

**TREASURY OVERSIGHT COMMITTEE
MINUTES**

**Friday, May 26, 2006
10:00 a.m. - City Hall, Room 316**

1. Call to Order and Roll Call

Mr. Harrington, Chair, called the meeting to order at 10:00. All members were present.

2. Discussion and Possible Action to Approve Minutes

The minutes of the February 3, 2006 meeting 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. Mr. Daly briefly discussed pooled fund performance for FY 2004-05 and FY 2005-06. Mr. Daly also reviewed the pooled fund allocation as of May 17th and noted changes as compared to the allocation as of January 31, 2006.

Mr. Daly presented a graph prepared by Sacramento County, which shows an April 2006 comparison of peer counties pooled investment funds and LAIF 12-Month yield performance. This graph indicates that San Francisco's investment strategy when compared to peers has been correct.

Mr. Harrington provided an update to the GASB 45 requirements and brief discussion of those requirements ensued.

Mr. Daly noted that the City and County of San Francisco's cash flow projection from June 2006 to November 2007 shows a projected surplus of \$4,944,000,000.

No Public Comment.

4. Social Responsible Investing

Mr. David Augustine, Policy and Legislative Manager, Office of the Treasurer & Tax Collector, briefly discussed changes in the Treasurer's Office Social Screening Criteria (as of March 2006). A Discrimination criteria was added to the filter based, and includes two restrictions: (1) allowing restrictions if a company does not provide health or medical benefits to domestic partners of gay and lesbian employees; and (2) allowing restrictions if a company does not have a written equal employment opportunity statement that bans discrimination based on sexual orientation.

These additions bring the list of screening criteria to 12 (Board Diversity, Environment, Firearms, Burma, Labor, Northern Ireland, Tobacco, Nuclear Weapons, Predatory Lending, Payday Lending, and Discrimination (2)).

He noted that there are 12-15 institutions that are being screened, including institutions that we currently invest with and those that we may invest with. He stated that most of the institutions are passing with fairly high marks; most with all 12 criteria satisfied and only two with 11 criteria satisfied (both lacking in Environment category).

No Public Comment.

5. General Public Comment

No public comment.

6. Adjournment

The meeting was adjourned at 10:50 a.m.