

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, May 24, 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. CALL TO ORDER
2. PUBLIC COMMENT ON RELATED ITEMS NOT ON THE AGENDA
Note: Public comment is limited to two minutes per speaker.
3. Approval of minutes of February 22, 2016 meeting. (Action)
4. Receive copies of monthly investment statements for January, February, and March 2017.
(Information)
5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
6. Review the draft final C/CAG Program Budget and Member Fees for Fiscal Year 2017-2018.
(Action)
7. Review and recommend approval of prefunding other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Trust Program (CERBT) of CalPERS in an amount of \$25,000 for fiscal year 2016-17.
8. 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 22, 2017**

Committee Members Attending:

Alicia Aguirre (City of Redwood City)
Jay Benton (Town of Hillsborough)
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 12:03 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)

Member Benton moved and member Aguirre seconded approval of the minutes. Motioned passed 3-0. Member Wengert abstained.

4. Approval of minutes of November 16, 2016 meeting. (Action)

Member Wengert moved and member Benton seconded approval of the minutes with attendance correction. Motioned passed unanimously.

5. Receive copies of monthly investment statements for October, November, and December 2016. (Information)

Finance committee members reviewed the investment statements and cash flow reports. Member Wengert observed the spread between County Pool and LAIF. It was suggested to watch the interest rates in the future to see if there might be a recommendation to move funds.

Sandy Wong provided handouts of the C/CAG fund reserves and fund balance as of 6/30/16 and explained the table to the committee. The table also had a listing of the existing/ future commitment to be paid from the balance. It was confirmed that the reserve was cost based vs.

percentage of fund balance. Member Grassilli noted that there is approximately 20% of unallocated funds and asked if unspent could it go back to the cities. Staff response was that in the past unspent administrative fees would generally be presented to the CMP TAC for a recommendation on either program expenditures or redistribution to the cities.

It was suggested that this report be submitted to the committee twice a year and recommended that staff look at the large balances under the transportation funds and congestion relief funds and either propose projects or alternative plans for the funds (possible redistribution to cities or implement a free membership year).

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

Member Benton moved and member Wengert seconded “no change to the investment portfolio at this time.” Motioned passed unanimously.

7. Adjournment

The meeting adjourned at approximately 12:35 P.M.

C/CAG AGENDA REPORT

Date: May 24, 2017
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for January, February, and March 2017.

(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 January, February, and March 2017.

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, 2017.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for January, February, and March 2017
2. LAIF Performance Report Quarter Ending March 31, 2017
3. County Summary of Pool Earnings for January, February, and March 2017

January Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended March 31, 2017

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
January 2017	Beginning book balance (Checking)		1,397,370
	Measure M	DMV	535,978
	Congestion Relief & Management	Metropolitan Transportation Commission	186,787
	All other Receipts (1)	various	438
	Transfer	LAIF	2,000,000
		Total January Cash Inflow	<u>2,723,203</u>
	Measure M	EOA Inc., Larry Walker Assoc., Cities of Redwood City, Daly City, San Mateo, and Menlo Park, and Town of Atherton	(1,010,761)
	Smart Corridor	Redwood City	(6,937)
	Congestion Relief & Management	Gray Bowen Scott, Redwood City, Shaw/Yoder/Antwih, and Commute.org	(151,630)
	NPDES	EOA Inc., Larry Walker Assoc., and Redwood City	(138,268)
	Energy Watch	Redwood City and Joint Venture	(25,296)
	All other payments (19)	various	(49,114)
		Total January Cash Outflow	<u>(1,382,006)</u>
		Net Cash Inflow/(Outflow)	<u>1,341,197</u>
	Ending book balance (Checking)		<u>2,738,567</u>

January 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
 February 01, 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

January 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/13/2017	1/12/2017	QRD	1526026	SYSTEM	24,002.06
1/17/2017	1/17/2017	RW	1527002	CARRIE TAM	-2,000,000.00

Account Summary

Total Deposit:	24,002.06	Beginning Balance:	14,186,529.99
Total Withdrawal:	-2,000,000.00	Ending Balance:	12,210,532.05

January 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	\$22,597.88

Account No	03412
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Statement Period Ending 31-Jan-17

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		12/31/16	---	---	\$9,591,036.53
INTEREST ALLOCATION-2nd Q	1	01/01/17	---	22,597.88	\$9,613,634.41
ENDING BALANCE		01/31/17	---	---	\$9,613,634.41

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
February 2017	Beginning book balance (Checking)		2,738,567
	Measure M	DMV	1,060,777
	NPDES	County of San Mateo	123,062
	All other Receipts (1)	various	869
		Total February Cash Inflow	<u>1,184,708</u>
	Measure M	SAMTRANS, EOA, Larry Walker Assoc., Town of Portola Valley, Redwood City, and County of San Mateo	(1,650,899)
	Congestion Relief & Mgmt	Gray Bowen Scott, Redwood City, County of San Mateo, and Commute.org	(214,169)
	NPDES	EOA Inc., S. Groner, Larry Walker Assoc., Shaw/Yoder/Antwih, and Redwood City	(194,160)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(55,855)
	Smart Corridor	Kimley-Horn, Iteris, and Redwood City	(15,884)
	Bay Area Air Quality	Commute.org, Redwood City, and County of San Mateo	(189,167)
	All other payments (17)	various	(11,500)
		Total February Cash Outflow	<u>(2,331,634)</u>
		Net Cash Inflow/(Outflow)	<u>(1,146,926)</u>
	Ending book balance (Checking)		<u>1,591,641</u>

