



**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: Thursday, February 26, 2015

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 2, Room 267
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 Approval of minutes of November 7, 2014 meeting. (Action)
- 4.0 Receive copies of monthly investment statements for October, November, and December 2014.
(Information)
- 5.0 Review the C/CAG Quarterly Investment Report as of December 31, 2014. (Information)
- 6.0 Recommend modifications to the C/CAG investment portfolio as needed. (Action)
- 7.0 Review and comment on the Draft C/CAG Reserve Policy. (Oral Presentation)
- 8.0 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 Jean Higaki at 650 599.1462.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
November 7, 2014**

Committee Members Attending:

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

Guests or Staff Attending:

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

1. Call to order

At 12:05 P.M. Finance Committee meeting was called to order.

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

None

3. Approval of minutes of August 8, 2014 meeting (Action)

Member Kiesel moved and member Keith seconded approval of the minutes. Motioned passed unanimously.

4. Receive copies of monthly investment statements for July, August, and September 2014. (Information)

Member Kiesel and Benton requested modification for the Major Cash Inflows and Outflows report to include a beginning balance, end balance, miscellaneous revenue line, and miscellaneous expenditure line. Member Kiesel requested essentially a “book balance” report and the rest of the committee agreed. Member Benton asked about how often accounts are reconciled. Tracy said accounts are reconciled monthly.

5. Review the C/CAG Quarterly Investment Report as of September 30, 2014. (Information)

Member Benton moved and member Keith seconded acceptance of the C/CAG Quarterly Investment Report as of September 30, 2014. Motioned passed unanimously.

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

Member Kiesel moved and member Keith seconded no change to the portfolio. Member Benton proposed to monitor the funds and target a 60%/ 40% balance. Motioned passed unanimously.

7. Review and recommend approval of C/CAG Investment Policy update. (Action)

Member Benton asked where the changes to the policy came from. Tracy said that the proposed changes were modeled after the City of San Carlos investment policy. Member Nihart asked who the “fiscal agent investment committee” was. Tracy explained that this committee was the City of San Carlos investment committee. Member Keith moved and member Kiesel seconded recommendation to approve the proposed update to the C/CAG Investment Policy. Motioned passed unanimously.

8. Review and approval of 2015 Finance Committee Calendar (Action)

Member Keith moved and member Benton seconded approval of the 2015 Finance Committee Calendar and moving the May 28, 2015 meeting date to Wednesday May 20, 2014. Motioned passed unanimously.

9. Adjournment

The meeting adjourned at approximately 1:09 P.M.

C/CAG AGENDA REPORT

Date: February 26, 2015

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Receive copies of monthly investment statements for October, November, and December 2014.

(For further information or questions contact Jean Higaki at 599-1462)

RECOMMENDATION

That the C/CAG Finance Committee receive copies of monthly investment statements for October, November, and December 2014.

FISCAL IMPACT

None

SOURCE OF FUNDS

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

BACKGROUND

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 December 31, 2014.

ATTACHMENTS

1. C/CAG's LAIF Monthly Statements for October, November, and December 2014
2. LAIF Performance Report Quarter Ending December 31, 2014
3. C/CAG's SMCo Investment Fund Summary for October, November, and December 2014
4. County Summary of Pool Earnings for October, November, and December 2014
5. Monthly Major Cash Inflows and Outflows for Quarter Ended December 31, 2014

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/laif.asp

December 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

November 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/17/2014	11/17/2014	RW	1451040	TRACY KWOK	-1,000,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	12,093,286.58
Total Withdrawal:	-1,000,000.00	Ending Balance:	11,093,286.58

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

www.treasurer.ca.gov/pmia-laif/laif.asp
January 14, 2015

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 2014 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/22/2014	12/22/2014	RD	1453420	TRACY KWOK	800,000.00

Account Summary

Total Deposit:	800,000.00	Beginning Balance:	11,093,286.58
Total Withdrawal:	0.00	Ending Balance:	11,893,286.58



