



OFFICE OF THE TREASURER-TAX COLLECTOR  
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM

**TREASURY OVERSIGHT COMMITTEE MINUTES**

Wednesday, October 31, 2012 at 3:00 p.m.  
12 Civic Center Plaza, Conference Room 300, Santa Ana

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**1. Call to Order**

- Member Grimes called the meeting to order at 3:05 p.m.

**2. Welcome**

- Members Present: Chair Andy Dunn (arrived at 3:15 p.m.), Dr. Al Mijares, Jan Grimes, Laura Parisi
- Members Absent: Bob Franz
- Liaison Present: Treasurer-Tax Collector Shari Freidenrich

**3. Public Comments**

- There were no public comments made.

**4. Minutes**

- Member Grimes moved to approve the minutes of the July 25, 2012 Treasury Oversight Committee (TOC) meeting. Member Mijares seconded the motion.  
**Approved 3-0**

**5. New Business**

- **Receive and file Treasurer's Monthly Report for July, August, & September:** Treasurer Freidenrich presented the highlights of these reports. Member Mijares moved to receive and file these reports. Member Grimes seconded the motion.  
**Approved 4-0.**
- **Review and file First Follow Up Audit of Treasury Cost Allocations to Pool Participants as of August 8, 2012:** Treasurer Freidenrich stated there were six fully implemented recommendations. These recommendations were related to completing the cost allocations from the past five years as well as recommendations related to the Treasurer's expense policy. There are still six recommendations in process, most of which relate to the Treasury administration fee. The Treasurer-Tax Collector (TTC) has a Request for Proposal (RFP) in process for a fee study. Three of the open recommendations are related to the County Executive Office regarding the out-dated Travel and Entertainment Policy, which they are updating and are not directly related to the TTC. Member Grimes moved to receive and file the report. Member Parisi seconded the motion. **Approved 4-0.**
- **Review and file Report on Audit of Statement of Assets held by the County Treasury as of December 31, 2011:** Treasurer Freidenrich reported the Auditor Controller opined that the assets held by the TTC were presented fairly, there were no exceptions. The TTC is discussing with the Auditor Controller whether to change the audit to occur at the same time as the County's audit. Chair Dunn questioned the amount of time between the period the audit is done and when it is presented to the TOC. Member Grimes explained the difficulty of meeting with

all parties involved in order to complete the reports, which causes the delay. Member Grimes moved to receive and file the report. Member Mijares seconded the motion. **Approved 4-0.**

- **Approve Amendment #1 of the MOU for the Annual Investment Compliance Audit:** Treasurer Freidenrich explained that Government Code requires an annual audit to take place. The TOC's responsibility is to oversee the Treasurer and ensure this report is done. Treasurer Freidenrich recommended the TOC exercise the one two-year plan and extend the existing agreement with the County's Internal Audit department, and approve the Treasurer to sign the agreement on behalf of the TOC. The existing contract is a three-year term with one two-year extension. Member Parisi asked Alan Marcum, Senior Audit Manager from the County's Internal Audit department, if there was an advantage to having the continuity from three years to five years and how does the County keep up with changing economic times. Mr. Marcum explained the advantages of using their department as the auditor and how their staff maintains continuing education requirements which keeps them up-to-date on economic changes. The TOC directed the Treasurer to sign on behalf of the TOC and cause the audit to occur. Member Mijares made the motion to receive and file. Member Parisi seconded the motion. **Approved 4-0.**
- **Receive and file September 2012 TOC Compliance Summary:** Treasurer Freidenrich explained the various sections of the summary. Alternate Benkert asked if the administrative fees are going down or staying the same. Treasurer Freidenrich explained the TTC is reducing costs which result in a reduction of Treasury Administration fees. The TTC's goal is to expand the base of investment dollars and bring in new dollars. Member Parisi made the motion to receive and file. Member Mijares seconded the motion. **Approved 4-0.**
- **Review and approve Bylaws and Rules of Procedure:** Treasurer Freidenrich explained the only change being requested is to remove a sentence from Rule 10. This rule covers members' political registration and income level. These criteria are not required for other County boards, commissions, and committees and would be difficult to achieve with only two public members, therefore the sentence should be removed. Member Mijares made the motion to review and approve. Member Parisi seconded the motion. **Approved 4-0.**
- **Review and file Investment Policy Statement (IPS):** Treasurer Freidenrich stated the purpose of the IPS. The Assistant Treasurer-Tax Collector of Investments, Paul Cocking, explained the changes that are being recommended to the IPS. The majority of changes that were made were formatting changes and consistency of language being used. Changes were also made to be more in line with the requirements of the Association of Public Treasurers of the US and Canada. Mr. Cocking explained the specific changes that were made to the IPS on each page. Member Grimes made the motion to review and file. Member Parisi seconded the motion. **Approved 4-0.**
- **Review and file Irregularity Policy:** Treasurer Freidenrich explained the purpose of the Irregularity Policy. She stated there have not been any reports of irregularity this year and there are no changes to the policy. Member Mijares

made the motion to review and file. Member Grimes seconded the motion.  
**Approved 4-0.**

- **Review and complete Certificates of Compliance:** Treasurer Freidenrich explained the requirements, per the Bylaws, and requested they be reviewed and signed by members and alternate members.
  - **Review Ethics Requirements:** Treasurer Freidenrich explained the requirements, per the Bylaws, and noted that all members and alternate members must complete the training by December 31, 2012.
6. **Chairman's Report:** None
7. **Treasurer's Report:**
- Treasurer Freidenrich discussed the status of Temporary Transfers, an update of the first annual Users Conference, and various trainings available to the TOC members. Along with these items, she also discussed updates regarding PFM recommendations, the County's plans to pre-pay pension obligations, the Grand Jury Report suggestions for tax bill modifications, and presentations being made by the TTC within the community. The Treasurer presented the proposed TOC meeting schedule for the upcoming year as well as the upcoming due date for the Form 700 for all members. The Treasurer urged the committee to utilize and promote the eCheck option for paying property tax bills.
8. **Public Comments:**
- There were no public comments made.
9. **Committee Member Comments:**
- There were no committee member comments made.
10. **Adjournment:**
- Chair Dunn adjourned the meeting at 4:45 p.m. to Wednesday, January 23, 2013, Auditor/Controller's Conference Room #300.