February 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
March 02, 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

February 2017 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	12,210,532.05
Total Withdrawal:	0.00	Ending Balance:	12,210,532.05

February 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 28-Feb-17

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		01/31/17	---	---	\$9,613,634.41
ENDING BALANCE		02/28/17	---	---	\$9,613,634.41

March Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended March 31, 2017

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
March	Beginning book balance (Checking)		1,591,641
2017	Measure M	DMV	623,019
	Energy Watch	PG&E	109,486
	NPDES	San Mateo County	73,517
	All other Receipts (2)	various	514
	Transfer	San Mateo County Pool	300,000
	Transfer	LAIF	200,000
		Total March Cash Inflow	1,306,536
	Measure M	Cities of Redwood City, Menlo Park, and County of San Mateo	(189,603)
	Congestion Relief & Management	CDM Smith, Gray Bowen Scott, Redwood City, County of San Mateo, and Shaw/Yoder/Antwih	(230,497)
	NPDES	BASMAA and Redwood City	(119,554)
	Bay Area Air Quality	SAMTRANS and County of San Mateo	(56,940)
	Smart Corridor	Kimley-Horn, Iteris, and Redwood City	(21,498)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(47,700)
	All other payments (30)	various	(41,866)
	Transfer	LAIF	(1,000,000)
		Total March Cash Outflow	(1,707,658)
		Net Cash Inflow/(Outflow)	(401,122)
	Ending book balance (Checking)		1,190,519

March 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
 April 03, 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

March 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
3/22/2017	3/22/2017	RD	1531274	CARRIE TAM	1,000,000.00
3/28/2017	3/28/2017	RW	1531644	CARRIE TAM	-200,000.00

Account Summary

Total Deposit:	1,000,000.00	Beginning Balance:	12,210,532.05
Total Withdrawal:	-200,000.00	Ending Balance:	13,010,532.05

March 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	\$300,000.00
Total Credits	\$0.00

Account No	03412
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Statement Period Ending 31-Mar-17

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		02/28/17	---	---	\$9,613,634.41
WIRE OUT		03/23/17	300,000.00		\$9,313,634.41
ENDING BALANCE		03/31/17	---	---	\$9,313,634.41



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
04/10/17	0.87	0.86	181
04/11/17	0.87	0.87	181
04/12/17	0.87	0.87	183
04/13/17	0.88	0.87	182
04/14/17	0.88	0.87	182
04/15/17	0.88	0.87	182
04/16/17	0.88	0.87	182
04/17/17	0.88	0.87	181
04/18/17	0.89	0.87	183
04/19/17	0.89	0.87	183
04/20/17	0.90	0.87	186
04/21/17	0.90	0.88	191
04/22/17	0.90	0.88	191
04/23/17	0.90	0.88	191
04/24/17	0.90	0.88	192
04/25/17	0.90	0.88	193
04/26/17	0.90	0.88	194
04/27/17	0.91	0.88	195
04/28/17	0.91	0.88	188
04/29/17	0.91	0.88	188
04/30/17	0.91	0.88	188
05/01/17	0.92	0.89	189
05/02/17	0.92	0.89	191
05/03/17	0.92	0.89	193
05/04/17	0.92	0.89	193
05/05/17	0.92	0.89	195
05/06/17	0.92	0.89	195
05/07/17	0.92	0.89	195
05/08/17	0.92	0.89	195
05/09/17	0.92	0.89	196
05/10/17	0.92	0.89	195

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

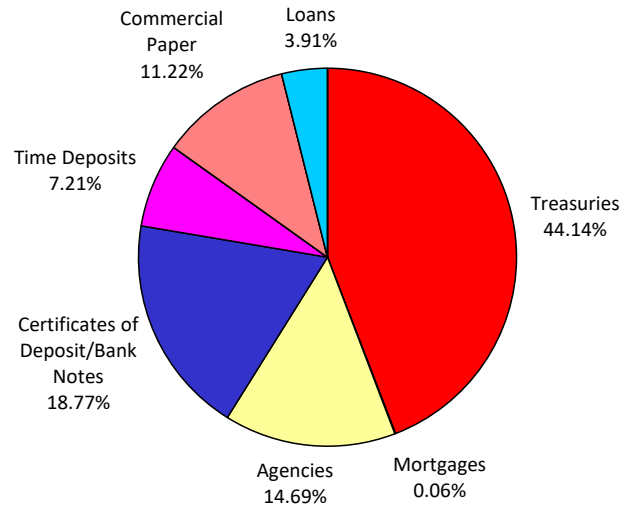
Quarter Ending 03/31/17

Apportionment Rate: 0.78%
 Earnings Ratio: 0.00002126194403179
 Fair Value Factor: 0.999175951
 Daily: 0.85%
 Quarter to Date: 0.78%
 Average Life: 180

PMIA Average Monthly Effective Yields

Apr 2017 0.884%
 Mar 2017 0.821%
 Feb 2017 0.777%

**Pooled Money Investment Account
Portfolio Composition
04/30/17
\$76.5 billion**





[Home](#) >> [PMIA](#) >>> PMIA Average Monthly Effective Yields



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	0.330	0.337	0.357	0.374	0.400
2016	0.446	0.467	0.506	0.525	0.552	0.576	0.588	0.614	0.634	0.654	0.678	0.719
2017	0.751	0.777	0.821	0.884								

