

# C/CAG

## City/County Association of Governments of San Mateo County

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park  
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, August 8, 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:** 13073 North Woods Blvd.  
Truckee, CA
- 8492 Lahontan Dr.  
Truckee, CA

\*\*\*\*\*

- 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 Approval of minutes of May 2, 2014 meeting. (Action)
- 4.0 Receive copies of monthly investment statements for April, May, and June 2014. (Information)
- 5.0 Review the C/CAG Quarterly Investment Report as of June 30, 2014. (Action)
- 6.0 Recommend modifications to the C/CAG investment portfolio as needed. (Action)
- 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.*

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
FINANCE COMMITTEE  
MEETING MINUTES  
May 2, 2014**

**Committee Members Attending:**

Bob Grassilli (City of San Carlos)  
Art Kiesel (City of Foster City)  
Jay Benton (Town of Hillsborough) – call in  
Mary Ann Nihart (City of Pacifica) – call in  
Kirsten Keith (City of Menlo Park) – call in

**Guests or Staff Attending:**

Sandy Wong, Jean Higaki, John Hoang - C/CAG Staff  
Tracy Kwok - San Carlos Financial Services Manager

**1. Call to order**

At 12:10 P.M. Sandy Wong called the Finance Committee meeting to order.

**2. Public comment on related items not on the agenda.**

None

**3. Approval of minutes of February 7, 2014 meeting (Action)**

Member Kiesel moved and member Benton seconded approval of the minutes. Member Keith abstained.

**4. Receive copies of monthly investment statements for January, February, and March 2013. (Information)**

Member Kiesel noted that the description of expenditures on page 3 did not fully account for the full amount transferred out of the portfolio. Staff noted that only large expenditure descriptions were captured on this particular report. A better explanation of the full portfolio decrease was explained later on page 15.

**5. Review the C/CAG Quarterly Investment Report as of March 31, 2014. (Action)**

Committee received the quarterly investment report and did not take any further action.

**6. Recommend modifications to the C/CAG investment portfolio as needed. (Action)**

Member Kiesel requested that, since normal operation revenues and expenditures appeared to highly influence the portfolio ratio, staff should monitor the portfolio ratio between LAIF and County Pool to ensure that the percentage range, adopted by the board, stays in check. Member Kiesel moved and member Grassilli seconded no modification to the target allocation. Motioned passed unanimously.

**7. Review and comment on the DRAFT C/CAG 2014/2015 Program Budget and Member Fees. (Action)**

Member Kiesel, Nihart, and Grasilli had questions regarding the reserve balance. Questions included what drives the need for the reserve, if the reserve need is specific to each fund, and if there is a policy in place regarding the reserve. Staff will research this issue further.

Member Kiesel asked what the normal steady level of funding is without large projects like the Smart Corridors. Staff will look into historical account balances. Member Kiesel also suggested to footnote explanations of any large fluctuations (normal fluctuations range between 5%-10%) between FY 13/14 and FY 14/15 and to footnote that expenditures and revenues for FY 13/14 are actual through March and projected through June.

Chair Nihart moved that the suggested amendments be made and sent to the full board. Member Grassilli seconded. Questions arose whether or not this was really an action item, given that the board would not approve the budget at this next meeting.

**8. Adjournment**

The meeting adjourned at approximately 1:10 P.M.

## C/CAG AGENDA REPORT

Date: August 8, 2014  
To: C/CAG Finance Committee  
From: Sandy Wong, Executive Director  
Subject: Receive copies of monthly investment statements for April, May, and June 2014.  
(For further information or questions contact Sandy Wong at 599-1409)

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### **RECOMMENDATION:**

That the C/CAG Finance Committee receive copies of monthly investment statements for April, May, and June 2014.

### **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 October 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 June 30, 2014.

The total portfolio increased by \$717,267, primarily due to a transfer of excess cash into the portfolio in the last week of June when CCAG received payments totaling \$900,000 from the Department of Motor Vehicles, the Metropolitan Transportation Commission, and Caltrans. Although the portfolio balance is higher as of June 30, the average daily balance during this quarter is at the same level as the last quarter.

