



Agenda Item No. (3)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of February 25, 2021

From: Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

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

Recommendation

The Finance-Auditing Committee recommends:

- a. The Board of Directors ratifies commitments and/or expenditures totaling \$16,378.20 for the period of January 1, 2021 through January 31, 2021 (See Attachment A for details).
- b. The Board of Directors ratifies investments made during the period January 12, 2021 through February 15, 2021 (See Attachment B for details).
- c. The Board of Directors authorizes the reinvestment, within the established policy of the Board, of any investments maturing between February 16, 2021 and March 15, 2021, 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 January 2021 (see Attachment C for details).

Attachments

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ATTACHMENT A

RATIFY PAYMENT OF BILLS

Summary

This report reflects significant disbursements for the period January 1, 2021 through January 31, 2021. All commitments/expenditures in excess of \$10,000 that have not been previously approved by the Board are listed below.

VENDOR	DESCRIPTION	DIVISION	AMOUNT
Marin Airporter	FY2021 Quarter 1 (Jul-Sep 2020) Toll Reimbursement	Bridge	\$16,378.20
TOTAL			\$16,378.20

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ATTACHMENT B

RATIFICATION OF PREVIOUS INVESTMENTS

Summary

During the reporting period January 12, 2021 through February 15, 2021, \$2,500,000.00 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
CARMX 2021-1 A3	01/20/21	12/15/25	\$314,937.76	.34%
US TREASURY N/B NOTES	02/08/21	01/31/26	\$4,975,585.94	.47%

Quotations as of February 15, 2021 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.	.10%	.15%	.15%
Treasury Bills	.045%	.055%	
Commercial Paper	.17%	.20%	

At the District's request, we have shown yield information for the District's liquidity vehicles.

Quarterly Average Yield¹	December 31, 2020
CAMP	.15%

The quarterly average yield for the CAMP Pool (the "Pool") is the average of the monthly distribution yield for the three months ended December 31, 2020. The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month. The monthly distribution yields are sourced from CAMP's website at:

<https://www.camponline.com/uploadedFiles/CAMP/LeftMenu/ShareholderResources/CAMP%20Monthly%20Distribution%20Yield%20Sheet%20December%202020.pdf>

Quarterly Apportionment Rate²	December 31, 2020
LAIF	.63%

The quarterly apportionment rate is sourced from LAIF's website at <https://www.treasurer.ca.gov/pmia-laif/historical/quarterly.asp>

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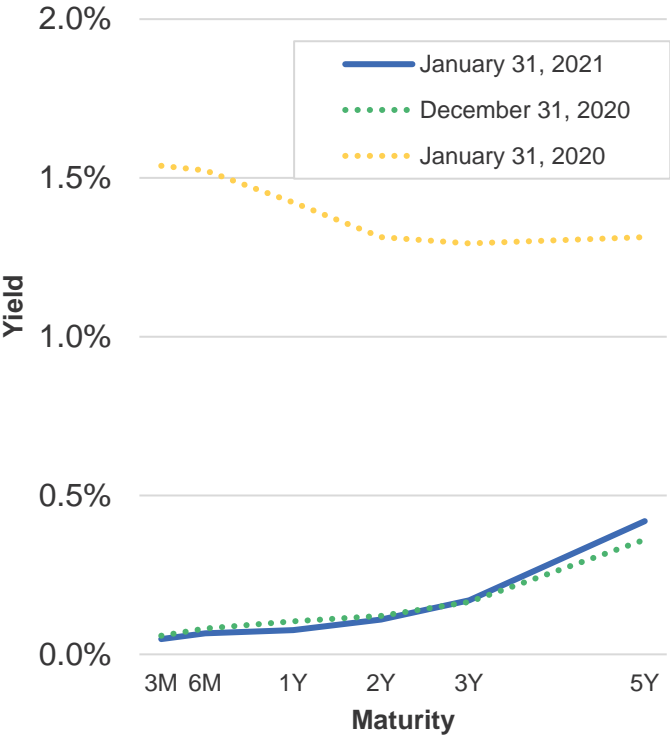
Golden Gate Bridge, Highway & Transportation District Investment Report

