

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, November 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 August 22, 2018 meeting. (Action)
4. Receive copies of monthly investment statements for July, August, and September 2018.
(Information)
5. Review of the quarterly investment report and recommend modifications to the C/CAG investment portfolio as needed. (Action)
6. Receive the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2018 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018.
(Information)
7. Receive the C/CAG Single Audit Report for the Year Ended June 30, 2018. (Information)
8. Receive the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2016 through September 30, 2017 (Information)
9. Receive the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2018
(Information)
10. Review and approve the 2019 Finance Committee Meeting Calendar. (Action)
11. ADJOURN

PUBLIC NOTICING: All notices of C/CAG regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA, and on C/CAG's website at: <http://www.ccag.ca.gov>.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the City/County Association of Governments of San Mateo County (C/CAG), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Such public records are also available on C/CAG's website at: <http://www.ccag.ca.gov>.

PUBLIC PARTICIPATION: Public comment is limited to two minutes per speaker. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at (650) 599-1406, five working days prior to the meeting date.

For questions about the agenda call Sandy Wong at 650 599.1409 or Jean Higaki at 650 599.1462.

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
August 22, 2018**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Ann Wengert (Town of Portola Valley)
Marie Chuang (Town of Hillsborough)
Bob Grassilli (City of San Carlos)

Guests or Staff Attending:

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

1. Call to order

At 12:00 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 May 23, 2018 meeting. (Action)

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

4. Receive copies of monthly investment statements for April, May, and June 2018. (Information)

Finance committee members reviewed the investment statements and cash flow reports and had no comments. Member Wengert requested clarifications on the county pool monthly statement report. Carrie Tam provided clarification regarding the transfers and interest allocations.

Member Wengert requested that balance projections be provided quarterly.

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

Member Grassilli asked for clarification regarding the LAIF weighted average interest rates on the summary of investments. Carrie Tam provided follow up information via email. The weighted average interest rates are quarterly apportionment rates provided by LAIF and are

calculated based on a formula using interest income plus losses or gains, number of days in the quarter and average quarterly book totals.

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

6. Review and recommend approval of the annual C/CAG Investment Policy update.

Carrie Tam presented a “clean up” change in the Investment Policy update which changed the maximum medium term corporate notes portfolio percentage from 5% to 10% in a clause to match the table footnote on a following table. The change was to keep consistency with the State’s investment policy set by the California Debt and Investment Advisory Commission (CDIAC).

Member Chuang moved to recommend that the Board approve the C/CAG Investment Policy update. Member Derwin seconded. Motioned passed unanimously.

7. Adjournment

The meeting adjourned at approximately 12:15 P.M.

C/CAG AGENDA REPORT

Date: November 28, 2018
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive copies of monthly investment statements for July, August, and September 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 July, August, and September 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 September 30, 2018.

ATTACHMENTS

1. C/CAG's Monthly Major Cash Inflows and Outflows, LAIF, and SMC Investment Fund Summary for July, August, and September 2018
2. LAIF Performance Report Quarter Ending September 30, 2018
3. County Summary of Pool Earnings for July, August, and September 2018

July Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
July 2018	Beginning book balance (Checking)		1,370,285
	Measure M	DMV Cities: San Mateo, Burlingame, East Palo Alto, Brisbane, South San Francisco, Foster City, and San Carlos; Towns: Portola Valley, Colma, Atherton, Woodside, and Hillsborough	716,403
	Member Contributions	Cities: San Mateo, Burlingame, East Palo Alto, Brisbane, South San Francisco, Foster City, and San Carlos; Towns: Portola Valley, Colma, Atherton, Woodside, and Hillsborough; Alameda County Transportation Commission and Contra Costa Transportation Authority	117,176
	Congestion Relief & Management	various	983,744
	All other Receipts (2)		2,556
		Total July Cash Inflow	1,819,879
	Measure M	EOA Inc. and Redwood City	(158,928)
	Smart Corridor	Kimley-Horn and Redwood City	(14,647)
	Congestion Relief & Management	Commute.org, CDM Smith, Kearns & West, Inc., Cities: Redwood City and Menlo Park	(456,206)
	Bay Area Air Quality	Commute.org and SAMTRANS	(167,098)
	NPDES	EOA Inc., Shaw/Yoder/Antwih, Larry Walker Assoc., Cities: Brisbane and Redwood City	(201,005)
	Energy Watch	Circlepoint, DNV GL Services, Redwood City, and County of San Mateo	(82,343)
	AB1546	EOA Inc., Larry Walker Assoc., and Half Moon Bay	(65,171)
	All other payments (22)	various	(37,233)
		Total July Cash Outflow	(1,182,630)
		Net Cash Inflow/(Outflow)	637,249
	Ending book balance (Checking)		2,007,534

