



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

**TREASURY OVERSIGHT COMMITTEE**

Wednesday, October 30, 2019 at 3:00 p.m.  
601 N. Ross Street, 2nd Floor Conference Room 200, Santa Ana



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**RICHARD ROHM**, Chair

**LAURA PARISI**, Vice Chair

**GARY CAPATA**, Member

**ALISA BACKSTROM**, Member

**DR. AL MIJARES**, Member

**FRANK KIM**, Member

**Frank Davies**, Member

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• **Call to Order**

- Chair Rohm called the meeting to order at 3:01 p.m.

• **Welcome and Introductions**

- **Members Present:** Richard Rohm, Gary Capata, Laura Parisi and Alisa Backstrom
- **Designees Present:** Dean West and Michelle Aguirre
- **Members Absent:** Frank Kim and Dr. Al Mijares
- **Liaison Present:** Treasurer-Tax Collector Shari Freidenrich

• **Public Comments**

- None

• **Minutes**

- Member Parisi moved to approve the minutes of the July 31, 2019 TOC meeting. Member Capata seconded the motion. **Approved 7-0.**

• **New Business**

- **Receive and File Treasurer's Monthly Investment Reports for July, August and September:** Treasurer Freidenrich presented the highlights of these reports. In July there were no compliance exceptions and no changes to the Treasurer's Approved Issuer List. In August there were no compliance exceptions and one report were issued, the Second & Final Follow-Up Internal Control Audit: Electronic Funds Transfer Process-Treasurer-Tax Collector as of May 2, 2019. There were two changes to the Treasurer's Approved issuer List; one on August 28, 2019, Moody's placed the L/T rating of Johnson & Johnson on Negative Outlook. The second change was that Berkshire Hathaway Inc. and Berkshire Hathaway Finance were removed from the Approved Issuer List as the last holdings matured. In September there were no compliance exceptions. One report was issued, the Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2019. There was one change to the Treasurer's Approved Issuer List; the Credit Investment Committee placed Johnson & Johnson on hold. Designee Aguirre moved to receive and file these reports. Member Parisi seconded the motion. **Approved 7-0.**
- **Receive and File September 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 is in progress. The Annual Statement of Assets Audit for June 30, 2019 is in progress. The Quarterly Compliance Monitoring is being completed for quarter ending June 30, 2019. Everyone is in compliance with the Ethics and Conflicts of Interest, Form 700. Members will need to complete Form 700 by April 1, 2020. Three positions that will become open in the upcoming year. The Treasurer will be looking for new members as the members will be termed out. Member Capata moved to receive and file the reports. Member Parisi seconded the motion. **Approved 7-0.**
- **Receive and File Report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2019:** Mr. Walker explained the purpose and type of information that can be found in it. There were no instances of noncompliance identified. Designee West moved to receive and file the report. Member Backstrom seconded the motion. **Approved 7-0.**

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

- **Receive and File the Second & Final Follow-Up Internal Control Audit: Electronic Funds Transfer Process – Treasurer-Tax Collector as of May 2, 2019:** There was a discussion on the redacted report and it was noted to discuss why report is redacted at a future meeting. Designee Aguirre moved to receive and file the report. Member Parisi seconded the motion. **Approved 7-0.**
- **Review and Approve Bylaws and Rules of Procedures:** Treasurer Freidenrich explained that as part of the TOC Bylaws, the committee is required to review these annually and there are no changes recommended. Member Parisi moved to receive and file the report. Member Backstrom seconded the motion. **Approved 7-0.**
- **Review Investment Policy Statement:** As required by the current Investment Policy Statement (IPS), any changes to the IPS must be reviewed and approved by the Board at a public meeting after being reviewed by the Treasury Oversight Committee (TOC). Member Capata moved to receive and file the report. Member Davies seconded the motion. **Approved 7-0.**
- **Review Irregularity Procedures:** Treasurer Freidenrich stated there are no changes to the policy and we did not receive any notice of irregularities this year. Member Parisi moved to receive and file the report. Designee West seconded the motion. **Approved 7-0.**
- **Receive and File Office of the Treasurer Broker-Dealer / Financial Institution List as of 9/30/19:** Treasurer Freidenrich noted that this is a list of all Broker-Dealers, banks and mutual funds that the Treasurer-Tax Collector contracts with. Member Capata moved to receive and file the report. Designee West seconded the motion. **Approved 7-0.**
- **Review Annual Certificate of Compliance:** Treasurer Freidenrich handed out the certificates and explained that this item must be reviewed and signed.
- **Review AB 1234 Mandatory Ethics Training Requirements:** Government Code requires all TOC members complete the mandatory training.
- **Chair's Report:**
  - No report
- **Treasurer's Report:**
  - Treasurer Freidenrich reported on the following topics:
    - a. 2020 TOC meeting dates
    - b. CAS building updates
    - c. Fraud Training, Tuesday, November 19, 2019
    - d. Staffing update
    - e. Property tax auction date
    - f. Performance audit
    - g. Update on Quantum
    - h. Members terming out
    - i. Property tax bills have been mailed
- **Committee Member Comments:**
  - No comments
- **Moment of Silence:** To honor Eric Woolery, Chair Rohm requested that we conduct a moment of silence.
- **Adjournment:**
  - Chair Rohm adjourned the meeting at 4:00 p.m. to Wednesday, January 29, 2019, 601 N. Ross St., Second Floor Conference Room 200.