

C/CAG

City/County Association of Governments of San Mateo County

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Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside

C/CAG FINANCE COMMITTEE AGENDA

Date: Friday, February 7, 2014

Time: 12:00 noon – 1:00 p.m.
(Lunch will be provided at the Redwood City location)

Place: County Government Center
555 County Center, Fifth Floor
Conference Room One
Redwood City, CA

Conference call location: San Francisco Veterans Affairs Medical Ctr
4150 Clement St., Bldg 203, Room GA-36
San Francisco, CA 94121

- 1.0 CALL TO ORDER
- 2.0 PUBLIC COMMENT ON RELATED ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
- 3.0 Receive copies of monthly investment statements for October, November, and December 2013.
(Information)
- 4.0 Review the C/CAG Quarterly Investment Report as of December 31, 2013. (Action)
- 5.0 Recommend modifications to the C/CAG investment portfolio as needed. (Action)
- 6.0 Receive a letter from the County Treasurer dated January 21, 2014 regarding distributions from Lehman settlement. (Information)
- 7.0 ADJOURN

PUBLIC NOTICING: All notices of C/CAG Board and Committee meetings will be posted at San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA.

For questions about the agenda call Sandy Wong at 650 599.1409 or Nancy Blair at 650 599.1406.

C/CAG AGENDA REPORT

Date: February 7, 2014
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for October, November, and December 2013.

(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION:

That the C/CAG Finance Committee receive copies of monthly investment statements for October, November, and December 2013.

FISCAL IMPACT:

None

SOURCE OF FUNDS:

C/CAG funds are held by the C/CAG Financial Agent (City of San Carlos).

BACKGROUND/DISCUSSION:

The C/CAG Investment Policy adopted on Oct 10, 2013, states that the C/CAG Finance Committee shall analyze investment portfolio at least every quarter. Attached are the monthly statements for C/CAG investment funds for the quarter ending on December 31, 2013.

ATTACHMENTS:

1. C/CAG's LAIF Regular Monthly Statements for Oct, Nov, Dec 2013
2. C/CAG's SM County Investment Fund Summary for Oct, Nov, Dec 2013
3. County Estimated Summary of Pool Earnings for Oct, Nov, Dec 2013
4. LAIF Performance Report Quarter Ending December 31, 2013

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

www.treasurer.ca.gov/pmia-laif
 November 04, 2013

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
 OF SAN MATEO COUNTY
 FINANCE OFFICER
 600 ELM STREET
 SAN CARLOS, CA 94070

PMIA Average Monthly Yields

Account Number:
 40-41-004

Tran Type Definitions

October 2013 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2013	10/11/2013	QRD	1412994	SYSTEM	9,941.05
10/18/2013	10/18/2013	RD	1414057	TRACY KWOK	750,000.00
10/31/2013	10/31/2013	RD	1414896	TRACY KWOK	550,000.00

Account Summary

Total Deposit:	1,309,941.05	Beginning Balance:	14,603,466.71
Total Withdrawal:	0.00	Ending Balance:	15,913,407.76

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif
 December 04, 2013

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
 OF SAN MATEO COUNTY
 FINANCE OFFICER
 600 ELM STREET
 SAN CARLOS, CA 94070

PMIA Average Monthly Yields

Account Number:
 40-41-004

Tran Type Definitions

November 2013 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/18/2013	11/15/2013	RW	1415989	TRACY KWOK	-600,000.00
11/26/2013	11/26/2013	RD	1416625	TRACY KWOK	750,000.00

Account Summary

Total Deposit:	750,000.00	Beginning Balance:	15,913,407.76
Total Withdrawal:	-600,000.00	Ending Balance:	16,063,407.76

Local Agency Investment Fund
 P.O. Box 942809
 Sacramento, CA 94209-0001
 (916) 653-3001

www.treasurer.ca.gov/pmia-laif
 January 02, 2014

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
 OF SAN MATEO COUNTY
 FINANCE OFFICER
 600 ELM STREET
 SAN CARLOS, CA 94070

PMIA Average Monthly Yields

Account Number:
 40-41-004

Tran Type Definitions

December 2013 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/5/2013	12/4/2013	RW	1417070	TRACY KWOK	-3,300,000.00
12/18/2013	12/18/2013	RD	1418028	TRACY KWOK	1,000,000.00
12/23/2013	12/23/2013	RD	1418466	TRACY KWOK	1,500,000.00

