

**LOCAL INVESTMENT ADVISORY BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814**

**Minutes
June 5, 2003**

William Sherwood, acting as Chairperson for State Treasurer Phil Angelides, called the Local Investment Advisory Board (LIAB) meeting to order at 1:38 p.m., Thursday, June 6, 2003.

AGENDA ITEM 1: Roll Call

LIAB Members present were Patricia Elliott, Byron Scordelis, Robert Torrez, Leslie Wells, and William Sherwood representing State Treasurer Phil Angelides. A quorum was present. Staff present from the State Treasurer's Office were LIAB Executive Secretary Theodore Eliopoulos, Dan Dowell, Eileen Park, Marian Yee, and Kim Lee.

AGENDA ITEM 2: Approval of the Minutes

Ms. Park informed Board Members that the Minutes were from the September 11, 2002, meeting that was scheduled for approval on February 6, 2003. The February meeting was canceled due to a lack of a quorum.

The minutes of the September 11, 2002, meeting were approved as submitted with a motion by Mr. Torrez and seconded by Mr. Wells.

AGENDA ITEM 3: Reviewing the 2002 LAIF Annual Conference and Planning the 2003 LAIF Annual Conference

Reviewing the 2002 LAIF Annual Conference

Ms. Park reported that the LAIF held its annual conference in Sacramento on September 12, 2002, at the Sacramento Convention Center celebrating the 25th anniversary of the program. A record 131 LAIF participants attended the conference, representing 49 special districts, 43 cities, and 11 counties.

Ms. Park further stated the program was honored to have in attendance at the conference former LAIF Administrator Pat Beal as well as former Local Investment Advisory Board Members Peggy Eckroth, Art Vargas, and Brian Hodgins.

Ms. Park also stated that staff incorporated some of the suggestions from 2002 LAIF Conference evaluations in planning the 2003 LAIF Annual Conference.

Planning the 2003 LAIF Annual Conference

Ms. Park stated that since the February 6, 2003, meeting was canceled due to a lack of a quorum, the plans for the 2003 LAIF Annual Conference Agenda have been set. The staff coordinated with the Board Members, the Treasurer, and the Sacramento Convention Center and was able to determine a date for the conference. The 2003 LAIF Annual Conference has been scheduled for Thursday, September 25, 2003, between 9:00 a.m. and 3:30 p.m. at the Sacramento Convention Center. The LAIF Tour will take place at the Treasurer's Office the following Friday morning, September 26, 2003.

Ms. Park reviewed the final draft of the conference agenda with the Board Members. The conference program provides for Maria Fiorini Ramirez, Economist, President and Chief Executive Officer of MFR Securities to provide an economic outlook. Director of Investments Bill Sherwood and Assistant Director of Investments Dan Dowell will provide an overview of the Pooled Money Investment Account (PMIA) and LAIF. California Municipal Treasurers Association (CMTA) Legislative Chair Vince Amado will present a legislative update. Treasurer Phil Angelides is the keynote luncheon speaker. Marianne O'Malley from the Legislative Analyst Office will explain the impact of the State Budget on local governments. Managing Director of Global Banking Sam Theodore from Moody's Investors Service will complete the conference with a session on understanding credit issues of the world's banking systems.

Ms. Park further reported that Tours 1 and 2 are scheduled for Friday morning, September 26, 2003, at the Treasurer's Office in the Investment Division. Live trading will take place during Tour 1 at 7:00 a.m. and an overview of the morning's trading activity will be given during Tour 2, at the 9:00 a.m. session. Since the tours have been moved to Friday mornings, this part of the conference has been very successful with the sessions being fully subscribed. The staff attempt to accommodate as many attendees as possible, although, some of the attendees may have to stand. Due to space constraints, the number of individuals that can attend the tours are limited and are on a first-come first-serve basis. The staff have not turned anyone away and have tried to accommodate all that are interested in attending the tours.

Ms. Park requested that the Board Members provide comments on the program agenda. She stated that after the Board's and the State Treasurer's approvals, the conference material could be submitted for printing. The staff expect to release the conference brochure by mail and post it to the State Treasurer's Office (STO) website by mid-July.

Mr. Wells stated that the 2002 LAIF Annual Conference was a success. He also stated that the 2003 LAIF Annual Conference looked promising, due to the planning and coordinating of the staff. He said that the Moody's session was appropriate as well as timely given the credit issues concerning the rating agencies, Washington D.C., and others.

