



County of San Mateo

Inter-Departmental Correspondence

Department: TREASURER

File #: 26-013

Board Meeting Date: 1/6/2026

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

Subject: Approving the 2026 San Mateo County Investment Policy Statement

RECOMMENDATION:

Adopt a resolution approving the 2026 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.

DISCUSSION:

In August, the County's Investment Policy was officially certified by the California Municipal Treasurers Association (CMTA). As part of the CMTA review, the committee provided several recommendations to further strengthen certain areas of the policy. Many of these recommendations have been incorporated into the 2026 Investment Policy Statement and include:

- **Section VII, paragraphs L, M, and N**, adding text stating that the County will review the security type prior to investing, and on a regular basis.
- **Section X**, adding text from Code §53601 regarding maturity calculation.
- **Section XIV**, adding text to state current County requirements that third-party safekeeping arrangements must be approved by the County Treasurer and documented through a written custodial agreement.
- **Section VII, paragraph C**, extending the maximum maturity on commercial paper from 270 days to 397 days. Following the passage of Senate Bills 858 and 595 this year, and effective January 1, 2026, Code §53601(h) has been revised to change the maximum maturity on commercial paper from 270 days to 397 days.
- **Section X**, summary table, clarifying that U.S. Agencies Callables are limited to 25 percent of County Funds with no limitation on issuer allocations, consistent with Policy Section VII, paragraph B.

Also, updating the maximum maturity on commercial paper.

- **Section XV**, updating the name of the annual report, consistent with GASB Statement 98.
Original Statement: Comprehensive Annual Financial Report
Proposed Statement: Annual Comprehensive Financial Report
- **Section XVI**, revising language to clarify the County's apportionment withdrawal guidelines to align with the Controller's disbursement schedule.
Original Statement: Apportionments must be withdrawn in the same month they were received, or they will become subjected to the 12.5% withdrawal rule.
Proposed Change: Apportionments must be withdrawn within 30 days of receipt, or they will become subject to the 12.5% withdrawal rule.

The Treasurer will communicate the approved 2026 Investment Policy Statement to all pool participants and receive their written acknowledgement of the current version of the Investment Policy.

County Attorney has reviewed and approved the resolution as to form.

COMMUNITY IMPACT:

The Treasurer-Tax Collector's Office makes diversity, equity and inclusion a part of how the Department works every day by ensuring fair, respectful and accessible services for all community members. Staff are committed to fostering an environment where everyone, regardless of background, is valued and given equal opportunity to succeed.

FISCAL IMPACT:

There is no Net County Cost associated with this item.