

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 27, 2019

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

1. CALL TO ORDER
2. PUBLIC COMMENT ON RELATED ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
3. Approval of minutes of November 28, 2018 meeting. (Action)
4. Receive copies of monthly investment statements for October, November, and December 2018.
(Information)
5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
6. Election of a Chair and Vice Chair of the C/CAG Finance Committee
7. ADJOURN

PUBLIC NOTICING: All notices of C/CAG regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA, and on C/CAG's website at: <http://www.ccag.ca.gov>.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the City/County Association of Governments of San Mateo County (C/CAG), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Such public records are also available on C/CAG's website at: <http://www.ccag.ca.gov>.

PUBLIC PARTICIPATION: Public comment is limited to two minutes per speaker. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at (650) 599-1406, five working days prior to the meeting date.

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 28, 2018**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Ann Wengert (Town of Portola Valley)
Marie Chuang (Town of Hillsborough)
Bob Grassilli (City of San Carlos)
Jay Benton (Town of Hillsborough)

Guests or Staff Attending:

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

1. Call to order

At 12:12 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 22, 2018 meeting. (Action)

Member Chuang moved and member Wengert seconded approval of the minutes. Motioned passed unanimously.

4. Receive copies of monthly investment statements for July, August, and September 2018. (Information)

Finance committee members reviewed the investment statements and cash flow reports and had no comments. Member Wengert requested a clarification regarding the timing of fund transfers. Carrie Tam clarified that she tries to anticipate the cash flow needs and transfers the funds accordingly. She also tries to balance the LAIF and County Pool funds at the same time.

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

The Finance Committee discussed modifying the November 20, 2015 goal to keep the County investments at 40-42%, given the better performance of LAIF. The committee did not want to set a goal but would prefer giving staff the flexibility to respond to higher yielding funds. The

goals would be monitored quarterly by the committee and modified within the confines of the November 14, 2013 Board approved ranges.

Member Benton moved to remove the November 20, 2015 investment goal in consideration of LAIF outperforming the COPOOL. The committee is removing the goal to respond to the yields of higher performing accounts consistent with the Board approved investment range and subject to the committee's quarterly review and recommendations. Member Moise Derwin seconded. Motioned passed unanimously.

- 6. Review and Receive the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2018 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018. (Information).**
- 7. Review Receive the C/CAG Single Audit Report for the Year Ended June 30, 2018. (Information).**
- 8. Receive the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2016 through September 30, 2017 (Information)**
- 9. Receive the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2018 (Information).**

Sandy Wong presented the Finance Committee with four audits listed above. The audit under item 6 covers all C/CAG funding process controls. The audit under item 7 is specific for the federal funds that C/CAG receives. C/CAG received over one million dollars in federal funds last year, which exceeds an audit requirement threshold. The audit under item 8 is specific for state STIP funds that C/CAG receives. The audit under item 9 is not required but is performed regularly for the C/CAG administered \$10 vehicle license fee. There are no findings and no issues in any of the audits. The audits will be presented to the Board at the December C/CAG meeting.

Member Benton congratulated the agency on the findings but asked about the balance of funds which are still very high. Sandy explained that many of the funds are restricted. It was also explained that the disbursement of the measure M funds is always lagging which explains much of the high balance.

Member Benton expressed his concern that onerous program restrictions may result in funds that are not able to be spent and are left accumulating instead going towards implementation. He would like to make sure that C/CAG is not self-imposing too many rules on the programs. Member Wengert suggested that if program funds are not able to be spent then maybe the programs need to be revised so that programs can be implemented more readily. The committee requested a schedule of the program renewal cycles.

Member Benton felt that the committee's role should be more than just receiving the audit reports and that it might be more appropriate to review and recommend acceptance of the audit

reports.

Staff was concerned about the committee taking an action when the agenda listed these items as information. It was discussed that the staff report to the full Board could include a note that the Finance Committee reviewed the reports and did not see any issues.

10. Review and approve the 2019 Finance Committee Meeting Calendar. (Action).

The Finance Committee reviewed the calendar and moved the July- September 2019 review quarter meeting from November 27, 2019 to December 4, 2019.

Member Benton moved to approve the calendar as modified above. Member Chuang seconded. Motioned passed unanimously.

11. Adjournment

The meeting adjourned at approximately 1:00 P.M.