July 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
 August 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

July 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
7/13/2018	7/12/2018	QRD	1578425	SYSTEM	63,806.77

Account Summary

Total Deposit:	63,806.77	Beginning Balance:	13,988,891.96
Total Withdrawal:	0.00	Ending Balance:	14,052,698.73

July County Pool Statement



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

Statement Ending Date: 7/31/2018
Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
6/30/2018	Balance brought forward		\$9,350,753.46	\$9,350,753.46
7/1/2018	Interest Allocation Q4		\$40,061.12	\$9,390,814.58
7/31/2018	Ending Balance			\$9,390,814.58

August Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
August 2018	Beginning book balance (Checking)		2,007,534
	Measure M	DMV	716,108
	Congestion Relief & Management	Caltrans, Cities: San Bruno, Millbrae, Pacifica, Menlo Park, and Half Moon Bay, County of San Mateo, MTC	1,001,052
	Energy Watch	PG&E	43,762
	Member Contributions	Cities: San Bruno, Millbrae, Pacifica, Menlo Park, and Half Moon Bay, County of San Mateo	81,606
	All other Receipts (7)	various	3,251
	Transfer	LAIF	1,000,000
		Total August Cash Inflow	2,845,779
	Measure M	County School Services, SAMTRANS, EOA Inc., Redwood City, and County of San Mateo	(1,671,393)
	Congestion Relief & Mgmt AB1546	Gary Bowen Scott, Kearns & West, Inc., Shaw/Yoder/Antwih, Redwood City, Menlo Park, and San Mateo County	(343,942)
	NPDES	EOA Inc. and Larry Walker Assoc., EOA Inc., Groner S Assoc., Shaw/Yoder/Antwih, Larry Walker Assoc., Urban Rain Design, Redwood City, and County of San Mateo	(141,436)
	Energy Watch	DNV GL Services, Circlepoint, Groner S Assoc., Redwood City, and County of San Mateo	(60,199)
	Smart Corridor	Aegis, Iteris, Kimley-Horn & Assoc., and Redwood City	(30,588)
	Bay Area Air Quality	Scoop Technologies and County of San Mateo	(202,962)
	All other payments (42)	various	(51,680)
	Transfer	LAIF	(1,000,000)
		Total August Cash Outflow	(3,517,778)
		Net Cash Inflow/(Outflow)	(671,999)
	Ending book balance (Checking)		1,335,535

August 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
 September 04, 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

August 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
8/1/2018	7/30/2018	RW	1580822	CARRIE TAM	-1,000,000.00
8/14/2018	8/14/2018	RD	1581763	CARRIE TAM	1,000,000.00

Account Summary

Total Deposit:	1,000,000.00	Beginning Balance:	14,052,698.73
Total Withdrawal:	-1,000,000.00	Ending Balance:	14,052,698.73



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

August County Pool Statement

Statement Ending Date: 8/31/2018
Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
7/31/2018	Balance brought forward		\$9,390,814.58	\$9,390,814.58
8/31/2018	Ending Balance			\$9,390,814.58

September Cash Flow

CITY & COUNTY ASSOCIATION OF GOVERNMENTS
Recap of Monthly Major Cash Inflows and Outflows
for Quarter Ended September 30, 2018

