



BUTTE COUNTY TREASURY OVERSIGHT COMMITTEE

25 County Center Dr.
Oroville, CA 95965
Phone: (916) 538-7443
Fax: (916) 538-7648

David A. Houser, Butte County Auditor-Controller
Maureen Kirk, 3rd District Supervisor
Kathy White, Trustee, Oroville City Elementary School District, School District's Representative
Kevin Bultema, Superintendent of Schools Representative
Mark Sweany, Chico Area Recreation & Park District – Special Districts Representative

MINUTES October 7, 2008

Attending Members: Mark Sweany, Chair
Maureen Kirk
Kevin Bultema

Others: Linda Barnes, Treasurer-Tax Collector
Peggy Moak, Assistant Treasurer-Tax Collector, Acting Secretary

- 3.01 The committee reviewed and approved the minutes from the June 24, 2008 Treasury Oversight Committee Meeting. Action: Approve Consent Agenda
M - Kirk S - Bultema Motion carried
- 3.02 Investment Reports for the months of June, July and August 2008 were submitted and accepted for information.
M - Kirk S - Bultema Motion carried (as part of motion to accept Consent Agenda)
- 4.01 Treasurer's Update: Linda Barnes provided an update on market conditions, the status of LAIF and the actions taken by Treasury to protect the safety of principal on behalf of pool participants. Projections are for the yield on the pool to decline during the remainder of FY 08-09 due to the crisis in the financial markets and steps taken by the Feds to increase market liquidity. The failure of WAMU, Lehman Brothers and the status of other financial services companies were discussed. Wells Fargo Bank was included in a recent ranking of the 10 "World's Safest Banks". (a subsequent update was sent via email to Committee members on 11-24-08 as an update and is included with these minutes for reference "Addendum to Treasurer's Update, Minutes of October 7, 2008)
- 4.02 Certification of Compliance forms for FY 07-08 were collected
- 4.03 There being no New Business or Public Comment, the next Meeting was scheduled for Tuesday, January 13 **(now re-scheduled for January 6)**

Addendum to Treasurer's Update, Minutes of October 7, 2008

From: Moak, Peggy [mailto:pmoak@buttecounty.net]

Sent: Monday, November 24, 2008 12:51 PM

To: Andy Pickett; David Houser; Greg Iturria; Kathy White; Kevin Bultema; Mark Sweany; Mark Sweany; Maureen Kirk

Cc: Suzie Borzage; Pickett, Andy; Lisa Anderson; Stewart, Trevor; Suleski, Andy; Bottini, Colleen; Linda Barnes; Moak, Peggy

Subject: LAIF Investments

To Treasury Oversight Committee Members and Interested parties:

Just a note to keep you up to date on the investment structure of the LAIF portfolio.

Since we last communicated with you, LAIF has continued to allow investments subject to market risk to run off the portfolio and has been re-investing those monies in Treasuries and some longer term Federal Agencies. The percentage of "at risk" deposits has dropped from about 38% to 22% of the LAIF pool. We expect to see this trend continue and will keep you informed of their progress.

So far as the Butte County Pooled Portfolio is concerned, we continue to invest in AAA rated Federal Agency investments and LAIF. Investments in callable Agencies have been increased in an effort to minimize exposure to the credit risk that exists in LAIF, while maintaining a higher level of liquidity in light of the potential cash flow needs of the pool participants in these difficult times. Barring a significant downturn in the Federal Governments' stance on implicit/explicit backing of the Agency market, coupled with the fact that LAIF is being both prudent and proactive in monitoring investment risk levels and liquidity needs, we are confident the deposits of pool participants are being invested with safety of principal being of highest priority.

If you have any questions, please feel free to contact Peggy Moak at 538-7443.

Best regards,

C. Linda Barnes
Treasurer-Tax Collector
County of Butte
25 County Center Dr.
Oroville, CA 95965
530-538-7576