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
JANUARY 2017**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$462,454.36
U.S. Instrumentalities	90,000,000	\$77,798.05
Federal Agencies	758,805,000	601,902.30
Corporate Notes	260,000,000	320,751.08
Floating Rate Securities	169,200,000	139,050.80
	1,878,005,000	\$1,601,956.59
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	34,708.36
U.S. Instrumentalities	232,750,000	108,759.22
Federal Agencies	1,012,044,000	581,587.26
Corporate Notes	189,595,000	180,195.11
Floating Rate Securities	214,200,000	166,275.69
LAIF	65,000,000	41,404.11
Commercial Paper	860,600,000	550,961.65
Certificate of Deposit	70,000,000	59,400.68
U S Treasury Bills	171,500,000	78,231.94
Repurchase Agreements	200,000,000	2,944.44
	3,065,689,000	\$1,804,468.46
Total Accrued Interest	4,943,694,000	\$3,406,425.05
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$522,573.48
Federal Agencies		145,604.36
Corporate Notes		45,709.94
Floating Rate Securities		94,017.68
LAIF		4,252.87
Commercial Paper		118,229.16
U S Treasury Bills		7,756.95
Repurchase Agreements		132,197.31
Total Realized Income		\$1,070,341.75
TOTAL DOLLAR EARNINGS		\$4,476,766.80

AVERAGE BALANCE		\$5,021,965,222.88
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.050%	\$4,476,766.80
ADMINISTRATION FEES		(\$447,849.23)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.945%	\$4,028,917.57

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
FEBRUARY 2017**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	550,000,000	\$415,543.22
U.S. Instrumentalities	90,000,000	\$95,006.09
Federal Agencies	753,805,000	604,605.68
Corporate Notes	240,000,000	278,405.87
Floating Rate Securities	169,200,000	147,046.42
	1,803,005,000	\$1,540,607.28
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	31,349.49
U.S. Instrumentalities	209,085,000	81,574.43
Federal Agencies	991,473,000	492,767.98
Corporate Notes	197,070,000	169,403.90
Floating Rate Securities	199,200,000	158,105.80
LAIF	65,000,000	37,397.26
Certificate of Deposit	70,000,000	59,739.73
Commercial Paper	905,600,000	530,812.90
U S Treasury Bills	221,500,000	83,265.28
Repurchase Agreements	223,250,000	3,176.60
	3,132,178,000	\$1,647,593.37
Total Accrued Interest	4,935,183,000	\$3,188,200.65
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$561,982.64
U.S. Instrumentalities		\$27,830.02
Federal Agencies		75,869.98
Corporate Notes		15,836.37
Floating Rate Securities		80,603.97
Commercial Paper		125,495.82
Repurchase Agreements		103,920.86
Total Realized Income		\$991,539.66
TOTAL DOLLAR EARNINGS		\$4,179,740.31

AVERAGE BALANCE		\$4,954,522,866.11
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.100%	\$4,179,740.31
ADMINISTRATION FEES		(\$399,076.64)
NET EARNINGS RATE / NET DOLLAR EARNINGS	0.995%	\$3,780,663.67

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
MARCH 2017**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$628,806.42
U.S. Instrumentalities	100,000,000	\$103,797.62
Federal Agencies	718,805,000	627,829.54
Corporate Notes	208,000,000	267,747.24
Floating Rate Securities	184,200,000	218,616.11
	1,811,005,000	\$1,846,796.93
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	50,000,000	21,865.90
U.S. Instrumentalities	212,485,000	117,128.38
Federal Agencies	1,021,959,000	520,451.89
Corporate Notes	239,070,000	228,167.78
Floating Rate Securities	149,200,000	159,279.59
LAIF	65,000,000	41,404.11
Commercial Paper	870,000,000	684,540.29
Certificate of Deposit	120,000,000	69,763.70
U S Treasury Bills	270,000,000	115,708.33
Repurchase Agreements	166,500,000	3,653.75
	3,164,214,000	\$1,961,963.72
Total Accrued Interest	4,975,219,000	\$3,808,760.65
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$464,480.51
U.S. Instrumentalities		\$8,558.90
Federal Agencies		190,656.69
Corporate Notes		34,984.11
Floating Rate Securities		50,774.60
Commercial Paper		108,369.72
U S Treasury Bills		3,517.63
Repurchase Agreements		81,102.79
Total Realized Income		\$942,444.95
TOTAL DOLLAR EARNINGS		\$4,751,205.60

AVERAGE BALANCE		\$4,953,550,136.68
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.129%	\$4,751,205.60
ADMINISTRATION FEES		(\$441,748.10)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.024%	\$4,309,457.50

C/CAG AGENDA REPORT

Date: May 24, 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 January, February, and March 2017 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
January	0.751%	0.945%
February	0.777%	0.995%
March	0.821%	1.024%

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 February 22, 2017 the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio at this time. On March 9, 2017 the C/CAG Board approved of no change to the investment portfolio.

