



**Finance Committee
Regular Meeting
Summary Minutes**

**February 13, 2003
ABAG Conference Room A
101 Eighth Street, Oakland, CA**

Presiding

Alan Nadritch, Chairman

Jurisdiction

Benicia

Committee Members Present

Debra Ryan

Jim Steele

Half Moon Bay

South San Francisco

Committee Members Absent

Emma Karlen

Milpitas

Staff Present – ABAG PLAN Corporation

Marcus Beverly, ABAG Risk Manager

Joseph Chan, ABAG Finance Director

Brenda Brown, Recording Secretary

WELCOME AND INTRODUCTIONS

Chairman Nadritch called the meeting to order at 11:00 a.m.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES OF MARCH 11, 2002 FINANCE COMMITTEE MEETING.

Motion was made by Steele/S/Ryan/C to approve the March 11, 2002 Finance Committee meeting minutes as presented.

ELECTION OF COMMITTEE CHAIR & VICE CHAIR

Motion was made by Ryan/S/Nadritch/C to elect Jim Steele, Finance Director of the City of South San Francisco as the Chairman and Emma Karlan, Finance Director of the City of Milpitas as Vice-Chairwoman of the Finance Committee for FY 03/04.

APPROVAL OF AUDITED FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2002

Joe Chan brought the members' attention to a typo on page 3 of the Audited Financial Report, subject "Statements of Revenues, Expenses and Changes in Retained Earnings", under "Expenses for 2002", the amount of \$147,017 should be lined up with "Contract Services" and not with "Member Dividends Declared."

Motion was made by Steele/S/Ryan to approve the PLAN's Audited Financial Reports with the above correction, as presented.

INVESTMENT PERFORMANCE REPORT

Joe Chan presented the Investment Performance Report FY 02-03 as of December 31, 2002. Motion was made by Steele/S/Ryan to accept the Investment Performance Report as presented.

REVIEW OF INVESTMENT POLICY

Members recommended staff review risk versus yields between the highest (AAA) and next highest (AA) corporate notes and bring back updated information to the committee at its next meeting. The Committee discussed the implications of investing in one to three-year versus five to seven-year maturities and expressed caution about the recommendation for considering taking capital losses in order to pick up higher yielding securities. Staff pointed out that such instances are rare. Each case should be handled on an individual basis and a thorough analysis should be done and brought to the attention of the Finance Committee. There was a consensus of the group to invest matured or called securities in either bullet or callable notes. The committee decided to keep the investment policy unchanged.

ADJOURNMENT

Chairman Nadritch adjourned the meeting at 12:20 p.m.

Respectfully Submitted,



Marcus Beverly
Risk Manager & Secretary
ABAG PLAN Corporation

Approved as presented 2/18/04 Finance Committee meeting/mb