

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*

FINANCE COMMITTEE MEETING AGENDA

DATE: Thursday, November 14, 2013
TIME: 5:30 P.M.
PLACE: **San Mateo County Transit District Office**
1250 San Carlos Avenue
2nd Floor Auditorium
San Carlos, CA

- 1.0 CALL TO ORDER
- 2.0 PUBLIC COMMENT ON RELATED ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
- 3.0 Review and recommend approval of the C/CAG investment portfolio.
- 4.0 Review and approval of meeting calendar for 2014.
- 5.0 ADJOURN

PUBLIC NOTICING: All notices of C/CAG Board and Committee meetings will be posted at San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA.

NOTE: Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Nancy Blair at 650 599-1406, five working days prior to the meeting date.

If you have any questions about the C/CAG Board Agenda, please contact C/CAG Staff:

Executive Director: Sandy Wong 650 599-1409 Administrative Assistant: Nancy Blair 650 599-1406

C/CAG AGENDA REPORT

Date: November 14, 2013
To: C/CAG Board of Directors
From: Sandy Wong, Executive Director - C/CAG
Subject: Review and recommend approval the C/CAG investment portfolio
(For further information, contact Sandy Wong at 650 599-1409)

RECOMMENDATION:

That the Finance Committee review and recommend approval of the C/CAG investment portfolio as follows.

Local Agency Investment Fund (LAIF)	50% to 70%
San Mateo County Investment Pool (COPOOL)	30% to 50%

FISCAL IMPACT:

Modification to the C/CAG investment portfolio may yield a different return on investments.

REVENUE SOURCE:

All C/CAG revenue sources.

BACKGROUND:

In accordance with the adopted C/CAG investment policy, "The portfolio should be analyzed not less than quarterly by the C/CAG Executive Director, 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".

As of September 30, 2013, the C/CAG investment portfolio consists of:

Local Agency Investment Fund (LAIF)	\$14,603,467	(84.29%)
San Mateo County Investment Pool (COPOOL)	<u>\$2,721,814</u>	(15.71%)
Total:	\$17,325,287	

Based on the September 2013 Quarterly Investment Report from the County Treasurer, the past earning rates ending 9/30/2013 are as follows:

	COPOOL	LAIF
1 month	0.88%	0.26%
3 month	0.79%	0.26%
6 month	0.76%	0.25%
1 year	0.81%	0.28%

Since 2009, the C/CAG investment amount in COPOOL fund has been at approximately \$2.5 million, without change, while the investment amount in LAIF fund has been increased over the years. However, during that same period, the COPOOL fund has out-performed the LAIF fund in rates of return.

The LAIF fund has no limit in terms of transaction (withdrawal and deposit), while COPOOL is limited to 5 transactions per month, with a maximum total amount of transactions be no more than 20% of last month's balance. As a result the LAIF fund's flexibility, C/CAG fiscal agent's practice has been depositing unexpended cash in the LAIF fund and withdrawing from LAIF fund to cover cash needs.

The C/CAG authorized maximum investments in fund type, also in accordance with state law, are:

LAIF	\$40,000,000
COPOOL	\$40,000,000

Staff recommendation

That the C/CAG Board directs the San Carlos Administrative Services Director to reallocate the C/CAG investment portfolio as follows. The dollar amounts shown below are based on the September 30th fund balance. Actual amount fluctuates from time to time, based on cash flow need as well as interest earned each month.

Local Agency Investment Fund (LAIF)	\$11,325,281+/-	(approx. 65%)
San Mateo County Investment Pool (COPOOL)	\$6,000,000+/-	(approx. 35%)
Total:	\$17,325,281	

Due to transaction limits by the COPOOL, it is likely that San Carlos staff will continue to use the LAIF fund as a float for day-to-day C/CAG cash needs.

