

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:** Wednesday, February 24, 2016
- 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 Two
Redwood City, CA
- Conference call locations:** 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 20, 2015 meeting. (Action)
- 4.0 Receive copies of monthly investment statements for October, November, and December 2015.
(Information)
- 5.0 Review the C/CAG Quarterly Investment Report as of December 31, 2015. (Information)
- 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 Jean Higaki at 650.599.1462.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
November 20, 2015**

Committee Members Attending:

Art Kiesel (City of Foster City)
Jay Benton (Town of Hillsborough)
Alica Aguirre (City of Redwood City)
Bob Grassilli (City of San Carlos)

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 February 26, 2015 meeting. (Action)

Member Benton moved and member Grassilli seconded approval of the minutes. Motioned passed unanimously.

4. Receive copies of monthly investment statements for July, August, and September 2015. (Information)

Finance committee members liked the revised format of the investment statements. A clarification was made regarding a couple of distributed funds to jurisdictions. These were attributed to Measure M disbursements.

Member Benton asked what “Repurchase Agreements” were. Tracy Kwok followed up via email after contacting the San Mateo County Treasurer’s Office. Repurchase Agreements are very short-term (overnight) investment of mostly Treasury Notes but occasionally Treasury Bills. They are separately reported in the investment report because of its very short-term nature.

**5. Review the C/CAG Quarterly Investment Report as of September 30, 2015.
(Information)**

Member Aguirre asked if there was a way to get a better rate. Other finance committee members clarified that the overall interest rate is not very high and that the priority adopted by the C/CAG Board is to protect the principal.

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

Member Kiesel mentioned that although the portfolio is well within the range adopted by the board we should consider aiming to keep the County Pool funds between 40-42% since the rates are moving faster than LAIF. The moving of funds to County Pool will need to keep in mind the LAIF balance requirements for operation withdrawals.

Member Grassilli moved and member Aguirre recommended no change to the investment portfolio. Motion passed unanimously.

**7. Review and recommend approval of the C/CAG Investment Policy for FY 2015-16.
(Action)**

Tracy Kwok walked the committee through the changes made on the draft investment policy for FY 15-16. Most changes are updates to keep consistent with government codes. Clarifications and clean-up of inconsistent clauses were also made. There was a discussion regarding the commercial paper rankings. The maximum portfolio amounts were clarified to reflect the Board approved policy. The committee requested the addition of a few clarifications and glossary definitions to the policy.

Member Aguirre moved and member Benton recommended approval of the C/CAG investment policy for FY 2015-16, as amended. Motion passed unanimously.

8. Develop the 2016 Finance Committee meeting Calendar

The committee felt that it might be better to meet on the Wednesday of the same week. There was also a discussion regarding the up-coming vacant seat that will be left when Art Kiesel terms out.

Member Aguirre moved and member Benton recommended approval of the C/CAG investment policy for FY 2015-16. Motion passed unanimously.

9. Adjournment

The meeting adjourned at approximately 12:45 P.M.

C/CAG AGENDA REPORT

Date: February 24, 2016
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for October, November, and December 2015.

(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 2015.

FISCAL IMPACT

None

SOURCE OF FUNDS

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

BACKGROUND

The current C/CAG Investment Policy 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, 2015.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for October, November, and December 2015
2. LAIF Performance Report Quarter Ending December 31, 2015
3. County Summary of Pool Earnings for October, November, and December 2015

October Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended December 31, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
October 2015	Beginning book balance (Checking)		608,007
	Measure M	DMV	1,210,059
	Airport Land Use	DMV	59,236
	Smart Corridor	Caltrans	96,065
	Congestion Management	Towns: Hillsborough, Woodside, Atherton, Colma, Portola Valley Cities: Millbrae, San Mateo, South San Francisco, Foster City, Redwood City, Pacifica, Daly City, Burlingame, San Bruno, Belmont, Menlo Park, San Carlos Counties: San Mateo	102,034 2,057,950 222,874
	All other Receipts (1)	various	180
		Total October Cash Inflow	3,748,398
	Smart Corridor	Kimley-Horn	(110,706)
	Congestion Relief & Management	County of San Mateo	(122,767)
	Safe Route to School & AB1546	San Mateo-Foster City School District	(70,000)
	NPDES	City of Brisbane	(121,850)
	All other payments (35)	various	(179,026)
	Transfer	LAIF	(2,600,000)
		Total July Cash Outflow	(3,204,349)
		Net Cash Inflow/(Outflow)	544,049
	Ending book balance (Checking)		1,152,056