Major Cash Inflows and Outflows

Month	Program	From/To	Amount - In/(Out)
September	Beginning book balance (Checking)		1,335,535
2018	Measure M	DMV and Department of Transportation	694,667
	Member Contributions	Cities: Daly City and Belmont	48,989
	Congestion Relief & Management	Cities: Daly City and Belmont	359,722
	Energy Watch	PG&E	62,715
	All other Receipts (3)	various	3,552
	Transfer	LAIF	200,000
		Total September Cash Inflow	<u>1,369,645</u>
	Measure M	Redwood City and County of San Mateo	(14,604)
	Measure M	EOA Inc. and Larry Walker Assoc.	(34,617)
	Congestion Relief & Management	Shaw/Yoder/Antwih, Gary Bowen Scott, CDM Smith, Redwood City and San Mateo County	(168,759)
	NPDES	Groner S Assoc., Engineering Data, EOA Inc., Larry Walker Assoc., Cities: Brisbane and Redwood City, and County of San Mateo	(206,865)
	Bay Area Air Quality	County of San Mateo	(4,310)
	Smart Corridor	Kimley-Horn & Assoc.	(14,905)
	Energy Watch	Redwood City	(21,097)
	All other payments (14)	various	(6,266)
	Transfer	San Mateo County Pool	(200,000)
	Transfer	LAIF	(300,000)
		Total September Cash Outflow	<u>(971,422)</u>
		Net Cash Inflow/(Outflow)	<u>398,223</u>
	Ending book balance (Checking)		<u>1,733,758</u>

September 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
 October 19, 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

September 2018 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
9/19/2018	9/18/2018	RD	1584041	CARRIE TAM	300,000.00
9/27/2018	9/26/2018	RW	1584619	CARRIE TAM	-200,000.00

Account Summary

Total Deposit:	300,000.00	Beginning Balance:	14,052,698.73
Total Withdrawal:	-200,000.00	Ending Balance:	14,152,698.73

September County Pool Statement



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

Statement Ending Date: 9/30/2018
Account: 03412

STATEMENT OF ACCOUNT

City/County Association of Governments

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
8/31/2018	Balance brought forward		\$9,390,814.58	\$9,390,814.58
9/19/2018	Deposit		\$200,000.00	\$9,590,814.58
9/30/2018	Ending Balance			\$9,590,814.58



**JOHN CHIANG
TREASURER
STATE OF CALIFORNIA**



PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
10/15/18	2.14	2.13	200
10/16/18	2.15	2.13	198
10/17/18	2.15	2.13	198
10/18/18	2.16	2.13	197
10/19/18	2.16	2.13	197
10/20/18	2.16	2.13	197
10/21/18	2.16	2.13	197
10/22/18	2.16	2.14	199
10/23/18	2.16	2.14	200
10/24/18	2.16	2.14	202
10/25/18	2.16	2.14	200
10/26/18	2.16	2.14	201
10/27/18	2.16	2.14	201
10/28/18	2.16	2.14	201
10/29/18	2.17	2.14	203
10/30/18	2.17	2.14	201
10/31/18	2.19	2.14	201
11/01/18	2.19	2.15	206
11/02/18	2.19	2.15	206
11/03/18	2.19	2.15	206
11/04/18	2.19	2.15	206
11/05/18	2.19	2.15	205
11/06/18	2.19	2.15	205
11/07/18	2.19	2.15	203
11/08/18	2.20	2.15	213
11/09/18	2.21	2.16	205
11/10/18	2.21	2.16	205
11/11/18	2.21	2.16	205
11/12/18	2.21	2.16	205
11/13/18	2.20	2.16	203
11/14/18	2.21	2.16	201

*Daily yield does not reflect capital gains or losses

[View Prior Month Daily Rates](#)

LAIF Performance Report

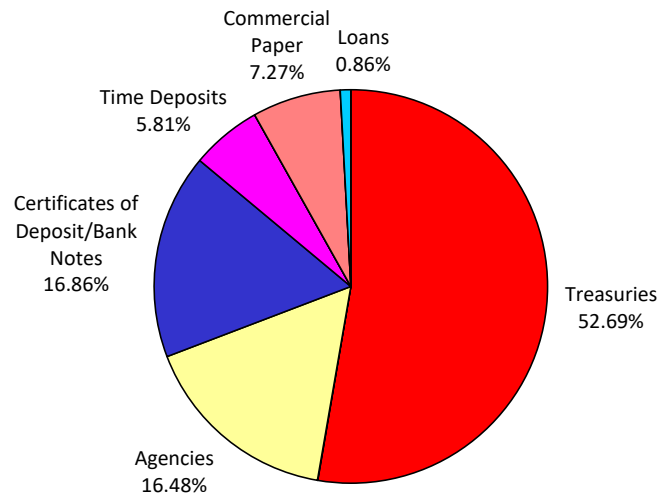
Quarter Ending 09/30/18

Apportionment Rate: 2.16%
 Earnings Ratio: 0.00005909460836489
 Fair Value Factor: 0.997832404
 Daily: 2.09%
 Quarter to Date: 2.00%
 Average Life: 193

PMIA Average Monthly Effective Yields

Oct 2018 2.144
 Sept 2018 2.063
 Aug 2018 1.998

**Pooled Money Investment Account
Portfolio Composition
10/31/18
\$84.7 billion**



Percentages may not total 100%, due to rounding.