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

	12/31/2016		3/31/2016	
	Amount	Percent	Amount	Percent
LAIF	\$14,186,530	60%	\$13,010,532	58%
COPOOL	\$9,591,037	40%	\$9,313,634	42%
Total	\$23,777,567	100%	\$22,324,166	100%

ATTACHMENTS

1. Quarterly Investment Report as of March 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: May 24, 2017

SUBJECT: Quarterly Investment Report as of March 31, 2017

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, 2017, funds in the amount of \$22,324,166 were invested producing a weighted average yield of 0.87%. Of the total investment portfolio, 58.3% of funds were invested in the Local Agency Investment Fund (LAIF) and 41.7% 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 \$47,576. 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 3/31/17	Qtr Ended 12/31/16	Increase (Decrease)
Total Portfolio	\$ 22,324,166	\$ 23,777,567	\$ (1,453,401)
Weighted Average Yield	0.87%	0.78%	0.09%
Accrued Interest Earnings	\$ 47,576	\$ 46,600	\$ 976

There was a decrease of \$1.5M in the portfolio balance in this quarter compared to the previous quarter mainly due to larger cash draws in the third quarter, which was mostly for Measure M. A more detailed list of the payments made in the third quarter can be found in the monthly "Major Cash Inflows and Outflows" report. However, the 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 March 31, 2017, 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, 2017
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending March 31, 2017

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)	0.78%	13,010,532	58.3%	12,999,811
San Mateo County Investment Pool (COPOOL)	0.99%	9,313,634	41.7%	9,313,634

Agency Securities

none

Total - Investments	0.87%	22,324,166	100%	22,313,445
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GRAND TOTAL OF PORTFOLIO	0.87%	\$ 22,324,166	100%	\$ 22,313,445
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Total Interest Earned This Quarter	47,576
Total Interest Earned (Loss) Fiscal Year-to-Date	131,703

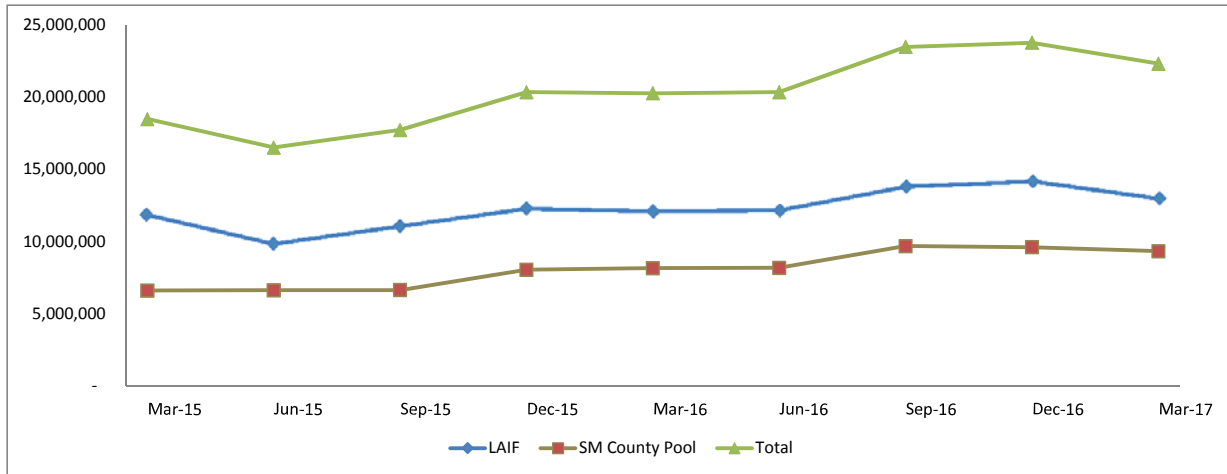
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

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 March 31, 2017



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-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
LAIF	11,900,778	9,908,457	11,116,115	12,324,374	12,136,268	12,200,510	13,817,524	14,186,530	13,010,532
SM County Pool	6,581,700	6,601,123	6,612,375	8,024,431	8,138,072	8,154,442	9,672,516	9,591,037	9,313,634
Total	18,482,478	16,509,580	17,728,490	20,348,805	20,274,340	20,354,953	23,490,040	23,777,567	22,324,166

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.

C/CAG AGENDA REPORT

Date: May 24, 2017

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director - C/CAG

Subject: Review the draft final C/CAG Program Budget and Member Fees for Fiscal Year 2017-2018

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

RECOMMENDATION:

That the C/CAG Finance Committee review the draft final C/CAG Program Budget and Member Fees for Fiscal Year 2017-2018.

FISCAL IMPACT:

In accordance with the proposed C/CAG 2017-18 Program Budget.

REVENUE SOURCES:

Funding sources for C/CAG include member assessments, cost reimbursement from partners, grants, regional - State - Federal transportation and other funds, property tax/fee, Department of Motor Vehicle fees, State - Federal earmarks, and interest.

BACKGROUND:

Each year, the C/CAG Finance Committee and C/CAG Board review the draft annual budget and member fees in the month of May. The C/CAG Board approves the final annual budget in June.

For fiscal year 2017-18, it is proposed that the total member fee be the same as that in FY 2016-17. However, individual jurisdiction member's portion would vary due to the updated population adopted by the C/CAG Board on May 11, 2017.

For budgeting purposes, the draft fee for each individual member agency was sent to City/County Managers in March 2017. Approval of the final C/CAG Fiscal Year 2017-18 budget and fees will be submitted to C/CAG Board on June 8, 2017.

