



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



**TREASURY OVERSIGHT COMMITTEE
SPECIAL MEETING MINUTES**

Wednesday, April 24, 2019 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana

RICHARD ROHM , Chair	LAURA PARISI , Vice Chair	GARY CAPATA , Member
ALISA CUTCHEN , Member	DR. AL MIJARES , Member	FRANK KIM , Member
ERIC WOOLERY , Member		

- **Call to Order**
 - Chair Rohm called the meeting to order at 3:00 p.m.
- **Welcome and Introductions**
 - **Members Present:** Richard Rohm, Gary Capata, Laura Parisi and Alisa Backstrom
 - **Designees Present:** JC Squires, Dean West and Michelle Aguirre
 - **Members Absent:** Frank Kim, Dr. Al Mijares and Eric Woolery
 - **Liaison Present:** Treasurer-Tax Collector Shari Freidenrich
- **Public Comments**
 - Melanie Hoopes - Oral Re: - Works for Treasurer-Tax Collector; staff turnover
- **Minutes**
 - Designee Squires moved to approve the minutes of the January 30, 2019 TOC meeting. Member Capata seconded the motion. **Approved 7-0.**
- **New Business**
 - **Receive and File Treasurer's Monthly Investment Reports for January, February and March:** Treasurer Freidenrich presented the highlights of these reports. In January there were no compliance exceptions and During January, there were three changes to the Treasurer's Approved Issuer List. These issuers were removed from the approved issuer list as the 2019 IPS now requires a minimum issuer credit rating of AA. In February there were no compliance exceptions. There was one compliance exception from December 2018 that was self-reported; a TOC member did not file a leaving Form 700. There were no changes to the Treasurer's Approved issuer List. In March there were no compliance exceptions. There was one change to the Treasurer's Approved Issuer List; one issuer was removed as it no longer meets the IPS criteria. Member Parisi moved to receive and file these reports. Designee Aguirre seconded the motion. **Approved 7-0.**
 - **Receive and File March 2019 TOC Compliance Summary:** Treasurer Freidenrich explained the purpose of the summaries and the type of information that can be found in them. The Annual compliance Audit has been completed. The Annual Statement of Assets Audit is in progress. The Statement of Assets is in review and the Investment Administration Fee for 2016-17 and 2017-18 is in progress. Member Capata moved to receive and file the reports. Designee Squires seconded the motion. **Approved 7-0.**
 - **Receive and File Report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2018:** Mr. Walker explained the purpose and type of information that can be found in it. There were no instances of noncompliance identified. Designee Aguirre moved to receive and file the report. Member Parisi seconded the motion. **Approved 7-0.**
 - **Receive and File Report of the Schedule of Assets Held by the County Treasury as of June 30, 2017:** Mr. Walker explained this is an annual audit mandated by Government Code. There were no instances of non-compliance or other matters. Designee West moved to receive and file this report. Member Parisi seconded the motion. **Approved 7-0.**

Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.

- **Receive and File Report of the Schedule of Assets Held by the County Treasury as of September 30, 2018:** Mr. Walker explained this is the first quarterly report, and there were no material modifications. Designee Aguirre moved to receive and file this report. Member Capata seconded the motion. **Approved 7-0.**
- **Receive and File First Follow-Up Audit: Management Letter on Audit of Schedule of Assets Held by the County Treasury as of June 30, 2016:** Treasurer Freidenrich reported this audit was limited to review of actions to implement the recommendations from the Management Letter June 30, 2016. There were three control deficiencies; one relating to manually importing bank files requiring management approval has been implemented. Two related to documenting procedures relating to IT which have been implemented into internal processes but the procedure is still in process. Member Parisi moved to receive and file this report, Designee Squires seconded the motion. **Approved 7-0.**
- **Receive and File Second Follow-Up Audit: Management Letter on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2016:** Treasurer Freidenrich reported this is the management letter to the audit of June 30, 2016. There was one control deficiency reported, a demand account was not included in the software. Member Capata moved to receive and file this list. Designee Aguirre seconded the motion. **Approved 7-0.**
- **Receive and File Independent Accountant's Report on Applying Agreed-Upon Procedures Related to Investment Compliance For the Twelve-Month Period Ended December 31, 2016 and the Six-Month Period Ended June 30, 2017:** Treasurer Freidenrich explained the purpose and highlights of the report. Member Parisi moved to receive and file this list. Designee West seconded the motion. **Approved 7-0.**
- **Review and Approve Engagement Letter with Auditor-Controller Internal Audit Division to Provide Investment Policy Statement Quarterly Continuous Compliance Auditing Services for FY 2019-20 for an estimated cost of \$25,000:** Treasurer Freidenrich explained the purpose of this Compliance Audit. Mr. Steinhaus reported that the Auditor-Controller Internal Audit Division has been completing the compliance monitoring since 2009. The areas tested for the 15 days are; diversification, WAM, Issuer Limitations, Approved Issuer and Broker List and maximum maturities. Reports are issued quarterly. Member Capata moved to receive and file the Engagement Letter. Member Parisi seconded the motion. **Approved 7-0.**
- **Chair's Report:**
No Report
- **Treasurer's Report:**
 - Treasurer Freidenrich reported on the following topics:
 1. Building 16 schedule update – moving September 7, 8
 2. Any change in parking we will communicate to you
 3. Executive Secretary is leaving, we currently have a temp
 4. Two promotions in Treasury Division
 5. Education – CACTTC Conference in Long Beach
 6. Second installment update
 7. Upcoming timeshare Auction
 8. New Merchant Processor Vendor
- **Committee Member Comments:**
 - No comments
- **Adjournment:**
 - Chair Rohm adjourned the meeting at 4:00 p.m. to Wednesday, July 31, 2019 Auditor-Controller's Conference Room #300.