

C/CAG

City/County Association of Governments of San Mateo County

*Atherton • Belmont • Brisbane • Burlingame • Colma • Daly City • East Palo Alto • Foster City • Half Moon Bay • Hillsborough • Menlo Park
Millbrae • Pacifica • Portola Valley • Redwood City • San Bruno • San Carlos • San Mateo • San Mateo County • South San Francisco • Woodside*

C/CAG FINANCE COMMITTEE AGENDA

Date: Wednesday, February 28, 2018

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

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 November 15, 2017 meeting. (Action)
4. Receive copies of monthly investment statements for October, November, December 2017.
(Information)
5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
6. 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
November 15, 2017**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Alicia Aguirre (City of Redwood City)
Bob Grassilli (City of San Carlos)
Jay Benton (Town of Hillsborough)

Guests or Staff Attending:

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

1. Call to order

At 12:00 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 23, 2017 meeting. (Action)

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

4. Receive copies of monthly investment statements for July, August, and September 2017. (Information)

Finance committee members reviewed the investment statements and cash flow reports.

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

The Finance Committee reviewed and discussed the analysis from NHA Advisors. See further discussion under Item 6. Member Benton and member Grassilli noted that LAIF appears to be gaining yields and that gains and risk are often cyclic. Both members also expressed reservations about chasing yields as a long-term investment strategy for small short-term gains.

Member Benton moved to recommend no change to the portfolio. Member Aguirre seconded.
Motioned passed unanimously.

6. Receive a copy of the Investment Pool Analysis from NHA Advisors (Information)

On August 23, 2017, the Finance Committee directed staff to investigate the possibility of using an outside firm to perform an investment pool risk analysis, but also to be mindful that any additional gain not be offset by the cost to do the risk analysis. Staff procured the services of NHA Advisors at approximately \$2,500 to perform a comparative analysis of the two investments funds.

After reviewing the investment pool analysis from NHA Advisors, the Finance Committee felt that it was not prudent to chase yields as a long-term investment strategy. Although the risk to both funds is low, the county pool inherently holds a higher risk than LAIF due to the holding of corporate securities. The trend is also that the gap between the earning rates is decreasing.

The Committee also discussed the impact of reversing the investment percentages of the portfolio. The difference would yield an average increase of approximately \$5,600 per year. Even though both funds are relatively low risk funds, the Committee felt that the increase in returns would not warrant the increased risk of modifying the portfolio.

7. Review and approval of the 2018 Finance Committee Meeting Calendar. (Action)

Member Benton moved and member Moise Derwin seconded approval of the 2018 Finance Committee Meeting Calendar.

8. Adjournment

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

C/CAG AGENDA REPORT

Date: February 28, 2018

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Receive copies of monthly investment statements for October, November, and December 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 October, November, and December 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 December 31, 2017.

ATTACHMENTS

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

October Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2017

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
October 2017	Beginning book balance (Checking)		1,274,288
	Measure M	DMV	621,763
	All other Receipts (2)	various	1,192
		Total October Cash Inflow	622,955
	Smart Corridor	Kimley-Horn, Caltrans, and Redwood City	(17,266)
	Congestion Relief & Management	Redwood City, Santa Clara Valley, and County of San Mateo	(180,476)
	Bay Area Air Quality	Iteris Inc. and County of San Mateo	(22,692)
		Regional Monitoring, EOA Inc., County of San Mateo, Shaw/Yoder/Antwih, Larry	
	NPDES	Walker Assoc., and Redwood City	(251,097)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(37,701)
	Measure M	EOA Inc., San Bruno, Redwood City, County of San Mateo, and Town of Woodside	(249,619)
	All other payments (19)	various	(45,472)
		Total October Cash Outflow	(804,323)
		Net Cash Inflow/(Outflow)	(181,368)
	Ending book balance (Checking)		1,092,920

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 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

October 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/13/2017	10/12/2017	QRD	1551987	SYSTEM	33,626.91

Account Summary

Total Deposit:	33,626.91	Beginning Balance:	13,363,367.66
Total Withdrawal:	0.00	Ending Balance:	13,396,994.57

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	0
Total Debits	\$0.00
Total Credits	\$26,933.10

Account No	03412
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Statement Period Ending 31-Oct-17

