

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, May 20, 2015
- 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
- Conference call location:** San Francisco Veterans Affairs Medical Ctr
4150 Clement St., Bldg 2, Room 267
San Francisco, CA 94121

- 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 Approval of minutes of February 26, 2015 meeting. (Action)
- 4.0 Receive copies of monthly investment statements for January, February, and March 2015.
(Information)
- 5.0 Review the C/CAG Quarterly Investment Report as of March 31, 2015. (Information)
- 6.0 Recommend modifications to the C/CAG investment portfolio as needed. (Action)
- 7.0 Review and discuss the C/CAG FY 2015/ 2016 Budget. (Action)
See link: <http://ccag.ca.gov/wp-content/uploads/2015/05/ITEM-6.5-Draft-Budget.pdf>
- 8.0 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.

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
February 26, 2015**

Committee Members Attending:

Art Kiesel (City of Foster City)
Jay Benton (Town of Hillsborough)
Bob Grassilli (City of San Carlos)
Kirsten Keith (City of Menlo Park)

Guests or Staff Attending:

Sandy Wong, Jean Higaki - C/CAG Staff
Tracy Kwok - San Carlos Financial Services Manager

1. Call to order

At 12:05 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 8, 2014 meeting (Action)

Member Benton moved and member Kiesel seconded approval of the minutes. Motioned passed unanimously.

4. Receive copies of monthly investment statements for July, August, and September 2014. (Information)

Member Kiesel requested modification for the Major Cash Inflows and Outflows report so that each month follows the respective monthly LAIF and County Pool investment report.

5. Review the C/CAG Quarterly Investment Report as of September 30, 2014. (Information)

Tracy Kwok provided updated investment reports for October 2015. This was an information item. No action was taken

6. Recommend modifications to the C/CAG investment portfolio as needed. (Action)

Member Benton moved and member Kiesel seconded no change to the portfolio. Motioned

passed unanimously.

7. Review and comment on the Draft C/CAG Reserve Policy. (Oral Presentation)

Sandy Wong presented two scenarios of an investment reserve policy. The reserve policy calculated the amount of funds needed to close operations in the event that the agency has to shut down. One scenario was calculated using consultant contracts for three months plus three months of staff salary. The second scenario was calculated using staff salary for six months. Because contracts are not static and vary year to year it was easier to use the six month staff salary calculation to budget for a reserve. All Finance Committee members agreed that it was a reasonable way to calculate reserves.

8. Adjournment

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

C/CAG AGENDA REPORT

Date: May 20, 2015
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for January, February, and March 2015.

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

RECOMMENDATION

That the C/CAG Finance Committee receive copies of monthly investment statements for January, February, and March 2015.

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 March 31, 2015.

ATTACHMENTS

1. C/CAG's LAIF, C/CAG's SMCo Investment Fund Summary, and Monthly Major Cash Inflows and Outflows for January, February, and March 2015
2. LAIF Performance Report Quarter Ending March 31, 2015
3. County Summary of Pool Earnings for January, February, and March 2015

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 February 02, 2015

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

January 2015 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
1/15/2015	1/14/2015	QRD	1456654	SYSTEM	7,491.13 ✓
1/20/2015	1/20/2015	RD	1457692	TRACY KWOK	1,100,000.00 ✓
1/26/2015	1/23/2015	RW	1458060	TRACY KWOK	-1,100,000.00 ✓

Account Summary

Total Deposit:	1,107,491.13	Beginning Balance:	11,893,286.58
Total Withdrawal:	-1,100,000.00	Ending Balance:	11,900,777.71

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: January 31, 2015

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	12/31/14	---	---	\$6,570,235.80
2ND QTR INVESTMENT POOL INT. 1	01/01/15	---	\$11,465.00	\$6,581,700.80
ENDING BALANCE	01/31/15	---	---	\$6,581,700.80

