Finance and Administration Committee (FAC) Meeting Agenda
Monday, September 14, 2026, 9:30 AM

The Commission and its Standing Committees will meet in the Mary V. King Conference Room at Alameda CTC's offices at 1111 Broadway, Suite 800, Oakland, CA 94607. The live stream of each Alameda CTC Commission and Standing Committee meeting is available for public viewing at www.alamedactc.org/all-meetings by clicking on **View Event** next to the meeting in the list of Upcoming Events.

Members of the public may submit public comments that are addressed to the Commission or Committee members on topics germane to the jurisdiction of the Alameda CTC in person by attending the meeting in Alameda CTC's offices. Alameda CTC conducts orderly meetings to fulfill its mandate. Discriminatory statements or conduct that would potentially violate the federal Civil Rights Act of 1964 and/or the California Fair Employment and Housing Act, California Penal Code sections 403 or 415 is per se disruptive to a meeting and will not be tolerated. Please see Alameda CTC's Meeting Code of Conduct for more information.

Additionally, comments may be submitted by email sent to the Clerk of the Commission at clerk@alamedactc.org, including the words "Public Comment" and the meeting to which it pertains in the email's subject line. Public comments received by 5:00 p.m. the day before the scheduled meeting will be distributed to Commissioners or Committee members before the meeting and posted on the Alameda CTC website; comments submitted after that time will be distributed to Commissioners or Committee members and posted as soon as possible.

As a convenience, members of the public may also make comments remotely during the meeting by accessing the Zoom link listed below, using the "Raise Hand" feature on their phone, tablet or other device during the relevant agenda item, and waiting to be recognized by the Chair. If calling into the meeting from a telephone, you can press the star key (*) and then the number 9 (*9) to raise/lower your hand. Comments made in person or via Zoom will generally be limited to three minutes in length, or as specified by the Chair. Alameda CTC cannot guarantee that the public's access to Zoom via phone or other device will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the Zoom option.

Committee Chair:	Nate Miley	Executive Director:	Tony Tavares
Vice Chair:	Michael Hannon	Staff Liaison:	Patricia Reavey
Members:	Marilyn Ezzy Ashcraft David Haubert Sherry Hu Elisa Márquez Joel Young	Clerk of the Commission:	Elizabeth (Liz) Lake

Location Information:

Alameda County Transportation Commission
Mary V. King Conference Room
1111 Broadway, Suite 800
Oakland, CA 94607

Alameda County Fairgrounds
Heritage House
4501 Pleasanton Drive
Pleasanton, CA 94566

Alameda County - Administration Offices
Supervisor Miley's Office
1221 Oak Street, Suite 536
Oakland, CA 94607

Dublin City Hall
City Manager's Conference Room
100 Civic Plaza
Dublin, CA 94568

Zoom Link:
https://us06web.zoom.us/j/87601740888?pwd=OEFrRzY0VUpmVHh1TU1YYjJWTGdaZz09

Dial-in Information: 1 (669) 900 6833
Webinar ID: 876 0174 0888
Password: 435122

Meeting Agenda

1. Call to Order

2. Roll Call

3. Public Comment

3.1 Public Comment
Information

4. Consent Calendar

4.1 Approve the May 11, 2026 Finance and Administration Committee Meeting Minutes
Action
4.1_FAC_Minutes_20260511.pdf

4.2 Fiscal Year 2025-26 Fourth Quarter Report of Claims Acted Upon Under the Government Claims Act Update
Information
4.2_FAC_Government_Claims_Act_FY2025-26_4th_Qtr_Report_20260914.pdf

4.3 Approve an Update to Alameda CTC's Conflict of Interest Code
Action
4.3_FAC_COI_Update_20260914.pdf

5. Regular Matters

5.1 Approve an Update to the Alameda CTC Investment Policy
Action
5.1_FAC_Investment_Policy_20260914.pdf

6. Closed Session

6.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Pursuant to Government Code §54956.9(a) and (d)(4)) - ROCKY RIDGE LLC vs. ALAMEDA COUNTY TRANSPORTATION COMMISSION, and DOES 1 through 10, inclusive, (Alameda Superior Ct. Case No. 26CV175916)
Information / Action

7. Committee Member Reports

8. Staff Reports

9. Adjournment

Next Meeting:
November 9, 2026

Notes:

- All items on the agenda are subject to action and/or change by the Commission/Committee.
- To comment on an item not on the agenda, submit a speaker card to the clerk or follow remote instructions listed in the agenda preamble.
- Meeting agendas and staff reports are available on the website calendar.
- Alameda CTC is located near 12th St. Oakland City Center BART station and AC Transit bus lines. Directions and parking information are available online.
- For language assistance, please call (510) 208-7475. We request at least five working days' notice to accommodate your request.
  - Para obtener asistencia de idioma, comuníquese al (510) 208-7475. Para hacer lugar a su pedido, solicitamos que nos avise con una anticipación mínima de cinco días hábiles.
  - 如需语言协助，请致电 (510) 208-7475. 请至少提前五个工作日通知，以便满足您的要求。
  - Para sa tulong sa wika, tumawag sa (510) 208-7475. Mag-abiso nang limang araw na may pasok o mas maaga para mapagbigyan ang inyong kahilingan.
  - Để được hỗ trợ ngôn ngữ, vui lòng gọi (510) 208-7475. Chúng tôi yêu cầu quý vị thông báo ít nhất năm ngày làm việc để có thể đáp ứng được yêu cầu của quý vị.
- Call (510) 208-7450 (Voice) or 1(800) 855-7100 (TTY) five days in advance of the meeting to request a sign-language interpreter.
- Call (510) 208-7400 48 hours in advance to request other accommodations or assistance at this meeting.

Finance and Administration Committee Meeting Minutes
Monday, May 11, 2026, 9:30 a.m.

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1. **Call to Order**

2. **Roll Call**
   A roll call was conducted, and all members were present.

3. **Public Comment**
   There were no public comments.

4. **Consent Calendar**
   4.1. **Approve the March 9, 2026 Finance and Administration Committee Meeting Minutes**
   4.2. **Fiscal Year 2025-26 Third Quarter Report of Claims Acted Upon Under the Government Claims Act Update**
   4.3. **Approve the Alameda CTC Fiscal Year 2025-26 Third Quarter Consolidated Financial Report**

   Commissioner Márquez moved to approve the Consent Calendar. Commissioner Ezzy Ashcraft seconded the motion. The motion passed with the following votes:

   Yes: Hu, Márquez, Young, Ezzy Ashcraft, Haubert, Hannon, Miley
   No: None
   Abstain: None
   Absent: None

5. **Regular Matters**
   5.1. **Approve the Fiscal Year 2026-27 Proposed Budget and Receive a Staffing/Recruitment Status Update**
   Yoana Navarro recommended that the Commission approve the Alameda County Transportation Commission Proposed Budget for Fiscal Year 2026-27.

   Commissioner Hauber moved to approve the item. Commissioner Young seconded the motion. The motion passed with the following votes:

   Yes: Hu, Márquez, Young, Ezzy Ashcraft, Haubert, Hannon, Miley
   No: None
   Abstain: None
   Absent: None

6. **Closed Session**
   6.1. **Pursuant to Government Code Section 54957: Public Employee Performance Evaluation: Executive Director**
   6.2. **Report on Closed Session**
   Commissioner Hannon reported that the Commission did not take any action during the Closed Session.

7. **Executive Director Performance Evaluation**

7.1. **Conduct the Executive Director Performance Evaluation for Fiscal Year 2025-26 and Approve Objectives for Fiscal Year 2026-27 Pursuant to the Executive Director's Contract and Alameda CTC's Administrative Code**

Tony Tavares recommended that the Finance and Administration Committee conduct the Executive Director's performance evaluation for FY2025-26, approve performance objectives for FY2026-27, and designate the Chair and Vice Chair to meet with the Executive Director to address a salary adjustment and include the recommended salary adjustment in the May 2026 Commission packet for consideration at the May 28, 2026 Commission meeting.

