

Sacramento Transportation Authority
Investment Policy – Calendar Year 2018

I. PURPOSE

This Investment Policy (Policy) sets forth the investment guidelines for the Sacramento Transportation Authority (STA). This policy fulfills the objectives required under Government Code Section 53646(a). Investments may only be made as authorized by this Policy. If provisions of the Government Code become more restrictive than those of this policy, such provisions will prevail.

II. SCOPE

It is intended that this Policy cover all investable funds under the stewardship of STA.

III. OBJECTIVES

Ensure funds are prudently invested in order to earn a reasonable return while awaiting application for governmental purposes. The specific objectives of the invested funds are ranked in the following order of importance:

- A. Safety of Principal. The preservation of principal is of primary importance. Each transaction shall seek to ensure that capital losses are avoided, whether they are from securities default or erosion of market value of securities.
- B. Liquidity. The Investment Portfolio should remain sufficiently flexible to enable the STA to meet all operating and capital requirements which may be reasonably anticipated in any fund.
- C. Public Trust. In managing its Investment Portfolio, the authorized investment traders should avoid any transactions that might impair public confidence in the STA. Investments should be made with precision and care, considering the probable safety of capital as well as the probable income to be derived.
- D. Maximum Rate of Return. The Investment Portfolio should be designed to attain a market average rate of return through budgetary and economic cycles, consistent with the risk limitations, prudent investment principles and cash flow characteristics identified in this policy.

IV. RESPONSIBILITIES

The STA Governing Board is responsible for approving the Policy and ensuring investments are made in compliance with it. This Policy shall be reviewed annually by the Governing Board at a public meeting pursuant to California Government Code Section 53646(a). The STA Treasurer (the Sacramento County Director of Finance) is responsible for making investments on behalf of STA and for compliance with this Policy pursuant to the delegation of authority to invest funds or to sell or exchange securities made in accordance with California Government Code Section 53607.

V. IMPLEMENTATION

A. Investments. Investable funds will be deposited in the State of California Local Agency Investment Fund (LAIF) or the Sacramento County Pooled Investment Fund (Pool) and invested according to the policies of LAIF and the Pool.

VI. ADDITIONAL ALLOWABLE INVESTMENTS FOR NOTE AND BOND FUNDS ONLY

A. CAMP. California Asset Management Program (CAMP)'s Cash Reserve Portfolio, a common law trust established pursuant to Title I, Division 7, Chapter 5 of the California Government Code, which is limited to investments permitted under Government Code 53601.

B. Other Investments. Other investments as permitted by bond indentures.