January 2021

Treasury Yield Curve Update



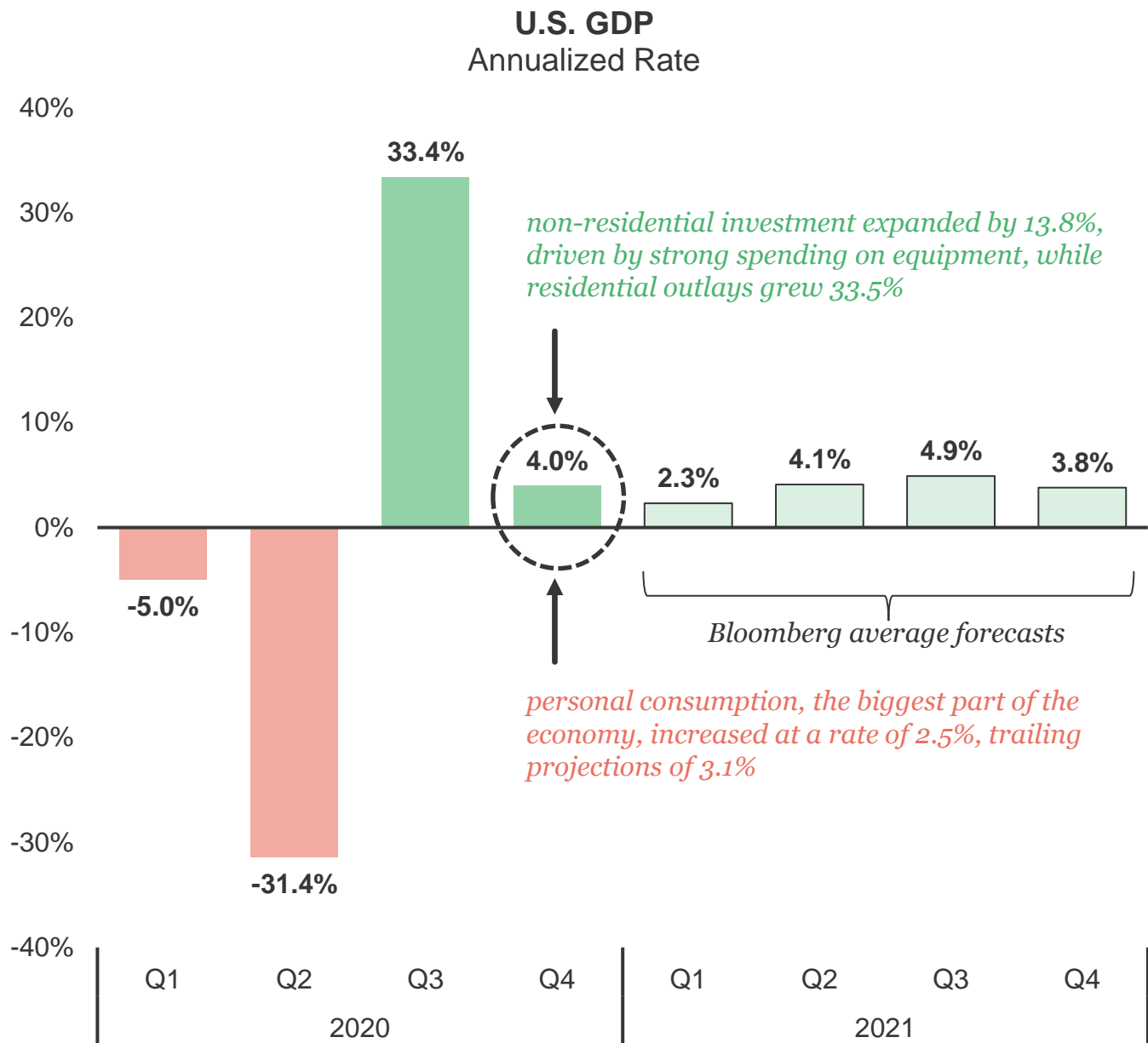
U.S. Treasury Yield Curve



	1/31/21	12/31/20	Month-over-Month Change	1/31/20
3-month	0.05%	0.06%	-0.01%	1.54%
6-month	0.07%	0.08%	-0.01%	1.52%
1-year	0.08%	0.10%	-0.02%	1.42%
2-year	0.11%	0.12%	-0.01%	1.31%
3-year	0.17%	0.16%	+0.01%	1.29%
5-year	0.42%	0.36%	+0.08%	1.31%

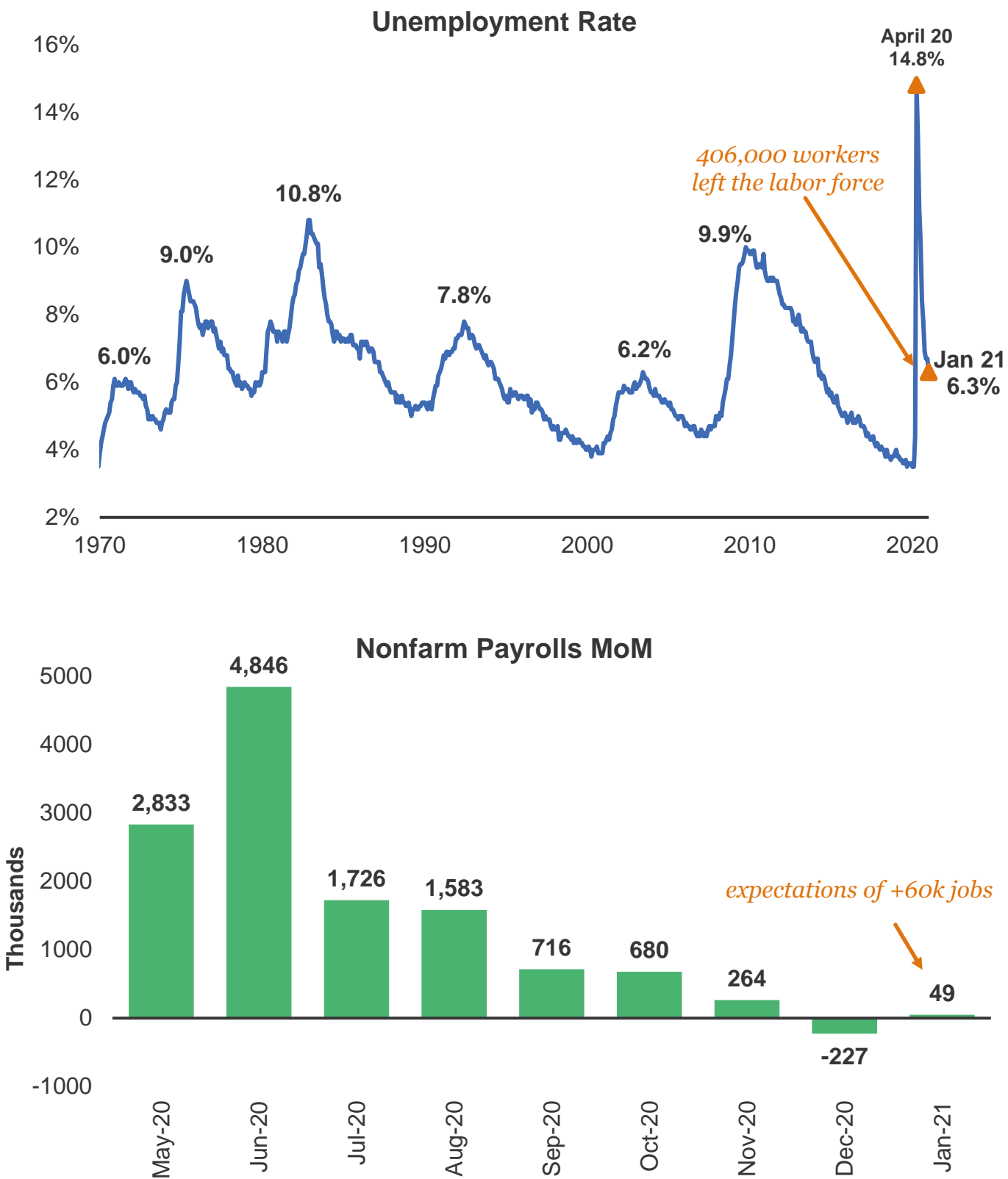
Source: Bloomberg, as of 1/31/2021.

