



Finance and Administration Committee Meeting Agenda Monday, May 13, 2019, 9:00 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, Clerk of the Commission: [Vanessa Lee](#)
Robert McBain, Jerry Thorne
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 March 11, 2019 FAC Meeting Minutes | 1 | A |
| 4.2. FY2018-19 Third Quarter Report of Claims Acted Upon Under the Government Claims Act | 3 | I |
| 4.3. Approve the 2018 Alameda CTC Annual Report | 5 | A |

5. Regular Matters

- | | | |
|---|----|---|
| 5.1. Approve Alameda CTC FY2019-20 Proposed Budget | 7 | A |
| 5.2. Approve Alameda CTC FY2018-19 Third Quarter Consolidated Financial Report | 15 | A |
| 5.3. Approve Measure B and Measure BB Sales Tax Budget Update for FY 2018-19 | 21 | A |
| 5.4. Approve Alameda CTC FY2018-19 Third Quarter Investment Report | 23 | A |
| 5.5. Approve Alameda CTC Investment Policy | 41 | A |
| 5.6. Approve Amendment No. 5 to Professional Services Agreement No. A13-0088 with Acumen Building Enterprise, Inc. for Planning, Policy, Communications and Administrative Support Services | 55 | A |

6. Committee Member Reports

7. Staff Reports

8. Adjournment

Next Meeting: Monday, June 10, 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 for May 2019 through July 2019

Commission Chair

Supervisor Richard Valle, District 2

Commission Vice Chair

Mayor Pauline Cutter,
City of San Leandro

AC Transit

Board Vice 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 Sheng Thao

City of Piedmont

Mayor Robert McBain

City of Pleasanton

Mayor Jerry Thorne

City of Union City

Mayor Carol Dutra-Vernaci

Executive Director

Arthur L. Dao

Commission and Committee Meetings

Time	Description	Date
2:00 p.m.	Alameda CTC Commission Meeting	May 23, 2019 June 27, 2019 July 25, 2019
9:30 a.m.	Alameda CTC Commission Retreat	May 30, 2019
9:00 a.m.	Finance and Administration Committee (FAC)	June 10, 2019 July 8, 2019
9:30 a.m.	I-680 Sunol Smart Carpool Lane Joint Powers Authority (I-680 JPA)	
10:00 a.m.	I-580 Express Lane Policy Committee (I-580 PC)	
10:30 a.m.	Planning, Policy and Legislation Committee (PPLC)	
12:00 p.m.	Programs and Projects Committee (PPC)	

Advisory Committee Meetings

5:30 p.m.	Bicycle and Pedestrian Community Advisory Committee (BPAC)	May 16, 2019
1:30 p.m.	Joint Paratransit Advisory and Planning Committee (PAPCO) and Paratransit Technical Advisory Committee (ParaTAC)	May 20, 2019
1:30 p.m.	Alameda County Technical Advisory Committee (ACTAC)	June 6, 2019
1:30 p.m.	Paratransit Advisory and Planning Committee (PAPCO)	June 24, 2019
5:30 p.m.	Independent Watchdog Committee (IWC)	July 8, 2019

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).

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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 Cutter, Commissioner Thorne and Commissioner Valle.

Subsequent to the roll call:

Commissioner Valle arrived during item 3.

3. Public Comment

There were no public comments.

4. Consent Calendar

4.1. Approve the February 11, 2019 FAC Meeting Minutes

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

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

5. Regular Matters

5.1. Approve the FY2018-19 Mid-Year Budget Update

Patricia Reavey stated that it is recommended that the Commission approve the Proposed FY2018-19 Mid-Year Budget Update as presented. Ms. Reavey said that the proposed budget update includes an increase of \$169.9 million from FY2017-18 actual audited fund balances which are rolled forward into FY2018-19 for a total beginning fund balance of \$510.7 million. The proposed budget also contains revenues totaling \$371.9 million of which sales tax revenues comprise \$304.0 million. The total revenue amount proposed is an increase of \$17.7 million over the currently adopted budget mostly related to external and exchange program funding sources in the capital project and exchange funds which were adopted in the FY2017-18 budget, but have rolled forward to the FY2018-19 budget because they had not yet been utilized by the end of FY2017-18. Revenues are offset in the proposed budget update by \$527.2 million in total expenditures of which \$275.1 million, or 52.2 percent, are allocated for capital project expenditures and \$6.3 million, or 1.2 percent, is allocated for salaries and benefits. The total salaries and benefits amount proposed in this budget update is a decrease of \$0.1 million from the currently adopted budget. Salaries and benefits expenditures are nominal as compared to total

expenditures. The total expenditure amount is an increase of \$161.9 million over the currently adopted budget. This increase appears to be significant, however, it is due to the adjustment for the capital roll forward balance from FY2017-18, an estimate of which was included and approved in the originally adopted FY2018-19 budget on the capital spreadsheet but actual amounts could not be pulled to the consolidated Alameda CTC budget spreadsheet until final fund balance roll forward amounts were updated based on the audited Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018. The CAFR was approved by the Commission in December 2018. The fiscal impact of approving the proposed FY2018-19 mid-year budget update would be to allow the roll forward of audited fund balances from FY2017-18 of \$169.9 million, provide additional resources of \$17.7 million and authorize additional expenditures of \$161.9 million, reflecting an overall increase in fund balance of \$25.7 million for a projected ending fund balance of \$355.3 million.

Commissioner Haggerty asked if \$169 million was added for projects. Ms. Reavey said the actual add is less than \$12 million for capital projects. Commissioner Haggerty asked if the money rolled over to the general fund. Ms. Reavey stated that the money rolled over to their respective projects in the capital and MBB special revenue funds.

Commissioner Haggerty asked about the salaries and benefits. Ms. Reavey stated that the salaries and benefits decreased by about \$100,000 in this update compared to the originally adopted budget.

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

Yes: Cox, Freitas, Haggerty, Haubert, Valle

No: None

Abstain: None

Absent: Cutter, Thorne

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, April 8, 2019 at 9:00 a.m.

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



DATE: May 6, 2019

TO: Finance and Administration Committee

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

SUBJECT: FY2018-19 Third 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 Third 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 third 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.



Memorandum

4.3

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DATE: May 6, 2019

TO: Finance and Administration Committee

FROM: Tess Lengyel, Deputy Executive Director of Planning and Policy
Patricia Reavey, Deputy Executive Director of Finance and Administration

SUBJECT: 2018 Alameda CTC Annual Report

Recommendation

This item is to inform the Commission that the 2018 Alameda CTC Annual Report has been prepared and completed for distribution. This item is for information only.

Summary

Alameda CTC prepares an annual report each year, as required in the Public Utilities Code section 180111, on progress made to achieve the objective of improving transportation in Alameda County. The 2018 Annual Report highlights key transportation programs and projects that Alameda CTC plans, funds, and delivers and includes financial information for FY2017-18.

Many of these transportation investments are funded largely through local, voter-approved Measure B and Measure BB sales tax dollars and local, voter-approved Vehicle Registration Fee (VRF) funds. The annual report includes financial information related to Measure B and Measure BB revenues and expenditures for the year ended June 30, 2018, as well as information related to the VRF Program, including the total net VRF revenue from the start of the program, and revenues and expenditures through June 30, 2018. The final report can be found on Alameda CTC's website: https://www.alamedactc.org/wp-content/uploads/2019/04/2018_AlamedaCTC_Annual_Report.pdf.

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

Attachment:

- A. [2018 Alameda CTC Annual Report](#)

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Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 6, 2019

TO: Finance and Administration Committee

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

SUBJECT: Alameda CTC FY2019-20 Proposed Budget

Recommendation

It is recommended that the Commission approve the Alameda CTC Proposed Budget for FY2019-20.

Summary

The Alameda CTC FY2019-20 Proposed Consolidated Budget (Proposed Budget) demonstrates a sustainable, balanced budget utilizing projected revenues and fund balance to fund total expenditures. A budget is considered sustainable when an agency is able to meet its expenditure requirements as they become due, and a budget is considered balanced when (1) total revenues equal total expenditures, (2) total revenues are greater than total expenditures, or (3) total revenues plus fund balance are greater than total expenditures. The overall consolidated Alameda CTC budget fits into the second category, with total revenues exceeding expenditures; however the budget includes some funds that fit into each of the three categories. For example, the Debt Service Fund fits into category one because revenues are projected to equal expenditures in this fund; and the Express Lanes Fund fits into category three because total revenues plus fund balance are being utilized to fund total expenditures due to the funding for the toll system upgrade project on the I-580 corridor.

The Proposed Budget has been prepared based on the modified accrual basis of accounting, which is consistent with the basis of accounting utilized to prepare the agency's audited financial statements. It has been segregated by fund type and includes an adjustment column in order to eliminate interagency revenues and expenditures on a consolidated basis. The fund types included are General Funds, Express Lanes Fund, Special Revenue Funds, Exchange Fund, Debt Service Fund, and Capital Projects Funds.

The Proposed Budget is summarized in Attachment A on page 11 of this staff report. The FY2019-20 budget contains projected revenues totaling \$392.0 million and anticipated expenditures of \$360.0 million. Salaries and benefits expenditures are nominal as compared to total budgeted expenditures. These revenue and expenditure totals constitute a net increase in fund balance of \$32.1 million and a projected consolidated ending fund balance of \$387.4 million.

Approval of the Proposed Capital Program budgets is requested for the amount found in the "Proposed FY2019-20 Capital Budget w/ Estimated Rollover" column on the attached FY2019-20 Proposed Capital Programs Budget sheet. This column includes both the additional capital budget amount requested for FY2019-20 as well as an estimated rollover balance from the adopted FY2018-19 budget. The capital program amount carried forward to the Alameda CTC FY2019-20 Proposed Budget does not include the roll forward budget authority because the expenditure amount is still included in the approved budget for FY2018-19 and, therefore, is already netted out of the projected roll forward fund balance from the FY2018-19 adopted budget. During the mid-year budget update process, the roll forward fund balance will be updated to actual based on audited financial statements. Consequently, the capital program budget amount on the consolidated budget spreadsheet for the mid-year budget update will be for the full capital budget including both the actual roll forward balance from FY2018-19 and any additional requested capital budget for FY2019-20. This methodology is necessary to ensure accurate and reliable fund balance information in the Alameda CTC budget.

The Proposed Budget includes revenues and expenditures necessary to provide vital programs and planning projects for Alameda County and to deliver significant capital projects that expand access and improve mobility in Alameda County consistent with the Comprehensive Investment Plan (CIP).

In January 2014, the Commission adopted a General Fund Balance Reserve Policy to conform to best practices in mitigating risk for the agency. The policy was developed in accordance with best practice recommendations by the Government Finance Officers' Association. Alameda CTC has included the General Fund balance reserve amount in this budget, which is calculated based on 2 months' worth of expenditures in the General Fund and 1 months' worth of expenditures in all other funds and amounts to \$33.1 million. The Express Lanes Fund includes a maintenance reserve carried over from the prior year of \$5.0 million, and the operational risk reserve in this fund has decreased from prior year from \$19.8 million to \$13.5 million to help fund the I-580 Toll System Upgrade project on the I-580 corridor. The goal for this reserve remains at \$20.0 million, which was established in the I-580 Express Lane 20 Year Expenditure Plan approved by the Commission in April 2018. This operational reserve was established in order to ensure financial stability for the agency, to address requirements established in agreements with the State of California, and to safeguard against other operational risks not covered by insurance. The total amount of all reserves in the Proposed Budget is \$51.6 million which is less than 10.0 percent of total expenditures including the roll forward capital budget.

