COUNTY OF ORANGE TREASURY OVERSIGHT COMMITTEE

Annual Report to the Board of Supervisors, County of Orange for the period January 1999 to December 1999

Establishment of Committee

The Committee was established by the Board of Supervisors, effective January 1, 1996 in accordance with California Government Code Section 27130, et. Seq. Four Committee members were nominated by the County Treasurer and confirmed by the Board. Three members so confirmed in 1996 served during the period of this report.

Jan Mittermeier County Executive Officer

John F. Dean. Ed.D. Superintendent, Department of Education

Robert H. Fauteux Member of the Public

On January 1, 1999, David E. Sundstrom, C.P.A., replaced Steven E. Lewis, as the member representing the County Auditor-Controllers Office.

Committee Activities

The four meetings of the Committee during 1999 were open to the public and held on the following dates in the Treasurers Conference Room, Hall of Finance & Records, 12 Civic Center Plaza, Santa Ana, California.

March 24, 1999 June 30, 1999* September 29, 1999 December 1, 1999

*A quorum was not available for this meeting, which was conducted on an informal basis. Agenda items were then carried over to the following meeting on September 29, 1999.

The Bylaws and Rules of Procedure for the Committee were reviewed, as is done annually, to ensure conformity with the requirements of the California Government Code Sections and with local administrative requirements. Accordingly, the following Bylaws amendments and inclusions are being submitted for Board approval.

1. MEMBERSHIP, APPOINTMENTS AND QUALIFICATIONS:

- Rule 6 add a fifth member, from the public, to the Committee.
- Rule 8 decrease the number of members of the public from four to three.
- Rule 13 reduce the number of years from three to one that an ex-member of the Committee must wait before securing employment with financial industry firms.

2. MISCELLANEOUS PROVISIONS:

Rule 30 - combined the requirements of old Rules 30 and 31 into new Rule 30.

Rule 31 - formalize the annual review of the Bylaws and Rules of Procedure and the submission to the Board for approval of any changes or amendments.

Rule 32 - add the requirement for each member, and each new member upon appointment to the Committee to sign a Certificate of Compliance indicating awareness of the requirements of Rules 11 through 13.

The first report for the year ended December 31, 1997, from the Government Code compliance review program with the County=s Internal Audit Department, entered into by signed agreements on September 2, 1998, was received on March 11, 1999. A copy of this report was provided to the Board. The Committee is pleased with the findings of the examination that the County was in investment compliance with the requirements of the California Government Code Regulations=Senate Bill 866.

Revisions and additions to The Investment Policy Statement - Money Market Investment Pool, which prescribes the investment of funds in the County Treasury, were reviewed and approved. The revised Investment Policy is being submitted to the Board for its annual approval.

The Committee takes positive note of the continued activity of the Treasurers Advisory Committee during 1999 in advising the Treasurer concerning the many technical aspects of managing the Countys investment activities.

It is the opinion of the Treasury Oversight Committee that during 1999 the Treasurer maintained an acceptable level of compliance with the statutory requirements contained in Article 6 of Division 2 of Title 3 of the California Government Code and as further required by County Resolution No. 95-946.

For the Committee,

[Note: Original, signed letter on file with Clerk of the Board.]

Robert H. Fauteux Chairman December 7, 1999