Agenda Item No. 1

To: Finance-Auditing Committee/Committee of the Whole
Meeting of December 17, 2009

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **RATIFICATION OF ACTIONS BY THE AUDITOR-CONTROLLER**

Recommendation

The Finance-Auditing Committee recommends:

a. The Board of Directors ratifies commitments and/or expenditures totaling $17,950.00 for the period November 1, 2009, through November 30, 2009 (See Attachment A for details).

b. The Board of Directors ratifies investments made during the period November 11, 2009, through December 8, 2009 (See Attachment B for additional information).

c. The Board of Directors authorizes the reinvestment, within the established policy of the Board, of any investments maturing between December 9, 2009, and January 11, 2010, as well as the investment of all other funds not required to cover expenditures which may become available.

d. The Board of Directors accepts the Investment Report for November 2009 (see Attachment C for details).

Fiscal Impact

Disbursements in the amount of $17,950.00 will be recorded as District Operations or Capital Expenditures. The investments made by the Auditor-Controller will earn the District investment income.

Attachments

ATTACHMENT A

RATIFY PAYMENT OF BILLS

Summary

This report reflects significant disbursements for the period November 1, 2009, through November 30, 2009. All commitments/expenditures in excess of $10,000 that have not been previously approved by the Board are listed below.

Vendor	Description	Division	Amount
Nancy Whelan Consulting	Grant Management Temporary	District	$17,950.00
TOTAL			**$17,950.00**

ATTACHMENT B

RATIFICATION OF PREVIOUS INVESTMENTS

Summary

During the reporting period November 11, 2009, through December 8, 2009, $8,550,000.00 matured. This report lists investments made by the Auditor-Controller of maturing funds available for reinvestment and any other money made available during this period:

Security	Purchase Date	Maturity Date	Original Cost	Percent Yield
Societe Generale Commercial Paper	12/07/09	02/11/10	4,548,331.67	0.20
Toyota Motor Credit Commercial Paper	12/07/09	02/11/10	3,998,680.00	0.18

Market Summary

Quotations as of December 7, 2009, for collateralized public time deposits over $100,000 and representative money market securities are shown below:

Category	90 DAYS	180 DAYS	360 DAYS
Bank C.D.	1.55%	1.95%	2.25%
Treasury Bills	0.04%	0.16%	
Commercial Paper	0.18%	0.27%	