Commissioner Young moved to approve the item. Commissioner Márquez seconded the motion. The motion passed with the following votes:

Yes:	*Hu, Márquez, Young, Ezzy Ashcraft, Haubert, Hannon, Miley*
No:	*None*
Abstain:	*None*
Absent:	*None*

8. **Committee Member Reports**

There were no committee member reports.

9. **Staff Reports**

There were no staff reports.

10. **Adjournment**

Memorandum 4.2

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DATE:	September 8, 2026
TO:	Finance and Administration Committee
FROM:	Patricia Reavey, Deputy Executive Director of Finance and Administration Elizabeth (Liz) Lake, Clerk of the Commission
SUBJECT:	Fiscal Year 2025-26 Fourth Quarter Report of Claims Acted Upon Under the Government Claims Act Update

Recommendation

This item will provide the Commission with an update on the Fiscal Year (FY) 2025-26 Fourth Quarter Report of Claims Acted Upon Under the Government Claims Act. This item is for information only.

Summary

There were no actions taken by staff under the Government Claims Act during the fourth quarter of FY2025-26.

Background

Tort claims against Alameda CTC and other California government entities are governed by the Government Claims Act (Act). The Act allows the Commission to delegate authority to an agency employee to review, reject, allow, settle, or compromise tort claims pursuant to a resolution adopted by the Commission. If the authority is delegated to an employee, that employee can only allow, settle, or compromise claims of $50,000 or less. The decision to allow, settle, or compromise claims exceeding $50,000 must be submitted to the Commission for review and approval.

California Government Code Section 935.4 states:

> "A charter provision, or a local public entity by ordinance or resolution, may authorize an employee of the local public entity to perform those functions of the governing body of the public entity under this part that are prescribed by the local public entity, but only a charter provision may authorize that employee to allow, compromise, or settle a claim against the local public entity

> if the amount to be paid pursuant to the allowance, compromise or settlement exceeds fifty thousand dollars ($50,000). A Charter provision, ordinance, or resolution may provide that, upon the written order of that employee, the auditor or other fiscal officer of the local public entity shall cause a warrant to be issued upon the treasury of the local public entity in the amount for which a claim has been allowed, compromised, or settled."

On June 30, 2016, the Commission adopted a resolution that authorized the Executive Director to reject any claim filed with Alameda CTC, and to allow, settle, or compromise claims up to and including $50,000.

There have only been a handful of small claims filed against Alameda CTC and its predecessors over the years, and many of these claims were erroneously filed and should have been filed with other agencies. As Alameda CTC continues to implement Measure BB, the agency may experience an increase in claims as more projects are visible on the streets and highways of Alameda County and Alameda CTC is recognized as a funding agency on these projects. Staff works directly with the agency's insurance provider, the Special District Risk Management Authority (SDRMA), when claims are received so that responsibility may be determined promptly, and they might be resolved expediently or referred to the appropriate agency. This saves Alameda CTC money, because when working with the SDRMA directly, much of the legal costs to address these claims are covered by insurance.

Fiscal Impact

There is no fiscal impact. This item is for information only.

Memorandum

4.3

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DATE:	September 8, 2026
TO:	Finance and Administration Committee
FROM	Patricia Reavey, Deputy Executive Director of Finance and Administration
SUBJECT:	Approve an Update to Alameda CTC's Conflict of Interest Code

Recommendation

It is recommended that the Commission approve an update to Alameda CTC's Conflict of Interest Code.

Summary

State statute requires that every public agency adopt and promulgate a Conflict of Interest Code. The statute also requires that a review of the code be completed biennially to determine if any amendment is needed. Staff has reviewed the agency's Conflict of Interest Code and has determined a need to amend the code in two areas.

Approval of this item will satisfy Alameda CTC's statutory requirements and authorize the agency to forward the Commission-approved Code to the County Board of Supervisors for final approval.

The recommended changes to Alameda CTC's Conflict of Interest Code have been incorporated into the revised code in Attachment A and include the following:

- **Article II. Section 2. Campaign Contribution Disclosure; Levine Act.** Language in this section has been updated to include the new limit for accepting, soliciting, or directing contributions from $250 to $500 from any party who has a financial interest in any proceeding related to a license, permit, or other entitlement for use pending before the Commission as well as the new timeframe thereafter from 3 months to 12 months.
  Also in this Section 2.:
    - **Section 2. (c)(i) & (ii)**, Language in this subpart related to the contribution limit that would require an applicant or a participant to notify

Alameda CTC and the ban on contributions during a proceeding involving a license, permit, or other entitlement for use was updated from $250 to $500.

  - **Section 2. (d) Limitations on Receiving Contributions.** Language in this subpart related to limitations on Commission Members receiving contributions subsequent to a proceeding involving a license, permit, or other entitlement for use that came before the Commission was updated from three (3) months to 12 months, and the maximum contribution amount of which a Commission Members can accept, solicit, or direct was updated from $250 to $500.
  - **Section 2. (e) Disclosure of Conflict.** Language in this subpart related to the contribution limit which determines when a Commission Member must disclose to the Clerk of the Commission before the Commission renders a decision in a proceeding involving a license, permit, or other entitlement for use was updated from $250 to $500.
  - **Section 2. (f) Disqualification from Participating in a Proceeding.** Language in this subpart related to the contribution limit which determines when a Commission Member must not participate in making or influence a decision involving a license, permit, or other entitlement for use was updated from $250 to $500.

- **Appendix A** Language in this appendix has been updated to reflect required filers and currently approved staff titles.

Upon approval of this item, the amended code will be forwarded to the County for placement on the Board of Supervisors agenda and subsequent approval. Alameda CTC's updated Conflict of Interest Code will become effective as of the date of approval by the Board of Supervisors.

Background

The Political Reform Act (Government Code § 81000 et seq.) requires every local agency to review its Conflict of Interest Code (Code) for accuracy and to notify its code reviewing body on even numbered years whether it does or does not need to be amended. The County Board of Supervisors is the code reviewing body for any local agency whose jurisdiction is solely within the county and not under the jurisdiction of a city, including Alameda CTC.

Fiscal Impact: There is no fiscal impact.

Attachment:

A. Draft Conflict of Interest Code of the Alameda CTC (in tracked change format)

CONFLICT OF INTEREST CODE
OF THE ALAMEDA COUNTY TRANSPORTATION
COMMISSION (AS AMENDED ON _________ ~~May 26~~, ~~2022~~2026)

ARTICLE I: State Requirements Under The Political Reform Act

SECTION 1. Purpose. The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission ("FPPC") has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the FPPC may amend this standard code to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the FPPC are hereby incorporated by reference. This regulation and the attached Appendix designating positions and defining disclosure categories shall constitute the Conflict of Interest Code ("Code") of the Alameda County Transportation Commission ("Alameda CTC").

SECTION 2. Designated Positions. The positions listed on Appendix A are designated positions. Officers, employees, members and consultants holding those positions are designated employees and are deemed to make, or participate in the making of, decisions which may foreseeably have a material effect on a financial interest of the designated employee. "Commission Member" for the purposes of this Code means any member or alternate of the Alameda CTC's governing body. "Consultant" for the purposes of this Code shall have the meaning set forth in 2 California Code of Regulations Section 18700.3 (see Appendix B for the current version of 2 CCR §18700.3, along with 2 CCR §18704, as referenced therein).