Background

Development of the Proposed Budget for FY2019-20 focused on the mission and core functions of Alameda CTC that will enable Alameda CTC to plan, fund and deliver transportation programs and projects that expand access and improve mobility in Alameda County.

For the first time since the Commission approved an organizational structure with 37 full time equivalent (FTE) positions for the Alameda CTC in May 2016, the Proposed Budget includes all 37 positions for the full fiscal year since it is anticipated that all positions will be filled by June. These 37 positions are expected to be filled within 32 job classifications, as approved by the Commission in December 2018. Salaries and benefits in the Proposed Budget account for 1.35 percent of budgeted expenditures including roll forward capital budget authority. The approved organizational structure was designed to prepare the agency to meet the initial challenges and expanded responsibilities of administering the 2014 Measure BB sales tax, implementing the CIP, and managing and maintaining the I-580 Express Lanes and the I-680 Southbound Express Lane.

The 2000 Measure B and 2014 Measure BB Salary and Benefits Limitation ratio and the Administrative Cost Limitation ratio were calculated based on the revenues and expenditures in the Proposed Budget and were found to be in compliance with requirements in the Transportation Expenditure Plans and the Public Utility Code.

Fiscal Impact: The fiscal impact of the FY2019-20 Proposed Consolidated Budget would be to provide resources of \$392.0 million and authorize expenditures of \$360.0 million, with an overall increase in fund balance of \$32.1 million for a projected ending fund balance of \$387.4 million.

Attachments:

- A. Alameda CTC FY2019-20 Proposed Consolidated Budget
- B. Alameda CTC FY2019-20 Proposed Capital Programs Budget

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**Alameda County Transportation Commission
Fiscal Year 2019-20 Proposed Consolidated Budget**

5.1A

	General Funds	Express Lanes Fund	Special Revenue Funds	Exchange Fund	Debt Service Fund	Capital Projects Funds	Inter-Agency Adjustments/ Eliminations	Total
Projected Beginning Fund Balance	\$ 67,295,054	\$ 24,828,799	\$ 98,853,202	\$ 5,866,369	\$ 9,290,141	\$ 149,190,567	\$ -	\$ 355,324,132
Revenues:								
Sales Tax Revenues	\$ 13,600,000	\$ -	\$ 200,013,596	\$ -	\$ -	\$ 106,386,404	\$ -	\$ 320,000,000
Investment Income	1,150,000	600,000	2,350,000	450,000	-	6,000,000	-	10,550,000
Member Agency Fees	1,479,765	-	-	-	-	-	-	1,479,765
VRF Funds	-	-	12,000,000	-	-	-	-	12,000,000
TFCA Funds	-	-	1,980,600	-	-	143,000	(143,000)	1,980,600
Toll Revenues	-	13,250,000	-	-	-	-	-	13,250,000
Toll Violation and Penalty Revenue	-	2,750,000	-	-	-	-	-	2,750,000
Other Revenues	-	-	23,650	-	26,469,450	-	(26,493,100)	-
Regional/State/Federal Grants	2,645,735	-	2,600,550	-	-	17,252,345	-	22,498,629
Local and Other Grants	-	400,000	-	1,100,047	-	6,397,199	(366,995)	7,530,251
Total Revenues	18,875,500	17,000,000	218,968,396	1,550,047	26,469,450	136,178,948	(27,003,095)	392,039,245
Expenditures:								
<u>Administration</u>								
Salaries and Benefits	2,698,941	-	-	-	-	23,309	-	2,722,250
General Office Expenses	1,898,665	-	1,000	-	-	26,135	(1,000)	1,924,800
Travel Expense	64,600	-	-	-	-	400	-	65,000
Debt Service	-	-	-	-	26,469,450	26,469,450	(26,469,450)	26,469,450
Professional Services	3,491,465	-	-	-	-	206,597	-	3,698,063
Commission and Community Support	256,104	-	22,650	-	-	-	(22,650)	256,104
Contingency	198,000	-	-	-	-	2,000	-	200,000
<u>Freeway Operations</u>								
Salaries and Benefits	-	339,501	-	-	-	-	-	339,501
Operating Expenditures	-	6,000,000	-	-	-	-	-	6,000,000
Special Project Expenditures	-	425,000	-	-	-	-	-	425,000
<u>Planning</u>								
Salaries and Benefits	893,362	-	-	-	-	-	-	893,362
Transportation Planning	214,410	-	-	-	-	-	-	214,410
Congestion Management Program	200,000	-	-	-	-	-	-	200,000
Other Planning Projects	-	-	-	-	-	-	-	-
<u>Programs</u>								
Salaries and Benefits	183,254	-	1,598,540	55,266	-	-	(281,241)	1,555,818
Programs Management and Support	350,000	-	2,040,268	-	-	-	-	2,390,268
Safe Routes to School Programs	49,652	-	2,926,313	-	-	-	-	2,975,965
VRF Programming	-	-	13,623,000	-	-	-	-	13,623,000
Measure B/BB Direct Local Distribution	-	-	165,350,706	-	-	-	-	165,350,706
Grant Awards	-	-	9,366,930	-	-	-	-	9,366,930
TFCA Programming	-	-	3,545,409	-	-	-	-	3,545,409
CMA TIP Programming	-	-	-	1,044,781	-	-	-	1,044,781
<u>Capital Programs</u>								
Salaries and Benefits	-	57,669	-	-	-	1,729,742	(217,123)	1,570,288
Capital Project Expenditures	-	16,492,337	10,250,000	-	-	88,905,465	(509,995)	115,137,807
<u>Indirect Cost Recovery/Allocation</u>								
Indirect Cost Recovery from Capital, Spec R	(498,364)	-	-	-	-	-	498,364	-
Total Expenditures	10,000,089	23,314,507	208,724,816	1,100,047	26,469,450	117,363,099	(27,003,095)	359,968,912
Net Change in Fund Balance	8,875,411	(6,314,507)	10,243,580	450,000	-	18,815,849	-	32,070,333
Projected Ending Fund Balance	76,170,465	18,514,291	109,096,782	6,316,369	9,290,141	168,006,416	-	387,394,465
Freeway Maintenance Contributions	-	5,000,000	-	-	-	-	-	5,000,000
Fund Balance/Operational Reserves	33,081,008	13,514,291	-	-	-	-	-	46,595,299
Projected Net Fund Balance	\$ 43,089,457	\$ -	\$ 109,096,782	\$ 6,316,369	\$ 9,290,141	\$ 168,006,416	\$ -	\$ 335,799,165

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**Alameda CTC
Fiscal Year 2019-20
Proposed Capital Programs Budget**

5.1B

Capital Programs	(A)	(B)	(A) - (B) = (C)	(D)	(C) + (D) = (E)	Funding			
	Adopted FY 2018-19 Capital Budget	Estimated FY 2018-19 Expenditures	Estimated FY 2018-19 Rollover to FY 2019-20	Proposed FY 2019-20 Capital Budget Request	Proposed FY 2019-20 Capital Budget w/ Estimated Rollover	Total Local	Total Regional	Total State	Total Federal
1986 Measure B Capital Program	\$ 4,535,026	\$ 24,268	\$ 4,510,758	\$ -	\$ 4,510,758	\$ 4,510,758	\$ -	\$ -	\$ -
2000 Measure B Capital Program	108,341,348	50,794,904	57,546,444	24,385,840	81,932,284	81,932,284	-	-	-
2014 Measure BB Capital Program	129,158,015	51,027,583	78,130,432	60,237,943	138,368,375	120,734,788	-	10,340,000	7,293,588
2014 Measure BB SRF Discretionary Capital Program	25,604,000	6,700,000	18,904,000	10,250,000	29,154,000	29,154,000	-	-	-
Non-Sales Tax Capital Program	15,798,716	10,456,324	5,342,392	6,011,425	11,353,816	6,862,539	2,788,156	1,703,120	-
Express Lanes Capital Program	-	-	-	16,492,337	16,492,337	16,492,337	-	-	-
	<u>\$ 283,437,105</u>	<u>\$ 119,003,079</u>	<u>\$ 164,434,026</u>	<u>\$ 117,377,545</u>	<u>\$ 281,811,571</u>	<u>\$ 259,686,705</u>	<u>\$ 2,788,156</u>	<u>\$ 12,043,120</u>	<u>\$ 7,293,588</u>

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Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 6, 2019

TO: Finance and Administration Committee

FROM: Patricia Reavey, Deputy Executive Director of Finance and Administration
Yoana Navarro, Accounting Manager

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

Recommendation

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

Summary

Alameda CTC's expenditures through March 31, 2019 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 third quarter of FY2018-19.

The attached FY2018-19 Third 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 March 31, 2019. 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 75 percent of the total annual budget through the third quarter of the fiscal year, and percentages under 100 percent indicate that actual revenue or expenditure items are less than 75 percent of the total annual budget through the third quarter of the fiscal year. As of March 31, 2019, Alameda CTC activity for the fiscal year results in a net increase in fund balance in the amount of \$61.9 million mostly due to sales tax revenues received this fiscal year that 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 March 31, 2019 by major category:

Revenues

Sales tax revenues are over budget by \$28.2 million, or 12.4 percent, and investment income is over budget by \$2.6 million or 43.9 percent as interest rates have been on the rise. Toll and toll violation revenues are over budget by \$0.7 million which will help to fund the targeted operational reserve goal established in the I-580 Express Lanes Expenditure Plan, and grant revenues are under budget by \$10.5 million mostly related to timing on capital projects. Grant revenues are recognized on a reimbursement basis and, therefore, correlate directly with related expenditures, so capital and other project expenditures also are under budget.

Salaries and Benefits

Salaries and benefits are slightly under budget by \$0.08 million, or 1.8 percent, as of March 31, 2019.

Administration

Costs for overall administration are over budget by \$5.5 million, or 21.5 percent, mainly due to debt service costs which incurred 100 percent of the annual costs by March 31, 2019 and will not incur any additional costs in the fourth quarter of this fiscal year. 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.

Freeway Operations

Freeway Operations expenditures are under budget by \$6.1 million, or 63.2 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 \$0.6 million, or 35.4 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

Programs expenditures are under budget by \$4.5 million, or 3.0 percent, largely due to the timing of invoices for discretionary programmatic grants. Grant recipients generally submit invoices on a semi-annual basis, therefore, it is anticipated that expenditures will be closer to budget at the end of the fiscal year. Expenditures for direct local distributions (DLD) have reduced the amount under budget significantly in the programs section because DLDs are over budget by \$14.6 million due to sales tax revenues coming in higher than budgeted. There is a budget adjustment for sales tax revenues for FY2018-19 along with the corresponding DLD expenditures coming before you concurrently this month for approval to account for this variance.

