

TREASURY OVERSIGHT COMMITTEE MINUTES
July 23, 2010 at 10 a.m.
Room 316, City Hall

1. Call to Order and Roll Call

Jose Cisneros, Treasurer, called the meeting to order at 10:10 a.m. The following Committee members present were: Joe Grazioli, Don Griffin, and Todd Rydstrom. Ben Rosenfield, Controller, and Richard Sullivan was excused.

2. Discussion and Action to Approve Minutes

The minutes of April 22, 2010 were unanimously approved. There was no public comment.

3. Review of the Treasurer's Recent Investment Performance

Ms. Pauline Marx, Chief Assistant Treasurer, provided an overview of the investment markets. Ms. Marx reviewed the Peer Group Relative Returns, yield forecast, the pooled fund history and pooled fund assets as of June 30, 2010 as well as current yield curves and pooled fund constituents.

Ms. Marx reviewed the pooled fund monthly annual return. She reported that Treasury Note rates are at this generations lowest and investment opportunities are at an all time low. Unemployment, slow sales, housing starts and new home sales are all contributing to the low rates.

The pooled fund history, as of June 30, 2010, was reviewed. There are a substantial amount of funds in callable assets and a large amount of liquidity.

Ms. Marx expressed her opinion that the results of the portfolio are good at this time.

There was no public comment.

4. Review of Projected Pooled Cash Balance

Mr. Levenson reviewed the City's month-end pooled cash balance as of July 22, 2010. At this time, there is \$3.3 billion dollars. Key points included a review of the month-end pooled balances, month-to-month cash balance changes, and a review of General Fund sources and uses. Additional cash is not expected but there may be transfers within funds. CalPERS was pre-paid in early July.

There was no public comment.

5. Public Comment

Ms. Marx told the committee that Public Financial Services (PFM) will help with the management of the City's portfolio. A description of the proposed services was distributed. PFM will assist the City with technical and strategy assistance, and the structure of the portfolio. The contract for one year of service will be cost about \$100,000.00.

The recruitment for the Chief Investment Officer (CIO) was reviewed. There were 60 applicants. Interviews are scheduled for mid-August. Ten of the applicants have public fund portfolio management experience.

There was no public comment.

The meeting was adjourned at 10:35 a.m.