

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 23, 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 February 28, 2018 meeting. (Action)
4. Receive copies of monthly investment statements for January, February, March 2018. (Information)
5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
6. Review of Draft Other Post-Employment Benefits (OPEB) Actuarial Valuation as of July 1, 2017 and recommend prefunding of OPEB through CERBT of CalPERS for fiscal year 2017-18. (Action)
7. Review the draft final C/CAG Program Budget and Member Fees for Fiscal Year 2018-2019 (Action)
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 28, 2018**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Ann Wengert (Town of Portola Valley)
Jay Benton (Town of Hillsborough)

Guests or Staff Attending:

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

1. Call to order

At 12:05 P.M. Finance Committee meeting was called to order.

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

None

3. Approval of minutes of November 15, 2017 meeting. (Action)

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

4. Receive copies of monthly investment statements for October, November, and December 2017. (Information)

Finance committee members reviewed the investment statements and cash flow reports. Member Benton asked if interest was disbursed on a monthly or quarterly basis. Carrie Tam clarified that interest disbursements were usually received on the first month after the quarter end.

Member Wengert noticed that Measure M was disbursed evenly. It was clarified that reimbursement notifications are sent out to jurisdictions twice a year but payments are made to the jurisdictions upon request and this results in payments being spread out over the year.

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

The committee observed that in the last month LAIF outperformed the County Pool. They anticipate the trend to continue as corporate bonds flatten out and treasuries continue to grow.

Member Benton asked Carrie to look at more recent trend of LAIF performance and to consider moving transactions in favor of LAIF if it is performing well. It was recommended to keep the current target as is for now but to continue to monitor performance and try to get the most current information available in the next meeting.

There was a request to provide additional information regarding the large fund balance. The committee requested information regarding existing committed balances and plans to draw down the uncommitted balance at the next committee meeting.

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

6. Adjournment

The meeting adjourned at approximately 12:24 P.M.

C/CAG AGENDA REPORT

Date: May 23, 2018
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for January, February, and March 2018.

(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 2018.

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, 2018.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for January, February, and March 2018
2. LAIF Performance Report Quarter Ending March 31, 2018
3. County Summary of Pool Earnings for January, February, and March 2018

January Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended March 31, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
January 2018	Beginning book balance (Checking)		1,532,763
	AB1546	DMV, PG&E, MTC	758,738
	All other Receipts (2)	various	2,134
		Total January Cash Inflow	760,872
	Congestion Relief & Management Bay Area Air Quality	Gary Bowen Scott, CDM Smith, Shaw/Yoder/Antwih, and County of San Mateo Scoop Technologies, Iteris Inc. and County of San Mateo	(86,500) (168,646)
	NPDES	City of Brisbane and County of San Mateo	(28,147)
	Energy Watch	DNV GL Services and County of San Mateo	(26,532)
	Measure M	County of San Mateo and City of Menlo Park	(334,518)
	All other payments (12)	various	(28,829)
		Total January Cash Outflow	(673,172)
		Net Cash Inflow/(Outflow)	87,700
	Ending book balance (Checking)		1,620,463

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, 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

January 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
1/12/2018	1/11/2018	QRD	1559994	SYSTEM	40,611.06

Account Summary

Total Deposit:	40,611.06	Beginning Balance:	13,896,994.57
Total Withdrawal:	0.00	Ending Balance:	13,937,605.63

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	0
Total Debits	\$0.00
Total Credits	\$29,018.09

Account No	03412
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Statement Period Ending 31-Jan-18

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		12/31/17	---	---	\$9,838,593.29
INTEREST ALLOCATION POOL Q		01/01/18	-	29,018.09	\$9,867,611.38
ENDING BALANCE		01/31/18	---	---	\$9,867,611.38

February Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
 Recap of Monthly Major Cash Inflows and Outflows
 for Quarter Ended March 31, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
February 2018	Beginning book balance (Checking)		1,620,463
	NPDES	County of San Mateo	136,897
	Congestion Relief & Management	DMV and MTC	725,981
	Energy Watch	PG&E	27,996
	All other Receipts (3)	various	2,726
	Transfer	San Mateo County Pool	500,000
	Transfer	LAIF	300,000
		Total February Cash Inflow	<u>1,693,600</u>
	Measure M	EOA Inc., Cities: Belmont, Pacifica, San Carlos, and Redwood City, and County of San Mateo	(461,719)
	Congestion Relief & Mgmt AB1546	Gary Bowen Scott, Commute.org, Redwood City, and County of San Mateo	(422,641)
		EOA Inc.	(15,411)
	NPDES	EOA Inc., Groner S Assoc., Urban Rain Design, Cities: Brisbane and Redwood City, and County of San Mateo	(202,342)
	Energy Watch	Joint Venture, Redwood City and County of San Mateo	(33,700)
	Smart Corridor	Aegis, Iteris, and Kimley-Horn & Assoc.	(55,294)
	Bay Area Air Quality	Commute.org, Iteris, Inc., and County of San Mateo	(162,659)
	All other payments (23)	various	(11,275)
		Total February Cash Outflow	<u>(1,365,041)</u>
		Net Cash Inflow/(Outflow)	<u>328,559</u>
	Ending book balance (Checking)		<u>1,949,022</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 05, 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

February 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
2/14/2018	2/14/2018	RW	1562547	CARRIE TAM	-300,000.00

Account Summary

Total Deposit:	0.00	Beginning Balance:	13,937,605.63
Total Withdrawal:	-300,000.00	Ending Balance:	13,637,605.63

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	\$500,000.00
Total Credits	\$0.00

Account No	03412
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Statement Period Ending 28-Feb-18

Activity	Trans	Date	Debit	Credit	Balance
BEGINNING BALANCE		01/31/18	---	---	\$9,867,611.38
WIRE OUT		02/15/18	500,000.00	-	\$9,367,611.38
ENDING BALANCE		02/28/18	---	---	\$9,367,611.38

March Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended March 31, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
March 2018	Beginning book balance (Checking)		1,949,022
	Measure M	County of San Mateo	74,619
	Congestion Relief & Management	DMV and CALTRANS	680,429
	All other Receipts (5)	various	2,122
	Transfer	San Mateo County Pool	250,000
		Total March Cash Inflow	1,007,170
	Measure M	Cities: Redwood City and East Palo Alto, County of San Mateo, and EOA Inc.	(305,155)
	Congestion Relief & Management	Redwood City, CDM Smith, Shaw/Yoder/Antwih, SAMTRANS, and County of San Mateo	(178,050)
	NPDES	Cities: Redwood City and Brisbane, EOA Inc., Groner S Assoc., County of San Mateo, Shaw/Yoder/Antwih, Urban Rain Design, and Larry Walker Assoc.	(268,294)
	Bay Area Air Quality	SAMTRANS, County of San Mateo, and Scoop Technologies	(181,334)
	Smart Corridor	Iteris Inc., CALTRANS, Kimley-Horn & Assoc., and Redwood City	(56,894)
	Energy Watch	DNV GL Services, Redwood City, and County of San Mateo	(62,423)
	AB1546	EOA Inc. and Larry Walker Assoc.	(49,424)
	All other payments (36)	various	(40,017)
		Total March Cash Outflow	(1,141,591)
		Net Cash Inflow/(Outflow)	(134,421)
	Ending book balance (Checking)		1,814,601

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 02, 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

March 2018 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	13,637,605.63
Total Withdrawal:	0.00	Ending Balance:	13,637,605.63



San Mateo County Treasurer
555 County Center
Redwood City, 94063
(650) 363-4978 or (650) 599-7206

March County Pool Statement

Statement Ending Date: 3/30/2018
Account: 03412

STATEMENT OF ACCOUNT

San Carlos/County Association of Governors

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
2/28/2018	Balance brought forward		\$9,367,611.38	\$9,367,611.38
3/15/2018	Wire out	\$250,000.00		\$9,117,611.38
3/30/2018	Ending Balance			\$9,117,611.38