Capital Projects

Capital Projects expenditures are under budget by \$150.7 million, or 73.0 percent. This variance is due in part to a delay in billing for construction work completed earlier this fiscal year. In addition, Alameda CTC utilizes a rolling capital budget system in which any unused approved budget from prior years is available to pay for costs in subsequent fiscal years. Additional budget authority is requested by project only as needed in accordance with the budget process. The year-to-date budget amount used for comparisons is a straight line amortization of the total approved project budget including unspent budget authority rolled over from the prior year. Expenditures planned through March 31, 2019 in the budget process generally will differ from the straight line budgeted amount used for the comparison. However, presenting the information with this comparison helps financial report users, project managers, and the project control team review year-to-date expenditures to give them an idea of how the project is progressing as compared to the approved budget. 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 March 31, 2019

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ALAMEDA COUNTY TRANSPORTATION COMMISSION
Consolidated Revenues/Expenditures
March 31, 2019

	<u>Total Consolidated</u>		<u>% Used</u>	<u>Favorable</u>
	<u>YTD</u>	<u>YTD</u>		<u>(Unfavorable)</u>
	<u>Actuals</u>	<u>Budget</u>		<u>Variance</u>
REVENUES				
Sales Tax Revenue	\$ 256,184,582	\$ 228,000,000	112.36	\$ 28,184,582
Investment Income	8,510,955	5,913,750	143.92	2,597,205
Member Agency Fees	1,077,499	1,077,499	100.00	-
VRF Funds	9,879,878	9,000,000	109.78	879,878
TFCA Revenues	1,608,321	1,568,465	102.54	39,856
Toll Revenues	9,943,517	9,750,000	101.98	193,517
Toll Violation/Penalty Revenues	2,108,848	1,575,000	133.90	533,848
Other Revenues	1,539	-	-	1,539
Regional/State/Federal Grants	3,527,166	9,624,943	36.65	(6,097,777)
Local and Other Grants	7,988,228	12,383,957	64.50	(4,395,729)
Total Revenues	\$ 300,830,533	\$ 278,893,613		\$ 21,936,920
EXPENDITURES				
Administration				
Salaries and Benefits ⁽¹⁾	2,039,827	1,792,033	113.83	(247,794)
General Office Expenses	1,083,432	1,232,916	87.88	149,484
Travel Expense	23,773	48,225	49.30	24,452
Debt Service ⁽²⁾	26,472,450	19,854,337	133.33	(6,618,113)
Professional Services	1,570,329	2,509,135	62.58	938,806
Commission and Community Support	123,509	189,563	65.15	66,054
Contingency	-	150,000	-	150,000
Subtotal	31,313,320	25,776,209		(5,537,111)
Freeway Operations				
Salaries and Benefits ⁽¹⁾	232,295	287,674	80.75	55,379
Operating Expenditures	3,386,081	4,153,350	81.53	767,269
Special Project Expenditures	(32,992)	5,287,500	(0.62)	5,320,492
Subtotal	3,585,384	9,728,524		6,143,140
Planning				
Salaries and Benefits ⁽¹⁾	498,928	593,963	84.00	95,035
Transportation Planning	561,403	947,302	59.26	385,899
Other Planning Projects	-	99,596	-	99,596
Subtotal	1,060,331	1,640,861		580,530
Programs				
Salaries and Benefits ⁽¹⁾	1,089,849	1,121,656	97.16	31,807
Programs Management and Support	417,052	1,706,628	24.44	1,289,576
Safe Routes to School Program	870,513	1,801,313	48.33	930,800
VRF Programming	8,144,082	10,327,118	78.86	2,183,036
Measure B/BB Direct Local Distribution	132,365,436	117,812,377	112.35	(14,553,059)
Grant Awards	2,969,669	8,878,017	33.45	5,908,348
TFCA Programming	295,908	2,377,985	12.44	2,082,077
CMA TIP Programming	1,213,240	7,868,759	15.42	6,655,519
Subtotal	147,365,749	151,893,853		4,528,104
Capital Projects				
Salaries and Benefits ⁽¹⁾	760,320	910,075	83.54	149,755
Capital Project Expenditures	54,884,264	205,440,762	26.72	150,556,498
Subtotal	55,644,584	206,350,837		150,706,253
Total Expenditures	\$ 238,969,368	\$ 395,390,284		\$ 156,420,916
Net revenue over / (under) expenditures	\$ 61,861,165	\$ (116,496,671)		

(1) Salaries and benefits are under budget by \$84,182 or 1.8% as of March 31, 2019.

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

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DATE: May 6, 2019

TO: Alameda County Transportation Commission

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

SUBJECT: Measure B and Measure BB Sales Tax Budget Update for FY2018-19

Recommendation

It is recommended that the Commission approve:

- An increase to the Alameda CTC Measure B sales tax revenue budget for FY2018-19 from the currently adopted amount of \$152.0 million to \$158.0 million for an increase of \$6.0 million and an increase in the corresponding direct local distribution expenditures based on the formulas established in the 2000 transportation expenditure plan, and
- An increase to the Alameda CTC Measure BB sales tax revenue budget for FY2018-19 from the currently adopted amount of \$152.0 million to \$158.0 million for an increase of \$6.0 million and an increase in the corresponding direct local distribution expenditures based on the formulas established in the 2014 transportation expenditure plan.

Summary

The proposed Measure B and Measure BB budget increases are 3.95 percent higher than the currently adopted budget. Based on receipts to date, sales tax revenues are projected to out-perform the original projection in the budget by 4.71 percent. Overall receipts in the 1st and 2nd quarters of the fiscal year were higher than budget by about 12.0 to 14.0 percent. However, since the California Department of Tax and Finance Administration (CDTFA) has taken over the administration of California sales tax funds, they have changed the methodology in which sales tax funds are distributed to recipients. The projected receipts received over the last couple of months are conservative estimates based on the new CDTFA calculation methodology. This revised projection exceeds last fiscal year's historical peak of actual collection levels of \$154.5 million and \$153.5 million for Measure B and Measure BB, respectively. These revised sales tax projections will be included as a budget adjustment to the FY2018-19 budget, increasing projected revenues overall by \$12.0 million and the corresponding direct local distribution budgeted expenditures based on the formulas established in the 2000 and 2014 transportation expenditure plans.

Background

An adjustment to sales tax revenues in the budget is not always necessary once it has been established, however, when actual revenues are coming in higher than budget, it is imperative that we ensure that the Agency has adequate legal expenditure authority to allow for the transfer of all direct local distribution funds to the member agencies as sales tax revenues are collected. For this reason, staff feels it is important for the Commission to adopt this sales tax revenues budget update for FY2018-19.

Fiscal Impact: The fiscal impact of approving the proposed FY2018-19 sales tax budget update would be to provide additional resources of \$12.0 million and authorize the corresponding direct local distribution expenditures based on the formulas established in the 2000 and 2014 transportation expenditure plans.



Memorandum

5.4

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 6, 2019

TO: Finance and Administration Committee

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

SUBJECT: Alameda CTC FY2018-19 Third Quarter Investment Report

Recommendation

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

Summary

Alameda CTC's investments for the third quarter were in compliance with the Agency's investment policy with the exception of the duration target for the 2000 Measure B portfolio; the portfolio had a duration of 1.57 compared to its benchmark duration of 0.90 which is slightly longer than 6 months as the policy allows. As the new investment advisor works to phase in a more tailored investment strategy for the portfolio throughout 2019, the portfolio's duration may continue to exhibit a variance from that of the established benchmark. The Agency has sufficient cash flow to meet expenditure requirements over the next six months.

At the beginning of this fiscal year, 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 may not align well with the portfolio as it exists today. However, based on timing of portfolio transactions and general downward trend in interest rates, the portfolios generated higher total returns than their benchmarks during the last quarter.

The Consolidated Investment Report as of March 31, 2019 (Attachment A) provides balance and average return on investment information for all cash and investments held

by Alameda CTC at the end of the third quarter. The report also shows balances as of June 30, 2018 for comparison purposes. The *Portfolio Review for Quarter Ending March 31, 2019* (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 March 31, 2019:

- As of March 31, 2019, total cash and investments held by Alameda CTC was \$593.4 million, an increase of \$31.6 million or 5.6 percent over June 30, 2018 primarily due to the receipt of Measure BB sales tax revenues.
- Quarter-end balances compared to prior year-end balances:
 - The 1986 Measure B investment balance increased by \$1.5 million or 1.1 percent due to investment earnings for the quarter.
 - The 2000 Measure B investment balance decreased \$5.5 million or 3.2 percent mainly due to the required principal and interest payment made on the outstanding bonds on March 1, 2019.
 - The 2014 Measure BB investment balance increased \$22.4 million or 14.2 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 \$13.2 million or 14.2 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 third quarter with the approximate average return on investments through March 31, 2019 at 1.98 percent compared to the prior year's average return of 1.20 percent. Return on investments for most funds 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 March 31, 2019
- B. Portfolio Review for Quarter Ending March 31, 2019 (provided by Public Trust Advisors)
- C. Holdings by Security Type as of March 31, 2019

Alameda CTC Consolidated Investment Report As of March 31, 2019							
1986 Measure B	Un-Audited		Interest Earned			FY 2017-2018	
			As of March 31, 2019			Investment Balance	Interest earned
	Investment Balance	Interest earned	Approx. ROI	Budget	Difference	June 30, 2018	FY 2017-2018
Bank Accounts	\$ 770,602	\$ 971	0.17%			\$ 983,237	1,551
State Treasurer Pool (LAIF) ⁽¹⁾	8,115,408	140,868	2.31%			7,982,873	123,176
Investment Advisor ⁽¹⁾⁽²⁾	128,157,416	1,851,414	1.93%			126,556,768	1,504,594
1986 Measure B Total	\$ 137,043,426	\$ 1,993,253	1.94%	\$ 1,500,000	\$ 493,253	\$ 135,522,878	\$ 1,629,321
						<i>Approx. ROI</i>	1.20%
2000 Measure B	Un-Audited		Interest Earned			FY 2017-2018	
			As of March 31, 2019			Investment Balance	Interest earned
	Investment Balance	Interest earned	Approx. ROI	Budget	Difference	June 30, 2018	FY 2017-2018
Bank Accounts	\$ 7,039,192	\$ 18,590	0.35%			\$ 5,894,103	\$ 17,434
State Treasurer Pool (LAIF) ⁽¹⁾	20,645,972	337,658	2.18%			27,629,904	320,325
Investment Advisor ⁽¹⁾⁽²⁾	138,548,966	1,965,442	1.89%			131,874,047	1,611,627
2014 Series A Bond Project Fund	-	-	0.00%			-	8,825
2014 Series A Bond Revenue Fund ⁽¹⁾	823	13	2.10%			810	4
2014 Series A Bond Interest Fund ⁽¹⁾⁽²⁾	598,832	22,076	2.18%			1,712,542	21,223
2014 Series A Bond Principal Fund ⁽¹⁾⁽²⁾	2,311,204	216,210	2.24%			7,507,309	129,605
Project Deferred Revenue ⁽¹⁾⁽³⁾	745,639	13,510	2.42%			801,253	44,711
2000 Measure B Total	\$ 169,890,628	\$ 2,573,499	2.02%	\$ 2,250,000	\$ 323,499	\$ 175,419,968	\$ 2,153,754
						<i>Approx. ROI</i>	1.23%
2014 Measure BB	Un-Audited		Interest Earned			FY 2017-2018	
			As of March 31, 2019			Investment Balance	Interest earned
	Investment Balance	Interest earned	Approx. ROI	Budget	Difference	June 30, 2018	FY 2017-2018
Bank Accounts	\$ 2,460,327	\$ 17,953	0.97%			\$ 1,441,895	\$ 18,195
State Treasurer Pool (LAIF) ⁽¹⁾	59,091,383	832,781	1.88%			43,633,786	675,445
Investment Advisor ⁽¹⁾⁽²⁾	112,244,549	1,640,179	1.95%			100,705,850	1,050,951
Project Deferred Revenue ⁽¹⁾⁽³⁾	6,388,259	151,987	3.17%			12,000,000	56,343
2014 Measure BB Total	\$ 180,184,518	\$ 2,642,900	1.96%	\$ 1,275,000	\$ 1,367,900	\$ 157,781,531	\$ 1,800,934
						<i>Approx. ROI</i>	1.14%
Non-Sales Tax	Un-Audited		Interest Earned			FY 2017-2018	
			As of March 31, 2019			Investment Balance	Interest earned
	Investment Balance	Interest earned	Approx. ROI	Budget	Difference	June 30, 2018	FY 2017-2018
Bank Accounts	\$ 7,099,687	\$ 19,827	0.37%			\$ 5,423,196	\$ 30,015
State Treasurer Pool (LAIF) ⁽¹⁾	31,638,916	523,973	2.21%			29,313,198	410,241
California Asset Management Program (CAMP)	58,037,994	923,000	2.12%			49,614,995	600,311
Project Deferred Revenue ⁽¹⁾⁽⁴⁾	9,527,716	150,554	2.11%			8,756,339	112,205
Non-Sales Tax Total	\$ 106,304,313	\$ 1,617,354	2.03%	\$ 888,750	\$ 728,604	\$ 93,107,728	\$ 1,152,772
						<i>Approx. ROI</i>	1.24%
Alameda CTC TOTAL	\$ 593,422,885	\$ 8,827,006	1.98%	\$ 5,913,750	\$ 2,913,256	\$ 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 March 31, 2019**