Total Transactions	1		
Total Debits	\$0.00		
Total Credits	\$11,465.00		

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended March 31, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
January	Beginning book balance (Checking)		691,774
2015	NPDES	San Mateo County, Town of Woodside, Town of Colma	110,269
	Smart Corridor	CalTRANS	137,111
	Measure M	DMV	468,583
	Congestion Management	Bay Area Air Quality Management	569,901
	All other Receipts (4)	various	29,945
	Transfer	LAIF	1,100,000
		Total January Cash Inflow	2,415,809
	AB1546	Cities of Menlo Park, Pacifica, & San Mateo, & San Mateo County	(392,135)
	Measure M	Cities of San Bruno, San Mateo, & Brisbane	(314,745)
	NPDES	EOA Inc	(133,499)
	SMC Energy Watch & Measure M	San Mateo County	(237,156)
	All other payments (13)	various	(104,320)
	Transfer	LAIF	(1,100,000)
		Total January Cash Outflow	(2,281,855)
		Net Cash Inflow/(Outflow)	133,954
	Ending book balance (Checking)		825,728

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

www.treasurer.ca.gov/pmia-laif/laif.asp
March 02, 2015

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

February 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	11,900,777.71
Total Withdrawal:	0.00	Ending Balance:	11,900,777.71

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: February 28, 2015

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	01/31/15	---	---	\$6,581,700.80
ENDING BALANCE	02/28/15	---	---	\$6,581,700.80

Total Transactions	0
Total Debits	\$0.00
Total Credits	\$0.00

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended March 31, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
February	Beginning book balance (Checking)		825,728
2015	Smart Corridor	CalTRANS	198,616
	Energy Watch	PG&E	152,745
	Measure M	DMV	547,190
	AB1546	City of San Carlos	52,365
	NPDES	San Mateo County	104,002
	All other Receipts (1)	various	439
		Total February Cash Inflow	1,055,357
	AB1546	Town of Hillsborough	(36,505)
	NPDES	BASMAA	(36,455)
	Bay Area Air Quality	Peninsula Traffic Congestion Relief	(313,978)
	Congestion Mgmt, Energy Watch, & Climate Action	San Mateo County	(344,984)
	NPDES	EOA Inc	(198,797)
	All other payments (22)	various	(149,528)
		Total February Cash Outflow	(1,080,247)
		Net Cash Inflow/(Outflow)	(24,890)
	Ending book balance (Checking)		800,838

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

www.treasurer.ca.gov/pmia-laif/laif.asp
April 01, 2015

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

March 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	11,900,777.71
Total Withdrawal:	0.00	Ending Balance:	11,900,777.71

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: March 31, 2015

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	02/28/15	---	---	\$6,581,700.80
ENDING BALANCE	03/31/15	---	---	\$6,581,700.80

Total Transactions

0

Total Debits

\$0.00

Total Credits

\$0.00

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended March 31, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
March 2015	Beginning book balance (Checking)		800,838
	Congestion Relief	CA Energy Commission	33,850
	Energy Watch	PG&E	55,685
	Measure M	DMV	591,859
	All other Receipts (5)	various	1,177
		Total March Cash Inflow	682,571
	AB1546	Cities of San Carlos, Half Moon Bay, & Menlo Park	(92,617)
	Bay Area Air Quality	SamTrans	(291,000)
	Congestion Relief & Management	San Mateo County	(172,918)
	Measure M	Cities of Brisbane & Hillsborough	(60,527)
	Smart Corridor	Kimley Horn, Parviz Mokhtar, Iteris Inc	(105,134)
	All other payments (17)	various	(110,540)
		Total March Cash Outflow	(832,736)
		Net Cash Inflow/(Outflow)	(150,165)
	Ending book balance (Checking)		650,673



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/23/15	0.28	0.28	214
04/24/15	0.28	0.28	214
04/25/15	0.28	0.28	214
04/26/15	0.28	0.28	214
04/27/15	0.28	0.28	215
04/28/15	0.28	0.28	216
04/29/15	0.28	0.28	220
04/30/15	0.28	0.28	220
05/01/15	0.29	0.28	230
05/02/15	0.29	0.28	230
05/03/15	0.29	0.28	230
05/04/15	0.29	0.28	231
05/05/15	0.29	0.28	227
05/06/15	0.29	0.28	227

