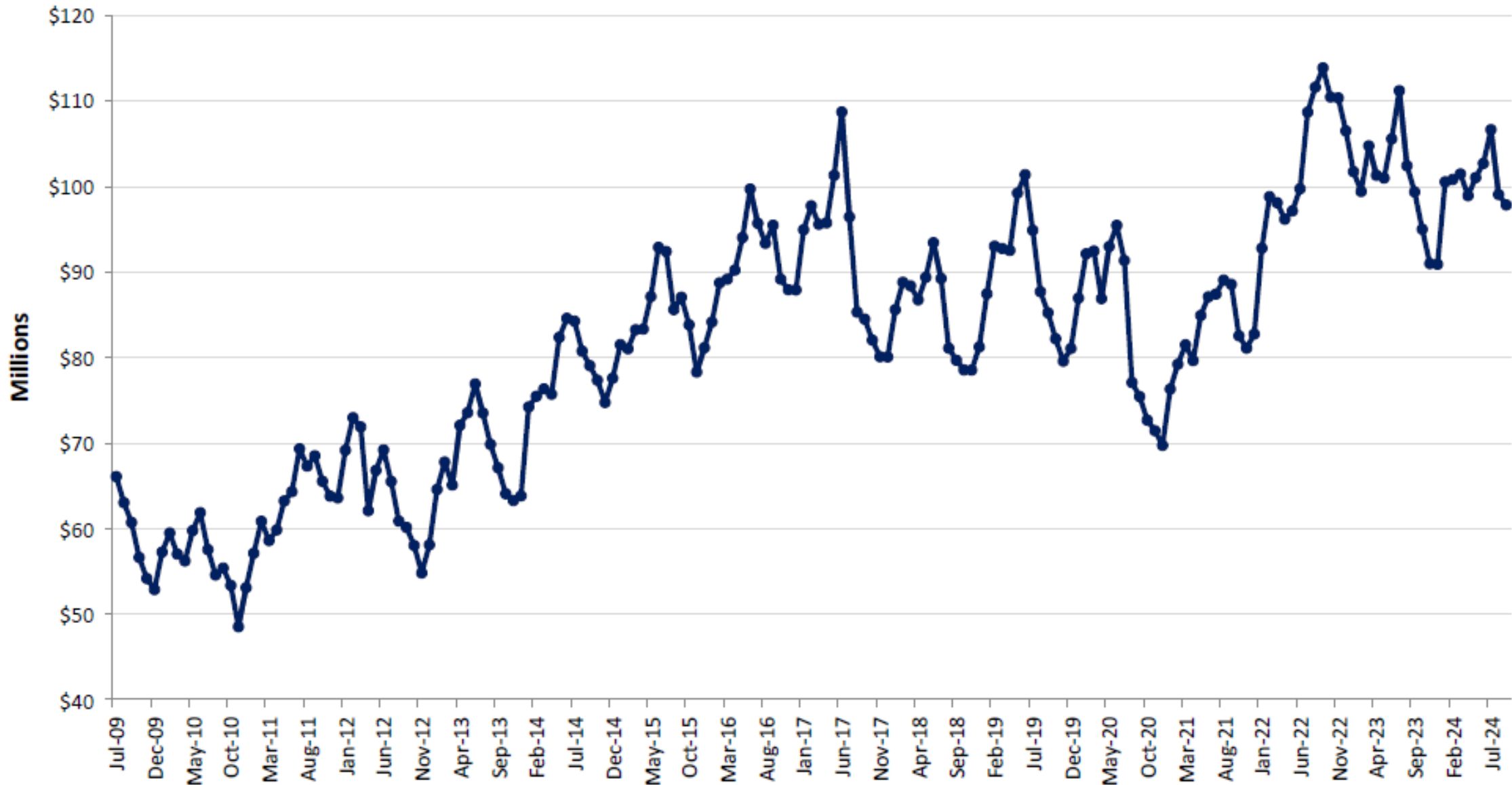
Comparison of Investment Portfolio Positions F.Y. 2021-2022								
Investment Type	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
		%		%		%		
Cash in Banks & Money Markets	\$11,834,546	*	\$11,833,288	*	\$14,063,300	*	\$ 15,087,417	*
Local Agency Investment Fund	\$9,000,500	10.7%	\$20,012,320	21.9%	\$20,018,196	20.81%	\$ 20,033,972	18.43%
Federal Agency Issues	\$30,579,369	36.3%	\$30,574,250	33.5%	\$40,569,151	42.18%	\$ 45,564,006	41.92%
Commercial Paper	\$0	0.0%	\$0	0.0%	\$0	0.00%	\$0	0.00%
Corporate Medium Term Notes	\$15,948,457	19.0%	\$15,957,757	17.5%	\$10,963,900	11.40%	\$ 8,974,595	8.26%
Bank Certificates of Deposit	\$1,735,250	2.1%	\$1,735,339	1.9%	\$1,735,425	1.80%	\$ 1,239,505	1.14%
Treasuries	\$26,896,065	32.0%	\$22,894,191	25.1%	\$22,899,581	23.81%	\$ 32,878,387	30.25%
Total: Investment Portfolio	\$84,159,641	100%	\$91,173,857	100.0%	\$96,186,253	100.00%	\$ 108,690,464	100.00%
Weighted Average Maturity (Yrs)	2.06		1.81		2.03		1.92	
Portfolio Effective Rate of Return (YTD)	2.24%		1.90%		1.53%		1.47%	
L.A.I.F. Yield	0.21%		0.21%		0.22%		0.86%	
Yield on Benchmark	0.76%		0.62%		0.59%		0.68%	
Interest earned YTD	\$497,915.05		\$817,147		\$1,021,840		\$1,342,113	
General Fund Contribution (60%)	\$298,749		\$490,288		\$613,104		\$805,267.80	