ATTACHMENT:

1. Summary of All Investments June 30, 2009
2. Summary of All Investments June 30, 2010
3. Summary of All Investments June 30, 2011
4. Summary of All Investments September 30, 2012
5. Summary of All Investments June 30, 2013
6. LAIF Regular Monthly Statements for July, Aug, Sept 2013
7. SM County Investment Fund Summary for July, Aug, Sept 2013

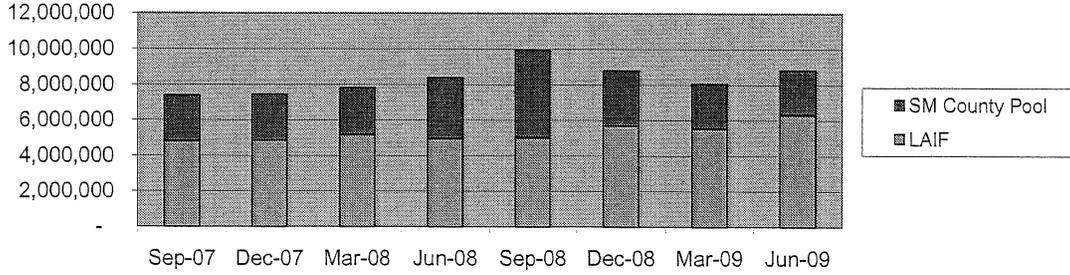
CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2009

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
Liquid Investments:					
Local Agency Investment Fund (LAIF)	1		1.51%	6,318,815	6,327,059
San Mateo County Investment Pool (COPOOL)	2		2.42%	2,519,784	2,512,024
Agency Securities					
Total - Investments			1.77%	8,838,599	8,839,083
GRAND TOTAL OF PORTFOLIO			1.77%	8,838,599	8,839,083
Total Accrued Interest this Quarter					38,310
Total Lehman Loss					(222,171)
Total Interest Earned (Loss) Fiscal-Year-to-Date					(18,217)

**City/County Association of Governments
Historical Summary of Investment Portfolio**



City/County Association of Governments Investment Portfolio

	Sep-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09
LAIF	4,807,185	4,859,593	5,169,947	4,972,951	5,018,363	5,703,382	5,540,310	6,318,815
SM County Pool	2,567,481	2,597,368	2,626,922	3,405,619	4,926,763	3,087,734	2,508,254	2,519,784
Total	\$ 7,374,666	\$ 7,456,961	\$ 7,796,869	\$ 8,378,570	\$ 9,945,126	\$ 8,791,116	\$ 8,048,565	\$ 8,838,599

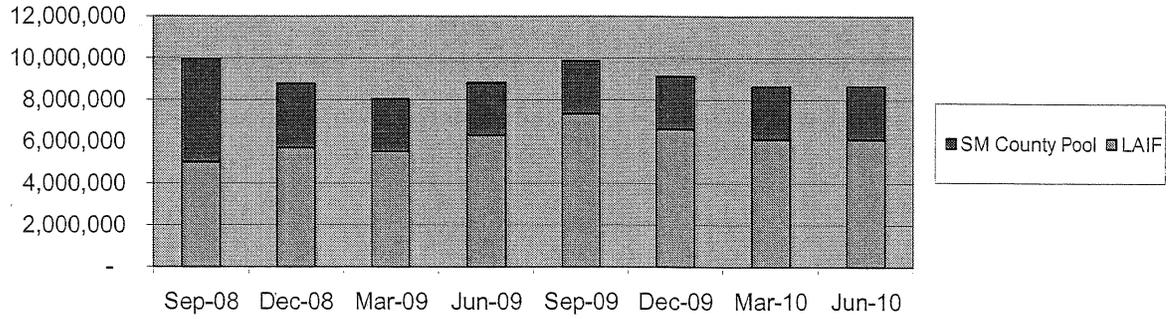
CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2010

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
Liquid Investments:					
Local Agency Investment Fund (LAIF)	1		0.56%	6,125,449	6,135,518
San Mateo County Investment Pool (COPOOL)	2		1.20%	2,551,821	2,560,931
Agency Securities					
Total - Investments			0.75%	8,677,271	8,696,449
GRAND TOTAL OF PORTFOLIO			0.75%	8,677,271	8,696,449
Total Accrued Interest this Quarter					15,348
Total Interest Earned (Loss) Fiscal-Year-to-Date					65,709

**City/County Association of Governments
Historical Summary of Investment Portfolio**



City/County Association of Governments Investment Portfolio

	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
LAIF	5,018,363	5,703,382	5,540,310	6,318,815	7,342,689	6,606,282	6,116,947	6,125,449
SM County Pool	4,926,763	3,087,734	2,508,254	2,519,784	2,534,221	2,539,947	2,546,235	2,551,821
Total	\$ 9,945,126	\$ 8,791,116	\$ 8,048,565	\$ 8,838,599	\$ 9,876,910	\$ 9,146,229	\$ 8,663,182	\$ 8,677,271