The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

Golden Gate Transportation District Investment Report

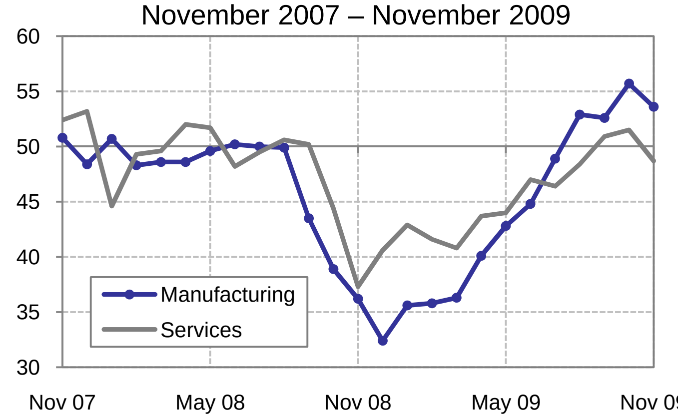
December 2009

Economic Summary

Economic Conditions Are Improving

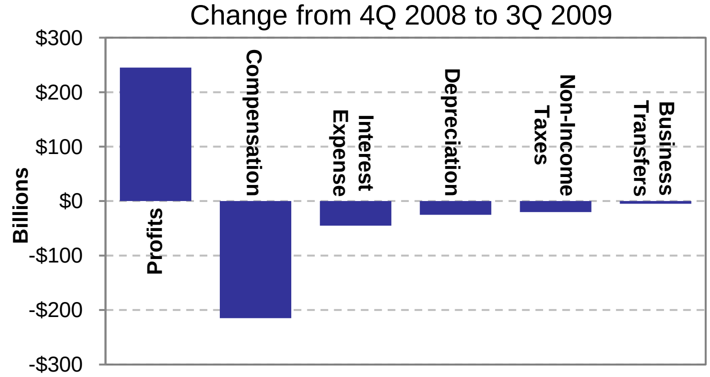
- November's employment report offered some hopeful news:
  - The unemployment rate ticked down, from 10.2% in October to 10.0% in November.
  - Only 11,000 jobs were cut in November, the best monthly number since December 2007.
- Markets reacted to this news, with two-year Treasuries yields rising almost 20 basis points from near-record lows.
- Equity markets reacted favorably, continuing the upward momentum in global stock markets.
- Both the ISM manufacturing and service sector indices have recently shown a trend toward growth, suggesting that the employment situation may continue to improve in coming months.
- Corporate profits have increased significantly since last year, but it has been primarily a result of cost controls, including workforce reductions.
- Going forward, a sustained recovery will require job growth, leading to consumer spending.

ISM Manufacturing and Service Sector Indices
November 2007 – November 2009



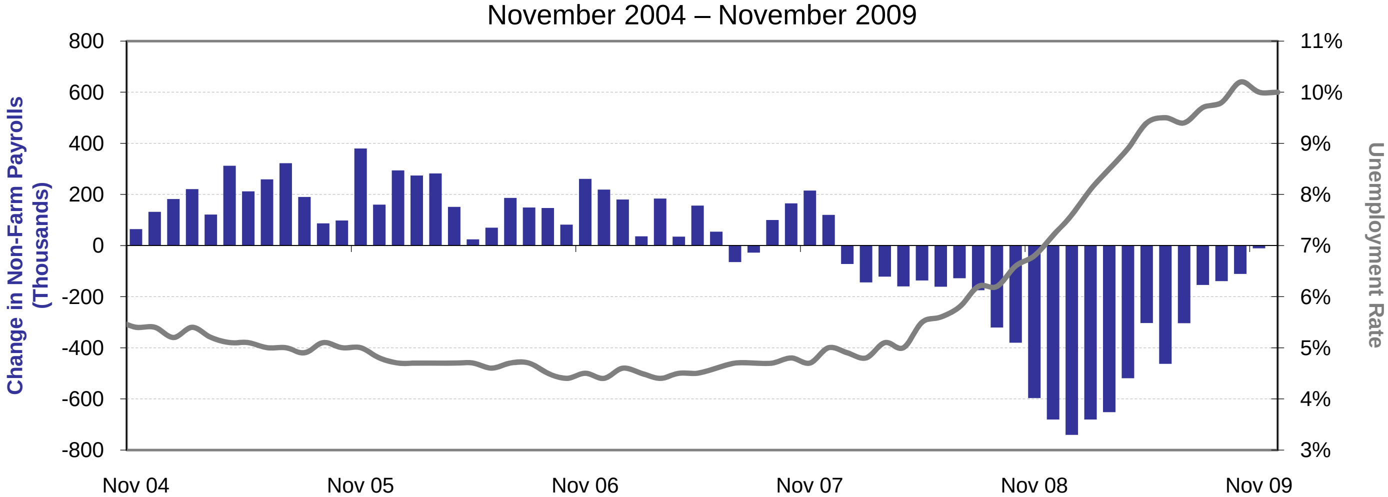
Source: Institute for Supply Management

Corporate Income Statement Items
Change from 4Q 2008 to 3Q 2009



Source: Capital Guardian

Unemployment Rate vs. Change in Nonfarm Payrolls
November 2004 – November 2009



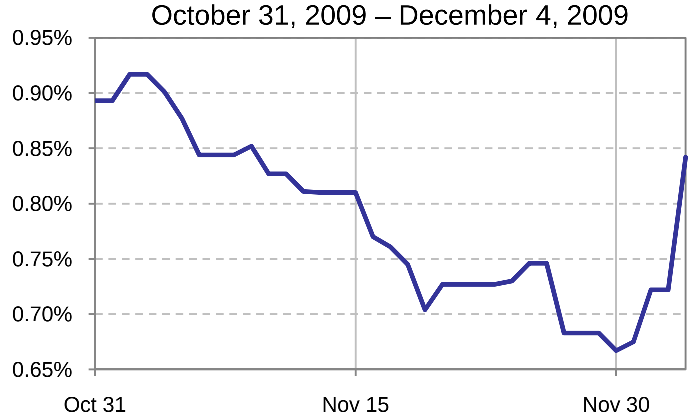
Source: Bureau of Labor Statistics, U.S. Department of Labor

