




**DATE:** July 22, 2021

**TO:** Transportation Authority of Marin Board of Commissioners

**FROM:** Anne Richman, Executive Director   
Li Zhang, Deputy Executive Director/Chief Financial Officer

**SUBJECT:** Annual Review of TAM’s Investment Policy and Debt Policy (Action), Agenda Item No. 6b

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**RECOMMENDATION**

The TAM Board reviews TAM’s Investment Policy and Debt Policy and accepts the changes recommended to the TAM Investment Policy.

**BACKGROUND**

Both the TAM Investment Policy, originally adopted on April 26, 2007, and Debt Policy, originally adopted on July 26, 2007, require that the policies be reviewed annually and updated if necessary.

Please note that TAM has issued no debt so far and doesn’t expect the need to do so in the foreseeable future. Currently, most of TAM’s funds are invested in the Investment Trust of California (CalTRUST), a Joint Powers Authority established by public agencies in California for the purpose of pooling and investing local agency funds. Those funds will remain in CalTRUST and will be managed by TAM staff and CalTRUST financial advisors directly.

**DISCUSSION/ANALYSIS**

No changes to the Debt Policy are recommended for this round of review since the agency currently has no debt and does not expect any debt issuance in the foreseeable future. An in-depth review and update of the Policy will be conducted if the need arises to issue debt.

Staff reviewed the TAM Investment Policy with the support team from CalTRUST and confirmed that the Policy is up to date except for the liquidity timeline for the Short-Term Fund on Page 5 of the Policy under Section 8 Withdrawals, which has changed from “same-day” to “next-day” since the 2020 Policy review.

**FISCAL CONSIDERATION**

Not Applicable.

**NEXT STEPS**

The next review of the Investment Policy and Debt Policy by the TAM Board will be in June/July 2022.

**ATTACHMENTS:**

Page 5 of the Investment Policy with Change Highlighted (*Full Policy document is available upon request*)

(p) Securities issued by or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank (Supranationals), with a maximum remaining maturity of five years or less, and eligible for purchase and sale with the US, as authorized for local agency investment pursuant to California Government Code Section 53601(q). Purchase of eligible supranational securities shall not exceed thirty percent (30%) of the treasury fund balance.

Where a percentage limitation is specified for a particular category of investments, that percentage is applicable only at the time of purchase.

## 8. WITHDRAWALS

Requests for redemptions from the CalTRUST funds shall be made in accordance with the provisions established by the CalTRUST Board of Trustees in the CalTRUST Information Statement. Such redemptions shall be made through the CalTRUST web portal or through the submission of a Cash Transaction Notice provided by CalTRUST. The present liquidity schedule for the CalTRUST funds is as follows:

- a) For the CalTRUST Government Money Market Fund, same-day liquidity provided notice is received prior to 1:00 pm Pacific Time any business day;
- b) For the CalTRUST Prime Money Market Fund (currently the Liquid Environmentally Aware Fund), same-day liquidity provided notice is received prior to 11:00 am Pacific Time any business day;
- c) For the CalTRUST Liquidity Fund, same-day liquidity provided notice is received prior to 12:00 pm Pacific Time any business day;
- d) For the CalTRUST Short-Term Fund, [nextsame](#)-day liquidity provided notice is received prior to 9:30 am Pacific Time any business day; and
- e) For the CalTRUST Medium-Term Fund, two-day liquidity provided notice is received prior to 9:30 am Pacific Time any business day.

## 9. LOSSES

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

## 10. DELIVERY & SAFEKEEPING

The CalTRUST third-party custodian shall hold all shares purchased through the CalTRUST program.

For securities purchased through a Special Purpose Investment, delivery of all securities shall be through a third party custodian. Non-negotiable certificates of deposit may be held in the TAM's safe. No security shall be held in safekeeping by the broker/dealer from whom it was