JOHN CHIANG TREASURER STATE OF CALIFORNIA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
01/29/15	0.26	0.26	204
01/30/15	0.26	0.26	198
01/31/15	0.26	0.26	198
02/01/15	0.26	0.26	198
02/02/15	0.26	0.26	199
02/03/15	0.26	0.26	198
02/04/15	0.26	0.26	197
02/05/15	0.26	0.26	201
02/06/15	0.26	0.26	205
02/07/15	0.26	0.26	205
02/08/15	0.26	0.26	205
02/09/15	0.27	0.26	208
02/10/15	0.27	0.26	210
02/11/15	0.27	0.26	209

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

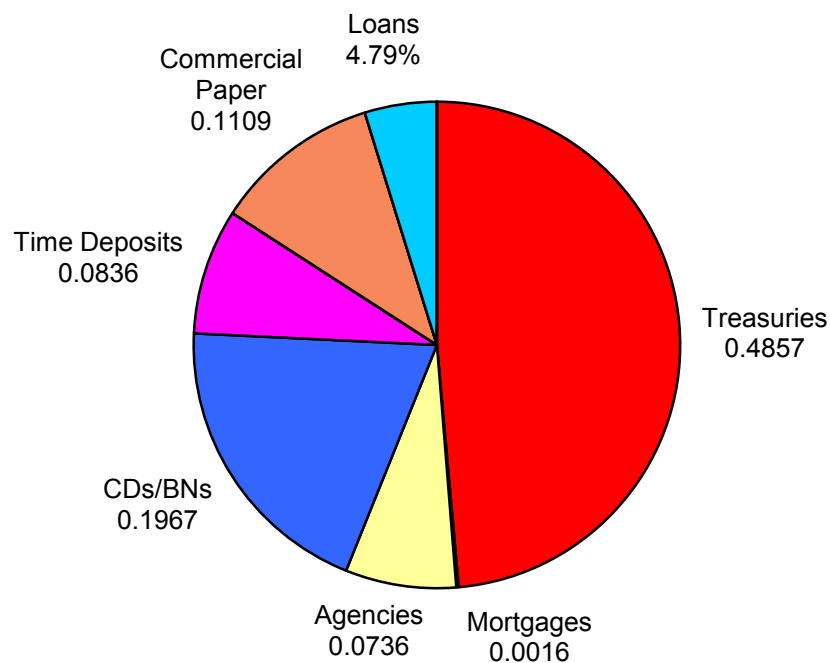
Quarter Ending 12/31/14

Apportionment Rate: 0.25%
 Earnings Ratio: 0.00000696536180771
 Fair Value Factor: 0.99998038
 Daily: 0.26%
 Quarter To Date: 0.26%
 Average Life: 200

PMIA Average Monthly Effective Yields

JAN 2015 0.262%
 DEC 2014 0.267%
 NOV 2014 0.261%

Pooled Money Investment Account Portfolio Composition \$61.3 billion 1/31/15





California State Treasurer
John Chiang



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POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262											

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, 2014

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	10/31/14	---	---	\$6,570,235.80
ENDING BALANCE	11/30/14	---	---	\$6,570,235.80

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, 2014

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	11/30/14	---	---	\$6,570,235.80
ENDING BALANCE	12/31/14	---	---	\$6,570,235.80

Total Transactions	0
Total Debits	\$0.00
Total Credits	\$0.00

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$525,000,000	\$191,831.09
U S Treasury Notes-Floater	\$20,000,000	\$207.26
Federal Agencies	862,258,857.00	542,566.19
Corporate Notes	429,500,000.00	410,950.51
Floating Rate Securities	330,000,000.00	126,810.44
	\$2,166,758,857	\$1,272,365.49
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	755,025,000	102,254.71
Corporate Notes	82,050,000	71,691.76
Floating Rate Securities	91,750,000	23,820.29
LAIF	50,000,000	7,808.22
Commercial Paper	175,000,000	9,197.22
Certificate of Deposit	75,000,000	4,895.97
U S Treasury Bills	100,000,000	590.28
	\$1,328,825,000	\$220,258.45
Total Accrued Interest	\$3,495,583,857	\$1,492,623.94
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$647,032.04
Federal Agencies		45,718.20
Corporate Notes		60,912.30
Floating Rate Securities		39,532.58
LAIF		4,040.25
Commercial Paper		2,118.05
Repurchase Agreements		9,891.83
Total Realized Income		\$809,245.25
TOTAL DOLLAR EARNINGS		\$2,301,869.19

