

# TJPA Quarterly Investment Report

**To:** TJPA Board of Directors

**From:** Sara DeBord, Chief Financial Officer

**Date:** For the Quarter Ending June 30, 2018

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Per the Board-approved TJPA Investment Policy, the primary objectives, in priority order, for the TJPA's investment activities are safety, liquidity, and then return on investment. The TJPA's permitted investment instruments are governed by California Government Code and the Investment Policy, as well as by financing agreements such as the TIFIA Loan Agreement. All cash is currently held in one of the following accounts:

- 1) Insured/collateralized checking accounts with U.S. Bank
  - Regular Checking
  - Payroll
  - Contractor Retention
  - Operating
- 2) City & County of San Francisco Pooled Investment Fund
- 3) California Local Agency Investment Fund (LAIF)
- 4) Trust accounts with U.S. Bank (formerly Deutsche Bank)
  - Construction Fund for deposit of land sales proceeds and prior bridge loan proceeds
  - TIFIA Collateral Agency accounts for deposit and flow of net tax increment proceeds

The attached Investment & Earnings report identifies the balance in each of these accounts as of the end of the quarter. This report is sent to the Board within 30 days of each fiscal year quarter's end to comply with state government code reporting requirements. Each report is also posted on the TJPA website under Financial Documents to ensure public access to the information.

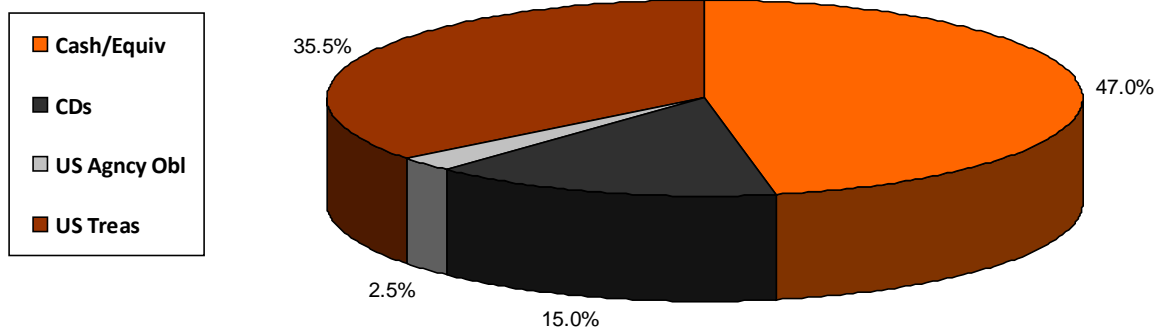
Due to the still low interest rate environment, and because any interest earned on federal funds would need to be remitted to FTA, the U.S. Bank accounts are currently set up with an earnings credit rate, meaning that any earnings offset bank fees, and unused 'earnings' in one month are rolled to the following month(s). Thus, no interest earnings are reported in the investment report for the bank account. The balances of all accounts are combined to calculate the earnings. TJPA holds only the amount necessary for estimated upcoming cash disbursements in the regular checking account, and a fixed imprest amount in the payroll account. The contractor retention account is a 'small business' checking account that has a limited amount of activity and no fees. The operating account was opened this quarter and will be utilized by TJPA and the asset manager for deposit of rents and payment of various operating expenses.

TJPA has not been able to obtain the amounts earned on the \$10,025,941 in the City Treasurer's Pool due to implementation of the City's new financial system. The amount will be updated and posted once available. Interest earnings for LAIF were \$49,550; the ending cash balance is \$11,251,662.