### **ATTACHMENTS:**

1. C/CAG's LAIF Regular Monthly Statements for April, May, and June 2014
2. LAIF Performance Report Quarter Ending June 30, 2014
3. C/CAG's SM County Investment Fund Summary for April, May, and June 2014
4. County Estimated Summary of Pool Earnings for April, May, and June 2014

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

[www.treasurer.ca.gov/pmia-laif](http://www.treasurer.ca.gov/pmia-laif)  
 May 05, 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

April 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
4/8/2014	4/8/2014	RW	1427623	TRACY KWOK	-700,000.00
4/15/2014	4/14/2014	QRD	1429780	SYSTEM	6,980.81
4/25/2014	4/25/2014	RD	1431434	TRACY KWOK	2,400,000.00

Account Summary

Total Deposit:	2,406,980.81	Beginning Balance:	11,523,029.12
Total Withdrawal:	-700,000.00	Ending Balance:	13,230,009.93

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

[www.treasurer.ca.gov/pmia-laif](http://www.treasurer.ca.gov/pmia-laif)  
 June 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

May 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
5/5/2014	5/2/2014	RW	1432004	TRACY KWOK	-2,000,000.00
5/15/2014	5/14/2014	RW	1432665	TRACY KWOK	-500,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	13,230,009.93
Total Withdrawal:	-2,500,000.00	Ending Balance:	10,730,009.93

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

[www.treasurer.ca.gov/pmia-laif](http://www.treasurer.ca.gov/pmia-laif)  
 July 01, 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

June 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
6/2/2014	5/30/2014	RW	1433822	TRACY KWOK	-500,000.00
6/5/2014	6/5/2014	RD	1434168	TRACY KWOK	750,000.00
6/19/2014	6/19/2014	RD	1435215	TRACY KWOK	350,000.00
6/25/2014	6/24/2014	RD	1435604	TRACY KWOK	900,000.00

Account Summary

Total Deposit:	2,000,000.00	Beginning Balance:	10,730,009.93
Total Withdrawal:	-500,000.00	Ending Balance:	12,230,009.93



**BILL LOCKYER  
TREASURER  
STATE OF CALIFORNIA**



**PMIA Performance Report**

**LAIF Performance Report**

**Quarter Ending 06/30/14**

Apportionment Rate: 0.22%  
 Earnings Ratio: .00000606145493377  
 Fair Value Factor: 1.00029875  
 Daily: 0.23%  
 Quarter To Date: 0.23%  
 Average Life: 232

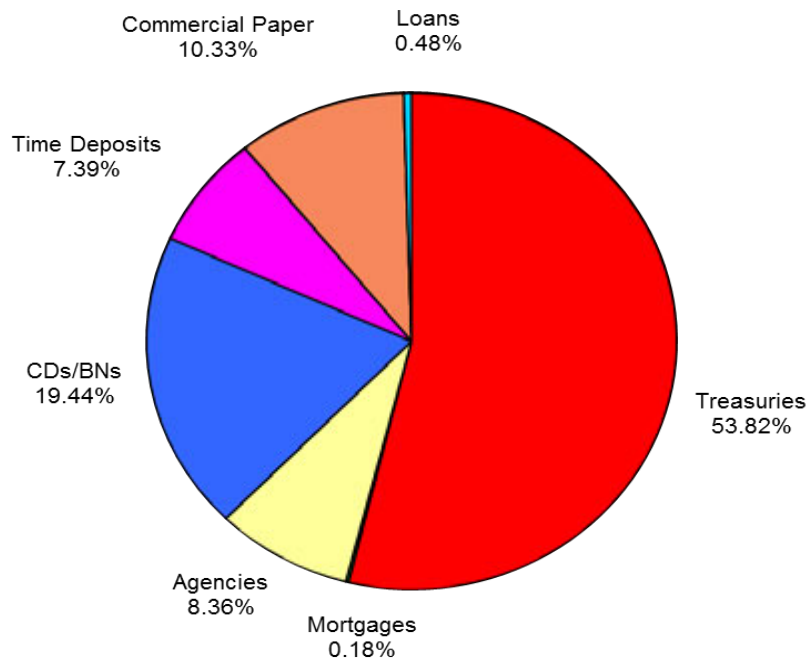
Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
07/01/14	0.24	0.24	246
07/02/14	0.24	0.24	246
07/03/14	0.24	0.24	244
07/04/14	0.24	0.24	244
07/05/14	0.24	0.24	244
07/06/14	0.24	0.24	244
07/07/14	0.24	0.24	241
07/08/14	0.24	0.24	240
07/09/14	0.24	0.24	239
07/10/14	0.24	0.24	238
07/11/14	0.24	0.24	238
07/12/14	0.24	0.24	238
07/13/14	0.24	0.24	238
07/14/14	0.25	0.24	249