Based on data available as of 11/14/2018



California State Treasurer
John Chiang



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POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1977	5.770	5.660	5.660	5.650	5.760	5.850	5.930	6.050	6.090	6.090	6.610	6.730
1978	6.920	7.050	7.140	7.270	7.386	7.569	7.652	7.821	7.871	8.110	8.286	8.769
1979	8.777	8.904	8.820	9.082	9.046	9.224	9.202	9.528	9.259	9.814	10.223	10.218
1980	10.980	11.251	11.490	11.480	12.017	11.798	10.206	9.870	9.945	10.056	10.426	10.961
1981	10.987	11.686	11.130	11.475	12.179	11.442	12.346	12.844	12.059	12.397	11.887	11.484
1982	11.683	12.044	11.835	11.773	12.270	11.994	12.235	11.909	11.151	11.111	10.704	10.401
1983	10.251	9.887	9.688	9.868	9.527	9.600	9.879	10.076	10.202	10.182	10.164	10.227
1984	10.312	10.280	10.382	10.594	10.843	11.119	11.355	11.557	11.597	11.681	11.474	11.024
1985	10.579	10.289	10.118	10.025	10.180	9.743	9.656	9.417	9.572	9.482	9.488	9.371
1986	9.252	9.090	8.958	8.621	8.369	8.225	8.141	7.844	7.512	7.586	7.432	7.439
1987	7.365	7.157	7.205	7.044	7.294	7.289	7.464	7.562	7.712	7.825	8.121	8.071
1988	8.078	8.050	7.945	7.940	7.815	7.929	8.089	8.245	8.341	8.397	8.467	8.563
1989	8.698	8.770	8.870	8.992	9.227	9.204	9.056	8.833	8.801	8.771	8.685	8.645
1990	8.571	8.538	8.506	8.497	8.531	8.538	8.517	8.382	8.333	8.321	8.269	8.279
1991	8.164	8.002	7.775	7.666	7.374	7.169	7.098	7.072	6.859	6.719	6.591	6.318
1992	6.122	5.863	5.680	5.692	5.379	5.323	5.235	4.958	4.760	4.730	4.659	4.647
1993	4.678	4.649	4.624	4.605	4.427	4.554	4.438	4.472	4.430	4.380	4.365	4.384
1994	4.359	4.176	4.248	4.333	4.434	4.623	4.823	4.989	5.106	5.243	5.380	5.528
1995	5.612	5.779	5.934	5.960	6.008	5.997	5.972	5.910	5.832	5.784	5.805	5.748
1996	5.698	5.643	5.557	5.538	5.502	5.548	5.587	5.566	5.601	5.601	5.599	5.574
1997	5.583	5.575	5.580	5.612	5.634	5.667	5.679	5.690	5.707	5.705	5.715	5.744
1998	5.742	5.720	5.680	5.672	5.673	5.671	5.652	5.652	5.639	5.557	5.492	5.374
1999	5.265	5.210	5.136	5.119	5.086	5.095	5.178	5.225	5.274	5.391	5.484	5.639
2000	5.760	5.824	5.851	6.014	6.190	6.349	6.443	6.505	6.502	6.517	6.538	6.535
2001	6.372	6.169	5.976	5.760	5.328	4.958	4.635	4.502	4.288	3.785	3.526	3.261
2002	3.068	2.967	2.861	2.845	2.740	2.687	2.714	2.594	2.604	2.487	2.301	2.201
2003	2.103	1.945	1.904	1.858	1.769	1.697	1.653	1.632	1.635	1.596	1.572	1.545
2004	1.528	1.440	1.474	1.445	1.426	1.469	1.604	1.672	1.771	1.890	2.003	2.134
2005	2.264	2.368	2.542	2.724	2.856	2.967	3.083	3.179	3.324	3.458	3.636	3.808
2006	3.955	4.043	4.142	4.305	4.563	4.700	4.849	4.946	5.023	5.098	5.125	5.129
2007	5.156	5.181	5.214	5.222	5.248	5.250	5.255	5.253	5.231	5.137	4.962	4.801
2008	4.620	4.161	3.777	3.400	3.072	2.894	2.787	2.779	2.774	2.709	2.568	2.353
2009	2.046	1.869	1.822	1.607	1.530	1.377	1.035	0.925	0.750	0.646	0.611	0.569
2010	0.558	0.577	0.547	0.588	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.588	0.413	0.448	0.381	0.408	0.378	0.385	0.401	0.382
2012	0.385	0.389	0.383	0.367	0.363	0.358	0.363	0.377	0.348	0.340	0.324	0.326
2013	0.300	0.286	0.285	0.264	0.245	0.244	0.267	0.271	0.257	0.266	0.263	0.264
2014	0.244	0.236	0.236	0.233	0.228	0.228	0.244	0.260	0.246	0.261	0.261	0.267
2015	0.262	0.266	0.278	0.283	0.290	0.299	0.320	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	1.081	1.111	1.143	1.172	1.239
2018	1.350	1.412	1.524	1.661	1.755	1.851	1.944	1.998	2.063	2.144		