Historical Book Value by Fiscal Year

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2021	\$91.4	\$77.1	\$75.4	\$72.7	\$71.4	\$69.7	\$76.3	\$79.2	\$81.5	\$79.7	\$84.9	\$87.1
Fiscal Year 2022	\$87.4	\$89.1	\$88.6	\$82.6	\$81.1	\$82.8	\$92.8	\$98.8	\$98.1	\$96.2	\$97.2	\$99.8
Fiscal Year 2023	\$108.7	\$111.6	\$113.9	\$110.5	\$110.4	\$106.5	\$101.8	\$99.4	\$104.8	\$101.3	\$101.0	\$105.6
Fiscal Year 2024	\$111.2	\$102.4	\$99.4	\$95.0	\$91.0	\$90.9	\$100.6	\$100.8	\$101.5	\$98.9	\$101.1	\$102.7
Fiscal Year 2025	\$106.7	\$99.1	\$97.9									

Average Daily Balance

Historical Book Value

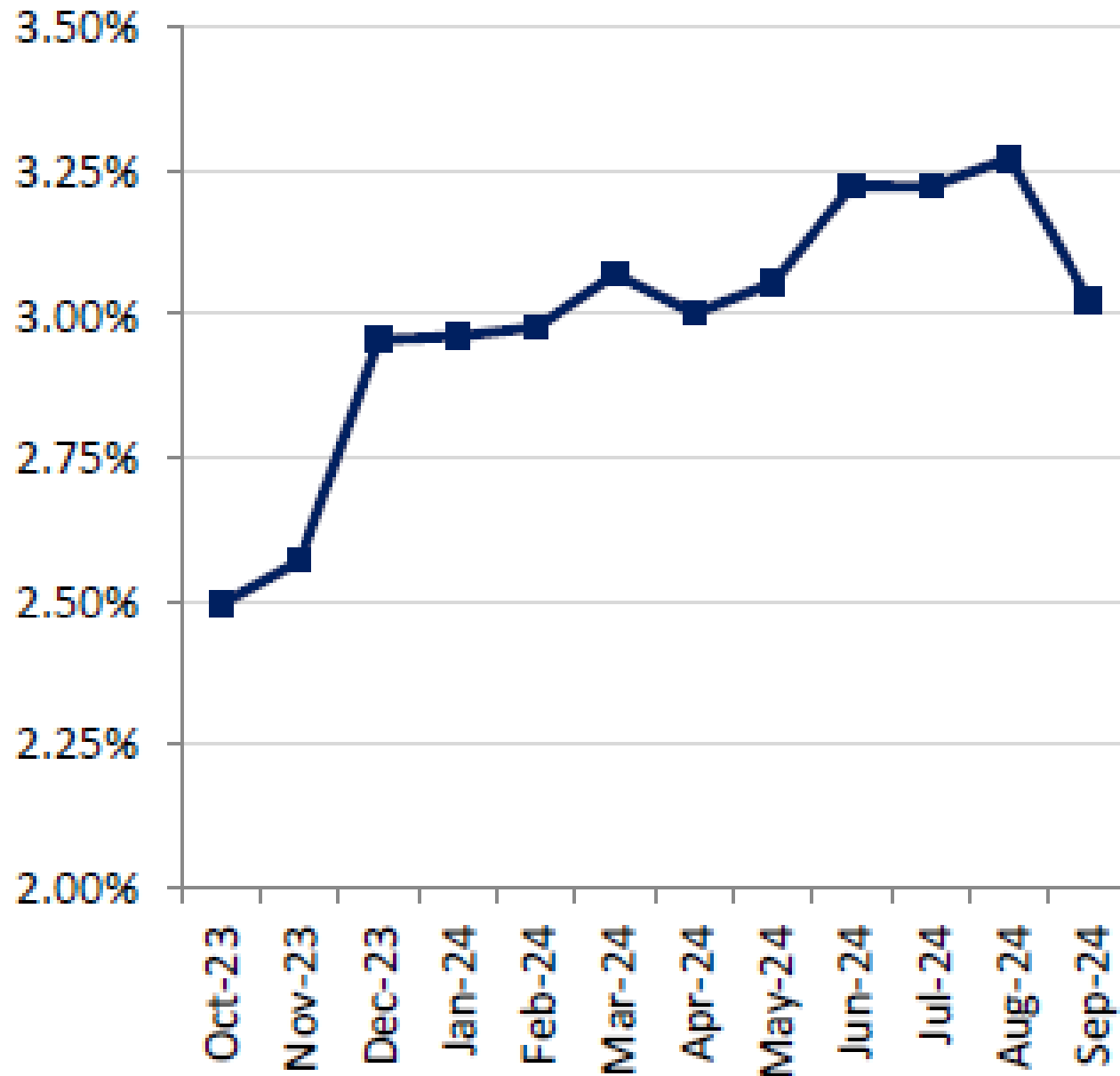


Cash Flows Analysis

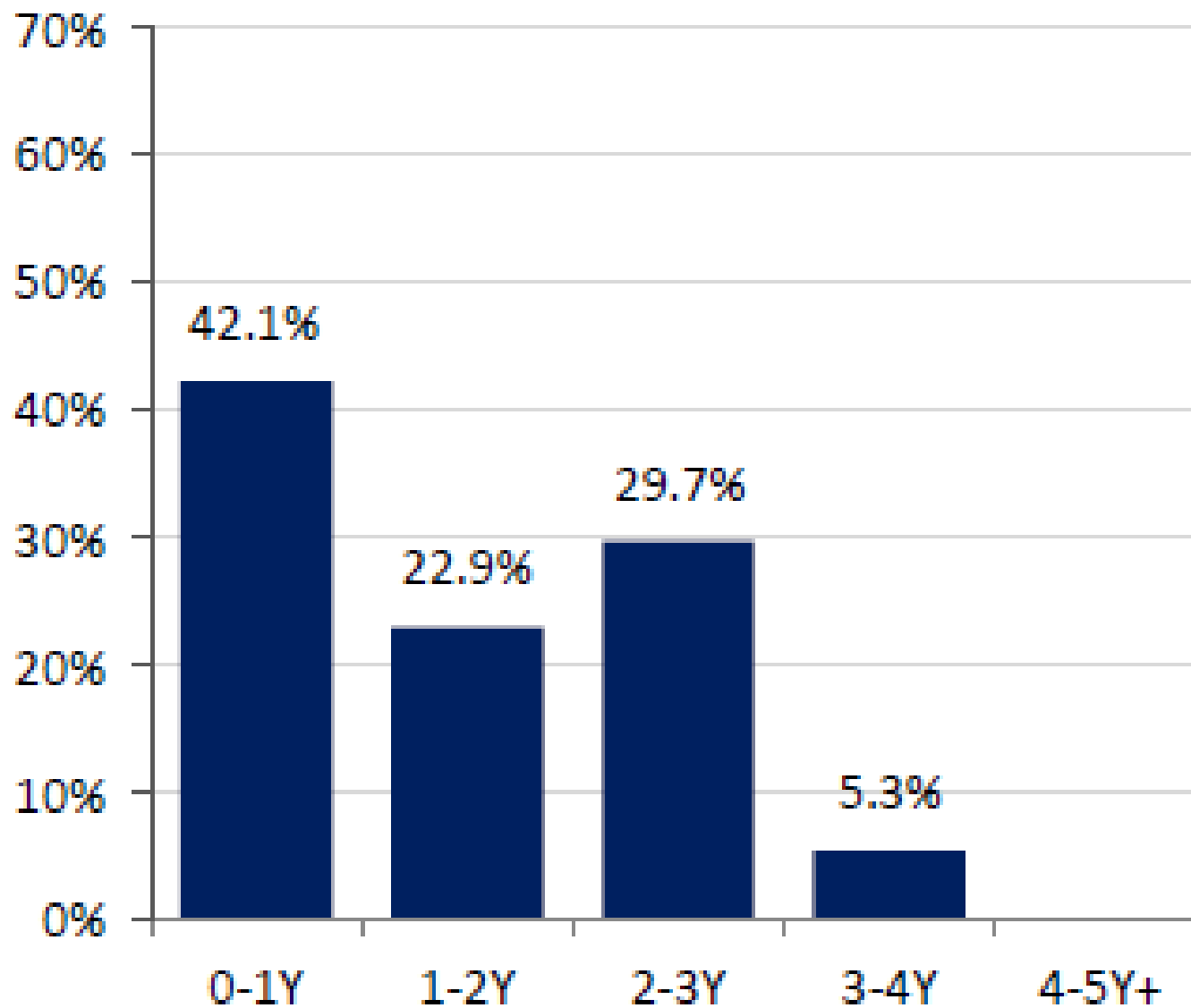
FY 24/25	Beginning Balance	Total Deposits/Credits	Total Debits	Ending Balance
July	10,560,379.31	13,929,800.59	13,834,109.53	10,656,070.37
August	10,656,070.37	18,840,180.81	18,574,957.12	10,921,294.06
September	10,921,294.06	13,379,066.21	16,678,571.72	7,621,788.55

* We have met the cash flow needs of the City for the Quarter and expect to meet the expenditure requirements for the upcoming period.