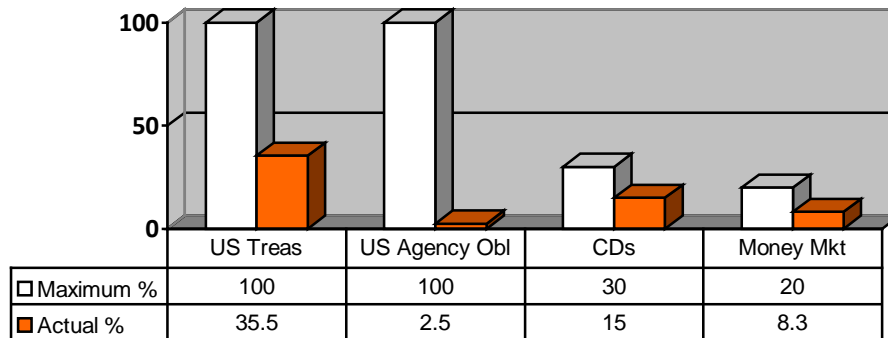
The TJPA has trust accounts with U.S. Bank for gross sales proceeds from former state parcels, bridge loan proceeds, and net tax increment revenues. TJPA generally follows conservative investment practices of buying and holding investments until maturities, which are laddered. At June 30, 2018, the TJPA trust

accounts collectively held \$31,116,000 (par value) of U.S. Treasury Bills and Notes, U.S Agency Obligations, and certificates of deposit (CDs) that mature on a rolling basis, plus money market mutual funds balances totaling \$4,875,034 for projected upcoming disbursements in order to avoid penalties or losses for selling any investments before maturity. The proceeds of the U.S. Treasury investments and CDs that mature in July will primarily be reinvested in new U.S. Treasury investments and CDs with balances being transferred to the money market mutual funds for upcoming disbursements. The trust account investment earnings of \$209,098 reported for the quarter equals accrued interest for the period, plus amortization attributable to the period of discounts on U.S. Treasury Notes. Further details on investments are shown below and in the attached quarterly report.

**Portfolio Investments at June 30**



**Compliance with Investment Policy Percentages at June 30**



The portfolio overall is in compliance with the TJPA Investment Policy. As noted above, TJPA generally holds investments until maturity.

The Monthly Investment Transaction Report is concurrently being provided to the Board. It shows purchases and maturities of investments for the month of June, not including pooled investments or money market funds. The proceeds of the U.S. Treasury Note that matured June 30 (a Saturday) are included in the monthly report for June, whereas the investment is shown as a still held investment in the quarterly report in order to facilitate reconciliation with account statements.

**Transbay Joint Powers Authority**  
**Investment & Interest Earnings Report<sup>1</sup>**  
Fiscal Year 2018 4th Quarter (ending June 30, 2018)

**Summary of Deposit and Investment Accounts**

Depository / Investment Type	Balance (Carrying Value)	4th Quarter Interest <sup>2</sup>	Annualized Rate of Return
San Francisco Treasurer Pooled Investment Fund	\$ 10,025,941	\$ -	-
State Local Agency Investment Fund (LAIF)	\$ 11,251,662	\$ 49,550	1.76%
U.S. Bank / All Checking Accounts	\$ 1,476,718	\$ -	-
U.S. Bank / All Trust Accounts	\$ 35,907,506	\$ 209,098	2.33%
<b>Total Portfolio</b>	<b>\$ 58,661,826</b>		

