

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
August 28, 2019**

Committee Members Attending:

Maryann Moise Derwin (Town of Portola Valley)
Ann Wengert (Town of Portola Valley) – Committee Chair
Marie Chuang (Town of Hillsborough) – Committee Vice Chair

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. Chair Wengert called Finance Committee meeting to order.

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

None

3. Approval of minutes of May 22, 2019 meeting. (Action)

Vice Chair Chuang moved and Member Moise Derwin seconded approval of the corrected May 22, 2019 meeting minutes. Motioned passed unanimously (3-0).

4. Receive copies of monthly investment statements for April, May, and June 2019. (Information)

Finance committee members reviewed the investment statements and cash flow reports. Chair Wengert requested confirmation that the “system” on the January statement is interest. Carrie Tam, City of San Carlos Financial Services Manger confirmed that it was. The interest is system generated and the other transactions note the name of the requestor.

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

The Finance Committee was presented with information that had been gathered regarding the fees and minimum investment portfolio requirements for using an independent investment portfolio manager with consideration of the new interest rates and fund balance.

Based on the findings, the Finance Committee concluded that the small amount of potential gains and the required fees and portfolio management expenses would not warrant investing in an independent private investment portfolio at this time. The Finance Committee also reviewed the investment portfolio and recommended no change to the portfolio.

Member Moise Derwin moved no change to the portfolio. Vice Chair Chuang seconded. Motioned passed unanimously (3-0).

**6. Review and recommend approval of the C/CAG Investment Policy annual update.
(Action)**

The Finance committee reviewed a tracked change version of the C/CAG Investment Policy annual update.

Chair Wengert asked about the rationale for the changes allowing for mortgage-backed securities. Carrie Tam, City of San Carlos Financial Services Manger responded that the rationale was unclear but that proposed modifications to the policy were made to comply with state standards recommended by the California Debt and Investment Advisory Commission (CDIAC).

The Finance Committee recommended accepting all the modifications except one. The Finance Committee rejected a modification to a provision which would allow a public agency to invest in mortgage-backed securities.

Although C/CAG does not invest outside of the Local Agency Investment Fund (LAIF) and the San Mateo County Pool, the C/CAG Finance Committee recommended not to include the recent CDIAC amendments which allows up to 20% of an “agency’s surplus moneys” for investments in mortgage-backed securities.

Member Moise Derwin moved to recommended that the Board approve the C/CAG Investment Policy annual update accepting all modifications except the amendment allowing investments in mortgage-backed securities. Vice Chair Chuang seconded. Motioned passed unanimously (3-0).

7. Adjournment

The meeting adjourned at approximately 12:45 P.M.