U.S. GDP Grew at an Annualized 4.0% in the Fourth Quarter of 2020



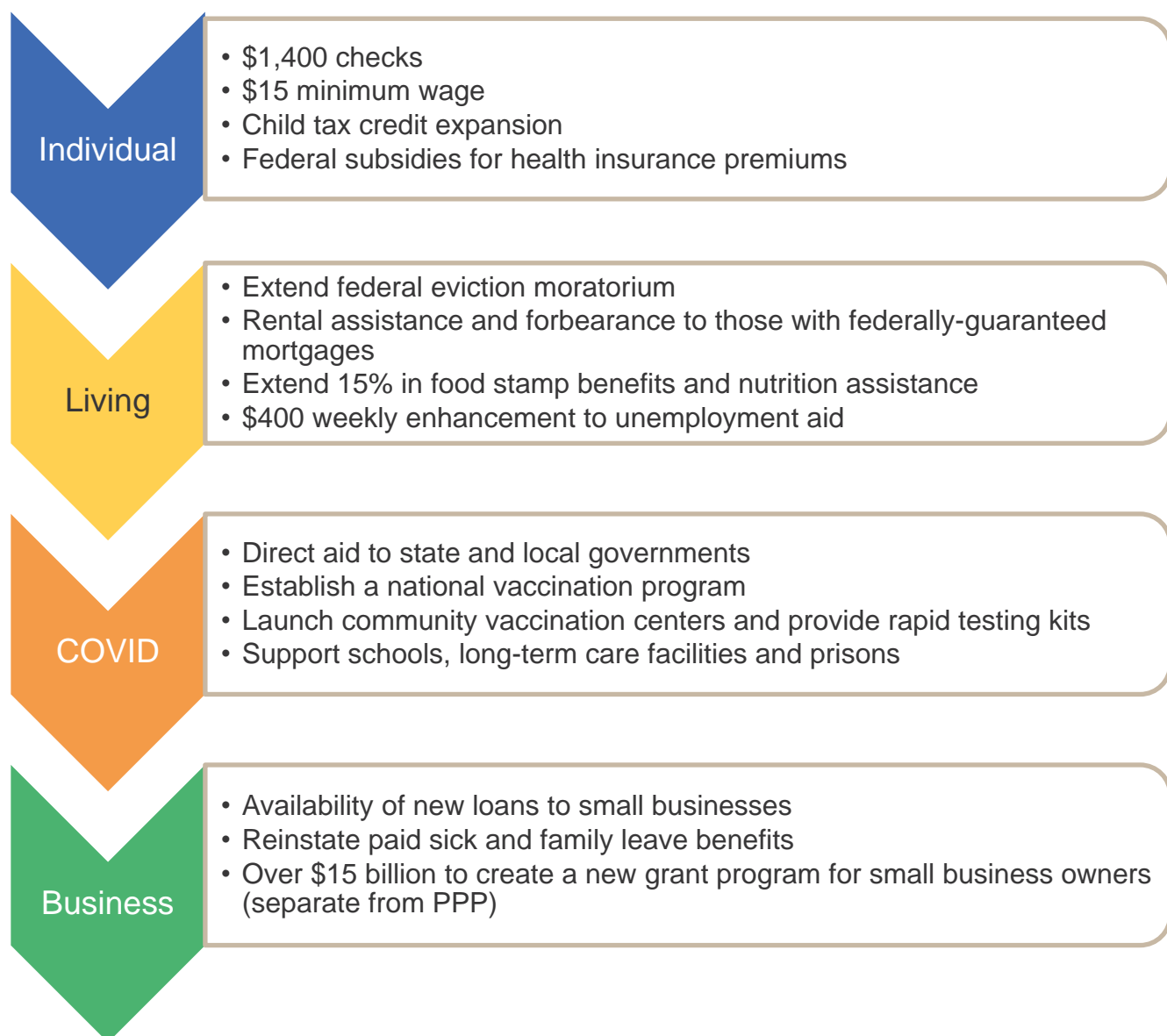
Source: Bloomberg, as of 2/1/2021.