Mr. Sherwood asked Ms. Park how much it would cost to attend the conference.

Ms. Park stated that the registration fee to attend the conference would be \$100.00 and that the fee has been the same for the last four years.

Ms. Elliott asked Ms. Park how the cost affected the attendance at the 2002 LAIF Annual Conference.

Ms. Park stated that the staff manage the costs for the program to break-even, only to cover the costs of the event. Ms. Park stated that the information and materials provided at the LAIF conferences are very valuable to local agencies, therefore, staff attempt to keep the cost to attend the conferences as affordable as possible.

Mr. Sherwood stated that there may be another large turnout this year based upon all the issues of concern to LAIF agencies such as the economy, the State Budget, and the rumors regarding the LAIF program in relation to the State Budget. He also stated that each year there are a significant number of attendees who are at the conference for the first time. He stated that 60 percent to 70 percent of those who attended the 2002 LAIF Conference were first time attendees.

While Mr. Dowell thought the program was well developed and coordinated, he asked the Board how the program could be adapted to make the PMIA/LAIF session more interactive.

Mr. Sherwood suggested that materials could be distributed to allow participants to submit questions prior to the session. Time would then be allotted during the session to answer these questions.

Ms. Elliott suggested that Board Members could also submit questions to facilitate the interaction.

Mr. Torrez suggested that space be provided on the conference brochure so that participants from the LAIF agencies could ask questions of interest to their agency. He also suggested that Board Members or staff could circulate among the audience with a microphone to encourage questions on the day of the conference.

Mr. Scordelis asked if it were possible to webcast the conference because providing information through this medium might be beneficial to those LAIF participants who can not afford to attend the conference.

Ms. Park stated that she did not know if such a delivery would be possible given the State's budgetary constraints and with recent directives to cut resources by ten percent.

Mr. Sherwood stated that it is too late in the process to do webcasting for this conference but it may be a useful tool that can be researched for future use. He also stated that the conference registration fees cover the cost of the conference program and that the Treasurer and this program are not in a position to charge or take the cost of the conference from the earnings of the LAIF.

Ms. Elliott stated that she thought webcasting would be a good idea for future use with educating individuals about the LAIF program. She further stated that with many of the LAIF participants, they like to do business face to face, the old fashion way. The accessibility to the STO staff and Board Members seem to be the strong points that sell the LAIF program.

Mr. Sherwood suggested that webcasting may be a good communication tool for other events effecting the LAIF program.

Mr. Torrez suggested that teleconferencing may be another tool which could be used to communicate with the LAIF participants.

Mr. Sherwood requested that Ms. Park look into the various forms of communication technology that may be used to reach LAIF participants.

Mr. Eliopoulos suggested that staff check with California Public Employees Retirement System (CalPERS) since the agency's communication systems are already in place.

Mr. Sherwood asked for more questions or comments regarding last year's conference or the upcoming conference.

Ms. Elliott stated that she has heard many endorsements from individuals at other conferences about attending the LAIF Conference. She stated that the outline for the 2003 LAIF Annual Conference looks very interesting.

Ms. Park said that the main criticism from the 2002 LAIF Annual Conference was the poor quality of the handouts. Ms. Park stated that this issue would be addressed this year by producing better handouts with color.

AGENDA ITEM 4: Overview LAIF Operations and PMIA Performance

LAIF Operations

Since the Board has not met since September 11, 2002, Ms. Park summarized the LAIF operations. She reported that there have been three apportionments: September 30, 2002,

2.63%, December 31, 2002, 2.31%, and March 31, 2003, 1.98%. LAIF administrative costs have been stable at less than \$2 million for the entire fiscal year, which is equal to 1 basis point of the earnings. At the beginning of the fiscal year, July 1, 2002, LAIF deposits totaled \$19.6 billion and on May 31, 2003, LAIF totaled \$22.4 billion. LAIF balances had increased approximately \$2.8 billion since the beginning of the fiscal year. Today, as of June 6, 2003, the LAIF balance is \$22.5 billion and there are over 3,000 agencies that participate in the program. The daily rate is 1.75%.

Ms. Park informed Board Members that the Director of Investments Bill Sherwood and she had attended the California Municipal Treasurers Association (CMTA) and the California Society Municipal Finance Officers (CSMFO) conferences. Their presence and participation at these conferences have been well received and a lot of time is spent answering questions regarding the management of the LAIF and the PMIA investments.

Mr. Sherwood stated that not all of the Board Members may be aware of the rumors and requested that Ms. Park further explain to the Board Members.

Ms. Park stated that Mr. Sherwood and she initially heard about the concerns regarding LAIF moneys in relation to the State Budget deficit at the CMTA Conference. She stated the water agencies' concern over the protections of the LAIF deposits were not shared by the cities and counties.

Ms. Park said that Mr. Sherwood and she notified Treasurer Angelides about the water agencies concerns upon their return from the CMTA Conference. She stated that Mr. Sherwood and she worked with the Treasurer to release a letter about the statutory protection of the LAIF program, which was mailed to all LAIF agencies. The letter was released the morning of May 7, 2003, the same morning of the Association of California Water Agencies (ACWA) Conference where Mr. Ted Gibson, a former economist for the Department of Finance was speaking.

Ms. Park reported that during the ACWA conference Mr. Gibson implied that LAIF moneys could be seized, frozen, or borrowed to repair the State Budget. Ms. Park stated due to the statement made by Mr. Gibson there was increased activity in LAIF as well as questions from the agencies during the week the rumor initially started. Individuals who attended the ACWA conference carried the concerns back to their agencies.

Ms. Park explained that regardless of the educational efforts put forth by the LAIF, the Treasurer's staff, and new laws passed to protect the LAIF, each year and especially in difficult budget years, local agencies worry about the liquidity of the agency's deposits in the LAIF.

Ms. Park stated that budget rumors were shared amongst the agencies and peaked before the Director of Finance released their "May Revise" on May 14, 2003. Some of the affected agencies started to re-deposit their moneys into LAIF when the "freezing of the LAIF moneys" did not occur on May 14, 2003, as predicted.

Ms. Park reported that on May 1, 2003, the LAIF totaled \$22.648 billion and on May 31, 2003, the LAIF balance was \$22.371 billion. The fund was down \$277 million for the month of May. Some of the activity is attributed to the water agencies and rumors regarding the State Budget in relation to LAIF monies. Ms. Park stated that she reviewed the status of the Fund and the activity for May 2003 to provide the Board Members with some insight into the effect that the Association of California Water Agencies (ACWA) rumors had on the Fund. She said that to provide additional perspective that there are 342 water and irrigation agencies in LAIF which had \$2.127 billion on deposit as of May 1, 2003, and on May 31, 2003, the same 342 agencies accounted for \$1.731 billion in the LAIF program, down by \$396 million.

Mr. Scordelis asked if this was the same issue, “seizing funds from LAIF” which was discussed last year and was this same issue addressed legislatively.

Mr. Sherwood confirmed that the safety and liquidity of the LAIF was addressed by SB68.

Mr. Torrez explained that the question of the safety and liquidity of LAIF presents itself yearly, especially when there is a State Budget deficit. Local agencies are cautious because of past actions of the Legislature, which have diverted local government funds for other uses. Mr. Torrez stated that the Board Members should be proactive when addressing the concerns of the local agencies about the LAIF.

Mr. Scordelis asked staff why the portfolio is performing at a 1.98 percent rate in a 0.98 percent market. He asked staff to explain the credit risk, extension risk, and liquidity risk of the Fund.

Mr. Dowell explained that the average life and the overall yield of the PMIA is supported by U.S. Treasuries with 3% to 5% handles, which were purchased on the portfolio during better interest rate environments than what the portfolio is seeing today. Mr. Dowell stated that approximately 20 percent of the portfolio had a positive return of 200 to 300 basis points to the portfolio than what the current interest rates are. On a daily basis, the PMIA is investing in the same rates as all other investors in the market while the securities with the 3 percent to 5 percent handles are slowly maturing and coming off the portfolio. As these securities mature and staff purchase new securities the rates are slowly dropping about 20 to 30 basis points per quarter, slowed down by the anchor of higher yields in Treasury securities. The Collateralized Mortgage Obligations (CMO) are paying down quickly and are part of the portfolio mix that anchor the average life of the Pool and benefit *The Double Bottom Line* program.