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
03/19/18	1.53	1.41	176
03/20/18	1.54	1.41	175
03/21/18	1.54	1.41	174
03/22/18	1.55	1.41	178
03/23/18	1.56	1.42	180
03/24/18	1.56	1.42	180
03/25/18	1.56	1.42	180
03/26/18	1.56	1.42	176
03/27/18	1.57	1.42	175
03/28/18	1.57	1.42	177
03/29/18	1.58	1.43	179
03/30/18	1.59	1.43	183
03/31/18	1.59	1.43	183
04/01/18	1.59	1.59	183
04/02/18	1.60	1.60	190
04/03/18	1.60	1.60	190
04/04/18	1.61	1.60	188
04/05/18	1.61	1.60	187
04/06/18	1.62	1.61	185
04/07/18	1.62	1.61	185
04/08/18	1.62	1.61	185
04/09/18	1.62	1.61	186
04/10/18	1.63	1.61	184
04/11/18	1.63	1.61	183
04/12/18	1.65	1.62	183
04/13/18	1.65	1.62	183
04/14/18	1.65	1.62	183
04/15/18	1.65	1.62	183
04/16/18	1.65	1.63	180
04/17/18	1.66	1.63	181
04/18/18	1.67	1.63	180

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

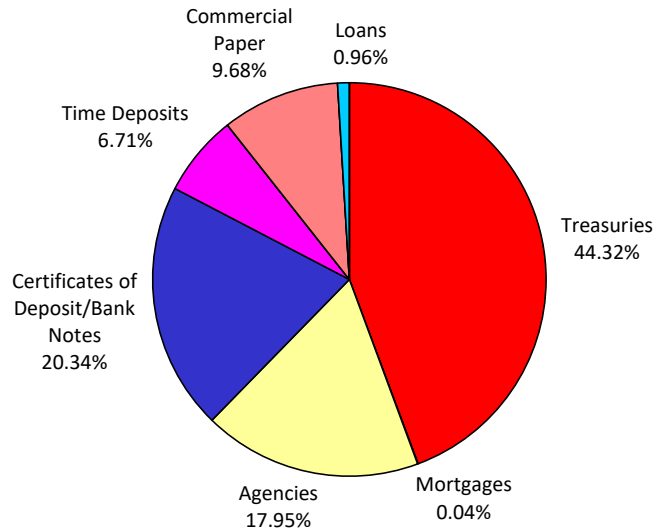
Quarter Ending 03/31/18

Apportionment Rate: 1.51%
 Earnings Ratio: 0.00004135534904993
 Fair Value Factor: 0.997538001
 Daily: 1.59%
 Quarter to Date: 1.43%
 Average Life: 183

PMIA Average Monthly Effective Yields

Mar 2018 1.524
 Feb 2018 1.412
 Jan 2018 1.350

**Pooled Money Investment Account
Portfolio Composition
03/31/18
\$75.0 billion**



Based on data available as of 4/18/2018

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
JANUARY 2018**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	550,000,000	\$677,344.59
U.S, Instrumentalities	79,500,000	\$95,531.95
Federal Agencies	411,305,000	412,324.33
Corporate Notes	125,000,000	189,143.68
Floating Rate Securities	204,200,000	244,278.88
	1,370,005,000	\$1,618,623.43
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	700,000,000	719,010.82
U.S, Instrumentalities	190,000,000	186,332.05
Federal Agencies	668,938,000	577,551.78
Corporate Notes	200,000,000	238,175.65
Floating Rate Securities	120,000,000	127,892.08
LAIF	65,000,000	74,527.40
Commercial Paper	1,085,600,000	1,180,539.15
Certificate of Deposit	235,000,000	308,258.90
U S Treasury Bills	275,000,000	278,031.27
Repurchase Agreements	196,750,000	7,323.47
	3,736,288,000	\$3,697,642.57
Total Accrued Interest	5,106,293,000	\$5,316,266.00
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$27,921.23
U.S, Instrumentalities		\$24,893.15
Federal Agencies		166,220.95
Corporate Notes		5,852.14
Floating Rate Securities		214,441.15
LAIF		9,012.53
Commercial Paper		239,881.39
Repurchase Agreements		246,258.06
Total Realized Income		\$934,480.60
TOTAL DOLLAR EARNINGS		\$6,250,746.60