Payrolls Barely Grow to Start 2021 Even as Jobless Rate Falls to 6.3%

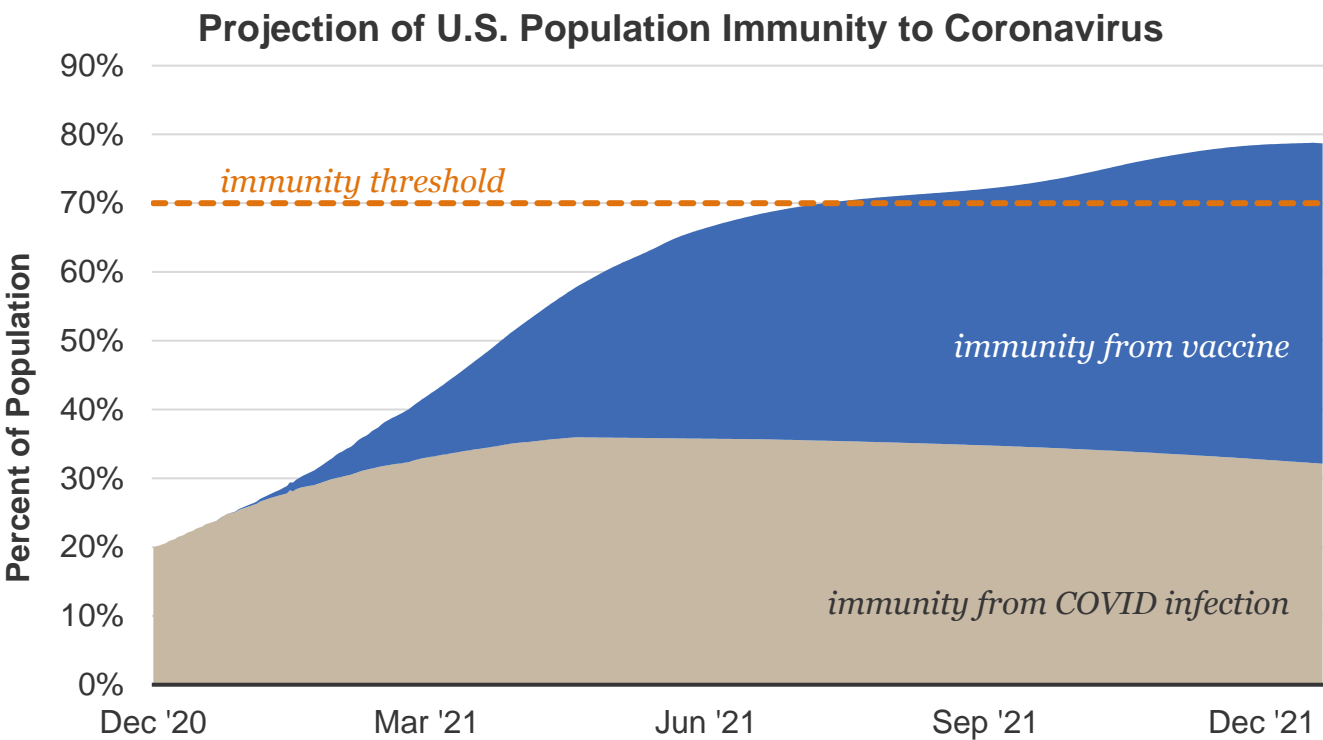
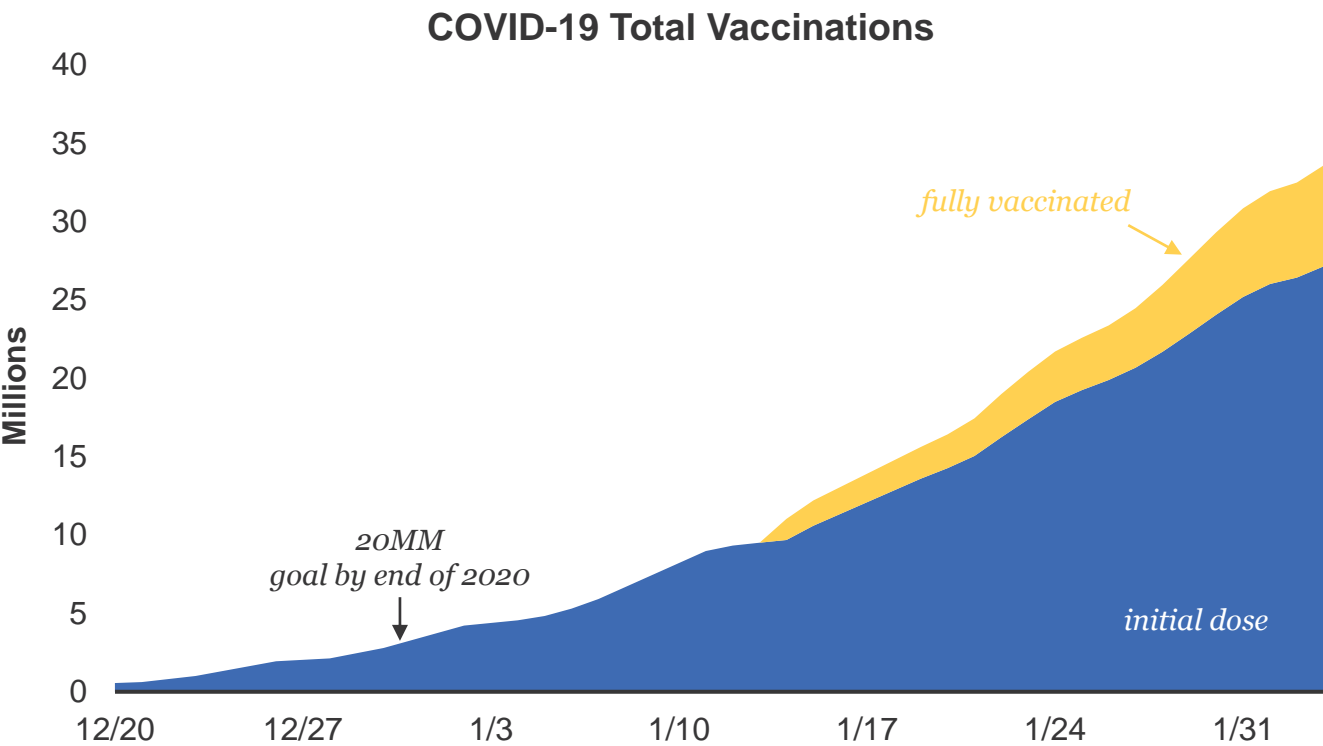


What We're Watching: Stimulus

President Biden's Proposed \$1.9 Trillion Economic Support Package



What We're Watching: Vaccine Rollout



Investment Report: Portfolio Update

General Fund Portfolio

- The portfolio is in compliance with the California Government Code and the District's Investment Policy.
- The portfolio remains well-diversified with holdings of U.S. Treasuries, federal agencies, negotiable certificates of deposit, high-quality corporate notes, municipals, supranationals, asset-backed securities (ABS), LAIF, and CAMP.