C/CAG AGENDA REPORT

Date: February 27, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for October, November, and December 2018.

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

RECOMMENDATION

That the C/CAG Finance Committee receives copies of monthly investment statements for October, November, and December 2018.

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, 2018.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for October, November, and December 2018
2. LAIF Performance Report Quarter Ending December 31, 2018
3. County Summary of Pool Earnings for October, November, and December 2018

October Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended December 31, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
October 2018	Beginning book balance (Checking)		1,733,758
	Measure M	DMV and Caltrans	686,891
	Congestion Relief & Management	Department of Transportation	62,490
	Energy Watch	PG&E	61,398
	All other Receipts (2)	various	2,579
		Total October Cash Inflow	813,357
	Smart Corridor	Aegis ITS and Redwood City	(17,311)
	Congestion Relief & Management	CDM Smith Inc., Grant Management Assoc., Gary Bowen Scott, and	(74,172)
	NPDES	Redwood City	(6,000)
	Energy Watch	Shaw/Yoder/Antwih	(167,021)
	All other payments (21)	Circlepoint, DNV GL Services, Groner S Assoc., Cities of San Mateo and Redwood City, and County of San Mateo	(52,373)
	Transfer	various	(300,000)
	Transfer	San Mateo County Pool	(700,000)
		LAIF	(1,316,876)
		Total October Cash Outflow	(1,316,876)
		Net Cash Inflow/(Outflow)	(503,519)
	Ending book balance (Checking)		1,230,239

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 02, 2018

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 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/11/2018	10/11/2018	RD	1585512	CARRIE TAM	700,000.00
10/15/2018	10/12/2018	QRD	1587448	SYSTEM	75,752.35

Account Summary

Total Deposit:	775,752.35	Beginning Balance:	14,152,698.73
Total Withdrawal:	0.00	Ending Balance:	14,928,451.08



San Mateo County Treasurer
 555 County Center
 Redwood City, 94063
 (650) 363-4978 or (650) 599-7206

Statement Ending Date: 10/31/2018
 Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
9/30/2018	Balance brought forward		\$9,590,814.58	\$9,590,814.58
10/1/2018	Interest Allocation Q1		\$45,798.35	\$9,636,612.93
10/12/2018	Deposit		\$300,000.00	\$9,936,612.93
10/31/2018	Ending Balance			\$9,936,612.93

November Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended December 31, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
November 2018	Beginning book balance (Checking)		1,230,239
	Measure M	DMV	577,231
	Energy Watch	PG&E	180,545
	All other Receipts (2)	various	3,269
	Transfer	LAIF	700,000
		Total November Cash Inflow	1,461,046
	Measure M	EOA Inc., City Half Moon Bay, Town of Portola Valley, and County of San Mateo	(265,924)
	Congestion Relief & Mgmt AB1546	CDM Smith, Commute.org, Gary Bowen Scott, Shaw/Yoder/Antwih, San Mateo County Dept. of Housing , and San Mateo County EOA Inc. and Larry Walker Assoc.,	(294,343)
	NPDES	EOA Inc., Groner S Assoc., Regional Monitoring, Larry Walker Assoc., and County of San Mateo	(23,191)
	Energy Watch	2050 Partners, DNV GL Services, Circlepoint, City of Pacifica, and County of San Mateo	(288,208)
	Smart Corridor	Aegis, Iteris, and Kimley-Horn & Assoc.	(113,769)
	Bay Area Air Quality	Commute.org, SAMTRANS, and County of San Mateo	(46,402)
	All other payments (42)	various	(156,359)
		Total November Cash Outflow	(1,224,516)
		Net Cash Inflow/(Outflow)	236,530
	Ending book balance (Checking)		1,466,769

LAIF November 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 03, 2018

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 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/7/2018	11/7/2018	RW	1589645	CARRIE TAM	-700,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	14,928,451.08
Total Withdrawal:	-700,000.00	Ending Balance:	14,228,451.08

November County Pool Statement



San Mateo County Treasurer
555 County Center
Redwood City, 94063
(650) 363-4978 or (650) 599-7206

Statement Ending Date: 11/30/2018
Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
10/31/2018	Balance brought forward		\$9,936,612.93	\$9,936,612.93
11/30/2018	Ending Balance			\$9,936,612.93

December Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended December 31, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
December	Beginning book balance (Checking)		1,466,769
2018	NPDES	San Mateo County	761,093
	All other Receipts (2)	various	3,275
	Transfer	San Mateo County Pool	2,500,000
		Total December Cash Inflow	3,264,368
	Measure M	EOA Inc., Cities: Daly City, Millbrae, Redwood City, and San Bruno, Town of Woodside	(655,082)
	Congestion Relief & Management	Gary Bowen Scott, Kearns & West, Inc., and Redwood City	(33,456)
	NPDES	Groner S Assoc., EOA Inc., Shaw/Yoder/Antwih, Larry Walker Assoc., and Cities: Brisbane and Redwood City	(141,154)
	Smart Corridor	Kimley-Horn & Assoc. and Redwood City	(11,975)
	AB1546	EOA Inc. and Larry Walker Assoc.	(37,334)
	All other payments (14)	various	(19,932)
	Transfer	LAIF	(2,500,000)
		Total December Cash Outflow	(3,398,932)
		Net Cash Inflow/(Outflow)	(134,564)
	Ending book balance (Checking)		1,332,205

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 03, 2019

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 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/21/2018	12/20/2018	RD	1592548	CARRIE TAM	2,500,000.00

Account Summary

Total Deposit:	2,500,000.00	Beginning Balance:	14,228,451.08
Total Withdrawal:	0.00	Ending Balance:	16,728,451.08



San Mateo County Treasurer
 555 County Center
 Redwood City, 94063
 (650) 363-4978 or (650) 599-7206

Statement Ending Date: 12/31/2018
 Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
11/30/2018	Balance brought forward		\$9,936,612.93	\$9,936,612.93
12/20/2018	Withdrawal Request	\$2,500,000.00		\$7,436,612.93
12/31/2018	Ending Balance			\$7,436,612.93



CALIFORNIA STATE TREASURER FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
01/14/19	2.35	2.34	185
01/15/19	2.36	2.34	187
01/16/19	2.36	2.34	188
01/17/19	2.36	2.34	189
01/18/19	2.37	2.34	190
01/19/19	2.37	2.35	190
01/20/19	2.37	2.35	190
01/21/19	2.37	2.35	190
01/22/19	2.37	2.35	188
01/23/19	2.37	2.35	187
01/24/19	2.37	2.35	188
01/25/19	2.38	2.35	188
01/26/19	2.38	2.35	188
01/27/19	2.38	2.35	188
01/28/19	2.38	2.35	185
01/29/19	2.38	2.35	187
01/30/19	2.38	2.35	186
01/31/19	2.39	2.36	188
02/01/19	2.39	2.36	191
02/02/19	2.39	2.36	191
02/03/19	2.39	2.36	191
02/04/19	2.39	2.36	189
02/05/19	2.39	2.36	187
02/06/19	2.39	2.36	187
02/07/19	2.39	2.36	187
02/08/19	2.39	2.36	187
02/09/19	2.39	2.36	187
02/10/19	2.39	2.36	187
02/11/19	2.39	2.36	185
02/12/19	2.39	2.36	183
02/13/19	2.39	2.37	182

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

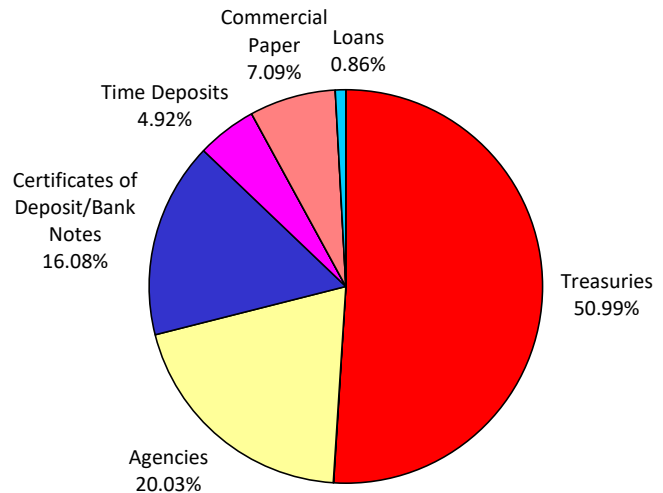
Quarter Ending 12/31/18

Apportionment Rate: 2.40
 Earnings Ratio: 0.00006573663340150
 Fair Value Factor: 0.999051127
 Daily: 2.32%
 Quarter to Date: 2.21%
 Average Life: 192

PMIA Average Monthly Effective Yields

Jan 2019 2.355
 Dec 2018 2.291
 Nov 2018 2.208

Pooled Money Investment Account Portfolio Composition 01/31/19 \$93.1 billion



Percentages may not total 100%, due to rounding.

