

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 12/8/2021

Staff Report No. 21-530

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Board Policy 349 - Investment Policy

ACTION ITEM

RECOMMENDED ACTION(S):

Consider approving minor amendments to Board Policy No. 349 - Investment Policy.

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

This report provides a periodic review of the Investment Policy and recommends minor amendments.

BUDGETARY/FISCAL IMPACT:

There is no budgetary or fiscal impact associated with this report.

BACKGROUND/RATIONALE:

In accordance with the Preamble to Board Policies and Administrative Regulations, the District's Investment Policy shall be reviewed on an annual basis.

The Investment Policy sets forth guidelines to be applied to the investment activities of the District in order to maintain an appropriate balance between safety, liquidity, and yield.

Staff has reviewed the policy and has determined some minor updates and grammatical edits are necessary. The updates are mainly in the Section 16 Fuel Hedging Program to broaden terminology for Fuel Commodity Transactions, which include fuel caps as well as swaps, and to clarify a few elements of the fuel hedging process based on a review by outside counsel. Specifically, the "Termination Risk" section provides clarifying details to specify when and how an early termination may occur and to add a few additional mitigation measures.

The applicable policy documents are attached for reference.

ADVANTAGES/DISADVANTAGES:

The advantage of updating the policy is to fix minor grammatical errors and to add clarity. There are no notable disadvantages.

ALTERNATIVES ANALYSIS:

Staff found no practical alternatives to the course of action recommended in this report.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report No. 20-406 Board Policy No. 349 - Investment Policy with no revisions

ATTACHMENTS:

1. Board Policy No. 349 with recommended revisions

Prepared by:

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Approved/Reviewed by:

Chris Andrichak, Chief Financial Officer

Jill A. Sprague, General Counsel