Fixed Income Market Review and Outlook

The U.S. economy expanded downwardly at a 2.2% annualized rate in the fourth quarter of 2018 as final readings on consumer spending, government expenditures, and business fixed investment were less than previously estimated. For the 2018 year, GDP expanded at a 2.9% pace, the strongest reading since 2015 and well above the 2.2% increase in 2017. Looking ahead, growth is expected to moderate in 2019 as the combination of slowing global growth, higher interest rates, fading fiscal stimulus, and ongoing trade tensions with China weigh on domestic economic activity.

The markets continue to keep a close eye on developments pertaining to trade negotiations and Brexit. President Trump recently addressed the public asserting his confidence that a trade deal with China will be finalized within the next four to six weeks. Meanwhile, the minute hand of Big Ben continues to count down on the U.K. as Parliament continues to fail in finding a path forward for Brexit, elevating the risk of a no-deal exit and a general election. While the Eurozone economy has been slowing for several months now, recent retail sales figures still support solid fundamentals, suggesting a 2019 Eurozone recession is far from imminent.

With respect to monetary policy, the Federal Open Market Committee (FOMC) voted unanimously on March 20th to hold the target range of the federal funds rate steady at 2.25% to 2.5%. Chairman Powell reiterated January's dovish language that the Fed will remain "patient" amid "global economic financial developments and muted inflation pressures". Fed funds futures imply markets are priced for a bit more than one cut in 2019, however FOMC members are far from suggesting that a rate cut will be necessary by the close of this year.

Treasury yields continue to grind lower as Fed officials reiterated their commitment to patience. Inversion of the yield curve may be the only recessionary signal of concern at present. March marked the first time since 2007 that yields on 10-year Treasury notes fell below those of 3-month T-bills. Curve inversion would likely need to be sustained for some duration before the Fed shifts its stance on the current trajectory of monetary policy.

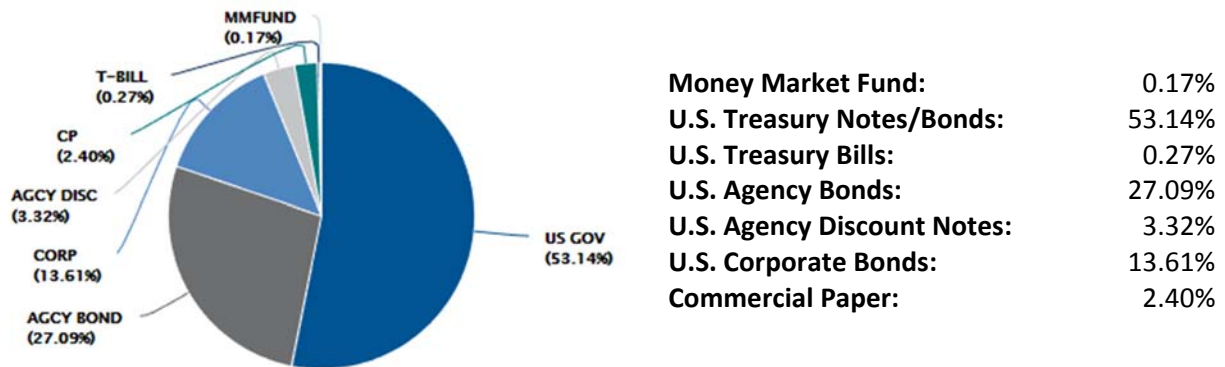
Investment Strategy Update

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 (core). 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 March 31, 2019.



Compliance with Investment Policy Statement

As of the quarter ending March 31, 2019, the Alameda CTC portfolios were in compliance with the adopted investment policy statement with the exception of duration constraints for the 2000 Measure B portfolio. With a duration of 1.57, the portfolio is more than 6 months longer than its benchmark duration of 0.90. As the long-term investment strategy is being phased in, this portfolio’s duration will continue to exhibit variance from that of its existing, shorter-term benchmark.

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 March 31, 2019 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. During this transition period, Portfolio performance will exhibit greater variances from the benchmarks, depending upon market conditions, until such time as the investment strategy is fully implemented. 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. With that said, due to the timing of portfolio transactions and the general downward trend in interest rates over the quarter, the Portfolios generated higher total returns than their benchmarks.

Portfolio & Benchmark Total Return ¹

1986 Measure B Portfolio	2000 Measure B Portfolio	2014 Measure BB Portfolio
Portfolio Return: 1.02%	Portfolio Return: 0.94%	Portfolio Return: 0.71%
Benchmark Return: 0.89%	Benchmark Return: 0.82%	Benchmark Return: 0.65%

¹Note: 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.

Over the quarter, durations in the 1986 Measure B, 2000 Measure B, and 2014 Measure BB portfolios averaged 1.29, 1.04, and 0.62 respectively, compared to average benchmark durations of 1.40, 0.94, and 0.45 respectively.

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 March 31, 2019 is summarized below:

Portfolio & Benchmark Yield to Maturity

1986 Measure B Portfolio	2000 Measure B Portfolio	2014 Measure BB Portfolio
Portfolio YTM: 2.38%	Portfolio YTM: 2.37%	Portfolio YTM: 2.47%
Benchmark YTM: 2.32%	Benchmark YTM: 2.41%	Benchmark YTM: 2.43%

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 March 31, 2019, the weighted average maturity for the Interest Fund and Principal Fund were 0.39 and 0.89 years, respectively.

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 March 31, 2019 are summarized below:

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

Interest Fund Portfolio

Portfolio YTM: 2.38%

Comparable TSY YTM: 2.44%

Principal Fund Portfolio

Portfolio YTM: 2.40%

Comparable TSY YTM: 2.41%

For the quarter ending March 31, 2019, 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

ACTC 1986 Measure B (159781)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Agency

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Federal Home Loan Mortgage Corporation	3137EADZ9	04/15/2019	4,000,000.00	99.9481	3,997,924.00	3,957,480.00	3,998,279.54	2.265	3.238%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130ABF92	05/28/2019	4,000,000.00	99.8315	3,993,260.00	3,998,360.00	3,999,873.85	1.395	3.234%	AA+	Aaa
Federal Home Loan Banks Office of Finance	313384HL6	06/28/2019	1,000,000.00	99.4084	994,084.00	993,828.33	994,096.66	2.437	0.805%	A-1+	P-1
Federal Home Loan Mortgage Corporation	3137EAEB1	07/19/2019	2,000,000.00	99.5234	1,990,468.00	1,978,200.00	1,996,861.03	1.410	1.612%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130A9EP2	09/26/2019	4,000,000.00	99.3050	3,972,200.00	3,965,240.00	3,991,964.57	1.420	3.217%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130AE6V7	05/07/2020	5,200,000.00	100.0878	5,204,565.60	5,196,152.00	5,197,725.15	2.570	4.216%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130AECJ7	05/28/2020	5,000,000.00	100.2155	5,010,775.00	5,005,300.00	5,003,075.31	2.570	4.059%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130ACE26	09/28/2020	1,400,000.00	98.5048	1,379,067.20	1,364,860.00	1,379,076.95	2.413	1.117%	AA+	Aaa
Federal Home Loan Mortgage Corporation	3137EAEJ4	09/29/2020	2,000,000.00	98.9283	1,978,566.00	1,993,156.00	1,996,523.99	1.745	1.603%	AA+	Aaa
Federal National Mortgage Association Fannie Mae	3135G0H55	12/28/2020	1,000,000.00	99.2665	992,665.00	995,700.00	997,516.68	2.022	0.804%	AA+	Aaa
Council of Federal Home Loan Banks	3130AFFN2	12/10/2021	3,300,000.00	101.7585	3,358,030.50	3,335,475.00	3,332,993.76	2.611	2.720%	AA+	Aaa
Federal National Mortgage Association Fannie Mae	3135G0S38	01/05/2022	5,800,000.00	99.2243	5,755,009.40	5,705,283.80	5,711,749.67	2.575	4.661%	AA+	Aaa
Council of Federal Home Loan Banks	3130AFE78	12/09/2022	5,300,000.00	102.5502	5,435,160.60	5,367,787.00	5,364,259.41	2.651	4.402%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130ADRG9	03/10/2023	4,600,000.00	101.7632	4,681,107.20	4,613,018.00	4,612,381.30	2.677	3.792%	AA+	Aaa
---	---	12/31/2020	48,600,000.00	100.3106	48,742,882.50	48,469,840.13	48,576,377.86	2.277	39.480%	AA+	Aaa