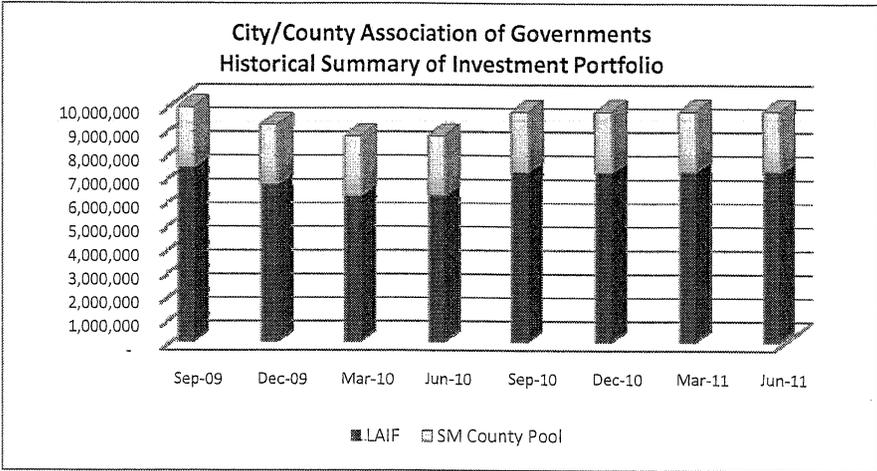
CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2011

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
Liquid Investments:					
Local Agency Investment Fund (LAIF)	1		0.48%	7,158,604	7,169,889
San Mateo County Investment Pool (COPOOL)	2		1.35%	2,580,462	2,586,191
Agency Securities					
<i>none</i>					
Total - Investments			0.71%	9,739,066	9,756,080
GRAND TOTAL OF PORTFOLIO			0.71%	\$ 9,739,066	\$ 9,756,080
Total Accrued Interest this Quarter					16,506
Total Interest Earned (Loss) Fiscal-Year-to-Date					62,919

**C/CAG Investment Report
June 30, 2011**



City/County Association of Governments Investment Portfolio

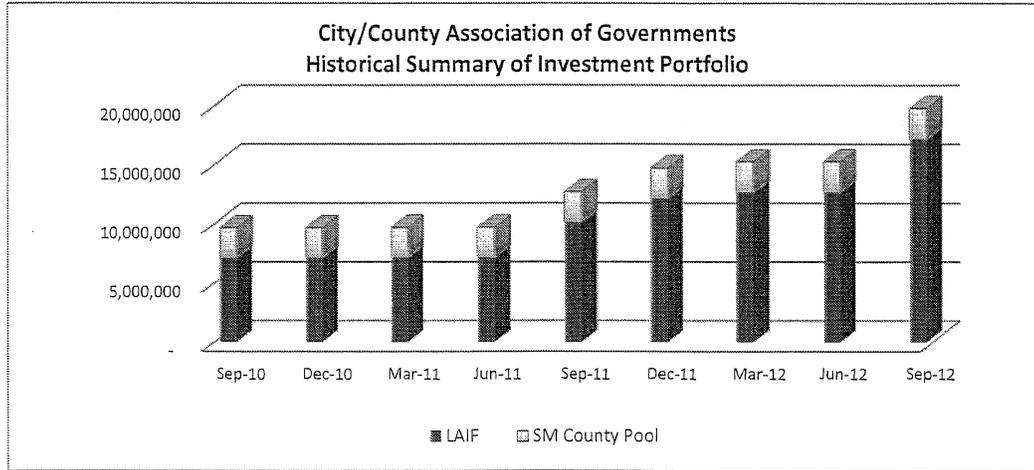
	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
LAIF	7,342,689	6,606,282	6,116,947	6,125,449	7,133,941	7,141,456	7,149,659	7,158,604
SM County Pool	2,534,221	2,539,947	2,546,235	2,551,821	2,558,677	2,567,256	2,574,079	2,580,462
Total	\$ 9,876,910	\$ 9,146,229	\$ 8,663,182	\$ 8,677,271	\$ 9,692,618	\$ 9,708,712	\$ 9,723,738	\$ 9,739,066

