

SAN MATEO COUNTY
TREASURY OVERSIGHT COMMITTEE

MINUTES

October 19, 2015

1. CALL TO ORDER

The meeting was called to order at 12:04 p.m. by Sandie Arnott

2. ROLL CALL

Members and guests were asked to introduce themselves during roll call.

MEMBERS IN ATTENDANCE

Sandie Arnott (Treasurer-Tax Collector)
Helen Fiscaro (Town of Colma)
Daneca Halvorson (Treasurer, City of Daly City)
Stephanie Osaze (Finance Manager, Bay Area Air Quality Management District)
Jim Saco (Budget Director, County Manager's Office)
Margie Gustafson (Administrator, County Office of Education)

MEMBERS ABSENT

John Marty (Treasurer, City of San Bruno) **Chairman**
Stephen Rogers (Schools & Community College District Representative)

STAFF IN ATTENDANCE

Joe Demee (Financial Services Manager)
Charles Tovstein (Assistant Treasurer)

MEMBERS OF THE PUBLIC IN ATTENDANCE

Nancy Jones (Managing Director, PFM)
Richard Babbe (Senior Managing Consultant, PFM)

3. APPROVAL OF MINUTES – April 13, 2015

Jim Saco made a motion to approve minutes from the April 13, 2015 meeting, seconded by Margie Gustafson. Meeting minutes were approved unanimously.

4. ASSISTANT TREASURER'S REPORT – Charles M. Tovstein

4.1 Investment Report

Charles Tovstein reported the earnings were 0.962% for the month ending September 30, 2015 and 0.0840% for the quarter ending September 30, 2015. Mr. Tovstein said the voluntary pool increased by approximately 25% and credit quality also improved.

4.2 Results of Custodial RFP

Mr. Tovstein announced the custodial banking RFP was complete and Bank of New York Mellon was selected. Ms. Osaze asked how long the contract is with Bank of New York Mellon and Mr. Tovstein responded the contract length is three years.

4.3 2016 Investment Policy

Mr. Tovstein said the proposed changes to the 2015 Investment Policy to be reflected in the 2016 Investment Policy will include adding investment options. The investment options are US Instrumentalities and municipal obligations. He said according to CA Government Code 53601 there are three types of US Instrumentalities to invest in: World Bank, African Development Bank, and European Investment Bank. He noted the purchases will not exceed 30% of the pool, and by adding US Instrumentalities the pool will become more diversified. Ms. Tovstein also said Local Government Investment Pools (LGIPs) will be included in the 2016 Investment Policy.

Ms. Arnott said during the California Association of County Treasurers and Tax Collectors (CACTTC) conference in October a discussion was held and most Treasurer-Tax Collectors from other counties agreed US Instrumentalities and municipal obligations will be added to their Investment Policy. Ms. Arnott said she supports and is in favor of Mr. Tovstein's decision to add US Instrumentalities and municipal obligations to the 2016 Investment Policy. Nancy Jones noted that while US instrumentalities are hard to find they are rated AAA and considered high quality.

Mr. Tovstein said the proposed 2016 Investment Policy will go before the Board of Supervisors for approval in January 2016. The proposed 2016 Investment Policy will be reviewed by County Counsel and the Agenda Review committee prior to being presented to the Board of Supervisors.

5. TREASURER'S REPORT – SANDIE ARNOTT

5.1 Audit

Ms. Arnott provided copies of the report and noted there were no exceptions to the audit. Joe Demeo said an RFP was conducted by the Controller's Office to select the auditors and MGO was chosen. The contract is for three years with an option to extend according to Jim Saco.

5.2 Lehman Recap

Ms. Arnott said everyone should have received a letter regarding the Lehman distribution and final recovery was just under 46%

6. ORAL COMMUNICATIONS AND PUBLIC COMMENT

None

7. OTHER BUSINESS

None

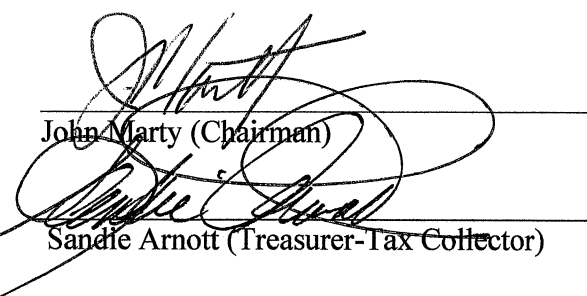
8. NEXT MEETING DATE

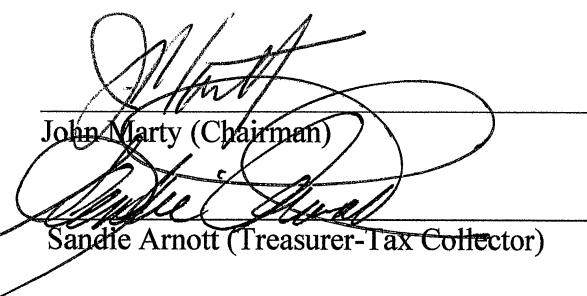
Next meeting – Monday, January 18th or 25th (TBD) – noon

A survey will be conducted to determine a date that works for the majority.

9. ADJOURNMENT

The meeting was adjourned at 12:46 p.m.


John Marty (Chairman)


Sandie Arnott (Treasurer-Tax Collector)