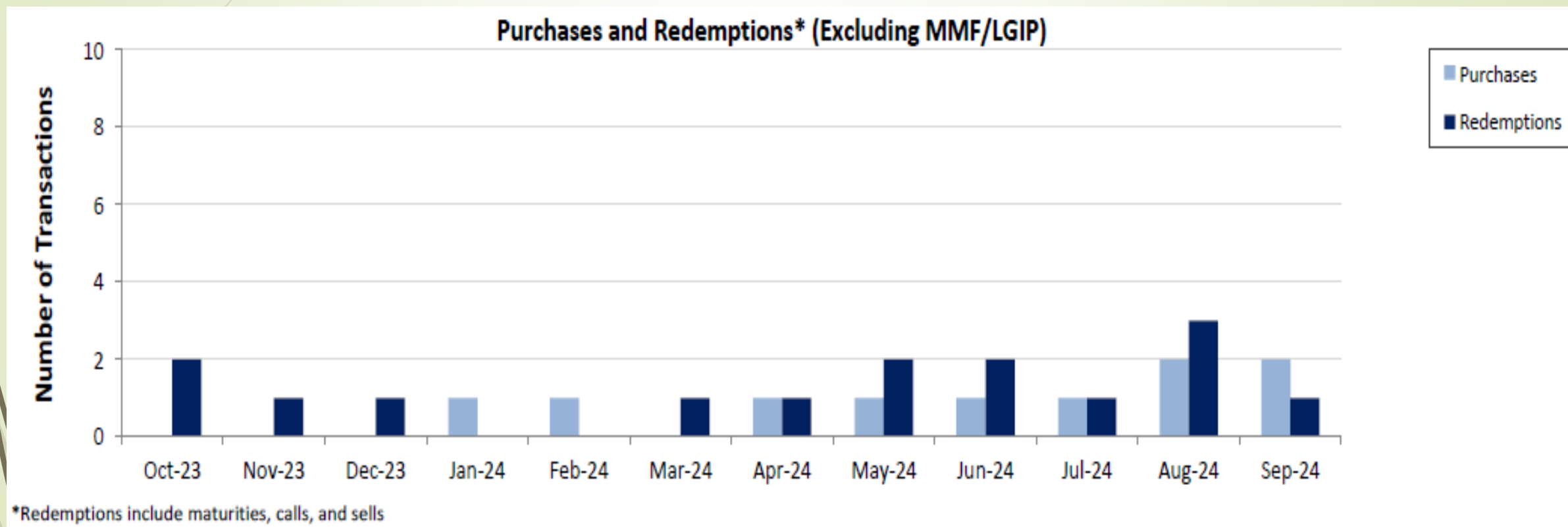
MONTH-END PORTFOLIO BOOK YIELD



MATURITY DISTRIBUTION



TRADING ACTIVITY



Transaction Report

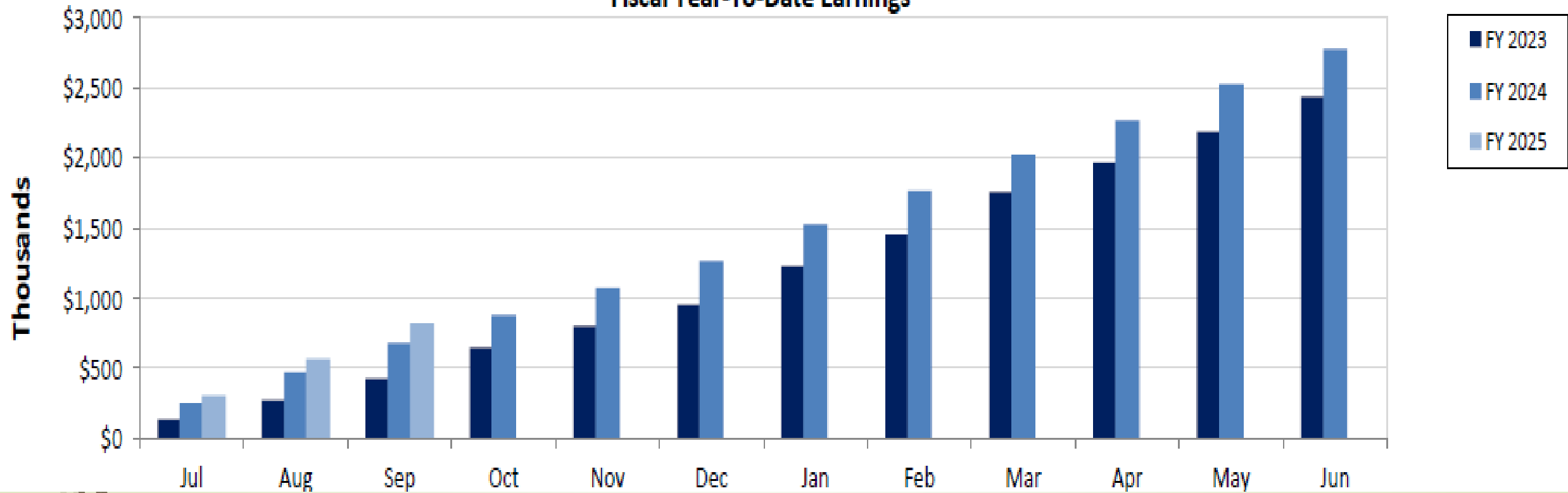
Transaction Report

City of Redondo Beach

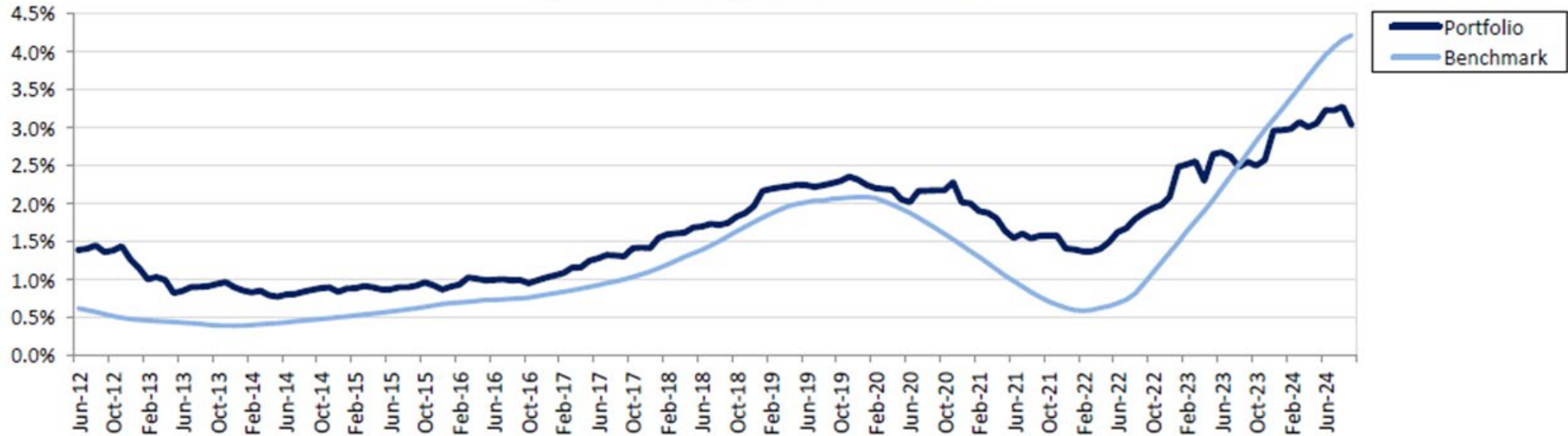
September 01, 2024 - September 30, 2024

Transaction Date	Transaction Type	Security ID	Security Description	Maturity Date	Purchases	Redemptions	Interest	Deposits	Withdrawals
09/03/2024	Interest	91282CAJ0	T 0 1/4 08/31/25	08/31/2025	-	-	2,500.00	-	-
09/03/2024	Interest	91282CCW9	T 0 3/4 08/31/26	08/31/2026	-	-	11,250.00	-	-