January Trade Activity

- The District's portfolio management team continues to monitor the markets for opportunities to prudently enhance interest earnings while maintaining the foremost focus on safety and liquidity.
- Short-term rates remained extremely low during the month of January, anchored to the federal funds target rate. At the same time, yield spreads (the difference between the yields available on non-U.S. Treasury obligations minus the yields available on U.S. Treasury obligations) remained near historic lows as investor demand remained strong.
 - Nonetheless, PFM continued to monitor the markets for opportunities to add value, and, in late January, we purchased an **AAA-rated asset-backed security** (ABS) issued by CarMax. This obligation offered an attractive yield spread of 22 basis points (0.22%) over U.S. Treasury obligations with a similar weighted average life. We continue to monitor the ABS sector, evaluating opportunities on a case-by-case basis, with a focus on structures with increased credit enhancements.
- PFM took advantage of increased valuations on the District's investment holdings in January when we sold a \$10 million FNMA note, which generated significant realized gains in the District's portfolio.

Trade Date	Settle Date	Action	Description	Par	Maturity	Yield to Maturity
1/20/21	1/27/21	Purchase	CarMax Auto Owner Trust ABS	\$315,000	12/15/25	0.35%
1/26/21	1/27/21	Sale	FNMA Note	\$10,000,000	4/13/21	0.08%

