

**CITY/COUNTY ASSOCIATION OF GOVERNMENTS
FINANCE COMMITTEE
MEETING MINUTES
December 2, 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
Davina Hurt (City of Belmont)
Carlos Romero (City of East Palo Alto)

Guests or Staff Attending:

Carrie Tam – City of San Carlos Finance Staff
Sandy Wong, Kaki Cheung, Kim Wever – C/CAG Staff
Grace Zhang – Maze & Associates Staff

1. Call to order

At 12:02 P.M. Chair Wengert 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.

Chair Wengert welcomed Member Romero to the Committee. Vice Chair Chuang thanked Chair Wengert and Member Benton for serving the Committee and that the Committee will miss them.

4. Approval of minutes of August 26, 2020 meeting. (Action)

Member Benton moved and Member Hurt seconded approval of the minutes. Roll Call was taken. Motioned passed unanimously (5-0).

5. Receive copies of monthly investment statements for July, August, and September 2020. (Information)

The Finance committee members reviewed the investment statements and cash flow reports and had no comments.

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, provided a summary of her quarterly report.

Chair Wengert commented that when she calculated the COPOOL weighted average rate she gets 1.49% instead of 1.56%. Carrie Tam, City of San Carlos Finance Manager explained on page 25 it shows net earning rate divided by net dollars to get 1.56% and they use a cumulative average for the whole quarter.

Chair Wengert also noticed that the LAIF report includes October's rate and requested staff to keep it consistent and only include what is in the quarter. C/CAG Staff Kim Wever mentioned the quarter to date rate in the LAIF report is highlighted.

Member Benton stated that the rates of return of the LAIF and COPOOL are at the widest difference they have seen.

Committee discussed the increasing gap between the quarterly interest rate and the net of administrative fees of the LAIF and the COPOOL, with LAIF lagging behind the COPOOL. Committee discussed increasing the COPOOL allocation by approximately 10% to increase earnings as well as to achieve the Safety of Principal.

C/CAG Executive Director Sandy Wong explained that if the allocation remains within the C/CAG Board approved range there is no change needed, however the Committee can provide guidance within the allocation ranges.

Member Benton moved to recommend no change to portfolio, but guided staff to target LAIF investments to 60% allocation and increase COPOOL investments to 40% allocation dependent upon the changes of the interest rate. Vice Chair Chuang seconded. Roll Call was taken. Motioned passed unanimously (5-0).

7. Accept the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2020 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2020 and communicate with representative from auditing firm. (Action)

C/CAG Executive Director Sandy Wong introduced Grace Zhang, a representative from Maze & Associates, whose firm performed the annual audits. Items 7-10 are audit related and needed to be voted on separately, however Grace Zhang provided an overall report.

Grace Zhang reported that even with a chaotic year, it was a normal audit with no findings. She appreciated the support from City of San Carlos and C/CAG staff.

Chair Wengert also provided kudos to City of San Carlos and C/CAG staff for a clean report and had no questions or comments.

Member Romero commented that the notes were well documented and provided him better understanding.

C/CAG Executive Director Sandy Wong thanked Tammy Mak and Carrie Tam of City of San Carlos Staff, Grace Zhang and her staff, as well as C/CAG staff for all their help.

Carrie Tam also thanked Tammy Mak, the Maze & Associates auditors and C/CAG staff for all their hard work.

Member Benton moved to accept the C/CAG Financial Statements (Audit) for Fiscal Year Ended June 30, 2020 and the Memorandum on Internal Control and Required Communications for the Year Ended June 30, 2020. Member Romero seconded. Roll Call was taken. Motioned passed unanimously (5-0).

8. Accept the C/CAG Single Audit Report for the Year Ended June 30, 2020 (Action)

Vice Chair Chuang moved to accept the C/CAG Single Audit Report for the Year Ended June 30, 2020. Member Benton seconded. Roll Call was taken. Motioned passed unanimously (5-0).

9. Accept the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from July 1, 2018 through September 30, 2019 (Action)

Member Romero moved to accept the C/CAG State Transportation Improvement Program (STIP) Planning, Programming & Monitoring Program (PPM) Final Project Expenditure Audit Report from July 1, 2018 through September 30, 2019. Vice Chair Chuang seconded. Roll Call was taken. Motioned passed unanimously (5-0).

10. Accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2020 (Action)

Member Benton moved to accept the Measure M Fund Financial Statements (Audit) for the Year Ended June 30, 2020. Vice Chair Chuang seconded. Roll Call was taken. Motioned passed unanimously (5-0).

11. Review and approve the 2021 Finance Committee Meeting Calendar. (Action)

C/CAG Staff Kim Wever presented the 2021 Finance Committee Meeting Calendar. May's meeting is the only change this year. C/CAG Board requested the Committee to review the Draft Annual Budgets before it goes to the C/CAG Board in May. Therefore, May's meeting will be earlier in the month.

Vice Chair Chuang asked if at the event that the C/CAG Board has major concerns on the Draft

Annual Budget at their May meeting, will the Finance Committee opportunity to review it again before the Final Annual Budget is adopted at the June C/CAG Board Meeting. C/CAG Executive Director Sandy Wong answered if there is a need for a meeting it would need to be two weeks before the Final Annual Budget approval from the C/CAG Board Meeting of June 10, 2021

Member Romero stated he will need to leave early on December 1st, 2021 meeting for another meeting that starts at 1:00 p.m.

Vice Chair Chuang moved to approve the 2021 Finance Committee Meeting Calendar. Member Romero seconded. Motioned passed unanimously (5-0).

12. Adjournment

The meeting adjourned at approximately 1:15 P.M.