09/04/2024	Interest	FUZXX	First American Tsy MMF		-	-	41,339.37	-	-
09/11/2024	Purchase	3133ERRW3	FFCB 3 7/8 09/03/26	09/03/2026	-2,009,080.00	-	-1,722.22	-	-
09/16/2024	Interest	91282CFK2	T 3 1/2 09/15/25	09/15/2025	-	-	87,500.00	-	-
09/16/2024	Interest	91324PCV2	UNH 3.1 03/15/26	03/15/2026	-	-	40,300.00	-	-
09/17/2024	Maturity	912797LH8	TREASURY BILL	09/17/2024	-	5,000,000.00	-	-	-
09/17/2024	Interest	949763L95	WFC 2.05 10/17/24	10/17/2024	-	-	431.79	-	-
09/18/2024	Purchase	912797MH7	TREASURY BILL	09/04/2025	-4,813,482.50	-	-	-	-
09/19/2024	Interest	89236TLY9	TOYOTA 5 03/19/27	03/19/2027	-	-	49,444.44	-	-
09/24/2024	Withdrawal	FUZXX	FUZXX		-	-	-	-	-6,000,000.00
Grand Total:					-6,822,562.50	5,000,000.00	231,043.38	0.00	-6,000,000.00

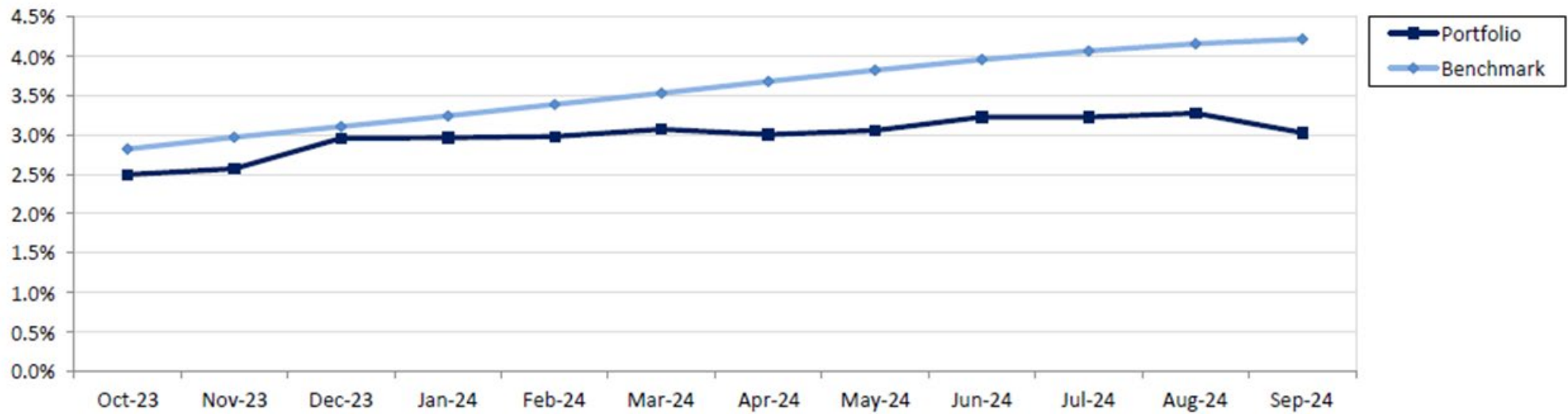
Fiscal Year-To-Date Earnings



Month-End Yield At Cost vs Benchmark



Trailing 12 Months: Month End Yield At Cost vs Benchmark



Benchmark: Custom Benchmark (see disclosure)



Fiscal Impact

- ▶ Interest earned year to date is \$615,313.
- ▶ The General Fund contribution rate is 60%. Approximately \$369,188 contributed to the general fund through investment activity.
- ▶ Budgeted contribution of interest to the general fund for the entire fiscal year is \$1,500,000.