Corporate

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
International Business Machines Corporation	459200JE2	05/17/2019	2,000,000.00	99.8961	1,997,922.00	2,009,800.00	2,000,705.48	1.515	1.618%	A	A1
The Coca-Cola Company	191216BV1	05/30/2019	2,000,000.00	99.7485	1,994,970.00	1,997,040.00	1,999,771.41	1.447	1.616%	A+	A1
The Bank of New York Mellon Corporation	06406HCW7	09/11/2019	1,000,000.00	99.8502	998,502.00	1,012,340.00	1,002,246.73	1.666	0.809%	A	A1
Cisco Systems, Inc.	17275RBG6	09/20/2019	1,000,000.00	99.4479	994,479.00	995,950.00	999,089.41	1.597	0.806%	AA-	A1
U.S. Bank National Association	90331HML4	10/28/2019	2,000,000.00	99.7624	1,995,248.00	2,016,400.00	2,003,843.75	1.726	1.616%	AA-	A1
Apple Inc.	037833CK4	02/07/2020	2,000,000.00	99.5327	1,990,654.00	1,993,200.00	1,997,269.50	2.064	1.612%	AA+	Aa1
State Street Corporation	857477AS2	08/18/2020	1,000,000.00	99.9437	999,437.00	1,008,800.00	1,004,581.44	2.206	0.810%	A	A1
State Street Corporation	857477AS2	08/18/2020	1,000,000.00	99.9437	999,437.00	994,500.00	996,927.54	2.781	0.810%	A	A1
The Home Depot, Inc.	437076AT9	09/15/2020	2,000,000.00	101.8481	2,036,962.00	2,056,240.00	2,030,544.14	2.638	1.650%	A	A2
American Honda Finance Corporation	02665WAZ4	09/24/2020	1,500,000.00	99.6330	1,494,495.00	1,490,505.00	1,491,262.67	2.853	1.211%	A	A2
PepsiCo, Inc.	713448DC9	10/14/2020	2,000,000.00	99.6284	1,992,568.00	1,997,540.00	1,998,653.83	2.195	1.614%	A+	A1
Berkshire Hathaway Finance Corporation	084664BZ3	10/15/2020	1,000,000.00	100.6495	1,006,495.00	1,006,310.00	1,003,692.86	2.650	0.815%	AA	Aa2
Microsoft Corporation	594918BG8	11/03/2020	1,000,000.00	99.3348	993,348.00	996,730.00	998,182.29	2.118	0.805%	AAA	Aaa
Oracle Corporation	68389XBA2	07/08/2021	1,300,000.00	100.4105	1,305,336.50	1,300,949.00	1,300,912.67	2.767	1.057%	AA-	A1
Toyota Motor Credit Corporation	89233P5T9	01/12/2022	1,300,000.00	101.7875	1,323,237.50	1,316,588.00	1,316,066.66	2.834	1.072%	AA-	Aa3
---	---	05/20/2020	22,100,000.00	100.1104	22,123,091.00	22,192,892.00	22,143,750.38	2.161	17.919%	A+	A1

MM Fund

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	462,308.72	1.0000	462,308.72	462,308.72	462,308.72	2.340	0.374%	AAAm	Aaa
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	462,308.72	1.0000	462,308.72	462,308.72	462,308.72	2.340	0.374%	AAAm	Aaa

US Gov

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	912828D23	04/30/2019	4,000,000.00	99.9335	3,997,340.00	3,974,843.76	3,997,979.14	2.271	3.238%	AA+	Aaa
Treasury, United States Department of	912828ST8	04/30/2019	3,500,000.00	99.8950	3,496,325.00	3,496,308.58	3,499,849.86	1.305	2.832%	AA+	Aaa

Holdings by Security Type

ACTC 1986 Measure B (159781)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	912828XV7	06/30/2019	4,000,000.00	99.6875	3,987,500.00	3,992,656.24	3,999,030.88	1.350	3.230%	AA+	Aaa
Treasury, United States Department of	912828LJ7	08/15/2019	3,000,000.00	100.4102	3,012,306.00	3,138,398.43	3,025,748.55	1.284	2.440%	AA+	Aaa
Treasury, United States Department of	912796SK6	09/26/2019	1,000,000.00	98.8282	988,282.00	987,934.92	988,200.09	2.456	0.800%	A-1+	P-1
Treasury, United States Department of	912828ND8	05/15/2020	5,000,000.00	101.1992	5,059,960.00	5,089,257.80	5,053,191.42	2.522	4.098%	AA+	Aaa
Treasury, United States Department of	912828NT3	08/15/2020	1,500,000.00	100.3320	1,504,980.00	1,539,667.97	1,519,295.85	1.663	1.219%	AA+	Aaa
Treasury, United States Department of	912828VZ0	09/30/2020	1,000,000.00	99.4727	994,727.00	990,820.31	994,704.77	2.366	0.806%	AA+	Aaa
Treasury, United States Department of	912828A42	11/30/2020	5,000,000.00	99.4414	4,972,070.00	4,926,757.80	4,951,516.85	2.605	4.027%	AA+	Aaa
Treasury, United States Department of	9128284P2	05/15/2021	4,000,000.00	100.6992	4,027,968.00	3,997,031.24	3,997,871.61	2.651	3.263%	AA+	Aaa
Treasury, United States Department of	9128285A4	09/15/2021	3,900,000.00	101.1719	3,945,704.10	3,923,765.63	3,921,956.31	2.511	3.196%	AA+	Aaa
Treasury, United States Department of	9128285R7	12/15/2021	2,650,000.00	101.0000	2,676,500.00	2,665,320.31	2,665,136.65	2.405	2.168%	AA+	Aaa
Treasury, United States Department of	912828G87	12/31/2021	2,650,000.00	99.6719	2,641,305.35	2,629,814.45	2,630,052.63	2.409	2.139%	AA+	Aaa
Treasury, United States Department of	912828XW5	06/30/2022	5,700,000.00	98.4922	5,614,055.40	5,557,500.00	5,565,869.05	2.510	4.547%	AA+	Aaa
Treasury, United States Department of	912828L57	09/30/2022	5,300,000.00	98.3672	5,213,461.60	5,156,734.38	5,164,575.84	2.519	4.223%	AA+	Aaa
Treasury, United States Department of	---	12/21/2020	52,200,000.00	99.8819	52,132,484.45	52,066,811.82	51,974,979.49	2.233	42.226%	AA+	Aaa

Summary

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	11/14/2020	123,362,308.72	99.7239	123,460,766.67	123,191,852.67	123,157,416.45	2.238	100.000%	AA	Aa1

* Grouped by: Security Type Category. * Groups Sorted by: Security Type Category. * Filtered By: Description ≠ "Receivable" and Description ≠ "Payable". * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type

ACTC 2000 Measure B (159783)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Agency

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Federal Home Loan Banks Office of Finance	313384HL6	06/28/2019	3,000,000.00	99.4084	2,982,252.00	2,981,484.99	2,982,289.99	2.437	2.180%	A-1+	P-1
Federal National Mortgage Association Fannie Mae	3135G0ZG1	09/12/2019	3,000,000.00	99.6790	2,990,370.00	3,009,648.00	3,002,279.93	1.577	2.186%	AA+	Aaa
Federal Farm Credit Banks Funding Corporation	3133EH2S1	12/12/2019	3,500,000.00	99.6604	3,488,114.00	3,498,950.00	3,499,635.22	1.890	2.550%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130A0JR2	12/13/2019	3,500,000.00	99.9732	3,499,062.00	3,533,005.00	3,511,495.62	1.895	2.558%	AA+	Aaa
Federal Home Loan Mortgage Corporation	3137EAE5	01/17/2020	3,000,000.00	99.2487	2,977,461.00	2,958,420.00	2,982,540.00	2.249	2.176%	AA+	Aaa
Federal National Mortgage Association Fannie Mae	3135G0T29	02/28/2020	3,000,000.00	99.1689	2,975,067.00	2,953,842.00	2,979,087.60	2.286	2.175%	AA+	Aaa
Farm Credit Banks Consolidated Systemwide Bonds and Discount Notes	3133EJHL6	03/27/2020	4,000,000.00	100.2069	4,008,276.00	3,999,920.00	3,999,960.49	2.376	2.930%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130AECJ7	05/28/2020	4,000,000.00	100.2155	4,008,620.00	4,004,240.00	4,002,443.49	2.570	2.930%	AA+	Aaa
Council of Federal Home Loan Banks	3130AFFN2	12/10/2021	6,500,000.00	101.7585	6,614,302.50	6,569,875.00	6,564,987.71	2.611	4.834%	AA+	Aaa
Council of Federal Home Loan Banks	3130AFE78	12/09/2022	3,500,000.00	102.5502	3,589,257.00	3,544,765.00	3,542,435.45	2.651	2.623%	AA+	Aaa
---	---	08/23/2020	37,000,000.00	100.3747	37,132,781.50	37,054,149.99	37,067,155.50	2.297	27.141%	AA+	Aaa

Corporate

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Cisco Systems, Inc.	17275RBG6	09/20/2019	2,000,000.00	99.4479	1,988,958.00	1,980,500.00	1,994,816.07	1.962	1.454%	AA-	A1
Oracle Corporation	68389XAX3	10/08/2019	2,000,000.00	99.7867	1,995,734.00	2,010,320.00	2,002,993.59	1.955	1.459%	AA-	A1
Branch Banking and Trust Company	07330NAN5	01/15/2020	2,500,000.00	99.5443	2,488,607.50	2,494,450.00	2,497,872.75	2.210	1.819%	A	A1
PepsiCo, Inc.	713448BN7	01/15/2020	2,000,000.00	101.4422	2,028,844.00	2,103,180.00	2,039,030.13	1.969	1.483%	A+	A1
American Honda Finance Corporation	02665WAZ4	09/24/2020	1,350,000.00	99.6330	1,345,045.50	1,341,454.50	1,342,136.40	2.853	0.983%	A	A2
Oracle Corporation	68389XBA2	07/08/2021	1,350,000.00	100.4105	1,355,541.75	1,350,985.50	1,350,947.77	2.767	0.991%	AA-	A1
Toyota Motor Credit Corporation	89233P5T9	01/12/2022	1,350,000.00	101.7875	1,374,131.25	1,367,226.00	1,366,684.61	2.834	1.004%	AA-	Aa3
Apple Inc.	037833CM0	02/09/2022	1,350,000.00	99.8777	1,348,348.95	1,341,454.50	1,341,661.95	2.726	0.986%	AA+	Aa1
---	---	07/24/2020	13,900,000.00	100.1900	13,925,210.95	13,989,570.50	13,936,143.27	2.329	10.178%	A+	A1

MM Fund

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	140,642.32	1.0000	140,642.32	140,642.32	140,642.32	2.340	0.103%	AAAm	Aaa
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	140,642.32	1.0000	140,642.32	140,642.32	140,642.32	2.340	0.103%	AAAm	Aaa

