

TREASURY OVERSIGHT COMMITTEE
MINUTES
Friday, September 28, 2007
10:00 a.m. - City Hall, Room 316

1. Call to Order and Roll Call

Mr. Harrington, Chair, called the meeting to order at 10:12. Mr. Richard Sullivan was excused; all others present.

2. Discussion and Possible Action to Approve Minutes

The minutes of June 1, 2007 were unanimously approved.

3. Review of the Treasurer's Recent Investment Performance

Mr. Dan Daly, Chief Investment Officer, Office of the Treasurer and Tax Collector reviewed the Treasurer's recent investment performance and the City's asset allocation. Mr. Daly noted that the Treasurer's earned income yield for September is at 5.37 percent.

Mr. Daly indicated that the City and County of San Francisco's cash flow projection from October 2007 to March 2009 shows a projected surplus of \$5,972,000,000.

Ms. Pauline Marx, Chief Deputy Treasurer, distributed information regarding the City's Investment Pool Participants at June 30, 2007. Brief discussion regarding the data ensued.

No Public Comment.

4. Annual Review of Investment Policy

Ms. Pauline Marx, provided the Committee with an update of the City and County of San Francisco's Investment Policy, dated September 2007, for their review. She noted some wording changes to the Policy on page two, Section 6.0 – Authorized Broker/Dealer Firms; and page five, Section 7.14 – Investments in Local Government Agencies.

Mr. Day moved that the updated September 2007 City and County of San Francisco's Investment Policy be adopted. Mr. Grazioli seconded, motion passed unanimously.

5. Discussion of Annual Audit

Mr. Harrington noted that a responsibility of the Treasury Oversight Committee, per Investment Policy Section 14.0, is to "Cause an annual audit to be conducted to determine the Treasurer's compliance with California Government Code Article 6 including Sections 27130 through 27137 and City Administrative Code Sections 10.80.1..."

Ms. Harriet Richardson, Controller's office Audit Manager, discussed the audit process, and noted that either the Controller's office or an outside audit firm may conduct the annual audit. After discussion, the Committee agreed that Macias, Gini and O'Connell, will conduct the annual audit, along with quarterly reviews.

6. General Public Comment

No public comment.

7. Adjournment

The meeting was adjourned at 11:17 a.m.