SECTION 3. Filing Statements of Economic Interests. Individuals holding designated positions shall file statements of economic interests annually disclosing that individual's business positions, income, investments, and interest in real property that are reportable pursuant to this Code. All such statements shall be filed in electronic form directly with the Clerk of the Alameda County Board of Supervisors, which shall be the filing officer, utilizing the electronic filing system established by Alameda County for such purpose. Commission Members are also responsible for separately filing a Form 700 for their home jurisdictions pursuant to the instructions provided by such jurisdiction. Commission Members who serve as Alameda County supervisors may file a single Form 700 covering both Alameda CTC and their position as supervisor.

SECTION 4. Disqualification. No designated employee may make, participate in the making, or in any way use or attempt to use his or her position with Alameda CTC to influence the making of any decisions which will foreseeably have a material financial effect, distinguishable from its effect on the public generally, on any reportable interest of that employee.

SECTION 5. Manner of Disqualification.

(a) Any Commission Member who is required to disqualify himself or herself from a decision-making process shall not participate in any way in the matter before the Commission or any committee of the Commission. Further, such Commission Member shall be subject to the requirements and procedures set forth in 2 California Code of Regulations Section 18707 if the Commission Member is seated as a member of the Commission or committee during a meeting thereof and a governmental decision on such a matter is listed on the meeting agenda (see Appendix B for the current version of 2 CCR §18707). As of the date hereof, such procedures include the obligation to publicly recuse himself or herself and leave the room after making the identification required by said regulation, subject to certain exceptions as set forth in such regulation.

(b) Any designated employee who is required to disqualify himself or herself from a decision-making process shall notify the Executive Director of Alameda CTC (if the Executive Director requires disqualification, such notification shall be made to the Commission Chair) in writing of the reason for the disqualification. A copy of this notice shall be filed with the Clerk of the Commission. Upon receipt of a designated employee's disqualification statement, the Executive Director shall immediately reassign the responsibility for the matter to another designated employee of the office.

SECTION 6. No Disqualification Required if Participation is Necessary. A designated employee may make or participate in the making of a decision when he or she has a financial interest which would otherwise require disqualification if his or her participation is legally required for the decision to be made as defined in California Code of Regulations Title 2, Division 6, Section 18701. The fact that the vote of a designated employee is needed to break a tie does not make his or her participation legally required for the purposes of this section.

SECTION 7. Assistance of the FPPC and Legal Counsel. Any Commission Member or designated employee who is unsure of his or her duties under this code may request assistance from the FPPC pursuant to Section 83314 and Regulations 18329 and 18329.5, or from Alameda CTC's Legal Counsel, provided that nothing in this section requires Legal Counsel to issue any formal or informal opinion.

SECTION 8. Violations. This Code has the force and effect of law. Designated employees violating any provision of this Code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act. In addition, if a court determines that a violation of the disqualification provisions of this Code has occurred and that the official action might not otherwise have been taken or approved, the decision in relation to which a violation has occurred may be set aside as void pursuant to Government Code Section 91003.

SECTION 9. Effective Date. This Conflict of Interest Code and ~~the~~ Appendix A shall become effective upon approval by the Alameda County Board of Supervisors, as the code reviewing body. The initial disclosure statements required under this Code shall be filed on April 1, ~~2023~~2027.

ARTICLE II: Additional Alameda CTC Requirements

SECTION 1. Purpose. Alameda CTC recognizes that certain conflict of interest issues may arise that are not governed by the Political Reform Act or the FPPC regulations referenced above. The provisions in this **Article II** are intended to address such issues.

SECTION 2. Campaign Contribution Disclosure; Levine Act. The Levine Act, Government Code Section 84308, prohibits Commission Members from accepting, soliciting, or directing contributions (as defined in Government Code §82015) of more than ~~Two Hundred Fifty Dollars ($250)~~ Five Hundred Dollars ($500) from any party who has a financial interest in any proceeding involving a license, permit, or other entitlement for use that is pending before the Commission and for ~~three~~ twelve (12) months following the date a final decision is rendered in the proceeding. A party has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable generally, on the party, a member of the party's immediate family, or on income, investments, business positions or interests in real property that are described in Appendix A, Category 2. For purposes of this Section, "contribution" shall mean a political contribution to a person who is running for, or serving in, any elective office.

(a) Participants in Proceedings Pending Before the Commission. In the event Alameda CTC staff and/or independent members of a screening committee (which does not include Commission Members) evaluates and screens proposals submitted in response to a Request For Proposal or Qualifications and compiles a short list of firms to be considered by the Commission, only the proposals that the staff submits to Commission Members for consideration shall be considered a part of a proceeding pending before the Commission. Only persons or entities on the short list will be considered involved in a proceeding before the Commission or any committee of the Commission.

(b) Notice to Commission Members. To facilitate compliance with the Levine Act, the Commission staff shall include as part of the Commission Members' agenda packets for Commission Meetings and committee meetings information described in (i) and (ii) of this subsection regarding each application for a license, permit, or other entitlement for use that will be considered by the Board or such committee. "License, permit, or other entitlement for use" shall include all business, professional, trade and land use licenses and permits and all other entitlements for use, including all entitlements for land use, all contracts for goods or services (other than competitively bid, or labor, or personal employment contracts), and all franchises.

(i) The name of the persons or entities that submitted the application for a license, permit or other entitlement for use ("applicant"). The term "applicant" shall include any owner, manager or employee, who acts as an agent of the applicant with respect to the application;

(ii) To the extent known by staff, the name of each person who actively supports or opposes a decision in the proceeding before the Commission involving a license, permit, or other entitlement for use and who has a financial interest in the decision such persons are referred to herein as "participants" in a decision. The term "participant" shall include any owner, manager or employee who acts as an agent of the participant with respect to the application. Lobbying Commission Members or Alameda CTC staff by direct communication (either in person or in writing), testifying in person before the Commission, or otherwise acting to influence Commission Members shall constitute active support of or opposition to a decision pending before the Commission.

In the event Alameda CTC staff and/or independent committee compiles a short list of firms, the Proposal Data Form will contain information on only those firms that comprise the short list.

(c) **Notice to Applicants and Participants**. As part of any Request For Proposal or Qualification, or any other solicitation process, Alameda CTC staff shall provide all applicants and participants a statement that contains the information described in i) and ii) of subsection b). When a close corporation, as defined in Corporations Code Section 158, is an applicant or participant, the majority shareholder is subject to the Levine Act's disclosure and prohibition requirements. Generally, a close corporation is a corporation whose issued shares are owned by not more than ten (10) persons.

(i) All applicants and participants, and their respective agents, shall notify Alameda CTC, either in writing prior to a proceeding before the Commission involving a license, permit, or other entitlement for use or orally during said proceeding, of any contribution of more than ~~Two Hundred Fifty Dollars ($250)~~ Five Hundred Dollars ($500) made within the preceding twelve (12) months by the applicant or participant, or his or her agent, to any Commission Member.

(ii) Applicants and participants, and their agents, shall not make contributions of more than ~~Two Hundred Fifty Dollars ($250)~~ Five Hundred Dollars ($500) to any Commission Member during a proceeding involving a license, permit, or other entitlement for use pending before the Commission and for ~~three (3)~~ twelve (12) months following the date a final decision is rendered by the Commission in the proceeding.

(d) **Limitations on Receiving Contributions**. While a proceeding involving a license, permit, or other entitlement for use is pending before the Commission and for ~~three (3)~~ twelve (12) months following the date a final decision is rendered in the proceeding, Commission Members shall not accept, solicit, or direct a contribution of more than ~~Two Hundred Fifty Dollars ($250)~~ Five Hundred Dollars ($500) from any applicant or participant who has a financial interest in the decision. This prohibition shall apply regardless of whether the Commission Member accepts, solicits, or directs the contribution for ~~himself~~ themselves, or on behalf of any other Commission Member, or on behalf of any candidate for office or on behalf of any committee.

