

Subject	Monthly Investment Report for March 2008
<b>Summary of Issues</b>	The Authority's Investment Policy requires that a monthly report of investment transactions be prepared and submitted to the Executive Director, APC and the Authority Board. This monthly report covers transactions for March 2008.
<b>Recommendations</b>	N/A.
<b>Financial Implications</b>	A summary of balances and transactions is provided in the text below.
<b>Options</b>	N/A.
<b>Attachments</b>	None.
<b>Changes from Committee</b>	

### Background

The Authority's adopted Investment Policy calls for a monthly report to be submitted to the Executive Director, APC and the Authority Board. The purpose of the report is to summarize the investment balances, transactions, return and other pertinent investment matters for the prior month. Following the end of each quarter, more detailed information is provided.

Authority investments are segregated into different portfolios or funds depending upon the nature of the assets being managed. A combined total for all portfolios as of March 2008 was \$88,307,287 which is a decrease of \$27,883,109 from the ending balance on February 29, 2008. On March 1, 2008, \$27,234,150 principal and interest payments were paid for the 1993 and 2002 bonds. A summary of the balances and transactions that occurred in each portfolio is as follows:

#### Local Agency Investment Fund (LAIF):

- LAIF is a pooled investment fund managed by the State Treasurer's Office for the investment of public agency funds. The LAIF balance as of March 31, 2008, was \$22,332,032. For the quarter ended March 31, 2008, the LAIF quarterly return was 4.18% and the Authority received \$231,512 quarterly interest. Monthly LAIF interest rates for the quarter decreased .8 % and are as follows: January 4.620%, February 4.161% and for March 3.777%.

#### Sales Tax Revenue Portfolio - Projects:

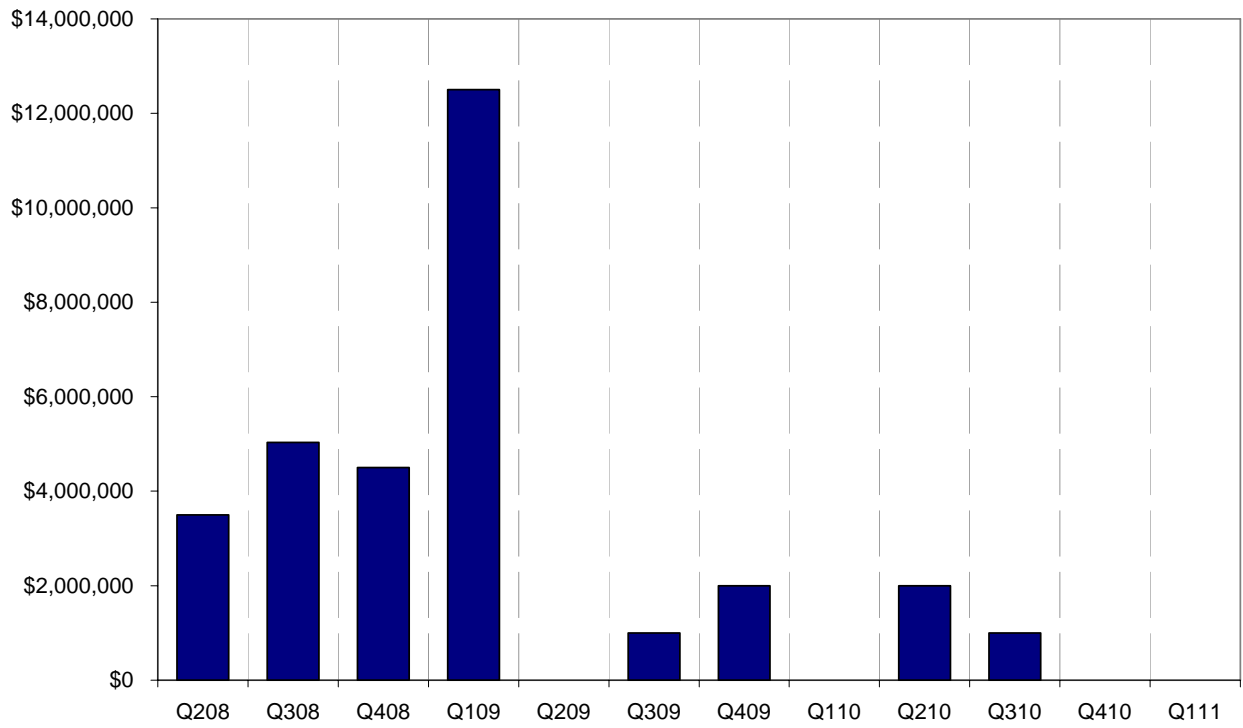
- The market value of the Authority portfolio was \$32,177,685.
- The duration was .86 years, which measures the weighted average maturity of the portfolio.
- The yield to maturity for the month end was 4.832%.
- During March 2008, the following investment matured:
  - On 3/3/08, a FHLMC Discount Note matured (par of \$1,000,000).