AVERAGE BALANCE		\$3,409,117,322.60
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.80%	\$2,301,869.19
ADMINISTRATION FEES		(\$332,972.69)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.68%	\$1,968,896.50

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$525,000,000	\$428,741.77
U S Treasury Notes-Floater	\$20,000,000	\$1,272.98
Federal Agencies	942,408,857.00	546,859.69
Corporate Notes	437,500,000.00	420,336.37
Floating Rate Securities	317,000,000.00	121,552.82
	\$2,241,908,857	\$1,518,763.63
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	776,330,000	108,932.91
Corporate Notes	94,050,000	86,600.37
Floating Rate Securities	91,750,000	29,605.84
LAIF	50,000,000	8,219.18
Commercial Paper	90,000,000	11,483.34
Certificate of Deposit	50,000,000	6,555.92
U S Treasury Bills	106,000,000	1,184.17
Repurchase Agreements	229,750,000	2,233.68
	\$1,487,880,000	\$254,815.41
Total Accrued Interest	\$3,729,788,857	\$1,773,579.04
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$532,674.43
Federal Agencies		61,653.47
Corporate Notes		33,069.83
Floating Rate Securities		(11,942.65)
Certificate of Deposit		3,823.63
Commercial Paper		986.11
U S Treasury Bills		277.78
Repurchase Agreements		6,524.67
Total Realized Income		\$627,067.27
TOTAL DOLLAR EARNINGS		\$2,400,646.31

AVERAGE BALANCE		\$3,673,568,423.55
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.80%	\$2,400,646.31
ADMINISTRATION FEES		(\$347,227.70)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.68%	\$2,053,418.61

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$625,000,000	\$583,269.59
U S Treasury Notes-Floater	\$20,000,000	\$1,527.87
Federal Agencies	852,408,857.00	525,807.40
Corporate Notes	426,500,000.00	438,987.57
Floating Rate Securities	317,000,000.00	116,099.81
	\$2,240,908,857	\$1,665,692.24
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	1,025,130,000	120,257.35
Corporate Notes	105,050,000	84,068.14
Floating Rate Securities	91,750,000	20,838.20
LAIF	50,000,000	8,493.15
Commercial Paper	220,000,000	23,550.00
Certificate of Deposit	25,000,000	4,410.96
U S Treasury Bills	50,000,000	645.83
Repurchase Agreements	308,000,000	598.89
	\$1,874,930,000	\$262,862.52
Total Accrued Interest	\$4,115,838,857	\$1,928,554.76
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$773,857.95
Federal Agencies		108,478.88
Corporate Notes		51,734.40
Floating Rate Securities		31,134.81
Commercial Paper		2,861.11
Certificate of Deposit		1,900.44
U S Treasury Bills		634.72
Repurchase Agreements		33,685.45
Total Realized Income		\$1,004,287.76
TOTAL DOLLAR EARNINGS		\$2,932,842.52

AVERAGE BALANCE		4,168,381,185.88
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.83%	\$2,932,842.52
ADMINISTRATION FEES		(\$407,130.93)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.71%	\$2,525,711.59