(e) **Disclosure of Conflict**. Before the Commission renders a decision in a proceeding involving a license, permit, or other entitlement for use, each Commission Member shall disclose orally at the time of the proceeding, or in a writing delivered to the Clerk of the Commission at any time prior to the proceeding, any contributions of more than ~~Two Hundred Fifty Dollars ($250)~~ Five Hundred Dollars ($500) that the Commission Member has received within the preceding twelve (12) months from any applicant or participant involved in the proceeding before the Commission.

(f) **Disqualification from Participating in a Proceeding**. No Commission Member shall make, participate in making, or in any way attempt to use his or her position in the Commission to influence a decision in a proceeding pending before the Commission or committee of the Commission involving a license, permit, or other entitlement for use if the Commission Member has received a contribution of more than ~~Two Hundred Fifty Dollars ($250)~~ Five Hundred Dollars ($500) within the preceding twelve (12) months from an applicant involved in the proceeding before the Commission or a participant who has a financial interest in the decision. A Commission Member who received a contribution which would otherwise require disqualification may participate in the proceeding if he or she returns the contribution within thirty (30) days from the time the Commission Member knows, or should have known, about both the making of the contribution or participant's participation in the proceeding involving the license, permit, or other entitlement for use.

(g) If a Commission Member is so disqualified from participation in any decision, that Commission Member shall not participate in any way in the matter before the Commission or any committee of the Commission. Further, such Commission Member shall be subject to the requirements and procedures set forth in 2 California Code of Regulations Section 18707 if the Member is seated as a member of the Commission or committee and a governmental decision on such a matter is listed on the agenda thereof (see Appendix B for the current version of 2 CCR §18707). As of the date hereof, such procedures include the obligation to publicly recuse himself or herself and leave the room after making the identification required by said regulation, subject to certain exceptions as set forth in such regulation.

SECTION 3. Alameda CTC Officers and Employees Running for Elected Office or Serving as an Elected Official. Pursuant to Government Code Section 3203, Alameda CTC is not permitted to restrict its officers and employees' political activities, except to the extent required by other applicable law. Accordingly, any officer or employee of Alameda CTC is permitted to run for elected office. However, Alameda CTC believes it is appropriate to impose certain reporting and recusal requirements upon such officers and employees, consistent with the requirements set forth above with respect to Commission Members' obligations under the Levine Act.

(a) **Campaign Disclosures**. If any Alameda CTC officer or employee is required under any applicable law to make any campaign-related filings with any City, County, or other governmental agency located completely or partially within Alameda County, and/or with the FPPC, the officer or employee shall simultaneously provide copies of any such filing(s) to the Clerk of the Commission. The foregoing obligation shall also apply with respect to campaign-related filings made by or on behalf of any committee controlled by an Alameda CTC officer or employee. The Clerk of the Commission shall make and retain a copy of any such campaign filings.

(b) **Disqualification from Participating in a Proceeding**. No Alameda CTC officer or employee shall participate in making, or in any way attempt to use his or her position with Alameda CTC to influence a decision in a proceeding pending before the Commission or committee of the Commission involving a license, permit, or other entitlement for use if the officer or employee has received a contribution of more than Two Hundred Fifty Dollars ($250) within the preceding twelve (12) months from an applicant involved in the proceeding before the Commission or a participant who has a financial interest in the decision.

APPENDIX A
DESIGNATED EMPLOYEES AND DISCLOSURE CATEGORIES

Designated Employees

The following positions entail the making or participating in the making of decisions which may foreseeably have a material effect on financial interests.

Position	Disclosure Categories
Commission Member	1 & 2
Executive Director	1 & 2
Chief Deputy Executive Director	1 & 2
Deputy Executive Director of Projects	1 & 2
Deputy Executive Director of Planning and Policy	1 & 2
Deputy Executive Director of Finance and Administration	1 & 2
Director of Contract Services and Operations	4 & 6
Director of Finance	4 & 6
Director of Programming and Project Controls	2, 3, 4 & 5
Director of Project Delivery ~~and Construction~~	2, 3, 4 & 5
Director of Express Lane Operations	3 & 4
~~Director of Budgets and Administration~~	~~4 & 6~~
Director of Planning and Programs	2, 3, 4 & 5
Director of Communications~~Policy~~ and Government Affairs ~~and Communications~~	4 & 5
Legal Counsel	1 & 2
Consultant*	as determined by the Executive Director

* Consultants, as defined in 2 California Code of Regulations §18700.3, shall be

included in the list of designated employees. Not all outside contractors are considered to be Consultants under this Regulation, since it depends on the contractor's particular scope of work. Further, the Executive Director may determine in writing that a particular Consultant is hired to perform a range of duties that is limited in scope and thus it may be appropriate to assign one or more of the limited disclosure requirements set forth below. The Executive Director's determination designating a specific contractor as a Consultant and assigning one or more specific disclosure categories, which determination may be made utilizing FPPC Form 805, is a public record and shall be retained for public inspection in the same manner and locator as this Code.

Disclosure Categories

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in Alameda County, or have done business during the previous two years in Alameda County.

Category 1: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments) that do business or own real property within Alameda County.

Category 2: All interests in real property which is located in whole or in part within, or not more than two miles outside, the boundaries of Alameda County.

Category 3: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments) that are engaged in land development, construction or the acquisition or sale of real property within Alameda County.

Category 4: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments) that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by Alameda CTC.

Category 5: All investments and business positions in business entities and sources of income (including gifts, loans and travel payments), including income from nonprofits or similar organizations, if the source is of the type to receive grants or similar funding from or through Alameda CTC.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if the source is of the type of firm in or with which Alameda CTC is empowered to invest its funds, or the source has during the reporting period filed a claim or currently has a claim pending with Alameda CTC.

APPENDIX B
EXCERPTS FROM FPPC REGULATIONS AS OF THE ADOPTION HEREOF

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18700.3. Consultant, Public Official Who Manages Public Investments: Definitions.

(a) For purposes of Sections 82019 and 82048, "consultant" means an individual who, pursuant to a contract with a state or local government agency:

(1) Makes a governmental decision whether to:

(A) Approve a rate, rule, or regulation;

(B) Adopt or enforce a law;

(C) Issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement;

(D) Authorize the agency to enter into, modify, or renew a contract provided it is the type of contract that requires agency approval;

(E) Grant agency approval to a contract that requires agency approval and to which the agency is a party, or to the specifications for such a contract;

(F) Grant agency approval to a plan, design, report, study, or similar item;

(G) Adopt, or grant agency approval of, policies, standards, or guidelines for the agency, or for any subdivision thereof; or

(2) Serves in a staff capacity with the agency and in that capacity participates in making a governmental decision as defined in Regulation 18704(a) and (b) or performs the same or substantially all the same duties for the agency that would otherwise be performed by an individual holding a position specified in the agency's Conflict of Interest Code under Section 87302.

(b) For purposes of Section 87200, the following definitions apply:

(1) “Other public officials who manage public investments” means:

(A) Members of boards and commissions, including pension and retirement boards or commissions, or of committees thereof, who exercise responsibility for the management of public investments;

(B) High-level officers and employees of public agencies who exercise primary responsibility for the management of public investments, such as chief or principal investment officers or chief financial managers. This category shall not include officers and employees who work under the supervision of the chief or principal investment officers or the chief financial managers; and

(C) Individuals who, pursuant to a contract with a state or local government agency, perform the same or substantially all the same functions that would otherwise be performed by the public officials described in subdivision (b)(1)(B).

(c) “Public investments” means the investment of public moneys in real estate, securities, or other economic interests for the production of revenue or other financial return.