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending September 30, 2012

Category	Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
Liquid Investments:			
Local Agency Investment Fund (LAIF)	0.35%	17,207,806	17,230,418
San Mateo County Investment Pool (COPOOL)	0.87%	2,627,815	2,638,957
Agency Securities			
<i>none</i>			
Total - Investments	0.42%	19,835,621	19,869,375
GRAND TOTAL OF PORTFOLIO	0.42%	\$ 19,835,621	\$ 19,869,375
Total Accrued Interest this Quarter			17,060
Total Interest Earned (Loss) Fiscal-Year-to-Date			17,060

C/CAG Investment Report September 30, 2012



City/County Association of Governments Investment Portfolio

	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12
LAIF	7,133,941	7,141,456	7,149,659	7,158,604	10,167,100	12,174,722	12,685,059	12,696,529	17,207,806
SM County Pool	2,558,677	2,567,256	2,574,079	2,580,462	2,588,438	2,596,189	2,602,633	2,621,911	2,627,815
Total	\$ 9,692,618	\$ 9,708,712	\$ 9,723,738	\$ 9,739,066	\$ 12,755,537	\$ 14,770,911	15,287,692	15,318,440	19,835,621

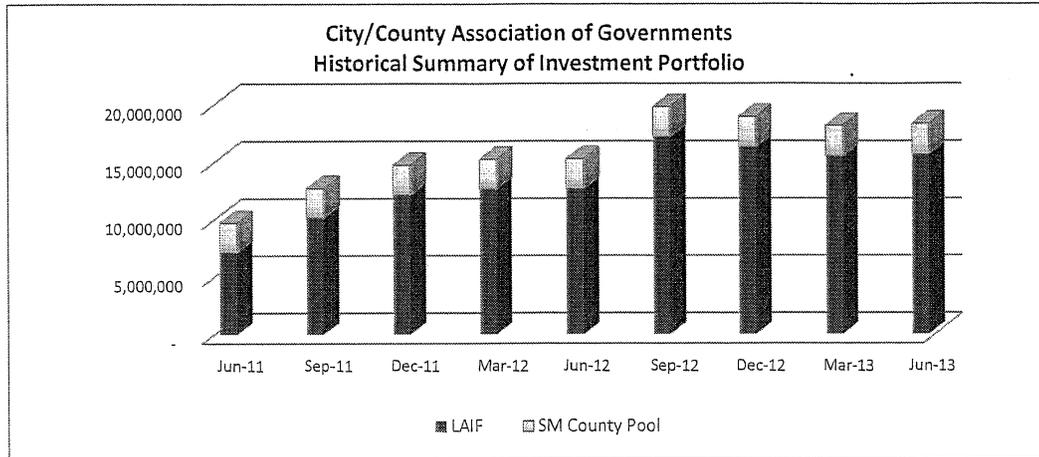
CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2013

Category	Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
Liquid Investments:			
Local Agency Investment Fund (LAIF)	0.24%	15,693,902	15,698,190
San Mateo County Investment Pool (COPOOL)	0.61%	2,662,308	2,652,804
Agency Securities			
<i>none</i>			
Total - Investments	0.29%	18,356,210	18,350,993
GRAND TOTAL OF PORTFOLIO	0.29%	\$ 18,356,210	\$ 18,350,993
Total Accrued Interest this Quarter			13,622
Total Interest Earned (Loss) Fiscal-Year-to-Date			64,559

C/CAG Investment Report June 30, 2013



City/County Association of Governments Investment Portfolio

	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
LAIF	7,158,604	10,167,100	12,174,722	12,685,059	12,696,529	17,207,806	16,319,895	15,532,855	15,693,902
SM County Pool	2,580,462	2,588,438	2,596,189	2,602,633	2,621,911	2,627,815	2,641,320	2,646,873	2,662,308
Total	\$ 9,739,066	\$ 12,755,537	\$ 14,770,911	\$ 15,287,692	15,318,440	19,835,621	18,961,215	18,179,727	18,356,210