Account Summary

Total Deposit:	2,500,000.00	Beginning Balance:	16,063,407.76
Total Withdrawal:	-3,300,000.00	Ending Balance:	15,263,407.76

To: City of San Carlos-City/County Association of Governments
 Attn: Rebecca Mendenhall, Finance Manager
 From: San Mateo County Treasurer's Office
 Subj: SM County Investment Fund Summary
 Date: October 31, 2013

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	09/30/13	---	---	\$2,721,813.60
INTEREST ALLOCATION-1st Q 2013-14 1	10/01/13	---	4,571.05	\$2,726,384.65
ENDING BALANCE	10/31/13	---	---	\$2,726,384.65

Total Transactions	1
Total Debits	\$0.00
Total Credits	\$4,571.05

To: City of San Carlos-City/County Association of Governments
 Attn: Rebecca Mendenhall, Finance Manager
 From: San Mateo County Treasurer's Office
 Subj: SM County Investment Fund Summary
 Date: November 30, 2013

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	10/31/13	---	---	\$2,726,384.65
ENDING BALANCE	11/30/13	---	---	\$2,726,384.65
Total Transactions	0			
Total Debits	\$0.00			
Total Credits	\$0.00			

To: City of San Carlos-City/County Association of Governments
 Attn: Rebecca Mendenhall, Finance Manager
 From: San Mateo County Treasurer's Office
 Subj: SM County Investment Fund Summary
 Date: December 31, 2013

Account #03412

Activity		Date	Debit	Credit	Balance
BEGINNING BALANCE		11/30/13	---	---	\$2,726,384.65
WIRE IN	1	12/06/13	---	3,300,000.00	\$6,026,384.65
WIRE IN	1	12/24/13	---	500,000.00	\$6,526,384.65
ENDING BALANCE		12/31/13	---	---	\$6,526,384.65
Total Transactions		2			
Total Debits		\$0.00			
Total Credits		\$3,800,000.00			

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
OCTOBER 2013**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$225,000,000	\$90,667.74
Federal Agencies	716,250,000.00	406,584.08
Corporate Notes	386,500,000.00	358,947.17
Floating Rate Securities	274,000,000.00	106,692.98
	\$1,601,750,000	\$962,891.97
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	\$140,000,000	\$12,968.39
Federal Agencies	395,000,000	85,402.97
Corporate Notes	52,500,000	51,276.82
Floating Rate Securities	112,500,000	45,166.98
LAIF	48,500,000	8,238.36
Commercial Paper	284,800,000	31,047.08
Certificate of Deposit	20,000,000	3,057.53
Repurchase Agreements	210,750,000	526.88
	\$1,264,050,000	\$237,685.01
Total Accrued Interest	\$2,865,800,000	\$1,200,576.98
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$426,434.11
Federal Agencies		48,724.42
Corporate Notes		49,272.79
Floating Rate Securities		39,822.33
Commercial Paper		3,152.78
U S Treasury Bills		1,875.00
Repurchase Agreements		8,533.75
Total Realized Income		\$577,815.18
TOTAL GROSS POOL RATE/EARNINGS*	0.75%	<u>\$1,778,392.16</u>

POOL 1 NET EARNINGS RATE*	0.58%
POOL 2 NET EARNINGS RATE*	0.61%
POOL 3 NET EARNINGS RATE*	0.63%

* - Earnings %'s are based on OCTOBER 2013 Average Daily Balance
Pool 1 & 2 rates include banking charges

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
NOVEMBER 2013**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$325,000,000	\$214,687.99
Federal Agencies	701,250,000.00	382,926.20
Corporate Notes	408,500,000.00	374,163.01
Floating Rate Securities	288,000,000.00	128,504.20
	\$1,722,750,000	\$1,100,281.40
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	\$140,000,000	\$14,240.64
Federal Agencies	397,600,000	88,875.77
Corporate Notes	27,500,000	11,724.55
Floating Rate Securities	92,500,000	32,495.69
LAIF	48,500,000	7,972.60
Commercial Paper	284,800,000	45,550.00
Certificate of Deposit	45,000,000	6,424.66
Repurchase Agreements	228,000,000	1,520.00
	\$1,263,900,000	\$208,803.91
Total Accrued Interest	\$2,986,650,000	\$1,309,085.31
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$55,597.12
Federal Agencies		45,328.38
Corporate Notes		380,469.71
Floating Rate Securities		15,579.74
Commercial Paper		1,594.44
Repurchase Agreements		5,323.88
Total Realized Income		\$503,893.27
TOTAL GROSS POOL RATE/EARNINGS*	0.75%	<u><u>\$1,812,978.58</u></u>

