

C/CAG

City/County Association of Governments of San Mateo County

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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, February 22, 2017

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 Two
Redwood City, 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 Approval of minutes of August 24, 2016 meeting. (Action)
- 4.0 Approval of minutes of November 16, 2016 meeting. (Action)
- 5.0 Receive copies of monthly investment statements for October, November, and December 2016.
(Information)
- 5.0 Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
- 6.0 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
August 24, 2016**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Alica Aguirre (City of Redwood City)
Bob Grassilli (City of San Carlos)

Guests or Staff Attending:

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

1. Call to order

At 12:07 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 May 25, 2016 meeting. (Action)

Member Aguirre moved and member Derwin seconded approval of the minutes. Motioned passed unanimously.

4. Receive copies of monthly investment statements for April, May, and June 2016. (Information)

Finance committee members reviewed the investment statements and cash flow reports. Member Grassilli asked about the DNVGL expenditures. Clarification was provided that it is for the energy watch consultant services and also that C/CAG receives reimbursement from PG&E for providing these services.

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

The current ratio of investment is 40% in County Pool and 60% in LAIF. The Finance Committee asked for more information. Member Grassilli request that staff collect information from PFM regarding fees and minimum investment portfolios.

Member Aguirre moved and member Derwin recommended no change to the investment

portfolio and also to research the fees and minimum investment portfolio requirements associated with PFM. Motion passed unanimously.

6. Review and Review and Recommend Approval of the C/CAG Investment Policy Update. (Action)

Carrie Tam walked the committee through the changes made on the draft investment policy for FY 16/17. Most changes are updates to keep consistent with changes to the municipal codes.

Member Aguirre moved and member Derwin recommended approval of the C/CAG investment policy for FY 2016/17, as amended. Motion passed unanimously.

7. Adjournment

The meeting adjourned at approximately 12:25 P.M.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
November 16, 2016**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Alica Aguirre (City of Redwood City)
Bob Grassilli (City of San Carlos)
Ann Wengert (Town of Portola Valley)

Guests or Staff Attending:

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

1. Call to order

At 12:14 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 24, 2016 meeting. (Action)

Minutes were accidentally omitted in the printed packet. Action was not taken. The August 24, 2016 minutes and the November 16, 2016 minutes will be presented at the February 22, 2017 meeting for approval.

4. Receive copies of monthly investment statements for July, August, and September 2016. (Information)

Finance committee members reviewed the investment statements and cash flow reports. The balance is very high at \$23.4 million. There were questions about what amount of funding is committed and what amount is available to spend. It was requested that staff be able to periodically (every six months) report on how much of the balance is committed and how much is available for expenditures. It was also a requested to include the C/CAG reserve amount in that report. Member Wengert asked about the LAIF “system charge.” Carrie Tam explained that the system charge is negative and is a quarterly interest.

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

At the August 24, 2016 meeting, member Grassilli requested that staff collect information from PFM regarding fees and minimum investment portfolios. Sandy Wong reported her findings. PFM charges a minimum of \$25,000 fee plus a \$5,000 custodian fee regardless of the investment balance. At this time the annual fees would outweigh the benefits of using an independent investment portfolio manager.

Member Benton asked why the yield appeared flat given the increase in LAIF rate of returns. It was thought that this could be attributed to the weighted average yield and cash flow fluctuations. Member Wengert asked if there was a perceivable difference in the risk profile between LAIF and the County Pool. The anticipated level of the balance over the next few years, and the expected short, medium, and long term expenditure needs may influence if the target percentage in the County Pool should increase.

Member Grassilli clarified that increasing the County Pool target in pursuit of the higher rate of return would result in a relatively small net gain. Member Benton added that moving the Pool target too close to the 50% range would incur a higher risk of non-compliance with C/CAG Board adopted policy.

Member Benton moved and member Derwin seconded a recommendation of “no change” to the investment portfolio. Motion passed unanimously.

6. Develop the 2017 Finance Committee meeting Calendar. (Action)

Jean Higaki presented the 2017 Legislative Committee Calendar.

