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## Administration and Projects Committee **STAFF REPORT**

**Meeting Date:** February 02, 2023

<b>Subject</b>	<b>Accept Quarterly Cash and Investment Report for the Period Ended December 31, 2022</b>
<b>Summary of Issues</b>	The Authority's Investment Policy calls for a quarterly report on investment activity to be prepared and submitted to the Executive Director, Administration and Projects Committee (APC), and Authority Board. The accompanying report covers transactions from October 1, 2022 through December 31, 2022.
<b>Recommendations</b>	Staff seeks acceptance of the quarterly cash and investment report for the period ended December 31, 2022.
<b>Staff Contact</b>	Brian Kelleher
<b>Financial Implications</b>	None
<b>Options</b>	N/A
<b>Attachments (See APC Packet dated 2/2/23)</b>	<p><b>A.</b> Quarterly Investment Report for Period Ended December 31, 2022</p> <p><b>B.</b> Economic Update – prepared by Public Trust Advisors, LLC (PTA)</p>
<b>Changes from Committee</b>	<i>None</i>

### Background

The Authority's Investment Policy calls for a quarterly investment report to be submitted to the Executive Director, APC, and the Authority Board. The report summarizes investment balances, transactions, returns and other pertinent investment matters. The Authority's cash

and securities are invested in separate portfolios depending upon the objectives for the assets being managed. As of December 31, 2022, the combined balance for all cash, investments and holdings was \$112,702,273, a decrease of \$9,471,598 from the prior quarter end due primarily to the annual allocations for programs paid semi-annually.

Checking Account – \$1,650,868

The Authority’s commercial banking account, Wells Fargo, is utilized for accounts payable, payroll, deposits, and electronic activity.

Local Agency Investment Fund (LAIF) – \$43,220,350

LAIF is a pooled investment fund managed by the State Treasurer’s Office for public agencies. The LAIF return was 2.07% at the end of the quarter. A decrease in the amount of \$10.9 million was related to paid capital and program expenditures.

Investment Portfolio – \$67,831,055

The investment portfolio is actively managed with assistance from PTA, a registered and independent investment advisor. The portfolio includes individual securities, such as treasury notes, Federal Agency securities, high-quality corporate notes, and other securities permitted by the Authority’s Investment Policy.

<b>Performance Factors</b>	<b>September 30, 2022</b>	<b>December 31, 2022</b>	<b>Quarter</b>
	<b>Ending Balance</b>	<b>Ending Balance</b>	<b>Change</b>
Market Value Plus Accrued	\$67,351,314	\$67,831,055	\$479,741
Book Yield	1.33%	1.78%	0.45%
Yield to Maturity	4.27%	4.50%	0.23%
1-3 Year Treasury Benchmark	4.29%	4.49%	0.20%

Economic Update. Attachment B is a report prepared by PTA, the Authority’s investment advisor. The report contains slides of commonly referenced economic indicators and trends, including Gross Domestic Product, inflation, unemployment, and the Treasury yield curve.

**Certification:** The investment portfolio is in compliance with the Authority's adopted investment policy. Furthermore, as required by State regulation, it is certified that the Authority has sufficient cash liquidity to meet expected expenditure requirements over the next six months for fiscal operations. Certified by the following:

A handwritten signature in black ink, appearing to read "Brian Kelleher", written over a horizontal line.

Brian Kelleher  
Chief Financial Officer

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