



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



TREASURY OVERSIGHT COMMITTEE MINUTES

Wednesday, April 18, 2018 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana

RICHARD ROHM
Chair

LAURA PARISI
Vice Chair

GARY CAPATA
Member

VACANT
Member

DR. AL MIJARES
Member

FRANK KIM
Member

ERIC WOOLERY
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:** Gary Capata, Richard Rohm, Laura Parisi,
 - **Alternates Present:** Michelle Aguirre and Dean West
 - **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; Poor management of investment portfolio.
 - **Minutes**
 - Alternate Aguirre moved to approve the minutes of the January 24, 2018 Treasury Oversight Committee (TOC) meeting. Member Capata seconded the motion. **Approved 5-0.**
 - **Old Business**
 - **Update on Annual Treasury Compliance Audit for the Eighteen-Month Period Ended June 30, 2017** – MGO in process of completing the compliance review. Target date for completion is for the July TOC meeting.
 - **New Business**
 - **Receive and File Treasurer's Monthly Investment Report for January, February and March:** Treasurer Freidenrich presented the highlights of these reports. During January, there were no changes to the Treasurer's Approved Issuer List. The County purchased Pension Obligation Bonds in a private placement and there was one IPS compliance exception. In February and March there were no changes to the Treasurer's Approved Issuer List and no compliance exceptions. Member Parisi moved to receive and file these reports. Alternate West seconded the motion. **Approved 5-0.**
 - **Receive and File March 2018 TOC Compliance Summary:** Treasurer Freidenrich explained the purpose of the summary and the type of information that can be found in it. The Annual Compliance Audit will be updated to reflect TOC/MGO as the responsible party not the ACIA. Member Capata moved to receive and file this report. Member Parisi seconded the motion. **Approved 5-0.**
 - **Receive and File Report on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2017:** Treasurer Freidenrich explained this is an annual audit mandated by Government Code. There were no material modifications and no instances of non-compliance. Alternate West moved to receive and file this report. Member Capata seconded the motion. **Approved 5-0.**

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

- **Receive and File Report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2017:** Treasurer Freidenrich explained the purpose and type of information that can be found in it. There were no instances of non-compliance. Alternate West moved to receive and file this report. Member Parisi seconded the motion. **Approved 5-0.**
- **Review and Approve Engagement Letter with Auditor-Controller Internal Audit Division to Provide Investment Policy Statement Quarterly Continuous Compliance Auditing Services for FY 2018-19:** Treasurer Freidenrich explained the government code changes after the bankruptcy, one of those being the overview by Internal Audit. Scott Suzuki, Internal Audit (IA), gave a brief history of the engagement letter for compliance monitoring of the Investment Policy Statement. IA does not report an instance of non-compliance when the Treasurer self-reports. There have been no instances of non-compliance over the past few years and IA recommends continuing with the same sampling and providing a written report at the same fee of \$25,000 for FY 2018-19. Member Capata moved to review and approve the engagement letter. Alternate Aguirre seconded the motion. **Approved 5-0.**
- **Chair's Report:**
 - No Report
- **Treasurer's Report:**
 - Treasurer Freidenrich reported on the following topics:
 - a. CMTA certified our IPS. They will make a presentation at a future Board of Supervisor meeting
 - b. IPS Benchmarking will be updated and prepared for July TOC meeting
 - c. Received several applications for the vacant TOC public member position, and the application period is now closed
 - d. CMTA training should be back in Southern California next year
 - e. Investments Division is now fully staffed
 - f. Assistant Treasurer-Tax Collector resigned in April
 - g. Interviewing for secretary position that was added for Treasury division
 - h. Investment Accounting Software upgrade is still in process
 - i. Building 16 is on track for November 2019 completion date
 - j. Update on Pool Structure
 - k. 2nd Installment property tax collection statistics
- **Committee Member Comments:**
 - Member Parisi congratulated the Treasurer on IPS certification
 - Alternate West appreciates the clarity and transparency the Treasurer gives when giving her reports
- **Adjournment:**
 - Chair Rohm adjourned the meeting at 4:03 p.m. to Wednesday, July 18, 2018, Auditor-Controller's Conference Room #300.