**PMIA Average Monthly Effective Yields**

**JUN 2014 0.228%**  
 MAY 2014 0.228%  
 APR 2014 0.233%

\*Daily yield does not reflect capital gains or losses

Pooled Money Investment Account  
 Portfolio Composition  
 \$64.8 Billion  
 06/30/14





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: APRIL 30, 2014

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	03/31/14	---	---	\$6,539,495.65
INTEREST ALLOCATION POOL 3      1	04/01/14	---	10,286.42	\$6,549,782.07
ENDING BALANCE	04/30/14	---	---	\$6,549,782.07

Total Transactions	1
Total Debits	\$0.00
Total Credits	\$10,286.42

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: May 31, 2014

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	04/30/14	---	---	\$6,549,782.07
ENDING BALANCE	05/31/14	---	---	\$6,549,782.07

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: June 30, 2014

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	05/31/14	---	---	\$6,549,782.07
ENDING BALANCE	06/30/14	---	---	\$6,549,782.07
4th Qtr Interest Allocation	07/01/14	---	9,821.10	
Total Transactions	0			
Total Debits	\$0.00			
Total Credits	\$0.00			

**COUNTY OF SAN MATEO  
ESTIMATED SUMMARY OF POOL EARNINGS  
APRIL 2014**

	<u>Par Value</u>	<u>Gross Earnings</u>
<b><u>Fixed Income Securities Maturing &gt; 1 year</u></b>		
U S Treasury Notes	\$525,000,000	\$322,444.60
U S Treasury Notes-Floater	\$20,000,000	\$1,475.75
Federal Agencies	716,416,000.00	405,069.78
Corporate Notes	420,500,000.00	341,560.35
Floating Rate Securities	357,000,000.00	127,074.91
	<b>\$2,038,916,000</b>	<b>\$1,197,625.39</b>
<b><u>Short Term Securities Maturing &lt; 1 year</u></b>		
U S Treasury Notes	\$75,000,000	\$8,581.01
Federal Agencies	824,781,000	107,078.98
Corporate Notes	42,500,000	31,280.25
Floating Rate Securities	51,000,000	19,485.15
LAIF	48,500,000	7,972.60
Commercial Paper	240,000,000	44,725.00
Certificate of Deposit	50,000,000	8,630.14
Repurchase Agreements	337,250,000	374.72
	<b>\$1,669,031,000</b>	<b>\$228,127.85</b>
<b>Total Accrued Interest</b>	<b>\$3,707,947,000</b>	<b>\$1,425,753.24</b>
<b><u>Realized Gain/Loss &amp; Interest Received</u></b>		
U S Treasury Notes		\$257,770.33
U S Treasury Notes-Floater		\$1,331.65
Federal Agencies		38,794.64
Corporate Notes		69,880.38
Floating Rate Securities		39,099.68
Commercial Paper		263.89
Certificate of Deposit		3,545.47
Treasury Bills		826.38
Repurchase Agreements		11,238.26
<b>Total Realized Income</b>		<b>\$422,750.68</b>
<b>TOTAL GROSS POOL RATE/EARNINGS*</b>	<b>0.62%</b>	<b><u>\$1,848,503.92</u></b>