POOL 1 NET EARNINGS RATE*	0.58%
POOL 2 NET EARNINGS RATE*	0.61%
POOL 3 NET EARNINGS RATE*	0.63%

* - Earnings %'s are based on NOVEMBER 2013 Average Daily Balance
Pool 1 & 2 rates include banking charges

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
DECEMBER 2013**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$425,000,000	\$329,525.46
Federal Agencies	731,750,000.00	350,693.06
Corporate Notes	403,500,000.00	367,747.87
Floating Rate Securities	288,000,000.00	110,168.70
	\$1,848,250,000	\$1,158,135.09
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	\$155,000,000	\$4,813.00
Federal Agencies	843,609,000	100,682.50
Corporate Notes	40,860,000	25,108.35
Floating Rate Securities	92,500,000	38,416.26
LAIF	48,500,000	8,238.36
Certificate of Deposit	45,000,000	7,728.77
Commercial Paper	334,800,000	53,858.61
Repurchase Agreements	61,160,000	16.99
	\$1,621,429,000	\$238,862.84
Total Accrued Interest	\$3,469,679,000	\$1,396,997.93
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$52,892.35
Federal Agencies		150,201.33
Corporate Notes		296,438.83
Floating Rate Securities		33,237.00
LAIF		5,434.40
Repurchase Agreements		8,393.96
Total Realized Income		\$546,597.87
TOTAL GROSS POOL RATE/EARNINGS*	0.67%	<u><u>\$1,943,595.80</u></u>

POOL 1 NET EARNINGS RATE*	0.50%
POOL 2 NET EARNINGS RATE*	0.53%
POOL 3 NET EARNINGS RATE*	0.56%

* - Earnings %'s are based on DECEMBER 2013 Average Daily Balance
Pool 1 & 2 rates include banking charges

**BILL LOCKYER
TREASURER
STATE OF CALIFORNIA**

LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF WEBINAR REGISTRATION

PMIA Performance Report

LAIF Performance Report

Quarter Ending 12/31/2013

Apportionment Rate: 0.26%
 Earnings Ratio: .00000700426120353
 Fair Value Factor: 1.00028762
 Daily: 0.26%
 Quarter To Date: 0.26%
 Average Life: 209

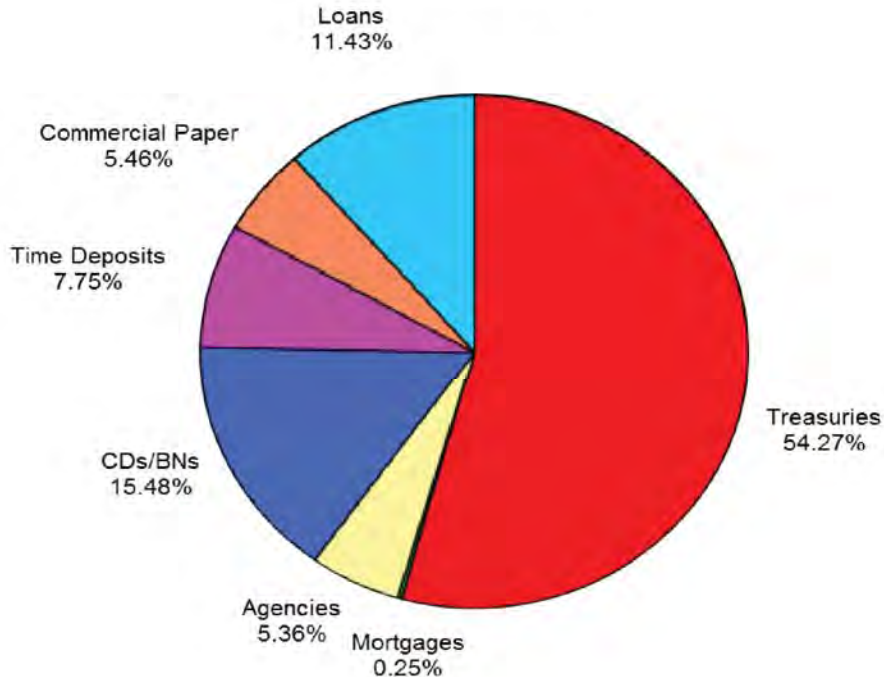
Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
1/9/2014	0.26	0.26	232
1/10/2014	0.26	0.26	230
1/11/2014	0.26	0.26	230
1/12/2014	0.26	0.26	230
1/13/2014	0.26	0.26	228
1/14/2014	0.25	0.26	228
1/15/2014	0.24	0.26	231
1/16/2014	0.24	0.25	233
1/17/2014	0.24	0.25	232
1/18/2014	0.24	0.25	232
1/19/2014	0.24	0.25	232
1/20/2014	0.24	0.25	232
1/21/2014	0.24	0.25	231
1/22/2014	0.24	0.25	229