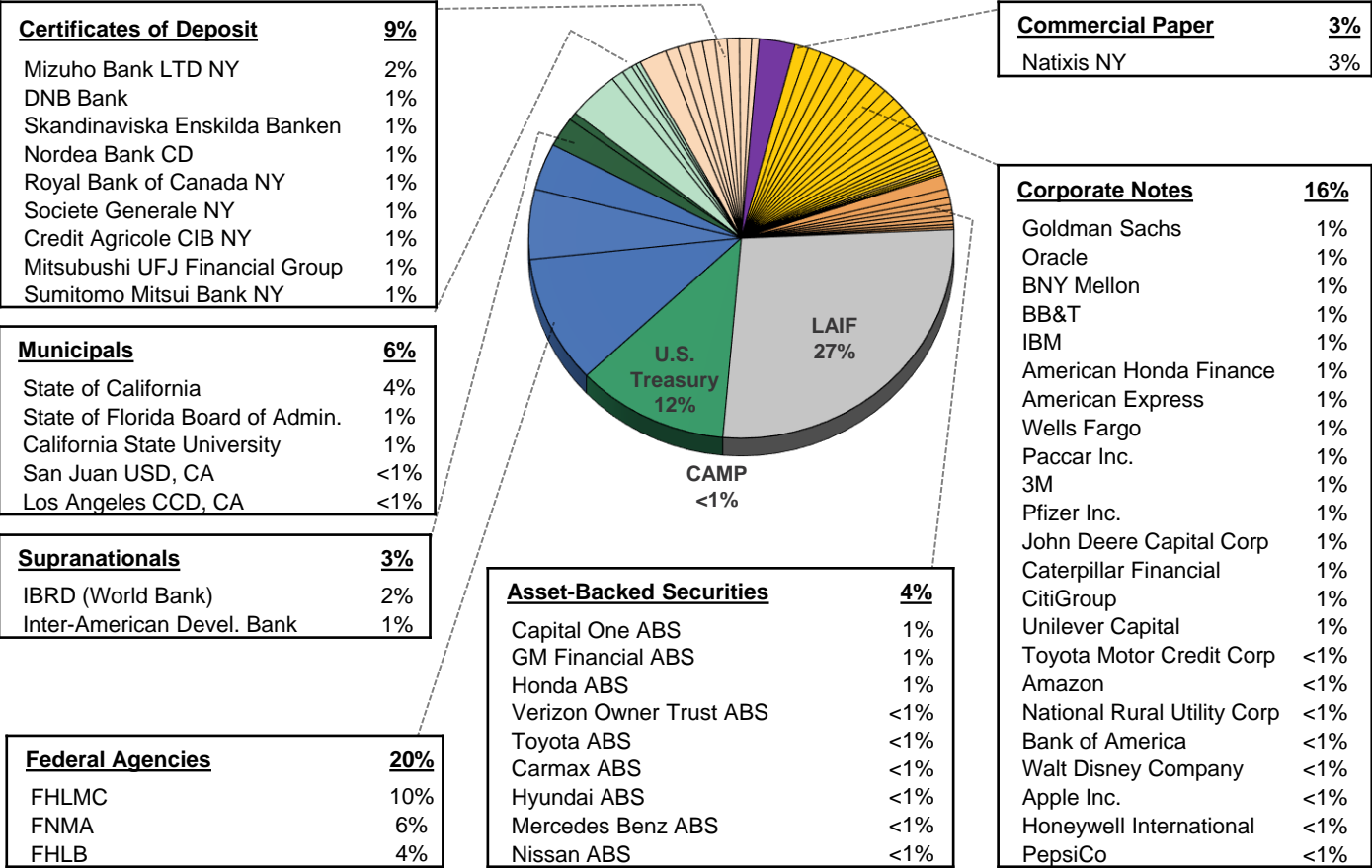
Investment Report: Outlook

Outlook

- Investors remain cautiously optimistic about the future path to growth for the U.S. economy in 2021, but much depends on the speed of the COVID-19 vaccine rollout and an eventual “return to normal.” Additionally, the size and timing of the next round of fiscal stimulus will likely have a significant impact on expectations for future growth and inflation.
- PFM continues to monitor market developments closely, including the potential impact on the issuers in the District’s portfolio. Our current views on various sectors of the high-quality fixed income markets are described below:
 - **Federal agency** yield spreads (the difference between yields available on federal agency obligations less the yields available on similar-maturity U.S. Treasury obligations) remain near historic lows, offering little relative value over U.S. Treasuries. Nonetheless, we will continue to monitor the markets and will look to participate in new issuances if they come to market at attractive levels; we expect to see the greatest value in securities with three or more years to maturity.
 - Spreads on high-quality **corporate notes** have tightened further, buoyed by investor optimism regarding the economic recovery. Issuance has picked up in the new year but is expected to be much slower than in 2020 levels. The near-record low yields currently available in the sector may not compensate investors for the additional credit risk compared to other security types; thus, we remain cautious in the sector but are well-positioned to take advantage of highly creditworthy opportunities should spreads widen.
 - AAA-rated **asset-backed securities (ABS)** yield spreads are also compressed relative to U.S. Treasuries. Economists expect robust new issuance to continue in the sector, but investor demand has been strong so far, resulting in attractive funding levels for issuers. We continue to look for opportunities in new, attractively-priced deals to boost income over that which could be achieved from government securities.
- PFM continues to manage the District’s portfolio with a focus on safety and liquidity. The District’s portfolio remains well-diversified and of a high credit quality, which we feel will allow it to weather market uncertainties well.

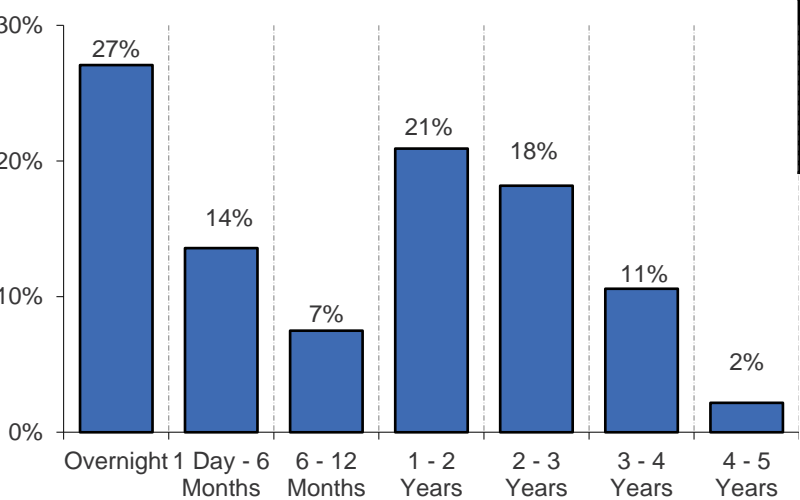
Investment Report: Portfolio Analysis

General Fund, Special Operating Reserve, and CP DSR Funds Combined¹



- The maturity distribution and portfolio yields, as of January 31, 2021, are shown below.

Maturity Distribution¹
January 31, 2021



Portfolio Yield
January 31, 2021

Portfolio	Yield
Combined Portfolios (excl. LAIF and CAMP)	1.66%
Combined Portfolios (incl. LAIF and CAMP)	1.33%

Notes:

1. Detail may not add to total due to rounding.

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MEMORANDUM

To: Finance-Auditing Committee/Committee of the Whole
Meeting of February 25, 2021

From: Joseph M. Wire, Auditor-Controller
Denis J. Mulligan, General Manager

Re: District Investment Report, January 2021

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 53601.

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

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GOLDEN GATE BRIDGE, HIGHWAY AND TRANSPORTATION DISTRICT
General Fund, Special Operating Reserve, & CP DSR
Combined

