



Finance and Administration Committee Meeting Agenda Monday, February 11, 2019, 8:30 a.m.

| | | | |
|------------------|--|--------------------------|---------------------------------|
| Committee Chair: | Scott Haggerty, Alameda County, District 1 | Executive Director: | Arthur L. Dao |
| Vice Chair: | Luis Freitas, City of Newark | Staff Liaison: | Patricia Reavey |
| Members: | Wilma Chan, David Haubert, Teddy King, Jerry Thorne | Clerk of the Commission: | Vanessa Lee |
| Ex-Officio: | Richard Valle, Pauline Cutter | | |

1. Call to Order/Pledge of Allegiance

2. Roll Call

3. Public Comment

4. Consent Calendar

Page/Action

- | | | |
|---|---|---|
| 4.1. Approve the November 19, 2018 FAC Meeting Minutes | 1 | A |
| 4.2. Approve Commissioners travel to Sacramento, Washington DC, and the California Association of Councils of Governments Regional Leadership Forum | 7 | A |
| 4.3. FY2018-19 Second Quarter Report of Claims Acted Upon Under the Government Claims Act | 9 | I |

5. Regular Matters

- | | | |
|---|----|---|
| 5.1. Approve the FY2018-19 Second Quarter Investment Report | 11 | A |
| 5.2. Approve the FY2018-19 Second Quarter Financial Report | 31 | A |

6. Committee Member Reports

7. Staff Reports

8. Adjournment

Next Meeting: Monday, March 11, 2019

Notes:

- All items on the agenda are subject to action and/or change by the Commission.
- To comment on an item not on the agenda (3-minute limit), submit a speaker card to the clerk.
- Call 510.208.7450 (Voice) or 1.800.855.7100 (TTY) five days in advance to request a sign-language interpreter.
- If information is needed in another language, contact 510.208.7400. Hard copies available only by request.
- Call 510.208.7400 48 hours in advance to request accommodation or assistance at this meeting.
- Meeting agendas and staff reports are available on the [website calendar](#).
- Alameda CTC is located near 12th St. Oakland City Center BART station and AC Transit bus lines. [Directions and parking information](#) are available online.



Alameda CTC Schedule of Upcoming Meetings:

Commission Chair

Supervisor Richard Valle, District 2

Commission Vice Chair

Mayor Pauline Cutter,
City of San Leandro

AC Transit

Board President Elsa Ortiz

Alameda County

Supervisor Scott Haggerty, District 1
Supervisor Wilma Chan, District 3
Supervisor Nate Miley, District 4
Supervisor Keith Carson, District 5

BART

Vice President Rebecca Saltzman

City of Alameda

Mayor Marilyn Ezzy Ashcraft

City of Albany

Mayor Rochelle Nason

City of Berkeley

Mayor Jesse Arreguin

City of Dublin

Mayor David Haubert

City of Emeryville

Councilmember John Bauters

City of Fremont

Mayor Lily Mei

City of Hayward

Mayor Barbara Halliday

City of Livermore

Mayor John Marchand

City of Newark

Councilmember Luis Freitas

City of Oakland

Councilmember At-Large
Rebecca Kaplan
Councilmember Dan Kalb

City of Piedmont

Vice Mayor Teddy Gray King

City of Pleasanton

Mayor Jerry Thorne

City of Union City

Mayor Carol Dutra-Vernaci

Executive Director

Arthur L. Dao

| Description | Date | Time |
|--|-------------------|------------|
| Bicycle and Pedestrian Community Advisory Committee (BPAC) | February 21, 2019 | 5:30 p.m. |
| Paratransit Advisory and Planning Committee (PAPCO) | February 25, 2019 | 1:30 p.m. |
| Alameda CTC Commission Meeting | February 28, 2019 | 2:00 p.m. |
| Alameda County Technical Advisory Committee (ACTAC) | March 7, 2019 | 1:30 p.m. |
| Finance and Administration Committee (FAC) | March 11, 2019 | 8:30 a.m. |
| I-680 Sunol Smart Carpool Lane Joint Powers Authority (I-680 JPA) | | 9:30 a.m. |
| I-580 Express Lane Policy Committee (I-580 PC) | | 10:00 a.m. |
| Planning, Policy and Legislation Committee (PPLC) | | 10:30 a.m. |
| Programs and Projects Committee (PPC) | | 12:00 p.m. |
| Independent Watchdog Committee (IWC) | March 11, 2019 | 5:30 p.m. |
| Paratransit Technical Advisory Committee (ParaTAC) | March 12, 2019 | 9:30 a.m. |
| Joint Paratransit Advisory and Planning Committee (PAPCO) and Paratransit Technical Advisory Committee (ParaTAC) | May 20, 2019 | 1:30 p.m. |

All meetings are held at Alameda CTC offices located at 1111 Broadway, Suite 800, Oakland, CA 94607. Meeting materials, directions and parking information are all available on the [Alameda CTC website](http://www.AlamedaCTC.org).



Finance and Administration Committee Meeting Minutes Monday, November 19, 2018, 8:30 a.m.

4.1

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1. Pledge of Allegiance

2. Roll Call

A roll call was conducted. All members were present with the exception of Commissioner Chan, Commissioner Cutter, Commissioner Haubert and Commissioner Valle.

A quorum was not confirmed. Chair Haggerty moved agenda items 6 and 7 up on the agenda before item 4 to allow members additional time to arrive in order to achieve a quorum before moving on to action items on the agenda.

Subsequent to the roll call:

Commissioner Cutter and Commissioner Haubert arrived achieving a quorum.

3. Public Comment

There were no public comments.

4. Consent Calendar

4.1. Approve the October 8, 2018 FAC Meeting Minutes

4.2. FY2018-19 First Quarter Report of Claims Acted Upon Under the Government Claims Act

Commissioner Thorne moved to approve the Consent Calendar. Commissioner Haubert seconded the motion. The motion passed with the following votes:

| | |
|----------|--|
| Yes: | Cutter, Freitas, Haggerty, Haubert, King, Thorne |
| No: | None |
| Abstain: | None |
| Absent: | Chan, Valle |

5. Regular Matters

5.1. Approve the Alameda CTC Draft Audited Comprehensive Annual Financial Report for the Year-Ended June 30, 2018

Patricia Reavey recommended that the Commission approve the Alameda CTC Draft Audited Comprehensive Annual Financial Report (CAFR) for the Year Ended June 30, 2018. Ms. Reavey pointed out that the Alameda CTC is in a strong financial position as of June 30, 2018 and the agency is working leaner and is accomplishing more without an increase in the overall administrative expenses as shown in the increase of the fund balance in the General Fund. She noted that a healthy fund balance in the General Fund is important to ensure the agency's ability to cover debt service on the 2000 Measure B sales tax revenue bonds and is something that rating agencies will continue to look at when reviewing the agency's bond rating.

Ms. Reavey pointed out that sales tax revenue increased more than 8 percent over the past year and totaled almost \$308 million for both Measure B and Measure BB. She also stated that Alameda CTC Implemented Government Accounting Standards Board (GASB) statement number 75, which is related to other postemployment benefits and the requirement to report the related liabilities on the agency's balance sheet. For the Alameda CTC, the liability reported is less than \$185,000. Ms. Reavey introduced Ahmad Gharaibeh, Alameda CTC's independent auditor with Vavrinek, Trine, Day & Co., LLP to present the CAFR.

Ahmad Gharaibeh stated that as the auditor, VTD is required to issue an opinion on the financial statements, confirm that balances are correct in the financial statements, and consider and review changes happening within the agency. Mr. Gharaibeh reported that the auditors had no difficulties with the audit and found no deficiencies with the financial statements. He stated that the auditors issued a clean opinion on the financial statements, and he provided the following financial highlights: the net position increased \$88.2 million or 24.5 percent over the prior year-end primarily due to an increase in cash and investments related to sales tax collections and a reduction in long term liabilities as the second principal payment on the outstanding 2014 Sales Tax Revenue Bonds was made in March 2018. Total assets and deferred outflows of resources of Alameda CTC increased by \$96.5 million from \$578.4 million to \$675.0 million related an increased cash and investment balance due to sales tax revenue collections. Cash and investments comprised \$560.0 million or 83.0 percent of the total assets and deferred outflows of resources as of June 30, 2018. Revenues totaled \$365.9 million for the fiscal year. This was an increase of \$13.4 million or 3.8 percent over the prior fiscal year. Total liabilities and deferred inflows of resources increased by \$8.4 million or 3.8 percent from \$218.4 million to \$226.8 million. Expenses totaled \$277.7 million for the fiscal year. This was an increase of \$2.0 million or 0.7 percent over the prior fiscal year-end balance mostly due to disbursements for discretionary grants from the 2000 Measure B and 2014 Measure BB Special Revenue Funds for projects and programs in the related transportation expenditure plans.

Commissioner Haubert commented that the agency should continue to keep a low pension liability and headcount.

Commissioner Thorne moved to approve this item. Commissioner Haubert seconded the motion. The motion passed with the following votes:

| | |
|----------|--|
| Yes: | Cutter, Freitas, Haggerty, Haubert, King, Thorne |
| No: | None |
| Abstain: | None |
| Absent: | Chan, Valle |

5.2. Approve the Alameda CTC FY2018-19 First Quarter Investment Report

Lily Balinton recommended that the Commission approve the Alameda CTC FY2018-19 First Quarter Investment Report. She stated that Alameda CTC's investments are in compliance with the agency's investment policy, and the portfolios have met the benchmark goals. She noted that the agency has sufficient cash flow to meet

expenditure requirements over the next six months. Ms. Balinton stated that as of September 30, 2018, the total cash and investments held by Alameda CTC was \$567.5 million, an increase of \$5.7 million or 1.0 percent over June 30, 2018. This increase is due to Measure BB sales tax revenues and the collections of non-sales tax project reimbursements which continue to outpace expenditures as the activities on related capital projects wind down. She informed the committee that the 1986 Measure B investment balance increased \$0.4 million due to investment earnings for the quarter. The 2000 Measure B investment balance decreased \$2.6 million or 1.5 percent due to the payment of capital project expenditures for construction work completed in the prior fiscal year. The 2014 Measure BB investment balance increased \$4.2 million or 2.7 percent due to the accumulation of sales tax revenues as staff worked to finalize contracts and agreements. Activity is starting to ramp up and invoices are expected in the coming months. Ms. Balinton concluded her report by stating that the Non-Sales Tax funds investment balance increased \$3.6 million or 3.9 percent as a result of grant reimbursement collections which outpaced expenditures as non-sales tax capital projects continue to wind down.