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

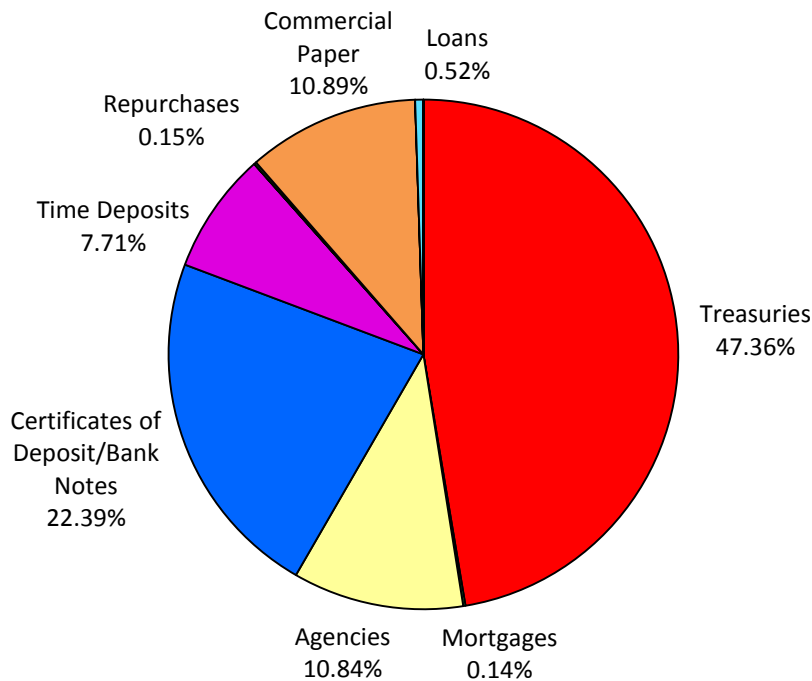
Quarter Ending 03/31/15

Apportionment Rate: 0.26%
 Earnings Ratio: 0.00000712637778462
 Fair Value Factor: 1.000383728
 Daily: 0.27%
 Quarter to Date: 0.27%
 Average Life: 191

PMIA Average Monthly Effective Yields

APR 2015 0.283%
 MAR 2015 0.278%
 FEB 2015 0.266%

**Pooled Money Investment Account
Portfolio Composition
\$67.9 billion
4/30/15**





California State Treasurer
John Chiang



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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								

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
JANUARY 2015**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$375,000,000	\$286,247.39
U S Treasury Notes-Floater	\$20,000,000	\$207.26
Federal Agencies	940,238,857.00	611,709.62
Corporate Notes	354,500,000.00	373,412.43
Floating Rate Securities	351,000,000.00	126,474.27
	\$2,040,738,857	\$1,398,050.97
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	1,089,671,000	137,646.70
Corporate Notes	155,050,000	122,826.02
Floating Rate Securities	101,750,000	29,285.41
LAIF	50,000,000	8,493.15
Commercial Paper	165,000,000	19,988.89
Certificate of Deposit	25,000,000	4,883.56
U S Treasury Bills	50,000,000	645.83
Repurchase Agreements	376,750,000	1,255.83
	\$2,013,221,000	\$325,025.39
Total Accrued Interest	\$4,053,959,857	\$1,723,076.36
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$1,024,828.52
Federal Agencies		44,856.21
Corporate Notes		625,518.14
Floating Rate Securities		23,082.13
LAIF		6,823.58
Commercial Paper		8,230.55
Repurchase Agreements		19,774.07
Total Realized Income		\$1,753,113.20
TOTAL DOLLAR EARNINGS		\$3,476,189.56

AVERAGE BALANCE		\$4,112,928,218.11
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.00%	\$3,476,189.56
ADMINISTRATION FEES		(\$401,714.77)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.88%	\$3,074,474.79

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
FEBRUARY 2015**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$525,000,000	\$378,401.56
U S Treasury Notes-Floater	\$20,000,000	\$1,116.69
Federal Agencies	936,742,857.00	493,939.82
Corporate Notes	364,500,000.00	361,274.52
Floating Rate Securities	361,000,000.00	131,231.09
	\$2,207,242,857	\$1,365,963.68
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	977,932,000	124,518.20
Corporate Notes	135,000,000	113,029.63
Floating Rate Securities	86,750,000	33,487.95
LAIF	50,000,000	7,671.23
Commercial Paper	175,000,000	28,791.67
Certificate of Deposit	25,000,000	4,410.96
U S Treasury Bills	39,000,000	656.25
Repurchase Agreements	313,250,000	1,218.19
	\$1,801,932,000	\$313,784.08
Total Accrued Interest	\$4,009,174,857	\$1,679,747.76
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$803,835.81
Federal Agencies		123,455.61
Corporate Notes		73,139.07
Floating Rate Securities		8,931.14
Commercial Paper		1,301.39
U S Treasury Bills		27.78
Repurchase Agreements		15,762.02
Total Realized Income		\$1,026,452.82
TOTAL DOLLAR EARNINGS		\$2,706,200.58

