


M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: February 24, 2023
From: Kevin C. Scott, Chief Financial Officer 
Subject: APPROVE Alameda Corridor Transportation Authority Investment Policy

Recommendation:

It is recommended that the Board approve the Alameda Corridor Transportation Authority Investment Policy for non-bond funds.

Discussion:


ACTA's Investment Policy ("Investment Policy") provides the basis for investment of all of ACTA's funds, including approximately \$14 million invested in the Local Agency Investment Fund (LAIF) and SR-47 funds.

A separate but parallel investment policy, included in the Master Trust Indenture under Permitted Investments, provides authority for investment of more than \$101 million in bond related funds. The Investment Policy requires that the Governing Board review the policy annually and approve or amend the policy as may be recommended by staff.

Shortly after the end of each month, staff provides the Governing Board a report showing ACTA's investments in bond related funds and non-bond funds as invested by ACTA's Investment Manager, Chandler Asset Management (CAM).

On April 12, 2018, the Board approved revisions to the Investment Policy pertaining to non-bond funds. Certain investment options (in particular, Bills of Exchange and Repurchase Agreements) were identified as no longer available or appropriate to ACTA and therefore were removed from Section VIII - Authorized Investments. In a number of other instances throughout Section VIII - Authorized Investments, percentage of portfolio restrictions were added or expanded to limit amounts which may be invested in certain investment instruments, generally to small percentages of the portfolio and smaller percentages in the securities of a single entity to avoid concentration. The changes reduced the potential for exposure to loss by limiting the amount of money which can be invested in any type of instrument or with a single issuer. The limitations reduced investment flexibility. Since that time, there have been no significant events, internally or externally, and no relevant changes in the State Code to warrant any revisions to the current version of the Investment Policy. The current Investment Policy has been reviewed by CAM who concurs with staff's recommendation that no revisions are necessary for the next fiscal year.

As part of the required annual review and approval process, staff recommends that the Board approve the Investment Policy attached as Transmittal 1. The Investment Policy is based on the California Government Code Sections set forth in the Investment Policy. The investment policy for bond related funds included in the Permitted Investments definition of the Master Trust Indenture is unchanged, as any change would require an Amendment of the Master Trust Indenture.



Budget Impact:

There is no budget impact to the approved FY2023 ACTA Program Budget.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed this board report and there are no legal issues at this time.

Transmittals:

Transmittal 1 – Alameda Corridor Transportation Authority Investment Policy