

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

Date: September 14, 2016
To: ABAG Finance and Personnel Committee
From: Courtney Ruby
Director of Finance and Administrative Services
Subject: **Revisions to ABAG Investment Policy**

Our investment policy needs to be updated to reflect the current standards, limits, and practices.

ABAG Investment Policy (revised September 17, 2015) is attached.

REVISION #1:

15.0 Reporting

The Finance Director will submit a monthly investment report which summarizes total investment return and budgetary expectations. The report shall also disclose all investment transactions during the period as well as a complete list of securities in the portfolio showing type, institution, coupon rate, effective yield and current market value.

Revision:

The Finance Director will submit a ~~monthly~~ quarterly investment report which summarizes total investment return and budgetary expectations. The report shall also disclose all investment transactions during the period as well as a complete list of securities in the portfolio showing type, institution, coupon rate, effective yield, and current market value.

Reason for revision:

Revision is to reflect reasonable practice given limited activity and low risk.

Revisions to ABAG Investment Policy

September 14, 2016

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REVISION #2:

Appendix A

Explanation of Allowable Instruments

Local Agency Investment Fund (LAIF).

The LAIF was established by the State of California to enable treasurers to place funds in a pool of investments. There is a limitation of \$50 million per agency subject to a maximum of 15 total transactions per month. ABAG uses this fund when interest rates are declining as well as for short-term investments and liquidity.

Revision:

Local Agency Investment Fund (LAIF).

The LAIF was established by the State of California to enable treasurers to place funds in a pool of investments. ~~There is a limitation of \$50 million per agency subject to a maximum of 15 total transactions per month.~~ ABAG follows the State treasury limits prescribed to LAIF. ABAG uses this fund when interest rates are declining as well as for short-term investments and liquidity.

Reason for revision:

Our external auditors, Maze & Associates, recommended this revision so that we would not have to update our policy every time LAIF increases its limit.

Attachment

ABAG Investment Policy