ATTACHMENTS

1. Entire Draft Budget Book is provided under separate cover
2. FY 2016-17 C/CAG Projected Statement of Revenues, Expenditures, and Changes in Fund Balance.
3. FY 2017-18 C/CAG Projected Statement of Revenues, Expenditures, and Changes in Fund Balance.
4. Proposed C/CAG Member Fee for Fiscal Year 2017-18.

05/04/17	C/CAG PROJECTED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE										
						FY 2016-17					
	Administrative	Transportation	SMCRP	Smart	LGP Energy	TFCA	NPDES	AVA	DMV Fee	Measure M	Total
	Program	Programs	Program	Corridor	Watch				Program	(DMV Fee)	
	(General Fund)										
BEGINNING BALANCE	199,748	2,072,112	4,182,207	489,263	208,766	680,462	1,532,084	0	2,922,770	7,375,369	19,662,781
PROJECTED REVENUES											
Interest Earnings	2,064	18,409	44,981	0	0	6,616	12,915	0	21,208	71,208	177,401
Member Contribution	275,651	410,452	1,850,000	0	0	0	126,089	0	0	0	2,662,192
Cost Reimbursements-SFIA	0	0	0	0	0	0	0	0	0	0	0
MTC/ Federal Funding	0	864,446	0	0	0	0	0	0	0	635,000	1,499,446
Grants	0	0	0	0	698,000	0	0	0	0	0	698,000
DMV Fee	0	0	0	0	0	1,110,717	0	0	350	6,981,001	8,092,068
NPDES Fee	0	0	0	0	0	0	1,390,534	0	0	0	1,390,534
TA Cost Share	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous/ SFIA	0	0	0	0	0	0	0	0	0	0	0
Street Repair Funding	0	0	0	0	0	0	0	0	0	0	0
PPM-STIP	0	414,014	0	31,006	0	0	0	0	0	0	445,020
Assessment	0	0	0	0	0	0	0	0	0	0	0
TLSP	0	0	0	470,092	0	0	0	0	0	0	470,092
	0	0	0	0	0	0	0	0	0	0	0
Total Revenues	277,715	1,707,321	1,894,981	501,098	698,000	1,117,333	1,529,538	0	21,558	7,687,209	15,434,753
TOTAL SOURCES OF FUNDS	477,463	3,779,433	6,077,188	990,361	906,766	1,797,795	3,061,622	0	2,944,328	15,062,578	35,097,534
PROJECTED EXPENDITURES	Administrative	Transportation	SMCRP	Smart	LGP Energy	TFCA	NPDES	AVA	DMV Fee	Measure M	Total
	Program	Programs	Program	Corridor	Watch				Program	(DMV Fee)	
	(General Fund)										
Administration Services	72,956	123,509	43,493	49,598	12,639	3,267	37,260	0	1,185	39,195	383,102
Professional Services	174,776	922,773	19,996	9,018	440,177	21,206	278,372	0	0	112,994	1,979,312
Consulting Services	23,344	359,155	137,500	1,322,860	325,500	0	1,620,449	0	145,000	1,517,155	5,450,963
Supplies	1,629	500	0	0	0	0	0	0	0	0	2,129
Prof. Dues & Memberships	0	0	0	0	0	0	40,928	0	0	0	40,928
Conferences & Meetings	9,315	2,000	0	0	4,062	0	5,500	0	0	60	20,937
Printing/ Postage	11,656	0	0	0	0	0	2,500	0	0	0	14,156
Publications	0	1,812	0	0	378	0	0	0	0	0	2,190
Distributions	0	70,000	1,010,000	0	0	680,000	7,000	0	1,803	4,715,976	6,484,779
OPEB Trust	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	500	0	0	0	0	0	1,000	0	0	0	1,500
Bank Fee	3,987	0	0	0	0	0	0	0	0	0	3,987
Audit Services	19,400	0	0	0	0	0	0	0	2,500	2,500	24,400
Project Management	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	317,563	1,479,749	1,210,989	1,381,476	782,756	704,473	1,993,009	0	150,488	6,387,880	14,408,383
TRANSFERS											
Transfers In	0	0	0	875,780	200,000	0	0	0	0	0	1,075,780
Transfers Out	0	0	200,000	0	0	0	0	0	0	830,233	1,030,233
Administrative Allocation	(168,890)	85,944	5,215	0	37,195	2,010	25,927	0	97	12,501	(1)
Total Transfers	(168,890)	85,944	205,215	(875,780)	(162,805)	2,010	25,927	0	97	842,734	(45,548)
NET CHANGE	129,042	141,628	478,777	(4,598)	78,049	410,850	(489,398)	0	(129,027)	456,595	1,071,918
TRANSFER TO RESERVES	3,346	218,137	20,000	0	0	0	-80,903	0	-50,000	-	110,580
TOTAL USE OF FUNDS	152,019	1,783,830	1,436,204	505,696	619,951	706,483	1,938,033	0	100,585	7,230,614	14,473,415
ENDING FUND BALANCE	325,444	1,995,603	4,640,984	484,665	286,815	1,091,312	1,123,589	0	2,843,743	7,831,964	20,624,119
RESERVE FUND											
Beginning Reserve Balance	40,000	400,000	120,000	0	0	0	120,000	0	0	120,000	800,000
Reserve Transfers In	0	0	0	0	0	0	0	0	0	0	0
Reserve Transfers Out	0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	40,000	400,000	120,000	0	0	0	120,000	0	0	120,000	800,000
Note: 1- Beginning/ Ending Reserve Fund Balance is not included in Beginning/ Ending Fund Balance											
2- See individual fund summaries and fiscal year comments for details on Miscellaneous expenses.											
3- SMCRP - San Mateo Congestion Relief Program; TFCA - Transportation Fund For Clean Air; NPDES - National Pollutant Discharge Elimination System; Abatement.											
AVA - Abandoned Vehicle Abatement; DMV - Department of Motor Vehicles.											

