



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Treasurer-Tax Collector



Date: January 8, 2014
Board Meeting Date: February 11, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

Subject: Approval of the 2014 San Mateo County Investment Policy Statement

RECOMMENDATION:

Adopt a Resolution approving the 2014 San Mateo County Investment Policy Statement.

BACKGROUND:

Pursuant to Government Code § 53646, the Treasurer may annually render to the Board of Supervisors and any Oversight Committee, a statement of investment policy, which the Board shall review and approve at a public meeting. Following discussions on proposed changes with the Treasury Oversight Committee and PFM Asset Management LLC, an investment advisor retained in 2011, the Treasurer has revised the Investment Policy Statement that was approved by the Board of Supervisors on June 26, 2013.

DISCUSSION:

The 2014 Investment Policy includes one change outlined on pages 12-13 regarding the elimination of the current three-pool accounting methodology and operating the County pool as a single investment pool effective July 1, 2014. This change effectively eliminates designation of a pool participant into either Pool 1, 2 or 3 based on the level of banking services required. Banking fees will no longer be deducted from gross earnings. Banking and reporting services required by participants will be charged directly to the participant ensuring a more transparent and true billing process. The change was presented and discussed with the Treasury Oversight Committee on October 21, 2013 and with Executive Council on January 8, 2014 with no opposition presented. All Pool Participants were advised of the proposed changes via an emailed letter on January 8, 2014.

All changes are in compliance with Government Code § 53601 and PFM Asset Management LLC is in agreement with the suggested revisions.

The San Mateo County Treasury Oversight Committee approved the changes on October 21, 2013 and approved submitting the 2014 Investment Policy Statement to the Board of Supervisors accordingly.

The Treasurer will distribute the approved 2014 Investment Policy Statement to all pool participants and ensure a written acknowledgement of receipt of the current version of the Investment Policy is on file.

County Counsel has reviewed and approved the Resolution as to form.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by managing the financial assets of the County and maintaining the value of the investment pool through professional and efficient administration of the County Treasury for County departments, special districts, schools, cities and taxpayers.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Dollar/Percent growth in County Pool due to investments	\$23.344M/.71%	\$19.875M/.75%

FISCAL IMPACT:

There is no net County cost.