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended December 30, 2014

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
October	Beginning book balance (Checking)		\$ 527,045
2014	Measure M & AB1546	DMV	649,546
	Smart Corridor	CalTRANS	165,135
	Airport Land Use	CalTRANS	62,264
	Energy Watch	PG&E	94,738
		Total October Cash Inflow	<u>\$ 1,498,728</u>
	Measure M	Cities (Belmont, Daly City, Foster City, Hillsborough, Menlo Park, Redwood City, South SF, & Woodside)	(790,716)
	NPDES	Regional Monitoring Program	(87,568)
	Smart Corridor	Kimley-Horn & Iteris	(71,801)
	AB1546	City of Belmont, Colma, Redwood City	(233,714)
	Airport Land Use	Coffman Assoc & Environmental Science	(39,792)
	Congestion Management	San Mateo County	(62,613)
	All other payments (28)	various	(237,577)
		Total October Cash Outflow	<u>\$ (1,523,781)</u>
		Net Cash Inflow/(Outflow)	\$ (25,053)
	Ending book balance (Checking)		<u>\$ 501,992</u>

Month	Program	From/To	Amount - In/(Out)
November	Beginning book balance (Checking)		\$ 501,992
2014	Measure M	DMV	530,480
	Transfer	LAIF	1,000,000
		Total November Cash Inflow	<u>\$ 1,530,480</u>
	Measure M	City of Brisbane, Half Moon Bay, County of Education & EOA	(374,924)
	NPDES	EOA	(132,412)
	Congestion Management	San Mateo County	(108,137)
	Smart Corridor	Kimley-Horn, Iteris, & City of Menlo Park	(207,043)
	AB1546	City of Belmont, Portola Valley	(53,186)
	Congestion Relief & Management	Peninsula Traffic Congestion Relief Alliance	(301,115)
	All other payments (30)	various	(232,420)
		Total November Cash Outflow	<u>\$ (1,409,237)</u>
		Net Cash Inflow/(Outflow)	\$ 121,243
	Ending book balance (Checking)		<u>\$ 623,235</u>

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended December 30, 2014

Month	Program	From/To	Amount - In/(Out)
December	Beginning book balance (Checking)		\$ 623,235
2014	Smart Corridor	CALTRANS	217,924
	NPDES	San Mateo County	713,059
	Measure M & Congestion Relief	DMV & CA Energy Commission	533,965
	Congestion Management	Metropolitan Transportation Commission	164,707
	Miscellaneous Receipts	various	1,230
		Total December Cash Inflow	\$ 1,630,885
	Measure M	City of Burlingame, Millbrae & San Carlos	(232,723)
	AB1546	City of Daly City & San Carlos	(76,596)
	Smart Corridor	Iteris & Kimley-Horn	(72,237)
	NPDES	EOA	(121,251)
	Congestion Mgmt & Energy Watch	San Mateo County	(115,266)
	All other payments (40)	various	(144,273)
	Transfer	LAIF	(800,000)
		Total December Cash Outflow	\$ (1,562,346)
		Net Cash Inflow/(Outflow)	\$ 68,539
	Ending book balance (Checking)		\$ 691,774

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: February 3, 2015

SUBJECT: Quarterly Investment Report as of December 31, 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 December 31, 2014, funds in the amount of \$18,463,523 were invested producing a weighted average yield of 0.41%. Of the total investment portfolio, 64% were invested in the Local Agency Investment Fund (LAIF) and 36% 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 \$18,956.

Below is a summary of the changes from the prior quarter:

	Qtr Ended 12/31/14	Qtr Ended 9/30/14	Increase (Decrease)
Total Portfolio	\$ 18,463,523	\$ 18,645,846	\$ (182,323)
Weighted Average Yield	0.41%	0.38%	0.03%
Accrued Interest Earnings	\$ 18,956	\$ 17,677	\$ 1,279

The portfolio balance at the end of this quarter is lower than the last quarter while the weighted average yield in this quarter is slightly higher than the last quarter. The lower portfolio balance is primarily due to the transfer of funds to the checking account to pay for expenditures associated with Measure M, Congestion Management, Smart Corridor, NPDES, AB1546 and energy watch. Although the portfolio balance is lower as of December 31, the average daily balance during this quarter is higher than the last quarter. Higher interest earnings this quarter is a result of higher average daily balance and a slightly higher weighted average yield.