05/04/17	C/CAG PROGRAM BUDGET: REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE									
	FY 2017-18									
	Administrative Program (General Fund)	Transportation Programs	SMCRP Program	Smart Corridor	LGP Energy Watch	TFCA	NPDES	DMV Fee Program	Measure M (DMV Fee)	Total
BEGINNING BALANCE	325,444	1,995,603	4,640,984	484,665	286,815	1,091,312	1,123,589	2,843,743	7,831,964	20,624,119
PROJECTED REVENUES										
Interest Earnings	3,300	5,000	13,500	0	0	4,000	10,500	6,000	28,000	70,300
Member Contribution	275,651	410,452	1,850,000	0	0	0	130,128	0	0	2,666,231
Cost Reimbursements-SFIA	0	0	0	0	0	0	0	0	0	0
MTC/ Federal Funding	0	800,000	0	0	0	0	0	0	520,000	1,320,000
Grants	0	0	0	0	698,000	0	0	0	0	698,000
DMV Fee	0	0	0	0	0	1,079,043	0	0	6,700,000	7,779,043
NPDES Fee	0	0	0	0	0	0	1,412,444	0	0	1,412,444
TA Cost Share	0	0	0	0	0	0	0	0	0	0
Miscellaneous/ SFIA	0	0	0	0	0	0	0	0	0	0
Street Repair Funding	0	0	0	0	0	0	0	0	0	0
PPM-STIP	0	338,000	0	0	0	0	0	0	0	338,000
Assessment	0	0	0	0	0	0	0	0	0	0
TLSP	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Total Revenues	278,951	1,553,452	1,863,500	0	698,000	1,083,043	1,553,072	6,000	7,248,000	14,284,018
TOTAL SOURCES OF FUNDS	604,395	3,549,055	6,504,484	484,665	984,815	2,174,355	2,676,661	2,849,743	15,079,964	34,908,137
PROJECTED EXPENDITURES										
Administration Services	79,000	145,000	45,000	50,000	15,000	4,000	40,000	0	40,000	418,000
Professional Services	232,940	900,000	60,000	0	463,000	50,000	348,372	0	120,000	2,174,312
Consulting Services	70,000	452,988	527,500	902,000	325,500	700,000	1,747,818	155,000	1,459,000	6,339,806
Supplies	4,000	2,000	0	0	0	0	0	0	0	6,000
Prof. Dues & Memberships	1,750	1,000	0	0	0	0	44,984	0	0	47,734
Conferences & Meetings	12,500	5,000	1,000	0	5,000	0	5,500	0	0	29,000
Printing/ Postage	17,000	6,000	0	0	0	0	2,500	0	0	25,500
Publications	4,000	3,000	0	0	1,000	0	0	0	0	8,000
Distributions	0	0	1,010,000	0	0	829,043	26,000	1,522,000	5,016,500	8,403,543
OPEB Trust	0	0	0	0	0	0	0	0	0	0
Miscellaneous	5,500	1,000	1,000	0	0	0	1,000	0	0	8,500
Bank Fee	3,500	0	0	0	0	0	0	0	0	3,500
Audit Services	22,500	0	0	0	0	0	0	2,500	0	25,000
Project Management	0	0	0	0	0	0	0	0	0	0
Total Expenditures	452,690	1,515,988	1,644,500	952,000	809,500	1,583,043	2,216,174	1,679,500	6,635,500	17,488,895
TRANSFERS										
Transfers In	0	0	0	700,000	200,000	0	0	0	0	900,000
Transfers Out	0	0	400,000	0	0	0	0	0	500,000	900,000
Administrative Allocation	-206,471	96,738	9,720	0	44,250	4,999	35,953	0	14,812	1
Total Transfers	-206,471	96,738	409,720	-700,000	-155,750	4,999	35,953	0	514,812	1
NET CHANGE	32,732	-59,274	-190,720	-252,000	44,250	-504,999	-699,055	-1,673,500	97,688	-3,204,878
TRANSFER TO RESERVES										
		0	0	0	0	0	0	0	0	0
TOTAL USE OF FUNDS	246,219	1,612,726	2,054,220	252,000	653,750	1,588,042	2,252,127	1,679,500	7,150,312	17,488,896
ENDING FUND BALANCE	358,175	1,936,329	4,450,264	232,665	331,065	586,313	424,534	1,170,243	7,929,652	17,419,240
Restricted Fund Balance	0	1,948,807			299,024			1,048,429		3,296,260
RESERVE FUND										
Beginning Reserve Balance	40,000	400,000	120,000	0	0	0	120,000	0	120,000	800,000
Reserve Transfers In	0	0	0	0	0	0	0	0	0	0
Reserve Transfers Out	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	40,000	400,000	120,000	0	0	0	120,000	0	120,000	800,000
Note: 1- Beginning/ Ending Reserve Fund Balance is not included in Beginning/ Ending Fund Balance. 2- See individual fund summaries and fiscal year comments for details on Miscellaneous expenses. 3- SMCRP - San Mateo Congestion Relief Program; TFCA - Transportation Fund For Clean Air; NPDES - National Pollutant Discharge Elimination System; Abatement. AVA - Abandoned Vehicle Abatement; DMV - Department of Motor Vehicles.										