Interest Rate Movements

Treasury Yields Retest Record Lows in November

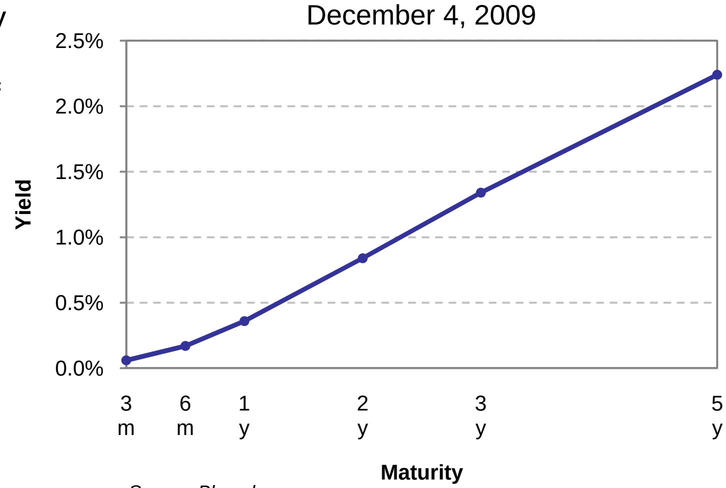
- During November, yields began their descent to near-record lows, following indications from several officials that the Federal Reserve will be on hold for several more quarters.
- Better-than-expected employment data released in early December caused yields to rebound significantly.
- However, Treasury rates remain near all-time lows as the Federal Reserve continues to keep its target range for Fed Funds between 0.00% and 0.25%.
- Although the bias of interest rates is ultimately higher, the direction and pace of near-term rate movements is subject to a high degree of uncertainty and will depend on many factors, including:
  - The speed and extent of the recovery
  - The level of unemployment
  - Future Federal Reserve action
- The Federal Reserve believes low rates are warranted by economic conditions, including:
  - Low rates of resource utilization
  - Subdued inflation trends
  - Stable inflation expectations