Based on data available as of 2/13/2019



California State Treasurer
Fiona Ma, CPA



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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	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.854	1.944	1.998	2.061	2.144	2.208	2.291
2019	2.355											

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
OCTOBER 2018**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$495,014.06
U.S, Instrumentalities	149,500,000	\$249,687.37
Federal Agencies	147,500,000	237,306.82
Corporate Notes	45,000,000	78,101.54
Certificate of Deposit	116,478,000	151,729.94
Floating Rate Securities	209,500,000	368,349.34
	1,267,978,000	\$1,580,189.07
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	353,000,000	661,849.47
U.S, Instrumentalities	75,000,000	94,436.77
Federal Agencies	955,892,000	1,149,501.84
Corporate Notes	130,000,000	174,994.44
Floating Rate Securities	79,200,000	113,150.79
LAIF	65,000,000	110,410.96
Commercial Paper	876,000,000	1,389,703.52
Certificate of Deposit	238,000,000	404,145.21
U S Treasury Bills	314,300,000	392,742.45
Repurchase Agreements	200,000,000	12,166.67
	3,286,392,000	\$4,503,102.12
Total Accrued Interest	4,554,370,000	\$6,083,291.19
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$456,664.96
U.S, Instrumentalities		\$224,019.22
Federal Agencies		191,510.87
Corporate Notes		29,335.61
Floating Rate Securities		280,493.08
Commercial Paper		428,239.94
Certificate of Deposit		47,548.87
U S Treasury Bills		23,227.43
Repurchase Agreements		343,284.56
Total Realized Income		\$2,024,324.54
TOTAL DOLLAR EARNINGS		\$8,107,615.73

AVERAGE BALANCE		\$4,417,187,312.52
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.161%	\$8,107,615.73
ADMINISTRATION FEES		(\$356,400.46)
NET EARNINGS RATE / NET DOLLAR EARNINGS	2.066%	\$7,751,215.27

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
NOVEMBER 2018**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$754,927.24
U.S, Instrumentalities	75,000,000	\$93,047.52
Federal Agencies	372,500,000	451,121.61
Corporate Notes	45,000,000	78,962.61
Certificate of Deposit	116,478,000	210,773.16
Floating Rate Securities	209,000,000	447,469.62
	1,417,978,000	\$2,036,301.76
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	263,000,000	485,811.31
U.S, Instrumentalities	129,500,000	217,570.47
Federal Agencies	1,313,702,000	1,571,639.52
Corporate Notes	113,000,000	163,224.68
Floating Rate Securities	89,700,000	199,337.38
LAIF	65,000,000	106,849.32
Commercial Paper	1,017,750,000	1,757,921.55
Certificate of Deposit	308,000,000	550,671.23
U S Treasury Bills	450,500,000	665,205.34
Repurchase Agreements	234,000,000	43,875.00
	3,984,152,000	\$5,762,105.80
Total Accrued Interest	5,402,130,000	\$7,798,407.56
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$187,767.18
U.S, Instrumentalities		\$25,694.47
Federal Agencies		225,824.31
Corporate Notes		33,277.91
Floating Rate Securities		28,701.24
Commercial Paper		246,427.70
Certificate of Deposit		57,710.69
U S Treasury Bills		54,516.39
Repurchase Agreements		322,706.63
Total Realized Income		\$1,182,626.52
TOTAL DOLLAR EARNINGS		\$8,981,034.08

AVERAGE BALANCE		\$4,901,288,317.89
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.229%	\$8,981,034.08
ADMINISTRATION FEES		(\$382,703.33)
NET EARNINGS RATE / NET DOLLAR EARNINGS	2.134%	\$8,598,330.75

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
DECEMBER 2018**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	550,000,000.00	657,948.98
U.S. Instrumentalities	80,000,000.00	115,699.33
Federal Agencies	372,500,000.00	614,134.66
Corporate Notes	52,183,000.00	98,953.19
Certificate of Deposit	141,478,000.00	264,190.70
Floating Rate Securities	204,000,000.00	467,012.87
	\$ 1,400,161,000.00	\$ 2,217,939.72
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	313,000,000.00	583,334.18
U.S. Instrumentalities	85,500,000.00	143,682.31
Federal Agencies	1,444,682,000.00	2,526,563.57
Corporate Notes	128,500,000.00	200,320.85
Floating Rate Securities	94,700,000.00	213,496.01
LAIF	65,000,000.00	110,410.96
Commercial Paper	1,116,750,000.00	2,232,172.13
Certificate of Deposit	323,000,000.00	676,841.10
U S Treasury Bills	615,500,000.00	1,148,855.39
Repurchase Agreements	197,750,000.00	52,733.33
	\$ 4,384,382,000.00	\$ 7,888,409.83
Total Accrued Interest	\$ 5,784,543,000.00	\$ 10,106,349.55
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		139,522.09
U.S. Instrumentalities		61,088.88
Federal Agencies		227,027.25
Corporate Notes		9,932.08
Floating Rate Securities		52,117.40
Commercial Paper		133,519.31
Certificate of Deposit		72,699.43
U S Treasury Bills		107,653.47
Repurchase Agreements		404,685.84
Total Realized Income		\$ 1,208,245.76
TOTAL DOLLAR EARNINGS		\$ 11,314,595.31

AVERAGE BALANCE		\$ 5,755,166,038.72
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.315%	\$ 11,314,595.31
ADMINISTRATION FEES		\$ (464,355.18)
NET EARNINGS RATE / NET DOLLAR EARNINGS	2.220%	\$ 10,850,240.13

C/CAG AGENDA REPORT

Date: February 27, 2019

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed.

(For further information or response to 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 associated 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 September 13, 2018:

“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 2018 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
October	2.144%	2.066%
November	2.208%	2.134%
December	2.291%	2.220%

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 November 28, 2018, the Finance Committee reviewed the investment portfolio and removed the November 20, 2015 investment goal in consideration of LAIF outperforming the COPOOL. The committee removed the goal to respond to the yields of higher performing accounts consistent with the Board approved investment range and subject to the committee’s quarterly review and recommendations.

On December 13, 2018, the C/CAG Board approved of no change to the investment portfolio.

The investment portfolio as of December 31, 2018 is as follows:

	9/30/2018		12/30/2018	
	Amount	Percent	Amount	Percent
LAIF	\$14,152,699	60%	\$16,728,451	69%
COPOOL	\$9,590,815	40%	\$7,436,613	31%
Total	\$23,743,514	100%	\$24,165,064	100%

ATTACHMENTS

1. Quarterly Investment Report as of December 31, 2018 from San Carlos

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

Board of Directors Agenda Report

To: Sandy Wong, Executive Director
From: Carrie Tam, Financial Services Manager
Date: February 27, 2019

SUBJECT: Quarterly Investment Report as of December 31, 2018

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, 2018, funds in the amount of \$24,165,064 were invested producing a weighted average yield of 2.32%. Of the total investment portfolio, 69.2% of funds were invested in the Local Agency Investment Fund (LAIF) and 30.8% in the San Mateo County Investment Pool (COPOOL). These percentages are within the range specified by the C/CAG Board. Accrued interest earnings for this quarter totaled \$140,770. On November 28, 2018, the C/CAG Finance Committee reviewed the investment portfolio and removed the November 20, 2015 investment goal in consideration of LAIF outperforming the County Pool. The committee removed the previous goal to respond to the yields of higher performing accounts consistent with the Board approved investment range and subject to the committee’s quarterly review and recommendations. The portfolio mix reflects the Board approved percentage invested in the County Investment Pool and LAIF.

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

	Qtr Ended 12/31/18	Qtr Ended 9/30/18	Increase (Decrease)
Total Portfolio	\$ 24,165,064	\$ 23,743,514	\$ 421,550
Weighted Average Yield	2.32%	2.07%	0.25%
Accrued Interest Earnings	\$ 140,770	\$ 121,551	\$ 19,219

There was an increase of \$0.4 million in the portfolio balance this quarter compared to the previous quarter mainly due to cash receipts offset by cash disbursements in the second quarter for Measure M. The allocation shift in investment pools from the County Pool to LAIF and the slightly higher weighted average yield resulted in slightly higher interest earnings for this quarter.

