

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 3/27/2024

Staff Report No. 24-222

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Monthly Report on Investments for November, December 2023, and January 2024

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving the Monthly Report on Investments for November, December, and January.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

This Monthly Investment Report is provided to the Board of Directors to demonstrate 1) the District's compliance with Investment Policy Guidelines and 2) the District's ability to meet its liquidity needs in the near term.

BUDGETARY/FISCAL IMPACT:

There are no budgetary or fiscal impacts associated with this report.

BACKGROUND/RATIONALE:

As of, November 30, 2023, the District had the following investments:

Principal Public Deposit Sweep Account (Collateralized 110%)	\$24.66 million
Money Market Accounts (7 small banks - FDIC Insured)	\$1.78 million
Treasury Bills	\$154.60 million .6 Million
LAIF	\$0.04 million
Agency Bonds	\$5.00 million

As of, December 31, 2023, the District had the following investments:

Principal Public Deposit Sweep Account (Collateralized 110%)	\$35.17 million
Money Market Accounts (7 small banks - FDIC Insured)	\$1.78 million
Treasury Bills	\$154.35 million .6 Million
LAIF	\$0.04 million
Agency Bonds	\$5.00 million

As of, January 31, 2024, the District had the following investments:

Principal Public Deposit Sweep Account (Collateralized 110%)	\$34.41 million
Money Market Accounts (7 small banks - FDIC Insured)	\$1.78 million
Treasury Bills	\$153.89 million .6 Million
LAIF	\$0.04 million
Agency Bonds	\$5.00 million

In compliance with Section 15.0 of Board Policy 349, Investment Policy, the Monthly Report on Investments for November, December 2023, and January 2024 is forwarded to the Board of Directors for review.

The portfolio contained in the report is in compliance with Board Policy 349, and the District is able to meet its expenditure requirements for the next six months.

Return on the District’s investments has been in line with the federal funds rate, as the funds are invested mainly in Treasury bills and Money market funds. Due to the changing US economic outlook, the federal reserve might start cutting interest rates in the coming months, but it may depend on a variety of factors including economic data, inflation trends, employment figures, and global economic conditions. Staff continues to monitor updates from the Federal Reserve, economic reports, and analysis from financial experts in order to make good investment decisions.

ADVANTAGES/DISADVANTAGES:

This report does not recommend a course of action with notable advantages or disadvantages.

ALTERNATIVES ANALYSIS:

This report is required under state law.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy, 349, Investment Policy

ATTACHMENTS:

1. Monthly Report on Investments for November, 2023.

2. Monthly Report on Investments for December, 2023.
3. Monthly Report on Investments for January, 2024

Prepared by:

Sue Lee, Director of Revenue Management • Treasury Management

Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer