

C/CAG

City/County Association of Governments of San Mateo County

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park
Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

C/CAG FINANCE COMMITTEE AGENDA

Date: Wednesday, December 4, 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 August 28, 2019 meeting. (Action)
4. Receive copies of monthly investment statements for July, August, and September 2019.
(Information)
5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
6. Accept the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2019 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2019 and communicate with representative from auditing firm. (Action)
7. Accept the C/CAG Single Audit Report for the Year Ended June 30, 2019 (Action)
8. Accept the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2017 through September 30, 2018 (Action)
9. Accept the following Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2019 (Action)

10. Review and approve the 2020 Finance Committee Meeting Calendar. (Action)

11. 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
August 28, 2019**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Ann Wengert (Town of Portola Valley) – Committee Chair
Marie Chuang (Town of Hillsborough) – Committee Vice Chair

Guests or Staff Attending:

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

1. Call to order

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

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

None

3. Approval of minutes of May 22, 2019 meeting. (Action)

Vice Chair Chuang moved and Member Moise Derwin seconded approval of the corrected May 22, 2019 meeting minutes. Motioned passed unanimously (3-0).

4. Receive copies of monthly investment statements for April, May, and June 2019. (Information)

Finance committee members reviewed the investment statements and cash flow reports. Chair Wengert requested confirmation that the “system” on the January statement is interest. Carrie Tam, City of San Carlos Financial Services Manger confirmed that it was. The interest is system generated and the other transactions note the name of the requestor.

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

The Finance Committee was presented with information that had been gathered regarding the fees and minimum investment portfolio requirements for using an independent investment portfolio manager with consideration of the new interest rates and fund balance.

Based on the findings, the Finance Committee concluded that the small amount of potential gains and the required fees and portfolio management expenses would not warrant investing in an independent private investment portfolio at this time. The Finance Committee also reviewed the investment portfolio and recommended no change to the portfolio.

Member Moise Derwin moved no change to the portfolio. Vice Chair Chuang seconded. Motioned passed unanimously (3-0).

**6. Review and recommend approval of the C/CAG Investment Policy annual update.
(Action)**

The Finance committee reviewed a tracked change version of the C/CAG Investment Policy annual update.

Chair Wengert asked about the rationale for the changes allowing for mortgage-backed securities. Carrie Tam, City of San Carlos Financial Services Manger responded that the rationale was unclear but that proposed modifications to the policy were made to comply with state standards recommended by the California Debt and Investment Advisory Commission (CDIAC).

The Finance Committee recommended accepting all the modifications except one. The Finance Committee rejected a modification to a provision which would allow a public agency to invest in mortgage-backed securities.

Although C/CAG does not invest outside of the Local Agency Investment Fund (LAIF) and the San Mateo County Pool, the C/CAG Finance Committee recommended not to include the recent CDIAC amendments which allows up to 20% of an “agency’s surplus moneys” for investments in mortgage-backed securities.

Member Moise Derwin moved to recommended that the Board approve the C/CAG Investment Policy annual update accepting all modifications except the amendment allowing investments in mortgage-backed securities. Vice Chair Chuang seconded. Motioned passed unanimously (3-0).

7. Adjournment

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

C/CAG AGENDA REPORT

Date: December 4, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for July, August, and September 2019.

(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 July, August, and September 2019.

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 September 30, 2019.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for July, August, and September 2019
2. LAIF Performance Report Quarter Ending September 30, 2019
3. San Mateo County Treasurer's Office Portfolio Report September 30, 2019
4. County Summary of Pool Earnings for July, August, and September 2019

July Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2019

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
July 2019	Beginning book balance (Checking)		1,413,935
	Measure M	DMV	739,835
	Member Contributions	Towns of Atherton, Colma, Hillsborough, Portola Valley, and Woodside, and City of Brisbane	12,555
	Congestion Relief & Management	Caltrans and MTC	285,114
	Congestion Relief & Management	Towns of Atherton, Colma, Hillsborough, Portola Valley, and Woodside, and City of Brisbane	106,464
	Energy Watch	PG&E	22,992
	All other Receipts (6)	various	2,999
	Transfer	San Mateo County Pool	350,000
	Transfer	LAIF	850,000
		Total July Cash Inflow	2,369,959
	Measure M	EOA Inc., Cities of Daly City, Foster City, Redwood City, San Carlos, South San Francisco, and San Mateo, and County of San Mateo	(1,249,349)
	Smart Corridor	Aegis ITS, Iteris Inc., Kimley-Horn & Assoc., and Redwood City	(66,487)
	Congestion Relief & Management	Co-Plan LLC, Placeworks, County of San Mateo, and San Mateo County	(263,576)
	Bay Area Air Quality	Housing Authority, Cities: Menlo Park and Redwood City	(178,612)
	NPDES	Iteris Inc., Samtrans, and San Mateo County	(96,212)
	Energy Watch	City of Brisbane, EOA Inc., Groner S Assoc, Shaw/Yoder/Antwih, and County of San Mateo	(15,865)
	AB1546	DNV GL Services	(17,820)
	All other payments (30)	EOA Inc. and City of Menlo Park	(32,909)
		Total July Cash Outflow	(1,920,830)
		Net Cash Inflow/(Outflow)	449,129
	Ending book balance (Checking)		1,863,064

July 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
 August 01, 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

July 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/2/2019	7/1/2019	RW	1609804	CARRIE TAM	-850,000.00
7/15/2019	7/12/2019	QRD	1611556	SYSTEM	111,187.55

Account Summary

Total Deposit:	111,187.55	Beginning Balance:	18,118,668.41
Total Withdrawal:	-850,000.00	Ending Balance:	17,379,855.96

July County Pool Statement



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

Statement Ending Date: 7/31/2019
 Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
7/1/2019	Balance brought forward		\$7,832,078.05	\$7,832,078.05
7/1/2019	Reverse 6/30 Intrst Receiva		\$44,836.34	\$7,876,914.39
7/2/2019	wire out	\$350,000.00		\$7,526,914.39
7/31/2019	Ending Balance			\$7,526,914.39

August Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2019

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
August 2019	Beginning book balance (Checking)		1,863,064
	NPDES	Town of Hillsborough	7,183
	Measure M	DMV	718,597
	Congestion Relief & Management	Cities: Belmont, Burlingame, East Palo Alto, Foster City, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, and South San Francisco, and County of San Mateo	1,658,499
	Member Contributions	Cities: Belmont, Burlingame, East Palo Alto, Foster City, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, and South San Francisco, and County of San Mateo	199,493
	All other Receipts (6)	various	4,509
	Transfer	LAIF	800,000
		Total August Cash Inflow	3,388,281
	Measure M	EOA Inc., Redwood City, Samtrans, County of San Mateo, and Larry Walker Assoc.	(1,688,016)
	Congestion Relief & Mgmt AB1546	Advanced Mobility Group, Commute.org, Redwood City, SAMTRANS, Shaw/Yoder/Antwih Inc., and County of San Mateo	(353,358)
		EOA Inc., Paradigm Environment, and Sustainable Silicon	(37,680)
	NPDES	Paradigm Environment, County of San Mateo, and Cities of Brisbane and Redwood City	(203,556)
	Energy Watch	DNV GL Services, Groner S Assoc., and County of San Mateo	(76,350)
	Smart Corridor	Aegis ITS, Redwood City, Iteris, and Kimley-Horn & Assoc.	(49,182)
	Bay Area Air Quality	Commute.org and County of San Mateo	(178,514)
	All other payments (36)	various	(53,212)
		Total August Cash Outflow	(2,639,868)
		Net Cash Inflow/(Outflow)	748,413
	Ending book balance (Checking)		2,611,477

August LAIF Statement

California State Treasurer
Fiona Ma, CPA



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

September 03,
 2019

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
 OF SAN MATEO COUNTY
 FINANCE OFFICER
 600 ELM STREET
 SAN CARLOS, CA 94070

[Tran Type](#)
[Definitions](#)

Account Number: 40-41-004

August 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
8/14/2019	8/14/2019	RW	1615245	CARRIE TAM	-800,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	17,379,855.96
Total Withdrawal:	-800,000.00	Ending Balance:	16,579,855.96



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

August County Pool Statement

Statement Ending Date: 8/31/2019
Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
7/31/2019	Balance brought forward		\$7,526,914.39	\$7,526,914.39
8/31/2019	Ending Balance			\$7,526,914.39

September Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended September 30, 2019

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
	Beginning book balance (Checking)		2,611,477
September 2019	Member Contributions	Cities: Daly City, Half Moon Bay, and Menlo Park, and MTC	55,465
	Congestion Relief & Management	Cities: Daly City, Half Moon Bay, and Menlo Park, and MTC	630,654
	NPDES	Caltrans	126,225
	Energy Watch	PG&E	29,928
	All other Receipts (5)	various	3,854
	Transfer	San Mateo County Pool	225,000
	Transfer	LAIF	100,000
		Total September Cash Inflow	1,171,126
	Measure M	Menlo Park, Redwood City and County of San Mateo	(87,363)
	Congestion Relief & Management	Ferhr & Peers Assoc., Placeworks, Redwood City, Samtrans, Shaw/Yoder/Antwih Inc., and County of San Mateo	(121,697)
	NPDES	BASMAA, Engineering Data, Groner S Assoc., Paradigm Environment, Larry Walker Assoc., and County of San Mateo	(148,058)
	Smart Corridor	County of San Mateo	(19,170)
	Energy Watch	DNV GL Services Inc.	(5,580)
	AB1546	Paradigm Environment, and Larry Walker Assoc.	(8,018)
	Express Lane	San Mateo County	(11,067)
	All other payments (32)	various	(29,742)
	Transfer	San Mateo County Pool	(350,000)
	Transfer	LAIF	(1,200,000)
		Total September Cash Outflow	(1,980,695)
		Net Cash Inflow/(Outflow)	(809,569)
	Ending book balance (Checking)		1,801,908

September LAIF Statement

California State Treasurer
Fiona Ma, CPA



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

October 01, 2019

[LAIF Home](#)
[PMIA Average](#)
[Monthly Yields](#)

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
 OF SAN MATEO COUNTY
 FINANCE OFFICER
 600 ELM STREET
 SAN CARLOS, CA 94070

[Tran Type](#)
[Definitions](#)

Account Number: 40-41-004

September 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/4/2019	9/3/2019	RD	1616602	CARRIE TAM	1,200,000.00
9/11/2019	9/10/2019	RW	1617024	CARRIE TAM	-100,000.00

Account Summary

Total Deposit:	1,200,000.00	Beginning Balance:	16,579,855.96
Total Withdrawal:	-100,000.00	Ending Balance:	17,679,855.96

September County Pool Statement



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

Statement Ending Date: 9/30/2019
 Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
8/31/2019	Balance brought forward		\$7,526,914.39	\$7,526,914.39
9/4/2019	CCAG		\$350,000.00	\$7,876,914.39
9/11/2019	WIRE OUT	\$225,000.00		\$7,651,914.39
9/30/2019	Ending Balance			\$7,651,914.39



CALIFORNIA STATE TREASURER FIONA MA, CPA



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/30/19	2.25	2.34	185
10/01/19	2.22	2.22	200
10/02/19	2.22	2.22	200
10/03/19	2.21	2.22	198
10/04/19	2.21	2.22	198
10/05/19	2.21	2.21	198
10/06/19	2.21	2.21	198
10/07/19	2.21	2.21	197
10/08/19	2.21	2.21	197
10/09/19	2.21	2.21	196
10/10/19	2.20	2.21	199
10/11/19	2.20	2.21	200
10/12/19	2.20	2.21	200
10/13/19	2.20	2.21	200
10/14/19	2.20	2.21	197
10/15/19	2.20	2.21	198
10/16/19	2.19	2.21	197
10/17/19	2.19	2.21	198
10/18/19	2.18	2.20	198
10/19/19	2.18	2.20	198
10/20/19	2.18	2.20	198
10/21/19	2.18	2.20	196
10/22/19	2.18	2.20	195
10/23/19	2.18	2.20	194
10/24/19	2.17	2.20	196
10/25/19	2.17	2.20	198
10/26/19	2.17	2.20	198
10/27/19	2.17	2.20	198
10/28/19	2.17	2.19	196
10/29/19	2.16	2.19	198
10/30/19	2.16	2.19	199

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

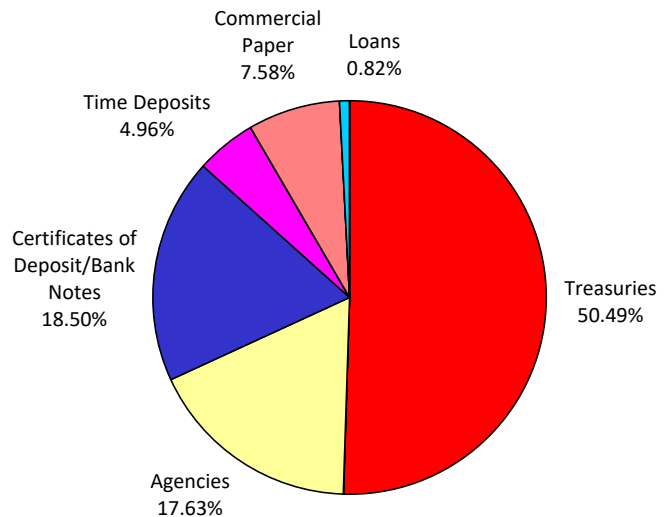
Quarter Ending 09/30/19

Apportionment Rate: 2.45
 Earnings Ratio: .00006701807521016
 Fair Value Factor: 1.001642817
 Daily: 2.25%
 Quarter to Date: 2.34%
 Average Life: 185

PMIA Average Monthly Effective Yields

Sep 2019 2.280
 Aug 2019 2.341
 July 2019 2.379

Pooled Money Investment Account Portfolio Composition 09/30/19 \$97.4 billion



Percentages may not total 100% due to rounding

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).
 Based on data available as of 10/30/2019



SAN MATEO COUNTY TREASURER'S OFFICE PORTFOLIO REPORT

September 30, 2019

Earnings Summary

Average Balance		\$	4,950,669,065.89
Gross Earnings Rate/Dollar	2.281%	\$	8,895,468.04
Administration Fees		\$	(386,559.09)
Net Earnings Rates/Dollar	2.091%	\$	8,508,908.95

Portfolio Summary

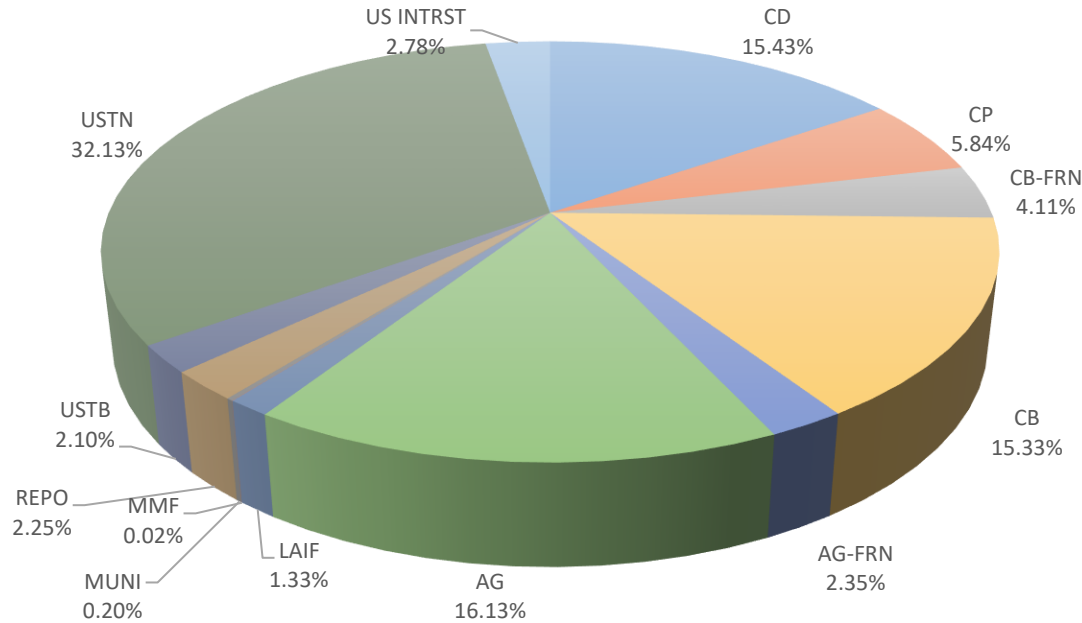
Average Yield to Maturity	1.97
Average Maturity (yrs)	1.72
Average Coupon	2.08
Average Duration	1.64
Average Moody Rating	Aa2/P-1
Average S&P Rating	AA/A-1
Net Gain/Loss	\$ 34,526,040.06
Annual Income	\$ 101,023,307.68
Accrued Interest	\$ 24,621,538.89
Number of Issues	229

Monthly Earnings Rates

Month	SMC	LAIF
April-19	2.420%	2.445%
May-19	2.494%	2.449%
June-19	2.476%	2.428%
July-19	2.336%	2.379%
August-19	2.281%	2.341%
September-19	2.186%	2.280%

Investment Type	Par	Book	Market
Certificate of Deposit	752,678	752,971	758,528
Commercial Paper	285,000	281,709	284,038
Corporate Bond - Floaters	200,711	200,678	202,266
Corporate Bonds	748,098	749,920	758,473
Federal Agency - Floaters	114,650	114,656	114,716
Federal Agency Securities	786,800	789,529	797,195
Local Agency Investment Fund	65,000	65,000	65,331
Money Market Funds	756	756	756
Municipal Bonds	10,000	10,435	10,611
Repurchase Agreement	110,000	110,000	110,000
United States Treasury Bills	102,500	101,225	102,004
United States Treasury Notes	1,567,545	1,593,123	1,599,805
US Instrumentalities	135,500	135,090	135,895
Grand Total	4,879,238	4,905,092	4,939,618

Values in \$Thousands, Book Value does not reflect amortizations or accretions but includes purchased accrued interest. Market Value includes accrued Interest for reporting period and downloaded through Interactive Data Corp.





SUMMARY OF POOL EARNINGS

COUNTY OF SAN MATEO ESTIMATED SUMMARY OF POOL EARNINGS JULY 2019

	<u>Par Value</u>	<u>Gross Earnings</u>	<u>Realized Gain/Loss & Interest Received</u>	<u>Period Earnings</u>
Fixed Income Securities Maturing > 1 year				
U S Treasury Notes	\$ 883,385,000.00	\$ 716,895.37	U S Treasury Notes	\$ 81,963.03
U.S. Instrumentalities	\$ 75,000,000.00	\$ 98,384.13	U.S. Instrumentalities	\$ 228,970.63
Federal Agencies	\$ 565,000,000.00	\$ 804,600.51	Federal Agencies	\$ 442,958.89
Corporate Notes	\$ 628,725,000.00	\$ 1,129,138.94	Corporate Notes	\$ 221,708.51
Certificate of Deposit	\$ 171,310,000.00	\$ 339,406.56	Floating Rate Securities	\$ 66,448.21
Floating Rate Securities	\$ 143,286,000.00	\$ 284,698.51	Commercial Paper	\$ 184,597.90
	\$ 2,466,706,000.00	\$ 3,373,124.02	Certificate of Deposit	\$ 726,268.87
			U S Treasury Bills	\$ 40,000.00
			Repurchase Agreements	\$ 421,059.04
			Total Realized Income	\$ 2,413,975.08
Short Term Securities Maturing < 1 year				
U S Treasury Notes	\$ 25,000,000.00	\$ 51,540.47		
U.S. Instrumentalities	\$ 145,000,000	\$ 280,638.91		
Federal Agencies	\$ 812,865,000	\$ 1,496,621.57		
Corporate Notes	\$ 114,827,000	\$ 202,556.93		
Floating Rate Securities	\$ 67,500,000	\$ 129,237.67		
LAIF	\$ 65,000,000.00	\$ 132,493.15		
Commercial Paper	\$ 530,000,000	\$ 1,115,601.47		
Certificate of Deposit	\$ 587,078,000	\$ 1,085,158.70		
U S Treasury Bills	\$ 149,000,000	\$ 295,581.77		
Repurchase Agreements	\$ 219,107,161.95	\$ 12,956.67		
	\$ 2,715,377,161.95	\$ 4,802,387.30		
Total Accrued Interest	\$ 5,182,083,161.95	\$ 8,175,511.32		
Total Dollar Earnings for July		\$ 10,589,486.41		

	AVERAGE BALANCE		\$ 5,337,347,801.92
	GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.336%	\$ 10,589,486.41
	ADMINISTRATION FEES		(\$430,643.54)
	NET EARNINGS RATE / NET DOLLAR EARNINGS	2.241%	\$10,158,842.86



SUMMARY OF POOL EARNINGS

COUNTY OF SAN MATEO ESTIMATED SUMMARY OF POOL EARNINGS AUGUST 2019

	<u>Par Value</u>	<u>Gross Earnings</u>	<u>Realized Gain/Loss & Interest Received</u>	<u>Period Earnings</u>
Fixed Income Securities Maturing > 1 year				
U S Treasury Notes	\$ 1,251,970,000.00	\$ 1,220,138.20	U S Treasury Notes	\$ 282,011.39
U.S. Instrumentalities	\$ 90,000,000.00	\$ 130,949.06	U.S. Instrumentalities	\$ 37,858.33
Federal Agencies	\$ 570,000,000.00	\$ 930,105.45	Federal Agencies	\$ 550,575.58
Corporate Notes	\$ 585,106,000.00	\$ 1,038,231.38	Corporate Notes	\$ 400,206.84
Certificate of Deposit	\$ 241,310,000.00	\$ 320,891.76	Floating Rate Securities	\$ 85,102.56
Floating Rate Securities	\$ 150,286,000.00	\$ 260,020.08	Commercial Paper	\$ 98,611.16
	\$ 2,888,672,000.00	\$ 3,900,335.93	Certificate of Deposit	\$ 284,879.63
			U S Treasury Bills	\$ 118,187.21
			Repurchase Agreements	\$ 329,343.70
			Total Realized Income	\$ 2,186,776.41
Short Term Securities Maturing < 1 year				
U.S. Instrumentalities	\$ 115,000,000	\$ 233,238.91		
Federal Agencies	\$ 560,787,000.00	\$ 957,633.56		
Corporate Notes	\$ 144,769,000.00	\$ 298,542.17		
Floating Rate Securities	\$ 67,500,000.00	\$ 142,179.60		
LAIF	\$ 65,000,000.00	\$ 132,493.15		
Commercial Paper	\$ 420,000,000.00	\$ 878,483.54		
Certificate of Deposit	\$ 472,678,000.00	\$ 924,095.70		
U S Treasury Bills	\$ 137,500,000.00	\$ 222,388.24		
Repurchase Agreements	\$ 193,647,967.75	\$ 45,108.89		
	\$ 2,176,881,967.75	\$ 3,834,163.75		
Total Accrued Interest	\$ 5,065,553,967.75	\$ 7,734,499.68		
Total Dollar Earnings for AUGUST		\$ 9,921,276.09		

AVERAGE BALANCE	\$ 5,121,111,750.06
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	\$ 9,921,276.09
ADMINISTRATION FEES	(\$413,196.55)
NET EARNINGS RATE / NET DOLLAR EARNINGS	\$9,508,079.54



SUMMARY OF POOL EARNINGS

COUNTY OF SAN MATEO ESTIMATED SUMMARY OF POOL EARNINGS SEPTEMBER 2019

	<u>Par Value</u>	<u>Gross Earnings</u>	<u>Realized Gain/Loss & Interest Received</u>	<u>Period Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>				
U S Treasury Notes	\$ 1,567,545,000.00	\$ 1,658,677.47	U S Treasury Notes	\$ 282,497.87
U.S. Instrumentalities	\$ 70,000,000.00	\$ 101,132.33	U.S. Instrumentalities	\$ 93,048.11
Federal Agencies	\$ 559,300,000.00	\$ 895,028.62	Federal Agencies	\$ 467,581.52
Corporate Notes	\$ 506,149,000.00	\$ 962,188.06	Corporate Notes	\$ 238,374.69
Certificate of Deposit	\$ 210,000,000.00	\$ 388,567.19	Floating Rate Securities	\$ 64,811.80
Floating Rate Securities	\$ 138,190,000.00	\$ 280,614.44	Commercial Paper	\$ 134,016.75
	\$ 3,051,184,000.00	\$ 4,286,208.11	Certificate of Deposit	\$ 135,007.15
			U S Treasury Bills	\$ 5,074.99
			Repurchase Agreements	\$ 232,918.36
			Total Realized Income	\$ 1,653,331.24
<u>Short Term Securities Maturing < 1 year</u>				
U.S. Instrumentalities	\$ 75,500,000.00	\$ 86,259.98		
Federal Agencies	\$ 352,150,000.00	\$ 472,734.18		
Corporate Notes	\$ 213,639,000.00	\$ 420,875.79		
Floating Rate Securities	\$ 69,521,000.00	\$ 110,848.09		
LAIF	\$ 65,000,000.00	\$ 128,219.18		
Commercial Paper	\$ 285,000,000.00	\$ 557,429.27		
Certificate of Deposit	\$ 553,988,000.00	\$ 1,005,044.49		
U S Treasury Bills	\$ 102,500,000.00	\$ 167,681.60		
Repurchase Agreements	\$ 110,756,300.49	\$ 6,836.11		
	\$ 1,828,054,300.49	\$ 2,955,928.69		
Total Accrued Interest	\$ 4,879,238,300.49	\$ 7,242,136.80		
Total Dollar Earnings for September		\$ 8,895,468.04		

AVERAGE BALANCE	\$ 4,950,669,065.89
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	\$ 8,895,468.04
ADMINISTRATION FEES	(\$386,559.09)
NET EARNINGS RATE / NET DOLLAR EARNINGS	\$8,508,908.95



SUMMARY OF POOL EARNINGS

COUNTY OF SAN MATEO SUMMARY OF POOL EARNINGS Q1 Fiscal Year 2019-2020

	<u>Par Value</u>	<u>Gross Earnings</u>	<u>Realized Gain/Loss & Interest Received</u>	<u>Period Earnings</u>
Fixed Income Securities Maturing > 1 year				
U S Treasury Notes	\$ 1,567,545,000.00	\$ 3,069,604.59	U S Treasury Notes	\$ 1,232,325.99
U.S. Instrumentalities	\$ 70,000,000.00	\$ 208,902.43	U.S. Instrumentalities	\$ 915,316.23
Federal Agencies	\$ 559,300,000.00	\$ 2,327,573.24	Federal Agencies	\$ 3,561,215.41
Corporate Notes	\$ 523,074,000.00	\$ 2,042,489.74	Corporate Notes	\$ 2,007,719.13
Certificate of Deposit	\$ 210,000,000.00	\$ 759,204.00	Floating Rate Securities	\$ 766,494.72
Floating Rate Securities	\$ 128,265,000.00	\$ 472,581.30	Commercial Paper	\$ 1,398,773.33
	\$ 3,058,184,000.00	\$ 8,880,355.31	Certificate of Deposit	\$ 1,966,431.16
			U S Treasury Bills	\$ 377,355.62
			Repurchase Agreements	\$ 1,018,832.21
			Total Realized Income	\$ 13,244,463.80
Short Term Securities Maturing < 1 year				
U S Treasury Notes	\$ -	\$ -		
U.S. Instrumentalities	\$ 75,500,000.00	\$ 166,472.78		
Federal Agencies	\$ 352,150,000.00	\$ 1,129,371.62		
Corporate Notes	\$ 213,639,000.00	\$ 857,176.53		
Floating Rate Securities	\$ 62,521,000.00	\$ 193,755.71		
LAIF	\$ 65,000,000.00	\$ 393,205.48		
Commercial Paper	\$ 285,000,000.00	\$ 1,569,966.77		
Certificate of Deposit	\$ 553,988,000.00	\$ 2,487,219.14		
U S Treasury Bills	\$ 102,500,000.00	\$ 471,558.20		
Repurchase Agreements	\$ 110,756,300.49	\$ 6,836.11		
	\$ 1,821,054,300.49	\$ 7,275,562.33		
Total Accrued Interest	\$ 4,879,238,300.49			
Total Dollar Earnings for September		\$ 29,400,381.45		

	AVERAGE BALANCE		\$ 5,138,625,397.46
	GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.270%	\$ 29,400,381.45
	ADMINISTRATION FEES		(\$1,230,454.41)
	NET EARNINGS RATE / NET DOLLAR EARNINGS	2.175%	\$ 28,169,927.04

C/CAG AGENDA REPORT

Date: December 4, 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 12, 2019:

“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.

