TREASURER'S REPORT

Redondo Beach

FY25/26 Q2

Presented By: Eugene Solomon, City Treasurer

REDONDO BEACH

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
- Cash Flow Analysis
- 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

Compliance Overview

RULE NAME	POLICY LIMIT	ACTUAL VALUE	COMPLIANCE STATUS
PORTFOLIO CONCENTRATION			
CD (Negotiable or Non-Negotiable) Concentration	30.0	0.0	Compliant
CP Concentration	25.0	0.0	Compliant
Corporates Concentration	30.0	13.2	Compliant
Govt. MMF Concentration	20.0	9.8	Compliant
JPA Concentration	20.0	0.0	Compliant
Supranational Concentration	15.0	0.0	Compliant
ISSUER CONCENTRATION			
Agency Issuer Concentration	40.0	15.0	Compliant
CP Issuer Concentration	5.0	0.0	Compliant
Corporate Issuer Concentration	5.0	5.0	Not Compliant
Govt. MMF Issuer Concentration	20.0	9.8	Compliant
Non-Negotiable CD Issuer Concentration	30.0	0.0	Compliant
Supranational Issuer Concentration	5.0	0.0	Compliant
MATURITY			
CD (Negotiable or Non-Negotiable) Maturity	5.0	0.0	Compliant
CP Maturity (Days)	270.0	0.0	Compliant
Corporates Maturity	5.0	1.2	Compliant
Supranational Maturity	5.0	0.0	Compliant
US Agency Obligation Maturity	5.0	2.1	Compliant
US Treasury Obligations Maturity	5.0	1.1	Compliant
CREDIT QUALITY			
CP Rated A-1/P-1/F-1 by 1 NRSRO			Compliant
Corporates Rated A-/A3/A- by 1 NRSRO			Compliant
Supranational Rated AA/Aa2/AA by 1 NRSRO			Compliant

FY 25-26 Performance

Comparison of Investment Portfolio Positions F.Y. 2025-2026								
	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter	
Investment Type		%		%				
Cash in Banks	$11,795,033	*	$10,424,788	*				
Money Market	$9,330,381	12.75%	$7,801,389	9.77%				
CAMP	$12,401,737	16.95%	$12,530,377	15.69%				
Local Agency Investment Fund	$108,917	0.15%	$15,110,107	18.92%				
Federal Agency Issues	$24,834,595	33.94%	$24,874,731	31.15%				
Commercial Paper	$0	0.00%	$0	0.00%				
Corporate Medium Term Notes	$10,565,811	14.44%	$10,583,199	13.25%				
Bank Certificates of Deposit	$0	0.00%	$0	0.00%				
Treasuries	$15,928,128	21.77%	$8,948,228	11.21%				
Total: Investment Portfolio	$73,169,570	100%	$79,848,030	100.00%				
Weighted Average Maturity (Yrs)	0.75		0.54					
Portfolio Effective Rate of Return	3.23%		3.28%					
L.A.I.F. Yield	4.21%		3.97%					
Yield on Benchmark	4.34%		4.25%					
Interest earned YTD	$575,653.23		1,074,634.23					
General Fund Contribution (60%)	$345,392		$644,781					

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	*	$25,487,932	*	$13,508,000	*	$ 9,865,121	*
Money Market	$6,410,529	6.86%	$125,864	0.17%	$10,816,724	12.84%	$ 22,461,667	24.88%
Local Agency Investment Fund	$104,103	0.11%	$105,337	0.14%	$106,563	0.13%	$ 107,737	0.12%
Federal Agency Issues	$35,668,724	38.19%	$31,704,178	41.47%	$28,743,576	33.69%	$ 24,794,460	27.18%
Commercial Paper	$0	0.00%	$0	0.00%	$0	0.00%	$ -	0.00%
Corporate Medium Term Notes	$12,463,061	13.35%	$12,495,672	16.69%	$12,527,582	14.93%	$ 10,548,423	11.74%
Bank Certificates of Deposit	$247,995	0.27%	$0	0.00%	$0	0.00%	$ -	0.00%
Treasuries	$38,496,825	41.22%	$31,755,588	41.53%	$32,804,960	38.41%	$ 32,890,362	36.09%
Total: Investment Portfolio	$93,391,237	100%	$76,186,640	100.0%	$84,999,404	100.00%	$ 90,802,649	100.00%
Weighted Average Maturity (Yrs)	1.45		1.46		1.12		0.76	
Portfolio Effective Rate of Return (YTD)	3.21%		3.08%		3.26%		3.07%	
L.A.I.F. Yield	4.58%		4.52%		4.31%		4.27%	
Yield on Benchmark	4.21%		4.38%		4.45%		4.40%	
Interest earned YTD	$615,313.46		$1,070,841.28		$1,604,265		$2,793,124	
General Fund Contribution (60%)	$369,188		$642,505		$962,559		$1,675,874	

