

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

**Board of Directors Agenda Report**

**To: Kaki Cheung, Acting Executive Director**  
**From: Paul Harris, Financial Services Manager**  
**Date: May 28, 2026**

**SUBJECT: Quarterly Investment Report as of March 31, 2026**

**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, 2026, funds in the amount of \$35,223,272 were invested producing a weighted average yield of 3.92%. 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 \$334,651.

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

	<b>Qtr Ended 03/31/2026</b>	<b>Qtr Ended 12/31/2025</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 35,223,272	\$ 32,839,516	\$ 2,383,756
Weighted Average Yield	3.92%	4.00%	-0.08%
Accrued Interest Earnings	\$ 334,651	\$ 333,756	\$ 895

The portfolio balance increased by \$2.38 million at the end of the quarter compared to the previous quarter. This growth was primarily driven by lower Smart Corridor expenditures related to the Northern Expansion project, as well as the timing of cash receipts for the Measure M fund and Energy Watch. Although interest rates declined slightly, the higher portfolio balance resulted in a small increase in total accrued interest compared to the prior 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, 2026, 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, 2026

2 – Historical Summary of Investment Portfolio

**CITY & COUNTY ASSOCIATION OF GOVERNMENTS**

**SUMMARY OF ALL INVESTMENTS**

For Quarter Ending March 31, 2026

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)	3.88%	21,125,362	60%	21,124,958
San Mateo County Investment Pool (COPOOL)	3.99%	14,097,910	40%	14,206,464

**Agency Securities**

none

<b>Total - Investments</b>	<b>3.92%</b>	<b>35,223,272</b>	<b>100%</b>	<b>35,331,422</b>
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<b>GRAND TOTAL OF PORTFOLIO</b>	<b>3.92%</b>	<b>\$ 35,223,272</b>	<b>100%</b>	<b>\$ 35,331,422</b>
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<b>Total Interest Earned This Quarter</b>	<b>334,651</b>
<b>Total Interest Earned (Loss) Fiscal Year-to-Date</b>	<b>1,007,642</b>

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

LAIF - 50% to 70%

COPOOL - 30% to 50%

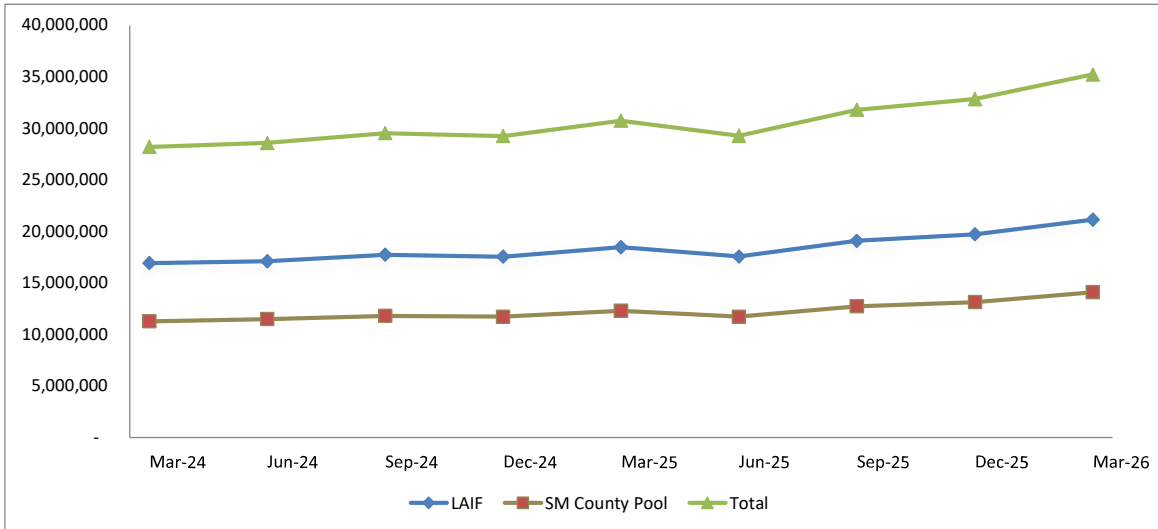
On December 2, 2020, the Finance Committee reviewed the investment portfolio and noted the increasing gap between the quarterly interest rate, net of administrative fees, of LAIF and the COPOOL, with LAIF lagging behind the COPOOL.

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 March 31, 2026



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>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>	<b>Mar-26</b>
LAIF	16,915,927	17,093,105	17,723,603	17,526,929	18,464,017	17,564,681	19,069,828	19,717,245	21,125,362
SM County Pool	11,267,828	11,485,218	11,799,618	11,706,841	12,288,882	11,705,457	12,730,454	13,122,272	14,097,910
<b>Total</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>	<b>35,223,272</b>