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$702,944.63
U.S, Instrumentalities	90,000,000	\$91,780.30
Federal Agencies	395,000,000	527,811.24
Corporate Notes	65,000,000	114,807.08
Floating Rate Securities	297,000,000	454,474.84
	1,447,000,000	\$1,891,818.09
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	256,000,000	384,427.15
U.S, Instrumentalities	387,500,000	646,076.79
Federal Agencies	366,435,000	365,101.55
Corporate Notes	140,000,000	166,098.51
Floating Rate Securities	69,200,000	67,219.25
LAIF	65,000,000	110,410.96
Commercial Paper	853,350,000	1,394,586.20
Certificate of Deposit	285,000,000	469,917.23
U S Treasury Bills	543,000,000	828,806.88
Repurchase Agreements	187,500,000	9,895.83
	3,152,985,000	\$4,442,540.35
Total Accrued Interest	4,599,985,000	\$6,334,358.44
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$231,099.33
U.S, Instrumentalities		\$126,994.74
Federal Agencies		173,978.88
Corporate Notes		14,815.59
Floating Rate Securities		302,126.94
LAIF		25,022.74
Commercial Paper		425,532.71
Certificate of Deposit		70,038.02
U S Treasury Bills		72,866.39
Repurchase Agreements		291,043.91
Total Realized Income		\$1,733,519.25
TOTAL DOLLAR EARNINGS		\$8,067,877.69

AVERAGE BALANCE		\$4,750,152,863.94
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.000%	\$8,067,877.69
ADMINISTRATION FEES		(\$383,265.76)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.905%	\$7,684,611.93

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	550,000,000	\$586,031.17
U.S, Instrumentalities	75,000,000	\$113,230.64
Federal Agencies	380,000,000	560,185.64
Corporate Notes	65,000,000	114,807.08
Floating Rate Securities	297,000,000	645,945.82
Certificate of Deposit	60,000,000	92,010.32
	1,427,000,000	\$2,112,210.67
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	259,000,000	373,485.69
U.S, Instrumentalities	432,500,000	628,310.12
Federal Agencies	490,635,000	466,248.23
Corporate Notes	125,000,000	187,595.35
Floating Rate Securities	69,200,000	118,602.17
LAIF	65,000,000	110,410.96
Commercial Paper	955,750,000	1,539,907.29
Certificate of Deposit	110,000,000	181,510.29
U S Treasury Bills	343,700,000	562,788.73
Repurchase Agreements	196,250,000	10,575.69
	3,047,035,000	\$4,179,434.52
Total Accrued Interest	4,474,035,000	\$6,291,645.19
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$379,433.78
U.S, Instrumentalities		\$43,949.61
Federal Agencies		89,031.28
Corporate Notes		72,009.21
Floating Rate Securities		68,478.25
Commercial Paper		233,288.25
Certificate of Deposit		103,183.81
U S Treasury Bills		165,875.02
Repurchase Agreements		276,714.50
Total Realized Income		\$1,431,963.71
TOTAL DOLLAR EARNINGS		\$7,723,608.90