Mr. Scordelis asked if the extension risk for the portfolio was of concern today versus the average life of the portfolio one year ago. He asked if the higher yield for the Pool was supported by longer maturities, which would tie the Pool if the market turns.

Mr. Dowell stated that a \$58 billion portfolio with 20 percent of the portfolio in the 2 percent to 5 percent range will take some time to come down to the current rates. The longer the market stays at these lower rates, the Pool will eventually come down to the current market rate. Mr. Dowell further stated that with the reinvestment of dollars as securities mature, the Pool is reinvesting in Treasuries, Agencies, and to a small degree Corporate Notes to anchor the Pool's performance.

Mr. Sherwood stated that the average life of the Pool is currently 130 to 150 days compared to 180 days for this same period last year. The State Treasurer's Office understands the concern of the local agencies during these difficult budget times, and especially the increased concern as the budget stalemates intensify and as the Legislature and the Governor consider budget alternatives. In response to local agencies' concerns and to be ready to provide liquidity if needed, the Pool has shortened its average life from last year and with that action has sacrificed a little yield. The yield may drop faster but the Pool has the liquidity the local agencies need. Another variable that benefits the performance of the PMIA is the General Fund (GF) Loans. General Fund Loans when made to the State General Fund are contracted at the daily rate of the Pool at the time the loan is made. If the PMIA current rate for repayment is 1.75 percent to 1.80 percent rather than 1.15 percent to 1.20 percent of the current market, then this result is a good return for the Pool. While LAIF funds are not available to be borrowed by the State, the participants in the Pool, which includes LAIF, benefit. These General Fund Loans are short in duration and end up a good investment for the portfolio

Mr. Scordelis asked if the Federal Funds rate were raised 200 points overnight, would the yield on the Pool lag and would there be disintermediation.

Mr. Dowell confirmed that the performance rate of the PMIA would lag current market rate if the Federal Funds rate were to be raised 200 basis points overnight. He stated that in 1994 the Federal Reserve Board increased rates approximately seven times during the year. Mr. Dowell stated that during 1994 as long as the Pool yield stayed within 30 to 50 basis points of the funds rate, there was no significant loss to the program. LAIF participants at that time were comfortable with sacrificing some yield in favor of safety and liquidity.

Mr. Sherwood stated that in 1980 to 1982, that disintermediation occurred over a 6-month period. He said that at that time the overnight rates went to 22 percent and that Treasury long bonds went to 13 percent to 14 percent. Mr. Sherwood said that was during a time when there was no limit on the amount of money a participant could deposit into the LAIF program. Since LAIF was a small percentage of the Pool, the amount of money that left the program for higher yields did not significantly impact the other members of the Pool, such as the General Fund and the Surplus Money Investment Fund (SMIF). He stated that if the LAIF was a stand-alone program without the support of the commingled dollars of the General Fund and Surplus Money Investment Fund; any significant move on the LAIF participants would adversely affect the remaining local agencies in the program.

Mr. Sherwood explained that during 1994 when the Federal Reserve Board increased rates seven times, the market valuation for the PMIA was approximately 99.9 percent with an average life of 180 days. He stated that during that time Orange County's portfolio lost about 25 percent of its value. He said that the strategy at the time for the PMIA was to keep the yield of the Pool within 30 to 50 basis points of the Federal Funds rates. He also stated by keeping the duration short and diversifying the portfolio, the PMIA, which LAIF is a part of, was able to withstand the multiple actions that were taken by the Federal Reserve Board.

Mr. Sherwood said that when Orange County's crisis made the newspapers, the State Treasurer's Office answered many questions regarding the safety, liquidity and management of the PMIA in comparison to the Orange County fund and other funds that were having similar troubles as Orange County.

Mr. Torrez asked for clarification of the PMIA Investment policy related to the average life of the PMIA.

Mr. Sherwood stated that the PMIA Investment Policy provides that the average life of the portfolio should be between 120 days to 18 months. If the Pool should need to go below 120 days, the State Treasurer would make the decision and the PMIB would be informed of the change.

Mr. Scordelis asked what would be the worst case scenario for the Pool in the next three months.

