

C/CAG
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
Of San Mateo County

Board of Directors Agenda Report

To: Sean Charpentier, Executive Director
From: Paul Harris, Financial Services Manager
Date: May 27, 2025

SUBJECT: Quarterly Investment Report as of March 31, 2025

RECOMMENDATION:

It is recommended that the C/CAG Board review and accept the Quarterly Investment Report.

ANALYSIS:

The attached investment report (Attachment 1) indicates that on March 31, 2025, funds in the amount of \$30,752,899 were invested producing a weighted average yield of 4.20%. Of the total investment portfolio, 60.0% of funds were invested in the Local Agency Investment Fund (LAIF) and 40.0% in the San Mateo County Investment Pool (COPOOL). On December 2, 2020, the Finance Committee reviewed the investment portfolio and noted the increasing gap between the quarterly interest rate, net of administrative fees, of LAIF and the COPOOL, with LAIF lagging behind the COPOOL. The Finance Committee recommended no change to the investment 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. These percentages are within the range specified by the C/CAG Board. The portfolio mix reflects the Board approved percentage invested in the County Investment Pool and LAIF. Accrued interest earnings for this quarter totaled \$317,239.

Below is a summary of the changes from the prior quarter:

	Qtr Ended 03/31/2025	Qtr Ended 12/31/2024	Increase (Decrease)
Total Portfolio	\$ 30,752,899	\$ 29,233,769	\$ 1,519,130
Weighted Average Yield	4.20%	4.18%	0.02%
Accrued Interest Earnings	\$ 317,239	\$ 319,130	\$ (1,891)

There was an increase of \$1.5 million in the portfolio balance at the end of this quarter compared to the previous quarter mainly due to the timing of cash receipts offset by expenses for Congestion Relief and Management, Bay Area Air Quality, Energy Watch, Measure M, NPDES and Smart Corridor. LAIF's quarterly interest rate was slightly lower for Q3 than Q2 while the opposite was the case for the San Mateo County Pool which resulted in a slight increase in the weighted average yield for the portfolio and slight decrease in interest earnings which reflects the fluctuating nature of the portfolio balance during the 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 March 31, 2025, 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 C/CAG remains to be 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 March 31, 2025

2 – Historical Summary of Investment Portfolio

CITY & COUNTY ASSOCIATION OF GOVERNMENTS

SUMMARY OF ALL INVESTMENTS

For Quarter Ending March 31, 2025

Category	Quarterly Interest Rate**	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value
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Liquid Investments:

Local Agency Investment Fund (LAIF)	4.34%	18,464,017	60%	18,479,697
San Mateo County Investment Pool (COPOOL)	3.99%	12,288,882	40%	12,370,849

Agency Securities

none

Total - Investments	4.20%	30,752,899	100%	30,850,546
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GRAND TOTAL OF PORTFOLIO	4.20%	\$ 30,752,899	100%	\$ 30,850,546
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Total Interest Earned This Quarter	317,239
Total Interest Earned (Loss) Fiscal Year-to-Date	946,918

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

LAIF - 50% to 70%

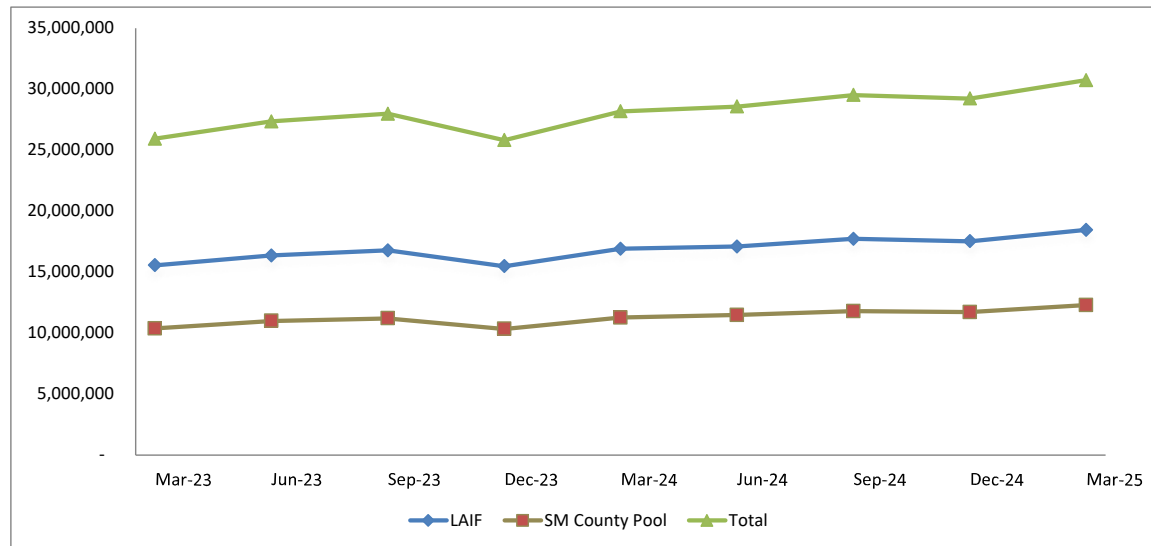
COPOOL - 30% to 50%

On December 2, 2020, the Finance Committee reviewed the investment portfolio and noted the increasing gap between the quarterly interest rate, net of administrative fees, of LAIF and the COPOOL, with LAIF lagging behind the COPOOL. The Finance Committee recommended no change to the investment 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.

*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.

**Presented net of administrative fees

City and County Association of Governments
Historical Summary of Investment Portfolio
March 31, 2025



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

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
LAIF	15,558,262	16,365,013	16,787,787	15,478,855	16,915,927	17,093,105	17,723,603	17,526,929	18,464,017
SM County Pool	10,384,089	10,997,275	11,204,132	10,341,684	11,267,828	11,485,218	11,799,618	11,706,841	12,288,882
Total	25,942,350	27,362,288	27,991,920	25,820,539	28,183,755	28,578,323	29,523,221	29,233,769	30,752,899