AVERAGE BALANCE		\$4,501,459,320.50
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.020%	\$7,723,608.90
ADMINISTRATION FEES		(\$363,199.94)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.925%	\$7,360,408.96

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

	<u>Par Value</u>	<u>Gross Earnings</u>
<u>Fixed Income Securities Maturing > 1 year</u>		
U S Treasury Notes	600,000,000	\$681,258.38
U.S. Instrumentalities	90,000,000	\$91,003.89
Federal Agencies	450,000,000	519,701.21
Corporate Notes	65,000,000	106,685.81
Floating Rate Securities	355,978,000	636,986.38
	1,560,978,000	\$2,035,635.66
<u>Short Term Securities Maturing < 1 year</u>		
U S Treasury Notes	284,000,000	454,767.00
U.S. Instrumentalities	302,500,000	491,417.72
Federal Agencies	490,125,000	502,378.18
Corporate Notes	110,000,000	148,694.73
Floating Rate Securities	39,200,000	88,498.62
LAIF	65,000,000	106,849.32
Commercial Paper	902,750,000	1,490,658.19
Certificate of Deposit	213,000,000	229,606.84
U S Treasury Bills	192,200,000	262,860.21
Repurchase Agreements	160,500,000	29,692.50
	2,759,275,000	\$3,805,423.31
Total Accrued Interest	4,320,253,000	\$5,841,058.97
<u>Realized Gain/Loss & Interest Received</u>		
U S Treasury Notes		\$129,854.26
U.S. Instrumentalities		\$170,489.62
Federal Agencies		\$90,415.49
Corporate Notes		26,375.86
Floating Rate Securities		367,856.09
Commercial Paper		271,231.92
Certificate of Deposit		105,101.94
U S Treasury Bills		117,322.14
Repurchase Agreements		266,145.34
Total Realized Income		\$1,544,792.66
TOTAL DOLLAR EARNINGS		\$7,385,851.63

AVERAGE BALANCE		\$4,368,486,462.75
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	2.057%	\$7,385,851.63
ADMINISTRATION FEES		(\$341,101.00)
NET EARNINGS RATE / NET DOLLAR EARNINGS	1.962%	\$7,044,750.63

C/CAG AGENDA REPORT

Date: November 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 13, 2018:

“The portfolio should be analyzed not less than quarterly by the C/CAG Finance Committee, and modified as appropriate periodically as recommended by the Finance Committee and approved by the C/CAG Board, to respond to changing circumstances in order to achieve the Safety of Principal.”

The Finance Committee will seek to provide a balance between the various investments and maturities in order to give C/CAG the optimum combination of Safety of Principal, necessary liquidity, and optimal yield based on cash flow projections.

A summary of the July, August, and September 2018 earning rates are as follows:

	Local Agency Investment Fund (LAIF)	San Mateo County Investment Pool (COPOOL)
July	1.944%	1.905%
August	1.998%	1.925%
September	2.063%	1.962%

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 August 22, 2018, the Finance Committee reviewed the investment portfolio and recommended no change to the investment portfolio. On September 13, 2018, the C/CAG Board approved of no change to the investment portfolio.

The investment portfolio as of September 30, 2018 is as follows:

	6/30/2018		9/30/2018	
	Amount	Percent	Amount	Percent
LAIF	\$13,988,892	60%	\$14,152,699	60%
COPOOL	\$9,350,753	40%	\$9,590,815	40%
Total	\$23,339,645	100%	\$23,743,514	100%

ATTACHMENTS

1. Quarterly Investment Report as of September 30, 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: November 28, 2018

SUBJECT: Quarterly Investment Report as of September 30, 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 September 30, 2018, funds in the amount of \$23,743,514 were invested producing a weighted average yield of 2.07%. Of the total investment portfolio, 59.6% of funds were invested in the Local Agency Investment Fund (LAIF) and 40.4% 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 \$121,551. At the CCAG Finance Committee meeting on November 20, 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 9/30/18	Qtr Ended 6/30/18	Increase (Decrease)
Total Portfolio	\$ 23,743,514	\$ 23,339,645	\$ 403,869
Weighted Average Yield	2.07%	1.84%	0.23%
Accrued Interest Earnings	\$ 121,551	\$ 103,868	\$ 17,683