Commissioner Cutter moved to approve this item. Commissioner Haubert seconded the motion. The motion passed with the following votes:

Yes: Cutter, Freitas, Haggerty, Haubert, King, Thorne
No: None
Abstain: None
Absent: Chan, Valle

5.3. Approve the FY2018-19 Approve the FY2018-19 First Quarter Consolidated Financial Report

Patricia Reavey recommended that the Commission approve the Alameda CTC FY2018-19 First Quarter Consolidated Financial Report. Ms. Reavey stated that Alameda CTC's expenditures through September 30, 2018 are within year-to-date budget authority per the currently adopted budget and the agency remains in a strong financial position compared to budget. She noted that this report summarizes actual revenues and expenditures through September 30, 2018 compared to the adopted budget. Ms. Reavey stated that Alameda CTC activity for the fiscal year results in a net increase in the fund balance in the amount of \$34.1 million mostly due to sales tax revenues received but not yet spent in Measure BB Capital Projects and Special Revenue Funds. Ms. Reavey provided the following highlights of revenues and expenditures: Sales tax revenues are over budget by \$5.6 million; salaries and benefits are slightly under budget by about \$10 thousand; costs for overall administration are under budget by \$5.3 million due to debt service costs which incurred costs for only one of the two semi-annual interest payments and no principal payment as of September 30, 2018. I-580 Express Lanes expenditures are under budget by \$1.6 million related to a toll system upgrade special project, which is accounted for in the budget, but not anticipated to begin until early 2019; Planning expenditures are under budget by about \$100 thousand; Program expenditures are under budget by \$3.4 million related to discretionary programmatic grants; capital projects

expenditures are under budget by \$52.4 million related to delays on certain capital projects and delays in finalizing funding agreements with sponsor agencies. Ms. Reavey concluded by stating that staff has completed the limitation calculation required for both 2000 Measure B and 2014 Measure BB related to salary and benefits and administration costs and Alameda CTC is in compliance with all limitation requirements.

Commission Haubert asked if a special reserve can be set up for when the agency doesn't reach its budget. Ms. Reavey responded that the agency has a fund balance reserve policy to set aside a reserve of two months' worth of expenditure for the general fund and one months' worth for all other funds. Commissioner Haubert asked if a two months reserve is enough and if the agency should increase the amount of the reserve.

Commissioner Haggerty suggested that in a good economy, the agency should work on more projects when the sales tax revenue is up.

Mr. Dao stated that when the agency has higher revenues than projected almost 60 percent goes to the cities and transit agencies by way of the Direct Local Distribution. He noted that when the economy is not doing well the cities and transit agencies likewise do as well.

Ms. Reavey stated that the fund balance reserve policy was formulated based on best practices and setting aside more funds now could just cause the agency to be required to issue expensive debt sooner if the funds are not readily available for project delivery.

Commissioner Cutter moved to approve this item. Commissioner Thorne seconded the motion. The motion passed with the following votes:

| | |
|----------|--|
| Yes: | Cutter, Freitas, Haggerty, Haubert, King, Thorne |
| No: | None |
| Abstain: | None |
| Absent: | Chan, Valle |

5.4. Approve Alameda CTC Staff and Retiree Benefits for Calendar Year 2019 and Salary Ranges for Fiscal Year 2019-20

Patricia Reavey recommended that the Commission approve Alameda CTC staff and retiree benefits for calendar year 2019 and salary ranges for FY2019-20. Ms. Reavey noted that the benefits generally remain unchanged from the prior year. The few minimal changes include: Alameda CTC is seeking approval for a monthly benefit allowance of \$2,443 for active employees, an increase of \$12 over 2018; Public Employees' Medical and Hospital Care Act required contribution of \$136, an increase of \$3 over 2018, Health Reimbursement Arrangement (HRA) monthly benefit of \$1,597 for retirees, an increase of \$3 over 2018. She noted that Alameda CTC has 37 approved full-time positions working within 32 classification, and the agency is not asking for any changes to this structure; however staff is proposing to update two

classification titles to better align these positions with the agency's work plan including: the Deputy Executive Director of Projects and Programming to Deputy Executive Director of Projects; and Director of Budgets and Administration to Director of Procurement and Information Technology. Ms. Reavey stated that a Compensation Study was completed by Koff & Associates to ensure that Alameda CTC continues to offer competitive salaries and benefits to retain and attract qualified employees. She noted that one exception is being proposed to Koff & Associates' recommended salary structure, which is an adjustment to the salary ranges for the engineering track of classifications, covering the Assistant, Associate, and Senior Transportation Engineering classifications. Alameda CTC does not have the tolerance to allow this track of classifications to fall below the targeted market level because they are crucial to delivering the agency's extensive capital program. Ms. Reavey informed the Commission that an increase to a salary range does not constitute an automatic increase in employee salaries, nor does the agency provide automatic pay increases or pay grade step increases. She concluded by stating that the HRA contribution amount recommended for 2019 is \$1,597 per retiree per month, and if a retiree's elected health coverage costs exceeds \$1,597, the retiree will be required to pay the additional amount from his or her own funds.

Commissioner Cutter asked how long before an employee is vested. Ms. Reavey stated an employee is vested in the pension plan after five years.

Commissioner Cutter then asked for further explanation on the retiree health coverage. Ms. Reavey responded that to be eligible for retiree health coverage, a retiree must have at least 10 years of CalPERS credited service and would be 50 percent vested for retiree health benefits with 10 years of CalPERS credited service.

Commissioner Freitas moved to approve this item. Commissioner King seconded the motion. The motion passed with the following votes:

| | |
|----------|--|
| Yes: | Cutter, Freitas, Haggerty, Haubert, King, Thorne |
| No: | None |
| Abstain: | None |
| Absent: | Chan, Valle |

5.5. Approve the FY2019-20 Professional Services Contracts Plan

Erika Cheng recommended that the Commission approve the Professional Services Contracts Plan. She stated that approval of this item would: (1) authorize the Executive Director to enter into negotiations and exercise the additional years through contract amendment for media and public relation services and project control and funding/financial management services; and (2) authorize the Executive Director to issue a Request for Qualifications and/or Request for Proposals, enter into negotiations, and execute a professional services contract with the top-ranked firms for media and public relations services and independent financial auditing services.

Commissioner Freitas moved to approve this item. Commissioner Haubert seconded the motion. The motion passed with the following votes:

Yes: Cutter, Freitas, Haggerty, Haubert, King, Thorne
No: None
Abstain: None
Absent: Chan, Valle

5.6. Approve and adopt an amendment to the Alameda CTC Health Reimbursement Arrangement Plan for retirees

Patricia Reavey recommended the Commission approve and adopt a clarifying amendment to the Alameda CTC HRA Plan for Retirees. Ms. Reavey noted that the Commission originally adopted the HRA Plan in January 2012 and adopted an amendment once, effective January 2015. She stated that since the adoption of the HRA Plan, the question as to what constitutes "CalPERS credited service" has been raised on multiple occasions. Ms. Reavey stated that to ease concerns of employees, and potential employees, staff has defined "CalPERS credited service" within the HRA plan document to reflect the intent when the document was originally written, to include all years of service CalPERS would take into account when determining eligibility for retirement pension benefits.

Commissioner Cutter asked what happens if an employee is hired by Alameda CTC five years before their retirement and they have 20 years of service. Mr. Dao stated that if Alameda CTC recruits employees who already have CalPERS credited service, their prior years of CalPERS credited service counts towards eligibility for HRA plan benefits as long as they have vested in the plan with the Alameda CTC.

Commissioner Cutter moved to approve this item. Commissioner Haubert seconded the motion. The motion passed with the following votes:

Yes: Cutter, Freitas, Haggerty, Haubert, King, Thorne
No: None
Abstain: None
Absent: Chan, Valle

6. Committee Member Reports

There were no committee reports.

7. Staff Reports

There were no staff reports.

8. Adjournment/ Next Meeting

The next meeting is:

Date/Time: Monday, January 14, 2019 at 8:30 a.m.

Location: Alameda CTC Offices, 1111 Broadway, Suite 800, Oakland, CA 94607



Memorandum

4.2

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: February 4, 2019

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: Approve Commissioners travel to Sacramento, Washington DC, and the California Association of Councils of Governments Regional Leadership Forum

Recommendation

It is recommended that the Finance and Administration Committee (FAC) approve Commissioners travel for legislative visits to Sacramento and Washington DC and for the California Association of Councils of Governments Regional Leadership Forum.

Summary

Per the Commissioner Travel and Expenditure Policy adopted in March 2016, all travel for Alameda CTC Commissioners must be preapproved by the FAC to be eligible for reimbursement under this Policy.

- Up to eight Commissioners, to be appointed by the Commission Chair, will join staff at a joint East Bay EDA/Alameda CTC legislative visit in Sacramento during March.
- Up to eight Commissioners, to be appointed by the Commission Chair, will join staff in attending a legislative visit to Washington DC during April/May.
- Commissioner Haggerty plans to attend this year's California Association of Councils of Governments Leadership and Policy Conference in Yosemite during March.

Approval of these items will authorize Commissioners to be reimbursed for all reasonable and necessary expenditures while traveling on authorized agency business.

Background

The East Bay EDA and Alameda CTC staff are planning a legislative visit to Sacramento with a goal of protecting transportation funding and to inform legislative representatives about

Alameda CTC and East Bay transportation projects and programs and pursue other legislative opportunities for the region. The trip will take place on March 20, 2019.

Alameda CTC staff and Commissioners travel to Washington D.C. almost every year and visit with federal and state legislators to inform the delegation about Alameda CTC projects and programs with the hopes of obtaining support and attracting federal transportation funding for Alameda County. The trip will begin on April 29, 2019 and resume on May 2, 2019.

The California Association of Councils of Governments is a 46-member agency nonprofit, social welfare organization formed to serve regional governments. Commissioner Haggerty serves as Alameda CTC's appointed representative on the Board of Directors. The Regional Leadership Forum combines a focus on current issues with deeper level discussions about the role of regional governance in California. Commissioner Scott Haggerty plans to attend the forum in Yosemite, California from March 14, 2019 to March 17, 2019.