C/CAG Member Fees
Fiscal Year 2017-18

C/CAG Member FEE FY 2017-2018					CONGESTION RELIEF PROGRAM (CRP) ASSESSMENT FY 2017-2018			
Agency	% Population (as of 1/1/15)	General Fund Fee	Gas Tax Fee	Total Fee	Agency	Population	% of Trip Generation	Congestion Relief
Atherton	0.93%	\$2,573	\$3,831	\$6,404	Atherton	0.933%	0.89%	\$16,878
Belmont	3.63%	\$10,016	\$14,914	\$24,929	Belmont	3.633%	3.08%	\$62,115
Brisbane	0.61%	\$1,691	\$2,518	\$4,209	Brisbane	0.613%	0.77%	\$12,800
Burlingame	3.88%	\$10,696	\$15,926	\$26,622	Burlingame	3.880%	5.49%	\$86,683
Colma	0.20%	\$543	\$809	\$1,352	Colma	0.197%	0.83%	\$9,544
Daly City	14.25%	\$39,272	\$58,478	\$97,750	Daly City	14.247%	10.15%	\$225,665
East Palo Alto	3.99%	\$10,991	\$16,366	\$27,358	East Palo Alto	3.987%	2.16%	\$56,844
Foster City	4.33%	\$11,947	\$17,789	\$29,736	Foster City	4.334%	3.99%	\$77,008
Half Moon Bay	1.64%	\$4,508	\$6,713	\$11,221	Half Moon Bay	1.635%	1.77%	\$31,481
Hillsborough	1.53%	\$4,205	\$6,262	\$10,467	Hillsborough	1.526%	1.08%	\$24,129
Menlo Park	4.42%	\$12,185	\$18,144	\$30,329	Menlo Park	4.421%	5.43%	\$91,097
Millbrae	3.02%	\$8,325	\$12,396	\$20,722	Millbrae	3.020%	2.91%	\$54,849
Pacifica	4.94%	\$13,604	\$20,257	\$33,861	Pacifica	4.935%	4.07%	\$83,262
Portola Valley	0.62%	\$1,710	\$2,546	\$4,255	Portola Valley	0.620%	0.58%	\$11,144
Redwood City	11.23%	\$30,943	\$46,075	\$77,019	Redwood City	11.226%	12.62%	\$220,567
San Bruno	5.92%	\$16,322	\$24,304	\$40,627	San Bruno	5.921%	5.80%	\$108,462
San Carlos	3.79%	\$10,438	\$15,543	\$25,981	San Carlos	3.787%	4.19%	\$73,781
San Mateo	13.40%	\$36,941	\$55,006	\$91,946	San Mateo	13.401%	15.47%	\$267,069
South San Francisco	8.43%	\$23,240	\$34,605	\$57,845	South San Francisco	8.431%	8.72%	\$158,677
Woodside	0.74%	\$2,038	\$3,035	\$5,073	Woodside	0.739%	0.77%	\$13,959
San Mateo County	8.51%	\$23,462	\$34,935	\$58,397	San Mateo County	8.511%	9.22%	\$163,984
TOTAL	100	\$275,651	\$410,452	\$686,104	TOTAL	100.000%	100.0%	\$1,850,000
NOTES:					1- Total CRP (countywide total) is the same as prior years at \$1,850,000. However, individual agency fees have changed based on annual update of population data.			
1. C/CAG member fees are comprised of two portions: General Fund and Gas Tax.								
2. For FY 2017-18, C/CAG member fees for General Fund portion is proposed to stay the same as FY 16-17 (\$275,651). For FY 2017-18 C/CAG member fee For the Gas Tax portion is proposed to stay the same as FY 16-17 (\$410,452).					2- 50% based on trips generated from jurisdiction, 50% based on population.			
3. Individual jurisdiction's share is based on new population data from Department of Finance, 1/1/2016, as adopted by C/CAG Board.								

C/CAG AGENDA REPORT

Date: May 24, 2017

TO: Finance Committee

From: Sandy Wong, Executive Director

Subject: Review and recommend approval of prefunding other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Trust Program (CERBT) of CalPERS in an amount of \$25,000 for fiscal year 2016-17.

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

RECOMMENDATION:

That the Finance Committee review and recommend approval of prefunding other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Trust Program (CERBT) of CalPERS in an amount of \$25,000 for fiscal year 2016-17.

FISCAL IMPACT:

\$25,000.

REVENUE SOURCES:

Funding sources for C/CAG OPEB comes from various C/CAG funds similar to those funds for C/CAG employee salaries and benefits.

BACKGROUND/DISCUSSION:

The Government Accounting Standards Board (GASB) adopted accounting and financial reporting standards, GASB Statement Number 45, providing requirements for the accounting and financial reporting by employers for post-employment benefits other than pensions (OPEB). C/CAG provides post-employment benefit in the form of health insurance for retirees. GASB 45 requires the recognition of the cost of post-employment benefits during the years of an employee's active years of service.