Member Derwin moved and member Wengert seconded approval of the 2017 C/CAG Finance Committee Calendar. Motion passed unanimously.

7. Adjournment

The meeting adjourned at approximately 12:40 P.M.

C/CAG AGENDA REPORT

Date: February 22, 2017
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for October, November, and December 2016.

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

RECOMMENDATION

That the C/CAG Finance Committee receives copies of monthly investment statements for October, November, and December 2016.

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 December 31, 2016.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for October, November, and December 2016
2. LAIF Performance Report Quarter Ending December 31, 2016
3. County Summary of Pool Earnings for October, November, and December 2016

October Cash Flow

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
October 2016	Beginning book balance (Checking)		567,485
	Measure M	DMV	1,279,922
	Smart Corridor	Caltrans	215,115
	All other Receipts (3)	various	445
		Total October Cash Inflow	1,495,482
	Smart Corridor	Kimley-Horn, Redwood City, and County of San Mateo	(12,782)
	Congestion Relief & Management	CDM Smith, Unnasch Stefan, and Redwood City	(27,489)
	NPDES	S Groner Assoc., Shaw/Yoder/Antwih, Engineering Data, Larry Walker Assoc., and Redwood City	(93,185)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(31,058)
	Measure M	Redwood City, Iteris Inc., Larry Walker Assoc., and Parisi Transportation	(37,498)
	All other payments (18)	various	(32,083)
		Total October Cash Outflow	(234,095)
		Net Cash Inflow/(Outflow)	1,261,387
	Ending book balance (Checking)		1,828,872

October LAIF Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 November 04, 2016

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

October 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/14/2016	10/13/2016	QRD	1517855	SYSTEM	19,006.42

Account Summary

Total Deposit:	19,006.42	Beginning Balance:	13,817,523.57
Total Withdrawal:	0.00	Ending Balance:	13,836,529.99

October County Pool Statement

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

Total Transactions	1
Total Debits	\$0.00
Total Credits	\$18,520.30

Account No	03412
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Statement Period Ending 31-Oct-16

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		09/30/16	---	---	\$9,672,516.23
INTEREST ALLOCATION-1ST Q	1	10/01/16	---	18,520.30	\$9,691,036.53
ENDING BALANCE		10/31/16	---	---	\$9,691,036.53

November Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended December 31, 2016

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
November	Beginning book balance (Checking)		1,828,872
2016	Measure M	DMV	572,518
	Congestion Relief & Management	City of Daly City	281,503
	Energy Watch	PG&E	81,746
	Member Contributions	City of Daly City	38,728
	All other Receipts (3)	various	601
		Total November Cash Inflow	<u>975,095</u>
	Measure M	EOA, Redwood City, and County of San Mateo	(131,655)
	Congestion Relief & Mgmt	William R. Gray, Redwood City, County of San Mateo, Shaw/Yoder/Antwih, and CDM Smith Inc.	(140,222)
	NPDES	S Groner Assoc., EOA, and Redwood City	(159,439)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(46,353)
	All other payments (27)	various	(37,998)
	Transfer	LAIF	(1,000,000)
		Total November Cash Outflow	<u>(1,515,667)</u>
		Net Cash Inflow/(Outflow)	<u>(540,571)</u>
	Ending book balance (Checking)		<u>1,288,301</u>

November LAIF Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 December 01, 2016

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

November 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/22/2016	11/21/2016	RD	1521034	CARRIE TAM	500,000.00
11/30/2016	11/30/2016	RD	1521513	CARRIE TAM	500,000.00

Account Summary

Total Deposit:	1,000,000.00	Beginning Balance:	13,836,529.99
Total Withdrawal:	0.00	Ending Balance:	14,836,529.99

November County Pool Statement

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

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

Account No	03412
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Statement Period Ending 30-Nov-16

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		10/31/16	---	---	\$9,691,036.53
ENDING BALANCE		11/30/16	---	---	\$9,691,036.53