October LAIF Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 November 03, 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

October 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2015	10/14/2015	QRD	1482432	SYSTEM	8,258.88
10/15/2015	10/15/2015	RD	1483141	TRACY KWOK	1,000,000.00
10/16/2015	10/16/2015	RD	1483308	TRACY KWOK	1,000,000.00
10/26/2015	10/23/2015	RD	1483870	TRACY KWOK	600,000.00

Account Summary

Total Deposit:	2,608,258.88	Beginning Balance:	11,116,114.99
Total Withdrawal:	0.00	Ending Balance:	13,724,373.87

October County Pool Statement

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

Total Transactions	1
Total Debits	\$0.00
Total Credits	\$12,055.45

Account No	03412
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Statement Period Ending 31-Oct-15

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		09/30/15	---	---	\$6,612,375.31
INTEREST ALLOCATION-1ST Q	1	10/01/15	---	12,055.45	\$6,624,430.76
ENDING BALANCE		10/31/15	---	---	\$6,624,430.76

November Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended December 31, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
November 2015	Beginning book balance (Checking)		1,152,056
	Measure M	DMV	558,409
	Bay Area Air Quality	Bay Area Air Quality Management District	594,264
	Congestion Management	Cities: East Palo Alto	82,006
	All other Receipts (4)	various	202
	Transfer	LAIF	800,000
		Total August Cash Inflow	2,034,881
	Measure M	Towns of Hillsborough and Woodside, Cities of Daly City, San Bruno, San Mateo, San Carlos, Half Moon Bay, and Redwood City	(999,585)
	Congestion Relief & Mgmt	San Mateo County, Commute.org,	(186,266)
	NPDES	EOA,	(133,477)
	Bay Area Air Quality & Transportation	Commute.org,	(158,118)
	Fund of Clean Air	San Mateo County	(78,729)
	Energy Watch	various	(297,678)
	All other payments (25)		(297,678)
		Total August Cash Outflow	(1,853,853)
		Net Cash Inflow/(Outflow)	181,028
	Ending book balance (Checking)		1,333,084

November LAIF Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 December 02, 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

November 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/30/2015	11/30/2015	RW	1486032	TRACY KWOK	-800,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	13,724,373.87
Total Withdrawal:	-800,000.00	Ending Balance:	12,924,373.87

November County Pool Statement

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

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

Account No	03412
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Statement Period Ending **30-Nov-15**

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		10/31/15	---	---	\$6,624,430.76
ENDING BALANCE		11/30/15	---	---	\$6,624,430.76

December Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended December 31, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
December	Beginning book balance (Checking)		1,333,084
2015	Congestion Relief & Management	CA Energy Commission, Caltrans	52,473
	Measure M	DMV	572,171
	NPDES	San Mateo County	724,706
	All other Receipts (4)	various	466
	Transfer	LAIF	600,000
		Total September Cash Inflow	1,949,816
	Measure M	San Mateo County, City of Belmont,	(335,516)
	Congestion Relief & Management	San Mateo County	(95,429)
	NPDES	EOA	(145,848)
	Smart Corridor	Kimley Horn, San Mateo County	(188,177)
	All other payments (21)	various	(143,926)
	Transfer	County Pool (to increase the portfolio balance)	(1,400,000)
		Total September Cash Outflow	(2,308,896)
		Net Cash Inflow/(Outflow)	(359,080)
	Ending book balance (Checking)		974,004

December LAIF Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 04, 2016

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 2015 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/14/2015	12/11/2015	RW	1486921	TRACY KWOK	-600,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	12,924,373.87
Total Withdrawal:	-600,000.00	Ending Balance:	12,324,373.87

December County Pool Statement

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

Total Transactions	2
Total Debits	\$0.00
Total Credits	\$1,400,000.00

Account No	03412
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Statement Period Ending 31-Dec-15

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		11/30/15	---	---	\$6,624,430.76
WIRE IN	1	12/01/15	---	800,000.00	\$7,424,430.76
WIRE IN	1	12/18/15	---	600,000.00	\$8,024,430.76
ENDING BALANCE		12/31/15	---	---	\$8,024,430.76