San Mateo County Pool Quarter Ending 09/30/19 net interest earning rate is 2.175%

The LAIF Quarter Ending 09/30/19 net interest earning rate is 2.34%

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 August 28, 2019, the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio.

On September 12, 2019, the C/CAG Board approved of no change to the investment portfolio.

The investment portfolio as of September 30, 2019 is as follows:

	6/30/2019		9/30/2019	
	Amount	Percent	Amount	Percent
LAIF	\$18,118,668	70%	\$17,679,856	70%
COPOOL	\$7,832,078	30%	\$7,651,914	30%
Total	\$25,950,746	100%	\$25,331,770	100%

ATTACHMENTS

1. Quarterly Investment Report as of September 30, 2019 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: December 4, 2019

SUBJECT: Quarterly Investment Report as of September 30, 2019

RECOMMENDATION:

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

ANALYSIS:

The attached investment report indicates that on September 30, 2019, funds in the amount of \$25,331,770 were invested producing a weighted average yield of 2.37%. Of the total investment portfolio, 69.8% of funds were invested in the Local Agency Investment Fund (LAIF) and 30.2% 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 \$148,153. 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 9/30/19	Qtr Ended 6/30/19	Increase (Decrease)
Total Portfolio	\$ 25,331,770	\$ 25,950,746	\$ (618,976)
Weighted Average Yield	2.37%	2.51%	-0.14%
Accrued Interest Earnings	\$ 148,153	\$ 156,024	\$ (7,871)

There was a decrease of \$0.6 million in the portfolio balance this quarter compared to the previous quarter mainly due to cash receipts offset by cash disbursements in the first quarter for Measure M, Member Contributions, and Congestion Relief and Management. The slightly lower quarterly interest rate resulted in slightly lower 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 September 30, 2019, 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 September 30, 2019
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending September 30, 2019

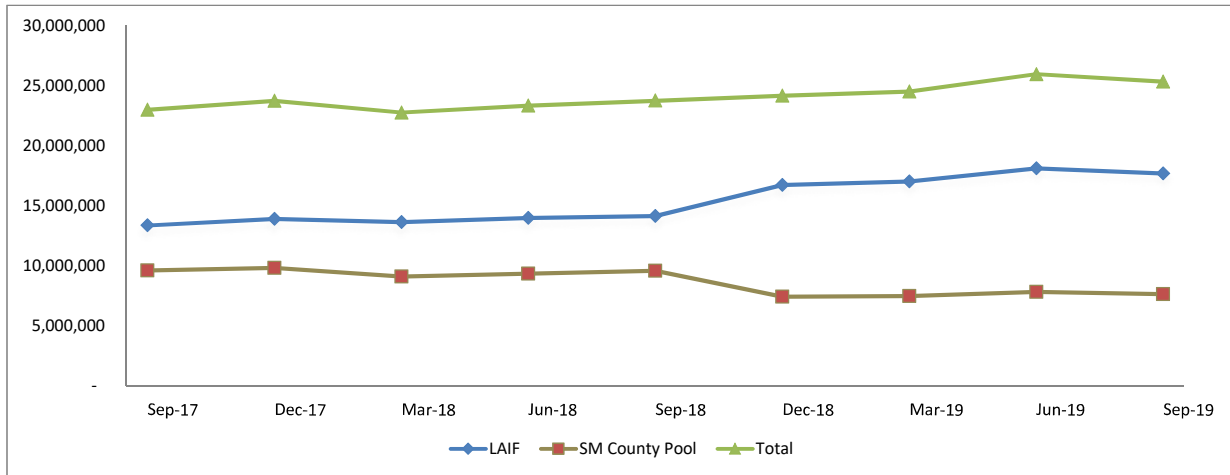
Category	Quarterly Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	2.45%	17,679,856	69.8%	17,708,901
San Mateo County Investment Pool (COPOOL)	2.18%	7,651,914	30.2%	7,651,914
Agency Securities				
<i>none</i>				
Total - Investments	2.37%	25,331,770	100%	25,360,815
GRAND TOTAL OF PORTFOLIO	2.37%	\$ 25,331,770	100%	\$ 25,360,815
Total Interest Earned This Quarter				148,153
Total Interest Earned (Loss) Fiscal Year-to-Date				148,153

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

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

*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 September 30, 2019



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

	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
LAIF	13,363,368	13,896,995	13,637,606	13,988,892	14,152,699	16,728,451	17,017,482	18,118,668	17,679,856
SM County Pool	9,611,660	9,838,593	9,117,611	9,350,753	9,590,815	7,436,613	7,488,352	7,832,078	7,651,914
Total	22,975,028	23,735,588	22,755,217	23,339,645	23,743,514	24,165,064	24,505,834	25,950,746	25,331,770

C/CAG AGENDA REPORT

Date: December 4, 2019

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Accept the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2019 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2019

(For further information or response to questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Finance Committee accept the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2019 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2019.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Member assessments, parcel fee, motor vehicle fee (TFCA/ AB1546/ Measure M), grants from State/ Federal Transportation programs, and other grants.