(d) “Public moneys” means all moneys belonging to, received by, or held by, the state, or any city, county, town, district, or public agency therein, or by an officer thereof acting in the officer's official capacity, and includes the proceeds of all bonds and other evidences of indebtedness, trust funds held by public pension and retirement systems, deferred compensation funds held for investment by public agencies, and public moneys held by a financial institution under a trust indenture to which a public agency is a party.

(e) “Management of public investments” means the following nonministerial functions: directing the investment of public moneys; formulating or approving investment policies; approving or establishing guidelines for asset allocations; or approving investment transactions.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 82019, 82048, 87100, 87200 and 87302, Government Code.

HISTORY

1. New section filed 6-22-2015; operative 7-22-2015. Submitted to OAL for filing and printing only pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 26). For prior history, see Register 2015, No. 18.
2. Amendment of subsection (a)(2) filed 7-10-2015; operative 7-10-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 28).
3. Amendment of subsection (d) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18704. Making, Participating in Making, or Using or Attempting to Use Official Position to Influence a Government Decision, Defined.

(a) Making a Decision. A public official makes a governmental decision if the official authorizes or directs any action, votes, appoints a person, obligates or commits the official's agency to any course of action, or enters into any contractual agreement on behalf of the official's agency.

(b) Participating in a Decision. A public official participates in a governmental decision if the official provides information, an opinion, or a recommendation for the purpose of affecting the decision without significant intervening substantive review.

(c) Using Official Position to Attempt to Influence a Decision. A public official uses an official position to influence a governmental decision if the official:

(1) Contacts or appears before any official in the official's agency or in an agency subject to the authority or budgetary control of the official's agency for the purpose of affecting a decision; or

(2) Contacts or appears before any official in any other government agency for the purpose of affecting a decision, and the public official acts or purports to act within the official's authority or on behalf of the official's agency in making the contact.

(d) Exceptions. Making, participating in, or influencing a governmental decision does not include:

(1) Ministerial. Actions by a public official that are solely ministerial, secretarial, or clerical.

(2) Appearances as a Member of the General Public. An appearance by a public official as a member of the general public before an agency in the course of its prescribed governmental function if the official is appearing on matters related solely to the official's personal interests, including interests in:

(A) Real property owned entirely by the official, members of the official's immediate family, or the official and members of the official's immediate family;

(B) A business entity owned entirely by the official, members of the official's immediate family, or the official and members of the official's immediate family; or

(C) A business entity over which the official, members of the official's immediate family, or the official and members of the official's immediate family solely or jointly exercise full direction and control.

(3) Terms of Employment. Actions by a public official relating to compensation or the terms or conditions of the official's employment or consulting contract. However, an official may not make a decision to appoint, hire, fire, promote, demote, or suspend without pay or take disciplinary action with financial sanction against the official or the official's immediate family, or set a salary for the official's or the official's immediate family different from salaries paid to other employees of the government agency in the same job classification or position.

(4) Public Speaking. Communications by a public official to the general public or media.

(5) Academic Decisions.

(A) Teaching decisions, including an instructor's selection of books or other educational materials at the instructor's own school or institution, or other similar decisions incidental to teaching; or

(B) Decisions by a public official who has teaching or research responsibilities at an institution of higher education relating to the official's professional responsibilities, including applying for funds, allocating resources, and all decisions relating to the manner or methodology with which the official's academic study or research will be conducted. This exception does not apply to a public official who has institution-wide administrative responsibilities as to the approval or review of academic study or research at the institution unrelated to the official's own work.

(6) Architectural and Engineering Documents.

(A) Drawings or submissions of an architectural, engineering, or similar nature prepared by a public official for a client to submit in a proceeding before the official's agency if:

(i) The work is performed pursuant to the official's profession; and

(ii) The official does not make any contact with the agency other than contact with agency staff concerning the process or evaluation of the documents prepared by the official.

(B) An official's appearance before a design or architectural review committee or similar body of which the official is a member to present drawings or submissions of an architectural, engineering, or similar nature prepared for a client if:

(i) The review committee's sole function is to review architectural designs or engineering plans and to make recommendations to a planning commission or other agency;

(ii) The review committee is required by law to include architects, engineers or persons in related professions, and the official was appointed to the body to fulfill this requirement; and

(iii) The official is a sole practitioner.

(7) Additional Consulting Services: Recommendations by a consultant regarding additional services for which the consultant or consultant's employer would receive additional

income if the agency has already contracted with the consultant, for an agreed upon price, to make recommendations concerning services of the type offered by the consultant or consultant's employer and the consultant does not have any other economic interest, other than in the firm, that would be foreseeably and materially affected by the decision.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87101 and 87302, Government Code.

HISTORY

1. Change without regulatory effect renumbering former section 18702 to section 18704, including amendment of section heading and section, filed 4-27-2015. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 18). For prior history of section 18704, see Register 2015, No. 6.

2. Repealer and new section and amendment of Note filed 6-22-2015; operative 7-22-2015. Submitted to OAL for filing and printing only pursuant *to Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 26).

3. Amendment of subsections (a), (c)-(c)(2), (d)(2)-(d)(3) and (d)(5)(A)-(B) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil

C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations)

§ 18707. Disqualification Requirements.

(a) Public Meeting Decisions Involving Officials Specified in Section 87200. A public official in a position specified in Section 87200 and disqualified from a decision relating to an agenda item noticed for consideration at a public meeting subject to either the Bagley-Keene Act (Section 11120 et seq.) or the Brown Act (Section 54950 et seq.) must not take part in the decision. The official's recusal from the decision shall meet all of the following requirements:

(1) Form and Content of Public Identification. The official must publicly identify each type of financial interest held by the official that gives rise to the conflict of interest (i.e. business entity, real property, source of income, gift(s) or a personal financial effect).

(A) For each financial interest identified, the official must provide the following, as applicable:

(i) Name of the business entity, general description of the business' activity, and any position held.

(ii) Real property address, assessor's number, or identification that the property is the official's personal residence.

(iii) Name of the source of income.

(iv) Name of the source of a gift.

(v) The nature of the expense, liability, asset, or income affected.

(B) Identification must be oral and made part of the public record.

(2) Timing. Public identification of the financial interest must be made immediately prior to consideration of the agenda item. Partial absence from a meeting does not excuse the official's

public identification requirement. If an official leaves a meeting in advance of the agenda item in which the official is disqualified, the official must publicly identify the agenda item and the financial interest prior to leaving the meeting. An official first joining a meeting after the consideration of an agency item in which the official is disqualified must publicly identify the agenda item and the financial interest immediately upon joining the meeting.

(3) Recusal and Leaving the Room. The official must follow the recusal procedure, leave the room after the identification required by this regulation is made, and refrain from any participation in the decision. The official will not be counted toward achieving a quorum while the item is discussed.

(A) For an agenda item on a consent calendar (uncontested items), the official may remain in the room during the consent calendar.

(B) If an official has a personal interest in the agenda item as defined in Regulation 18704(d)(2) and wishes to speak or appear as a member of the general public, following the public identification of the financial interest and recusal the official may leave the dais and speak or observe from the area reserved for members of the public.

(4) Special Rules for Closed Session. The public identification must be made orally during the open session before the body goes into closed session and may be limited to a declaration that the official's recusal is because of a conflict of interest under Section 87100. The declaration will be made part of the official public record. The official must not be present when the decision is considered in closed session or knowingly obtain or review a recording or any other non-public information regarding the governmental decision.

(b) Other Decisions. A public official disqualified from any decision other than a decision under subdivision (a) must not take part in the decision, and the official's recusal from the decision must meet the following requirements:

(1) If an official determines not to act because of a financial interest, the official's determination may be accompanied by an oral or written disclosure of the financial interest.

