

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
August 26, 2020**

In compliance with Governor's Executive Order N-29-20, and pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer, this meeting was conducted via remote conferencing

Committee Members Attending:

Jay Benton (Town of Hillsborough)
Marie Chuang (Town of Hillsborough) – Committee Vice Chair
Ann Wengert (Town of Portola Valley) – Committee Chair (arrived 12:28 AM)
Davina Hurt (City of Belmont)

Guests or Staff Attending:

Carlos Romero – Vice Mayor, City of East Palo Alto
Carrie Tam – City of San Carlos Finance Staff
Sandy Wong, Sean Charpentier, Kaki Cheung, Kim Wever – C/CAG Staff

1. Call to order

At 12:09 P.M. Vice Chair Chuang called Finance Committee meeting to order.

2. Brief overview of teleconference meeting procedures

C/CAG Staff Kim Wever described how the Finance Meeting would run virtually.

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

There were no public comments regarding items not on the Agenda.

4. Approval of minutes of June 5, 2020 meeting. (Action)

Member Hurt moved and Member Benton seconded approval of the minutes. Roll Call was taken. Motioned passed 3-0. (Benton, Chuang, Hurt)

Member Benton asked for an update on the Congestion Relief Plan Fee recommendation. Sandy Wong, C/CAG Executive Director, responded that the C/CAG Board did approve the Committee's recommendation of offering an installment payment plan option with the one-year grace period for the second installment. Six (6) out of twenty-one (21) cities/County signed a commitment letter to use that option including the backstop from Measure M allocation funds.

**5. Receive copies of monthly investment statements for April, May, and June 2020.
(Information)**

The Finance committee members reviewed the investment statements and cash flow reports. Member Benton commented it was first-time in a quarter that funds were not moved back and forth between the investment and checking account. Carrie Tam, City of San Carlos Finance Manager, explained that due to the COVID shelter in place and working from home there has been delays on moving money.

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

Carrie Tam, City of San Carlos Finance Manager, commented that LAIF provided the interest rate adjustment quite late and staff had to adjust as well. Overall, no significant changes from the previous quarter, however the interest rate is declining due to banks taking advantage of the lower interest rates. Additionally, interest rate from LAIF is currently slightly lower than COPOOL.

Member Benton recalled that COPOOL outperformed LAIF in the past until recently and it makes sense that LAIF is declining again. However, the percentage was not significant enough and suggested no change. Member Hurt agreed and suggested that we will just watch it. Vice Chair Chuang agreed that we will have next quarter to adjust if needed.

Member Benton moved to recommend no change to portfolio. Member Hurt seconded. Roll Call was taken. Motioned passed 3-0. (Benton, Chuang, Hurt)

**7. 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 presented by Carrie Tam, City of San Carlos Finance Manager.

Member Benton commented that changes were based on conformity and not to commit to invest more aggressively. Carrie Tam, City of San Carlos Finance Manager confirmed that the proposed edit was to clarify definitions on types of investments.

Member Hurt asked if we should focus on investing more progressively like green investments and if current investments align with the C/CAG mission. Vice Chair Chuang responded that the C/CAG Board has not discussed that approach and the current approach has been the safety of the principle and being conservative. Chair Wengert also responded that Member Hurt's question involves C/CAG policy and should be discussed with the C/CAG Board.

Member Benton moved to recommend approval of staff recommendation. Member Hurt seconded. Motioned passed unanimously (4-0).

8. Receive a copy of the Actuarial Valuation of Other Post-Employment Benefit (OPEB) Programs as of July 1, 2019 and GASB 75 Report for the fiscal year ending June 30, 2020. (Action)

Sandy Wong, C/CAG Executive Director, explained how C/CAG provides post-employment benefit in the form of health insurance for retirees. There are currently two retirees. C/CAG has elected to prefund OPEB benefits through a CalPERS Trust – California Employers’ Retiree Benefit Trust Program (CERBT) and that an actuarial valuation is required every two years.

Member Benton asked if there has been consideration on changing OPEB benefits to help C/CAG save money. Sandy Wong, C/CAG Executive Director, responded that there has not been such consideration but staff can look into it, and such change would likely impact future C/CAG employees.

Chair Wengert asked if the Finance Committee is accepting the prefunded amounts and investment strategy. Sandy Wong, C/CAG Executive Director, clarified that this action item is for the Finance Committee to receive a copy of the report and provide comments on the report if any.

Member Hurt questioned if prefunding during COVID is an issue. Sandy Wong, C/CAG Executive Director, responded that it is not since funding was included in the adopted budget. And that the prefunded amount is being locked up in the Trust and continue to earn interest.

Vice Chair Chuang suggested to bring back an item to the Finance Committee to discuss OPEB benefits to future employees and the CERBT investment strategies.

Member Benton moved to receive the report and direct staff to add items to the upcoming meetings. Member Hurt seconded. Motioned passed unanimously (4-0).

9. Adjournment

The meeting adjourned at approximately 1:16 P.M.