AVERAGE BALANCE		\$5,255,170,468.22
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.400%	\$6,250,746.60
ADMINISTRATION FEES		(\$468,646.02)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.295%	\$5,782,100.58

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
FEBRUARY 2018**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$579,275.59
U.S. Instrumentalities	79,500,000	\$98,659.88
Federal Agencies	393,805,000	390,478.51
Corporate Notes	125,000,000	178,340.56
Floating Rate Securities	204,200,000	295,247.71
	1,402,505,000	\$1,542,002.25
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	675,000,000	606,222.17
U.S. Instrumentalities	100,000,000	101,086.85
Federal Agencies	606,315,000	469,669.44
Corporate Notes	190,000,000	198,976.29
Floating Rate Securities	110,000,000	130,641.26
LAIF	65,000,000	67,315.07
Commercial Paper	1,205,900,000	1,265,433.93
Certificate of Deposit	235,000,000	278,427.40
U S Treasury Bills	295,000,000	183,333.68
Repurchase Agreements	159,750,000	5,946.25
	3,641,965,000	\$3,307,052.34
Total Accrued Interest	5,044,470,000	\$4,849,054.59
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$299,232.12
U.S. Instrumentalities		\$44,701.35
Federal Agencies		131,451.53
Corporate Notes		12,834.42
Floating Rate Securities		58,475.11
Commercial Paper		145,851.66
Certificate of Deposit		
U S Treasury Bills		104,178.49
Repurchase Agreements		197,749.71
Total Realized Income		\$994,474.39
TOTAL DOLLAR EARNINGS		\$5,843,528.98

AVERAGE BALANCE		\$5,077,065,906.91
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.500%	\$5,843,528.98
ADMINISTRATION FEES		(\$408,947.23)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.395%	\$5,434,581.75

**COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
MARCH 2018**

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	550,000,000	\$621,990.08
U.S. Instrumentalities	79,500,000	\$101,439.49
Federal Agencies	413,805,000	427,158.57
Corporate Notes	105,000,000	163,210.57
Floating Rate Securities	214,200,000	354,313.64
	1,362,505,000	\$1,668,112.35
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	475,000,000	529,872.61
U.S. Instrumentalities	151,000,000	128,352.86
Federal Agencies	642,315,000	625,022.64
Corporate Notes	158,000,000	189,123.62
Floating Rate Securities	135,000,000	194,802.08
LAIF	65,000,000	74,527.40
Commercial Paper	1,256,900,000	1,639,899.32
Certificate of Deposit	175,000,000	229,286.30
U S Treasury Bills	390,000,000	427,109.38
Repurchase Agreements	189,250,000	28,229.79
	3,637,465,000	\$4,066,226.00
Total Accrued Interest	4,999,970,000	\$5,734,338.35
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$403,656.30
U.S. Instrumentalities		\$17,383.33
Federal Agencies		141,188.44
Corporate Notes		28,286.73
Floating Rate Securities		59,767.30
Commercial Paper		259,953.93
Certificate of Deposit		53,803.95
U S Treasury Bills		11,375.00
Repurchase Agreements		206,168.87
Total Realized Income		\$1,181,583.85
TOTAL DOLLAR EARNINGS		\$6,915,922.20

AVERAGE BALANCE		\$4,987,837,390.28
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	1.633%	\$6,915,922.20
ADMINISTRATION FEES		(\$444,805.77)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.528%	\$6,471,116.43

C/CAG AGENDA REPORT

Date: May 23, 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 January, February, and March 2018 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
January	1.350%	1.295%
February	1.412%	1.395%
March	1.524%	1.528%

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 28, 2018, the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio. On March 8, 2018, the C/CAG Board approved of no change to the investment portfolio.