There was an increase of \$0.4M in the portfolio balance this quarter compared to the previous quarter mainly due to cash receipts offset by cash disbursements in the first quarter for Measure M and Congestion Relief and Management. The slightly higher weighted average yield resulted in slightly 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 September 30, 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 September 30, 2018
- 2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS
For Quarter Ending September 30, 2018

Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
Liquid Investments:				
Local Agency Investment Fund (LAIF)	2.16%	14,152,699	59.6%	14,122,021
San Mateo County Investment Pool (COPOOL)	1.93%	9,590,815	40.4%	9,590,815
Agency Securities				
<i>none</i>				
Total - Investments	2.07%	23,743,514	100%	23,712,836
GRAND TOTAL OF PORTFOLIO	2.07%	\$ 23,743,514	100%	\$ 23,712,836

Total Interest Earned This Quarter	121,551
Total Interest Earned (Loss) Fiscal Year-to-Date	121,551

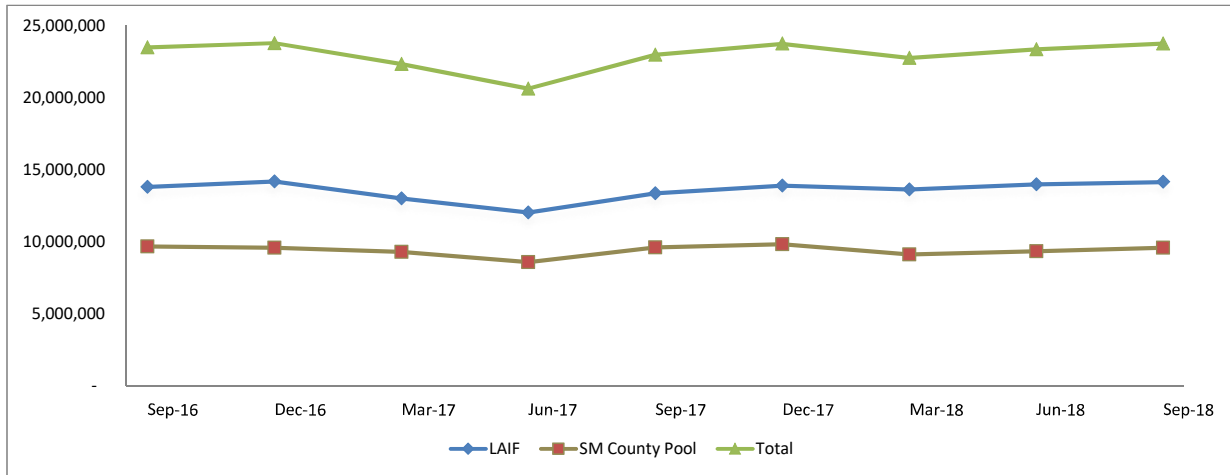
Note: CCAG Board approved the following investment portfolio mix at its November 14, 2013 meeting:

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

At the CCAG Finance Committee meeting on November 20, 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.

*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 September 30, 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

	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
LAIF	13,817,524	14,186,530	13,010,532	12,034,768	13,363,368	13,896,995	13,637,606	13,988,892	14,152,699
SM County Pool	9,672,516	9,591,037	9,313,634	8,586,974	9,611,660	9,838,593	9,117,611	9,350,753	9,590,815
Total	23,490,040	23,777,567	22,324,166	20,621,742	22,975,028	23,735,588	22,755,217	23,339,645	23,743,514

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: November 28, 2018

To: C/CAG Finance Committee

From: Sandy Wong, Executive Director

Subject: Receive the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2018 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018

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

RECOMMENDATION

That the C/CAG Finance Committee receive the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2018 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Member assessments, parcel fee, motor vehicle fee (TFCA/ AB1546/ Measure M), grants from State/ Federal Transportation programs, and other grants.

BACKGROUND

An independent audit was performed on C/CAG's financial statements and the related notes to the financial statements for the year ended June 30, 2018. No issues were identified that required correction. The auditor expressed the opinion that the C/CAG financial statements, in all material respects, the respective financial position of the governmental activities and each major fund of C/CAG as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with auditing standards, the auditor considered C/CAG's internal control over financial reporting (internal control) as a basis for designing their audit procedures. The Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018 is also attached. No deficiencies in internal control was identified.

