

SAN MATEO COUNTY  
TREASURY OVERSIGHT COMMITTEE

MINUTES

Monday, October 21, 2013

**1. CALL TO ORDER**

The meeting was called to order at 12:04 p.m. by Chairman John Marty.

**2. ROLL CALL**

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

**MEMBERS IN ATTENDANCE**

John Marty (Treasurer, City of San Bruno) **Chairman**  
Lori Snow (Treasury Finance Manager, SMC Transit District)  
Jim Saco (Budget Director, County Manager's Office)  
Anthony J. Zidich (Treasurer, City of Daly City)  
Margie Gustafson (Administrator, County Office of Education)  
Denise Porterfield (Deputy Superintendent Fiscal & Operational Services Division)

**MEMBERS ABSENT**

Rosalie O'Mahony (Public Member)  
Stephen Rogers (Schools & Community College District Representative)

**STAFF IN ATTENDANCE**

Sandie Arnott (Treasurer-Tax Collector)  
Charles Tovstein (Assistant Treasurer)  
Joe Demee (Financial Services Manager)  
Gina M. Luiz (Executive Assistant)

**STAFF ABSENT**

**MEMBERS OF THE PUBLIC IN ATTENDANCE**

Tarrell V. Gamble (V.P., Blaylock RV)  
Nancy Jones (Managing Director, PFM)  
Carlos Oblites (Senior Managing Consultant, PFM)

**3. APPROVAL OF MINUTES – January 28, 2013**

Minutes from the January 28, 2013 meeting will be approved at the next meeting on Monday, January 13, 2014. There were no minutes from the April 22, 2013 meeting due to lack of a quorum.

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

**4.1 Investment Report**

Charles Tovstein reported that the gross earnings for the month ending September 13, 2013 were 0.88%. The largest aggregate position currently held is Toronto Dominion Bank at 2.95%. Mr. Tovstein predicts that October will be 0.75% or less. Due to the government shutdown in October there was less market volatility. He reported that there will be an increase of money coming in between now and the end of the year including maturities and peak tax season.

#### **4.2 Lehman Distribution Update**

Mr. Tovstein reviewed the Lehman recovery page that was handed out to the group. He reported that the total recovery is 39.8344% and everyone should have already received the funds.

#### **4.3 2014 Investment Policy**

Mr. Tovstein discussed the planned change to the Investment Policy in Section XIII. Method of Accounting, F (pg. 12).

*Section XIII. Method of Accounting, F:*

*The County Pool is operated as a single investment pool in which the banking and reporting services, required by the participant, will determine level of charges assigned to the account. Funds that generate specific volume of related banking charges such as payroll, extra reporting, etc. (variable costs) will be charged both fixed and variable banking costs as well as administrative fees before interest allocation and will be designated as Pool 1. Those funds that do not generate excessive banking cost but utilize the basic banking services (fixed costs) will be designated as Pool 2 and charged fixed banking costs and administrative fees. The final classification is designated as Pool 3 and represents those funds that Annual Investment Policy of the Pooled Investment Fund Calendar Year 2013 have only an incidental use of the County banking system and therefore only pay administrative fees.*

He explained that there are currently maintaining only one pool and charging each account for the banking services used is now appropriate. The change to the Investment Policy would remove the distinction of the three pools. Sandie Arnott noted that the change is anticipated to go to the Board of Supervisors in December. Departments will receive a banking statement that statement will show revenue, fees, and banking fees. Ms. Arnott said that Section F will eliminate reference to different pools and state that we have only one pool.

Ms. Arnott will send a letter to the pool participants letting them know that she plans to make changes to the Investment Policy before it goes to the Board of Supervisors for approval. The letter will include a sample page of how section XIII. Method of Accounting, Section F will look after the changes. As well as a spreadsheet detailing departmental banking costs for 2013 to use as a budgetary guideline.

### **5. TREASURERS REPORT – Sandie Arnott**

**\*Note: 8.1 Presentation by County Counsel will be rescheduled to the next meeting.**

#### **5.1 2014 Investment Policy to BOS**

The Investment Policy is anticipated to be on the December 10, 2013 Board of Supervisors meeting agenda.

#### **5.2 Macias Gini & O'Connell LLP Audit Report**

There were no exceptions found in the report, and a letter of acknowledgement was signed and sent on October 2<sup>nd</sup>.

#### **5.3 PFM Compliance Report – Carlos Oblites & Nancy Jones**

Nancy Jones and/or Carlos Oblites will attend the Treasury Oversight Committee meetings moving forward. Nancy Jones advised the committee they will be available to give information as requested and answer questions.

**6. Oral Communications and Public Comment**

None

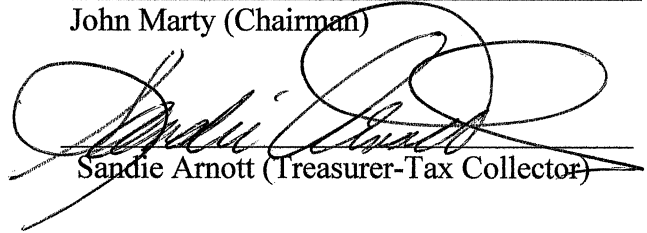
**7. Setting of Next Meeting Date**

7.1 Next meeting – Monday, January 13<sup>th</sup>, 2014 – noon

**8. ADJOURNMENT**

The meeting was adjourned at 12:35 p.m.

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John Marty (Chairman)

  
Sandie Arnott (Treasurer-Tax Collector)