(2) The official's presence will not be counted toward achieving a quorum.

(3) During a closed meeting of the agency, a disqualified official must not be present when the decision is considered or knowingly obtain or review a recording or any other nonpublic information regarding the governmental decision.

(4) An agency may adopt a local rule requiring the official to step down from the dais or leave the chambers.

(c) Confidential Information. Nothing in the provisions of this regulation is intended to cause an agency or public official to make any disclosure that would reveal the confidences of a closed session or any other privileged information as contemplated by law including, but not limited to, the recognized privileges found in Regulation 18740.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87100, 87101, 87103, 87105 and 87200, Government Code.

HISTORY

1. New section filed 6-22-2015; operative 7-22-2015. Submitted to OAL for filing and printing only pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking

requirements and not subject to procedural or substantive review by OAL) (Register 2015, No. 26). For prior history, see Register 2015, No. 21.

2. Repealer and new section filed 7-23-2020; operative 8-22-2020 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administraotive Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2020, No. 30).

3. Amendment of subsections (a), (a)(3) and (b) filed 5-12-2021; operative 6-11-2021 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2021, No. 20).

ALAMEDA County Transportation Commission

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Memorandum

5.1

DATE:	September 8, 2026
TO:	Finance and Administration Committee
FROM:	Patricia Reavey, Deputy Executive Director of Finance and Administration Yoana Navarro, Director of Finance
SUBJECT:	Approve an Update to the Alameda CTC Investment Policy

Recommendation

It is recommended that the Commission review and approve an update to the Alameda CTC investment policy.

Summary

An update to the Alameda CTC investment policy is attached in tracked changes format to show the recommended updates to the investment policy since the policy was last reviewed and adopted by the Commission in September 2025. The changes proposed include:

1. Update to VIII. Authorized Investments, 7, Commercial Paper - to change the maximum maturity days allowed from 270 days to 397 days, per SB 595 which became effective January 1, 2026, and clarify that there is a sunset date of January 1, 2031 to both the maximum maturity days and maximum percent of the portfolio allowed to be invested in commercial paper, which is 40 percent for agency's with investment assets greater than $100 million,
2. Update to VIII. Authorized Investments, 8, Asset-backed Commercial Paper - to change the maximum maturity days allowed from 270 days to 397 days, per SB 595 which became effective January 1, 2026, and clarify that there is a sunset date of January 1, 2031 to both the maximum maturity days and maximum percent of the portfolio allowed to be invested in asset-backed commercial paper, which is 40 percent for agency's with investment assets greater than $100 million,
3. Update to VIII. Authorized Investments, 10, Asset-backed Securities - to clarify that asset-backed securities have different requirements in this policy than government-sponsored mortgages which are addressed in VIII. Authorized Investments, 2,

4. Update to IX. Ineligible Investments, 2, Interest-only Strips – to clarify the sunset date of January 1, 2031, per SB 595, of the exception to this ineligible investment for securities issued or backed by the government, and
5. Update to the table in Appendix I, to change the maximum maturity days as noted in bullets 1 and 2 above.

Staff reviewed the investment policy in consultation with investment advisors and made the recommended updates to conform with SB 595 and provide clarity on asset-backed securities.

Background

The California Government Code Section 53600.5 states, "... the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control." These objectives are also reflected in Alameda CTC's investment policy, in the order of priority demonstrated in the Code. Alameda CTC safeguards assets by mitigating credit and interest rate risk, provides adequate liquidity to meet all operating requirements of Alameda CTC, and attains a market rate of return on investments taking into account investment risk constraints of safety and liquidity needs.

The attached investment policy (Attachment A) was developed in accordance with the Code to define parameters and guide staff and investment advisors in managing Alameda CTC's investment portfolio; however, the Alameda CTC policy is slightly more restrictive than the Code. The policy formalizes the framework for Alameda CTC's investment activities that must be exercised to ensure effective and prudent fiscal management of Alameda CTC's funds. The guidelines are intended to be broad enough to allow staff and investment advisors to function properly within the parameters of fiscal responsibility and authority, yet specific enough to adequately safeguard investment assets.

Through the proposed investment policy, the Commission appoints the Executive Director and the Deputy Executive Director of Finance and Administration as Investment Officers who are responsible for the investment program of Alameda CTC and will act responsibly as custodians of the public's trust. The policy requires the Investment Officers to design internal controls around investments that would prevent the loss of public funds from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of Alameda CTC. It also allows Investment Officers to periodically reset performance benchmarks to reflect changing investment objectives and constraints.

Fiscal Impact: There is no fiscal impact to the approval of this investment policy.

Attachment:

A. Draft Alameda CTC Investment Policy September 2026 (Markup)

Alameda County Transportation Commission
Investment Policy
September 2026~~5~~

I. Introduction

The intent of the Investment Policy of the Alameda County Transportation Commission (Alameda CTC) is to define the parameters for investing funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The policy formalizes the framework for Alameda CTC's investment activities that must be exercised to ensure effective and prudent fiscal and investment management of Alameda CTC's funds. The guidelines are intended to be broad enough to allow Alameda CTC's Investment Officers (as defined below) to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

II. Governing Authority

The investment program shall be operated in conformance with federal, state, and other legal requirements, including the California Government Code.

III. Scope

This policy applies to activities of Alameda CTC with regard to investing the financial assets of all funds (except bond funds and retirement funds). In addition, any funds held by trustees or fiscal agents are excluded from these rules; however, all such funds are subject to regulations established by the State of California.

Note that any excluded funds such as employee retirement funds, proceeds from certain bond issuances and Other Postemployment Benefits (OPEB) trust assets are covered by separate policies.

IV. General Objectives

The primary objectives, in order of priority, of investment activities shall be:

1. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal will be to mitigate credit and interest rate risk.

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

3. *Return*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs.

V. Standard of Care

1. *Prudence*

The standard of prudence to be used by investment officials shall be the "prudent investor" standard (California Government Code Section 53600.3) and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

> "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

2. *Delegation of Authority and Responsibilities*

Responsibilities of the Commission - The Commission, in its role as Alameda CTC's governing body, will retain ultimate fiduciary responsibility for the portfolios. On an annual basis, at a minimum, they will receive reports for review, designate Investment Officers and review and adopt the investment policy.

The Commission hereby designates the Executive Director and the Deputy Executive Director of Finance and Administration, as Treasurer, as the Investment Officers.

Responsibilities of the Investment Officers - The Investment Officers are jointly responsible for the operation of the investment program. The Investment Officers shall act in accordance with written procedures and internal controls for the operation of the investment program consistent with the Investment Policy. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

Responsibilities of the Investment Advisor - Alameda CTC may engage the services of one or more external investment advisors to assist in the management of the investment portfolio in a manner consistent with Alameda CTC's objectives. Investment advisors may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy and the California Government Code and must be registered under the Investment Advisors Act of 1940 or be a bank, regulated by the Office of the Comptroller of the Currency (OCC) or Federal Reserve operating under the fiduciary exemption from the Security and Exchange Commission. Any investment advisor shall be required to prepare and provide comprehensive reports on Alameda CTC's investments on a monthly and quarterly basis, and as requested by Alameda CTC's Investment Officers. At no time shall the investment advisor maintain custody of Alameda CTC cash or assets.

Responsibilities of the Custodian - A third party bank custodian shall hold Alameda CTC cash and assets under management by any investment advisor in the name of Alameda CTC. The custodian shall receive direction from the investment advisor on settlement of investment transactions.

VI. Selection of Financial Institutions and Broker/Dealers

Alameda CTC's procedures are designed to encourage competitive bidding on transactions from an approved list of broker/dealers in order to provide for the best execution on transactions.