December Cash Flow

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
December	Beginning book balance (Checking)		1,288,301
2016	Bay Area Air Quality	Bay Area Air Quality Management District	531,825
	NPDES	San Mateo County	735,167
	All other Receipts (3)	various	385
	Transfer	San Mateo County Pool	350,000
	Transfer	LAIF	1,000,000
		Total December Cash Inflow	2,617,377
	Congestion Relief & Management	CDM Smith and County of San Mateo	(139,526)
	NPDES	S Groner Assoc., Shaw/Yoder/Antwih, and City of Brisbane	(85,047)
	Bay Area Air Quality	Commute.org and San Mateo County	(110,263)
	Smart Corridor	Kimley-Horn and Iteris	(53,789)
	Energy Watch	DNV GL Services and County of San Mateo	(47,416)
	AB1546	Cities of Brisbane, San Bruno, and Burlingame	(193,318)
	Measure M	Cities of Brisbane, Belmont, Pacifica, Foster City, Half Moon Bay, South San Francisco, Millbrae, San Bruno, and Burlingame	(856,339)
	Measure M	Towns of Hillsborough and Woodside, County of San Mateo, County School Services, and Parisi Transportation	(409,023)
	All other payments (16)	various	(13,587)
	Transfer	San Mateo County Pool	(250,000)
	Transfer	LAIF	(350,000)
		Total December Cash Outflow	(2,508,308)
		Net Cash Inflow/(Outflow)	109,070
	Ending book balance (Checking)		1,397,370

December LAIF Statement

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

www.treasurer.ca.gov/pmia-laif/laif.asp
 January 17, 2017

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

December 2016 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/14/2016	12/14/2016	RW	1522422	CARRIE TAM	-500,000.00
12/22/2016	12/21/2016	RW	1523056	CARRIE TAM	-500,000.00
12/28/2016	12/27/2016	RD	1523341	CARRIE TAM	350,000.00

Account Summary

Total Deposit:	350,000.00	Beginning Balance:	14,836,529.99
Total Withdrawal:	-1,000,000.00	Ending Balance:	14,186,529.99

December County Pool Statement

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

Total Transactions	2
Total Debits	\$350,000.00
Total Credits	\$250,000.00

Account No	03412
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Statement Period Ending 31-Dec-16

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		11/30/16	---	---	\$9,691,036.53
WIRE IN	1	12/01/16	---	250,000.00	\$9,941,036.53
WIRE OUT	1	12/22/16	350,000.00	---	\$9,591,036.53
ENDING BALANCE		12/31/16	---	---	\$9,591,036.53



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
12/31/16	0.74	0.68	171
01/01/17	0.74	0.74	171
01/02/17	0.74	0.74	171
01/03/17	0.74	0.74	181
01/04/17	0.74	0.74	184
01/05/17	0.75	0.74	186
01/06/17	0.75	0.74	186
01/07/17	0.75	0.74	186
01/08/17	0.75	0.74	186
01/09/17	0.75	0.74	185
01/10/17	0.75	0.74	185
01/11/17	0.75	0.74	187
01/12/17	0.75	0.74	186
01/13/17	0.75	0.75	186
01/14/17	0.75	0.75	186
01/15/17	0.75	0.75	186
01/16/17	0.75	0.75	186
01/17/17	0.75	0.75	182
01/18/17	0.75	0.75	181
01/19/17	0.76	0.75	183
01/20/17	0.76	0.75	183
01/21/17	0.76	0.75	183
01/22/17	0.76	0.75	183
01/23/17	0.76	0.75	180
01/24/17	0.76	0.75	181
01/25/17	0.76	0.75	180
01/26/17	0.76	0.75	179
01/27/17	0.76	0.75	184
01/28/17	0.76	0.75	184
01/29/17	0.76	0.75	184
01/30/17	0.76	0.75	181

