



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



Date: December 28, 2015
Board Meeting Date: January 26, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

Subject: Approving the 2016 San Mateo County Investment Policy Statement

RECOMMENDATION:

Adopt a resolution approving 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 January 27, 2015.

DISCUSSION:

The 2016 Investment Policy includes the following changes: modification of section H. Asset Backed Securities (page 5) to differentiate between Asset Backed Securities and Mortgage Backed Securities; resulting in the creation of a new section, G. Mortgage Backed Securities (page 5). The title of section F., previously Certificates of Deposit, was changed to section F., Collateralized Time Deposits (page 5).

Additions to the 2016 Investment Policy under Section VII. Authorized Investments:

Section J. US Instrumentalities (page 6)

Section K. CA Municipal Obligations (page 6) is replacing section K. Registered Warrants

See attached for California Government Code § 53601 Explanation

Additional Pool:

Section O. Local Government Investment Pools (LGIPs) (page 7)
See attached for California Government Code § 53601 Explanation

The chart on page 10, Section X. Diversification and Maturity Restrictions includes the addition of US Instrumentalities, CA Municipal Obligations, and LGIPs that are referenced above. In addition, the chart was arranged to reflect the Authorized Investments in the order in which they are listed in the Investment Policy.

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 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.