

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: Thursday, August 27, 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 locations: City of Pacifica City Hall
170 Santa Maria Avenue
Pacifica, CA 94044

8492 Lahontan Drive, Truckee, CA 96161

- 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 April, May, June 2015. (Information)
- 5.0 Review the C/CAG Quarterly Investment Report as of June 30, 2015. (Information)
- 6.0 Recommend modifications to the C/CAG investment portfolio as needed. (Action)
- 7.0 Review and recommendation on using discount rates of 6% and 6.5% for the next OPEB actuarial valuation. (Action)
- 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.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
INFORMAL MEETING NOTES
May 20, 2015**

Committee Members Attending:

Jay Benton (Town of Hillsborough)
Bob Grassilli (City of San Carlos)

Guests or Staff Attending:

Sandy Wong, Jean Higaki - C/CAG Staff
Tracy Kwok - San Carlos Financial Services Manager
Art Kiesel (Foster City) – (call in location was not agendized)

1. Call to order

At 12:10 P.M. Finance Committee meeting was called to order. Actions were not taken because there was no quorum.

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

None

3. Approval of minutes of February 26, 2015 meeting. (Action)

No action was taken. The February 26, 2015 minutes will be presented at the August meeting for approval.

4. Receive copies of monthly investment statements for January, February, and March 2015. (Information)

No quorum

5. Review the C/CAG Quarterly Investment Report as of March 31, 2015. (Information)

No quorum

6. Recommend modifications to the C/CAG investment portfolio as needed. (No action was taken)

No quorum

7. Review and discuss the C/CAG FY 2015/ 2016 Budget. (No action was taken)

No quorum

8. Adjournment

The meeting adjourned at approximately 12:50 P.M.

C/CAG AGENDA REPORT

Date: August 27, 2015

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Receive copies of monthly investment statements for April, May, and June 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 April, May, and June 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 June 30, 2015.

ATTACHMENTS

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

April Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended June 30, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
April 2015	Beginning book balance (Checking)		650,673
	NPDES	San Mateo County	395,113
	Congestion Management	MTC	234,431
	All other Receipts (2)	various	521
	Transfer	LAIF	1,000,000
		Total April Cash Inflow	<u>1,630,065</u>
	Measure M	Cities of Redwood City & Pacifica, County of San Mateo, & Samtrans	(1,409,498)
	Smart Corridor	Mokhtari Parviz, City of Redwood City, Kimley-Horn	(57,331)
	Congestion Relief & Management	Redwood city, Unnasch Stefan	(47,244)
	Energy Watch	San Mateo County, Redwood City, DNV GL Services, Pixel Gym	(41,290)
	NPDES	City of Redwood City, CASQA, Shaw/Yoder/Antwih Inc	(16,311)
	All other payments (15)	various	(12,969)
		Total April Cash Outflow	<u>(1,584,643)</u>
		Net Cash Inflow/(Outflow)	<u>45,422</u>
	Ending book balance (Checking)		<u>696,095</u>

April LAIF Account

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 May 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

April 2015 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
4/15/2015	4/14/2015	QRD	1464017	SYSTEM	7,679.14
4/20/2015	4/17/2015	RW	1466072	TRACY KWOK	-1,000,000.00

Account Summary

Total Deposit:	7,679.14	Beginning Balance:	11,900,777.71
Total Withdrawal:	-1,000,000.00	Ending Balance:	10,908,456.85

April County Pool Account

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: April 30, 2015

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	03/31/15	---	---	\$6,581,700.80
3RD QTR INVESTMENT POOL INT 1	04/01/15	---	\$13,569.67	\$6,595,270.47
ENDING BALANCE	04/30/15	---	---	\$6,595,270.47
<hr/>				
Total Transactions	1			
Total Debits	\$0.00			
Total Credits	\$13,569.67			

May Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended June 30, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
May 2015	Beginning book balance (Checking)		696,095
	Measure M	DMV, CalTrans	1,054,618
	NPDES	San Mateo County	111,676
	Congestion Management	MTC	35,000
	All other Receipts (8)	various	847
		Total February Cash Inflow	1,202,141
	Measure M	EOA Inc, Cities of Pacifica, Foster City, San Mateo, Woodside, Redwood City, SM County, ABAG, Samtrans	(536,375)
	Congestion Relief & Mgmt	MTC, Cities of Redwood City, San Bruno, Menlo Park, Advance Project, San Mateo County, Peninsula Traffic	(496,538)
	AB1546	Foster City, Redwood City	(133,487)
	Bay Area Air Quality	Peninsula Traffic Congestion Relief, San Mateo County, Redwood City	(126,412)
	Energy Watch	San Mateo County, Redwood City, Local Government Com, DNV GL Services	(57,858)
	Smart Corridor	Cities of Millbrae, Redwood City, Mokhtari Parviz, Kimley-Horn	(41,259)
	All other payments (15)	various	(34,566)
		Total May Cash Outflow	(1,426,495)
		Net Cash Inflow/(Outflow)	(224,354)
	Ending book balance (Checking)		471,741

May LAIF Account

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

www.treasurer.ca.gov/pmia-laif/laif.asp
June 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

May 2015 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,908,456.85
Total Withdrawal:	0.00	Ending Balance:	10,908,456.85

May County Pool Account

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: May 31, 2015

Account #03412

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	04/30/15	---	---	\$6,595,270.47
LEHMAN STLMT-STLMT W/ ERNST&YOUNG	1 05/14/15	---	\$5,852.63	\$6,601,123.10
ENDING BALANCE	05/31/15	---	---	\$6,601,123.10
<hr/>				
Total Transactions	1			
Total Debits	\$0.00			
Total Credits	\$5,852.63			

June Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended June 30, 2015

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
June 2015	Beginning book balance (Checking)		471,741
	Congestion Relief & Management	CA Energy Commission, MTC	204,342
	Energy Watch	PG&E	39,634
	Measure M	DMV	673,392
	NPDES	San Mateo County	30,936
	All other Receipts (2)	various	1,093
	Transfer	LAIF	1,000,000
		Total June Cash Inflow	<u>1,949,397</u>
	Measure M	Cities of San Mateo, San Bruno, Millbrae & Menlo Park, Samtrans	(915,404)
	Congestion Relief & Management	San Mateo County, MTC, Unnasch Stefan, Alameda County, Solano Transportation	(218,964)
	NPDES	Redwood City, Shaw/Yoder/Antwih Inc	(216,563)
	Bay Area Air Quality	SamTrans, San Mateo County, Redwood City	(76,825)
	Smart Corridor	Kimley Horn, Redwood City	(62,912)
	Energy Watch	San Mateo County	(30,685)
	All other payments (26)	various	(112,207)
		Total June Cash Outflow	<u>(1,633,560)</u>
		Net Cash Inflow/(Outflow)	<u>315,837</u>
	Ending book balance (Checking)		<u>787,578</u>

* For cash flow purposes, the June cash outflow includes checks issued on 5/29 but were not sent out until June 1st.

June LAIF Account

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 July 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

June 2015 Statement

Effective Date	Transaction Date	Tran Type	Tran Confirm Number	Authorized Caller	Amount
6/2/2015	6/1/2015	RW	1468993	TRACY KWOK	-800,000.00
6/18/2015	6/18/2015	RW	1470094	TRACY KWOK	-200,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	10,908,456.85
Total Withdrawal:	-1,000,000.00	Ending Balance:	9,908,456.85

June County Pool Account

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: June 30, 2015

Account #03412
PRELIMINARY

Activity	Date	Debit	Credit	Balance
BEGINNING BALANCE	05/31/15	---	---	\$6,601,123.10
ENDING BALANCE	06/30/15	---	---	\$6,601,123.10
4TH QUARTER INTEREST	07/01/15	---		
Total Transactions	0			
Total Debits	\$0.00			
Total Credits	\$0.00			



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
07/23/15	0.32	0.32	234
07/24/15	0.32	0.32	236
07/25/15	0.32	0.32	236
07/26/15	0.32	0.32	236
07/27/15	0.33	0.32	240
07/28/15	0.33	0.32	239
07/29/15	0.33	0.32	239
07/30/15	0.33	0.32	237
07/31/15	0.33	0.32	240
08/01/15	0.33	0.32	240
08/02/15	0.33	0.32	240
08/03/15	0.33	0.32	240
08/04/15	0.33	0.32	239
08/05/15	0.33	0.32	238