In 2016, C/CAG retained Bickmore & Associates to prepare the "*Actuarial Valuation of the Other Post-Employment Benefit Programs as of July 1, 2015*". The primary purposes of the report was to develop the value of future OPEB expected to be provided by C/CAG, and the current OPEB liability and the annual OPEB expense to be reported in C/CAG's financial statements for fiscal years ending June 30, 2016 and June 30, 2017. The report is required to be submitted to the California Employers' Retiree Benefit Trust (CERBT) to satisfy filing requirements for the trust.

That report estimated \$26,066 for FY 2015-16, and \$24,252 for FY 2016-17, as the C/CAG contribution to OPEB trust, if C/CAG is to prefund its OPEB liability. In June 2016, the C/CAG Board approved Resolution 16-21 authorizing the prefunding of OPEB through CalPERS Trust in an amount of \$27,000 for FY 2015-16. At this time, staff recommends the prefunding of OPEB through CalPERS Trust in an amount of \$25,000 for FY 2016-17.

Additional historic background information:

In 2012, for the first time, C/CAG retained Bickmore & Associates, an actuarial firm to prepare an actuarial valuation of Other Post-Employment Benefit (OPEB) programs for fiscal years ending June 30, 2014 and June 30, 2015.

On June 11, 2015, the C/CAG Board approved Resolution 15-33 authorizing an agreement and election of C/CAG to prefund OPEB through CalPERS – California Employers’ Retiree Benefit Trust Program (CERBT). On June 11, 2015, the C/CAG Board also approved a funding policy in an amount of \$30,000 to cover the Annual Required Contribution (ARC) as initial investment into the CERBT trust and selected Asset Allocation Strategy 2.

Funds deposited into an irrevocable trust may only be used to pay retiree medical benefits. However, should C/CAG stop prefunding retiree medical benefits, it may withdraw funds from the trust, as needed, to pay retiree medical benefits. Also, if C/CAG were ever able to completely extinguish its retiree medical liability, any funds remaining in the trust would be returned to C/CAG.

Calculation for FY 2016-17:

As shown on Table 1D (page 16) of the C/CAG “*Actuarial Valuation of the Other Post-Employment Benefit Programs as of July 1, 2015*”, C/CAG’s total Annual Required Contribution (ARC) at fiscal year ending June 30, 2017 is \$51,348. Of that, \$17,714 is the expected payment made during the fiscal year on monthly medical premiums for current retirees. \$9,382 is the current year’s implicit subsidy. The remaining \$24,252 is the estimated contribution to OPEB Trust.

ATTACHMENTS

1. Table 1D – Expected OPEB disclosures for FYE 2017
2. Full Actuarial Valuation of the Other Post-Employment Benefit (OPEB) Programs is available on-line at: <http://ccag.ca.gov/committees/finance-committee/>

Table 1D
Expected OPEB Disclosures for FYE 2017

The following exhibit develops the annual OPEB expense, estimates the expected OPEB contributions and projects the net OPEB obligation as of June 30, 2017 reflecting the assumed prefunding policy.

Fiscal Year End	Prefunding Basis		
	6/30/2017	6/30/2017	6/30/2017
Subsidy	Explicit	Implicit	Total
1. Calculation of the Annual OPEB Expense			
a. ARC for current fiscal year	\$ 41,973	\$ 9,375	\$ 51,348
b. Interest on Net OPEB Obligation (Asset)	2,065	-	2,065
c. Adjustment to the ARC	(5,218)	-	(5,218)
d. Annual OPEB Expense (a. + b. + c.)	38,820	9,375	48,195
2. Calculation of Expected Contribution			
a. Estimated payments on behalf of retirees	17,714	-	17,714
b. Estimated current year's implicit subsidy	-	9,382	9,382
c. Estimated contribution to OPEB trust	24,259	(7)	24,252
d. Total Expected Employer Contribution	41,973	9,375	51,348
3. Change in Net OPEB Obligation (1.d. minus 2.d.)	(3,153)	-	(3,153)
Net OPEB Obligation (Asset), beginning of fiscal year	31,768	-	31,768
Net OPEB Obligation (Asset) at fiscal year end	28,615	-	28,615

In the table above, we assumed that C/CAG would contribute 100% of the total ARC of \$51,348.

- We assumed that C/CAG would take credit for the \$9,382 current year's implicit subsidy as an OPEB contribution by shifting recognition of this amount from an active healthcare expense to a retiree healthcare benefit expense. If so, this would reduce C/CAG's additional cash outlay to fund the full ARC to \$41,966.
- Funding 100% of the ARC may require adjusting the estimated \$24,252 contribution to the trust if actual retiree benefit payments are higher or lower than projected payments of \$17,714 shown above

Notes on calculations above:

- Interest on the net OPEB obligation (or asset), shown above in item 1.b. is equal to the applicable discount rate (6.5%) multiplied by the net OPEB obligation (or asset) at the beginning of the year.
- The Adjustment to the ARC, shown above in item 1.c., is always the opposite sign of the net OPEB obligation or asset and exists to avoid double-counting of the amounts previously expensed but imbedded in the current ARC. This adjustment is calculated as *the opposite of* the net OPEB obligation (or asset) at the beginning of the year, plus interest on that amount (item 1.b.) with the sum then divided by the same amortization factor used to determine the ARC for this year (see the prior page for these factors).