Requests for reimbursement of expenditures incurred during these travel events must be submitted on the authorized Alameda CTC Expense Reimbursement Form within 30 calendar days after the conclusion of the trips along with required documentation per the adopted policy.

Fiscal Impact: The fiscal impact of these trips will include all reasonable and necessary expenditures incurred during travel which are included in the adopted FY2018-19 budget.



Memorandum

4.3

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• www.AlamedaCTC.org

| | |
|-----------------|--|
| DATE: | February 4, 2019 |
| TO: | Finance and Administration Committee |
| FROM | Patricia Reavey, Deputy Executive Director of Finance and Administration |
| SUBJECT: | FY2018-19 Second Quarter Report of Claims Acted Upon Under the Government Claims Act |

Recommendation

This item is to provide the Commission with an update on the FY2018-19 Second Quarter Report of Claims Acted upon under the Government Claims Act. This item is for information only.

Summary

There were no actions taken by staff under the Government Claims Act during the second quarter of FY2018-19.

Background

Tort claims against Alameda CTC and other California government entities are governed by the Government Claims Act (Act). The Act allows the Commission to delegate authority to an agency employee to review, reject, allow, settle, or compromise tort claims pursuant to a resolution adopted by the Commission. If the authority is delegated to an employee, that employee can only reject claims or allow, settle, or compromise claims \$50,000 or less. The decision to allow, settle, or compromise claims over \$50,000 must go before the Commission for review and approval.

California Government Code section 935.4 states:

“A charter provision, or a local public entity by ordinance or resolution, may authorize an employee of the local public entity to perform those functions of the governing body of the public entity under this part that are prescribed by the local public entity, but only a charter provision may authorize that employee to allow, compromise, or settle a claim against the local public

entity if the amount to be paid pursuant to the allowance, compromise or settlement exceeds fifty thousand dollars (\$50,000). A Charter provision, ordinance, or resolution may provide that, upon the written order of that employee, the auditor or other fiscal officer of the local public entity shall cause a warrant to be issued upon the treasury of the local public entity in the amount for which a claim has been allowed, compromised, or settled."

On June 30, 2016, the Commission adopted a resolution which authorized the Executive Director to reject claims or allow, settle, or compromise claims up to and including \$50,000.

There have only been a handful of small claims filed against Alameda CTC and its predecessors over the years, and many of these claims were erroneously filed, and should have been filed with other agencies (such as Alameda County, AC Transit, and Caltrans). As staff moves forward with the implementation of Measure BB, Alameda CTC may experience an increase in claims against the agency as Alameda CTC puts more projects on the streets and highways of Alameda County and as Alameda CTC's name is recognized as a funding agency on these projects. Staff works directly with the agency's insurance provider, the Special District Risk Management Authority (SDRMA), when claims are received so that responsibility may be determined promptly and they might be resolved expediently or referred to the appropriate agency. This saves Alameda CTC money because when working with the SDRMA directly, much of the legal costs to address these claims are covered by insurance.

Fiscal Impact: There is no fiscal impact associated with the requested action.

Attachment:

- A. Report on Claims Acted Upon by Staff under the Government Claims Act October 1, 2018 – December 31, 2018



Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

DATE: February 4, 2019

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Lily Balinton, Director of Finance

SUBJECT: Alameda CTC FY2018-19 Second Quarter Investment Report

Recommendation

It is recommended that the Commission approve the Alameda CTC FY2018-19 Second Quarter Investment Report.

Summary

Alameda CTC's investments are in compliance with the Agency's investment policy, and the Agency has sufficient cash flow to meet expenditure requirements over the next six months.

At the beginning of this fiscal year through a competitive RFP process, Alameda CTC hired Public Trust Advisors (PTA) as investment advisors for the agency. Staff has worked with PTA to develop a new investment strategy for the portfolio based on updated cash flow needs. PTA is in the process of transitioning to this new investment strategy which is designed to improve the safety, liquidity and yield of the investment portfolio by matching investments and maturities with the needs in the cash flows. The new benchmarks have been established as a goal for the investment advisors to strive for and to align with the desired performance of the portfolios once the investment strategy is fully implemented. However, until the strategy is fully phased in, the benchmarks will not align well with the portfolio as it exists today.

The Consolidated Investment Report as of December 31, 2018 (Attachment A) provides balance and average return on investment information for all cash and investments held by Alameda CTC at the end of the second quarter. The report also shows balances as of June 30, 2018 for comparison purposes. The *Portfolio Review for Quarter Ending December 31, 2018* (Attachment B), prepared by PTA, provides a review and outlook of

market conditions and information regarding investment strategy, portfolio allocation, compliance, and returns by portfolio compared to the benchmarks.

Background

The following are key highlights of cash and investment information as of December 31, 2018:

- As of December 31, 2018, total cash and investments held by Alameda CTC was \$594.8 million, an increase of \$33.0 million or 5.9 percent over June 30, 2018 primarily due to the receipt of Measure BB sales tax revenues and the accumulation of bond funds needed to make the required principal debt service payment of the 2014 Sales Tax Revenue Bonds on March 31, 2019.
- Quarter-end balances compared to prior year-end balances:
 - The 1986 Measure B investment balance increased by \$1.2 million or 0.9 percent due to investment earnings for the quarter.
 - The 2000 Measure B investment balance increased \$6.5 million or 3.7 percent mainly due to the accumulation of bond funds needed to make the required annual principal debt service payment on March 31, 2019.
 - The 2014 Measure BB investment balance increased \$16.3 million or 10.3 percent due to the accumulation of sales tax revenues for funding the various projects and programs in the 2018 Comprehensive Investment Plan. Activity for the many contracts and agreements that were finalized late last fiscal year for construction and discretionary projects is ramping up, and while expenditures for the earlier phases of projects have been paid, the more significant expenditures for construction work are expected to be paid later in the fiscal year.
 - The Non-Sales Tax investment balance increased \$9.0 million or 9.6 percent as a result of grant reimbursement collections which outpaced expenditures as non-sales tax capital projects continue to wind down, in addition to the accumulation of toll revenues on the I-580 Express Lanes as the Agency accumulates funds for the operational risk reserve as defined in the I-580 Express Lanes 20-Year Expenditure Plan.

Investment yields have increased at the end of the second quarter with the approximate average return on investments through December 31, 2018 at 1.85 percent compared to the prior year's average return of 1.20 percent. Return on investments were projected for the FY2018-19 budget year at approximately 1.75 percent.

Fiscal Impact: There is no fiscal impact associated with the requested action.

Attachments:

- A. Consolidated Investment Report as of December 31, 2018
- B. Portfolio Review for Quarter Ending December 31, 2018 (provided by Public Trust Advisors)
- C. Holdings by Security Type as of December 31, 2018

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| Alameda CTC Consolidated Investment Report As of December 31, 2018 | | | | | | | |
|--|--------------------|-------------------------|-------------|--------------|--------------|--------------------|-----------------|
| 1986 Measure B | Un-Audited | Interest Earned | | | | FY 2017-2018 | |
| | Investment Balance | As of December 31, 2018 | | | | Investment Balance | Interest earned |
| | | Interest earned | Approx. ROI | Budget | Difference | June 30, 2018 | FY 2017-2018 |
| Bank Accounts | \$ 823,178 | \$ 721 | 0.18% | | | \$ 983,237 | 1,551 |
| State Treasurer Pool (LAIF) ⁽¹⁾ | 8,066,663 | 89,202 | 2.21% | | | 7,982,873 | 123,176 |
| Investment Advisor ^{(1) (2)} | 127,878,379 | 1,174,169 | 1.84% | | | 126,556,768 | 1,504,594 |
| 1986 Measure B Total | \$ 136,768,220 | \$ 1,264,092 | 1.85% | \$ 1,000,000 | \$ 264,092 | \$ 135,522,878 | \$ 1,629,321 |
| Approx. ROI | | | | | | | 1.20% |
| 2000 Measure B | Un-Audited | Interest Earned | | | | FY 2017-2018 | |
| | Investment Balance | As of December 31, 2018 | | | | Investment Balance | Interest earned |
| | | Interest earned | Approx. ROI | Budget | Difference | June 30, 2018 | FY 2017-2018 |
| Bank Accounts | \$ 11,835,934 | \$ 11,543 | 0.20% | | | \$ 5,894,103 | \$ 17,434 |
| State Treasurer Pool (LAIF) ⁽¹⁾ | 15,547,449 | 227,763 | 2.93% | | | 27,629,904 | 320,325 |
| Investment Advisor ^{(1) (2)} | 133,281,924 | 1,202,271 | 1.80% | | | 131,874,047 | 1,611,627 |
| 2014 Series A Bond Project Fund | - | - | 0.00% | | | - | 8,825 |
| 2014 Series A Bond Revenue Fund ⁽¹⁾ | 818 | 8 | 2.04% | | | 810 | 4 |
| 2014 Series A Bond Interest Fund ^{(1) (2)} | 1,733,108 | 13,782 | 2.10% | | | 1,712,542 | 21,223 |
| 2014 Series A Bond Principal Fund ^{(1) (2)} | 18,738,180 | 140,647 | 2.23% | | | 7,507,309 | 129,605 |
| Project Deferred Revenue ^{(1) (3)} | 745,759 | 8,740 | 2.34% | | | 801,253 | 44,711 |
| 2000 Measure B Total | \$ 181,883,172 | \$ 1,604,754 | 1.76% | \$ 1,500,000 | \$ 104,754 | \$ 175,419,968 | \$ 2,153,754 |
| Approx. ROI | | | | | | | 1.23% |
| 2014 Measure BB | Un-Audited | Interest Earned | | | | FY 2017-2018 | |
| | Investment Balance | As of December 31, 2018 | | | | Investment Balance | Interest earned |
| | | Interest earned | Approx. ROI | Budget | Difference | June 30, 2018 | FY 2017-2018 |
| Bank Accounts | \$ 17,077,554 | \$ 10,536 | 0.12% | | | \$ 1,441,895 | \$ 18,195 |
| State Treasurer Pool (LAIF) ⁽¹⁾ | 46,933,552 | 504,899 | 2.15% | | | 43,633,786 | 675,445 |
| Investment Advisor ^{(1) (2)} | 101,881,223 | 1,023,203 | 2.01% | | | 100,705,850 | 1,050,951 |
| Project Deferred Revenue ^{(1) (3)} | 8,212,851 | 106,038 | 2.58% | | | 12,000,000 | 56,343 |
| 2014 Measure BB Total | \$ 174,105,180 | \$ 1,644,676 | 1.89% | \$ 850,000 | \$ 794,676 | \$ 157,781,531 | \$ 1,800,934 |
| Approx. ROI | | | | | | | 1.14% |
| Non-Sales Tax | Un-Audited | Interest Earned | | | | FY 2017-2018 | |
| | Investment Balance | As of December 31, 2018 | | | | Investment Balance | Interest earned |
| | | Interest earned | Approx. ROI | Budget | Difference | June 30, 2018 | FY 2017-2018 |
| Bank Accounts | \$ 13,447,864 | \$ 12,663 | 0.19% | | | \$ 5,423,196 | \$ 30,015 |
| State Treasurer Pool (LAIF) ⁽¹⁾ | 29,138,646 | 330,684 | 2.27% | | | 29,313,198 | 410,241 |
| California Asset Management Program (CAMP) | 50,178,897 | 563,902 | 2.25% | | | 49,614,995 | 600,311 |
| Project Deferred Revenue ^{(1) (4)} | 9,295,735 | 94,346 | 2.03% | | | 8,756,339 | 112,205 |
| Non-Sales Tax Total | \$ 102,061,142 | \$ 1,001,595 | 1.96% | \$ 592,500 | \$ 409,095 | \$ 93,107,728 | \$ 1,152,772 |
| Approx. ROI | | | | | | | 1.24% |
| Alameda CTC TOTAL | \$ 594,817,714 | \$ 5,515,117 | 1.85% | \$ 3,942,500 | \$ 1,572,617 | \$ 561,832,105 | \$ 6,736,781 |