<b>POOL 1 NET EARNINGS RATE*</b>	<b>0.45%</b>
<b>POOL 2 NET EARNINGS RATE*</b>	<b>0.48%</b>
<b>POOL 3 NET EARNINGS RATE*</b>	<b>0.50%</b>

\* - Earnings %'s are based on APRIL 2014 Average Daily Balance  
Pool 1 & 2 rates include banking charges

**COUNTY OF SAN MATEO  
ESTIMATED SUMMARY OF POOL EARNINGS  
MAY 2014**

	<u>Par Value</u>	<u>Gross Earnings</u>
<b><u>Fixed Income Securities Maturing &gt; 1 year</u></b>		
U S Treasury Notes	\$325,000,000	\$221,778.61
U S Treasury Notes-Floater	\$20,000,000	\$1,357.97
Federal Agencies	728,558,857.00	407,449.64
Corporate Notes	435,500,000.00	413,343.42
Floating Rate Securities	335,000,000.00	146,750.92
	<b>\$1,844,058,857</b>	<b>\$1,190,680.56</b>
<b><u>Short Term Securities Maturing &lt; 1 year</u></b>		
U S Treasury Notes	\$75,000,000	\$8,867.04
Federal Agencies	918,931,000	125,426.64
Corporate Notes	22,500,000	11,117.20
Floating Rate Securities	51,000,000	19,405.10
LAIF	48,500,000	8,238.36
Commercial Paper	290,000,000	41,594.44
Certificate of Deposit	70,000,000	7,020.55
Repurchase Agreements	298,500,000	995.00
	<b>\$1,774,431,000</b>	<b>\$222,664.33</b>
<b>Total Accrued Interest</b>	<b>\$3,618,489,857</b>	<b>\$1,413,344.89</b>
<b><u>Realized Gain/Loss &amp; Interest Received</u></b>		
U S Treasury Notes		\$352,777.60
Federal Agencies		58,912.23
Corporate Notes		43,199.80
Floating Rate Securities		215,273.97
Certificate of Deposit		2,350.26
Commercial Paper		4,430.56
Repurchase Agreements		8,857.15
<b>Total Realized Income</b>		<b>\$685,801.57</b>
<b>TOTAL GROSS POOL RATE/EARNINGS*</b>	<b>0.67%</b>	<b><u>\$2,099,146.46</u></b>

<b>POOL 1 NET EARNINGS RATE*</b>	<b>0.50%</b>
<b>POOL 2 NET EARNINGS RATE*</b>	<b>0.53%</b>
<b>POOL 3 NET EARNINGS RATE*</b>	<b>0.56%</b>

\* - Earnings %'s are based on MAY 2014 Average Daily Balance  
Pool 1 & 2 rates include banking charges

**COUNTY OF SAN MATEO  
ESTIMATED SUMMARY OF POOL EARNINGS  
JUNE 2014**

	<u>Par Value</u>	<u>Gross Earnings</u>
<b><u>Fixed Income Securities Maturing &gt; 1 year</u></b>		
U S Treasury Notes	\$405,000,000	\$333,433.51
U S Treasury Notes-Floater	\$20,000,000	\$1,437.39
Federal Agencies	779,168,857.00	376,667.49
Corporate Notes	490,500,000.00	450,306.67
Floating Rate Securities	330,000,000.00	106,192.22
	<b>\$2,024,668,857</b>	<b>\$1,268,037.28</b>
<b><u>Short Term Securities Maturing &lt; 1 year</u></b>		
U S Treasury Notes	\$25,000,000	\$3,285.81
Federal Agencies	908,571,000	105,281.20
Corporate Notes	37,550,000	24,107.95
Floating Rate Securities	56,000,000	29,300.12
LAIF	48,500,000	7,972.60
Commercial Paper	288,000,000	29,887.44
Certificate of Deposit	70,000,000	10,890.41
Repurchase Agreements	100,000,000	111.11
	<b>\$1,533,621,000</b>	<b>\$210,836.64</b>
<b>Total Accrued Interest</b>	<b>\$3,558,289,857</b>	<b>\$1,478,873.92</b>
<b><u>Realized Gain/Loss &amp; Interest Received</u></b>		
U S Treasury Notes		\$700,031.70
Federal Agencies		96,529.25
Corporate Notes		98,324.75
Floating Rate Securities		135,475.36
LAIF		3,665.26
Commercial Paper		10,483.33
Repurchase Agreements		6,905.76
<b>Total Realized Income</b>		<b>\$1,051,415.41</b>
<b>TOTAL GROSS POOL RATE/EARNINGS*</b>	<b>0.87%</b>	<b><u>\$2,530,289.33</u></b>