AVERAGE BALANCE		\$4,033,577,674.54
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.875%	\$2,706,200.58
ADMINISTRATION FEES		(\$355,838.91)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.760%	\$2,350,361.67

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
MARCH 2015**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$525,000,000	\$359,846.38
U S Treasury Notes-Floater	20,000,000	1,322.36
Federal Agencies	891,742,857	526,695.69
Corporate Notes	406,500,000	427,032.48
Floating Rate Securities	303,000,000	118,068.91
	\$2,146,242,857	\$1,432,965.82
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	946,022,000	129,639.96
Corporate Notes	135,000,000	106,975.56
Floating Rate Securities	138,750,000	45,296.91
LAIF	50,000,000	8,493.15
Commercial Paper	175,000,000	34,013.89
Certificate of Deposit	25,000,000	4,883.56
U S Treasury Bills	39,000,000	1,184.03
Repurchase Agreements	411,250,000	1,370.83
	\$1,920,022,000	\$331,857.89
Total Accrued Interest	\$4,066,264,857	\$1,764,823.71
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$1,280,429.37
Federal Agencies		184,465.43
Corporate Notes		44,851.24
Floating Rate Securities		32,671.47
Repurchase Agreements		21,303.05
Total Realized Income		\$1,563,720.56
TOTAL DOLLAR EARNINGS		\$3,328,544.27

AVERAGE BALANCE		\$4,017,469,619.19
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.976%	\$3,328,544.27
ADMINISTRATION FEES		(\$392,391.21)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.861%	\$2,936,153.06

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

Board of Directors Agenda Report

To: Sandy Wong, Executive Director
From: Tracy Kwok, Financial Services Manager
Date: May 5, 2015

SUBJECT: Quarterly Investment Report as of March 31, 2015

RECOMMENDATION:

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

ANALYSIS:

The attached investment report indicates that on March 31, 2015, funds in the amount of \$18,482,478 were invested producing a weighted average yield of 0.47%. Of the total investment portfolio, 64% of funds were invested in the Local Agency Investment Fund (LAIF) and 36% in the San Mateo County Investment Pool (COPOOL). These percentages are within the range specified by the CCAG Board. Accrued interest earnings for this quarter totaled \$21,249.

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

	Qtr Ended 3/31/15	Qtr Ended 12/31/14	Increase (Decrease)
Total Portfolio	\$ 18,482,478	\$ 18,463,523	\$ 18,955
Weighted Average Yield	0.47%	0.41%	0.06%
Accrued Interest Earnings	\$ 21,249	\$ 18,956	\$ 2,293

The portfolio balance at the end of this quarter and the weighted average yield in this quarter are slightly higher than the last quarter. The increase in portfolio balance is associated with the interest earned in the last quarter. Due to the timing of receipts and disbursements this quarter; no transfer of funds from the investment portfolio was needed. As a result, the accrued interest earnings are higher in this quarter.

In March 2015, the County Treasurer provided an update on the remaining Lehman litigation against Ernst & Young. A mediator's proposal of \$6.5 million was accepted by Ernst & Young. The County Treasurer will provide additional information along with distribution details as soon as she receives information on the portion of the proposed amount to be distributed to the San Mateo County pool.

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 March 31, 2015, 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 the CCAG 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 March 31, 2015

