



OFFICE OF THE TREASURER-TAX COLLECTOR  
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**TREASURY OVERSIGHT COMMITTEE MINUTES**

Wednesday, October 26, 2011 at 3:00 p.m.  
12 Civic Center Plaza, Conference Room 300, Santa Ana, CA

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1. **Call to Order**

- Vice Chair Jeffries called the meeting to order at 3:03 p.m.

2. **Welcome**

- Members present: Vice Chair George Jeffries, Andy Dunn, Alternate Member Wendy Benkert
- Members absent: Chair David Sundstrom, William Habermehl, Tom Mauk

3. **Public Comments**

- There were no public comments made.

4. **Minutes**

- **July 20, 2011 minutes:** Member Dunn moved to approve the July 20, 2011 Treasury Oversight Committee (TOC) minutes. Alternate Member Benkert seconded the motion. **Approved 3-0.**
- **August 25, 2011 minutes:** No action taken and continued to next meeting.

5. **Old Business**

- **Structured Investment Vehicle report:** Treasurer Freidenrich stated that the Structured Investment Vehicle report was included in the TOC packet and that staff was available to answer any questions. Alternate Member Benkert moved to receive and file Structured Investment Vehicle report. Member Dunn seconded the motion. **Approved 3-0.**

6. **New Business**

- **Investigating Irregularities Policy:** Treasurer Freidenrich passed out Board Resolution No. 95-946, Establishment of New Treasury Oversight Committee Pursuant to Provisions of SB 866 to TOC members which was passed on December 19, 1995. Treasurer Freidenrich asked Chief Assistant Treasurer-Tax Collector Paul Gorman to present the new policy which was required by this Board of Supervisors Resolution. Alternate Member Benkert moved to receive and file policy with amendments to section 2.a. changing term "the Committee" to "Any individual member of the Committee" and adding the "Fraud Hotline" as an option for reporting irregularities, and amending policy by removing procedure 3. Member Dunn seconded the motion with amendments. **Approved 3-0.**
- **2006-2009 Treasury Administrative Fee:** Treasurer Freidenrich passed out the Treasury Administration Costs memo and summary. Treasurer Freidenrich asked Chief Assistant Treasurer-Tax Collector Paul Gorman present this information to the committee. Member Dunn moved to receive and file 2006-2009 Treasury Administrative Fee, Alternate Member Benkert seconded the motion. **Approved 3-0.**

- **Bylaws and Rules of Procedure:** Treasurer Freidenrich presented the updated TOC Bylaws and Rules of Procedure to the committee stating that the items in the Board resolution have been added resulting in new Rules 30 and 31. Alternate Member Benkert moved to review and file Bylaws and Rules of Procedure, Member Dunn seconded the motion. **Approved 3-0.**
- **Investment Policy Statement:** Treasurer Freidenrich stated that her investment staff has prepared a summary of the major changes to the Investment Policy Statement (IPS) and that the policy was formatted to comply with the model investment policy of the Association of Public Treasurer's of the United States and Canada. Assistant Treasurer Paul Cocking presented the major changes to the Investment Policy Statement. Alternate Member Benkert noted that she wanted to have the policy reviewed by the Department of Education Legal Counsel. In response to a question, Treasurer Freidenrich stated that only half of the school districts funds are in a separate rated money market fund and the other half are co-mingled with County funds in the Extended Fund. Member Dunn noted that Section XX be considered to have the word "prior" inserted as the IPS goes to the TOC prior to final approval by the Board of Supervisors. Several members suggested slight clarifications to the new section adding the LAIF as an authorized investment type. The members discussed the addition of the rating requirement for all municipal debt except the County of Orange and the new S&P requirement requires all debt in the pool to be rated. Member Benkert requested that a memo be put together to hand out to the school districts on this new S&P requirement. Member Benkert appreciated the addition of the Glossary to the IPS. Member Benkert asked that the word "County" be added to the II Scope section.
- **Treasurer's Monthly Reports for July, August and September:** Treasurer Freidenrich provided highlights of these reports. Alternate Member Benkert moved to receive and file the Treasurer's Monthly Reports for July, August and September. Member Dunn seconded the motion. **Approved 3-0.**
- **Audit of Statement of Assets as of 6-30-11:** Treasurer Freidenrich presented a brief summary of this report. Member Dunn moved to receive and file the Audit of Statement of Assets as of 6-30-11. Alternate Member Benkert seconded the motion. **Approved 3-0.**
- **Investment Portfolio Monitoring for June & July 2011:** Treasurer Freidenrich presented a brief summary of these reports. Alternate Member Benkert moved to receive and file the Investment Portfolio Monitoring for June and July 2011. Member Dunn seconded the motion. **Approved 3-0.**
- **Investment Portfolio Compliance monitoring:** Treasurer Freidenrich presented options to frequency of Investment Portfolio Compliance monitoring. Alternate Member Benkert moved to schedule Compliance monitoring quarterly. Member Dunn seconded the motion. **Approved 3-0.**
- **Certificate of Compliance:** Treasurer Freidenrich announced that she would be sending out the annual 2012 Certificate of Compliance to all TOC Members for their completion prior to the end of the calendar year.

**7. Chair's Report:**

- There was no report from the Chair.

**8. Treasurer's Report:**

- Treasurer Freidenrich announced that she will be following up with members regarding ethics training which is required to be completed every two years. She also passed out a tentative calendar of dates for the 2012 TOC Meetings. Treasurer Freidenrich stated that she plans to offer training to all members of the TOC and took a poll of the type of training the present members would like to attend. She will follow up individually with members. Treasurer Freidenrich stated that PFM was still doing their follow-up review of investments and that over 840,000 secured property tax bills were mailed out in October.

**9. Public Comments**

- There were no public comments made.

**10. Committee Member Comments**

- Member Dunn asked about the recent article in the OC Register quoting Supervisor Moorlach saying "Trouble on the Way". A brief discussion ensued regarding the article.

**11. Adjournment:**

- Vice Chair Jeffries adjourned the meeting at 5:08 p.m. to Wednesday, January 25, 2012, Auditor/Controller's Conf. Room #300