Mr. Dowell responded that if there was an external force that would adversely effect the PMIA, that situation would not be something the Treasurer's Office could control. The staff would accommodate the situation as best as possible. If there is another cut in interest rates, it will be difficult for this office to be reimbursed for administrative costs, since the program reimbursements are based on the earnings, but that issue is something that could be managed. He also stated that misinformation and rumors, which attack the integrity of the LAIF program, would be the most harmful to the long-term feasibility and credibility of the LAIF program.

Mr. Sherwood stated that because of the current interest rate scenario and current liquidity of the portfolio assets, LAIF participants are not in a dangerous position. He said that most of the securities held in the portfolio are above water and that there is a tremendous amount of liquidity. He also stated that if a rumor creates a run on the program and there is \$10 billion in withdrawals by LAIF participants, the PMIA is structured to provide the liquidity needed.

Mr. Dowell agreed that the harm would not be to the LAIF participants but rather to the viability of the program going forward.

Mr. Torrez commented that throughout the State, the LAIF program is respected and lauded for its excellent management. He reported that the League of California Cities (LCC) is sponsoring a new alternative intermediate pool. Mr. Torrez stated that this was mentioned at a CSMFO board meeting. He asked how this new investment pool would compete with LAIF.

Mr. Sherwood stated that some local agencies have indicated the need for an intermediate term pool. He said that this might be something that is needed in the market place as a means of diversification as well as filling a much-needed niche for local agencies.

Ms. Elliott wanted to discuss the water agencies. She stated that those who usually attend the ACWA conferences are general managers and elected officials who may not be responsible for the investments of the local agency. She said often these individuals do not have the understanding of the LAIF or what is a permissible investment under the California Government Code. She also said that when there is distrust of the State and the Legislature, coupled with a budget deficit, misinformation is raised to a new level because those hearing the rumors are not educated about the LAIF and local investments. Ms. Elliott said many of the water agencies are small and usually put all the agency's funds in one place. Ms. Elliott suggested that staff should be more proactive with disseminating information to participants as well as educating participants about the LAIF and prudent investment practices.

Mr. Sherwood asked Ms. Park for suggestions and comments regarding outreach to the water agencies.

Ms. Park stated that Ms. Elliott and she have previously discussed ideas for partnering with the water districts that are members of CMTA to provide a panel on LAIF and investments. Ms. Park stated that her calls to ACWA have been unsuccessful to date. She said that it is likely that most staff are concentrating their efforts on the budget negotiations.

Ms. Park stated that a review of the past agendas for the ACWA Conferences show that the programs are geared toward water issues such as: water quality, water delivery, federal and state regulation which effect the work of the general managers, engineers, and the elected water board members. She said that the district staff who generally handle finance and investment issues are not in attendance at the ACWA Conferences.

Mr. Wells agreed that education is a key factor when addressing ACWA's concerns. He stated that investment education is foremost on the agendas of CMTA and CSMFO. The LAIF program needs to find ways to reach the ACWA membership. Mr. Wells stated that he was aware of five to seven water agencies that have withdrawn all their funds from LAIF and are waiting for the State Budget to be enacted. He said that these funds have been deposited into the agencies' local bank accounts or other securities that yield much less than the current LAIF rate of 1.75 percent. Mr. Well urged LAIF and the Treasurer's staff to make a connection with the ACWA.

Ms. Park stated that there are 342 water accounts in the program and only 17 accounts dropped their balance to zero but chose to keep their accounts open. She said that many agencies have stated that their deposits would return to LAIF once the Budget is passed.

Upon departing the meeting early, Mr. Torrez stated he would be available to participate with any educational campaign for the program and offered access to CSMFO's and the LCC's resources.

Mr. Sherwood asked Ms. Park to make an effort to contact ACWA and develop a means for communication regarding questions the organization or the membership may have about the LAIF program. Mr. Sherwood also suggested that this program should acknowledge those individuals that stepped forward and spoke to the credibility of the LAIF program during the ordeal and concerns brought forth as a result of the ACWA misinformation.

PMIA Performance

Mr. Dowell reported that the PMIA is approximately \$58 billion. The daily rate is 1.75 percent; the year-to-date is 2.19 percent. The estimated quarterly rate, if all conditions remain constant, would be 1.80 percent. The average life of the portfolio is 137 days.

