

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 4/9/2025

**Staff Report No.** 25-239

**TO:** AC Transit Board of Directors  
**FROM:** Kathleen Kelly, Interim General Manager/Chief Executive Officer  
**SUBJECT:** Monthly Report on Investments for December and January

### BRIEFING ITEM

**AGENDA PLANNING REQUEST:** ☐

**RECOMMENDED ACTION(S):**

Consider receiving the Monthly Report on Investments for December 2024 and January 2025.

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 December 31, 2024, the District had the following investments:

Principal Public Deposit Sweep Account (Collateralized 110%)	\$ 41.71 million
Money Market Accounts (7 small banks - FDIC Insured)	\$ 1.81 million
Treasury Bills and Notes	\$ 163.09 million
LAIF	\$ 0.04 million

As of January 31, 2025, the District had the following investments:

Principal Public Deposit Sweep Account (Collateralized 110%)	\$ 82.71 million
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Money Market Accounts (7 small banks - FDIC Insured)	\$ 1.81 million
Treasury Bills and Notes	\$ 144.78 million
LAIF	\$ 0.04 million

In compliance with Section 15.0 of Board Policy 349, Investment Policy, the Monthly Report on investments for December 2024 and January 2025 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. The Federal Reserve started cutting interest rates in September by 0.5 percentage points. In December 2024, the Federal Reserve cut interest rates by another 0.25 percentage points, but in January the Fed refrained from cutting interest rates further. In the coming months, it is anticipated that the Federal Reserve may slow the pace of interest rate cuts, but it will 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 Investment Report for December 2024
2. Monthly Investment Report for January 2025

**Prepared by:**

Sue Lee, Director of Revenue Management

**Approved/Reviewed by:**

Chris Andrichak, Chief Financial Officer