

**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: February 26, 2026**

**SUBJECT: Quarterly Investment Report as of December 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 December 31, 2025, funds in the amount of \$32,839,516 were invested producing a weighted average yield of 4%. 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 \$333,756.

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

	<b>Qtr Ended 12/31/2025</b>	<b>Qtr Ended 09/30/2025</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 32,839,516	\$ 31,800,282	\$ 1,039,234
Weighted Average Yield	4.00%	4.09%	-0.09%
Accrued Interest Earnings	\$ 333,756	\$ 339,235	\$ (5,479)

The portfolio balance increased by \$1.04 million at the end of the quarter compared to the previous quarter. This growth was primarily driven by the timing of cash receipts from Transportation Fund for Clean Air (TFCA) and Caltrans grants, partially offset by expenditures related to Bay Area Air Quality, Congestion Relief & Management, Measure M, NPDES and Smart Corridor. The slight decrease in interest rates contributed to a small reduction in accrued interest earnings.

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 December 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 December 31, 2025
- 2 – Historical Summary of Investment Portfolio

**CITY & COUNTY ASSOCIATION OF GOVERNMENTS**

**SUMMARY OF ALL INVESTMENTS**  
For Quarter Ending December 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)	4.09%	19,717,245	60%	19,760,257
San Mateo County Investment Pool (COPOOL)	3.87%	13,122,272	40%	13,282,495

**Agency Securities**

none

<b>Total - Investments</b>	<b>4.00%</b>	<b>32,839,516</b>	<b>100%</b>	<b>33,042,752</b>
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<b>GRAND TOTAL OF PORTFOLIO</b>	<b>4.00%</b>	<b>\$ 32,839,516</b>	<b>100%</b>	<b>\$ 33,042,752</b>
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<b>Total Interest Earned This Quarter</b>	<b>333,756</b>
<b>Total Interest Earned (Loss) Fiscal Year-to-Date</b>	<b>672,991</b>

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

LAIF - 50% to 70%

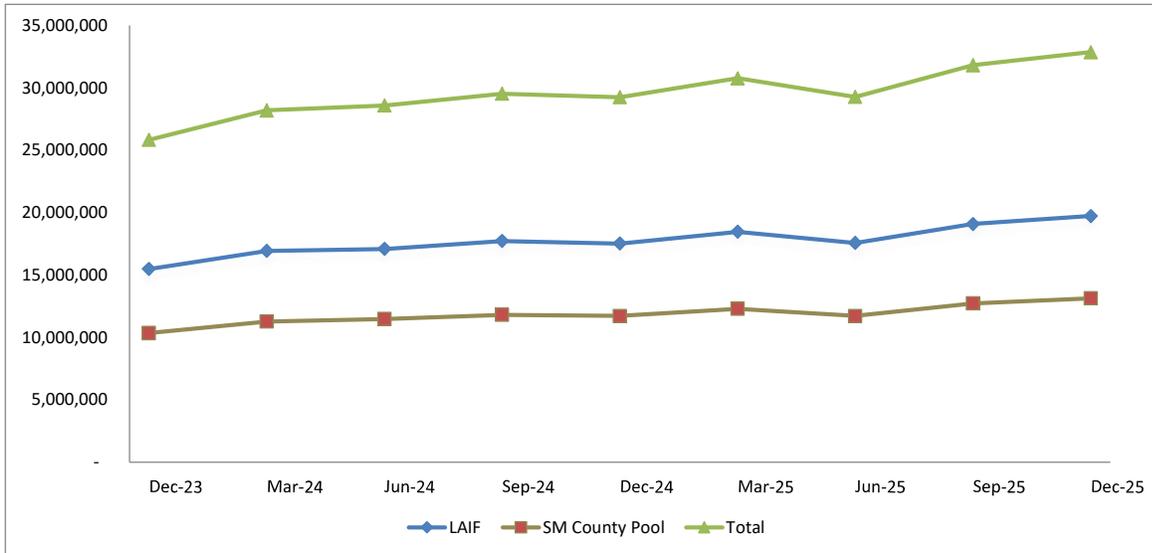
COPOOL - 30% to 50%

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 December 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

	<b>Dec-23</b>	<b>Mar-24</b>	<b>Jun-24</b>	<b>Sep-24</b>	<b>Dec-24</b>	<b>Mar-25</b>	<b>Jun-25</b>	<b>Sep-25</b>	<b>Dec-25</b>
LAIF	15,478,855	16,915,927	17,093,105	17,723,603	17,526,929	18,464,017	17,564,681	19,069,828	19,717,245
SM County Pool	10,341,684	11,267,828	11,485,218	11,799,618	11,706,841	12,288,882	11,705,457	12,730,454	13,122,272
<b>Total</b>	<b>25,820,539</b>	<b>28,183,755</b>	<b>28,578,323</b>	<b>29,523,221</b>	<b>29,233,769</b>	<b>30,752,899</b>	<b>29,270,138</b>	<b>31,800,282</b>	<b>32,839,516</b>