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

www.treasurer.ca.gov/pmia-laif
 August 05, 2013

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 2013 Statement

Effective Date	Transaction Date	Tran Type	Tran Number	Confirm Number	Authorized Caller	Amount
7/15/2013	7/12/2013	QRD	1403117		SYSTEM	9,564.33
7/15/2013	7/12/2013	RW	1404673		TRACY KWOK	-500,000.00
7/16/2013	7/16/2013	RW	1404864		TRACY KWOK	-500,000.00
7/25/2013	7/25/2013	RD	1405681		TRACY KWOK	2,500,000.00

Account Summary

Total Deposit:	2,509,564.33	Beginning Balance:	15,693,902.38
Total Withdrawal:	-1,000,000.00	Ending Balance:	17,203,466.71

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

www.treasurer.ca.gov/pmia-laif
 September 03, 2013

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

August 2013 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
8/1/2013	8/1/2013	RD	1406158	TRACY KWOK	1,700,000.00
8/5/2013	8/1/2013	RW	1406244	TRACY KWOK	-4,000,000.00
8/20/2013	8/20/2013	RD	1407485	TRACY KWOK	1,300,000.00
8/26/2013	8/23/2013	RW	1407829	TRACY KWOK	-1,100,000.00

Account Summary

Total Deposit:	3,000,000.00	Beginning Balance:	17,203,466.71
Total Withdrawal:	-5,100,000.00	Ending Balance:	15,103,466.71

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

www.treasurer.ca.gov/pmia-laif
 October 09, 2013

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

September 2013 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/3/2013	9/3/2013	RW	1408408	TRACY KWOK	-500,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	15,103,466.71
Total Withdrawal:	-500,000.00	Ending Balance:	14,603,466.71

To: City of San Carlos-City/County Association of Governments
 Attn: Rebecca Mendenhall, Finance Manager
 From: San Mateo County Treasurer's Office
 Subj: SM County Investment Fund Summary
 Date: July 31, 2013

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	06/30/13	---	---	\$2,662,308.36
INTEREST ALLOCATION-4th Q 2012-13 1	07/01/13	---	4,057.98	\$2,666,366.34
ENDING BALANCE	07/31/13	---	---	\$2,666,366.34
Total Transactions	1			
Total Debits	\$0.00			
Total Credits	\$4,057.98			

To: City of San Carlos-City/County Association of Governments
 Attn: Rebecca Mendenhall, Finance Manager
 From: San Mateo County Treasurer's Office
 Subj: SM County Investment Fund Summary
 Date: August 31, 2013

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	07/31/13	---	---	\$2,666,366.34
SALE OF ALL LEHMAN SECURITIES 1	08/14/13	---	55,447.26	\$2,721,813.60
ENDING BALANCE	08/31/13	---	---	\$2,721,813.60
<hr/>				
Total Transactions	1			
Total Debits	\$0.00			
Total Credits	\$55,447.26			

To: City of San Carlos-City/County Association of Governments
Attn: Rebecca Mendenhall, Finance Manager
From: San Mateo County Treasurer's Office
Subj: SM County Investment Fund Summary
Date: September 30, 2013

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	08/31/13	---	---	\$2,721,813.60
ENDING BALANCE	09/30/13	---	---	\$2,721,813.60
Total Transactions	0			
Total Debits	\$0.00			
Total Credits	\$0.00			

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*

Date: November 14, 2013
To: Finance Committee
From: Sandy Wong
Subject: Review and approval of the 2014 Finance Committee meeting Calendar

It is recommended that the Finance committee approve the regular meeting calendar for 2014. It is further recommend that the Finance committee schedule meetings quarterly. Below are options to consider:

Option 1	Option 2	Option 3
2 nd Thursday (4:30 – 5:30 PM)	2 nd Wednesday (evening)	2n Wednesday (day-time)
February 13, 2014	Feb 12, 2014	Feb 12, 2014
May 8, 2014	May 7, 2014	May 7, 2014
August 14, 2014	Aug 13, 2014	Aug 13, 2014
November 13, 2014	Nov 12, 2014	Nov 12, 2014

Note:

1. C/CAG Board meets on 2nd Thursday at 6:30 PM.
2. C/CAG Legislative Committee meets on 2nd Thursday from 5:30 pm to 6:30 pm.