US Gov

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	912828KQ2	05/15/2019	1,000,000.00	100.0783	1,000,783.00	1,027,734.38	1,002,057.86	1.395	0.731%	AA+	Aaa
Treasury, United States Department of	912828WS5	06/30/2019	3,000,000.00	99.7773	2,993,319.00	2,983,007.82	2,997,036.25	2.032	2.188%	AA+	Aaa
Treasury, United States Department of	912828LJ7	08/15/2019	2,000,000.00	100.4102	2,008,204.00	2,075,546.88	2,015,426.99	1.519	1.468%	AA+	Aaa
Treasury, United States Department of	912828U73	12/15/2019	3,500,000.00	99.2578	3,474,023.00	3,469,511.71	3,489,327.03	1.816	2.539%	AA+	Aaa
Treasury, United States Department of	912828G95	12/31/2019	3,500,000.00	99.3828	3,478,398.00	3,485,781.25	3,494,826.11	1.826	2.542%	AA+	Aaa
Treasury, United States Department of	912828G95	12/31/2019	500,000.00	99.3828	496,914.00	495,546.88	496,493.81	2.577	0.363%	AA+	Aaa
Treasury, United States Department of	9128283S7	01/31/2020	3,500,000.00	99.6680	3,488,380.00	3,490,566.42	3,496,058.57	2.138	2.550%	AA+	Aaa
Treasury, United States Department of	912828UV0	03/31/2020	2,000,000.00	98.7617	1,975,234.00	1,952,343.76	1,977,321.35	2.294	1.444%	AA+	Aaa
Treasury, United States Department of	912828ND8	05/15/2020	2,288,000.00	101.1992	2,315,437.70	2,328,844.37	2,312,340.39	2.522	1.692%	AA+	Aaa
Treasury, United States Department of	9128284Q0	05/31/2020	3,500,000.00	100.1250	3,504,375.00	3,499,316.42	3,499,601.63	2.510	2.561%	AA+	Aaa
Treasury, United States Department of	912828L65	09/30/2020	6,500,000.00	98.5469	6,405,548.50	6,372,031.25	6,387,255.83	2.565	4.682%	AA+	Aaa
Treasury, United States Department of	912828A83	12/31/2020	7,500,000.00	100.0820	7,506,150.00	7,477,441.43	7,479,779.44	2.533	5.486%	AA+	Aaa

Holdings by Security Type

ACTC 2000 Measure B (159783)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	912828A83	12/31/2020	2,200,000.00	100.0820	2,201,804.00	2,196,046.89	2,196,119.65	2.478	1.609%	AA+	Aaa
Treasury, United States Department of	9128283X6	02/15/2021	2,200,000.00	99.8906	2,197,593.20	2,191,062.50	2,191,216.15	2.469	1.606%	AA+	Aaa
Treasury, United States Department of	9128284B3	03/15/2021	2,200,000.00	100.1680	2,203,696.00	2,196,906.25	2,196,957.39	2.448	1.611%	AA+	Aaa
Treasury, United States Department of	912828C57	03/31/2021	7,500,000.00	99.9531	7,496,482.50	7,455,175.73	7,459,301.35	2.530	5.479%	AA+	Aaa
Treasury, United States Department of	912828WG1	04/30/2021	2,300,000.00	99.9297	2,298,383.10	2,290,656.25	2,290,801.49	2.448	1.680%	AA+	Aaa
Treasury, United States Department of	912828WN6	05/31/2021	2,300,000.00	99.4102	2,286,434.60	2,278,527.34	2,278,848.23	2.438	1.671%	AA+	Aaa
Treasury, United States Department of	912828WR7	06/30/2021	7,500,000.00	99.6719	7,475,392.50	7,430,566.43	7,436,307.30	2.516	5.464%	AA+	Aaa
Treasury, United States Department of	912828WR7	06/30/2021	2,300,000.00	99.6719	2,292,453.70	2,284,457.04	2,284,680.95	2.431	1.676%	AA+	Aaa
Treasury, United States Department of	912828Y20	07/15/2021	2,300,000.00	100.7852	2,318,059.60	2,310,062.50	2,309,920.11	2.429	1.694%	AA+	Aaa
Treasury, United States Department of	912828RC6	08/15/2021	2,300,000.00	99.6641	2,292,274.30	2,283,828.13	2,284,048.91	2.427	1.675%	AA+	Aaa
Treasury, United States Department of	912828F21	09/30/2021	2,300,000.00	99.6719	2,292,453.70	2,283,378.91	2,283,594.54	2.421	1.676%	AA+	Aaa
Treasury, United States Department of	912828G53	11/30/2021	2,400,000.00	99.0195	2,376,468.00	2,366,718.74	2,367,123.79	2.408	1.737%	AA+	Aaa
Treasury, United States Department of	9128285R7	12/15/2021	2,400,000.00	101.0000	2,424,000.00	2,413,875.00	2,413,708.67	2.405	1.772%	AA+	Aaa
Treasury, United States Department of	912828G87	12/31/2021	2,400,000.00	99.6719	2,392,125.60	2,381,718.74	2,381,934.45	2.409	1.748%	AA+	Aaa
Treasury, United States Department of	912828XW5	06/30/2022	4,000,000.00	98.4922	3,939,688.00	3,900,000.00	3,905,873.01	2.510	2.880%	AA+	Aaa
Treasury, United States Department of	912828S35	06/30/2023	500,000.00	96.5039	482,519.50	476,250.00	477,063.36	2.522	0.353%	AA+	Aaa
Treasury, United States Department of	---	01/05/2021	85,888,000.00	99.6897	85,616,594.50	85,396,903.01	85,405,024.57	2.365	62.578%	AA+	Aaa

Summary

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	11/12/2020	136,928,642.32	99.8257	136,815,229.27	136,581,265.81	136,548,965.67	2.343	100.000%	AA	Aa1

* Grouped by: Security Type Category. * Groups Sorted by: Security Type Category. * Filtered By: Description ≠ "Receivable" and Description ≠ "Payable". * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type

ACTC 2014 Measure BB (159782)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Agency

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Federal National Mortgage Association Fannie Mae	3135G0ZE6	06/20/2019	2,000,000.00	99.8404	1,996,808.00	1,998,900.00	1,999,842.58	1.786	1.813%	AA+	Aaa
Federal Home Loan Banks Office of Finance	313384HL6	06/28/2019	8,370,000.00	99.4084	8,320,483.08	8,318,343.12	8,320,589.07	2.437	7.553%	A-1+	P-1
Federal Farm Credit Banks Funding Corporation	3133EH2S1	12/12/2019	2,000,000.00	99.6604	1,993,208.00	1,999,400.00	1,999,790.41	1.890	1.809%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130A0JR2	12/13/2019	2,000,000.00	99.9732	1,999,464.00	2,018,860.00	2,006,568.93	1.895	1.815%	AA+	Aaa
Federal National Mortgage Association Fannie Mae	3135G0A78	01/21/2020	2,523,000.00	99.3552	2,506,731.70	2,499,258.57	2,513,286.10	2.114	2.275%	AA+	Aaa
Federal National Mortgage Association Fannie Mae	3135G0T29	02/28/2020	2,000,000.00	99.1689	1,983,378.00	1,969,074.00	1,985,988.63	2.290	1.800%	AA+	Aaa
Farm Credit Banks Consolidated Systemwide Bonds and Discount Notes	3133EJHL6	03/27/2020	2,000,000.00	100.2069	2,004,138.00	1,999,960.00	1,999,980.25	2.376	1.819%	AA+	Aaa
Federal Home Loan Banks Office of Finance	3130ADUJ9	03/30/2020	3,000,000.00	99.9390	2,998,170.00	3,001,359.00	3,000,686.10	2.351	2.722%	AA+	Aaa
Federal Home Loan Mortgage Corporation	3137EAEF2	04/20/2020	3,000,000.00	98.9135	2,967,405.00	2,944,563.00	2,971,235.52	2.312	2.694%	AA+	Aaa
---	---	11/21/2019	26,893,000.00	99.5431	26,769,785.78	26,749,717.69	26,797,967.57	2.237	24.300%	AA+	Aaa

CP

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Toyota Motor Credit Corporation	89233HW59	09/05/2019	2,275,000.00	98.8790	2,249,497.25	2,241,320.51	2,249,700.10	2.586	2.042%	A-1+	P-1
Toyota Motor Credit Corporation	89233HY40	11/04/2019	2,250,000.00	98.4390	2,214,877.50	2,206,791.88	2,215,144.38	2.612	2.010%	A-1+	P-1
J.P. Morgan Securities LLC	46640QY54	11/05/2019	4,500,000.00	98.4320	4,429,440.00	4,411,556.24	4,427,787.49	2.694	4.021%	A-1	P-1
---	---	10/20/2019	9,025,000.00	98.5468	8,893,814.75	8,859,668.63	8,892,631.97	2.646	8.073%	AA-	P-1

Corporate

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Caterpillar Financial Services Corporation	14912L6R7	05/18/2019	889,000.00	99.8269	887,461.14	886,493.02	887,407.73	2.737	0.806%	A	A3
Pfizer Inc.	717081DU4	06/03/2019	2,000,000.00	99.8089	1,996,178.00	1,988,360.00	1,998,636.95	1.852	1.812%	AA	A1
Target Corporation	87612EBB1	06/26/2019	2,000,000.00	99.8920	1,997,840.00	2,013,820.00	2,002,118.57	1.842	1.813%	A	A2
Microsoft Corporation	594918BN3	08/08/2019	1,000,000.00	99.4844	994,844.00	984,390.00	995,848.06	2.300	0.903%	AAA	Aaa
The Bank of New York Mellon Corporation	06406HCW7	09/11/2019	1,500,000.00	99.8502	1,497,753.00	1,491,165.00	1,497,303.17	2.714	1.360%	A	A1
The Procter & Gamble Company	742718EG0	11/01/2019	1,000,000.00	99.5847	995,847.00	992,800.00	997,296.84	2.373	0.904%	AA-	Aa3
PepsiCo, Inc.	713448BN7	01/15/2020	2,000,000.00	101.4422	2,028,844.00	2,103,180.00	2,039,030.13	1.969	1.842%	A+	A1
Apple Inc.	037833CK4	02/07/2020	3,000,000.00	99.5327	2,985,981.00	2,989,800.00	2,995,904.25	2.064	2.710%	AA+	Aa1
Intel Corporation	458140AZ3	05/11/2020	1,000,000.00	99.2215	992,215.00	985,900.00	992,487.40	2.548	0.901%	A+	A1
---	---	10/16/2019	14,389,000.00	99.9215	14,376,963.14	14,435,908.02	14,406,033.11	2.170	13.050%	A+	A1

MM Fund

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	33,504.78	1.0000	33,504.78	33,504.78	33,504.78	2.340	0.030%	AAAm	Aaa
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	33,504.78	1.0000	33,504.78	33,504.78	33,504.78	2.340	0.030%	AAAm	Aaa

US Gov

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	912828WS5	06/30/2019	2,000,000.00	99.7773	1,995,546.00	1,995,312.50	1,999,258.57	1.778	1.811%	AA+	Aaa
Treasury, United States Department of	912828XV7	06/30/2019	2,000,000.00	99.6875	1,993,750.00	1,983,984.38	1,997,466.77	1.772	1.810%	AA+	Aaa
Treasury, United States Department of	912828XV7	06/30/2019	12,000,000.00	99.6875	11,962,500.00	11,932,968.72	11,963,214.54	2.495	10.859%	AA+	Aaa
Treasury, United States Department of	912828F39	09/30/2019	23,225,000.00	99.6367	23,140,623.57	23,094,359.38	23,132,122.68	2.563	21.005%	AA+	Aaa