The Investment Officer, or the investment advisors, shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes. This list will be developed after a process of due diligence confirming that the firms qualify under the Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). Alameda CTC shall purchase securities only from authorized institutions or firms.

The Investment Officer, or the investment advisor, shall obtain competitive offers on all purchases of investment instruments purchased on the secondary market whenever possible. A competitive bid can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform. A competitive solicitation wherein only one bid or offer price is received shall satisfy the requirements of this Investment Policy. In such circumstances where offered securities are unique to one dealer and/or competitive price comparisons are not available, best efforts will be made to document quotations for comparable or alternative securities.

VII. Safekeeping and Custody

1. *Delivery vs. Payment*

All trades of marketable securities will be executed on a delivery vs. payment (DVP) basis to ensure that securities are deposited in Alameda CTC's safekeeping institution prior to the release of funds.

2. *Third-Party Safekeeping*

Securities will be held by an independent third-party safekeeping institution selected by Alameda CTC's Investment Officers. All securities will be evidenced by safekeeping receipts in Alameda CTC's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls – Service Organization Control Reports (formerly SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011.)

3. *Internal Controls*

The Investment Officers are responsible for establishing, maintaining and documenting an internal control structure designed to ensure that the assets of Alameda CTC are protected from loss, theft or misuse. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of Alameda CTC.

VIII. Authorized Investments

The following investments will be permitted by this policy and are those authorized in the California Government Code. In the event a discrepancy is found between this policy and the California Government Code, the more restrictive parameters will take precedence.

1. United States Treasury notes, bonds, bills, certificates of indebtedness, or other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

   a. Maximum maturity: 5 years
   b. Maximum percent of portfolio: 100%

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

   a. Maximum maturity: 5 years
   b. Maximum percent of portfolio: 100%
   c. Type: Senior and fully guaranteed debt obligations
   d. Maximum per issuer: 35%
   e. Maximum callable securities: 20%

3. Repurchase Agreements used solely as short-term investments.

   The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in VIII 1 and 2 above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to Alameda CTC's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by Alameda CTC for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

Alameda CTC or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

Alameda CTC may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of $25 billion and having debt rated in the highest short-term rating category as provided by a nationally recognized statistical rating organization.

Alameda CTC will enter into a Master Repurchase Agreement, substantially in the form approved by the Securities Industry and Financial Markets Association (SIFMA) and by Alameda CTC's counsel, with each firm with which it enters into Repurchase Agreements.

a. Maximum maturity: 90 days
b. Maximum percent of portfolio: 20%

4. Municipal Securities that are obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency.

   a. Maximum maturity: 5 years
   b. Maximum percent of portfolio: 30% in Municipal Securities
   c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
   d. Maximum per issuer: 5%

5. Municipal Securities that are registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled or operated by the state or by a department, board, agency or authority of any of the other 49 states, in addition to California.

   a. Maximum maturity: 5 years
   b. Maximum percent of portfolio: 30% in Municipal Securities
   c. Minimum credit quality: A (S&P); or A2 (Moody's): or A (Fitch)
   d. Maximum per issuer: 5%

6. Bankers' Acceptances, otherwise known as bills of exchange or time drafts which are drawn on and accepted by a commercial bank.

   a. Maximum maturity: 180 days
   b. Maximum percent of portfolio: 40%
   c. Minimum credit quality: A-1 (S&P); or P-1 (Moody's); or F-1 (Fitch)
   d. Maximum per issuer: 5%

7. Commercial paper rated in the highest two short-term rating categories, as provided by a nationally recognized statistical rating organization. The entity that issues the commercial paper shall meet all of the following conditions: (a) is organized and operating in the United States as a general corporation; (b) has total assets in excess of five hundred million dollars ($500,000,000); and (c) has debt other than commercial paper, if any, that is rated a rating category "A" or higher by a nationally recognized statistical-rating organization.

   a. Maximum maturity: ~~270~~397 days
   b. Maximum percent of portfolio: 40%
   c. Minimum credit quality: A-1 (S&P); or P-1 (Moody's); or F-1 (Fitch)
   d. Maximum per issuer: 5%

   No more than 40% of the total portfolio may be invested cumulatively in commercial paper or asset-backed commercial paper as defined in Section 8 below. Under a provision that will sunset on January 1, 2031, 40% of the total portfolio may be invested in Commercial Paper if the Agency's investment assets are greater than $100,000,000. No more than 10% of the outstanding commercial paper of any single issuer may be purchased. No more than 10% of the total portfolio may be invested in the commercial paper and medium-term notes of a single issuer.

8. Asset-backed commercial paper of "prime" quality and issued by an entity organized within the United States as a special purpose corporation, trust, or limited liability company. The entity that issues the asset-backed commercial paper must meet all of the following conditions: (a) is rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization; and (b) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

   a. Maximum maturity: 397~~270~~ days
   b. Maximum percent of portfolio: 40%
   c. Minimum credit quality: A-1 (S&P); or P-1 (Moody's); or F-1 (Fitch)
   d. Maximum per issuer: 5%

   No more than 40% of the total portfolio may be invested cumulatively in asset-backed commercial paper or commercial paper as defined in Section 7 above. Under a provision that will sunset on January 1, 2031, 40% of the total portfolio may be invested in Commercial Paper if the Agency's investment assets are greater than $100,000,000. No more than 10% of the outstanding commercial paper of any single issuer may be purchased. No more than 10% of the total portfolio may be invested in the commercial paper and medium-term notes of a single issuer.

9. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated a minimum of "A" or its equivalent by a nationally recognized statistical rating organization.

   a. Maximum maturity: 5 years
   b. Maximum percent of portfolio: 30%
   c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
   d. Maximum per issuer: 5%

   No more than 10% of the total portfolio may be invested in the medium-term notes and commercial paper of a single issuer.

10. Asset-backed securities, from issuers not defined in Section 2, including any consumer receivable pass-through certificate, equipment lease-backed certificate, consumer receivable backed bond, or other pay-through bond with a maximum maturity of five years or less. Asset-backed securities shall be rated "AAA" or its equivalent by a nationally recognized statistical rating organization.

    a. Maximum Maturity: 5 years
    b. Maximum percent of portfolio: 20%
    c. Minimum credit quality: AAA (S&P); or Aaa (Moody's); or AAA (Fitch)
    d. Maximum per issuer: 5%

11. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California.

    a. Maximum maturity: 1 year
    b. Maximum percent of portfolio: 10%
    c. Maximum per issuer: 5%

12. Collateralized Bank Deposits. Alameda CTC's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that Alameda CTC may invest in collateralized bank deposits.

13. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank.

a. Maximum maturity: 3 years
b. Maximum percent of portfolio: 30%
c. Minimum credit quality: A (S&P); or A2 (Moody's); or A (Fitch)
d. Maximum per issuer: 5%

14. State of California Local Agency Investment Fund (LAIF)

Although LAIF may invest in securities not permitted in the Alameda CTC's Investment Policy, such investments shall not exclude LAIF from the Alameda CTC's list of eligible investments, provided that LAIF's periodic reports allow the Investment Officer to adequately assess the risk inherent in LAIF's portfolio. Funds invested in LAIF will follow LAIF policies and procedures.

a. Maximum dollar limit: as determined by LAIF

The LAIF portfolio shall be reviewed annually in order to monitor its continuing suitability as an investment option for the Alameda CTC.