2-Year U.S. Treasury Note Yield
October 31, 2009 – December 4, 2009



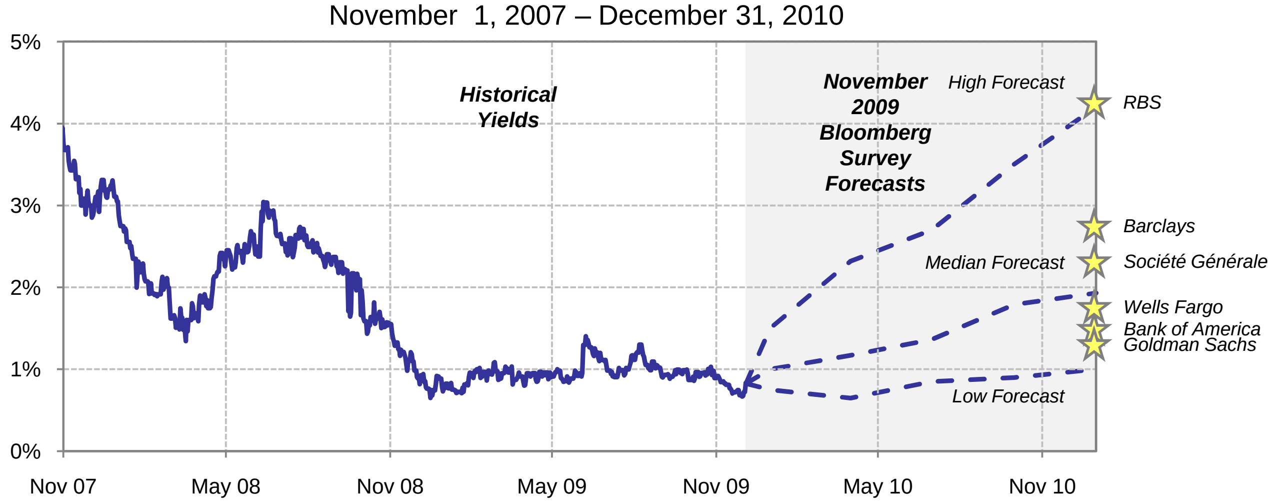
Source: Bloomberg

U.S. Treasury Yield Curve
December 4, 2009



Source: Bloomberg

2-Year U.S. Treasury Note Yield
November 1, 2007 – December 31, 2010



Source: Bloomberg

Investment Report

General Fund Portfolio

- During November there were no maturities in the General Fund Portfolio.
- Opportunities for advantageous swaps were limited due to the steep decline in interest rates during the month, with 2- and 3-year Treasury notes trading near record low levels for most of November.
- Purchasing intermediate-term Treasury securities at yields available in November would have already resulted in significant market value losses because rates have risen in December following the release of promising economic data.
- We will closely monitor the markets for opportunities to safely enhance the portfolio's long-term performance by taking advantage of pricing differences that develop between different sectors, maturities, and issuers.

Portfolio Yield
As of November 30, 2009

Portfolio	Yield
General Fund (excluding LAIF)	3.17%
General Fund (including LAIF)	2.76%

MEMORANDUM

To: Finance-Auditing Committee/Committee of the Whole
Meeting of December 17, 2009

From: Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Re: District Investment Report, November 2009

Attached to this memo is a listing of the District's investments.

The investment portfolio is in compliance with the District's Investment Policy and the California Government Code.

The District has sufficient cash and investments to meet its expenditure requirements for the next six months.

GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT
General Fund, Special Operating Reserve, & CP DSR
Combined
As of November 30, 2009

