

SAN MATEO COUNTY
TREASURY OVERSIGHT COMMITTEE

MINUTES

October 3, 2016

1. CALL TO ORDER

The meeting was called to order at 12:15 p.m. by John Marty.

2. ROLL CALL:

Members and guests were asked to introduce themselves during roll call.

MEMBERS IN ATTENDANCE

John Marty (Treasurer, City of San Bruno) **Chairman**
Sandie Arnott (Treasurer-Tax Collector)
Denise Porterfield (Deputy Superintendent Fiscal & Operational Services Division)
Jim Saco (Budget Director, County Manager's Office)
Stephanie Osaze (Finance Manager, Bay Area Air Quality Management District)
Helen Fisicaro (Town of Colma)

MEMBERS ABSENT

Daneca Halvorson (Treasurer, City of Daly City)
Margie Gustafson (Administrator, County Office of Education)

STAFF IN ATTENDANCE

Charles Tovstein (Assistant Treasurer)
Joe Demee (Financial Services Manager II)
Gina M. Luiz (Executive Assistant)

MEMBERS OF THE PUBLIC IN ATTENDANCE

None

3. APPROVAL OF MINUTES – April 25, 2016

John Marty made a motion to approve minutes from the April 25, 2016 meeting, seconded by Stephanie Osaze. Meeting minutes were approved unanimously.

4. CIO REPORT – Charles M. Tovstein

4.1 Investment Report

Charles Tovstein estimated the gross earnings for the quarter ending September 30, 2016 will be between 0.92% and 0.93%. Mr. Tovstein said the Federal Reserve may raise rates in December because there are factors like the presidential election influencing the market.

Mr. Tovstein said Deutsche Bank is a concern due to their issues with asset values and derivatives. He also said Wells Fargo is having their own problems because it was discovered they were improperly opening accounts for customers.

Mr. Tovstien said on October 14, 2016 there will be changes for the money market. October 14th is the deadline for the overhaul of rules governing money funds and commercial paper rates

should continue to rise. In addition, he said more companies are not paying to register their commercial paper and it creates a smaller pool from which to buy, for him.

Mr. Tovstein estimates the earnings for next quarter to be between 0.85% and 0.95% depending upon the market.

5. TREASURER'S REPORT – Sandie Arnott

5.1 2016 Investment Policy edits approved September 6, 2016

The revised 2016 Investment Policy went before the Board of Supervisors on September 6, 2016 and was approved. The revised 2016 Investment Policy included a change to the Investment Pool Admin Fee of lowering the basis points from 11.5 to 10.5, a change that occurred on July 1, 2016. The other changes to the 2016 Investment Policy were editing and cleanup.

The changes forthcoming for the 2017 Investment Policy will include updating the glossary.

6. AUDIT REPORT – Joe Demee

The Macias Gini O'Connell audit report was released for the fiscal year end June 30, 2016 and there were no exceptions. Joe Demee thanked the Investment Specialists, Rachel Ridon and Gerimar Tabbay, for their assistance with the audit report.

7. ORAL COMMUNICATIONS AND PUBLIC COMMENT

None

8. SETTING OF 2017 MEETING DATES

January 23, April 17, and October 16

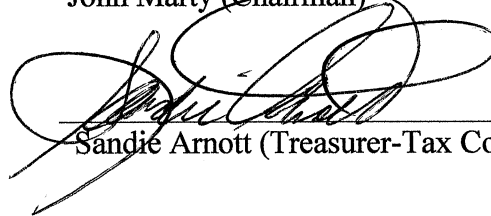
9. OTHER BUSINESS

10. ADJOURNMENT

The meeting was adjourned at 12:45. p.m.



John Marty (Chairman)



Sandie Arnott (Treasurer-Tax Collector)