15. Joint Powers Authority (JPA) Pools

Shares of beneficial interest, issued by a joint powers authority organized pursuant to Section 6509.7 that invests in securities authorized by California Government Code Section 53601 subdivisions (a) to (r), inclusive, and that has retained an investment advisor that is registered or exempt from registration with the Securities and Exchange Commission having not less than five years of experience investing in the securities and obligations authorized by California Government Code Section 53601 and having at least five hundred million dollars ($500,000,000) under management.

a. Maximum dollar limit: double the LAIF limit

JPA Pools shall be reviewed annually in order to monitor continuing suitability as an investment option for Alameda CTC. Funds invested in JPA Pools will follow the JPA Pools' policies and procedures.

16. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations; or (2) retain an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing

money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

a. Maximum percent of portfolio: 20%
b. Maximum per Prime Money Market Fund: 5%
c. Maximum per Government Money Market Fund: 10%
d. Minimum credit quality: AAAm (S&P); or Aaa-mf (Moody's); AAAmmf (Fitch)

17. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank and eligible for purchase and sale within the United States.

    a. Maximum maturity: 5 years
    b. Maximum percent of portfolio: 30%
    c. Maximum per issuer: 10%
    d. Minimum credit quality: AAA (S&P); or Aaa (Moody's); or AAA (Fitch)

Important Notes:

a) The percentage limitation for all categories of investments and individual issuers refers to the percentage in the overall Alameda CTC portfolio on the date the security or shares are purchased as measured by the settlement date.

b) The individual security term to maturity restrictions of this Investment Policy shall be based upon the settlement date.

c) The credit rating requirements of this Investment Policy shall apply at the time of purchase. If the credit rating of a security is downgraded below the minimum required rating level for a new investment of that security type subsequent to its purchase, the investment advisor shall promptly notify the Investment Officer. The Investment Officer shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Investment Officer will apply the general objectives of safety, liquidity, yield and legality to make the decision.

IX. Ineligible Investments

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to:

1. "Complex" derivative structures such as range notes, dual index notes, inverse floaters, leveraged or de-leveraged floating-rate notes, or any other complex variable-rate or structured note;

2. Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity except for the purchase of securities issued or backed by the United States government that could result in a zero or negative interest accrual if held to maturity which are allowed under a provision that will sunset on January 1, 2031~~in the event of, and for the duration of, a period of negative market interest rates~~;

3. Non-agency mortgage-backed pass-through securities;

4. Other non-agency mortgage-backed securities;

5. Non-agency collateralized mortgage obligations;

6. Reverse repurchase agreements;

7. Securities lending or other forms of borrowing or leverage; and

8. Securities with a forward settlement date exceeding 45 days from the time of purchase.

X. Investment Parameters

1. Credit Risk – Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The diversification requirements included in Section VIII are designed to mitigate credit risk. Alameda CTC shall additionally mitigate credit risk by adopting the following diversification strategies:

   a. Avoiding overconcentration in any one issuer or business sector;

   b. Limiting investments in securities with higher credit risks; and

   c. Maintaining a portion of the portfolio in a highly liquid investment such as LAIF

2. Market Risk - Market risk is the risk that the portfolio will fluctuate due to changes in the general level of interest rates. Alameda CTC recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. Alameda CTC shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by making some longer-term investments only with funds that are not needed for current cash flow purposes. Alameda CTC further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. Alameda CTC, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

a. Alameda CTC shall invest in securities with varying maturities, maintaining a minimum of three months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements;

b. The maximum percent of federal agency callable securities in the portfolio shall be 20%;

c. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy;

d. Liquidity funds will be held in collateralized bank deposits, LAIF, JPA Pools or in money market instruments maturing within one year or less or held in securities with maturities matched to anticipated expenditures;

e. Longer term/Core funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will only be invested in higher quality and liquid securities; and

f. The duration of the Core or benchmarked portion of the portfolio shall at all times be approximately equal to the duration of a Market Benchmark Index selected by Alameda CTC based on Alameda CTC's investment objectives, constraints and risk tolerances, plus or minus 25%.

3. Maximum percentages for a particular issuer or investment type may be exceeded at a point in time subsequent to the purchase of a particular issuer or investment type. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

XI. Performance and Program Evaluation

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmarks shall have a similar weighted average maturity and credit profile commensurate with investment risk constraints and liquidity needs of Alameda CTC.

Alameda CTC may periodically update the performance benchmarks to reflect current investment objectives and constraints and shall communicate such changes to the investment advisor.

Appendix I

AUTHORIZED INVESTMENTS SUMMARY TABLE

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	**Alameda CTC Policy**	**Alameda CTC Policy**	**Per Cal. Gov't Code**	**Alameda CTC Policy**	**Per Cal. Gov't Code**	**Alameda CTC Policy**
U.S. Treasury Notes, Bonds, Bills or Certificates of Indebtedness	100%	100%	None	5 years	5 years	NA	NA
Federal or U.S. Sponsored Obligations fully guaranteed by Federal Agencies or U.S. Government Sponsored Enterprises	100%	100%	Max 35% per issuer, Max 20% Agency Callable Securities	5 years	5 years	NA	Senior and Fully Guaranteed Debt
Repurchase Agreements	NA	20%	Strict collateral requirements; Master Repurchase Agreement	1 year	90 days	NA	NA
Municipal Securities: State of California and California Local Agency Bonds	NA	30% Aggregate Municipal Securities	Max 5% per issuer	5 years	5 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
Municipal Securities: Bonds of any of the other 49 states in addition to California	NA	30% Aggregate Municipal Securities	Max 5% per issuer	5 years	5 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Bankers' Acceptances	40%	40%	Max 5% per issuer	180 days	180 days	NA	A-1 (S&P) or P-1 (Moody's) or F-1 (Fitch)
Commercial paper of U.S. corporations with total assets exceeding $500,000,000	40%	40%	Max 10% of outstanding paper of any single issuer & max 5% of portfolio of any one issuer	~~270~~397 days	~~270~~397 days	A-1 or P-1 or F-1	A-1 (S&P) or P-1 (Moody's) or F-1 (Fitch)
Asset-backed commercial paper issued by entities organized in the U.S.	40%	40%	Max 10% of outstanding paper of any single issuer & max 5% of portfolio of any one issuer	~~270~~397 days	~~270~~397 days	A-1 or P-1 or F-1	A-1 (S&P) or P-1 (Moody's) or F-1 (Fitch
Medium Term Corporate Notes of U.S. Corporations	30%	30%	Max 5% per issuer	5 years	5 years	A	A (S&P) or A2 (Moody's) or A (Fitch)
Asset-Backed Securities	20%	20%	Max 5% per issuer	5 years	5 years	AAA	AAA (S&P) or Aaa (Moody's) or AAA (Fitch)
California Collateralized Time Deposits	NA	10%	Max 5% per issuer	NA	1 year	NA	NA

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Collateralized Bank Deposits	100%	100%	None	NA	NA	NA	NA
Negotiable Certificate of Deposits	30%	30%	Max 5% per issuer	5 years	3 years	NA	A (S&P) or A2 (Moody's) or A (Fitch)
State of California- Local Agency Investment Fund (LAIF)	NA	NA	As limited by LAIF	NA	NA	NA	NA
Joint Powers Authority Pools	NA	NA	Double the LAIF limit	NA	NA	NA	NA
Shares of Beneficial Interests (Money Market Funds)	20%	20%	Max 5% per Prime fund, Max 10% per Government fund	NA	N/A	AAA	AAAm (S&P) or Aaa-mf (Moody's) or AAAmmf (Fitch)

INVESTMENT	% OF PORTFOLIO		PURCHASE RESTRICTIONS	MAXIMUM MATURITY		MINIMUM CREDIT QUALITY	
	Per Cal. Gov't Code	Alameda CTC Policy	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy	Per Cal. Gov't Code	Alameda CTC Policy
Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank	30%	30%	Max 10% per issuer	5 years	5 years	AAA	AAA (S&P) or Aaa (Moody's) or AAA (Fitch)