

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
November 15, 2017**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Alicia Aguirre (City of Redwood City)
Bob Grassilli (City of San Carlos)
Jay Benton (Town of Hillsborough)

Guests or Staff Attending:

Jean Higaki - C/CAG Staff
Carrie Tam - San Carlos Financial Services Manager

1. Call to order

At 12:00 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 23, 2017 meeting. (Action)

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

4. Receive copies of monthly investment statements for July, August, and September 2017. (Information)

Finance committee members reviewed the investment statements and cash flow reports.

5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)

The Finance Committee reviewed and discussed the analysis from NHA Advisors. See further discussion under Item 6. Member Benton and member Grassilli noted that LAIF appears to be gaining yields and that gains and risk are often cyclic. Both members also expressed reservations about chasing yields as a long-term investment strategy for small short-term gains.

Member Benton moved to recommend no change to the portfolio. Member Aguirre seconded. Motioned passed unanimously.

6. Receive a copy of the Investment Pool Analysis from NHA Advisors (Information)

On August 23, 2017, the Finance Committee directed staff to investigate the possibility of using an outside firm to perform an investment pool risk analysis, but also to be mindful that any additional gain not be offset by the cost to do the risk analysis. Staff procured the services of NHA Advisors at approximately \$2,500 to perform a comparative analysis of the two investments funds.

After reviewing the investment pool analysis from NHA Advisors, the Finance Committee felt that it was not prudent to chase yields as a long-term investment strategy. Although the risk to both funds is low, the county pool inherently holds a higher risk than LAIF due to the holding of corporate securities. The trend is also that the gap between the earning rates is decreasing.

The Committee also discussed the impact of reversing the investment percentages of the portfolio. The difference would yield an average increase of approximately \$5,600 per year. Even though both funds are relatively low risk funds, the Committee felt that the increase in returns would not warrant the increased risk of modifying the portfolio.

7. Review and approval of the 2018 Finance Committee Meeting Calendar. (Action)

Member Benton moved and member Moise Derwin seconded approval of the 2018 Finance Committee Meeting Calendar.

8. Adjournment

The meeting adjourned at approximately 12:25 P.M.