The investment portfolio as of March 31, 2018 is as follows:

	12/31/2017		3/31/2018	
	Amount	Percent	Amount	Percent
LAIF	\$13,896,995	59%	\$13,637,606	60%
COPOOL	\$9,838,593	41%	\$9,117,611	40%
Total	\$23,735,588	100%	\$22,755,217	100%

ATTACHMENTS

1. Quarterly Investment Report as of March 31, 2018 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 23, 2018

SUBJECT: Quarterly Investment Report as of March 31, 2018

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, 2018, funds in the amount of \$22,755,217 were invested producing a weighted average yield of 1.47%. Of the total investment portfolio, 59.9% of funds were invested in the Local Agency Investment Fund (LAIF) and 40.1% 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 \$84,428. 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 3/31/18	Qtr Ended 12/31/17	Increase (Decrease)
Total Portfolio	\$ 22,755,217	\$ 23,735,588	\$ (980,371)
Weighted Average Yield	1.47%	1.20%	0.27%
Accrued Interest Earnings	\$ 84,428	\$ 69,629	\$ 14,799

There was a decrease of \$0.98M in the portfolio balance this quarter compared to the previous quarter mainly due to cash disbursements in the third quarter for Measure M. A more detailed list of the payments made in the third quarter can be found in the attached monthly “Major Cash Inflows and Outflows” report. The 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, 2018, 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, 2018
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending March 31, 2018

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	1.51%	13,637,606	59.9%	13,604,030
San Mateo County Investment Pool (COPOOL)	1.40%	9,117,611	40.1%	9,117,611
Agency Securities				
<i>none</i>				
Total - Investments	1.47%	22,755,217	100%	22,721,641
GRAND TOTAL OF PORTFOLIO	1.47%	\$ 22,755,217	100%	\$ 22,721,641

Total Interest Earned This Quarter	84,428
Total Interest Earned (Loss) Fiscal Year-to-Date	214,617

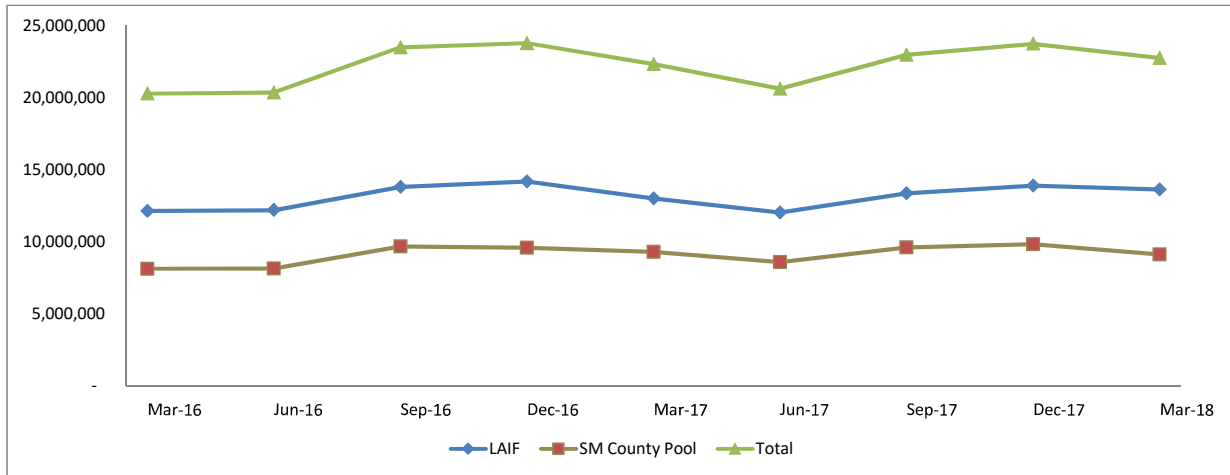
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

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, 2018**



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-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
LAIF	12,136,268	12,200,510	13,817,524	14,186,530	13,010,532	12,034,768	13,363,368	13,896,995	13,637,606
SM County Pool	8,138,072	8,154,442	9,672,516	9,591,037	9,313,634	8,586,974	9,611,660	9,838,593	9,117,611
Total	20,274,340	20,354,952	23,490,040	23,777,567	22,324,166	20,621,742	22,975,028	23,735,588	22,755,217

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.