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

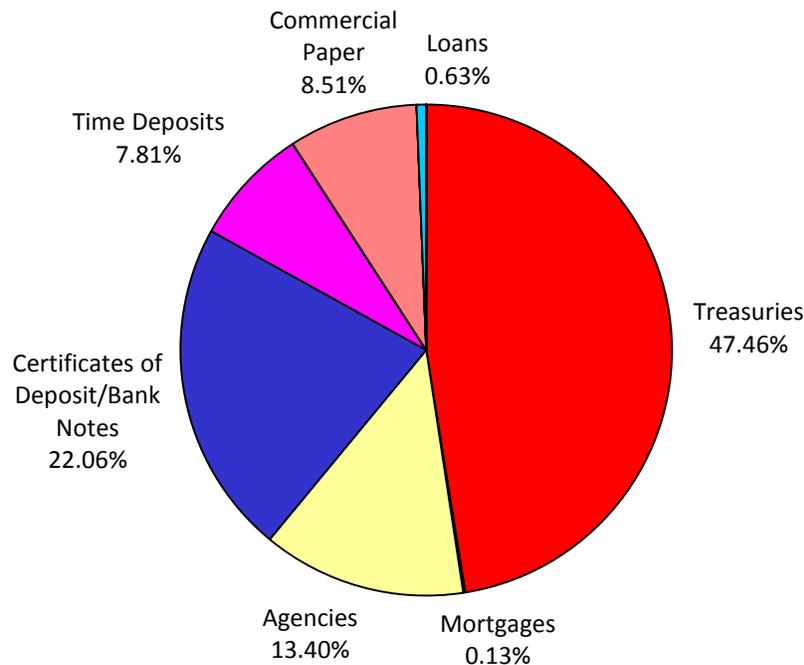
Quarter Ending 06/30/15

Apportionment Rate: 0.28%
 Earnings Ratio: 0.00000776875573384
 Fair Value Factor: 1.000375979
 Daily: 0.31%
 Quarter to Date: 0.29%
 Average Life: 239

PMIA Average Monthly Effective Yields

JUL 2015 0.320%
 JUN 2015 0.299%
 MAY 2015 0.290%

**Pooled Money Investment Account
Portfolio Composition
\$69.6 billion
6/30/15**





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	0.290	0.299	0.320					

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$625,000,000	\$327,195.01
U S Treasury Notes-Floater	\$20,000,000	\$204.47
Federal Agencies	932,392,857.00	556,604.55
Corporate Notes	414,500,000.00	407,327.05
Floating Rate Securities	303,000,000.00	104,261.58
	\$2,294,892,857	\$1,395,592.66
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	1,187,622,000	175,721.53
Corporate Notes	167,000,000	115,650.17
Floating Rate Securities	138,750,000	54,129.92
LAIF	50,000,000	8,219.18
Commercial Paper	200,000,000	31,062.50
Certificate of Deposit	25,000,000	4,726.03
U S Treasury Bills	14,000,000	729.17
Repurchase Agreements	275,250,000	764.58
	\$2,057,622,000	\$391,003.08
Total Accrued Interest	\$4,352,514,857	\$1,786,595.74
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$298,243.83
Federal Agencies		117,124.45
Corporate Notes		63,900.72
Floating Rate Securities		33,913.23
LAIF		7,411.16
Repurchase Agreements		31,290.76
Total Realized Income		\$551,884.15
TOTAL DOLLAR EARNINGS		\$2,338,479.89

AVERAGE BALANCE		\$4,374,412,821.76
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.650%	\$2,338,479.89
ADMINISTRATION FEES		(\$413,471.90)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.535%	\$1,925,007.99

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$775,000,000	\$669,399.30
U S Treasury Notes-Floater	\$20,000,000	\$1,220.97
Federal Agencies	986,050,000.00	629,632.44
Corporate Notes	379,595,000.00	434,618.69
Floating Rate Securities	283,000,000.00	117,683.49
	\$2,443,645,000	\$1,852,554.89
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	981,002,000	166,897.38
Corporate Notes	215,500,000	144,921.84
Floating Rate Securities	158,750,000	72,718.58
LAIF	50,000,000	8,493.15
Commercial Paper	190,050,000	37,224.43
Certificate of Deposit	25,000,000	4,883.56
U S Treasury Bills	14,000,000	753.47
Repurchase Agreements	182,000,000	1,516.67
	\$1,816,302,000	\$437,409.08
Total Accrued Interest	\$4,259,947,000	\$2,289,963.97
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$457,396.20
Federal Agencies		120,195.70
Corporate Notes		44,348.17
Floating Rate Securities		8,808.80
Commercial Paper		1,750.00
Repurchase Agreements		14,349.47
Total Realized Income		\$646,848.34
TOTAL DOLLAR EARNINGS		\$2,936,812.31