Notes:

- (1) All investments are marked to market on the financial statements at the end of the fiscal year per GASB 31 requirements.
(2) See attachments for detail of investment holdings managed by Investment Advisor.
(3) Project funds in deferred revenue are invested in LAIF with interest accruing back to the respective project.
(4) Project funds in deferred revenue are invested in LAIF with the majority of interest accruing back to the respective projects.

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**Alameda County Transportation Commission
Portfolio Review for the Quarter Ending December 31, 2018**

Fixed Income Market Review and Outlook

The U.S. economy slowed slightly more than anticipated in the third quarter of 2018. Gross Domestic Product (GDP) expanded at a downwardly revised 3.4% annualized rate in the third quarter according to the Commerce Department's third reading of quarterly growth. While softer than the 4.2% reading in the second quarter, growth remains well above the Federal Reserve's projection of the economy's long-term potential growth rate, which is estimated by economists to be about 2%. Economic momentum appears to have slowed further in the fourth quarter and storm clouds have emerged on the horizon which have dampened market expectations for 2019. In particular, higher interest rates via tighter Fed policy, heightened geopolitical and trade tensions, slowing global growth, and fading fiscal stimulus from the 2017 Tax Cuts and Jobs Act have weighed on forward looking growth expectations.

Although the U.S. economy may be cooling, it is far from collapsing. Despite the sharp decline in the stock market, a government shutdown and unprecedented open criticism of the Fed from President Trump, current U.S. economic fundamentals remain supportive of growth. Notably, consumer spending appears to have been quite strong over the holiday season, job creation remains solid averaging a healthy 216K per month over the year, the unemployment rate remains historically low at 3.9%, wages are on the rise, and measures of core inflation remain at or near the Fed's 2.0% target. Against this backdrop, the Fed's decision to raise the Federal Funds rate by 25 basis points (0.25%) to a range of between 2.25% and 2.50% at its December 19th Federal Open Market Committee meeting was widely anticipated by market participants.

While the December rate increase was largely expected, the Fed's comment that "some further gradual increases are warranted" sparked a tidal wave of volatility in the financial markets. The Fed's seemingly hawkish tilt raised concerns that it is ignoring market signals indicating the U.S. economy is cooling to a point where additional rate hikes may jeopardize the second longest economic expansion in U.S. history. As a result, equity markets declined sharply over the quarter with the S&P 500 Index falling nearly 14% and interest rates moved considerably lower on flight-to-quality demand that pushed two and ten-year Treasury yields 50 basis points (0.50%) below their recent highs from early November.

The Fed's uneven track record of forecasting economic growth coupled with the lag in which monetary policy affects the economy and the uncertain consequences of the Fed's balance sheet normalization efforts have raised market concerns that a policy error may occur. If the Fed were to acknowledge the negative market sentiment at year end and convey a bit more policy flexibility in 2019, it may find the road a bit less bumpy as we commence the New Year.

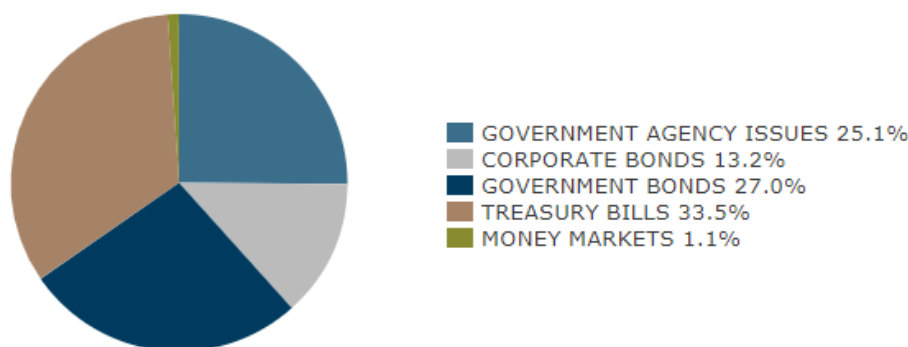
Investment Strategy Update

Alameda CTC is working with Public Trust Advisors (PTA) to develop and implement a long-term investment strategy tailored to the specific cashflow and liquidity needs of the 1986 Measure B portfolio, the 2000 Measure B portfolio, and the 2014 Measure BB portfolio (collectively, the Portfolio). This

approach separately considers each fund’s unique cashflow requirements and separates the portfolio into that portion requiring cashflow matching for anticipated capital projects and that portion that is available for longer term investment. This customized approach is expected to improve the safety, liquidity, and yield of the Portfolio due to the improved asset-liability matching and longer maturity profile. Based upon a review of current portfolio holdings and the trades that would be required to rebalance the Portfolios to their customized long-term strategy, it has been determined to be in Alameda CTC’s best interest to phase in the implementation of the long-term investment strategies over the course of calendar year 2019 rather than immediately.

Portfolio Allocation

Provided below is a summary of the Alameda CTC consolidated portfolio as of the quarter ending December 31, 2018.



Compliance with Investment Policy Statement

As of the quarter ending December 31, 2018, the Alameda CTC portfolios were in compliance with the adopted investment policy statement.

Budget Impact

The Portfolios’ performance is reported on a total return basis. This method includes the coupon interest, amortization of discounts and premiums, capital gains and losses and price changes (i.e., unrealized gains and losses) but does not include the deduction of management fees. Portfolio performance for the quarter ending December 31, 2018 is summarized in the table below. Given the decision to phase in the implementation of the longer-term strategy over the course of calendar year 2019, the reporting of benchmark performance and yield to maturity on the non-bond funds will not align well with the portfolio as it exists today. However, the benchmark established to compare performance will align better with the target investment strategy when it is fully implemented and will provide more appropriate and meaningful performance comparisons at that time.

Portfolio & Benchmark Total Return ¹

| 1986 Measure B Portfolio | 2000 Measure B Portfolio | 2014 Measure BB Portfolio |
|--------------------------|--------------------------|---------------------------|
| Portfolio Return: 0.76% | Portfolio Return: 0.66% | Portfolio Return: 0.69% |
| Benchmark Return: 1.08% | Benchmark Return: 0.78% | Benchmark Return: 0.61% |

¹ Note: Past performance is not an indication of future results. Performance is presented prior to the deduction of investment management fees.

1986 Measure B benchmark is the BofAML 0-3 Year US Treasury Index.

2000 Measure B benchmark is the BofAML 1-Year US Treasury Index.

2014 Measure BB benchmark is the ML 6mo. Treasury Index.

As noted above, because of the transition to a new investment strategy the current Portfolios are not yet aligned well with the existing benchmarks. As a result, Portfolio performance is expected to exhibit greater variances from the benchmarks, depending upon market conditions, until such time as the investment strategy is fully implemented. Over the quarter, longer-term interest rates declined materially, and longer-term portfolios generated higher total returns. The Portfolios currently hold shorter-term securities than the existing benchmarks to provide the liquidity needed to facilitate the transition to the new investment strategy.

The Portfolio's yield to maturity, representing the return the Portfolio will earn in the future if all securities are held to maturity, is also reported. This calculation is based on the current market value of the Portfolio including unrealized gains and losses. Portfolio yield to maturity for the quarter ending December 31, 2018 is summarized below:

Portfolio & Benchmark Yield to Maturity

| 1986 Measure B Portfolio | 2000 Measure B Portfolio | 2014 Measure BB Portfolio |
|--------------------------|--------------------------|---------------------------|
| Portfolio YTM: 2.33% | Portfolio YTM: 2.18% | Portfolio YTM: 2.31% |
| Benchmark YTM: 2.53% | Benchmark YTM: 2.62% | Benchmark YTM: 2.47% |

As part of the transition of the Portfolio to a new investment strategy, a greater allocation of shorter-term securities is necessary in to provide the required liquidity. This has the effect of temporarily weighing down the weighted average Portfolio yield.

Bond Portfolios

The Bond portfolios, including the Interest and Principal Funds, remain invested in permitted high grade fixed income securities with maturity dates matched to appropriate debt service payment dates. As of December 31, 2018, weighted average maturity for both the Interest Fund and Principal Fund was 0.14 years.

One way to measure the anticipated return of the Bond portfolios is their *yield to maturity*. This is the return the portfolio will earn in the future if all securities are held to maturity. This calculation is based on the current market value of the portfolio. The yield to maturity for the Bond portfolios and comparable maturity U.S. Treasury securities as of the quarter ending December 31, 2018 are summarized below:

Portfolio & Comparable Maturity U.S. Treasury Security Yield to Maturity

Interest Fund Portfolio

Portfolio YTM: 2.29%

Comparable TSY YTM: 2.29%

Principal Fund Portfolio

Portfolio YTM: 2.34%

Comparable TSY YTM: 2.29%

For the quarter ending December 31, 2018, the Alameda CTC Series 2014 Bonds Interest Fund and Principal Fund portfolios were invested in compliance with Section 5.11 of the Bond Indenture dated February 1, 2014.