BACKGROUND

An independent audit was performed on C/CAG's financial statements and the related notes to the financial statements for the year ended June 30, 2019. No issues were identified that required correction. The auditor expressed the opinion that the C/CAG financial statements, in all material respects, the respective financial position of the governmental activities and each major fund of C/CAG as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with auditing standards, the auditor considered C/CAG's internal control over financial reporting (internal control) as a basis for designing their audit procedures. The Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2019 is also attached. No deficiencies in internal control was identified.

ATTACHMENTS

- C/CAG Financial Statements (Audit) for the Year Ended June 30, 2019 (*Provided on-line at: <http://ccag.ca.gov/committees/finance-committee/>*)
- C/CAG Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2019 – (available on-line at <http://ccag.ca.gov/committees/finance-committee/>)

C/CAG AGENDA REPORT

Date: December 4, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Accept the C/CAG Single Audit Report for the Year Ended June 30, 2019

(For further information or response to questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the Finance Committee accept the C/CAG Single Audit Report for the Year Ended June 30, 2019.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Federal transportation funds.

BACKGROUND

An independent Single Audit Report was performed on C/CAG for the year ended June 30, 2018. The Single Audit is specifically for Federal funds received. A Single Audit is required when an agency received \$750,000 or more in federal awards. During that fiscal year, C/CAG had a total of \$1,256,467 in expenditures of federal funds.

The audit did not identify any deficiencies in internal control, or any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. The audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance. The auditor expressed their opinion that the C/CAG complied, in all material respects, with the types of compliance requirements as specified that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

ATTACHMENT

- Single Audit Report for Year Ended June 30, 2019 (*Provided on-line at:* <http://ccag.ca.gov/committees/finance-committee/>)

C/CAG AGENDA REPORT

Date: December 4, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Accept the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2017 through September 30, 2018

(For further information or response to questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Finance Committee accept the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2017 through September 30, 2018.

FISCAL IMPACT

None.

SOURCE OF FUNDS

State Transportation Improvement Program (STIP) Planning, Programming & Monitoring (PPM) funds come from State transportation grant.

BACKGROUND

C/CAG received a State grant for Planning, Programming & Monitoring (PPM) fund from the State Transportation Improvement Program (STIP), in an amount of \$338,000 for fiscal year 2017/18. This grant was expended during the period from August 17, 2017 through September 30, 2018.

To comply with grantor's requirement, an independent audit was performed on this state grant. Final Project Expenditure Audit Report is shown in the attachment. No issues were identified that required correction.

The auditor expressed their opinion that the financial statements present fairly, in all material respects, the Final Project Expenditure Report as of September 30, 2018, and the respective changes in financial position for the period of August 17, 2017 through September 30, 2018, then ended in conformity with accounting principles generally accepted in the United States of America.

ATTACHMENT

- C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2017 through September 30, 2018 (*Provided on-line at: <http://ccag.ca.gov/committees/finance-committee/>*)

C/CAG AGENDA REPORT

Date: December 4, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2019

(For further information or response to questions, contact Sandy Wong at 650 599-1409)

RECOMMENDATION

That the C/CAG Finance Committee accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2019.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Dedicated motor vehicle fee.

BACKGROUND

On an annual basis, C/CAG conducts a separate independent audit on the Measure M Fund (\$10 vehicle registration fee). An audit report (Financial Statements) for the Measure M Funds for the year ended June 30, 2019 has been prepared. No issue was identified that require correction.

The auditor expressed their opinion that the Measure M financial statements present fairly, in all material respects, the respective financial position of the Measure M Fund, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ATTACHMENT

- Measure M Fund Financial Statements (audit report) for Fiscal Year Ended June 30, 2019
(Provided on-line at: <http://ccag.ca.gov/committees/finance-committee/>)

C/CAG AGENDA REPORT

Date: December 4, 2019
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Review and approve the 2020 Finance Committee Meeting Calendar

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

RECOMMENDATION

It is recommended that the Finance Committee review and approve the meeting calendar for 2020.

FISCAL IMPACT

None

SOURCE OF FUNDS

None

BACKGROUND

The Quarterly Investment report developed by San Carlos staff requires an internal review and approval process by the City's Investment Committee. Reports are typically available to C/CAG one and a half months following the end of the quarter.

The following dates are proposed:

Review Quarter	Meeting Date (Noon- 1:00pm)
October-December 2019	Wednesday, February 26, 2020
January-March 2020	Wednesday, May 27, 2020
April-June 2020	Wednesday, August 26, 2020
July- September 2020	Wednesday, December 2, 2020

It is recognized that there may be conflicts with Committee member schedules, so it is proposed that the schedule be discussed and modified/refined at the meeting.

ATTACHMENTS

None