AVERAGE BALANCE		\$4,324,132,128.06
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.800%	\$2,936,812.31
ADMINISTRATION FEES		(\$422,343.32)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.685%	\$2,514,468.99

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	\$725,000,000	\$660,987.85
U S Treasury Notes-Floater	\$20,000,000	\$1,094.88
Federal Agencies	963,550,000.00	632,449.97
Corporate Notes	379,595,000.00	402,817.02
Floating Rate Securities	293,000,000.00	115,713.53
	\$2,381,145,000	\$1,813,063.25
<u>Short Term Securities Maturing < 1 year</u>		
Federal Agencies	953,702,000	148,640.50
Corporate Notes	205,500,000	123,588.28
Floating Rate Securities	153,750,000	46,874.41
LAIF	50,000,000	8,219.18
Commercial Paper	143,350,000	25,040.58
Certificate of Deposit	50,000,000	3,962.33
U S Treasury Bills	14,000,000	729.17
Repurchase Agreements	313,000,000	1,043.33
	\$1,883,302,000	\$358,097.78
Total Accrued Interest	\$4,264,447,000	\$2,171,161.03
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$920,760.11
Federal Agencies		142,533.29
Corporate Notes		62,453.76
Floating Rate Securities		32,188.87
Commercial Paper		7,527.76
Certificate of Deposit		711.10
Repurchase Agreements		15,108.11
Total Realized Income		\$1,181,283.00
TOTAL DOLLAR EARNINGS		\$3,352,444.03

AVERAGE BALANCE		\$4,295,154,455.07
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.950%	\$3,352,444.03
ADMINISTRATION FEES		(\$405,980.35)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.835%	\$2,946,463.68

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: August 7, 2015

SUBJECT: Quarterly Investment Report as of June 30, 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 June 30, 2015, funds in the amount of \$16,509,580 were invested producing a weighted average yield of 0.44%. Of the total investment portfolio, 60% of funds were invested in the Local Agency Investment Fund (LAIF) and 40% 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 \$18,910.

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

	Qtr Ended 6/30/15	Qtr Ended 3/31/15	Increase (Decrease)
Total Portfolio	\$ 16,509,580	\$ 18,482,478	\$ (1,972,898)
Weighted Average Yield	0.44%	0.47%	-0.03%
Accrued Interest Earnings	\$ 18,910	\$ 21,249	\$ (2,339)
Lehman Recovery Payment	\$ 5,853	\$ -	\$ 5,853

The portfolio balance at the end of this quarter and the weighted average yield in this quarter are lower than the previous quarter; and as a result, the accrued interest earnings are less. The \$2 million decrease in portfolio balance is associated with the disbursements to member agencies for the Measure M program.

In March 2015, the County Treasurer provided an update on the remaining Lehman litigation against Ernst & Young. In May 2015, CCAG received \$5,853 from the County Treasurer for its share of the settlement. Of the total Lehman investment loss of \$222,171 in 2009, \$101,835 or 45.8% has been recovered. Based on the information from the County Treasurer's Office, there are no further settlements pending.

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 June 30, 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 June 30, 2015