<b>POOL 1 NET EARNINGS RATE*</b>	<b>0.70%</b>
<b>POOL 2 NET EARNINGS RATE*</b>	<b>0.73%</b>
<b>POOL 3 NET EARNINGS RATE*</b>	<b>0.75%</b>

\* - Earnings %'s are based on JUNE 2014 Average Daily Balance  
Pool 1 & 2 rates include banking charges

**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: July 31, 2014**

**SUBJECT: Quarterly Investment Report as of June 30, 2014**

**RECOMMENDATION:**

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

**ANALYSIS:**

The attached investment report indicates that on June 30, 2014, funds in the amount of \$18,779,792 were invested producing a weighted average yield of 0.35%. Of the total investment portfolio, 65% were invested in the Local Agency Investment Fund (LAIF) and 35% in the San Mateo County Investment Pool (COPOOL). These percentages are within the range specified by the CCAG Board. Accrued interest earnings for this quarter totaled \$16,054.

Below is a summary of the changes in the portfolio:

	<b>Qtr Ended 6/30/14</b>	<b>Qtr Ended 3/31/14</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 18,779,792	\$ 18,062,525	\$ 717,267
Weighted Average Yield	0.35%	0.38%	-0.03%
Accrued Interest Earnings	\$ 16,054	\$ 17,267	\$ (1,213)
Lehman Recovery Payment	\$ -	\$ 7,482	\$ (7,482)

The total portfolio increased by \$717,267, primarily due to a transfer of excess cash into the portfolio in the last week of June when CCAG received payments totaling \$900,000 from the Department of Motor Vehicles, the Metropolitan Transportation Commission, and Caltrans. Although the portfolio balance is higher as of June 30, the average daily balance during this quarter is at the same level as the last quarter. As a result of a lower weighted average yield this quarter, the interest earned is less.

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 June 30, 2014, 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 June 30, 2014
- 2 – Historical Summary of Investment Portfolio