C/CAG AGENDA REPORT

Date: May 23, 2018
TO: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Review of the Draft Other Post-Employment Benefits (OPEB) Actuarial Valuation as of July 1, 2017 and recommend prefunding of OPEB through CERBT of CalPERS for fiscal year 2017-18

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

RECOMMENDATION:

That the Finance Committee review the Draft Other Post-Employment Benefits (OPEB) Actuarial Valuation as of July 1, 2017 and recommend prefunding of OPEB through CERBT of CalPERS for fiscal year 2017-18.

FISCAL IMPACT:

Prefunding OPEB for fiscal year 2017-18 is estimated at approximately \$44,000.

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 response to Government Accounting Standards Board (GASB) Statement Number 45, in 2012, for the first time, C/CAG retained Bickmore & Associates, an actuarial firm to prepare the "*Actuarial Valuation of the Other Post-Employment Benefit Programs as of July 1, 2012*" for fiscal years ending June 30, 2014 and June 30, 2015. Further, that actuarial valuation was updated in June 2016 for fiscal years ending June 30, 2016 and June 30, 2017.

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 for FY 2014-15. In June 2016, C/CAG Board adopted Resolution 16-21 authorizing the prefunding of OPEB through CalPERS in an amount of \$27,000 for FY 2015-16. In June 2017, C/CAG Board approved Resolution 17-26 authorizing the prefunding of OPEB through CalPERS in an amount of \$25,000 for FY 2016-17.

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.

The CERBT Fund of CalPERS is a multiple-employer OPEB trust fund and has a fiduciary responsibility for financial reporting in accordance to the Governmental Accounting Standards (GAS) Statement No. 74. C/CAG is required to submit a renewal OPEB Valuation to update the financial status of OPEB no later than June 30, 2018.

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.

ATTACHMENT

1. Draft Actuarial Valuation of the Other Post-Employment Benefit (OPEB) Programs - Will be available on May 21, 2018 at: <http://ccag.ca.gov/committees/finance-committee/>

C/CAG AGENDA REPORT

Date: May 23, 2018

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Review the draft final C/CAG Program Budget and member Fees for Year 2018-19

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

RECOMMENDATION

That the C/CAG Finance Committee review the draft final C/CAG Program Budget and Member Fees for Fiscal Year 2018-2019.

FISCAL IMPACT

In accordance with the proposed C/CAG 2018-19 Program Budget.

SOURCE OF FUNDS

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, earmarks, and interest.

BACKGROUND

Each year, the C/CAG Board reviews the draft annual budget and member fees in the month of May and approves the final in June. However, since the annual retreat has been scheduled for the month of May, staff has determined to present the draft annual budget and member fees to the C/CAG Board in the month of April.

For fiscal year 2018-19, it is proposed that the total member fee be the same as that in FY 2017-18. However, individual jurisdiction member's portion would vary due to the updated population data.

For budgeting purposes, the draft fee for each individual member agency was sent to City/County Managers on March 6, 2018. Approval of the final C/CAG Fiscal Year 2018-19 budget and fees will be submitted to C/CAG Board on June 14, 2018.

