



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



**Date:** July 20, 2016  
**Board Meeting Date:** September 6, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Sandie Arnott, Treasurer-Tax Collector

**Subject:** Approving a revision to the 2016 San Mateo County Investment Policy Statement

**RECOMMENDATION:**

Adopt a Resolution approving a revision to the 2016 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. With the input of 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 February 9, 2016.

**DISCUSSION:**

The revised 2016 Investment Policy includes a modification to Section XIII. Method of Accounting (page 13) by removing "Banking Cost" from the earnings calculation in Section E.

Banking Cost was removed from the earnings calculation because effective July 1, 2014 all departments were required to have their own bank account and the charges are applied directly to the department bank account.

In Section XIII. Method of Accounting, Section G. (page 13) the Investment Pool Admin Fee was reduced from 11.5 basis points to 10.5 basis points as of July 1, 2016. The reduction of the Investment Pool Admin Fee is due to the current size of the pool, reduced administrative costs, and operational efficiencies created within the Treasurer's

Office. A memo was sent to San Mateo County Pool Participants on July 15, 2016 notifying them of the change to the Investment Pool Admin Fee.

Also, Section XIII. Method of Accounting, Section F. (page 13) was removed because the calculation of the banking fee was changed on July 1, 2014. As a result of the methodology change it does not apply to the current earnings calculations.

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

The Treasurer will communicate the approved revised 2016 Investment Policy Statement to all pool participants and receive their written acknowledgement of the current version of the Investment Policy.

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.

**FISCAL IMPACT:**

There is no net County cost.