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		09/30/17	---	---	\$9,611,660.19
INTEREST ALLOCATION		10/01/17	---	26,933.10	\$9,638,593.29
ENDING BALANCE		10/31/17	---	---	\$9,638,593.29

November Cash flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2017

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
November 2017	Beginning book balance (Checking)		1,092,920
	Measure M	DMV	570,956
	Energy Watch	PG&E	79,927
	All other Receipts (2)	various	1,565
	Transfer	San Mateo County Pool	300,000
	Transfer	LAIF	300,000
		Total November Cash Inflow	1,252,448
	Measure M	Cities: Foster City, Half Moon Bay, Redwood City, and South San Francisco; Town of Atherton, and County of San Mateo	(322,982)
	Congestion Relief & Mgmt	Gary Bowen Scott, Co-Plan LLC, CDM Smith, Shaw/Yoder/Antwih, Commute.org, Redwood City, and County of San Mateo	(228,517)
	NPDES	Groner S Assoc., Cities: Brisbane and Redwood City, and County of San Mateo	(110,495)
	Energy Watch	DNV GL Services and County of San Mateo	(41,585)
	Smart Corridor	Iteris and Redwood City	(8,575)
	Bay Area Air Quality	Commute.org, Scoop Technologies, Iteris, Inc., and County of San Mateo	(349,019)
	All other payments (26)	various	(44,233)
		Total November Cash Outflow	(1,105,406)
		Net Cash Inflow/(Outflow)	147,042
	Ending book balance (Checking)		1,239,962

November LAIF Statement

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

CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY
FINANCE OFFICER
600 ELM STREET
SAN CARLOS, CA 94070

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

December 01, 2017

PMIA Average Monthly Yields

Account Number:

40-41-004

Tran Type Definitions

November 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
11/21/2017	11/21/2017	RW	1554832	CARRIE TAM	-300,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	13,396,994.57
Total Withdrawal:	-300,000.00	Ending Balance:	13,096,994.57

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	\$300,000.00
Total Credits	\$0.00

Account No	03412
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Statement Period Ending 30-Nov-17

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		10/31/17	---	---	\$9,638,593.29
WIRE OUT		11/22/17	300,000.00		\$9,338,593.29
ENDING BALANCE		11/30/17	---	---	\$9,338,593.29

December Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2017

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
December 2017	Beginning book balance (Checking)		1,239,962
	Measure M	DMV and State of California	775,438
	Member Contributions	City: Daly City	39,272
	Congestion Relief & Management	City: Daly City	284,143
	Bay Area Air Quality	Bay Area Air Quality Management District	609,007
	NPDES	San Mateo County	746,186
	Energy Watch	PG&E	44,406
	All other Receipts (3)	various	1,379
		Total December Cash Inflow	2,499,831
	Measure M	Cities: Millbrae, Redwood City, Brisbane, San Mateo, and Burlingame, and EOA Inc.	(601,474)
	Congestion Relief & Management	Redwood City, CDM Smith, Gray Bowen Scott, and Keans & West Inc.	(30,177)
		Cities: Redwood City and Brisbane, EOA Inc., Shaw/Yoder/Antwih, and Larry Walker Assoc.	(153,431)
	NPDES	Walker Assoc.	(153,431)
	Smart Corridor	Iteris Inc., Aegis ITS, and Redwood City	(55,101)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(34,140)
	AB1546	EOA Inc. and Larry Walker Assoc.	(17,201)
	All other payments (21)	various	(15,506)
	Transfer	San Mateo County Pool	(500,000)
	Transfer	LAIF	(800,000)
		Total December Cash Outflow	(2,207,030)
		Net Cash Inflow/(Outflow)	292,801
	Ending book balance (Checking)		1,532,763

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, 2018

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 2017 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
12/19/2017	12/18/2017	RD	1556522	CARRIE TAM	800,000.00

Account Summary

Total Deposit:	800,000.00	Beginning Balance:	13,096,994.57
Total Withdrawal:	0.00	Ending Balance:	13,896,994.57

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	0
Total Debits	\$0.00
Total Credits	\$500,000.00