**Listing of Deposits and Investments**

Investment Type	Par Value	Carrying Value/ Cost	Market Value <sup>3</sup>	% of Portfolio	Purchase Date	Maturity Date	Yield	Wtd Avg Maturity (days) <sup>4</sup>
<b>Cash</b>								
Checking Accounts	\$ 1,476,718	\$ 1,476,718	\$ 1,476,718					
Trust Accounts	\$ -	\$ -	\$ -					
<b>Total Cash</b>	<b>\$ 1,476,718</b>	<b>\$ 1,476,718</b>	<b>\$ 1,476,718</b>	<b>2.5%</b>				
<b>Cash Equivalents</b>								
City & County of San Francisco Treasurer's Pool	\$ 10,025,941	\$ 10,025,941	\$ 10,025,941	17.1%	n/a	n/a	n/a	
State Local Agency Investment Fund (LAIF)	\$ 11,251,662	\$ 11,251,662	\$ 11,251,662	19.2%	n/a	n/a	n/a	
Fidelity Institutional Money Market Treasury Portfolio	\$ 2,066,537	\$ 2,066,537	\$ 2,066,537	3.5%	n/a	n/a	n/a	
Federated Government Obligations Money Market Fund	\$ 1,119,448	\$ 1,119,448	\$ 1,119,448	1.9%	n/a	n/a	n/a	
First American Government Obligations Money Market Fund	\$ 791,061	\$ 791,061	\$ 791,061	1.3%	n/a	n/a	n/a	
Goldman Sachs Financial Square Government Fund	\$ 897,986	\$ 897,986	\$ 897,986	1.5%	n/a	n/a	n/a	
<b>Total Cash Equivalents</b>	<b>\$ 26,152,636</b>	<b>\$ 26,152,636</b>	<b>\$ 26,152,636</b>	<b>44.6%</b>				<b>1</b>
<b>Certificates of Deposit</b>								
Jonesboro State Bank	\$ 250,000	\$ 250,000	\$ 249,975		2/8/2018	7/9/2018	1.50%	
First Financial Bank	\$ 250,000	\$ 250,000	\$ 249,978		4/10/2018	7/10/2018	1.60%	
DNB First NA	\$ 250,000	\$ 250,000	\$ 249,978		4/11/2018	7/11/2018	1.60%	
Prospect Bank	\$ 250,000	\$ 250,000	\$ 249,968		3/13/2018	7/13/2018	1.55%	
Bank of China	\$ 250,000	\$ 250,000	\$ 249,973		4/11/2018	7/16/2018	1.65%	
Bank of Pontiac	\$ 250,000	\$ 250,000	\$ 249,963		2/14/2018	7/16/2018	1.55%	
1st Security Bank of WA	\$ 250,000	\$ 250,000	\$ 249,955		2/16/2018	7/16/2018	1.50%	
Reliant Bank	\$ 250,000	\$ 250,000	\$ 249,948		4/26/2018	7/26/2018	1.60%	
Investors Bank	\$ 250,000	\$ 250,000	\$ 249,960		4/30/2018	7/30/2018	1.70%	
BNY Mellon NA	\$ 250,000	\$ 250,000	\$ 249,908		2/6/2018	8/6/2018	1.45%	
Berkshire Bank	\$ 250,000	\$ 250,000	\$ 249,895		2/6/2018	8/6/2018	1.50%	
Goldman Sachs Bank USA	\$ 250,000	\$ 250,000	\$ 249,890		2/7/2018	8/7/2018	1.50%	
Minnewest Bank	\$ 250,000	\$ 250,000	\$ 249,918		2/7/2018	8/7/2018	1.60%	
Leader Bank	\$ 250,000	\$ 250,000	\$ 249,930		5/8/2018	8/8/2018	1.65%	
Cedar Rapids Bank & Trust	\$ 250,000	\$ 250,000	\$ 249,903		2/9/2018	8/9/2018	1.55%	
Luana Savings Bank	\$ 250,000	\$ 250,000	\$ 249,885		2/9/2018	8/9/2018	1.50%	
Peoples Bank Deer Lodge	\$ 250,000	\$ 250,000	\$ 249,918		2/9/2018	8/9/2018	1.60%	
Sanford Institute for Savings	\$ 250,000	\$ 250,000	\$ 249,888		2/14/2018	8/14/2018	1.55%	
Peoples Bank	\$ 250,000	\$ 250,000	\$ 249,880		3/15/2018	8/15/2018	1.55%	
First National Bank	\$ 250,000	\$ 250,000	\$ 249,918		5/15/2018	8/15/2018	1.65%	
Paragon Bank	\$ 250,000	\$ 250,000	\$ 249,883		2/16/2018	8/16/2018	1.55%	
Eagle Bank & Trust	\$ 250,000	\$ 250,000	\$ 249,853		2/23/2018	8/23/2018	1.55%	
Bank of Rhode Island	\$ 250,000	\$ 250,000	\$ 249,860		3/29/2018	8/29/2018	1.60%	