ATTACHMENTS

- C/CAG Financial Statements (Audit) for the Year Ended June 30, 2018 (*Provided on-line at: <http://ccag.ca.gov/committees/finance-committee/>*)
- C/CAG Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2018 – (available on-line at <http://ccag.ca.gov/committees/finance-committee/>)

C/CAG AGENDA REPORT

Date: November 28, 2018
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive the C/CAG Single Audit Report for the Year Ended June 30, 2018

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

RECOMMENDATION

That the Finance Committee review the C/CAG Single Audit Report for the Year Ended June 30, 2018.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Federal transportation funds.

BACKGROUND

An independent Single Audit Report was performed on C/CAG for the year ended June 30, 2018. The Single Audit is specifically for Federal funds received. A Single Audit is required when an agency received \$750,000 or more in federal awards. During that fiscal year, C/CAG had a total of \$1,137,342 in expenditures of federal funds.

The audit did not identify any deficiencies in internal control, or any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. The audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance. The auditor expressed their opinion that the C/CAG complied, in all material respects, with the types of compliance requirements as specified that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

ATTACHMENT

- Single Audit Report for Year Ended June 30, 2018 (*Provided on-line at:* <http://ccag.ca.gov/committees/finance-committee/>)

C/CAG AGENDA REPORT

Date: November 28, 2018
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2016 through September 30, 2017

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

RECOMMENDATION

That the C/CAG Finance Committee receive the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2016 through September 30, 2017.

FISCAL IMPACT

None.

SOURCE OF FUNDS

State Transportation Improvement Program (STIP) Planning, Programming & Monitoring (PPM) funds come from State transportation grant.

BACKGROUND

C/CAG received a State grant for Planning, Programming & Monitoring (PPM) fund from the State Transportation Improvement Program (STIP), in an amount of \$462,000 for fiscal year 2016/17. This grant was expended during the period from August 17, 2016 through September 30, 2017.

To comply with grantor's requirement, an independent audit was performed on this state grant. Final Project Expenditure Audit Report is shown in the attachment. No issues were identified that required correction.

The auditor expressed their opinion that the financial statements present fairly, in all material respects, the Final Project Expenditure Report as of September 30, 2017, and the respective changes in financial position for the period of August 17, 2016 through September 30, 2017, then ended in conformity with accounting principles generally accepted in the United States of America.

ATTACHMENT

- C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from August 17, 2016 through September 30, 2017 (*Provided on-line at: <http://ccag.ca.gov/committees/finance-committee/>*)

C/CAG AGENDA REPORT

Date: November 28, 2018
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Receive the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2018

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

RECOMMENDATION

That the C/CAG Finance Committee receive the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2018.

FISCAL IMPACT

None.

SOURCE OF FUNDS

Dedicated motor vehicle fee.

BACKGROUND

On an annual basis, C/CAG conducts a separate independent audit on the Measure M Fund (\$10 vehicle registration fee). An audit report (Financial Statements) for the Measure M Funds for the year ended June 30, 2018 has been prepared. No issue was identified that require correction.

The auditor expressed their opinion that the Measure M financial statements present fairly, in all material respects, the respective financial position of the Measure M Fund, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ATTACHMENT

- Measure M Fund Financial Statements (audit report) for Fiscal Year Ended June 30, 2018
(*Provided on-line at: <http://ccag.ca.gov/committees/finance-committee/>*)

C/CAG AGENDA REPORT

Date: November 28, 2018
To: C/CAG Finance Committee
From: Sandy Wong, Executive Director
Subject: Review and approve the 2019 Finance Committee Meeting Calendar

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

RECOMMENDATION

It is recommended that the Finance Committee review and approve the meeting calendar for 2019.

FISCAL IMPACT

None

SOURCE OF FUNDS

None

BACKGROUND

The Quarterly Investment report developed by San Carlos staff requires an internal review and approval process by the City's Investment Committee. Reports are typically available to C/CAG one and a half months following the end of the quarter.

The following dates are proposed:

Review Quarter	Meeting Date (Noon- 1:00pm)
October-December 2018	Wednesday, February 27, 2019
January-March 2019	Wednesday, May 22, 2019
April-June 2019	Wednesday, August 28, 2019
July- September 2019	Wednesday, November 27, 2019

It is recognized that there may be conflicts with Committee member schedules, so it is proposed that the schedule be discussed and modified/refined at the meeting.

ATTACHMENTS

None