Account No	03412
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Statement Period Ending	31-Dec-17
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Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		11/30/17	---	---	\$9,338,593.29
CITY OF SAN CARLOS WIRE IN		12/20/17	-	500,000.00	\$9,838,593.29
ENDING BALANCE		12/31/17	---	---	\$9,838,593.29



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
01/15/18	1.35	1.34	186
01/16/18	1.35	1.34	186
01/17/18	1.35	1.34	186
01/18/18	1.36	1.34	186
01/19/18	1.36	1.34	184
01/20/18	1.36	1.34	184
01/21/18	1.36	1.34	184
01/22/18	1.36	1.34	181
01/23/18	1.36	1.34	182
01/24/18	1.37	1.35	181
01/25/18	1.37	1.35	180
01/26/18	1.37	1.35	180
01/27/18	1.37	1.35	180
01/28/18	1.37	1.35	180
01/29/18	1.37	1.35	181
01/30/18	1.37	1.35	179
01/31/18	1.38	1.35	179
02/01/18	1.40	1.35	182
02/02/18	1.40	1.35	181
02/03/18	1.40	1.36	181
02/04/18	1.40	1.36	181
02/05/18	1.40	1.36	180
02/06/18	1.40	1.36	179
02/07/18	1.40	1.36	178
02/08/18	1.41	1.36	179
02/09/18	1.41	1.36	180
02/10/18	1.41	1.36	180
02/11/18	1.41	1.36	180
02/12/18	1.41	1.36	178
02/13/18	1.41	1.37	178
02/14/18	1.41	1.37	177

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

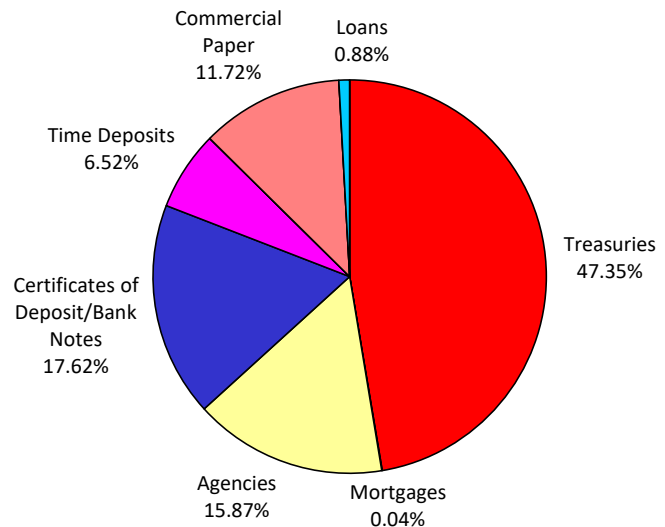
Quarter Ending 12/31/17

Apportionment Rate: 1.20%
 Earnings Ratio: .00003301121703481
 Fair Value Factor: 0.998093529
 Daily: 1.30%
 Quarter to Date: 1.18%
 Average Life: 186

**PMIA Average Monthly
Effective Yields**

Jan 2018 1.350
 Dec 2017 1.239
 Nov 2017 1.172

**Pooled Money Investment Account
Portfolio Composition
01/31/18
\$78.6 billion**



Based on data available as of 2/14/2018



[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	0.925	0.978	1.051	1.084	1.111	1.143	1.172	1.239
2018	1.350											

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	450,000,000	\$372,248.42
U.S. Instrumentalities	79,500,000	\$86,542.23
Federal Agencies	428,805,000	421,751.08
Corporate Notes	135,000,000	177,491.27
Floating Rate Securities	204,200,000	237,874.65
	1,297,505,000	\$1,295,907.65
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	175,000,000	83,867.56
U.S. Instrumentalities	120,000,000	42,306.45
Federal Agencies	818,811,000	615,865.27
Corporate Notes	190,000,000	212,410.56
Floating Rate Securities	132,000,000	125,296.08
LAIF	65,000,000	63,486.30
Commercial Paper	977,000,000	910,112.79
Certificate of Deposit	100,000,000	93,184.93
U S Treasury Bills	375,000,000	238,447.90
Repurchase Agreements	111,250,000	3,182.99
	3,064,061,000	\$2,388,160.83
Total Accrued Interest	4,361,566,000	\$3,684,068.48
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$351,769.53
U.S. Instrumentalities		\$40,308.43
Federal Agencies		224,186.16
Corporate Notes		33,266.85
Floating Rate Securities		104,635.94
LAIF		3,737.76
Commercial Paper		104,242.50
Certificate of Deposit		10,284.16
U S Treasury Bills		67,931.66
Repurchase Agreements		164,186.50
Total Realized Income		\$1,104,549.49
TOTAL DOLLAR EARNINGS		\$4,788,617.97

