

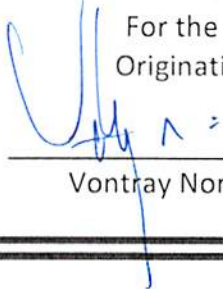


AGENDA ITEM NO.

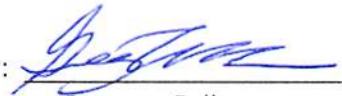
CITY OF HAWTHORNE CITY COUNCIL AGENDA BILL

For the meeting of June 8, 2021
Originating Department: Finance

Interim City Manager:


Vontray Norris

City Treasurer:


Gregory Fallon

SUBJECT:

City of Hawthorne's Investment Report for the quarter ended March 31, 2021.

RECOMMENDED MOTION:

Staff recommends that the City Council receive, approve and file the City of Hawthorne's Investment Report for the quarter ended March 31, 2021 of FY 20-21.

DISCUSSION:

Investment Report for the quarter ended March 31, 2021 is attached. This report indicates the cash and investments held by the reporting entity and the rate of return on the investments.

Because of the seasonal nature of the city's revenues (thus making short-term availability and liquidity of funds being extremely important), the city has for many years invested its funds with the State of CA administered Local Agency Investment Fund (LAIF). In June 2018, Council approved the investment of an additional \$6 million with Multi Bank Securities (MBS) into CD's using a ladder strategy. The City Treasurer shall continue this strategy, reinvesting funds that come due into new 3-5 year CD's. Cash held by the fiscal agents are for future debt service on bonds and these funds are invested pursuant to investment agreements entered into when the bonds were originally issued.

Investment report summary March 31, 2021

- Funds held at LAIF \$13.2 million with a rate of return @ 0.44%
- Funds held at BOW \$52.3 million with rate of return @ 0.01% - 0.10%
- Funds held at MBS totaled \$7.1 million with yields of 0.63% - 2.97%
- Funds held by the fiscal agents totaled \$3.5 million

In comparison to prior quarters, as evident below, the return rates have dropped considerably.

Investment report summary December 31, 2020

- Funds held at LAIF \$13.1 million with a rate of return @ 0.63%
- Funds held at BOW \$39.3 million with rate of return @ 0.01% - 0.15%
- Funds held at MBS totaled \$7.1 million with yields of 0.64% - 2.9%
- Funds held by the fiscal agents totaled \$3.1 million

Investment report summary September 30, 2020

- Funds held at LAIF \$13.1 million with a rate of return @ 0.84%
- Funds held at BOW \$35.7 million with rate of return @ 0.03% - 0.30%
- Funds held at MBS totaled \$7.1 million with yields of 0.63% - 2.99%
- Funds held by the fiscal agents totaled \$4.3 million

Investment report summary June 30, 2020

- Funds held at LAIF \$13.1 million with a rate of return @ 1.36%
- Funds held at BOW \$44.9 million with rate of return @ 0.11% - 0.41%
- Funds held at MBS totaled \$7.1 million with yields of 0.79% - 2.97%
- Funds held by the fiscal agents totaled \$4.2 million

Investment report summary March 31, 2020

- Funds held at LAIF \$13 million with a rate of return @ 2.03%
- Funds held at BOW \$41.9 million with rate of return @ 0.82% - 1.09%
- Funds held at MBS totaled \$7 million with yields of 1.12% - 2.96%
- Funds held by the fiscal agents totaled \$3.9 million

FISCAL IMPACT:

The report describes the City's investments and rate of return on these investments as of March 31, 2021.

NOTICING PROCEDURES:

72 hours posted notice pursuant to the Ralph M. Brown Act.

ATTACHMENT(S):

1. Investment Report March 31, 2021