PMIA Average Monthly Effective Yields

DEC 2013 0.264%
 NOV 2013 0.263%
 OCT 2013 0.266%

*Daily yield does not reflect capital gains or losses

Pooled Money Investment Account
 Portfolio Composition
 \$57.7 Billion
 12/31/13



C/CAG
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
of San Mateo County

Board of Directors Agenda Report

To: Sandy Wong, Executive Director
From: Tracy Kwok, Financial Services Manager
Date: January 30, 2014

SUBJECT: Quarterly Investment Report as of December 31, 2013

RECOMMENDATION:

It is recommended that the C/CAG Board review and accept the Quarterly Investment Report.

ANALYSIS:

The attached investment report indicates that on December 31, 2013, funds in the amount of \$21,789,793 were invested producing a weighted average yield of 0.36%. Accrued interest earnings for this quarter totaled \$15,173.

Below is a summary of the changes in the portfolio:

	Qtr Ended 12/31/13	Qtr Ended 9/30/13	Increase (Decrease)
Total Portfolio	\$ 21,789,793	\$ 17,325,281	\$ 4,464,512
Weighted Average Yield	0.36%	0.32%	0.04%
Accrued Interest Earnings	\$ 15,173	\$ 14,512	\$ 661
Lehman Recovery Payment	\$ -	\$ 55,447	\$ (55,447)

The total portfolio increased by \$4.5 million primarily due to the timing of cash receipts and disbursements. Approximately \$4.5 million were received in November and December for Smart Corridor, NPDES, and Traffic Congestion Management programs while the major disbursements of \$3.5 million took place in January 2014. The excess funds were transferred to the investment pools to earn interest until it was needed in January.

After the C/CAG Board authorized to increase the investment balance in the County Investment Pool to no less than 30% of the total portfolio in November, approximately \$3.8 million was transferred to the County Investment Pool to meet the 30% requirement. Attachment 1 shows the current balance in each of the investment pools and Attachment 2 shows the changes in the 2nd Quarter of 2013 in comparison to the previous eight quarters.

The County Treasurer informed us that a distribution from the Lehman Officers and Directors settlement has been received and the County Investment Pool participants would be paid their respective share of the distribution in January 2014. On January 21, 2014, C/CAG received its share in the amount of \$5,822 that will be included in the next quarterly report.

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis to ensure that C/CAG's investment portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements. As of December 31, 2013, the portfolio contains enough liquidity to meet the next six months of expected expenditures by C/CAG. All investments are in compliance with the Investment Policy. Attachment 2 shows a historical comparison of the portfolio for the past nine quarters.

The primary objective of the investment policy of the CCAG remains to be the SAFETY OF PRINCIPAL. The permitted investments section of the investment policy also states:

Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments.

The Investment Advisory Committee has reviewed and approved the attached Investment Report.

Attachments

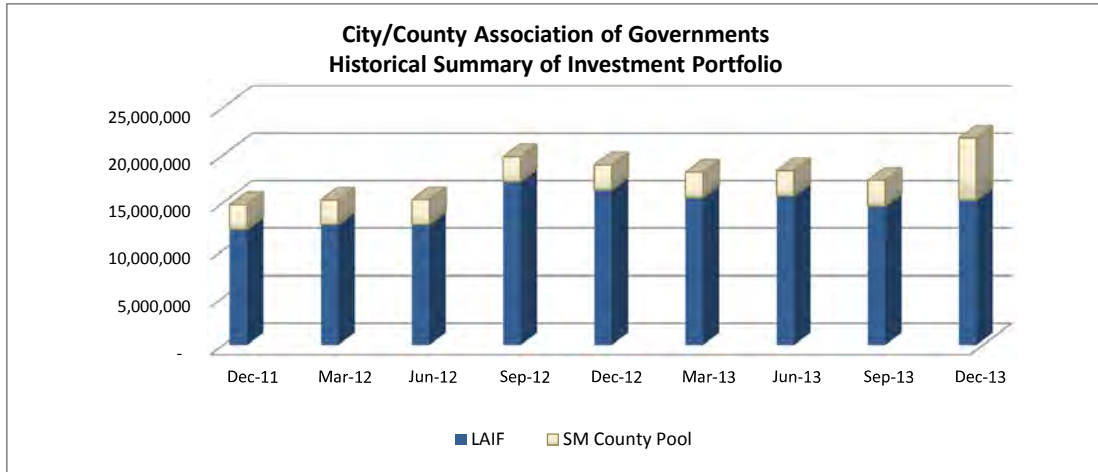
- 1 – Investment Portfolio Summary for the Quarter Ended December 31, 2013
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending December 31, 2013