As of January 31, 2021

PORTFOLIO OF INVESTMENTS

MATURITY	SECURITY	DATE OF INVESTMENT	YIELD	DESCRIPTION	MARKET VALUE	PAR	Cost
06/20/22	ABS	08/14/19	2.03	GMALT 2019-3 A3	\$684,364.04	\$680,000.00	\$679,925.00
12/20/22	ABS	02/19/20	1.67	GMALT 2020-1 A3	718,692.74	710,000.00	709,936.10
01/15/23	ABS	11/28/18	3.16	HAROT 2018-4 A3	1,474,251.24	1,453,187.43	1,452,970.18
01/15/23	ABS	07/25/18	3.03	MBART 2018-1 A3	602,496.26	596,090.20	596,067.32
03/15/23	ABS	07/25/18	3.06	NAROT 2018-B A3	520,907.92	513,520.21	513,503.57
05/16/23	ABS	07/18/18	3.03	GMCAR 2018-3 A3	515,711.90	509,130.47	509,011.73
09/15/23	ABS	08/14/19	1.91	TAOT 2019-C A3	1,253,631.70	1,235,000.00	1,234,989.87
11/15/23	ABS	05/30/19	2.51	COPAR 2019-1 A3	712,034.53	701,032.94	700,890.91
02/15/24	ABS	11/06/19	1.94	HART 2019-B A3	773,741.48	760,000.00	759,964.96
07/22/24	ABS	01/29/20	1.85	VZOT 2020-A A1A	1,274,830.75	1,250,000.00	1,249,853.63
08/15/24	ABS	09/05/19	1.73	COMET 2019-A2 A2	2,476,333.49	2,420,000.00	2,419,390.64
12/16/24	ABS	01/22/20	1.89	CARMX 2020-1 A3	717,857.28	700,000.00	699,862.66
12/15/25	ABS	01/27/21	0.34	CARMX 2021-1 A3	315,170.89	315,000.00	314,937.76
02/16/21	CD	11/03/20	0.23	MIZUHO BANK LTD/NY CERT DEPOS (4)	5,675,255.14	5,675,000.00	5,675,000.00
02/26/21	CD	02/28/19	2.94	MUFG BANK LTD/NY CERT DEPOS	2,505,715.00	2,500,000.00	2,500,000.00
04/02/21	CD	04/04/19	2.83	CREDIT AGRICOLE CIB NY CERT DEPOS	2,511,527.50	2,500,000.00	2,500,000.00
06/07/21	CD	06/08/18	3.24	ROYAL BANK OF CANADA NY CD	2,528,305.00	2,500,000.00	2,500,000.00
02/14/22	CD	02/19/20	1.80	SOCIETE GENERALE NY CERT DEPOS	2,536,600.00	2,500,000.00	2,500,000.00
07/08/22	CD	07/14/20	0.70	SUMITOMO MITSUI BANK NY CERT DEPOS	1,506,372.00	1,500,000.00	1,500,000.00
08/26/22	CD	08/29/19	1.84	NORDEA BANK ABP NEW YORK CERT DEPOS	2,565,235.00	2,500,000.00	2,500,000.00
08/26/22	CD	09/03/19	1.85	SKANDINAV ENSKILDA BANK LT CD	2,565,625.00	2,500,000.00	2,500,000.00
12/02/22	CD	12/06/19	2.03	DNB BANK ASA/NY LT CD	2,584,830.00	2,500,000.00	2,500,000.00
03/01/21	CP	10/29/20	0.23	NATIXIS NY BRANCH COMM PAPER (3)	7,399,104.60	7,400,000.00	7,394,184.83
03/04/21	NOTES	03/10/16	2.59	WELLS FARGO CORP NOTES	2,506,250.00	2,500,000.00	2,489,425.00
04/01/21	NOTES	02/14/19	2.77	CA ST TXBL GO BONDS	5,020,100.00	5,000,000.00	4,985,000.00
04/01/21	NOTES	04/25/18	2.80	CA ST TXBL GO BONDS	2,912,644.00	2,900,000.00	2,900,116.00
04/19/21	NOTES	03/09/18	3.11	BANK OF AMERICA CORP NOTE	1,005,014.00	1,000,000.00	985,620.00
04/19/21	NOTES	04/19/18	2.70	INTER-AMERICAN DEVELOPMENT BANK NOTE	1,724,048.34	1,715,000.00	1,711,227.00
07/23/21	NOTES	07/25/18	2.83	INTL BANK OF RECONSTRUCTION AND DEV NOTE	2,935,841.10	2,900,000.00	2,893,214.00
09/15/21	NOTES	09/07/18	3.05	PFIZER INC CORP NOTE	1,582,341.57	1,555,000.00	1,552,900.75
10/12/21	NOTES	12/07/18	2.83	FEDERAL HOME LOAN BANKS NOTES	10,202,690.00	10,000,000.00	10,044,900.00
01/06/22	NOTES	03/15/17	2.75	JOHN DEERE CAPITAL CORP NOTES	2,341,241.04	2,290,000.00	2,279,901.10
01/11/22	NOTES	01/11/19	2.65	FANNIE MAE NOTES	5,119,575.00	5,000,000.00	4,996,400.00
01/21/22	NOTES	02/05/20	1.79	NATIONAL RURAL UTIL COOP CORP NOTE	1,019,593.61	1,005,000.00	1,004,115.60
03/01/22	NOTES	02/22/19	2.77	3M COMPANY BONDS	948,023.25	925,000.00	924,565.25
03/01/22	NOTES	03/01/19	2.88	PACCAR FINANCIAL CORP NOTE	950,370.90	925,000.00	924,186.00
03/07/22	NOTES	09/07/18	3.15	UNILEVER CAPITAL CORP	1,432,186.50	1,390,000.00	1,383,272.40
03/11/22	NOTES	03/11/19	2.80	PFIZER INC CORP BONDS	822,491.20	800,000.00	799,952.00

