

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
February 27, 2019**

Committee Members Attending:

Ann Wengert (Town of Portola Valley)
Marie Chuang (Town of Hillsborough)
Ricardo Ortiz (City of Burlingame)
Jay Benton (Town of Hillsborough)

Guests or Staff Attending:

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

1. Call to order

At 12:06 P.M. Sandy Wong called Finance Committee meeting to order.

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

None

3. Election of a Chair and Vice Chair of the C/CAG Finance Committee

Member Chuang moved and member Wengert seconded moving the “Election of a Chair and Vice Chair of the C/CAG Finance Committee” (Item 6) to the front of the agenda.

Ann Wengert was nominated to be the Chair of the Finance Committee.

Member Chuang moved, and member Benton seconded the election of Ann Wengert as the Finance Committee chair. Motioned passed unanimously.

Marie Chuang was nominated to be the Vice Chair of the Finance Committee.

Member Ortiz moved, and member Wengert seconded the election of Marie Chuang as the Finance Committee chair. Motioned passed unanimously.

4. Approval of minutes of November 28, 2018 meeting. (Action)

Member Chuang moved and member Ortiz seconded approval of the November 28, 2018 meeting minutes. Motioned passed unanimously.

5. Receive copies of monthly investment statements for October, November, and December 2018. (Information)

Finance committee members reviewed the investment statements and cash flow reports. Since this was member Ortiz's first committee meeting, Sandy Wong explained the format of the monthly investment statements from LAIF, the County Pool, and cash flow reports. The committee walked through the month of October report cash flow report and discussed the transfers in and out. Chair Wengert noted the 4 to 6 months lag in expenditures from Measure M funds due to the reimbursable nature of the program. Member Benton explained the history behind the previous investment portfolio goals set by the Board and Committee and the recent removal of that goal considering the improved performance of LAIF. Carrie Tam stated that interest is reflected in the first month of the quarter.

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

Chair Wengert pointed out the summary earning rates and the portfolio investment ranges shown in the staff report. The general discussion moved to the reserve and the balance of the accounts in general.

Sandy Wong provided a handout showing the ten funds that C/CAG controls and the associated fund balances as of June 30, 2018. The balance at that date was approximately \$22 million. There were questions about how much reserve is needed and how much balance is committed for existing projects/ programs vs. how much is available for new programs.

The handout reflected the Board adopted reserve balance amount based on an assumption of residual funds needed to terminate contracts and retain key personnel for a few months if C/CAG were to shut down.

Member Ortiz stated that his understanding of a reserve is that it is a set aside amount to continue running programs for a certain period of time in the event of an economic downturn. Chair Wengert suggested that it may be worth re-evaluating the reserve amount needed to continue key programs or ramp down programs if other fund sources dry up. As part of the budget review scheduled for next meeting, the Finance Committee could make recommendations on a reserve amount which would likely influence the amount of available fund balance.

The Finance Committee wanted to address the high fund balance. The Finance Committee directed staff to assess the available fund sources, other than the general fund, look at program area restrictions, and make recommendations on programs to bring through the committees and the C/CAG board for adoption. Sandy provided some example of program restrictions and nexus requirements associated with the various funds such as Measure M, stormwater, and the energy watch funds.

Members discussed that the Finance committee's role was not really to develop programs but to instead identify the funds available for new programs. The Finance Committee would just recommend staff to work through the technical committees and Board to develop new programs/

projects for the identified available funds. Staff would develop projects/ programs to present to the committees for input and present those projects/ programs to the C/CAG board for adoption.

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

7. Adjournment

The meeting adjourned at approximately 12:57 P.M.