Category	Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
Liquid Investments:			
Local Agency Investment Fund (LAIF)	0.26%	15,263,408	15,267,798
San Mateo County Investment Pool (COPOOL)	0.60%	6,526,385	6,526,385
Agency Securities			
<i>none</i>			
Total - Investments	0.36%	21,789,793	21,794,183
GRAND TOTAL OF PORTFOLIO	0.36%	\$ 21,789,793	\$ 21,794,183
Total Interest Earned This Quarter			15,173
Total Interest Earned (Loss) Fiscal Year-to-Date			29,685

C/CAG Investment Report December 31, 2013



City/County Association of Governments Investment Portfolio

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13
LAIF	12,174,722	12,685,059	12,696,529	17,207,806	16,319,895	15,532,855	15,693,902	14,603,467	15,263,408
SM County Pool	2,596,189	2,602,633	2,621,911	2,627,815	2,641,320	2,646,873	2,662,308	2,721,814	6,526,385
Total	\$ 14,770,911	\$ 15,287,692	15,318,440	19,835,621	18,961,215	18,179,727	18,356,210	17,325,281	21,789,793

C/CAG AGENDA REPORT

Date: February 7, 2014
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Recommend modifications to the C/CAG investment portfolio as needed.

(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION:

That the C/CAG Finance Committee review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed.

FISCAL IMPACT:

Potential for higher or lower yields and risk associate with C/CAG investments.

SOURCE OF FUNDS:

The Investment Policy applies to all C/CAG funds held by the C/CAG Financial Agent (City of San Carlos).

BACKGROUND/DISCUSSION:

According to the C/CAG Investment Policy adopted on Oct 10, 2013:

“The portfolio should be analyzed not less than quarterly by the C/CAG Finance Committee, and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal.”

The Finance Committee will seek to provide a balance between the various investments and maturities in order to give C/CAG the optimum combination of Safety of Principle, necessary liquidity, and optimal yield based on cash flow projections.



Sandie Arnott
TREASURER - TAX COLLECTOR

TREASURER - TAX COLLECTOR - REVENUE SERVICES

Charles M. Tovstein
ASSISTANT TREASURER

Robin N. Elliott
ASSISTANT TAX COLLECTOR

January 21, 2014

Dear Pool Participants,

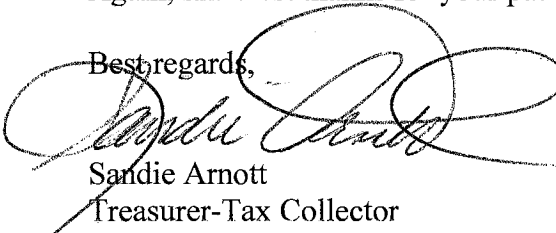
We have received a distribution of \$4,052,505.06 from the Lehman Officers and Directors Settlement. A second distribution will be available February 14, 2014 when the 30 day appeal period on the Court's "Bar Order" has expired. Staff will conduct these two distributions accordingly.

This distribution brings the cumulative recovery amount to \$65,654,812.84, approximately 42.46% of the total \$155,000,000 claim.

Once the distribution calculation is completed, a credit effective January 21, 2014, will be reflected on month-end reports .

Again, sincerest thanks for your patience as we work through this process.

Best regards,


Sandie Arnott
Treasurer-Tax Collector

555 County Center, 1st Floor, Redwood City, CA 94063

Treasurer

Tax Collector

Revenue Services

(650) 363-4580 ♦ Fax: (650) 363-4944
www.sanmateocountytreasurer.org

(650) 363-4142 ♦ Fax: (650) 599-1511
www.sanmateocountytaxcollector.org

(650) 363-4155 ♦ Fax: (650) 363-4580
www.smcvenueservices.org