AVERAGE BALANCE		\$4,338,146,335.68
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.300%	\$4,788,617.97
ADMINISTRATION FEES		(\$386,867.57)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.195%	\$4,401,750.40

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	500,000,000	\$519,696.40
U.S. Instrumentalities	79,500,000	\$88,378.25
Federal Agencies	448,805,000	409,111.07
Corporate Notes	125,000,000	175,718.87
Floating Rate Securities	194,200,000	252,766.22
	1,347,505,000	\$1,445,670.81
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	400,000,000	203,488.52
U.S. Instrumentalities	165,000,000	112,960.06
Federal Agencies	752,876,000	629,591.62
Corporate Notes	200,000,000	182,449.59
Floating Rate Securities	137,000,000	126,488.91
LAIF	65,000,000	61,438.36
Commercial Paper	964,000,000	933,852.09
Certificate of Deposit	175,000,000	141,697.26
U S Treasury Bills	400,000,000	352,634.73
Repurchase Agreements	88,500,000	2,556.67
	3,347,376,000	\$2,747,157.81
Total Accrued Interest	4,694,881,000	\$4,192,828.62
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$118,758.99
U.S. Instrumentalities		\$16,298.63
Federal Agencies		95,030.74
Corporate Notes		49,994.93
Floating Rate Securities		88,167.19
Commercial Paper		135,105.29
Certificate of Deposit		18,023.78
U S Treasury Bills		1,479.01
Repurchase Agreements		149,260.57
Total Realized Income		\$672,119.13
TOTAL DOLLAR EARNINGS		\$4,864,947.75

AVERAGE BALANCE		\$4,554,344,217.85
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.300%	\$4,864,947.75
ADMINISTRATION FEES		(\$393,046.14)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.195%	\$4,471,901.61

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	500,000,000	\$649,176.50
U.S. Instrumentalities	79,500,000	\$109,230.58
Federal Agencies	443,805,000	463,854.88
Corporate Notes	125,000,000	188,099.16
Floating Rate Securities	194,200,000	273,226.60
	1,342,505,000	\$1,683,587.72
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	625,000,000	539,412.58
U.S. Instrumentalities	190,000,000	178,430.03
Federal Agencies	722,876,000	562,410.56
Corporate Notes	200,000,000	230,819.31
Floating Rate Securities	125,000,000	155,114.54
LAIF	65,000,000	63,486.30
Commercial Paper	1,114,500,000	1,219,509.86
Certificate of Deposit	235,000,000	273,190.41
U S Treasury Bills	275,000,000	278,031.27
Repurchase Agreements	230,800,000	26,926.67
	3,783,176,000	\$3,527,331.53
Total Accrued Interest	5,125,681,000	\$5,210,919.25
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$52,851.59
Federal Agencies		102,683.78
Corporate Notes		19,605.83
Floating Rate Securities		65,440.35
Commercial Paper		51,891.38
U S Treasury Bills		38,454.85
Repurchase Agreements		189,503.66
Total Realized Income		\$520,431.44
TOTAL DOLLAR EARNINGS		\$5,731,350.69

AVERAGE BALANCE		\$5,108,048,720.81
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.321%	\$5,731,350.69
ADMINISTRATION FEES		(\$455,525.99)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.216%	\$5,275,824.70

C/CAG AGENDA REPORT

Date: February 28, 2018

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 response to 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 14, 2017:

“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 October, November, and December 2017 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
October	1.143%	1.195%
November	1.172%	1.195%
December	1.239%	1.216%

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 15, 2017, the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio. On December 14, 2017, the C/CAG Board approved of no change to the investment portfolio.

