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Memorandum

Date: June 1, 2018

To: Governing Board
San Francisco Bay Restoration Authority

From: Brian Mayhew, CFO/Treasurer

Subject: Establishment of a Statement of Investment Policy

Overview

Staff recommends that the San Francisco Bay Restoration Authority (“Authority”) adopt the Metropolitan Transportation Commission (“MTC”) Statement of Investment Policy for the management of Authority funds.

Background

On October 24, 2016, the State Coastal Conservancy (“Conservancy”), the Association of Bay Area Governments (“ABAG”) and the Authority entered into a joint powers agreement (“JPA”) pursuant to which ABAG provides treasurer services for the Authority. On December 15, 2017, the JPA was amended to reflect that MTC staff will provide, on behalf of ABAG, the treasury services for the Authority.

MTC operates under an approved investment policy, the “Statement of Investment Policy,” to manage and invest funds of MTC and all of its component units. MTC’s investment policy was prepared in accordance with the provisions of Government Code §§ 53600-53610, which addresses the management and investment of public funds by local agencies to protect the solvency and creditworthiness of the state and local agencies. Consistent with Government Code § 53600.5, MTC’s investment policy is based upon a primary objective of safeguarding the principal of MTC’s funds, a secondary objective of meeting MTC’s liquidity needs, and a third objective of achieving a return on the funds. MTC’s Statement of Investment Policy, is attached to the accompanying Resolution 49.

The Authority’s special tax measure, The San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Measure (“Measure AA”) has begun generating revenue for the Authority. Accordingly, the Authority should have an investment policy to guide its management of the special tax revenue and any other funds. As MTC’s Chief Financial Officer acting as Treasurer to the Authority, I have determined that MTC’s Statement of Investment Policy is sufficient for all of the Authority’s purposes.

Recommendation

Staff recommends that the Authority adopt Resolution 49, to adopt MTC's Statement of Investment Policy to guide the management of its funds by the MTC officers acting on behalf of the Authority pursuant to the JPA..