

TREASURY OVERSIGHT COMMITTEE

Minutes Regular Meeting Friday, April 16, 2004 City Hall, Room 316

1. Call to Order

Mr. Harrington, Chair, called the meeting to order at 10:06 a.m.

2. Roll Call

Dr. Phillip R. Day, Jr., Chancellor, S.F. Community College District
Leo Fermin, Deputy Airport Director, Business & Finance - Absent
Ed Harrington, Controller
Dr. George Kozitza, CBO, SF Unified School District
Richard Sullivan, Member of the Public

Mr. Harrington conducted the roll call and noted that there was a quorum.

Also in attendance were:

Dan Daly, Investment Officer
Thomas Owen, Deputy City Attorney
Carmen LeFranc, Controller's Audit Division
Nori Hirasuna, Controller's Audit Division
Amy Wang, Treasurer's Investment Division
Tom Carrick, Treasurer's Investment Division

3. Approval of minutes of the January 16, 2004 regular meeting

Dr. Day made the motion to approve the minutes as submitted. Mr. Sullivan seconded the motion.

4. Update on the Status of the Committee Membership – Susan Leal

Mr. Harrington said that Ms. Leal was not available to attend the meeting. He informed the members that Dr. George Kozitza had been appointed by the Board of Supervisors as a member of this Committee to represent the San Francisco Unified School District. Dr. Kozitza could not be here because he had to be at Sacramento today.

5. Review of Treasurer's Recent Investment Performance – Dan Daly

Mr. Daly presented the investment portfolio structure as of March 31, 2004, and responded to questions from the members.

6. Discussion on the Investment Policy – Dan Daly

Mr. Daly distributed copies of a letter from the California Debt and Investment Advisory Commission and referred the members to the second paragraph of the letter. The paragraph mentions to the maximum maturity period for commercial paper and states that, “if your policy lists a maximum maturity period of 180 days for commercial paper, you may be restricting the term on this instrument beyond what is required by state law.” Mr. Daly stated that this is a moot point for us because we comply with the California Code. Mr. Harrington asked if they do an annual review of our Investment Policy. Mr. Daly said that we have to send them out policy once a year, at the end of a fiscal year. Mr. Harrington suggested that in order to make it official, Mr. Daly send a letter back to the state clarifying our position.

Mr. Daly informed Committee members about GASB 40 which basically says that if interest rates go up or down, we have to provide additional disclosure. It will take some effort on our part to put together the information and auditors will have to audit it. This will become effective after June 15, 2004.

Mr. Daly informed members that the modifications approved by the Committee in its last meeting on January 16, 2004 have been incorporated in the Investment Policy.

7. Public Comment

None.

8. Adjournment

There being no further business, the meeting adjourned at 10:40 A.M.

Respectfully submitted:

Tripta Gupta
Recording Secretary