Holdings by Security Type

ACTC 2014 Measure BB (159782)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	9128283H1	11/30/2019	2,650,000.00	99.5469	2,637,992.85	2,622,982.43	2,638,063.15	2.444	2.395%	AA+	Aaa
Treasury, United States Department of	912828G95	12/31/2019	2,000,000.00	99.3828	1,987,656.00	1,991,875.00	1,997,043.49	1.826	1.804%	AA+	Aaa
Treasury, United States Department of	912828G95	12/31/2019	1,375,000.00	99.3828	1,366,513.50	1,364,150.40	1,365,738.97	2.538	1.240%	AA+	Aaa
Treasury, United States Department of	912828MP2	02/15/2020	2,102,000.00	101.0000	2,123,020.00	2,164,485.23	2,128,803.32	2.130	1.927%	AA+	Aaa
Treasury, United States Department of	9128283Y4	02/29/2020	3,000,000.00	99.8594	2,995,782.00	2,998,710.93	2,999,376.92	2.273	2.719%	AA+	Aaa
Treasury, United States Department of	9128284C1	03/31/2020	4,000,000.00	99.8320	3,993,280.00	3,998,281.24	3,999,131.10	2.272	3.625%	AA+	Aaa
Treasury, United States Department of	912828X21	04/15/2020	3,000,000.00	99.0781	2,972,343.00	2,952,421.89	2,975,468.55	2.309	2.698%	AA+	Aaa
Treasury, United States Department of	912828ND8	05/15/2020	2,888,000.00	101.1992	2,922,632.90	2,939,555.31	2,918,723.37	2.522	2.653%	AA+	Aaa
Treasury, United States Department of	---	10/29/2019	60,240,000.00	99.7564	60,091,639.82	60,039,087.40	60,114,411.42	2.403	54.547%	AA+	Aaa

Summary

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	11/01/2019	110,580,504.78	99.5988	110,165,708.27	110,117,886.52	110,244,548.85	2.352	100.000%	AA	Aa1

* Grouped by: Security Type Category. * Groups Sorted by: Security Type Category. * Filtered By: Description ≠ "Receivable" and Description ≠ "Payable". * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type

ACTC Series 2014-Interest Fd (159784)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

MM Fund

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	4,536.50	1.0000	4,536.50	4,536.50	4,536.50	2.340	0.758%	AAAm	Aaa
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	4,536.50	1.0000	4,536.50	4,536.50	4,536.50	2.340	0.758%	AAAm	Aaa

US Gov

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Treasury, United States Department of	912796SE0	08/22/2019	600,000.00	99.0561	594,336.60	594,096.03	594,295.49	2.451	99.242%	A-1+	P-1
Treasury, United States Department of	912796SE0	08/22/2019	600,000.00	99.0561	594,336.60	594,096.03	594,295.49	2.451	99.242%	A-1+	P-1

Summary

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	08/21/2019	604,536.50	98.3133	598,873.10	598,632.53	598,831.99	2.450	100.000%	AAA	Aaa

* Grouped by: Security Type Category. * Groups Sorted by: Security Type Category. * Filtered By: Description ≠ "Receivable" and Description ≠ "Payable". * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type

ACTC Series 2014-Principal Fd (159786)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

Agency

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Federal Home Loan Banks Office of Finance	313384TJ8	02/21/2020	2,355,000.00	97.8719	2,304,883.25	2,303,033.00	2,303,818.00	2.442	99.681%	A-1+	P-1
Federal Home Loan Banks Office of Finance	313384TJ8	02/21/2020	2,355,000.00	97.8719	2,304,883.25	2,303,033.00	2,303,818.00	2.442	99.681%	A-1+	P-1

MM Fund

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	7,385.97	1.0000	7,385.97	7,385.97	7,385.97	2.340	0.319%	AAAm	Aaa
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	7,385.97	1.0000	7,385.97	7,385.97	7,385.97	2.340	0.319%	AAAm	Aaa

Summary

Issuer	Identifier	Final Maturity	Current Units	Market Price	Market Value	Original Cost	Book Value	Book Yield	% of Market Value	S&P Rating	Moody's Rating
---	---	02/20/2020	2,362,385.97	97.5625	2,312,269.21	2,310,418.97	2,311,203.97	2.441	100.000%	AAA	Aaa

* Grouped by: Security Type Category. * Groups Sorted by: Security Type Category. * Filtered By: Description ≠ "Receivable" and Description ≠ "Payable". * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Holdings by Security Type

ACTC Series 2014-Revenue Fd (159787)

Base Currency: USD As of 03/31/2019

Dated: 04/09/2019

MM Fund

<i>Issuer</i>	<i>Identifier</i>	<i>Final Maturity</i>	<i>Current Units</i>	<i>Market Price</i>	<i>Market Value</i>	<i>Original Cost</i>	<i>Book Value</i>	<i>Book Yield</i>	<i>% of Market Value</i>	<i>S&P Rating</i>	<i>Moody's Rating</i>
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	822.70	1.0000	822.70	822.70	822.70	2.340	100.000%	AAAm	Aaa
Morgan Stanley Institutional Liquidity Funds	61747C707	03/31/2019	822.70	1.0000	822.70	822.70	822.70	2.340	100.000%	AAAm	Aaa

* Grouped by: Security Type Category. * Groups Sorted by: Security Type Category. * Filtered By: Description ≠ "Receivable" and Description ≠ "Payable". * Weighted by: Market Value + Accrued, except Book Yield by Base Book Value + Accrued. * Holdings Displayed by: Lot.

Additional Disclosure:

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Public Trust Advisors
717 17th St. Suite 1850
Denver, CO 80202



Memorandum

5.5

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 6, 2019

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

SUBJECT: Alameda CTC Investment Policy

Recommendation

It is recommended that the Commission review and approve an update to the Alameda CTC investment policy adopted in May 2018.

Summary

An update to the Alameda CTC investment policy is attached in red line to show recommended changes to the policy since it was adopted in May 2018. Recommended changes include adding one authorized investment type, as permitted by California Government Code, increasing the investment limit for the California Asset Management Program, and other administrative changes. Staff is recommending that the Commission review and approve this update to the Alameda CTC investment policy as it is best practice for an investment policy to be reviewed and approved annually.

Background

The California Government Code Section 53600.5 states, "... the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control." These objectives also are reflected in Alameda CTC's investment policy, in the order of priority demonstrated in the California Government Code. The current Alameda CTC investment policy was adopted by the Commission in May 2018.

Staff has reviewed the investment policy in consultation with investment advisors and is recommending the following changes to the currently adopted investment policy:

- Adding AAA-rated asset-backed securities as an authorized investment type. This security type is authorized in California Government Code, however at a lower rating. Alameda CTC's policy would continue to be more restrictive than the California

Government Code. The addition of this security type can provide more attractive yields and diversification benefits to the overall portfolio,

- Increasing the investment limit for the California Asset Management Program which is needed as the portfolio grows to help manage liquidity needs, and
- Other administrative changes.

The attached investment policy (Attachment A) was developed in accordance with the California Government Code in order to define parameters and guide staff and investment advisors in managing Alameda CTC's investment portfolio. The policy formalizes the framework for Alameda CTC's investment activities that must be exercised to ensure effective and prudent fiscal management of Alameda CTC's funds. The guidelines are intended to be broad enough to allow staff and the investment advisors to function properly within the parameters of fiscal responsibility and authority, yet specific enough to adequately safeguard the investment assets.

The primary objectives of the investment activities within the policy safeguard Alameda CTC assets by mitigating credit and interest rate risk, provide adequate liquidity to meet all operating requirements of Alameda CTC, and attain a market rate of return on investments taking into account the investment risk constraints of safety and liquidity needs.

Through the proposed investment policy, the Commission appoints the Executive Director and the Deputy Executive Director of Finance and Administration as Investment Officers who are responsible for the investment program of the Alameda CTC and will act responsibly as custodians of the public trust. The policy requires the Investment Officers to design internal controls around investments that would prevent the loss of public funds from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of Alameda CTC. It also allows the Investment Officers to periodically reset performance benchmarks to reflect changing investment objectives and constraints.

Fiscal Impact: There is no fiscal impact to the approval of this investment policy.

Attachment:

- A. Draft Alameda CTC Investment Policy May 2019

Alameda County Transportation Commission

DRAFT

Investment Policy

May 201~~9~~8

I. Introduction

The intent of the Investment Policy of the Alameda County Transportation Commission (Alameda CTC) is to define the parameters within which funds are to be managed. The policy formalizes the framework for Alameda CTC's investment activities that must be exercised to ensure effective and prudent fiscal and investment management of Alameda CTC's funds. The guidelines are intended to be broad enough to allow Alameda CTC's Investment Officers (as defined below) to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements, including the California Government Code.

III. Scope

This policy applies to activities of Alameda CTC with regard to investing the financial assets of all funds (except bond funds and retirement funds). In addition, any funds held by trustees or fiscal agents are excluded from these rules; however, all such funds are subject to regulations established by the State of California.

Note that any excluded funds such as employee retirement funds, proceeds from certain bond issuances and Other Postemployment Benefits (OPEB) trust assets are covered by separate policies.

IV. General Objectives

The primary objectives, in order of priority, of investment activities shall be:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit and interest rate risk.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. *Return*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

V. Standard of Care

1. *Prudence*

The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

"When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

2. *Delegation of Authority and Responsibilities*

Responsibilities of the Commission - The Commission, in its role as Alameda CTC's governing body, will retain ultimate fiduciary responsibility for the portfolios. They will receive quarterly reports for review, designate Investment Officers and annually review and adopt the investment policy.

The Commission hereby designates the Executive Director and the Deputy Executive Director of Finance and Administration, as Treasurer, as the Investment Officers.

Responsibilities of the Investment Officers - The Investment Officers are jointly responsible for the operation of the investment program. The Investment Officers shall act in accordance with written procedures and internal controls for the operation of the investment program consistent with the Investment Policy. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

Responsibilities of the Investment Advisor - Alameda CTC may engage the services of one or more external investment advisors to assist in the management of the investment portfolio in a manner consistent with Alameda CTC's objectives. Investment advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy and the California Government Code and must be registered under the Investment Advisors Act of 1940 or be a bank, regulated by the Office of the Comptroller of the Currency (OCC) or Federal Reserve operating under the fiduciary exemption from the Security and Exchange Commission. Any investment advisor shall be required to prepare and provide comprehensive reports on Alameda CTC's investments on a monthly

and quarterly basis, and as requested by Alameda CTC's Investment Officers. At no time shall the investment advisor maintain custody of Alameda CTC cash or assets.

Responsibilities of the Custodian - A third party bank custodian shall hold Alameda CTC cash and assets under management by any investment advisor in the name of Alameda CTC. The custodian shall receive direction from the investment advisor on settlement of investment transactions.

VI. Selection of Financial Institutions and Broker/Dealers

Alameda CTC's procedures are designed to encourage competitive bidding on transactions from an approved list of broker/dealers in order to provide for the best execution on transactions.

The Investment Officer, or the investment advisors, shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. This list will be developed after a process of due diligence confirming that the firms qualify under the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). Alameda CTC shall purchase securities only from authorized institutions or firms.

The Investment Officer, or the investment advisor, shall obtain competitive offers on all purchases of investment instruments purchased on the secondary market whenever possible. A competitive bid can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.

VII. Safekeeping and Custody

1. Delivery vs. Payment

All trades of marketable securities will be executed on a delivery vs. payment (DVP) basis to ensure that securities are deposited in Alameda CTC's safekeeping institution prior to the release of funds.

2. Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by Alameda CTC's Investment Officers. All securities will be evidenced by safekeeping receipts in Alameda CTC's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.)

