



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

TREASURY OVERSIGHT COMMITTEE MINUTES

Wednesday, January 22, 2014 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana

WILLIAM "ANDY" DUNN
Chair

LAURA PARISI
Vice Chair

MIKE GIANCOLA
Member

DR. AL MIJARES
Member

JAN GRIMES
Member

1. Call to Order

- Chair Dunn called the meeting to order at 3:00 p.m.

2. Welcome

- Members Present: Andy Dunn, Laura Parisi, Jan Grimes, Dr. Al Mijares (arrived at 3:15 p.m.), Alternate Frank Kim
- Members Absent: Mike Giancola
- Liaison Present: Treasurer-Tax Collector Shari Freidenrich

3. Public Comments

- There were no public comments made.

4. Minutes

- Member Parisi moved to approve the Minutes of the October 30, 2013 Treasury Oversight Committee (TOC) meeting. Member Grimes seconded the motion. **Approved 3-0, Alternate Kim Abstained**

5. Old Business

- **Bylaws and Rules of Procedure (BOS approved 12-17-2013):** Treasurer Freidenrich stated there were no changes to the IPS since the TOC had seen it at the October 30, 2013 meeting. Member Grimes moved to receive and file the Bylaws and Rules of Procedure. Member Parisi seconded the motion. **Approved 4-0.**

6. New Business

- **Receive and file Treasurer's Monthly Investment Report for October, November, & December:** Treasurer Freidenrich presented the highlights of these reports. Member Parisi moved to receive and file these reports. Member Mijares seconded the motion. **Approved 5-0.**
- **Receive and file Final Report on Treasurer's Investment Compliance with Government Code and County Investment Policies for the Year Ended December 31, 2012:** Paul Gorman, Chief Assistant Treasurer-Tax Collector – Treasury, reported there was one finding pertaining to internal controls. This finding stated the TTC did not send annual requests to approved Broker-Dealers that would acknowledge they have received and read the Investment Policy Statement (IPS). The TTC has implemented a procedure to monitor the process to obtain the written acknowledgements from approved Broker-Dealers and qualified institutions that they have received and read the IPS. In April 2013, a request was sent to all dealers and

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the responses were received in June 2013. Member Parisi moved to receive and file the report. Member Mijares seconded the motion. **Approved 5-0.**

- **Receive and file Review of the Statement of Assets Held by the County Treasury as of March 31, 2013:** Mr. Gorman explained the purpose of the review. He stated there were no material modifications that should be made to the financial statement. However, there was one modification related to not including notes in the financial statement. Member Grimes moved to receive and file the report. Member Mijares seconded the motion. **Approved 5-0.**
- **Receive and file Continuous Compliance Auditing of the Treasury Investment Portfolio for the Quarter ended June 2013:** Mr. Gorman explained the purpose of the audit and stated there were no findings reported. Member Mijares made the motion to receive and file the report. Member Parisi seconded the motion. **Approved 5-0.**
- **Receive and file December 2013 TOC Compliance Summary:** Mr. Gorman explained the purpose of the summary and the type of information that can be found on it. He stated that one finding is noted on the current summary. There were no compliance deficiencies for the year until December 2013. He reviewed the compliance components for the TOC and how they are reported on the summary. Chair Dunn asked for clarification on the process of the Form 700 and who is responsible for reminding the TOC members. Dr. Peter Mark Hughes, Internal Audit, asked if the TOC would be interested in moving the Compliance Audit from the calendar year to the fiscal year since the Statement of Assets is being moved to the fiscal year. He also brought up that the TOC is in their last year of their contract with Internal Audit on the Compliance Audit and he would like the TOC to consider renewing their contract. Member Parisi made the motion to receive and file the summary. Alternate Kim seconded the motion. **Approved 5-0.**
- **Review and approve 2013 Treasury Oversight Committee Report:** Treasurer Freidenrich explained Government Code requires an oral and written report be done by the TOC. She discussed the points identified in the report, the major activities of the TOC in the past year, and the responsibility of the TOC in regards to the report. Chair Dunn requested the Agenda Staff Report clearly specify that an oral report will be given at the BOS meeting in addition to written report being submitted. Member Grimes requested minor clarification be given to the findings in the Orange County Grand Jury Report. Member Grimes made the motion to review and approve the report with the minor clarification included. Member Parisi seconded the motion. **Approved 5-0.**
- **Review Form 700 Filing:** Treasurer Freidenrich explained the requirements of the Form 700 which pertain directly to the TOC, per the Bylaws.
- **Election of Chair and Vice Chair:** Member Dunn made the motion to approve Vice Chair Parisi as Chair of the TOC. Member Mijares seconded the motion. Member Grimes made the motion to approve Chair Dunn as Vice Chair. Member Mijares seconded the motion. **Approved 5-0.**

7. **Chairman's Report:**

- There was no Chairman's Report made.

8. **Treasurer's Report:**

- Treasurer Freidenrich reported on the following topics:
 - a. The Assistant Treasurer-Tax Collector – Investments vacant position update, including potentially hiring a temporary firm
 - b. The restructure of the Orange County Investment Fund
 - c. The Credit Analyst vacant position
 - d. The IPS continued to the February 4, 2014 BOS meeting
 - e. LAIF to be removed from the IPS
 - f. The two TOC Public Member position vacancies
 - g. The CMTA Annual Conference in San Francisco
 - h. \$700 million moved from the Schools into the Extended Fund
 - i. The County's general credit rating upgraded from AA- to AA, the Pension Obligation Bonds (POB) Upgraded from A+ to AA-
 - j. The County issued \$325 million in POBs
 - k. Treasurer to renominate Member Parisi to the TOC
 - l. The property tax collection rate at its' highest in six years
 - m. The total number of property tax bills paid at its' highest level in years
 - n. The total number of property tax bills mailed out is higher this year than last year

9. Public Comments:

- There were no public comments made.

10. Committee Member Comments:

- There were no committee member comments made.

11. Adjournment:

- Vice Chair Parisi adjourned the meeting at 4:25 p.m. to Wednesday, April 23, 2014, Auditor/Controller's Conference Room #300.