



County of San Mateo

Inter-Departmental Correspondence

Department: TREASURER

File #: 18-213

Board Meeting Date: 3/13/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

Subject: Approving the 2018 San Mateo County Investment Policy Statement

RECOMMENDATION:

Adopt a resolution approving the 2018 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 28, 2017.

DISCUSSION:

The 2018 Investment Policy clarifies the process for handling administrative fees and true-up of fees. The administrative fee will be lowered from 10.5 basis points to 9.5 basis points effective July 1, 2018 and will be evaluated annually.

The following paragraph was added to page 13, Section XIII. Method of Accounting, section G:

"The County Pool Administrative Fee is established annually and is effective July 1 through June 30. The fee is developed to align with the actual administrative cost of managing the pool. Due to variations in the pool size during the fiscal year (such as those caused by the influx of funds from unanticipated school bond issues or pool participant withdrawals), a true-up of fees collected will take place in the 4th quarter of each fiscal year."

The change is in compliance with Government Code § 53601 and PFM Asset Management LLC. The policy was presented to the Treasury Oversight Committee at the meeting held on Tuesday, February 13, 2018 with no objections voiced.

The Treasurer will communicate the approved 2018 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.

PERFORMANCE MEASURE:

N/A

FISCAL IMPACT:

There is no net County cost.