ATTACHMENTS

1. Proposed C/CAG Member Fee for Fiscal Year 2018-19.
2. FY 2017-18 C/CAG Projected Statement of Revenues, Expenditures, and Changes in Fund Balance.
3. FY 2018-19 C/CAG Projected Statement of Revenues, Expenditures, and Changes in Fund Balance.
4. Entire Draft Final Budget Book is available at: <http://ccag.ca.gov/committees/finance-committee/>

C/CAG Member Fees
Fiscal Year 2018-19

C/CAG Member FEE FY 2018-2019					CONGESTION RELIEF PROGRAM (CRP) ASSESSMENT FY 2018-2019			
Agency	% Population (as of 1/1/17)	General Fund Fee	Gas Tax Fee	Total Fee	Agency	Population	% of Trip Generation	Congestion Relief
Atherton	0.928%	\$2,558	\$3,809	\$6,368	Atherton	0.928%	0.89%	\$16,829
Belmont	3.583%	\$9,876	\$14,705	\$24,581	Belmont	3.583%	3.08%	\$61,645
Brisbane	0.613%	\$1,690	\$2,516	\$4,206	Brisbane	0.613%	0.77%	\$12,797
Burlingame	3.914%	\$10,790	\$16,066	\$26,856	Burlingame	3.914%	5.49%	\$86,999
Colma	0.196%	\$539	\$803	\$1,342	Colma	0.196%	0.83%	\$9,530
Daly City	14.189%	\$39,113	\$58,241	\$97,354	Daly City	14.189%	10.15%	\$225,131
East Palo Alto	3.939%	\$10,859	\$16,169	\$27,027	East Palo Alto	3.939%	2.16%	\$56,398
Foster City	4.314%	\$11,891	\$17,706	\$29,597	Foster City	4.314%	3.99%	\$76,821
Half Moon Bay	1.635%	\$4,506	\$6,710	\$11,216	Half Moon Bay	1.635%	1.77%	\$31,475
Hillsborough	1.526%	\$4,206	\$6,263	\$10,470	Hillsborough	1.526%	1.08%	\$24,132
Menlo Park	4.631%	\$12,766	\$19,009	\$31,775	Menlo Park	4.631%	5.43%	\$93,047
Millbrae	3.008%	\$8,292	\$12,347	\$20,638	Millbrae	3.008%	2.91%	\$54,737
Pacifica	4.950%	\$13,644	\$20,317	\$33,961	Pacifica	4.950%	4.07%	\$83,397
Portola Valley	0.611%	\$1,685	\$2,508	\$4,193	Portola Valley	0.611%	0.58%	\$11,060
Redwood City	11.114%	\$30,636	\$45,618	\$76,254	Redwood City	11.114%	12.62%	\$219,536
San Bruno	5.881%	\$16,211	\$24,138	\$40,349	San Bruno	5.881%	5.80%	\$108,088
San Carlos	3.806%	\$10,490	\$15,620	\$26,111	San Carlos	3.806%	4.19%	\$73,955
San Mateo	13.428%	\$37,016	\$55,117	\$92,133	San Mateo	13.428%	15.47%	\$267,320
South San Francisco	8.498%	\$23,425	\$34,880	\$58,304	South San Francisco	8.498%	8.72%	\$159,296
Woodside	0.736%	\$2,028	\$3,019	\$5,047	Woodside	0.736%	0.77%	\$13,925
San Mateo County	8.500%	\$23,431	\$34,890	\$58,321	San Mateo County	8.500%	9.22%	\$163,882
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.			
1. C/CAG member fees are comprised of two portions: General Fund and Gas Tax.					However, individual agency fees have changed based on annual update of population.			
2. For FY 2018-19, C/CAG member fees for General Fund portion is proposed to stay the same as FYs 16-17 & 17-18 (\$275,651).								
For FY 2018-19 C/CAG member fee For the Gas Tax portion is proposed to stay the same as FYs 16-17 & 17-18 (\$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, 1/1/2017, as adopted by C/CAG Board.								