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
01/28/16	0.45	0.45	171
01/29/16	0.45	0.45	167
01/30/16	0.45	0.45	167
01/31/16	0.45	0.45	167
02/01/16	0.46	0.45	169
02/02/16	0.46	0.45	166
02/03/16	0.46	0.45	165
02/04/16	0.46	0.45	165
02/05/16	0.46	0.45	166
02/06/16	0.46	0.45	166
02/07/16	0.46	0.45	166
02/08/16	0.46	0.45	164
02/09/16	0.46	0.45	163
02/10/16	0.46	0.45	162

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

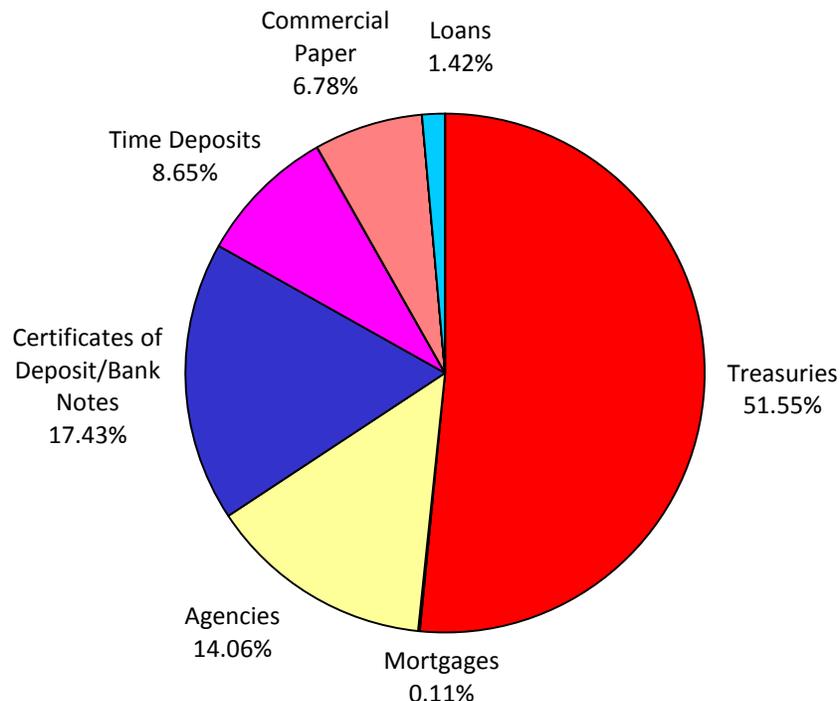
Quarter Ending 12/31/15

Apportionment Rate: 0.37%
 Earnings Ratio: 0.00001006140492611
 Fair Value Factor: 0.999186963
 Daily: 0.43%
 Quarter to Date: 0.38%
 Average Life: 179

PMIA Average Monthly Effective Yields

JAN 2016 0.446%
 DEC 2015 0.400%
 NOV 2015 0.374%

**Pooled Money Investment Account
Portfolio Composition
1/31/16
\$65.3 billion**





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	0.266	0.278	0.283	0.290	0.299	0.320	0.330	0.331	0.357	0.374	0.400
2016	0.446											

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
OCTOBER 2015**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	725,000,000	\$440,966.60
Federal Agencies	964,856,000	591,508.83
Corporate Notes	423,595,000	454,901.64
Floating Rate Securities	251,000,000	96,791.98
	2,364,451,000	\$1,584,169.05
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes-Floater	20,000,000	207.17
Federal Agencies	782,900,000	218,612.16
Corporate Notes	176,000,000	99,170.96
Floating Rate Securities	150,000,000	76,801.35
LAIF	50,000,000	12,704.92
Commercial Paper	90,000,000	12,409.72
Certificate of Deposit	25,000,000	8,258.20
Repurchase Agreements	309,750,000	1,376.67
	\$1,603,650,000	\$429,541.15
Total Accrued Interest	\$3,968,101,000	\$2,013,710.20
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$643,658.16
U S Treasury Notes-Floater		\$959.42
Federal Agencies		157,697.32
Corporate Notes		59,154.55
Floating Rate Securities		38,596.41
LAIF		15,126.04
Commercial Paper		6,417.83
Certificate of Deposit		1,626.11
Repurchase Agreements		25,496.91
Total Realized Income		\$948,732.75
TOTAL DOLLAR EARNINGS		\$2,962,442.95