**CITY & COUNTY ASSOCIATION OF GOVERNMENTS**

**SUMMARY OF ALL INVESTMENTS**

For Quarter Ending June 30, 2014

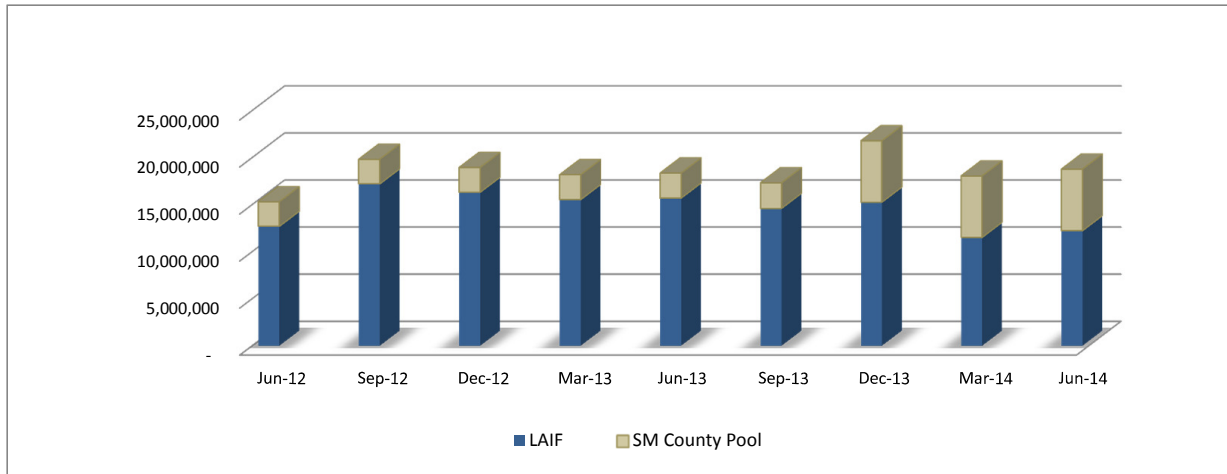
Category	Weighted Average Interest Rate	HISTORICAL Book Value	% of Portfolio	GASB 31 ADJ Market Value
<b>Liquid Investments:</b>				
Local Agency Investment Fund (LAIF)	0.22%	12,230,010	65%	12,233,664
San Mateo County Investment Pool (COPOOL)	0.60%	6,549,782	35%	6,549,455
<b>Agency Securities</b>				
<i>none</i>				
<b>Total - Investments</b>	<b>0.35%</b>	<b>18,779,792</b>	<b>100%</b>	<b>18,783,118</b>
<b>GRAND TOTAL OF PORTFOLIO</b>	<b>0.35%</b>	<b>\$ 18,779,792</b>	<b>100%</b>	<b>\$ 18,783,118</b>
<b>Total Interest Earned This Quarter</b>				<b>16,054</b>
<b>Total Interest Earned (Loss) Fiscal Year-to-Date</b>				<b>63,006</b>

**Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:**

LAIF - 50% to 70%

COPOOL - 30% to 50%

**City and County Association of Governments  
Historical Summary of Investment Portfolio  
June 30, 2014**



**City/County Association of Governments Investment Portfolio**

	<b>Jun-12</b>	<b>Sep-12</b>	<b>Dec-12</b>	<b>Mar-13</b>	<b>Jun-13</b>	<b>Sep-13</b>	<b>Dec-13</b>	<b>Mar-14</b>	<b>Jun-14</b>
LAIF	12,696,529	17,207,806	16,319,895	15,532,855	15,693,902	14,603,467	15,263,408	11,523,029	12,230,010
SM County Pool	2,621,911	2,627,815	2,641,320	2,646,873	2,662,308	2,721,814	6,526,385	6,539,496	6,549,782
<b>Total</b>	<b>15,318,440</b>	<b>19,835,621</b>	<b>18,961,215</b>	<b>18,179,727</b>	<b>18,356,210</b>	<b>17,325,281</b>	<b>21,789,793</b>	<b>18,062,525</b>	<b>18,779,792</b>

# C/CAG AGENDA REPORT

Date: August 8, 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)

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## **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.

A summary of the April, May, and June 2014 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
April	0.233%	0.50%
May	0.228%	0.56%
June	0.228%	0.75%

On November 14, 2013 the C/CAG Board approved the C/CAG investment portfolio as follows:

Local Agency Investment Fund (LAIF)                      50% to 70%  
 San Mateo County Investment Pool (COPOOL)            30% to 50%

On May 2, 2014 the Finance Committee reviewed the investment earnings and recommended no change to the investment portfolio. On May 8, 2014 the C/CAG Board approved the recommendation of the Finance Committee. As a result, current investment portfolio as of June 30, 2014 is as follows:

	3/31/2014		6/30/2014	
	Amount	Percent	Amount	Percent
LAIF	\$11,523,029	64%	\$12,230,010	65%
COPOOL	\$6,539,496	36%	\$6,549,782	35%
Total	\$18,062,525	100%	\$18,779,792	100%

**ATTACHMENTS:**

None