2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2015

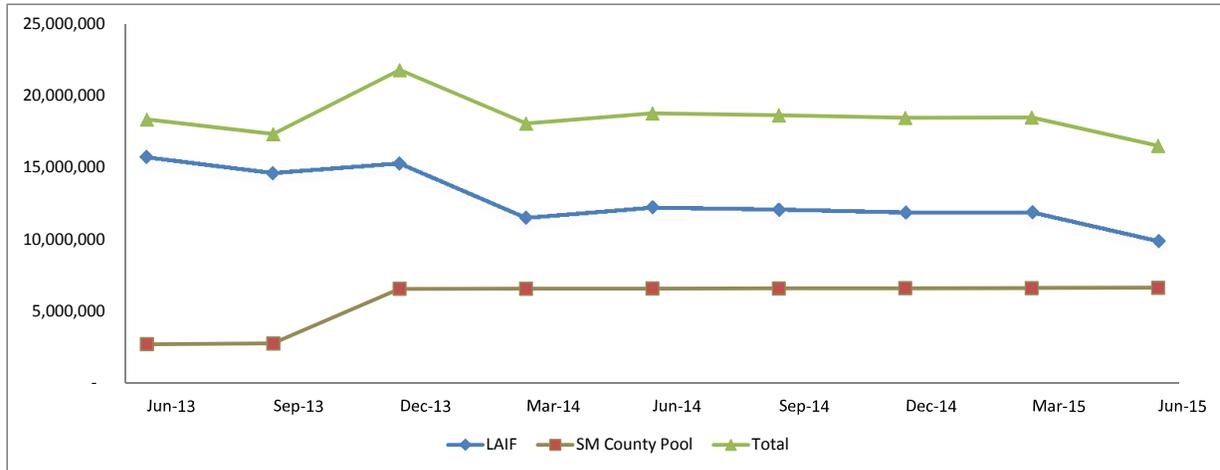
Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	0.28%	9,908,457	60%	9,912,182
San Mateo County Investment Pool (COPOOL)	0.68%	6,601,123	40%	6,600,463
Agency Securities				
<i>none</i>				
Total - Investments	0.44%	16,509,580	100%	16,512,645
GRAND TOTAL OF PORTFOLIO	0.44%	\$ 16,509,580	100%	\$ 16,512,645
Total Interest Earned This Quarter				18,910
Total Interest Earned (Loss) Fiscal Year-to-Date				76,792

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 June 30, 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

	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15
LAIF	15,693,902	14,603,467	15,263,408	11,523,029	12,230,010	12,086,243	11,893,287	11,900,778	9,908,457
SM County Pool	2,662,308	2,721,814	6,526,385	6,539,496	6,549,782	6,559,603	6,570,236	6,581,700	6,601,123
Total	18,356,210	17,325,281	21,789,793	18,062,525	18,779,792	18,645,846	18,463,523	18,482,478	16,509,580

* 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: August 27, 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 January 8, 2015:

“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 April, May, and June 2015 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
April	0.283%	0.535%
May	0.290%	0.685%
June	0.299%	0.835%

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 May 20, 2015 the Finance Committee reviewed the investment earnings but did not make a recommendation as a quorum was not met. No change was made to the investment portfolio.

The current investment portfolio as of June 30, 2015 is as follows:

	3/31/2015		6/30/2015	
	Amount	Percent	Amount	Percent
LAIF	\$11,900,778	64%	\$9,908,457	60%
COPOOL	\$6,581,700	36%	\$6,601,123	40%
Total	\$18,482,478	100%	\$16,509,580	100%

ATTACHMENTS

None

C/CAG AGENDA REPORT

Date: August 27, 2015
TO: C/CAG Finance Committee
From: Sandy Wong, Executive Director - C/CAG
Subject: Review and recommendation on using discount rates of 6% and 6.5% for the next OPEB actuarial valuation

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

RECOMMENDATION:

Review and provide recommendation on using discount rates of 6% and 6.5% for the next OPEB actuarial valuation.

FISCAL IMPACT:

The cost to prepare OPEB actuarial valuation is estimated at between \$5,600 and \$6,600.

REVENUE SOURCES:

Funding for OPEB actuarial valuation will come from C/CAG general fund.

BACKGROUND/DISCUSSION:

In 2012, C/CAG retained Bickmore & Associates to prepare the "Actuarial Valuation of Other Post-Employment Benefits (OPEB) Program" report. That Actuarial Report provided actuarial liability results for C/CAG as of the July 1, 2012 for other post-employment benefits (OPEB), and used the assumed discount rates of 6.50% and 7.50%.

As required by Statement No. 45 of the Governmental Accounting Standards Board (GASB 45), a new actuarial valuation report is required for July 1, 2015.

On June 11, 2015, the C/CAG Board adopted resolution 15-33 authorizing the election to prefund Other Post Employment Benefits through the California Employers' Retiree Benefit Trust (CERBT) of CalPERS.

On June 11, 2015, the C/CAG Board also approved a funding policy in the amount of \$30,000 to cover the annual required contribution as initial investment into the CalPERS CERBT Trust program, and selected Asset Allocation Strategy 2 as the asset allocation strategy.

Recently, CalPERS CERBT has lowered its discount rate from 7.00% to 6.73% for Strategy II. CERBT provides three (3) investment strategy selections. However, we must select an investment strategy that is at a discount rate equal to or higher than the assumed rate used in the Actuarial Valuation Report.

ATTACHMENT

1. None