

TREASURY OVERSIGHT COMMITTEE MINUTES

April 17, 2009, 10 a.m.

Room 316, City Hall

1. Call to Order and Roll Call

Mr. Rosenfield, Controller, called the meeting to order at 10:05. All committee members were present.

2. Discussion and Action to Approve Minutes

The minutes of March 13, 2009 were unanimously approved. There was no public comment.

3. Review of the Treasurer's Recent Investment Performance

Mr. Newlin Rankin, CCSF Chief Investment Officer, provided an overview of the investment markets. Mr. Rankin reviewed the relative change in unemployment as it compared to GDP (gross domestic product) and consumption and U.S. debt as a percent of GDP. Government spending continues to increase in an effort to soften the blow caused by the recession.

Global public debt as a percentage of GDP was reviewed. Public debt is the amount owed by the government to its creditors, whether they are nationals or foreigners. At the time of this report, the debt of the United States ranked as roughly the 22nd largest in the world as a percentage of GDP. This level of debt is rapidly approaching a level of debt not seen since 1951.

Mr. Rankin reviewed eligible securities and CCSF constraints. As of April 15, 2009, the pooled fund assets by security type are as follows: 1) agency 55%; 2) TLGP Corporate (Temporary Liquidity Guarantee Program) 17%; 3) Collateralized CDs 16%; 4) Treasury 10%; and 5) Cash 2%. The asset allocation for Temporary Liquidity Guarantee Program bonds has increased with the result of a better credit risk and a comparable yield to Agencies. Peer performance, among the California counties, was reviewed in regard to yield. San Francisco had the highest yield for the month of February 2009.

There was no public comment.

4. Review of Projected Pooled Cash Balance

Leo Levenson, Director of Budget and Analysis, reviewed the City's month-end pooled cash balance as of April 15, 2009.

Key points of Mr. Levenson's presentation included a review of the month-end pooled balances, month-to-month cash balance changes, and a review of General Fund sources and uses. Mr. Levenson and Mr. Rankin will work together to create a future-looking cash flow plan.

There was no public comment.

5. Adjournment

The meeting adjourned at 11:05 a.m.