Holdings By Security Type as of December 31, 2018
Alameda County Transportation Commission
1986 Measure B Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|---------------------------------|-----------|----------|-------------------|---------|----------------------|----------------------|----------------------|--------------|---------------|-----|---------|
| U.S. Treasury | | | | | | | | | | | |
| United States Treas Bills | 912796UH0 | 01/08/19 | 36,165,000 | 99.963 | 36,151,438.13 | 36,094,602.92 | 36,149,038.20 | 2.27% | 28.34% | AA+ | P1 |
| United States Treas Nts | 912828B33 | 01/31/19 | 1,590,000 | 99.934 | 1,588,944.24 | 1,596,024.61 | 1,590,268.08 | 1.29% | 1.25% | AA+ | Aaa |
| United States Treas Nts | 912828C24 | 02/28/19 | 1,950,000 | 99.857 | 1,947,209.55 | 1,962,796.88 | 1,951,000.66 | 1.18% | 1.53% | AA+ | Aaa |
| United States Treas Nts | 912828SH4 | 02/28/19 | 1,500,000 | 99.837 | 1,497,561.00 | 1,501,933.59 | 1,500,159.80 | 1.31% | 1.17% | AA+ | Aaa |
| United States Treas Nts | 912828SN1 | 03/31/19 | 5,000,000 | 99.774 | 4,988,710.00 | 5,014,453.15 | 5,001,715.91 | 1.36% | 3.91% | AA+ | Aaa |
| United States Treas Nts | 912828D23 | 04/30/19 | 4,000,000 | 99.719 | 3,988,752.00 | 3,974,843.76 | 3,991,668.20 | 2.27% | 3.13% | AA+ | Aaa |
| United States Treas Nts | 912828ST8 | 04/30/19 | 3,500,000 | 99.590 | 3,485,643.00 | 3,496,308.59 | 3,499,378.22 | 1.30% | 2.73% | AA+ | Aaa |
| United States Treas Nts | 912828XV7 | 06/30/19 | 4,000,000 | 99.375 | 3,975,000.00 | 3,992,656.24 | 3,998,046.63 | 1.35% | 3.12% | AA+ | Aaa |
| United States Treas Nts | 912828LJ7 | 08/15/19 | 3,000,000 | 100.633 | 3,018,984.00 | 3,138,398.43 | 3,042,996.13 | 1.29% | 2.37% | AA+ | Aaa |
| United States Treas Nts | 912828ND8 | 05/15/20 | 5,000,000 | 101.246 | 5,062,305.00 | 5,089,257.80 | 5,065,285.13 | 2.52% | 3.97% | AA+ | Aaa |
| United States Treas Nts | 912828NT3 | 08/15/20 | 1,500,000 | 100.141 | 1,502,109.00 | 1,539,667.97 | 1,522,960.62 | 1.66% | 1.18% | AA+ | Aaa |
| United States Treas Nts | 912828VZ0 | 09/30/20 | 1,000,000 | 99.113 | 991,133.00 | 990,820.31 | 993,779.73 | 2.37% | 0.78% | AA+ | Aaa |
| United States Treas Nts | 912828A42 | 11/30/20 | 5,000,000 | 99.074 | 4,953,710.00 | 4,926,757.80 | 4,943,977.48 | 2.60% | 3.88% | AA+ | Aaa |
| United States Treas Nts | 9128284P2 | 05/15/21 | 4,000,000 | 100.320 | 4,012,812.00 | 3,997,031.24 | 3,997,616.67 | 2.65% | 3.15% | AA+ | Aaa |
| Totals: | | | 77,205,000 | | 77,164,310.92 | 77,315,553.29 | 77,247,891.44 | 2.06% | 60.50% | | |
| Government Agency Issues | | | | | | | | | | | |
| Federal Home Loan Mtg Corp | 3137EADZ9 | 04/15/19 | 4,000,000 | 99.627 | 3,985,088.00 | 3,957,480.00 | 3,987,160.72 | 2.26% | 3.12% | AA+ | Aaa |
| Federal Home Loan Banks | 3130ABF92 | 05/28/19 | 4,000,000 | 99.512 | 3,980,496.00 | 3,998,360.00 | 3,999,671.40 | 1.40% | 3.12% | AA+ | Aaa |
| Federal Home Loan Mtg Corp | 3137EAEB1 | 07/19/19 | 2,000,000 | 99.046 | 1,980,922.00 | 1,978,200.00 | 1,994,215.09 | 1.41% | 1.55% | AA+ | Aaa |
| Federal Home Loan Banks | 3130A9EP2 | 09/26/19 | 4,000,000 | 98.791 | 3,951,632.00 | 3,965,240.00 | 3,987,799.50 | 1.42% | 3.10% | AA+ | Aaa |
| Federal Home Loan Banks | 3130AE6V7 | 05/07/20 | 5,200,000 | 99.965 | 5,198,154.00 | 5,196,152.00 | 5,197,201.63 | 2.57% | 4.08% | AA+ | Aaa |
| Federal Home Loan Banks | 3130AECJ7 | 05/28/20 | 5,000,000 | 100.144 | 5,007,215.00 | 5,005,300.00 | 5,003,732.77 | 2.57% | 3.93% | AA+ | Aaa |
| Federal Home Loan Banks | 3130ACE26 | 09/28/20 | 1,400,000 | 97.978 | 1,371,692.00 | 1,364,860.00 | 1,375,508.23 | 2.41% | 1.08% | AA+ | Aaa |
| Federal Home Loan Mtg Corp | 3137EAEJ4 | 09/29/20 | 2,000,000 | 98.435 | 1,968,690.00 | 1,993,156.00 | 1,995,913.45 | 1.74% | 1.54% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0H55 | 12/28/20 | 1,000,000 | 98.720 | 987,198.00 | 995,700.00 | 997,139.06 | 2.02% | 0.77% | AA+ | Aaa |
| Totals: | | | 28,600,000 | | 28,431,087.00 | 28,454,448.00 | 28,538,341.85 | 2.04% | 22.29% | | |

Holdings By Security Type as of December 31, 2018
Alameda County Transportation Commission
1986 Measure B Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|-----------------------|---------|-----------------------|-----------------------|-----------------------|--------------|---------------|-----|---------|
| Corporate Bonds | | | | | | | | | | | |
| Johnson & Johnson | 478160BR4 | 03/01/19 | 1,000,000 | 99.737 | 997,367.00 | 996,390.00 | 999,712.89 | 1.30% | 0.78% | AAA | Aaa |
| Bank New York MTN BE | 06406HCR8 | 03/04/19 | 1,000,000 | 99.883 | 998,828.00 | 1,008,470.00 | 1,000,729.05 | 1.77% | 0.78% | A | A1 |
| Berkshire Hathaway Fin Corp | 084664CG4 | 03/15/19 | 2,000,000 | 99.779 | 1,995,584.00 | 2,005,840.00 | 2,000,682.45 | 1.53% | 1.56% | AA | Aa2 |
| Intl Business Machines | 459200JE2 | 05/17/19 | 2,000,000 | 99.577 | 1,991,542.00 | 2,009,800.00 | 2,002,091.39 | 1.52% | 1.56% | A | A1 |
| Coca-Cola Co | 191216BV1 | 05/30/19 | 2,000,000 | 99.450 | 1,989,004.00 | 1,997,040.00 | 1,999,419.43 | 1.44% | 1.56% | A+ | A1 |
| Bank New York MTN BE | 06406HCW7 | 09/11/19 | 1,000,000 | 99.480 | 994,802.00 | 1,012,340.00 | 1,004,150.81 | 1.69% | 0.78% | A | A1 |
| Cisco Systems Inc | 17275RBG6 | 09/20/19 | 1,000,000 | 99.103 | 991,029.00 | 995,950.00 | 998,606.68 | 1.60% | 0.78% | AA- | A1 |
| US Bank Assn Cincinnati OH MTN | 90331HML4 | 10/28/19 | 2,000,000 | 99.294 | 1,985,870.00 | 2,016,400.00 | 2,006,200.43 | 1.74% | 1.56% | AA- | A1 |
| Apple Inc | 037833CK4 | 02/07/20 | 2,000,000 | 99.132 | 1,982,634.00 | 1,993,200.00 | 1,996,453.69 | 2.06% | 1.55% | AA+ | Aa1 |
| State Street Corp | 857477AS2 | 08/18/20 | 2,000,000 | 99.160 | 1,983,208.00 | 2,003,300.00 | 2,001,801.19 | 2.49% | 1.55% | A | A1 |
| Home Depot Inc | 437076AT9 | 09/15/20 | 2,000,000 | 101.632 | 2,032,636.00 | 2,056,240.00 | 2,039,000.57 | 2.77% | 1.59% | A | A2 |
| PepsiCo Inc | 713448DC9 | 10/14/20 | 2,000,000 | 98.754 | 1,975,074.00 | 1,997,540.00 | 1,998,423.76 | 2.19% | 1.55% | A+ | A1 |
| Berkshire Hathaway Fin Corp | 084664BZ3 | 10/15/20 | 1,000,000 | 100.343 | 1,003,434.00 | 1,006,310.00 | 1,004,313.43 | 2.65% | 0.79% | AA | Aa2 |
| Microsoft Corp | 594918BG8 | 11/03/20 | 1,000,000 | 98.886 | 988,864.00 | 996,730.00 | 997,882.48 | 2.12% | 0.78% | AAA | Aaa |
| Totals: | | | 22,000,000 | | 21,909,876.00 | 22,095,550.00 | 22,049,468.24 | 1.94% | 17.18% | | |
| Cash & Equivalents | | | | | | | | | | | |
| Morgan Stanley Inst Liquidity Govt | 61747C70S | | 42,678 | 1.000 | 42,677.57 | 42,677.57 | 42,677.57 | 1.77% | 0.03% | | |
| Cash | Cash | | - | 1.000 | - | - | - | 0.00% | 0.00% | | |
| | | | 42,678 | | 42,677.57 | 42,677.57 | 42,677.57 | 1.77% | 0.03% | | |
| Total Portfolio | | | 127,847,677.57 | | 127,547,951.49 | 127,908,228.86 | 127,878,379.10 | 2.04% | 100% | | |

