Allegheny County Investment Board Meeting

September 27, 2024

MINUTES

The meeting of the Allegheny County Investment Board was held on September 27, 2024, in Conference Room 1, County Courthouse. The meeting was called to order at 1:04 p.m. Live Streamed at https://shorturl.at/3C2Kl

1. ROLL CALL

Board Members Present:	Amy Weise representing Corey O'Connor, Controller Erica Rocchi Brusselars, County Treasurer
Board Members Absent:	Sara Innamorato, County Executive
Executive Staff Present:	Timothy Cox, Director of Budget, Adam Lentz, Deputy Director Budget, Bill Urbanic, Senior Advisor Controller's Office, and Deb Lestitian, Deputy Treasurer.

2. PUBLIC COMMENT

No public comments

3. MOTION TO APPROVE MARCH 14, 2024 MEETING MINUTES

A motion was made by Board Representative Weise, duly seconded by Board Member Brusselars to approve the minutes of the March 14, 2024 board meeting. The motion passed unanimously.

4. Treasurer's Report

a. Market Conditions
   - After almost two years with a Fed Funds rate over 5%, it was moved down by 50 basis points(bps) at the September 18, 2024, meeting.
   - Advisors and markets look to be expecting
     - Another 50 bp drop by the end of the year
     - 100-150 bp drop during 2025
     - A trough with rates around 2.75% - 3.25% in late 2025/early 2026

b. Funds and investment return review
   - Prior to 2024, the Treasurer's Office largely held funds in bank Money Market Accounts as well as PA INVEST

- While the short-term Fed Funds Rate was over 5% since late 2022, the county did not get close to that level of return until this year
- The Treasurer's Office administration has been proactively working with our banks and our allocation strategy to increase the level of return
- The Treasurer's Office has partnered with three+one, a consultancy, who will be providing insights into our banking and liquidity needs
    - Even in the current decreasing interest rate environment there is still opportunity for strategic, longer-term investments that will mitigate the Feds Funds Interest Rate decline
- As the County spends down American Recovery Plan (ARP) funds, we see our total funds decline year-over-year.
- As property taxes are paid February – April we see the overall balance increase
    - This was somewhat muted in 2024 by the extension on taxes until May 31
- 2024 investment earnings were higher than 2023 despite lower account balances because of the strong increase in effective rates over 2023

c. Allocation by Bank

- Our allocation by bank has shifted in 2024 as we look to consolidate funds and safely increase return

d. Investment of 2024 bond issue proceeds

- 2024 Capital Bond issue for 2024 and 2025 projects
    - Net $160 M in proceeds
    - Received early September
- Treasurer's Office worked collaboratively with the Budget & Finance Department and the Controller's Office to understand usage and accounting
- Treasurer's Office engaged with Meeder Public Funds as the Investment Advisor
    - Fully invested funds in the first half of September to match project drawdown schedule

5. **GENERAL DISCUSSION**

6. **NEW BUSINESS**

7. **NEXT MEETING**

- Expected to be schedule in March 2025

8. **ADJOUNRMENT**

A motion was made Board Representative Weise, granted by Board Chair Brusselars to adjourn the meeting at 1:12 p.m.