

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 11/12/2020

Staff Report No. 20-432

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Monthly Report on Investments

BRIEFING ITEM

RECOMMENDED ACTION(S):

Consider receiving the Monthly Report on Investments for September 2020.

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

The 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 September 2020, the District had the following investments:

Public Inst. Bank Deposit Account (Collateralized 110%)	\$49.38 Million
Money Market Accounts (7 small banks - FDIC Insured)	\$ 1.77 Million
Treasury Bills	\$ 19.98 Million

In compliance with Section 15.0 of Board Policy 349, Investments Policy, the Monthly Report on Investments for September 2020 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. Since March of 2020, as part of the federal government's

relief measures against the economic impact of the COVID-19, the federal reserve lowered the federal funds rate to near zero and has maintained it near zero. As a result, return on the District's investments in the near term is expected to remain low for the foreseeable future.

ADVANTAGES/DISADVANTAGES:

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

ALTERNATIVES ANALYSIS:

This report is being provided to inform the Board of activities of the Treasury Department.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Board Policy 349, Investment Policy

ATTACHMENTS:

1. Monthly Report on Investments for September, 2020

Prepared by:

Sue Lee, Director of Revenue Management

Approved/Reviewed by:

Claudia L. Allen, Chief Financial Officer

Sue Lee, Director of Revenue Management