Holdings By Security Type as of December 31, 2018
Alameda County Transportation Commission
2000 Measure B Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|-------------------|---------|----------------------|----------------------|----------------------|--------------|---------------|-----|---------|
| U.S. Treasury | | | | | | | | | | | |
| United States Treas Bills | 912796UH0 | 01/08/19 | 56,580,000 | 99.963 | 56,558,782.50 | 56,470,378.03 | 56,555,019.95 | 2.27% | 42.53% | AA+ | P1 |
| United States Treas Nts | 912828N63 | 01/15/19 | 3,000,000 | 99.959 | 2,998,764.00 | 2,994,257.82 | 2,999,844.64 | 1.26% | 2.25% | AA+ | Aaa |
| United States Treas Nts | 912828C65 | 03/31/19 | 2,000,000 | 99.804 | 1,996,082.00 | 2,007,109.38 | 2,001,162.57 | 1.39% | 1.50% | AA+ | Aaa |
| United States Treas Nts | 912828KQ2 | 05/15/19 | 1,000,000 | 100.223 | 1,002,227.00 | 1,027,734.38 | 1,006,311.51 | 1.40% | 0.75% | AA+ | Aaa |
| United States Treas Nts | 912828WS5 | 06/30/19 | 3,000,000 | 99.547 | 2,986,407.00 | 2,983,007.82 | 2,994,028.65 | 2.03% | 2.25% | AA+ | Aaa |
| United States Treas Nts | 912828LJ7 | 08/15/19 | 2,000,000 | 100.633 | 2,012,656.00 | 2,075,546.88 | 2,025,832.29 | 1.52% | 1.51% | AA+ | Aaa |
| United States Treas Nts | 912828U73 | 12/15/19 | 3,500,000 | 98.809 | 3,458,301.00 | 3,469,511.71 | 3,485,484.53 | 1.82% | 2.60% | AA+ | Aaa |
| United States Treas Nts | 912828G95 | 12/31/19 | 3,500,000 | 99.004 | 3,465,136.50 | 3,485,781.25 | 3,493,069.09 | 1.83% | 2.61% | AA+ | Aaa |
| United States Treas Nts | 912828S7 | 01/31/20 | 3,500,000 | 99.348 | 3,477,169.50 | 3,490,566.42 | 3,494,859.53 | 2.14% | 2.61% | AA+ | Aaa |
| United States Treas Nts | 912828UV0 | 03/31/20 | 2,000,000 | 98.262 | 1,965,234.00 | 1,952,343.76 | 1,971,490.76 | 2.29% | 1.48% | AA+ | Aaa |
| United States Treas Nts | 912828ND8 | 05/15/20 | 2,288,000 | 101.246 | 2,316,510.77 | 2,328,844.37 | 2,317,874.48 | 2.52% | 1.74% | AA+ | Aaa |
| United States Treas Nts | 9128284Q0 | 05/31/20 | 3,500,000 | 99.910 | 3,496,857.00 | 3,499,316.42 | 3,499,518.44 | 2.51% | 2.63% | AA+ | Aaa |
| Totals: | | | 85,868,000 | | 85,734,127.27 | 85,784,398.24 | 85,844,496.45 | 2.16% | 64.46% | | |
| Government Agency Issues | | | | | | | | | | | |
| Federal Home Loan Bank Cons Disc N | 313384AJ8 | 01/09/19 | 3,100,000 | 99.954 | 3,098,564.70 | 3,094,606.00 | 3,098,400.80 | 2.32% | 2.33% | | |
| Federal Natl Mtg Assn | 3135G0H63 | 01/28/19 | 3,000,000 | 99.921 | 2,997,642.00 | 3,006,858.00 | 3,000,288.78 | 1.24% | 2.25% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0ZA4 | 02/19/19 | 2,250,000 | 99.922 | 2,248,249.50 | 2,280,559.50 | 2,252,043.72 | 1.20% | 1.69% | AA+ | Aaa |
| Federal Home Loan Banks | 313378QK0 | 03/08/19 | 3,000,000 | 99.896 | 2,996,865.00 | 3,026,550.00 | 3,003,080.49 | 1.31% | 2.25% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0ZG1 | 09/12/19 | 3,000,000 | 99.389 | 2,981,655.00 | 3,009,648.00 | 3,003,559.55 | 1.58% | 2.24% | AA+ | Aaa |
| Federal Farm Credit Banks | 3133EH2S1 | 12/12/19 | 3,500,000 | 99.223 | 3,472,794.50 | 3,498,950.00 | 3,499,502.19 | 1.89% | 2.61% | AA+ | Aaa |
| Federal Home Loan Banks | 3130A0JR2 | 12/13/19 | 3,500,000 | 99.748 | 3,491,162.50 | 3,533,005.00 | 3,515,672.43 | 1.90% | 2.63% | AA+ | Aaa |
| Federal Home Loan Mtg Corp | 3137EAEE5 | 01/17/20 | 3,000,000 | 98.878 | 2,966,349.00 | 2,958,420.00 | 2,976,954.23 | 2.25% | 2.23% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0T29 | 02/28/20 | 3,000,000 | 98.862 | 2,965,854.00 | 2,953,842.00 | 2,973,213.56 | 2.28% | 2.23% | AA+ | Aaa |
| Federal Farm Credit Banks | 3133EJHL6 | 03/27/20 | 4,000,000 | 99.815 | 3,992,600.00 | 3,999,920.00 | 3,999,950.53 | 2.38% | 3.00% | AA+ | Aaa |
| Federal Home Loan Banks | 3130AECJ7 | 05/28/20 | 4,000,000 | 100.144 | 4,005,772.00 | 4,004,240.00 | 4,002,982.26 | 2.57% | 3.01% | AA+ | Aaa |
| Totals: | | | 35,350,000 | | 35,217,508.20 | 35,366,598.50 | 35,325,648.52 | 1.95% | 26.48% | | |
| Corporate Bonds | | | | | | | | | | | |
| PNC Bank NA Pittsburgh PA | 69353RCH9 | 01/28/19 | 2,000,000 | 99.949 | 1,998,984.00 | 2,014,360.00 | 2,000,652.96 | 1.76% | 1.50% | A | A2 |
| PepsiCo Inc | 713448DE5 | 02/22/19 | 1,500,000 | 99.803 | 1,497,042.00 | 1,502,295.00 | 1,500,162.57 | 1.42% | 1.13% | A+ | A1 |

Holdings By Security Type as of December 31, 2018

Alameda County Transportation Commission

2000 Measure B Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|-----------------------|---------|-----------------------|-----------------------|-----------------------|--------------|--------------|-----|---------|
| Cisco Systems Inc | 17275RBG6 | 09/20/19 | 2,000,000 | 99.103 | 1,982,058.00 | 1,980,500.00 | 1,992,070.46 | 1.96% | 1.49% | AA- | A1 |
| Oracle Corp | 68389XAX3 | 10/08/19 | 2,000,000 | 99.528 | 1,990,556.00 | 2,010,320.00 | 2,004,442.44 | 1.96% | 1.50% | AA- | A1 |
| BB&T Co Global Bank MTN | 07330NAN5 | 01/15/20 | 2,500,000 | 98.955 | 2,473,882.50 | 2,494,450.00 | 2,497,186.08 | 2.21% | 1.86% | A | A1 |
| PepsiCo Inc | 713448BN7 | 01/15/20 | 2,000,000 | 101.816 | 2,036,314.00 | 2,103,180.00 | 2,051,454.07 | 1.98% | 1.53% | A+ | A1 |
| Totals: | | | 12,000,000 | | 11,978,836.50 | 12,105,105.00 | 12,045,968.58 | 1.91% | 9.01% | | |
| Cash & Equivalents | | | | | | | | | | | |
| Morgan Stanley Inst Liquidity Govt | 61747C70S | | 65,810 | 1.000 | 65,810.42 | 65,810.42 | 65,810.42 | 1.77% | 0.05% | | |
| Cash | Cash | | - | 1.000 | - | - | - | 0.00% | 0.00% | | |
| | | | 65,810 | | 65,810.42 | 65,810.42 | 65,810.42 | 1.77% | 0.05% | | |
| Total Portfolio | | | 133,283,810.42 | | 132,996,282.39 | 133,321,912.16 | 133,281,923.97 | 2.08% | 100% | | |