Cash Flows Analysis

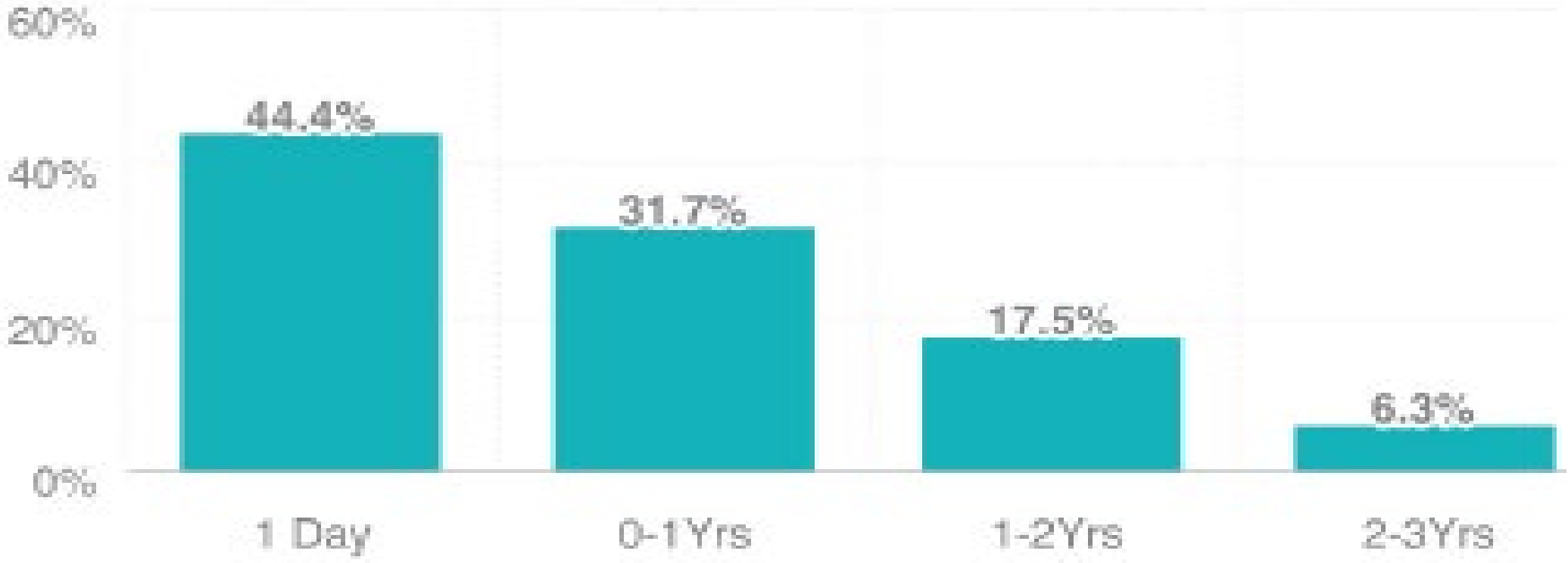
FY 25/26	Beginning Balance	Total Deposits/Credits	Total Debits	Ending Balance
July	$9,865,120.75	$17,824,583.25	$12,943,765.55	$14,745,938.45
August	$14,745,938.45	$15,901,295.90	$22,395,503.28	$8,251,731.07
September	$8,251,731.07	$18,068,745.46	$14,525,443.33	$11,795,033.20
October	$11,795,033.20	$13,507,146.36	$16,110,476.46	$9,191,703.10
November	$9,191,703.10	$8,187,783.45	$11,766,680.56	$5,612,805.99
December	$5,612,805.99	$33,907,434.26	$29,905,451.85	$10,424,788.40

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

Sector Allocation

LGIP	34.66%
U.S. Agencies	31.11%
Corporate Bonds	13.33%
U.S. Treasuries	11.11%
Money Market Funds	9.78%

Maturity Distribution



Fiscal Impact

- Interest earned year to date is $1,074,634.
- The General Fund contribution rate is 60%. Approximately $644,781 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.