Carolina Alliance Bank	\$ 250,000	\$ 250,000	\$ 249,890		4/4/2018	9/4/2018	1.70%	
Paducah Bank & Trust	\$ 250,000	\$ 250,000	\$ 249,905		5/7/2018	9/7/2018	1.75%	
Community Bank Texas NA	\$ 250,000	\$ 250,000	\$ 249,885		5/16/2018	9/17/2018	1.75%	
Harborone Bank	\$ 250,000	\$ 250,000	\$ 249,843		5/4/2018	10/4/2018	1.75%	
Security Bank	\$ 250,000	\$ 250,000	\$ 249,853		4/11/2018	10/11/2018	1.80%	
United Community Bank	\$ 250,000	\$ 250,000	\$ 249,853		4/11/2018	10/11/2018	1.80%	
Washington Trust Co Bank	\$ 250,000	\$ 250,000	\$ 249,853		4/11/2018	10/11/2018	1.80%	
Bankwell Bank	\$ 250,000	\$ 250,000	\$ 249,813		4/12/2018	10/12/2018	1.75%	
FNCB Bank	\$ 250,000	\$ 250,000	\$ 249,795		4/18/2018	10/18/2018	1.75%	
Chemical Bank	\$ 250,000	\$ 250,000	\$ 249,810		4/30/2018	10/30/2018	1.80%	
Homestreet Bank	\$ 250,000	\$ 250,000	\$ 249,748		4/6/2018	12/6/2018	1.85%	
Compass Bank	\$ 250,000	\$ 250,000	\$ 249,745		4/5/2018	1/7/2019	1.95%	
<b>Total Certificates of Deposit</b>	<b>\$ 8,750,000</b>	<b>\$ 8,750,000</b>	<b>\$ 8,746,210</b>	<b>14.9%</b>				<b>57</b>
<b>U.S. Agency Obligations</b>								
Federal Home Loan Bank Note	\$ 1,500,000	\$ 1,495,093	\$ 1,495,200		6/28/2018	8/31/2018	1.84%	
<b>Total U.S. Agency Obligations</b>	<b>\$ 1,500,000</b>	<b>\$ 1,495,093</b>	<b>\$ 1,495,200</b>	<b>2.5%</b>				<b>62</b>
<b>U.S. Treasury Bills</b>								
U.S. Treasury Bills	\$ 2,014,000	\$ 1,999,063	\$ 2,007,857		4/2/2018	8/30/2018	1.78%	
<b>Total U.S. Treasury Bills</b>	<b>\$ 2,014,000</b>	<b>\$ 1,999,063</b>	<b>\$ 2,007,857</b>	<b>3.4%</b>				<b>61</b>
<b>U.S. Treasury Notes</b>								
U.S. Treasury Note	\$ 7,014,000	\$ 6,990,545	\$ 7,014,000		3/15/2018	6/30/2018	1.76%	
U.S. Treasury Note	\$ 1,496,000	\$ 1,494,510	\$ 1,495,506		6/4/2018	7/15/2018	1.75%	
U.S. Treasury Note	\$ 1,998,000	\$ 1,994,817	\$ 1,996,302		6/4/2018	7/31/2018	1.76%	
U.S. Treasury Note	\$ 4,348,000	\$ 4,329,675	\$ 4,344,304		2/21/2018	7/31/2018	1.71%	
U.S. Treasury Note	\$ 999,000	\$ 994,251	\$ 994,475		6/4/2018	12/31/2018	2.09%	
U.S. Treasury Note	\$ 2,997,000	\$ 2,984,518	\$ 2,984,473		6/4/2018	1/31/2019	2.14%	
<b>Total U.S. Treasury Notes</b>	<b>\$ 18,852,000</b>	<b>\$ 18,788,316</b>	<b>\$ 18,829,059</b>	<b>32.0%</b>				<b>56</b>
<b>Total Investments</b>	<b>\$ 57,268,636</b>	<b>\$ 57,185,108</b>	<b>\$ 57,230,963</b>					<b>31</b>
<b>Total Portfolio</b>	<b>\$ 58,745,354</b>	<b>\$ 58,661,826</b>	<b>\$ 58,707,681</b>					

<sup>1</sup> The TJPA investment portfolio is in compliance with the TJPA Investment Policy (California Government Code Section 53646(b)(2)). TJPA has sufficient resources to cover expenditures for the next six months (CGC Section 53646(b)(3)).

<sup>2</sup> Investment interest reported as accrued interest for period, net of premium or discount amortization. CCSF interest for FY18 not yet provided.

<sup>3</sup> Source of Market Value is U.S. Bank portfolio statements issued for June 30, 2018. TJPA holds securities until maturity.

<sup>4</sup> The calculation of Weighted Average Maturity for total investments assumes a maturity date of one day for investments without a maturity date.