PORTFOLIO OF INVESTMENTS

MATURITY	SECURITY	DATE OF INVESTMENT	YIELD	DESCRIPTION	TOTAL MARKET VALUE	PAR	Cost
ON DEMAND	STATE	VARIOUS	0.61	LOCAL AGENCY INVESTMENT FUND	27,843,385	27,800,000	27,800,000.00
02/09/10	NOTES	01/13/09	0.76	FHLMC GLOBAL REFERENCE NOTES	8,892,131	8,815,000	9,201,537.75
02/09/10	NOTES	01/12/09	0.76	FHLMC GLOBAL REFERENCE NOTES	6,889,763	6,830,000	7,130,315.10
02/10/10	NOTES	01/09/09	0.79	FNMA GLOBAL BENCHMARK NOTES	4,833,530	4,805,000	4,932,572.75
03/12/10	NOTES	03/03/09	1.09	FHLB TAP BONDS	557,391	550,000	571,851.50
04/19/10	NOTES	05/22/06	5.35	FNMA GLOBAL NOTES (EX-CALLABLE)	5,089,063	5,000,000	4,938,600.00
08/15/10	NOTES	05/09/07	5.02	SAN DIEGO CNTY CALIF PENS(FGIC CNTY GTD)	2,955,030	3,000,000	2,551,230.00
11/04/10	NOTES	05/29/07	5.28	MERRILL LYNCH & CO (BAC) SR MTN	8,224,024	8,000,000	7,806,480.00
11/15/10	NOTES	10/09/09	0.52	US TREASURY NOTES	868,628	835,000	871,466.02
02/01/11	NOTES	01/29/07	5.22	GENERAL ELEC CAP CORP GLOBAL SR MTN	5,230,250	5,000,000	4,996,750.00
06/01/11	NOTES	09/12/07	5.19	JPMORGAN CHASE & CO SR NOTES	5,339,530	5,000,000	5,067,400.00
06/28/11	NOTES	07/19/06	5.53	FHLB BONDS	5,381,250	5,000,000	5,014,550.00
10/28/11	NOTES	10/28/09	1.50	FHLB NOTES (CALLABLE)	5,009,375	5,000,000	5,000,000.00
12/01/11	NOTES	12/02/08	3.26	MORGAN STANLEY (FDIC) GLOBAL NOTE	9,106,682	8,700,000	8,697,042.00
03/09/12	NOTES	04/30/08	3.53	FHLB TAP BONDS	5,289,063	5,000,000	4,995,150.00
04/18/12	NOTES	08/27/08	5.40	WELLS FARGO FINANCIAL GLOBAL SR NOTES	5,431,750	5,000,000	5,117,650.00
05/15/12	NOTES	11/04/08	3.92	FHLB GLOBAL BONDS	7,800,625	7,000,000	7,417,963.00
06/08/12	NOTES	06/17/08	4.42	FHLB TAP BONDS	5,320,313	5,000,000	4,857,050.00
06/08/12	NOTES	06/12/08	4.31	FHLB TAP BONDS	3,958,269	3,695,000	3,704,237.50
05/29/13	NOTES	11/03/08	4.48	FHLB GLOBAL BONDS	10,690,625	10,000,000	9,649,540.00
03/18/14	NOTES	04/03/09	2.96	FHLMC GLOBAL NOTES (CALLABLE)	5,109,545	5,000,000	5,067,000.00
03/18/14	NOTES	04/06/09	3.00	FHLMC GLOBAL NOTES (CALLABLE)	5,109,545	5,000,000	5,057,000.00
04/17/14	NOTES	06/09/09	3.33	FFCB BONDS	5,577,734	5,450,000	5,279,796.50
07/14/14	NOTES	07/15/09	3.23	FFCB NOTES (CALLABLE)	5,172,379	5,118,000	5,118,000.00
08/20/14	NOTES	08/20/09	3.37	FHLMC NOTES (CALLABLE)	5,087,650	5,000,000	4,995,000.00
09/29/14	NOTES	09/29/09	3.13	FNMA NOTES (CALLABLE)	5,054,688	5,000,000	5,000,000.00
12/07/09	CP	10/05/09	0.18	BNP PARIBAS FINANCE INC COMM PAPER (1)	3,549,890	3,550,000	3,548,881.75
12/07/09	CP	10/05/09	0.19	SOCIETE GENERALE NA COMM PAPER (1)	4,999,815	5,000,000	4,998,337.50
12/28/09	CP	09/25/09	0.24	BANK OF AMERICA CORP COMM PAPER (2)	6,347,022	6,348,000	6,344,021.92
				TOTAL	180,718,942	175,496,000	175,729,423.29

Notes
'1. Special Operating Reserve
'2. Commercial Paper Debt Service Reserve

DESCRIPTION	INVESTMENT	PORTFOLIO COMPOSITION	YIELD
Banker's Acceptance	-	0.00%	0.00%
Savings and Loan C.D.'s (C.D.)	-	0.00%	0.00%
Commercial Paper (C.P.)	14,896,727	8.24%	0.21%
Commercial Paper -TLGP	-	0.00%	0.00%
U. S. Treasury Bills and Notes	868,628	0.48%	0.52%
Agency Discount Notes	-	0.00%	0.00%
Agency Coupon Notes	100,822,936	55.79%	3.09%
Corporate Notes	24,225,554	13.41%	5.27%
Corporate Bonds (FDIC Insured)	9,106,682	5.04%	3.26%
Municipal Bonds	2,955,030	1.64%	5.02%
Long Term CD	-	0.00%	0.00%
LAIF	27,843,385	15.41%	0.61%
Total	180,718,942	100.00%	

Average Investment Yield of Portfolio	2.76%
Average Maturity of Portfolio	608

Market prices are derived from closing bid prices as of the last business day of the month as supplied by F.T. Interactive Data, Bloomberg or Telerate. Prices that fall between data points are interpolated.

Market value for LAIF is derived from the NAV posted quarterly on the LAIF website.