AVERAGE BALANCE		\$3,885,481,220.73
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.900%	\$2,962,442.95
ADMINISTRATION FEES		(\$378,462.86)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.785%	\$2,583,980.09

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
NOVEMBER 2015**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	725,000,000	\$721,420.79
U S Treasury Notes-Floater	20,000,000	\$2,953.68
Federal Agencies	919,856,000	589,473.20
Corporate Notes	433,595,000	485,325.41
Floating Rate Securities	237,000,000	102,548.94
	2,335,451,000	\$1,901,722.02
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	25,000,000	2,361.58
Federal Agencies	984,040,000	225,031.83
Corporate Notes	169,000,000	90,080.47
Floating Rate Securities	164,000,000	86,189.28
LAIF	50,000,000	12,295.08
Commercial Paper	70,000,000	14,950.00
Certificate of Deposit	45,000,000	15,073.77
Repurchase Agreements	419,000,000	1,396.67
	1,926,040,000	\$447,378.68
Total Accrued Interest	4,261,491,000	\$2,349,100.70
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$363,709.62
Federal Agencies		163,004.82
Corporate Notes		151,980.77
Floating Rate Securities		13,387.33
Commercial Paper		1,020.83
Repurchase Agreements		20,494.10
Total Realized Income		\$713,597.47
TOTAL DOLLAR EARNINGS		\$3,062,698.17

AVERAGE BALANCE		\$4,153,431,040.74
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.900%	\$3,062,698.17
ADMINISTRATION FEES		(\$391,511.94)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.785%	\$2,671,186.23

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
DECEMBER 2015**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	775,000,000	\$757,428.78
Federal Agencies	964,856,000	683,720.00
Corporate Notes	433,595,000	516,069.32
Floating Rate Securities	237,000,000	113,686.76
	2,410,451,000	\$2,070,904.86
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	22,343.78
U S Treasury Notes-Floater	20,000,000	\$5,283.79
Federal Agencies	1,440,890,000	305,375.16
Corporate Notes	128,000,000	85,019.41
Floating Rate Securities	164,000,000	80,437.02
LAIF	50,000,000	12,704.92
Commercial Paper	65,000,000	25,766.67
Certificate of Deposit	110,000,000	46,601.09
U S Treasury Bills	25,000,000	166.67
Repurchase Agreements	212,000,000	3,886.67
	2,264,890,000	\$587,585.18
Total Accrued Interest	4,675,341,000	\$2,658,490.04
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$568,012.64
Federal Agencies		108,092.55
Corporate Notes		46,037.75
Floating Rate Securities		27,949.19
Commercial Paper		4,027.78
Repurchase Agreements		62,317.66
Total Realized Income		\$816,437.57
TOTAL DOLLAR EARNINGS		\$3,474,927.61

AVERAGE BALANCE		\$4,655,492,821.80
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.881%	\$3,474,927.61
ADMINISTRATION FEES		(\$453,465.35)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.766%	\$3,021,462.26

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 4, 2016

SUBJECT: Quarterly Investment Report as of December 31, 2015

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, 2015, funds in the amount of \$20,348,805 were invested producing a weighted average yield of 0.53%. Of the total investment portfolio, 60.6% of funds were invested in the Local Agency Investment Fund (LAIF) and 39.4% 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 \$25,535. At the CCAG Finance Committee meeting in November, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest. As a result, \$1.4 million was transferred to CCAG's County Investment Pool account.

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

	Qtr Ended 12/31/15	Qtr Ended 9/30/15	Increase (Decrease)
Total Portfolio	\$ 20,348,805	\$ 17,728,490	\$ 2,620,315
Weighted Average Yield	0.53%	0.47%	0.06%
Accrued Interest Earnings	\$ 25,535	\$ 20,314	\$ 5,221

CCAG's portfolio balance at the end of this quarter is \$2.6 million higher than the last quarter. The increase is related to the annual membership payments from the CCAG members and the DMV payments for Measure M.