04/05/22	NOTES	04/10/17	1.97	FANNIE MAE NOTES	5,104,475.00	5,000,000.00	4,977,550.00
05/10/22	NOTES	05/10/19	2.67	PACCAR FINANCIAL CORP CORP NOTES	1,546,225.50	1,500,000.00	1,499,190.00
05/13/22	NOTES	11/27/19	1.99	IBM CORP	2,583,307.50	2,500,000.00	2,551,450.00
05/20/22	NOTES	05/20/19	2.79	AMERICAN EXPRESS CO	2,573,897.50	2,500,000.00	2,497,000.00
06/20/22	NOTES	03/18/19	3.05	BRANCH BANKING & TRUST (CALLABLE) CORP N	2,590,895.00	2,500,000.00	2,499,925.00
08/08/22	NOTES	08/08/19	2.18	HONEYWELL INTERNATIONAL (CALLABLE) NOTE	528,912.21	515,000.00	514,479.85
08/23/22	NOTES	08/23/19	1.96	BANK OF NY MELLON CORP CORP NOTES	800,495.28	780,000.00	779,750.40
09/01/22	NOTES	09/06/19	1.72	WALT DISNEY COMPANY/THE	668,766.79	655,000.00	653,578.65
09/06/22	NOTES	09/06/19	1.95	CATERPILLAR FINANCIAL SERVICES CORP NOTE	1,343,946.03	1,310,000.00	1,308,179.10
09/11/22	NOTES	09/11/19	1.71	APPLE INC	603,929.31	590,000.00	589,899.70
10/15/22	NOTES	10/30/19	1.65	US TREASURY NOTES	10,214,062.00	10,000,000.00	9,919,921.88
11/15/22	NOTES	11/15/19	1.59	US TREASURY NOTES	5,134,375.00	5,000,000.00	5,005,273.44
11/18/22	NOTES	01/13/20	1.97	CATERPILLAR FINL SERVICE	872,470.60	850,000.00	849,609.00
01/10/23	NOTES	09/10/19	2.06	AMERICAN HONDA FINANCE CORP NOTES	2,578,210.00	2,500,000.00	2,499,075.00
02/14/23	NOTES	08/26/19	1.86	3M COMPANY	1,543,101.00	1,500,000.00	1,494,285.00
06/03/23	NOTES	06/03/20	0.45	AMAZON.COM INC CORPORATE NOTES	1,193,571.19	1,190,000.00	1,188,334.00
06/26/23	NOTES	06/26/20	0.35	FREDDIE MAC NOTES	4,505,850.93	4,495,000.00	4,481,874.60
08/10/23	NOTES	08/12/20	0.36	FANNIE MAE NOTES (CALLABLE)	5,008,960.00	5,000,000.00	4,991,000.00
08/14/23	NOTES	08/14/20	0.53	TOYOTA MOTOR CREDIT CORP CORPORATE NOTES	1,229,636.63	1,225,000.00	1,224,056.75
08/24/23	NOTES	08/21/20	0.28	FREDDIE MAC NOTES	4,480,508.97	4,470,000.00	4,465,440.60
09/08/23	NOTES	09/04/20	0.24	FREDDIE MAC NOTES	2,139,541.15	2,135,000.00	2,135,389.87
09/08/23	NOTES	09/04/20	0.26	FREDDIE MAC NOTES	2,871,093.85	2,865,000.00	2,864,054.55
09/08/23	NOTES	09/23/20	0.23	FREDDIE MAC NOTES	7,014,889.00	7,000,000.00	7,003,360.00
10/01/23	NOTES	10/24/19	1.87	CA ST TXBL GO BONDS	2,649,350.00	2,500,000.00	2,550,025.00
10/07/23	NOTES	10/07/20	0.42	PEPSICO INC CORPORATE NOTES	386,252.79	385,000.00	384,780.55
10/16/23	NOTES	10/16/20	0.25	FREDDIE MAC NOTES	3,909,389.81	3,915,000.00	3,900,397.05
10/31/23	NOTES	12/30/19	1.64	US TREASURY NOTES	5,201,562.50	5,000,000.00	4,997,265.63
11/01/23	NOTES	09/17/20	0.47	CA ST UNIV TXBL REV BONDS	501,555.00	500,000.00	500,000.00
11/24/23	NOTES	11/24/20	0.32	INTL BK RECON & DEVELOP CORPORATE NOTES	3,528,027.98	3,525,000.00	3,517,421.25
03/03/24	NOTES	11/27/19	2.36	GOLDMAN SACHS CORP NOTES	2,750,330.00	2,500,000.00	2,665,725.00
07/08/24	NOTES	12/31/19	2.06	ORACLE CORP NOTES	2,722,947.50	2,500,000.00	2,644,475.00
08/01/24	NOTES	11/10/20	0.67	LOS ANGELES CCD, CA TXBL GO BONDS	958,008.50	950,000.00	950,000.00
08/01/24	NOTES	10/29/20	0.70	SAN JUAN USD, CA TXBL GO BONDS	996,940.00	1,000,000.00	1,000,000.00
08/15/24	NOTES	12/18/19	1.73	US TREASURY NOTES	5,378,125.00	5,000,000.00	5,144,531.25
10/24/24	NOTES	12/31/19	2.01	BANK OF NY MELLON CORP	1,800,079.00	1,700,000.00	1,706,885.00
10/30/24	NOTES	10/30/20	0.78	CITIGROUP INC CORPORATE NOTES	1,758,067.50	1,750,000.00	1,750,000.00
11/01/24	NOTES	10/21/20	0.77	CA ST UNIV TXBL REV BONDS	1,666,375.20	1,605,000.00	1,660,645.35
11/30/24	NOTES	12/18/19	1.74	US TREASURY NOTES	5,351,562.50	5,000,000.00	5,091,992.19
07/01/25	NOTES	09/16/20	1.26	FL ST BOARD OF ADMIN TXBL REV BONDS	1,259,839.00	1,225,000.00	1,225,000.00
07/01/25	NOTES	09/16/20	1.12	FL ST BOARD OF ADMIN TXBL REV BONDS	1,285,550.00	1,250,000.00	1,258,287.50
07/21/25	NOTES	07/23/20	0.48	FREDDIE MAC NOTES	3,020,051.10	3,025,000.00	3,009,935.50
ON DEMAND	STATE	VARIOUS	0.46	LOCAL AGENCY INVESTMENT FUND (1)	73,371,428.64	73,205,156.45	73,205,156.45
ON DEMAND	STATE	VARIOUS	0.12	CALIFORNIA ASSET MANAGEMENT PROGRAM (2)	3,441.12	3,441.12	3,441.12
TOTAL					\$270,571,007.55	\$266,441,558.82	\$266,943,925.49

Notes

1. Average Monthly Effective Yield. Source: https://www.treasurer.ca.gov/pmia-laif/historical/avg_mn_ylds.asp
2. Monthly Distribution Yield. Source: <https://www.camponline.com/uploadedFiles/CAMP/LeftMenu/Files/CAMP Pool Fact Sheet January 2021.pdf>
3. Special Operating Reserve
4. Commercial Paper Debt Service Reserve

<u>DESCRIPTION</u>	<u>INVESTMENT</u>	<u>PORTFOLIO COMPOSITION</u>	<u>PERMITTED BY POLICY</u>	<u>YIELD</u>
Certificate of Deposit	\$24,979,465	9.23%	30%	1.77%
Commercial Paper (C.P.)	7,399,105	2.73%	25%	0.23%
Asset-Backed Security/CMO	12,040,024	4.45%	20%	2.16%
U. S. Treasury Bonds / Notes	31,279,687	11.56%	100%	1.67%
Federal Agency Bonds / Notes	53,377,025	19.73%	100%	1.16%
Corporate Notes	42,682,553	15.77%	30%	2.22%
Municipal Bonds / Note	17,250,362	6.38%	100%	1.91%
Supra-National Agency Bond/Note	8,187,917	3.03%	30%	1.72%
LAIF	73,371,429	27.12%	\$75 Million	0.46%
CAMP	3,441	0.00%	10% of CAMP Fund Shares	0.12%
Total	<u>\$270,571,008</u>	<u>100.00%</u>		
Average Investment Yield of Portfolio				1.33%
Average Maturity of Portfolio				478

Market prices are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. Prices that fall between data points are interpolated.

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

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