Holdings By Security Type as of December 31, 2018
Alameda County Transportation Commission
2014 Measure BB Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|------------|---------|---------------|-----------------|----------------|------------|------------|-----|---------|
| U.S. Treasury | | | | | | | | | | | |
| United States Treas Bills | 912796UH0 | 01/08/19 | 27,110,000 | 99.963 | 27,099,833.75 | 27,059,380.10 | 27,098,001.78 | 2.28% | 26.66% | AA+ | P1 |
| United States Treas Nts | 912828P95 | 03/15/19 | 2,000,000 | 99.720 | 1,994,390.00 | 1,981,171.88 | 1,997,003.66 | 1.75% | 1.96% | AA+ | Aaa |
| United States Treas Nts | 912828W97 | 03/31/19 | 2,000,000 | 99.715 | 1,994,290.00 | 1,986,953.12 | 1,997,553.16 | 1.75% | 1.96% | AA+ | Aaa |
| United States Treas Nts | 912828WS5 | 06/30/19 | 2,000,000 | 99.547 | 1,990,938.00 | 1,995,312.50 | 1,998,505.72 | 1.78% | 1.96% | AA+ | Aaa |
| United States Treas Nts | 912828XV7 | 06/30/19 | 2,000,000 | 99.375 | 1,987,500.00 | 1,983,984.38 | 1,994,894.68 | 1.77% | 1.96% | AA+ | Aaa |
| United States Treas Nts | 9128283H1 | 11/30/19 | 2,650,000 | 99.215 | 2,629,192.20 | 2,622,982.43 | 2,633,670.19 | 2.44% | 2.59% | AA+ | Aaa |
| United States Treas Nts | 912828G95 | 12/31/19 | 2,000,000 | 99.004 | 1,980,078.00 | 1,991,875.00 | 1,996,039.48 | 1.83% | 1.95% | AA+ | Aaa |
| United States Treas Nts | 912828MP2 | 02/15/20 | 2,102,000 | 101.086 | 2,124,825.62 | 2,164,485.23 | 2,136,631.42 | 2.13% | 2.09% | AA+ | Aaa |
| United States Treas Nts | 9128283Y4 | 02/29/20 | 3,000,000 | 99.598 | 2,987,931.00 | 2,998,710.93 | 2,999,205.87 | 2.27% | 2.94% | AA+ | Aaa |
| United States Treas Nts | 9128284C1 | 03/31/20 | 4,000,000 | 99.590 | 3,983,592.00 | 3,998,281.24 | 3,998,912.33 | 2.27% | 3.92% | AA+ | Aaa |
| United States Treas Nts | 912828X21 | 04/15/20 | 3,000,000 | 98.668 | 2,960,040.00 | 2,952,421.89 | 2,969,525.85 | 2.31% | 2.91% | AA+ | Aaa |
| United States Treas Nts | 912828ND8 | 05/15/20 | 2,888,000 | 101.246 | 2,923,987.37 | 2,939,555.31 | 2,925,655.38 | 2.52% | 2.88% | AA+ | Aaa |
| Totals: | | | 54,750,000 | | 54,656,597.94 | 54,675,114.01 | 54,745,599.51 | 2.20% | 53.78% | | |
| Government Agency Issues | | | | | | | | | | | |
| Federal Home Loan Bank Cons Disc N | 313384AJ8 | 01/09/19 | 2,060,000 | 99.954 | 2,059,046.22 | 2,056,415.60 | 2,058,937.30 | 2.32% | 2.03% | | |
| Federal Home Loan Banks | 3130AAE46 | 01/16/19 | 2,000,000 | 99.950 | 1,998,996.00 | 1,988,320.00 | 1,999,548.91 | 1.80% | 1.97% | AA+ | Aaa |
| Federal Home Loan Banks | 3130AAXX1 | 03/18/19 | 2,000,000 | 99.773 | 1,995,466.00 | 1,990,040.00 | 1,998,360.28 | 1.77% | 1.96% | AA+ | Aaa |
| Federal Home Loan Mtg Corp | 3137EACA5 | 03/27/19 | 2,000,000 | 100.308 | 2,006,168.00 | 2,050,798.00 | 2,009,175.82 | 1.77% | 1.97% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0ZE6 | 06/20/19 | 2,000,000 | 99.635 | 1,992,708.00 | 1,998,900.00 | 1,999,662.89 | 1.79% | 1.96% | AA+ | Aaa |
| Federal Farm Credit Banks | 3133EH2S1 | 12/12/19 | 2,000,000 | 99.223 | 1,984,454.00 | 1,999,400.00 | 1,999,715.54 | 1.89% | 1.95% | AA+ | Aaa |
| Federal Home Loan Banks | 3130A0JR2 | 12/13/19 | 2,000,000 | 99.748 | 1,994,950.00 | 2,018,860.00 | 2,008,955.67 | 1.90% | 1.96% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0A78 | 01/21/20 | 2,523,000 | 99.005 | 2,497,888.58 | 2,499,258.57 | 2,510,217.30 | 2.11% | 2.46% | AA+ | Aaa |
| Federal Natl Mtg Assn | 3135G0T29 | 02/28/20 | 2,000,000 | 98.862 | 1,977,236.00 | 1,969,074.00 | 1,982,052.70 | 2.29% | 1.95% | AA+ | Aaa |
| Federal Farm Credit Banks | 3133EJHL6 | 03/27/20 | 2,000,000 | 99.815 | 1,996,300.00 | 1,999,960.00 | 1,999,975.26 | 2.38% | 1.96% | AA+ | Aaa |
| Federal Home Loan Banks | 3130ADUJ9 | 03/30/20 | 3,000,000 | 99.782 | 2,993,466.00 | 3,001,359.00 | 3,000,859.54 | 2.35% | 2.95% | AA+ | Aaa |

Holdings By Security Type as of December 31, 2018
Alameda County Transportation Commission
2014 Measure BB Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|-----------------------|---------|-----------------------|-----------------------|-----------------------|--------------|---------------|-----|---------|
| Federal Home Loan Mtg Corp | 3137EAEF2 | 04/20/20 | 3,000,000 | 98.486 | 2,954,586.00 | 2,944,563.00 | 2,964,355.04 | 2.31% | 2.91% | AA+ | Aaa |
| Totals: | | | 26,583,000 | | 26,451,264.80 | 26,516,948.17 | 26,531,816.27 | 2.08% | 26.02% | | |
| Corporate Bonds | | | | | | | | | | | |
| Bristol-Myers Squibb Co | 110122AV0 | 03/01/19 | 2,000,000 | 99.784 | 1,995,680.00 | 1,996,580.00 | 1,999,545.07 | 1.89% | 1.96% | A+ | A2 |
| Berkshire Hathaway Fin Corp | 084664CG4 | 03/15/19 | 1,000,000 | 99.779 | 997,792.00 | 994,390.00 | 998,795.89 | 2.31% | 0.98% | AA | Aa2 |
| Pfizer Inc | 717081DU4 | 06/03/19 | 2,000,000 | 99.415 | 1,988,300.00 | 1,988,360.00 | 1,996,681.88 | 1.85% | 1.96% | AA | A1 |
| Target Corp | 87612EBB1 | 06/26/19 | 2,000,000 | 99.677 | 1,993,548.00 | 2,013,820.00 | 2,004,347.20 | 1.85% | 1.96% | A | A2 |
| Microsoft Corp | 594918BN3 | 08/08/19 | 1,000,000 | 99.005 | 990,045.00 | 984,390.00 | 992,950.12 | 2.29% | 0.97% | AAA | Aaa |
| Bank New York MTN BE | 06406HCW7 | 09/11/19 | 1,500,000 | 99.480 | 1,492,203.00 | 1,491,165.00 | 1,495,801.57 | 2.71% | 1.47% | A | A1 |
| Procter And Gamble Co | 742718EG0 | 11/01/19 | 1,000,000 | 99.239 | 992,392.00 | 992,800.00 | 996,153.56 | 2.37% | 0.98% | AA- | Aa3 |
| PepsiCo Inc | 713448BN7 | 01/15/20 | 2,000,000 | 101.816 | 2,036,314.00 | 2,103,180.00 | 2,051,454.07 | 1.98% | 2.00% | A+ | A1 |
| Apple Inc | 037833CK4 | 02/07/20 | 3,000,000 | 99.132 | 2,973,951.00 | 2,989,800.00 | 2,994,680.53 | 2.06% | 2.93% | AA+ | Aa1 |
| Intel Corp | 458140AZ3 | 05/11/20 | 1,000,000 | 98.775 | 987,746.00 | 985,900.00 | 990,784.83 | 2.54% | 0.97% | A+ | A1 |
| Totals: | | | 16,500,000 | | 16,447,971.00 | 16,540,385.00 | 16,521,194.70 | 2.11% | 16.18% | | |
| Cash & Equivalents | | | | | | | | | | | |
| Morgan Stanley Inst Liquidity Govt | 61747C70S | | 4,082,612 | 1.000 | 4,082,612.06 | 4,082,612.06 | 4,082,612.06 | 1.77% | 4.02% | | |
| Cash | Cash | | - | 1.000 | - | - | - | 0.00% | 0.00% | | |
| | | | 4,082,612 | | 4,082,612.06 | 4,082,612.06 | 4,082,612.06 | 1.77% | 4.02% | | |
| Total Portfolio | | | 101,915,612.06 | | 101,638,445.80 | 101,815,059.24 | 101,881,222.54 | 2.14% | 100% | | |

Holdings By Security Type as of December 31, 2018
Alameda County Transportation Commission
2014 Interest Fund Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|---------------------|--------|---------------------|---------------------|---------------------|--------------|---------------|-----|---------|
| U.S. Treasury | | | | | | | | | | | |
| United States Treas Bills | 912796QY8 | 02/21/19 | 1,380,000 | 99.672 | 1,375,472.22 | 1,369,875.51 | 1,375,473.42 | 2.33% | 79.36% | AA+ | P1 |
| Totals: | | | 1,380,000 | | 1,375,472.22 | 1,369,875.51 | 1,375,473.42 | 2.33% | 79.36% | | |
| Government Agency Issues | | | | | | | | | | | |
| Federal Home Loan Mtg Corp Disc Nt | 313396CJ0 | 02/26/19 | 355,000 | 99.633 | 353,698.22 | 352,952.04 | 353,695.38 | 2.37% | 20.41% | | |
| Totals: | | | 355,000 | | 353,698.22 | 352,952.04 | 353,695.38 | 2.37% | 20.41% | | |
| Cash & Equivalents | | | | | | | | | | | |
| Morgan Stanley Inst Liquidity Govt | 61747C70S | | 3,940 | 1.000 | 3,939.50 | 3,939.50 | 3,939.50 | 1.77% | 0.23% | | |
| | | | 3,940 | | 3,939.50 | 3,939.50 | 3,939.50 | 1.77% | 0.23% | | |
| Total Portfolio | | | 1,738,939.50 | | 1,733,109.94 | 1,726,767.05 | 1,733,108.30 | 2.34% | 100% | | |

Holdings By Security Type as of December 31, 2018

Alameda County Transportation Commission

2014 Principal Fund Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|----------------------|---------|----------------------|----------------------|----------------------|--------------|---------------|-----|---------|
| U.S. Treasury | | | | | | | | | | | |
| United States Treas Nts | 912828KD1 | 02/15/19 | 3,751,000 | 100.042 | 3,752,590.42 | 3,766,873.44 | 3,753,555.86 | 2.19% | 20.03% | AA+ | Aaa |
| United States Treas Bills | 912796QY8 | 02/21/19 | 7,563,000 | 99.672 | 7,538,185.80 | 7,504,030.36 | 7,538,489.66 | 2.31% | 40.24% | AA+ | P1 |
| United States Treas Nts | 912828C24 | 02/28/19 | 1,845,000 | 99.857 | 1,842,359.81 | 1,837,216.41 | 1,842,766.15 | 2.26% | 9.83% | AA+ | Aaa |
| Totals: | | | 13,159,000 | | 13,133,136.03 | 13,108,120.21 | 13,134,811.66 | 2.27% | 70.10% | | |
| Government Agency Issues | | | | | | | | | | | |
| Federal Natl Mtg Assn | 3135G0ZA4 | 02/19/19 | 3,746,000 | 99.922 | 3,743,085.61 | 3,737,141.18 | 3,744,436.74 | 2.19% | 19.98% | AA+ | Aaa |
| Federal Home Loan Mtg Corp Disc Nt | 313396CJ0 | 02/26/19 | 1,860,000 | 99.633 | 1,853,179.38 | 1,849,269.87 | 1,853,164.55 | 2.37% | 9.89% | | |
| Totals: | | | 5,606,000 | | 5,596,264.99 | 5,586,411.05 | 5,597,601.30 | 2.25% | 29.87% | | |
| Cash & Equivalents | | | | | | | | | | | |
| Morgan Stanley Inst Liquidity Govt | 61747C70S | | 5,767 | 1.000 | 5,766.88 | 5,766.88 | 5,766.88 | 1.77% | 0.03% | | |
| | | | 5,767 | | 5,766.88 | 5,766.88 | 5,766.88 | 1.77% | 0.03% | | |
| Total Portfolio | | | 18,770,766.88 | | 18,735,167.90 | 18,700,298.14 | 18,738,179.84 | 2.26% | 100% | | |