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, 2018, 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 C/CAG 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, 2018
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending December 31, 2018

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	2.40%	16,728,451	69.2%	16,712,578
San Mateo County Investment Pool (COPOOL)	2.14%	7,436,613	30.8%	7,436,613
Agency Securities				
<i>none</i>				
Total - Investments	2.32%	24,165,064	100%	24,149,191
GRAND TOTAL OF PORTFOLIO	2.32%	\$ 24,165,064	100%	\$ 24,149,191
Total Interest Earned This Quarter				140,770
Total Interest Earned (Loss) Fiscal Year-to-Date				262,321

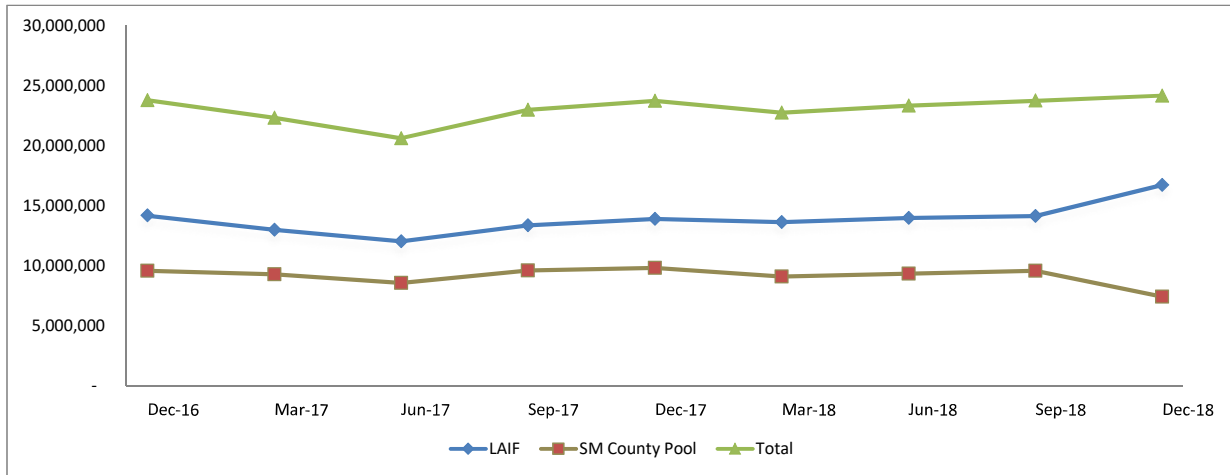
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

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

On November 28, 2018, the C/CAG Finance Committee reviewed the investment portfolio and removed the November 20, 2015 investment goal in consideration of LAIF outperforming the COPOOL. The committee removed the previous goal to respond to the yields of higher performing accounts consistent with the Board approved investment range and subject to the committee's quarterly review and recommendations.

*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, 2018**



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-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
LAIF	14,186,530	13,010,532	12,034,768	13,363,368	13,896,995	13,637,606	13,988,892	14,152,699	16,728,451
SM County Pool	9,591,037	9,313,634	8,586,974	9,611,660	9,838,593	9,117,611	9,350,753	9,590,815	7,436,613
Total	23,777,567	22,324,166	20,621,742	22,975,028	23,735,588	22,755,217	23,339,645	23,743,514	24,165,064

On November 28, 2018, the C/CAG Finance Committee reviewed the investment portfolio and removed the November 20, 2015 investment goal in consideration of LAIF outperforming the COPOOL. The committee removed the previous goal to respond to the yields of higher performing accounts consistent with the Board approved investment range and subject to the committee's quarterly review and recommendations.

C/CAG AGENDA REPORT

Date: February 27, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Election of a C/CAG Finance Committee Chairperson and Vice Chairperson.
(For further information, contact Jean Higaki at 650-599-1462)

RECOMMENDATION

That the C/CAG Finance Committee nominate and elect a Chairperson and Vice Chairperson.

FISCAL IMPACT

None

SOURCE OF FUNDS

N/A

BACKGROUND

The Chair of the C/CAG Finance Committee was vacated by former committee member Bob Grassilli of the City of San Carlos. It is recommended that the Finance Committee nominate and elect a new Chairperson and Vice Chairperson.

ATTACHMENTS

None