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

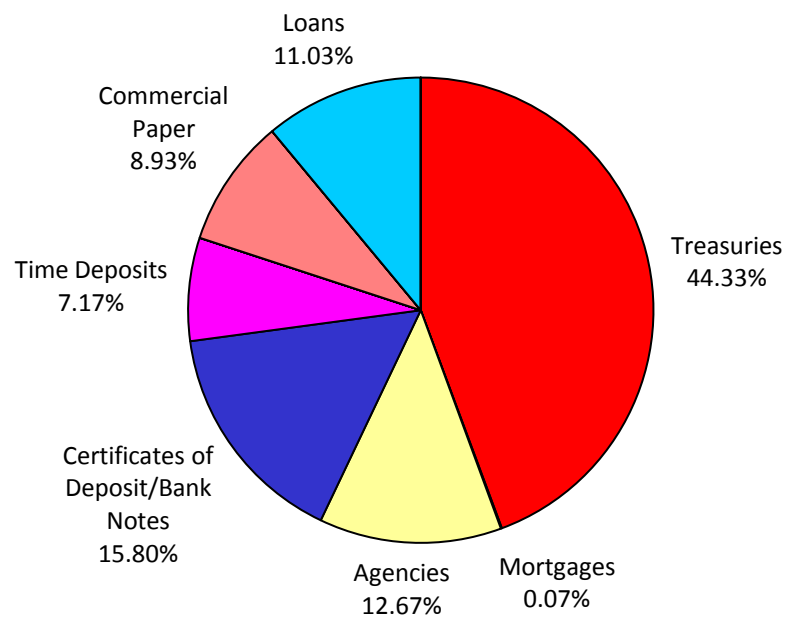
Quarter Ending 12/31/16

Apportionment Rate: 0.68%
 Earnings Ratio: 0.00001851848158529
 Fair Value Factor: 0.999423823
 Daily: 0.74%
 Quarter to Date: 0.68%
 Average Life: 171

PMIA Average Monthly Effective Yields

Dec 2016 0.719%
 Nov 2016 0.678%
 Oct 2016 0.654%

**Pooled Money Investment Account
Portfolio Composition
12/31/16
\$73.7 billion**



Based on data available as of 2/1/2017

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
OCTOBER 2016**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	475,000,000	\$321,599.84
Federal Agencies	836,305,000	651,681.86
Corporate Notes	350,000,000	412,610.96
Floating Rate Securities	136,200,000	97,949.62
	1,797,505,000	\$1,483,842.28
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	42,580.68
Federal Agencies	884,631,000	443,464.24
Corporate Notes	159,595,000	130,499.56
Floating Rate Securities	228,200,000	164,026.79
LAIF	65,000,000	35,883.56
Commercial Paper	522,000,000	371,323.61
Certificate of Deposit	20,000,000	3,616.44
U S Treasury Bills	43,500,000	12,141.67
Repurchase Agreements	349,500,000	3,106.67
	2,322,426,000	\$1,206,643.22
Total Accrued Interest	4,119,931,000	\$2,690,485.50
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$49,091.44
Federal Agencies		139,837.39
Corporate Notes		43,628.93
Floating Rate Securities		97,018.68
LAIF		16,870.67
Commercial Paper		74,619.72
Repurchase Agreements		86,755.63
Total Realized Income		\$507,822.46
TOTAL DOLLAR EARNINGS		\$3,198,307.96

AVERAGE BALANCE		\$4,185,352,021.43
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	0.900%	\$3,198,307.96
ADMINISTRATION FEES		(\$373,241.67)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.795%	\$2,825,066.29

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
NOVEMBER 2016**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	450,000,000	\$345,737.52
Federal Agencies	833,805,000	670,681.35
Corporate Notes	325,000,000	366,590.02
Floating Rate Securities	121,200,000	111,481.47
	1,730,005,000	\$1,494,490.36
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	33,588.74
Federal Agencies	1,019,855,000	425,357.85
Corporate Notes	179,595,000	139,487.65
Floating Rate Securities	229,200,000	171,244.49
LAIF	65,000,000	34,726.03
Commercial Paper	777,000,000	490,019.46
Certificate of Deposit	45,000,000	28,407.53
U S Treasury Bills	218,500,000	52,045.14
Repurchase Agreements	342,500,000	2,378.47
	2,926,650,000	\$1,377,255.36
Total Accrued Interest	4,656,655,000	\$2,871,745.72
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$911,129.12
Federal Agencies		127,551.34
Corporate Notes		54,254.03
Floating Rate Securities		50,120.03
Commercial Paper		27,513.89
Certificate of Deposit		
Repurchase Agreements		70,474.10
Total Realized Income		\$1,241,042.51
TOTAL DOLLAR EARNINGS		\$4,112,788.23

