

**Minutes of the Study Session of the Board of Trustees
San Mateo County Community College District
March 12, 2014, Redwood City, CA**

The meeting was called to order at 9:04 a.m.

Board Members Present: President Karen Schwarz, Vice President Patricia Miljanich, Trustees Richard Holober, Dave Mandelkern and Tom Mohr

Others Present: Chancellor Ron Galatolo, Deputy Chancellor Jim Keller, Executive Vice Chancellor Kathy Blackwood, Chief Financial Officer Raymond Chow

Pledge of Allegiance

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

STUDY SESSION

REVIEW AND DISCUSSION WITH SAN MATEO COUNTY TREASURER REGARDING DISTRICT'S INVESTMENTS WITH THE COUNTY'S CO-MINGLED FUND (14-3-1C)

President Schwarz thanked Treasurer Sandie Arnott and her staff for hosting the study session. She said a list of questions posed by Board members and District staff were forwarded to Treasurer Arnott prior to the meeting; a copy of the questions is attached to the official minutes of record.

Treasurer Arnott thanked the Board for their interest and for attending the meeting. She introduced members of her staff and others who were present to assist with the presentation and with responding to questions:

Laura Williams, Deputy Treasurer-Tax Collector

Gina Luiz, Executive Assistant

Charles Tovstein, Assistant Treasurer

Joe Demee, Financial Services Manager

John Marty, Chairman of the San Mateo County Treasury Oversight Committee/Treasurer, City of San Bruno

Brian Wong, Deputy County Counsel

Rachel Ridon, Investment Services Specialist II

Tiffany Htwe, Investment Services Specialist II

Richard Babbe, Senior Managing Consultant, The PMF Group

Carlos Oblites, Director, The PMF Group

Treasurer Arnott said the answers to many of the questions submitted are included in the Treasurer's Monthly Investment Reports and in the San Mateo County Investment Policy Statement. She said the monthly reports are sent to specified District staff and she provided an email sign-up sheet for anyone else interested in receiving the reports. Assistant Treasurer Tovstein said he welcomes anyone who would like to visit the office at a separate time.

Treasurer Arnott and her team discussed the questions that were submitted and also answered questions by Board members and staff present at the meeting. To assist in answering the questions, she provided a packet of information which contained:

- Roster, mission statement, charter, and independent accountant's report for the San Mateo County Treasury Oversight Committee
- Copy of the home page from the Treasurer's Office website
- San Mateo County Investment Policy Statement for calendar year 2014
- Applicable Government Code and Education Code sections
- Copy of a "Monthly Market Review" prepared by The PMF Group, a firm which has been providing investment advice to the Treasurer's Office since April 2011

- County Pool vs. Local Agency Investment Fund (LAIF) rates of return
- Standard & Poor's article: "California County And Local Government Investment Pools See Limited Effects From State Revenue Windfall"
- Copy of the February 2014 County Treasurer's Monthly Investment Reports
- February 28, 2014 San Mateo County Investment Portfolio Compliance Report, prepared by PFM
- Copy of memos from County Superintendent of Schools Anne Campbell regarding School Board representatives to the Investment Oversight Committee

Copies of the materials provided in the packet are attached to the official minutes of record.

One area of concern centered on whether government entities could be permitted to elect to set up special purpose investment pools separate from the co-mingled pool. Treasurer Arnott said the authority to invest rests with the Treasurer and she has always attempted to accommodate requests; however, running separate pools would set a precedent and would not be economically feasible because of the large number of investors. Discussion followed regarding the possibility of allowing investors to choose "products" within the pool, e.g. short-term, medium-term and long-term investments. Treasurer Arnott said she would consult with other counties on this matter. Treasurer Arnott said there have been questions in the past regarding whether the District is required to invest in the County Treasury. She suggested that the District consult with its County Counsel to clarify this issue.

President Schwarz thanked Treasurer Arnott and her team for taking the time to meet with the Board and providing valuable information.

RECESS TO CLOSED SESSION

President Schwarz said that Closed Session will take place at the District Office in San Mateo, commencing as soon as all Board members arrive from the current study session. During Closed Session, the Board will conduct a public employee performance evaluation as listed on the printed agenda.

The Board recessed to Closed Session at 11:15 a.m.

The Board reconvened to Open Session at 1:00 p.m.

CLOSED SESSION ACTIONS TAKEN

Vice President Schwarz announced that no actions were taken at the Closed Session just concluded.

ADJOURNMENT

It was moved by Trustee Holober and seconded by Trustee Mohr to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 1:01 p.m.

Submitted by

Ron Galatolo, Secretary

Approved and entered into the proceedings of the March 26, 2014 meeting.

Patricia Miljanich, Vice President-Clerk