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, 2015, 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, 2015
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending December 31, 2015

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	0.37%	12,324,374	60.6%	12,314,354
San Mateo County Investment Pool (COPOOL)	0.78%	8,024,431	39.4%	8,024,431
Agency Securities				
<i>none</i>				
Total - Investments	0.53%	20,348,805	100%	20,338,785
GRAND TOTAL OF PORTFOLIO	0.53%	\$ 20,348,805	100%	\$ 20,338,785
Total Interest Earned This Quarter				25,535
Total Interest Earned (Loss) Fiscal Year-to-Date				45,849

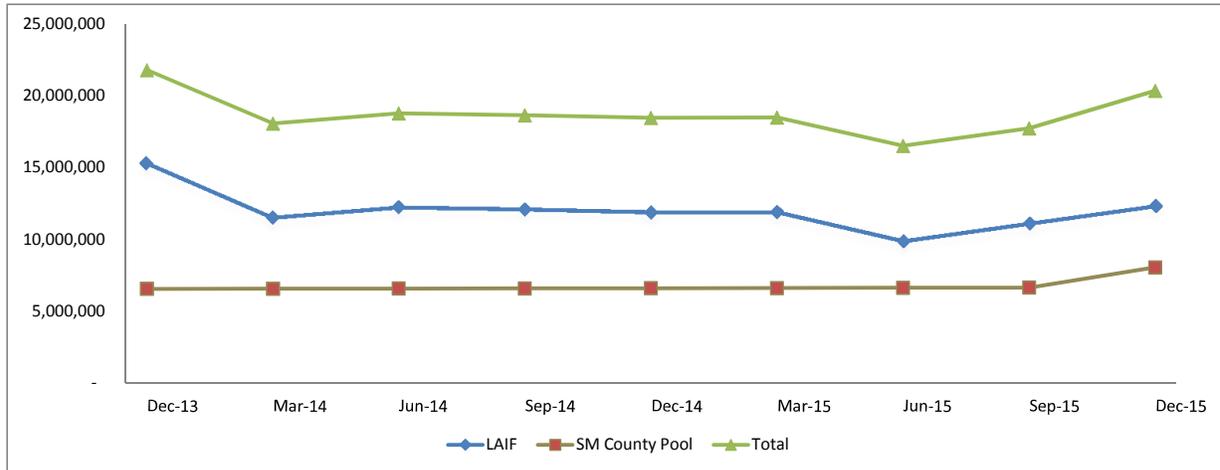
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

LAIF - 50% to 70%
COPOOL - 30% to 50%

At the CCAG Finance Committee meeting in November, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest.

*Difference in value between Historical Value and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools will decrease or increase accordingly. However, interest rate fluctuations does not have any impact to CCAG's balance in the investment pools. The market values are presented as a reference only.

City and County Association of Governments Historical Summary of Investment Portfolio December 31, 2015



Note: The chart type has been changed from Column to Line after receiving feedback from CCAG's Finance Committee

City/County Association of Governments Investment Portfolio

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
LAIF	15,263,408	11,523,029	12,230,010	12,086,243	11,893,287	11,900,778	9,908,457	11,116,115	12,324,374
SM County Pool	6,526,385	6,539,496	6,549,782	6,559,603	6,570,236	6,581,700	6,601,123	6,612,375	8,024,431
Total	21,789,793	18,062,525	18,779,792	18,645,846	18,463,523	18,482,478	16,509,580	17,728,490	20,348,805

At the CCAG Finance Committee meeting in November 2015, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest. As a result, \$1.4 million was transferred to CCAG's County Investment Pool account.

C/CAG AGENDA REPORT

Date: February 24, 2016
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 December 10, 2015:

“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 2015 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
October	0.357%	0.785%
November	0.374%	0.785%
December	0.400%	0.766%

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 20, 2015 the Finance Committee reviewed the investment earnings and recommended no change to the investment portfolio but recommended a COPOOL target of 40-42%.

On December 10, 2015 the C/CAG Board approved of no change to the investment portfolio.

The current investment portfolio as of December 31, 2015 is as follows:

	9/30/2015		12/31/2015	
	Amount	Percent	Amount	Percent
LAIF	\$11,116,115	63%	\$12,324,374	61%
COPOOL	\$6,612,375	37%	\$8,024,431	39%
Total	\$17,728,490	100%	\$20,348,805	100%

ATTACHMENTS

None