The investment portfolio as of December 31, 2017 is as follows:

	9/30/2017		12/31/2017	
	Amount	Percent	Amount	Percent
LAIF	\$13,363,368	58%	\$13,896,995	59%
COPOOL	\$9,611,660	42%	\$9,838,593	41%
Total	\$22,975,028	100%	\$23,735,588	100%

ATTACHMENTS

1. Quarterly Investment Report as of December 31, 2017 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 28, 2018

SUBJECT: Quarterly Investment Report as of December 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 December 31, 2017, funds in the amount of \$23,735,588 were invested producing a weighted average yield of 1.20%. Of the total investment portfolio, 58.6% of funds were invested in the Local Agency Investment Fund (LAIF) and 41.5% 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 \$69,629. 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 12/31/17	Qtr Ended 9/30/17	Increase (Decrease)
Total Portfolio	\$ 23,735,588	\$ 22,975,028	\$ 760,560
Weighted Average Yield	1.20%	1.13%	0.07%
Accrued Interest Earnings	\$ 69,629	\$ 60,560	\$ 9,069

There was an increase of \$0.8M in the portfolio balance this quarter compared to the previous quarter mainly due to cash receipts in the second quarter for Measure M, NPDES, and Bay Area Air Quality, which were offset by cash disbursements for Measure M, Congestion Relief and Management, NPDES, and Bay Area Air Quality expenditures. A more detailed list of the payments made in the second quarter can be found in the attached monthly "Major Cash Inflows and Outflows" report. 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 December 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 December 31, 2017

2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending December 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)	1.20%	13,896,995	58.6%	13,870,500
San Mateo County Investment Pool (COPOOL)	1.20%	9,838,593	41.5%	9,838,593

Agency Securities

none

Total - Investments	1.20%	23,735,588	100%	23,709,093
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GRAND TOTAL OF PORTFOLIO	1.20%	\$ 23,735,588	100%	\$ 23,709,093
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Total Interest Earned This Quarter	69,629
Total Interest Earned (Loss) Fiscal Year-to-Date	130,189

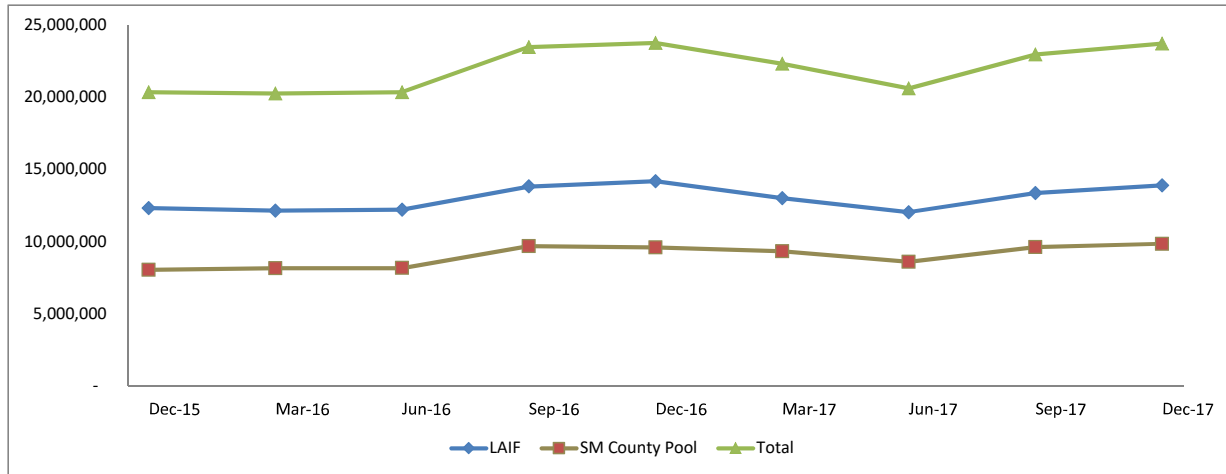
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

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, 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

	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
LAIF	12,324,374	12,136,268	12,200,510	13,817,524	14,186,530	13,010,532	12,034,768	13,363,368	13,896,995
SM County Pool	8,024,431	8,138,072	8,154,442	9,672,516	9,591,037	9,313,634	8,586,974	9,611,660	9,838,593
Total	20,348,805	20,274,340	20,354,952	23,490,040	23,777,567	22,324,166	20,621,742	22,975,028	23,735,588

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.