AVERAGE BALANCE		4,429,680,960.33
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.130%	\$4,112,788.23
ADMINISTRATION FEES		(\$382,287.53)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.025%	\$3,730,500.70

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
DECEMBER 2016**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	500,000,000	\$508,678.45
Federal Agencies	748,805,000	556,295.70
Corporate Notes	345,000,000	421,067.04
Floating Rate Securities	146,200,000	147,151.93
	1,740,005,000	\$1,633,193.12
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	21,865.90
Federal Agencies	1,208,444,000	607,764.38
Corporate Notes	214,595,000	178,982.42
Floating Rate Securities	239,200,000	193,431.17
LAIF	65,000,000	35,883.56
Certificate of Deposit	45,000,000	40,023.97
Commercial Paper	916,750,000	627,940.85
U S Treasury Bills	218,500,000	89,749.30
Repurchase Agreements	333,250,000	12,496.88
	3,290,739,000	\$1,808,138.43
Total Accrued Interest	5,030,744,000	\$3,441,331.55
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$630,819.11
Federal Agencies		208,436.12
Corporate Notes		31.77
Floating Rate Securities		69,463.84
Commercial Paper		14,136.17
U S Treasury Bills		10,138.89
Repurchase Agreements		91,288.76
Total Realized Income		\$1,024,314.66
TOTAL DOLLAR EARNINGS		\$4,465,646.21

AVERAGE BALANCE		\$5,045,828,822.31
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.042%	\$4,465,646.21
ADMINISTRATION FEES		(\$449,977.34)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.937%	\$4,015,668.87

C/CAG AGENDA REPORT

Date: February 22, 2017
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Review of the quarterly investment report and 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 associated 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 September 8, 2016:

“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 July, August, and September 2016 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
October	0.654%	0.795%
November	0.678%	1.025%
December	0.719%	0.937%

On November 14, 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%

At the November 20, 2015 CCAG Finance Committee meeting, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest.

On November 16, 2016 the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio at this time. On December 8, 2016 the C/CAG Board approved of no change to the investment portfolio.

The investment portfolio as of December 31, 2016 is as follows:

	9/30/2016		12/31/2016	
	Amount	Percent	Amount	Percent
LAIF	\$13,817,524	59%	\$14,186,530	60%
COPOOL	\$9,672,516	41%	\$9,591,037	40%
Total	\$23,490,040	100%	\$23,777,567	100%

ATTACHMENTS

1. Quarterly Investment Report as of December 31, 2016 from San Carlos

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

Board of Directors Agenda Report

To: Sandy Wong, Executive Director
From: Carrie Tam, Financial Services Manager
Date: February 22, 2017

SUBJECT: Quarterly Investment Report as of December 31, 2016

RECOMMENDATION:

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

ANALYSIS:

The attached investment report indicates that on December 31, 2016, funds in the amount of \$23,777,567 were invested producing a weighted average yield of 0.78%. Of the total investment portfolio, 59.7% of funds were invested in the Local Agency Investment Fund (LAIF) and 40.3% 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 \$46,600. At the CCAG Finance Committee meeting in November 2015, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest. The portfolio mix reflects the recommended percentage invested in the County Investment Pool.

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

	Qtr Ended 12/31/16	Qtr Ended 9/30/16	Increase (Decrease)
Total Portfolio	\$ 23,777,567	\$ 23,490,040	\$ 287,527
Weighted Average Yield	0.78%	0.69%	0.09%
Accrued Interest Earnings	\$ 46,600	\$ 37,527	\$ 9,073

The higher portfolio balance combining with a slightly higher weighted average yield resulted in higher interest earnings for this quarter.

