

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS  
FINANCE COMMITTEE  
MEETING MINUTES  
December 4, 2019**

**Committee Members Attending:**

Jay Benton (Town of Hillsborough)  
Maryann Moise Derwin (Town of Portola Valley) (arrived 12:07 P.M.)  
Ann Wengert (Town of Portola Valley) – Committee Chair  
Marie Chuang (Town of Hillsborough) – Committee Vice Chair

**Committee Member(s) Absent:**

Ricardo Ortiz (City of Burlingame)

**Guests or Staff Attending:**

Sandy Wong, Jean Higaki, Kim Wever – C/CAG Staff  
Tammy Mak, Rebecca Mendenhall – City of San Carlos Finance Staff  
Grace Zhang, CPA – Maze & Associates

**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 August 28, 2019 meeting. (Action)**

Vice Chair Chuang moved and Chair Wengert seconded approval of the minutes. Motioned passed 3-0 (Wengert, Chuang, Benton)

**4. Receive copies of monthly investment statements for July, August, and September 2019. (Information)**

Finance committee members reviewed the investment statements and cash flow reports. As a follow-up from last meeting's discussion about the difference between net and gross interest rates, Jean Higaki, C/CAG Program Director, explained the addition of page 18 showing the quarterly interest rate for the County Pool as well as page 14 showing the monthly earnings rates chart that compares gross interest rates for County and LAIF. Member Benton commented how LAIF is outperforming the County and the yields have dropped in the last few months.

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

The committee discussed confusion stemming from differing terminology that the County Pool and LAIF use when describing interest rates. Since LAIF does not calculate net rates monthly, future investment reports will just compare the quarterly net interest rate, in lieu of a monthly table. Chair Wengert wanted confirmation that the “Quarter to Date” listed LAIF rate was net. Tammy Mak, San Carlos Senior Accountant, confirmed it is net and that the “average effective monthly yields,” shown is after fees.

The Finance Committee reviewed the investment portfolio. Member Benton asked about the quarterly interest rate of LAIF on page 23 showing as 2.45%. Chair Wengert stated that it is the “apportionment rate”. Chair Wengert and Member Benton expressed that 2.34% from page 13 appears to be a more appropriate number to compare with the County Pool on that report since Tammy Mak determined 2.34% to be the net for the quarter. Rebecca Mendenhall, San Carlos Administrative Services Director, confirmed the number will be updated with the appropriate rate in future reports.

Chair Wengert stated that San Carlos staff is managing the investment portfolio well by staying close to the 70%. Member Benton added that there is no need for a change to the portfolio.

Member Benton moved to recommend no change to the portfolio. Member Moise Derwin seconded. Motioned passed unanimously (4-0).

**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)**

Jean Higaki introduced Grace Zhang, a representative from Maze & Associates, whose firm performed the annual audits. Ms. Zhang reported that no findings were found and answered committee questions. Chair Wengert asked if auditors focused on specific area or sections. Ms. Zhang, stated that focus areas vary every year. Supervisors and partners at the firm remain the same but auditors change every year.

Member Benton commented on how the restricted funds appear to keep increasing and asked if there were process or procedural concerns that made it more difficult to expend the funds. Sandy Wong, C/CAG Executive Director, stated she will provide an updated plan for fund allocation on the balance. Vice Chair Chuang commented that C/CAG should highlight how funds are spent on projects and programs.

Vice Chair Chuang moved, and Member Benton seconded the acceptance of 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. Motioned passed unanimously (4-0).

**7. Accept the C/CAG Single Audit Report for the Year Ended June 30, 2019 (Action)**

Jean Higaki mentioned a typo on page 26 in the first sentence under Background. June 30, 2018 should be June 30, 2019.

Sandy Wong explained how the Single Audit Report is a specific requirement when we receive over \$750,000 of federal money.

Member Benton moved and Vice Chair Chuang seconded the acceptance of the C/CAG Single Audit Report for the Year Ended June 30, 2019. Motioned passed unanimously (4-0).

**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)**

Member Benton moved and Vice Chair Chuang seconded the acceptance of 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. Motioned passed unanimously (4-0).

**9. Review Accept the following Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2019 (Action)**

Member Benton moved and Vice Chair Chuang seconded the acceptance of the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2019. Motioned passed unanimously (4-0).

**10. Review and approval of the 2020 Finance Committee Meeting Calendar. (Action)**

The Finance Committee reviewed the proposed 2020 Finance Committee Meeting Calendar and discussed how they can work around potential conflicts.

Member Moise Derwin moved and Vice Chair Chuang seconded approval of the 2020 Finance Committee Meeting Calendar. Motioned passed unanimously (4-0).

**11. Adjournment**

The meeting adjourned at approximately 12:55 P.M.