3. Internal Controls

The Investment Officers are responsible for establishing, maintaining and documenting an internal control structure designed to ensure that the assets of Alameda CTC are protected from loss, theft or misuse. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of Alameda CTC.

VIII. Authorized Investments

The following investments will be permitted by this policy and are those authorized in the California Government Code.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 100%
2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 100%
 - c. Type: Senior debt obligations
 - d. Maximum per issuer: 35%
3. Repurchase Agreements used solely as short-term investments.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in VIII 1 and 2 above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to Alameda CTC's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by Alameda CTC for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

Alameda CTC or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

Alameda CTC may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$25 billion and having debt rated in the highest short-term rating category as provided by a nationally recognized statistical rating organization.

Alameda CTC will enter into a Master Repurchase Agreement, substantially in the form approved by the Securities Industry and Financial Markets Association

(SIFMA) and by Alameda CTC's counsel, with each firm with which it enters into Repurchase Agreements.

- a. Maximum maturity: 90 days
 - b. Maximum percent of portfolio: 20%
4. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 10%
 - c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
 - d. Maximum per issuer: 5%
 5. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency or authority of any of the other 49 states, in addition to California.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 10%
 - c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
 - d. Maximum per issuer: 5%
 6. Bankers' Acceptances, otherwise known as bills of exchange or time drafts which are drawn on and accepted by a commercial bank.
 - a. Maximum maturity: 180 days
 - b. Maximum percent of portfolio: 40%
 - c. Minimum credit quality: A1 (S&P); or P1 (Moody's); or F1 (Fitch)
 - d. Maximum per issuer: 5%
 7. Commercial paper rated in the highest two short-term rating categories, as provided by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars (\$500,000,000); and (c) has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.
 - a. Maximum maturity: 270 days
 - b. Maximum percent of portfolio: 25%
 - c. Minimum credit quality: A1 (S&P); or P1 (Moody's); or F1 (Fitch)
 - d. Maximum per issuer: 5%

8. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated a minimum of "A" or its equivalent by a nationally recognized statistical rating organization.
 - a. Maximum maturity: 5 years
 - b. Maximum percent of portfolio: 30%
 - c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
 - d. Maximum per issuer: 5%

9. Asset-backed securities, including any consumer receivable pass-through certificate, equipment lease-backed certificate, consumer receivable backed bond, or other pay-through bond with a maximum maturity of five years or less. Asset-backed securities shall be rated "AAA" or its equivalent or better by a nationally recognized statistical rating organization.

- a. Maximum Maturity: 5 years
- b. Maximum percent of portfolio: 20%
- c. Minimum credit quality: AAA (S&P); or Aaa (Moody's); or AAA (Fitch)
- d. Maximum per issuer: 5%

~~9.~~10. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California.

- a. Maximum maturity: 1 year
- b. Maximum percent of portfolio: 10%
- c. Maximum per issuer: 5%

~~10.~~11. _____ Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

- a. Maximum maturity: 3 years
- b. Maximum percent of portfolio: 30%
- c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
- d. Maximum per issuer: 5%

~~11.~~12. _____ State of California Local Agency Investment Fund (LAIF)

Although LAIF may invest in securities not permitted in the Alameda CTC's Investment Policy, such investments shall not exclude LAIF from the Alameda CTC's list of eligible investments, provided that LAIF's periodic reports allow the Investment Officer to adequately assess the risk inherent in LAIF's portfolio. Funds invested in LAIF will follow LAIF policies and procedures.

Alameda CTC Investment Policy May 2019~~98~~

- a. Maximum ~~percent of portfolio~~dollar limit: as determined by LAIF

The LAIF portfolio shall be reviewed annually in order to monitor its continuing suitability as an investment option for the Alameda CTC.

~~12.13.~~ _____ The California Asset Management Program (CAMP)

- a. Maximum ~~percent of portfolio~~dollar limit: ~~10%~~double the LAIF limit

The CAMP shall be reviewed annually in order to monitor its continuing suitability as an investment option for Alameda CTC. Funds invested in CAMP will follow CAMP policies and procedures.

~~13.14.~~ _____ Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or (2) retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

- a. Maximum percent of portfolio: 20%
- b. Maximum per Prime Money Market Fund: 5%
- c. Maximum per Government Money Market Fund: 10%
- d. Minimum credit quality: AAAm (S&P); or Aaa-mf (Moody's); AAAmf (Fitch)

~~14.15.~~ _____ United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank and eligible for purchase and sale within the United States.

- a. Maximum maturity: 5 years
- b. Maximum percent of portfolio: 10%
- c. Minimum credit quality: AA (S&P); or Aa (Moody's); or AA (Fitch)

Important Notes:

- a) The percentage limitation for all categories of investments refers to the percentage in the overall Alameda CTC portfolio on the date the security or shares are purchased.
- b) If the credit rating of a security is downgraded below the minimum required rating level for a new investment of that security type subsequent to its purchase,

the investment advisor shall promptly notify the Investment Officer. The Investment Officer shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Investment Officer will apply the general objectives of safety, liquidity, yield and legality to make the decision.

IX. Ineligible Investments

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to:

1. “Complex” derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating-rate notes, or any other complex variable-rate or structured note;
2. Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity;
3. ~~Non-agency m~~Mortgage-backed pass-through securities;
4. Other ~~non-agency~~ mortgage-backed securities; ~~and~~
5. ~~Non-agency c~~Collateralized mortgage obligations; ~~and~~
6. ~~Asset-backed securities~~

X. Investment Parameters

1. Credit Risk – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The diversification requirements included in Section VIII are designed to mitigate credit risk. Alameda CTC shall additionally mitigate credit risk by adopting the following diversification strategies:
 - a. Avoiding overconcentration in any one issuer or business sector;
 - b. Limiting investments in securities with higher credit risks; and
 - c. Maintaining a portion of the portfolio in a highly liquid investment such as LAIF
2. Market Risk - Market risk is the risk that the portfolio will fluctuate due to changes in the general level of interest rates. Alameda CTC recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. Alameda CTC shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cash flow purposes. Alameda CTC further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio

differently in different interest rate environments. Alameda CTC, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- a. Alameda CTC shall invest in securities with varying maturities, maintaining a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;
 - b. The maximum percent of callable securities in the portfolio shall be 25%;
 - c. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy;
 - d. Liquidity funds will be held in LAIF, CAMP or in money market instruments maturing within one year or less;
 - e. Longer term/Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will only be invested in higher quality and liquid securities; and
 - f. The duration of the portfolio shall at all times be approximately equal to the duration of a Market Benchmark Index selected by Alameda CTC based on Alameda CTC's investment objectives, constraints and risk tolerances, plus or minus ~~6 months~~25%. Duration flexibility is necessary because of the short-term benchmarks utilized on the portfolio due to capital project cashflow demands.
3. Maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

XI. Performance and Program Evaluation

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmarks shall have a similar weighted average maturity and credit profile commensurate with investment risk constraints and liquidity needs of Alameda CTC.

Alameda CTC may periodically update the performance benchmarks to reflect current investment objectives and constraints and shall communicate such changes to the investment advisor.

Appendix I

AUTHORIZED INVESTMENTS SUMMARY TABLE

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
US. Treasury Notes, Bonds, Bills or Certificates of Indebtedness	100%	100%	None	5 years	5 years	NA	NA
Federal or U.S. Sponsored Obligations fully guaranteed by Federal Agencies or U.S. Government Sponsored Enterprises	100%	100%	Max 35% per issuer	5 years	5 years	NA	Senior Debt
Repurchase Agreements	NA	20%	Strict collateral requirements; Master Repurchase Agreement	1 year	90 days	NA	NA
State of California and California Local Agency Bonds	NA	10%	Max 5% per issuer	5 years	5 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
Bonds of any of the other 49 states in addition to California	NA	10%	Max 5% per issuer	5 years	5 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
Bankers' Acceptances	40%	40%	Max 5% per issuer	180 days	180 days	NA	A1 (S&P) or P1 (Moody's) or F1 (Fitch)

Alameda CTC Investment Policy May 2019~~8~~

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Commercial paper of US corporations with total assets exceeding \$500,000,000	25%	25%	Max 5% of outstanding paper of any single issuer & max 5% of portfolio of any one issuer	270 days	270 days	A1 or P1 or F1	A1 (S&P) or P1 (Moody's) or F1 (Fitch)
Medium Term Corporate Notes of U.S. Corporations	30%	30%	Max 5% per issuer	5 years	5 years	A	A (S&P) or A2 (Moody's) or A (Fitch)
<u>Asset-Backed Securities</u>	<u>20%</u>	<u>20%</u>	<u>Max 5% per issuer</u>	<u>5 years</u>	<u>5 years</u>	<u>AA</u>	<u>AAA (S&P) or Aaa (Moody's) or AAA (Fitch)</u>
California Collateralized Time Deposits	NA	10%	Max 5% per issuer	NA	1 year	NA	NA
Negotiable Certificate of Deposits	30%	30%	Max 5% per issuer	5 years	3 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
State of California- Local Agency Investment Fund (LAIF)	NA	NA	As limited by LAIF (currently \$65 million)	NA	NA	NA	NA
California Asset Management Program	NA	NA 10%	NA Double the LAIF limit	NA	NA	NA	NA
Shares of Beneficial Interests (Money Market Funds)	20%	20%	Max 5% per Prime fund, Max 10% per Government fund	NA	N/A	AAA	AAAm (S&P) or Aaa-mf (Moody's) or AAAMmf (Fitch)

Alameda CTC Investment Policy May 2019⁸

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank	30%	10%	NA	5 years	5 years	AA	AA (S&P) or Aa (Moody's) or AA (Fitch)



Memorandum

5.6

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

DATE: May 6, 2019

TO: Finance and Administration Committee

FROM: Seung Cho, Director of Procurement and Information Technology
E.W. Cheng, Senior Administrative Analyst

SUBJECT: Amendment No. 5 to Professional Services Agreement No. A13-0088 with Acumen Building Enterprise, Inc. for Planning, Policy, Communications, and Administrative Support Services

Recommendation

It is recommended that the Commission approve Amendment No. 5 to Professional Services Agreement No. A13-0088 with Acumen Building Enterprise, Inc., to extend the period of performance for one additional year, from June 30, 2019 to June 30, 2020.

Summary

Alameda CTC issued a Request for Proposal for administrative, policy, planning and communications support services in September 2013, which covers an array of general services such as public meeting support for Alameda CTC's Commission and Community Advisory Committees, and technical support for Alameda CTC. Acumen Building Enterprise, Inc., an Alameda CTC-certified Small Local Business Enterprise (SLBE) firm with offices in Oakland, California, was selected as the top-ranked firm as a result of the RFP. Alameda CTC now wishes to amend the existing agreement to provide staff with the flexibility to adjust to changes in workload and to allow for additional time for consultant to complete existing assignments and transition key tasks to other members within the organization.

Acumen Building Enterprise, Inc. did not report a conflict in accordance with the Levine Act.

Fiscal Impact: The proposed action does not encumber any additional Alameda CTC funds. Staff intends to utilize the remaining balance from the existing contract budget to cover the anticipated expenditures in fiscal year 2019-2020, and has been included the budget in Alameda CTC's fiscal year 2019-2020 proposed budget.

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