

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
November 28, 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)
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 12:12 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 22, 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 July, August, and September 2018. (Information)

Finance committee members reviewed the investment statements and cash flow reports and had no comments. Member Wengert requested a clarification regarding the timing of fund transfers. Carrie Tam clarified that she tries to anticipate the cash flow needs and transfers the funds accordingly. She also tries to balance the LAIF and County Pool funds at the same time.

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

The Finance Committee discussed modifying the November 20, 2015 goal to keep the County investments at 40-42%, given the better performance of LAIF. The committee did not want to set a goal but would prefer giving staff the flexibility to respond to higher yielding funds. The

goals would be monitored quarterly by the committee and modified within the confines of the November 14, 2013 Board approved ranges.

Member Benton moved to remove the November 20, 2015 investment goal in consideration of LAIF outperforming the COPOOL. The committee is removing the goal to respond to the yields of higher performing accounts consistent with the Board approved investment range and subject to the committee's quarterly review and recommendations. Member Moise Derwin seconded. Motioned passed unanimously.

- 6. Review and 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. Review 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).**

Sandy Wong presented the Finance Committee with four audits listed above. The audit under item 6 covers all C/CAG funding process controls. The audit under item 7 is specific for the federal funds that C/CAG receives. C/CAG received over one million dollars in federal funds last year, which exceeds an audit requirement threshold. The audit under item 8 is specific for state STIP funds that C/CAG receives. The audit under item 9 is not required but is performed regularly for the C/CAG administered \$10 vehicle license fee. There are no findings and no issues in any of the audits. The audits will be presented to the Board at the December C/CAG meeting.

Member Benton congratulated the agency on the findings but asked about the balance of funds which are still very high. Sandy explained that many of the funds are restricted. It was also explained that the disbursement of the measure M funds is always lagging which explains much of the high balance.

Member Benton expressed his concern that onerous program restrictions may result in funds that are not able to be spent and are left accumulating instead going towards implementation. He would like to make sure that C/CAG is not self-imposing too many rules on the programs. Member Wengert suggested that if program funds are not able to be spent then maybe the programs need to be revised so that programs can be implemented more readily. The committee requested a schedule of the program renewal cycles.

Member Benton felt that the committee's role should be more than just receiving the audit reports and that it might be more appropriate to review and recommend acceptance of the audit

reports.

Staff was a little concerned about the committee taking an action when the agenda listed these items as information. It was discussed that the staff report to the full Board could include a note that the Finance Committee reviewed the reports and did not see any issues.

10. Review and approve the 2019 Finance Committee Meeting Calendar. (Action).

The Finance Committee reviewed the calendar and moved the July- September 2019 review quarter meeting from November 27, 2019 to December 4, 2019.

Member Benton moved to approve the calendar as modified above. Member Chuang seconded. Motioned passed unanimously.

11. Adjournment

The meeting adjourned at approximately 1:00 P.M.