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 30, 2014, the portfolio contains sufficient 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, 2014
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending December 31, 2014

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
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Liquid Investments:

Local Agency Investment Fund (LAIF)	0.25%	11,893,287	64%	11,893,287
San Mateo County Investment Pool (COPOOL)	0.69%	6,570,236	36%	6,570,236

Agency Securities

none

Total - Investments	0.41%	18,463,523	100%	18,463,523
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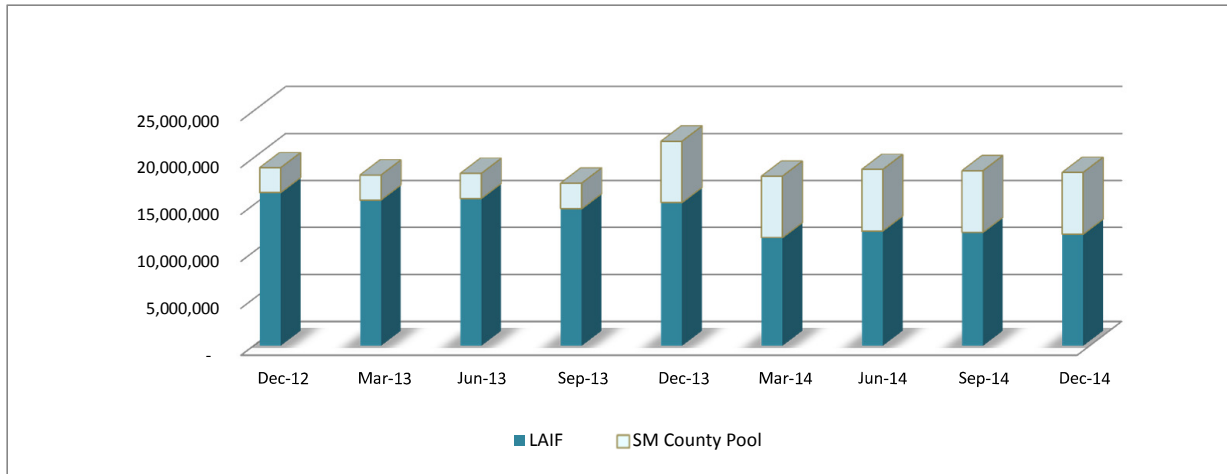
GRAND TOTAL OF PORTFOLIO	0.41%	\$ 18,463,523	100%	\$ 18,463,523
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Total Interest Earned This Quarter	18,956
Total Interest Earned (Loss) Fiscal Year-to-Date	36,633

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
December 31, 2014



City/County Association of Governments Investment Portfolio

	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
LAIF	16,319,895	15,532,855	15,693,902	14,603,467	15,263,408	11,523,029	12,230,010	12,086,243	11,893,287
SM County Pool	2,641,320	2,646,873	2,662,308	2,721,814	6,526,385	6,539,496	6,549,782	6,559,603	6,570,236
Total	18,961,215	18,179,727	18,356,210	17,325,281	21,789,793	18,062,525	18,779,792	18,645,846	18,463,523

C/CAG AGENDA REPORT

Date: February 26, 2015

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 Jean Higaki at 599-1462)

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

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 Principal, necessary liquidity, and optimal yield based on cash flow projections.

A summary of the October, November, and December 2014 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
October	0.261%	0.68%
November	0.261%	0.68%
December	0.267%	0.71%

On November 13, 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 November 7, 2014 the Finance Committee reviewed the investment earnings and recommended no change to the investment portfolio. On November 13, 2014 the C/CAG Board approved the recommendation of the Finance Committee. As a result, current investment portfolio as of December 31, 2014 is as follows:

	9/30/2014		12/31/2014	
	Amount	Percent	Amount	Percent
LAIF	\$12,086,243	65%	\$11,893,287	64%
COPOOL	\$6,559,603	35%	\$6,570,236	36%
Total	\$18,645,846	100%	\$18,463,523	100%

ATTACHMENTS

None