- On 3/10/08, a Wells Fargo corporate note matured (par of \$1,920,000).
  
- During March 2008, no investments were purchased.
  
- The Authority received four semi-annual coupon interest earnings distributions:
  - \$39,600.00 was received on 3/10/08 for a Wells Fargo Corporate note (Par value \$1,920,000, coupon rate 4.125%, maturity 3/10/08).
  - \$57,500.00 was received on 3/15/08 for a FHLMC Global Reference note (Par value \$2,000,000, coupon rate 5.750%, maturity 3/15/09).
  - \$33,125.00 was received on 3/15/08 for a FHLMC Global Reference note (Par value \$1,000,000, coupon rate 6.625%, maturity 3/15/09).
  - \$75,000.00 was received on 3/15/08 for a FNMA Global Benchmark note (Par Value \$3,000,000, coupon rate 5.000%, maturity 9/15/08).
  
- The benchmark rate comparisons for March (annualized returns for the past 6 months) are:

CCTA Portfolio	7.48%
M-L 1 Yr UST Index	7.49%
M-L 1-3 Yr UST Index	11.09%

The figures represent total return numbers as of March 31, 2008. Total return is a period-to-period performance measurement that includes income, realized and unrealized gains and losses. Total return is an industry standard way to measure performance. This differs from yield, which is simply snapshot projection of the income to be earned in the portfolio for the coming year, and includes no principal value changes.

Sales Tax Revenue Portfolio Maturities  
as of March 31, 2008



Sales Tax Revenue Portfolio - Local Street Maintenance:

- The Local Street Maintenance (LSM) account has been established in anticipation of disbursing all eligible funds at the beginning of each fiscal year. The investment vehicle for this purpose is an investment pool managed by the California Asset Management Program (CAMP). The fund balance in the LSM CAMP account as of 3/31/08 was \$7,733,444. The CAMP annualized yield for March was 3.34%.

Sales Tax Revenue Portfolio – Measure J Projects

- The Authority’s Commercial Paper program advanced funding for selected Measure J project expenditures. The proceeds from the Commercial Paper program are invested in CAMP. The balance in this account as of March 31, 2008 was \$15,428,610. During the month of March 2008, the Authority paid \$402,222 in interest expense for the Commercial Paper. The CAMP annualized yield for March was 3.34%.

Debt Service Accounts Portfolio for the 1993, 2000, and 2002 Bonds:

- Assets within this portfolio are restricted for the payment of interest and principal on Authority bonds. Funds are invested in either individual securities or deposited into separate CAMP, PFM or Wells Fargo accounts. Individual securities are directed towards instruments with maturity dates closely aligned with debt service payment dates. The combined balance as of March 31, 2008, was \$8,492,092. On March 1, 2008, \$27,234,150 principal and interest payments were made for the 1993 and 2000 bonds.

Air Quality Fund

- The Air Quality Fund receives funds that are to be used to reduce air pollution from motor vehicles. Funds are deposited with in the County’s Investment Pool. As of March 31, 2008, the balance was \$2,116,870, and the yield for the three months ending January 11, 2008 was 4.132%.

**Account Statements**

No attachments are enclosed with this Board Letter. However, the following summary statements are available upon request.

- Transactions summary for our LAIF account during the month.
- PFM summary for the Sales Tax Revenue Portfolio (Projects)
- PFM summary for the Sales Tax Revenue Portfolio (LSM)
- PFM summary for the Sales Tax Revenue Portfolio (Measure J Projects)
- PFM summary for the 1993 Bond Interest Fund account.
- PFM summary for the 1993 Bond Principal Fund account.
- PFM summary for the 2000 Bond Principal Fund account
- PFM summary for the 2002 Bond Interest Fund account.
- PFM summary for the 2002 Bond Principal Fund account.
- Table of Quarterly Security Holdings and Transactions

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