Mr. Dowell reviewed the significant events for the PMIA. He stated that the portfolio has \$11 billion to \$13 billion maturing on June 20, 2003, and June 27, 2003, which is the repayment of the Revenue Anticipation Note (RAN). The State's \$11 billion Revenue Anticipation Warrant (RAW) will be delivered on June 18, 2003. The Investment staff plans to invest \$ 7 billion of the \$11 billion on June 18, 2003, and hold the remaining \$4 billion to invest on June 19, 2003. The portfolio will increase dramatically until the June 20, 2003, and the June 27, 2003 maturities come off the Portfolio.

The positions of the Treasurer's *The Double Bottom Line* program, which is to invest in under-served areas of the state, is continually updated on the State Treasurer's Office website. The portfolio will add two Real Estate Mortgage Investment Conduits (REMICs): \$200 million at the end of June and \$175 million at the end of July. The yield on these REMICs would range between 4.06 percent and 4.30 percent and have an average life of 3 years and 3.5 years. The \$200 million REMIC in June focused on teacher assisted mortgages that were created by lenders through a program from California State Teachers' Retirement System (CalSTRS) and back filled by other Community Reinvestment Act (CRA) eligible mortgages. Bear Stearns handled the \$200 million issue and JP Morgan handled the \$175 million issue.

Mr. Dowell stated that the investment staff continues on a monthly basis to purchase Small Business Administration (SBA) Pools, with an attempt to identify those business loans in under served areas.

Mr. Dowell reported that as of May 30, 2003, there were \$5.575 billion of Time Deposits in independent and community banks in California. There were 113 participating institutions: 82 banks, 18 savings & loans, and 13 credit unions with 327 deposits among the participants (multiple transactions).

Mr. Dowell stated that due to the influx of the cash on the June 18, 2003, and the increased size of the portfolio, credit personnel have researched new issuers of commercial paper and corporate bonds. Investment staff recently went before the PMIB, to approve five new names, including asset-backed paper and direct issuers. The market valuation is published on the website every thirty days, which addresses the risk factor and shows that the fair value is consistently above 100 percent.

Ms. Elliott asked for confirmation that both the investment and LAIF operations are not affected by the lack of a State Budget.

Mr. Dowell confirmed that Ms. Elliott's understanding is true. Staff would continue to manage the investments of the State and would accept and disburse LAIF dollars with or without a State Budget in place. Mr. Dowell said that the Investment Division is aware that some participants might want to withdraw funds for liquidity purposes or get out of the LAIF all together during the month of July due to ongoing concerns. If local agencies want to withdraw funds, the Pool has the liquidity to meet the agencies' needs.

Mr. Sherwood stated that in 15 of the last 27 years the State Budget was not passed by July 1st. Mr. Sherwood asked Mr. Dowell to address the yield of the portfolio due to the addition of the \$11 billion in a low rate environment, while \$11 billion to \$13 billion will be coming off the Portfolio before the month-end.

Mr. Dowell stated that there could be a noticeable change on a daily basis to the yield, if the Federal Reserve Board goes forward with a 25 to 50 basis point cut to the rates. Mr. Dowell said the worst case scenario would be a 50 basis point cut for a .75 percent overnight Federal Funds rate. The quarter might start around 1.70 percent and possibly apportion at 1.50 percent for the next quarter.

Mr. Wells stated that the economic numbers have been very mixed but are beginning to get closer to expectations. The banking industry is expecting 25 basis points cut but the market has readjusted for a 50 basis points cut. Perhaps the Federal Reserve Board will not cut rates in June and wait until August because of this adjustment.

Mr. Dowell stated that the Federal Reserve Board would be cautious of any numbers that are not supported by job creation. He further stated an economy not built on putting individuals to work tends to be flimsy.

Mr. Wells stated that if the numbers are 6% or higher there might be a cut.

Mr. Sherwood stated that it is important to note that with the large amount of money coming on to the portfolio, the general direction of rates would be downward and that the return on the portfolio will also decline in the foreseeable future. Mr. Sherwood said that the portfolio would continue to track the market but would also lag the market if rates continue to fall.

Mr. Dowell stated that this creates a greater cushion to items already on the portfolio, if rates turn around the recent money will be at risk but longer money will provide enough time to create liquidity and follow rates back up.

AGENDA ITEM 5: Public Comment

There was no public comment for this meeting.

AGENDA ITEM 6: Other Business

There was no other business for this meeting.

AGENDA ITEM 7: Adjournment

There being no further business, the meeting was adjourned at 2:45 p.m.