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 December 31, 2016, 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 December 31, 2016
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending December 31, 2016

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
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Liquid Investments:

Local Agency Investment Fund (LAIF)	0.68%	14,186,530	59.7%	14,178,356
San Mateo County Investment Pool (COPOOL)	0.92%	9,591,037	40.3%	9,591,037

Agency Securities

none

Total - Investments	0.78%	23,777,567	100%	23,769,393
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GRAND TOTAL OF PORTFOLIO	0.78%	\$ 23,777,567	100%	\$ 23,769,393
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Total Interest Earned This Quarter	46,600
Total Interest Earned (Loss) Fiscal Year-to-Date	84,127

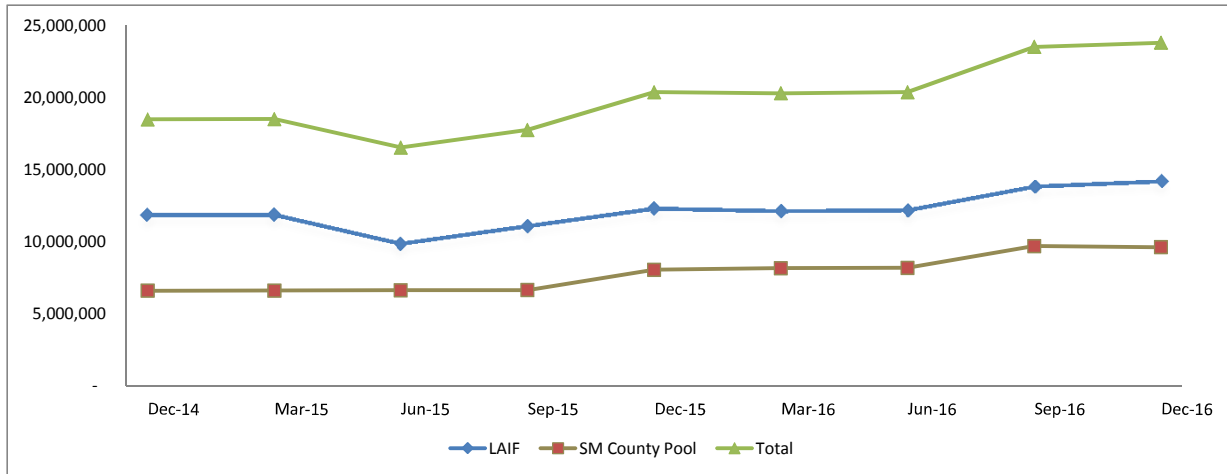
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

LAIF - 50% to 70%
COPOOL - 30% to 50%

At the CCAG Finance Committee meeting in November, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest.

*Difference in value between Historical Value and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools will decrease or increase accordingly. However, interest rate fluctuations does not have any impact to CCAG's balance in the investment pools. The market values are presented as a reference only.

City and County Association of Governments Historical Summary of Investment Portfolio December 31, 2016



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

	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
LAIF	11,893,287	11,900,778	9,908,457	11,116,115	12,324,374	12,136,268	12,200,510	13,817,524	14,186,530
SM County Pool	6,570,236	6,581,700	6,601,123	6,612,375	8,024,431	8,138,072	8,154,442	9,672,516	9,591,037
Total	18,463,523	18,482,478	16,509,580	17,728,490	20,348,805	20,274,340	20,354,953	23,490,040	23,777,567

At the CCAG Finance Committee meeting in November 2015, the Committee set a goal to keep the investment with the County at 40%-42% of the total pooled investment to earn higher interest. As a result, \$1.4 million was transferred to CCAG's County Investment Pool account in the second quarter of FY2015-16. An additional \$100,000 was transferred to the County Pool in third quarter to reach the recommended 40%. There were no additional transfers made in the fourth quarter.