Holdings By Security Type as of December 31, 2018

Alameda County Transportation Commission

2014 Revenue Fund Portfolio



| Issuer | CUSIP | Maturity | Quantity | Price | Market Value | Historical Cost | Amortized Cost | Book Yield | % of Total | S&P | Moody's |
|------------------------------------|-----------|----------|------------|-------|---------------|-----------------|----------------|--------------|----------------|-----|---------|
| Cash & Equivalents | | | | | | | | | | | |
| Morgan Stanley Inst Liquidity Govt | 61747C70S | | 818 | 1.000 | 818.17 | 818.17 | 818.17 | 1.77% | 100.00% | | |
| | | | 818 | | 818.17 | 818.17 | 818.17 | 1.77% | 100.00% | | |
| Total Portfolio | | | 818 | | 818.17 | 818.17 | 818.17 | 1.77% | 100% | | |

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Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

DATE: February 4, 2019

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: Alameda CTC FY2018-19 Second Quarter Consolidated Financial Report

Recommendation

It is recommended that the Commission approve the Alameda CTC FY2018-19 Second Quarter Consolidated Financial Report.

Summary

Alameda CTC's expenditures through December 31, 2018 are within year-to-date budget authority per the currently adopted budget. The agency remains in a strong financial position compared to budget through the second quarter of FY2018-19.

The attached FY2018-19 Second Quarter Financial Report has been prepared on a consolidated basis and is compared to the currently adopted budget on a year-to-date basis. This report provides a summary of FY2018-19 actual revenues and expenditures through December 31, 2018. Variances from the year-to-date budget are demonstrated as a percentage of the budget used by line item as well as stating either a favorable or unfavorable variance in dollars. Percentages over 100 percent indicate that actual revenue or expenditure items are more than 50 percent of the total annual budget through the second quarter of the fiscal year, and percentages under 100 percent indicate that actual revenue or expenditure items are less than 50 percent of the total annual budget through the second quarter of the fiscal year. As of December 31, 2018, Alameda CTC activity for the fiscal year results in a net increase in fund balance in the amount of \$63.4 million mostly due to sales tax revenues received this fiscal year, but have not yet been spent, primarily in the Measure BB Capital Projects and Special Revenue Funds.

Background

The following are highlights of actual revenues and expenditures compared to budget as of December 31, 2018 by major category:

Revenues

Sales tax revenues are over budget by \$23.4 million, or 15.4 percent, and investment income is over budget by \$1.4 million or 34.6 percent as interest rates have been on the rise. Toll and toll violation revenues are over budget by \$1.7 million which will help to fund the targeted maintenance and operational reserve goals established in the I-580 Express Lanes Expenditure Plan, and grant revenues are under budget by \$2.9 million mostly related to timing on capital projects. Grant revenues are recognized on a reimbursement basis and, therefore, correlated directly with related expenditures, so capital and other project expenditures also will be under budget.

Salaries and Benefits

Salaries and benefits are slightly under budget by \$0.2 million, or 5.0 percent, as of December 31, 2018.

Administration

Costs for overall administration are under budget by \$12.1 million, or 70.4 percent, mainly due to debt service costs which incurred costs for only one of the two semi-annual interest payments and no principal payment as of December 31, 2018. Principal payments are made annually on March 1. Debt service costs are required to be recorded when incurred per government accounting standards. Actual expenditures in the debt service fund will equal 100% of the budget by the end of the fiscal year.

I-580 Express Lanes Operations

The I-580 Express Lanes expenditures are under budget by \$3.2 million, or 57.4 percent, primarily related to a toll system upgrade special project accounted for in the budget which is not anticipated to begin until late in the fiscal year.

Planning

Planning expenditures are under budget by \$0.2 million, or 22.2 percent mostly related to delays in contracting and funding agreements which resulted in some work being delayed and invoices coming in later than anticipated.

Programs

Program expenditures are over budget by \$0.8 million, or 0.8 percent, predominantly due to direct local distributions (DLD) of sales tax revenues. The DLDs have a direct correlation with sales tax revenues; therefore, since sales tax revenues are over budget, similarly DLD expenditures are also over budget.

Capital Projects

Capital Projects expenditures are under budget by \$91.7 million, or 72.5 percent. This variance is mainly related to delays on certain capital projects and delays in billing for

recently executed funding agreements with sponsor agencies. In addition project construction work typically varies by season with less activity in the winter months, however, activity is expected to increase in the coming months with related expenditures anticipated to be higher in the second half of the fiscal year. There are currently no real budget issues on capital projects.

Limitations Calculations

Staff has completed the limitation calculations required for both 2000 Measure B and 2014 Measure BB related to salary and benefits and administration costs, and Alameda CTC is in compliance with all limitation requirements.

Fiscal Impact: There is no fiscal impact associated with the approval of this item.

Attachment:

- A. Alameda CTC Consolidated Revenues/Expenditures as of December 31, 2018

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ALAMEDA COUNTY TRANSPORTATION COMMISSION
Consolidated Revenues/Expenditures
December 31, 2018

5.2A

| | <u>Total Consolidated</u> | | | <u>Favorable (Unfavorable) Variance</u> |
|---|---------------------------|-----------------------|---------------|---|
| | <u>YTD Actuals</u> | <u>YTD Budget</u> | <u>% Used</u> | |
| REVENUES | | | | |
| Sales Tax Revenue | \$ 175,404,885 | \$ 152,000,001 | 115.40 | \$ 23,404,884 |
| Investment Income | 5,305,994 | 3,942,500 | 134.58 | 1,363,494 |
| Member Agency Fees | 718,333 | 697,410 | 103.00 | 20,923 |
| VRF Funds | 6,481,092 | 6,000,000 | 108.02 | 481,092 |
| Toll Revenues | 7,220,839 | 5,900,000 | 122.39 | 1,320,839 |
| Toll Violation Revenues | 1,451,901 | 1,050,000 | 138.28 | 401,901 |
| Other Revenues | 1,065 | - | - | 1,065 |
| Regional/State/Federal Grants | 2,978,662 | 6,692,111 | 44.51 | (3,713,449) |
| Local and Other Grants | 5,586,693 | 4,723,756 | 118.27 | 862,937 |
| Total Revenues | \$ 205,149,464 | \$ 181,005,778 | | \$ 24,143,686 |
| EXPENDITURES | | | | |
| <u>Administration</u> | | | | |
| Salaries and Benefits ⁽¹⁾ | 1,318,089 | 1,124,159 | 117.25 | (193,930) |
| General Office Expenses | 705,229 | 858,686 | 82.13 | 153,457 |
| Travel Expense | 18,512 | 22,500 | 82.28 | 3,988 |
| Debt Service ⁽²⁾ | 2,136,225 | 13,236,225 | 16.14 | 11,100,000 |
| Professional Services | 825,399 | 1,718,959 | 48.02 | 893,560 |
| Commission and Community Support | 90,510 | 126,377 | 71.62 | 35,867 |
| Contingency | - | 100,000 | - | 100,000 |
| Subtotal | 5,093,964 | 17,186,906 | | 12,092,942 |
| <u>I-580 Operations</u> | | | | |
| Salaries and Benefits ⁽¹⁾ | 161,506 | 194,108 | 83.20 | 32,602 |
| Operating Expenditures | 2,232,387 | 5,420,000 | 41.19 | 3,187,613 |
| Subtotal | 2,393,893 | 5,614,108 | | 3,220,215 |
| <u>Planning</u> | | | | |
| Salaries and Benefits ⁽¹⁾ | 339,244 | 390,772 | 86.81 | 51,528 |
| Transportation Planning | 384,062 | 472,306 | 81.32 | 88,244 |
| Other Planning Projects | - | 66,398 | - | 66,398 |
| Subtotal | 723,306 | 929,476 | | 206,170 |
| <u>Programs</u> | | | | |
| Salaries and Benefits ⁽¹⁾ | 726,170 | 818,576 | 88.71 | 92,406 |
| Programs Management and Support | 303,714 | 1,343,075 | 22.61 | 1,039,361 |
| Safe Routes to School Program | 242,604 | 1,125,702 | 21.55 | 883,098 |
| VRF Programming | 4,300,496 | 5,970,000 | 72.04 | 1,669,504 |
| Measure B/BB Direct Local Distribution | 90,645,479 | 78,541,585 | 115.41 | (12,103,894) |
| Grant Awards | 1,178,228 | 6,437,523 | 18.30 | 5,259,295 |
| TFCA Programming | 214,448 | 1,393,143 | 15.39 | 1,178,695 |
| CMA TIP Programming | 1,074,021 | 2,255,051 | 47.63 | 1,181,030 |
| Subtotal | 98,685,160 | 97,884,655 | | (800,505) |
| <u>Capital Projects</u> | | | | |
| Salaries and Benefits ⁽¹⁾ | 478,479 | 654,526 | 73.10 | 176,047 |
| Capital Project Expenditures | 34,370,812 | 125,866,544 | 27.31 | 91,495,732 |
| Subtotal | 34,849,291 | 126,521,070 | | 91,671,779 |
| Total Expenditures | \$ 141,745,614 | \$ 248,136,215 | | \$ 106,390,601 |
| Net revenue over / (under) expenditures | \$ 63,403,850 | \$ (67,130,437) | | |

(1) Salaries and benefits are under budget by \$158,645 or 5.0% as of December 31, 2018

(2) Debt service costs are required to be recorded when incurred per government accounting standards and will equal budget by year end.

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