



Draft



**Finance Committee
Regular Meeting
Summary Minutes**

**March 14, 2007
ABAG Conference Room B
101 Eighth Street, Oakland, CA**

Presiding:

Jim Steele, Chairman

Jurisdiction:

So. San Francisco

Committee Members Present:

Emma Karlen
Jim O'Leary

Milpitas
San Bruno

Committee Members Absent:

Jesus Nava
Jesse Takahashi

Burlingame
Campbell

Staff Present – ABAG PLAN Corporation:

Marcus Beverly, Risk Manager
Joseph Chan, Chief Financial Officer
Carol, Johnson, Secretary

1. Call To Order:

Meeting was called to order at 10:05 a.m. by Jim Steele.

2. Public Comments:

There were no public comments.

3. Approval of Minutes, March 24, 2006:

Committee approved minutes as presented.
/M/O'Leary/S/Karlen/C/approved



4. Approval of Audited Financial Reports For Year Ended June 30, 2006:

Chan presented and summarized the audited financial report for fiscal year ended June 30, 2006. The auditor issued an unqualified opinion that the financial statements presented fairly the financial position of PLAN. The Committee was also provided the auditor's management letter, stating no material weaknesses were found in PLAN's internal control structure.

After discussion a motion was made to accept the audited financial reports for FY ending June 30, 2006, as presented. /M/O'Leary/S/Karlen/C/approved

5. Investment Performance Report:

Chan presented and summarized:

- a) Financial Report and Investment Performance Report as of December 31, 2006
Overall, PLAN's financial position and investment performance are within expectations at December 31, 2006.
- b) Investment strategies for FY 07-08
Considering the current inverted market yield curve, staff recommended maximizing the benefit from investing in LAIF and monitoring opportunities to invest in federal and corporate notes.
- c) Recommended Investment Policy Changes
Staff recommended increasing the limit of 10% on corporate notes to 20% of portfolio. After discussion, Committee decided not to implement this recommendation.

A motion was made to accept the financial and investment reports and the recommended investment strategies, and to reaffirm the Investment Policy with no changes. /M/O'Leary/S/Karlen/C/approved

6. Other Business:

None

7. Adjournment:

Motion was made and approved to adjourn the meeting at 11:20 a.m.
M/O'Leary/S/Steele/C/ approved.

Respectfully Submitted,

Marcus Beverly,
Risk Manager & Secretary
ABAG PLAN Corporation