2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending March 31, 2015

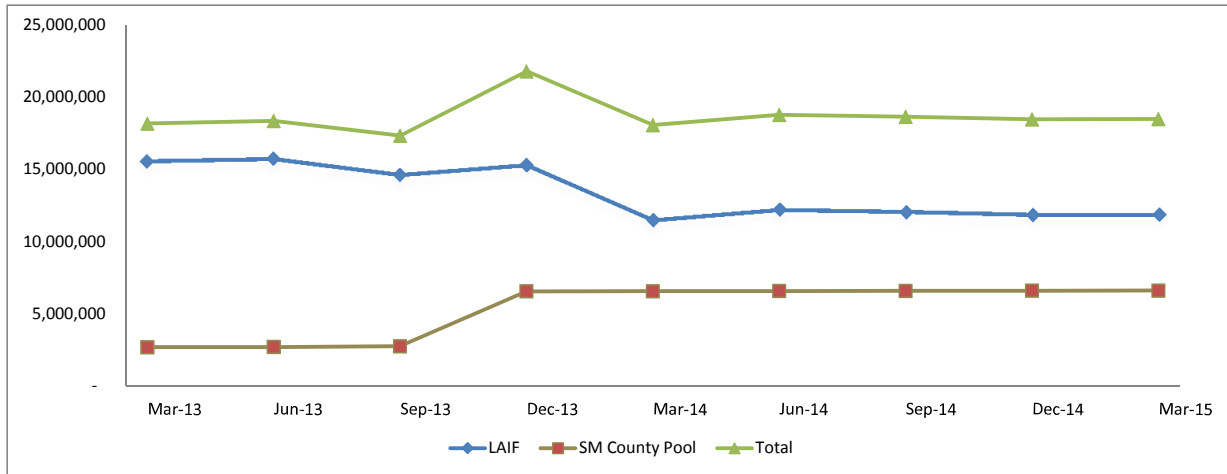
Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	0.26%	11,900,778	64%	11,905,345
San Mateo County Investment Pool (COPOOL)	0.84%	6,581,700	36%	6,581,700
Agency Securities				
<i>none</i>				
Total - Investments	0.47%	18,482,478	100%	18,487,045
GRAND TOTAL OF PORTFOLIO	0.47%	\$ 18,482,478	100%	\$ 18,487,045
Total Interest Earned This Quarter				21,249
Total Interest Earned (Loss) Fiscal Year-to-Date				57,882

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

LAIF - 50% to 70%

COPOOL - 30% to 50%

**City and County Association of Governments
Historical Summary of Investment Portfolio
March 31, 2015**



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

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
LAIF	15,532,855	15,693,902	14,603,467	15,263,408	11,523,029	12,230,010	12,086,243	11,893,287	11,900,778
SM County Pool	2,646,873	2,662,308	2,721,814	6,526,385	6,539,496	6,549,782	6,559,603	6,570,236	6,581,700
Total	18,179,727	18,356,210	17,325,281	21,789,793	18,062,525	18,779,792	18,645,846	18,463,523	18,482,478

* The spike in December 2013 relates to \$4.5 million received in November and December for Smart Corridor, NPDES, and Traffic Congestion Management programs while the major disbursements of \$3.5 million took place in January 2014.

C/CAG AGENDA REPORT

Date: May 20, 2015
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Recommend modifications to the C/CAG investment portfolio as needed.

(For further information or 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 associate 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 Oct 10, 2013:

“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 January, February, and March 2015 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
January	0.262%	0.880%
February	0.266%	0.760%
March	0.278%	0.861%

On November 13, 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 February 26, 2015 the Finance Committee reviewed the investment earnings and recommended no change to the investment portfolio. On March 12, 2015 the C/CAG Board approved the recommendation of the Finance Committee. As a result, current investment portfolio as of March 31, 2015 is as follows:

	12/31/2014		3/31/2015	
	Amount	Percent	Amount	Percent
LAIF	\$11,893,287	64%	\$11,900,778	64%
COPOOL	\$6,570,236	36%	\$6,581,700	36%
Total	\$18,463,523	100%	\$18,482,478	100%

ATTACHMENTS

None

C/CAG AGENDA REPORT

Date: May 20, 2015
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Review and discuss the C/CAG FY 2015/ 2016 Budget.

(For further information or questions contact Sandy Wong at 599-1409)

RECOMMENDATION

That the C/CAG Finance Committee review and discuss the C/CAG FY 2015/ 2016 Budget.

FISCAL IMPACT

None

SOURCE OF FUNDS

BACKGROUND

The draft C/CAG FY 2015/ 2016 budget was submitted to the C/CAG Board for review at the May 14, 2015 meeting. The final C/CAG FY 2015/ 2016 budget is scheduled to be adopted by the C/CAG Board at their June 11, 2015 meeting. The draft budget is available for review at the following website:

<http://ccag.ca.gov/wp-content/uploads/2015/05/ITEM-6.5-Draft-Budget.pdf>

ATTACHMENTS

none