05/17/18	C/CAG PROJECTED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE										
	FY 2017-18										
	Administrative	Transportation	SMCRP	Smart	LGP Energy	TFCA	NPDES	AVA	DMV Fee (\$4)	Measure M	Total
	Program	Programs	Program	Corridor	Watch				Program	(DMV Fee \$10)	
	(General Fund)										
BEGINNING BALANCE	380,478	2,609,538	5,051,553	441,915	298,510	1,017,134	1,254,797	0	2,936,752	7,780,342	21,771,019
PROJECTED REVENUES											
Interest Earnings	2,064	18,409	44,981	0	650	10,226	12,000	0	24,057	70,000	182,387
Member Contribution	275,651	410,452	1,850,000	0	0	0	129,518	0	0	0	2,665,621
Cost Reimbursements-SFIA	0	0	0	0	0	0	0	0	0	0	0
MTC/ Federal Funding	0	965,123	0	0	0	0	0	0	0	207,747	1,172,870
Grants	0	0	0	0	444,000	0	0	0	0	0	444,000
DMV Fee	0	0	0	0	0	1,079,043	0	0	1,452	7,090,000	8,170,495
NPDES Fee	0	0	0	0	0	0	1,411,277	0	0	0	1,411,277
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	296,879	0	0	0	0	0	0	0	0	296,879
Assessment	0	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	0	0
Total Revenues	277,715	1,690,863	1,894,981	0	444,650	1,089,269	1,552,795	0	25,509	7,367,747	14,343,529
TOTAL SOURCES OF FUNDS	658,193	4,300,401	6,946,534	441,915	743,160	2,106,403	2,807,592	0	2,962,261	15,148,089	36,114,548
PROJECTED EXPENDITURES											
Administration Services	76,120	128,131	57,451	46,478	23,296	5,736	26,394	0	2,388	37,013	403,007
Professional Services	182,445	827,704	40,045	0	244,248	39,411	304,320	0	0	106,151	1,744,324
Consulting Services	15,422	342,674	426,700	357,000	223,661	584,000	1,726,223	0	185,000	1,022,201	4,882,881
Supplies	2,000	500	0	0	0	0	0	0	0	0	2,500
Prof. Dues & Memberships	750	0	0	0	0	0	43,948	0	0	0	44,698
Conferences & Meetings	10,000	2,000	0	0	0	0	5,000	0	0	60	17,060
Printing/ Postage	12,000	0	0	0	0	0	2,000	0	0	0	14,000
Publications	0	1,812	0	0	0	0	0	0	0	0	1,812
Distributions	0	70,000	910,000	0	50,000	872,860	2,000	0	296,000	4,987,773	7,188,633
OPEB Trust	25,000	0	0	0	0	0	0	0	0	0	25,000
Miscellaneous	500	0	0	0	0	0	500	0	0	0	1,000
Bank Fee	3,325	0	0	0	0	0	0	0	0	0	3,325
Audit Services	20,000	0	0	0	0	0	0	0	2,500	2,500	25,000
Project Management	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	347,562	1,372,821	1,434,196	403,478	541,205	1,502,007	2,110,385	0	485,888	6,155,698	14,353,240
TRANSFERS											
Transfers In	0	0	0	100,000	100,000	0	0	0	0	0	200,000
Transfers Out	0	0	200,000	0	0	0	0	0	0	0	200,000
Administrative Allocation	(196,065)	101,724	10,376	0	28,473	4,805	35,196	0	254	15,236	(1)
Total Transfers	(196,065)	101,724	210,376	(100,000)	(71,527)	4,805	35,196	0	254	15,236	(1)
NET CHANGE	126,218	216,318	250,409	(303,478)	(25,028)	(417,543)	(592,786)	0	(460,633)	1,196,813	(9,710)
TRANSFER TO RESERVES	3,346	218,137	20,000	0	0	0	0	0	-50000	-	191,483
TOTAL USE OF FUNDS	154,843	1,692,682	1,664,572	303,478	469,678	1,506,812	2,145,581	0	436,142	6,170,934	14,544,722
ENDING FUND BALANCE	503,350	2,607,719	5,281,962	138,437	273,482	599,591	662,011	0	2,526,119	8,977,155	21,569,826
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.

