

9/17/76

insured or guaranteed by the United States, Mr. Thurman seconded the motion, which was defeated after detailed discussion. On division, Mr. Kutak voted "aye"; Messrs. Breger, Broughton, Cook, Montejano, Ortique, Stophel, and Thurman voted "no".

Following further discussion, during which the Committee agreed to various alterations in the language of its original proposal, Mr. Stophel moved that the Board adopt the following resolution:

RESOLVED, Corporation funds on hand from time to time shall be invested, subject to the following limitations: At least 90% of the available funds (including the interest account) must be invested in obligations issued or fully-insured or guaranteed by the United States or any United States Government agency. The balance of the available funds may be invested in commercial paper carrying the highest available rating by a reputable rating firm. The Committee on Appropriations and Audit shall review the portfolio periodically to monitor the investments made, recommend necessary changes in policy, and make decisions regarding investment of the funds available for investment in commercial paper.

Mr. Cook seconded the motion, which was passed. On division, Messrs. Breger, Thurman, Broughton, Stophel, Cook, Ortique, and Montejano voted "aye"; Mr. Kutak voted "no".

Mr. Stophel discussed issues relating to the selection of an investment adviser for the Corporation, and moved that the President be authorized to retain the firm of Smith Barney, Harris Upham and Company as the Corporation's investment adviser for Fiscal Year 1977. Mr. Cook seconded the motion. Mr. Kutak recused himself from the meeting at this time. Following detailed discussion among members of the Board and comments by the public, the motion passed unanimously on voice-vote. Mr. Kutak returned to the meeting following the vote.