



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

TREASURY OVERSIGHT COMMITTEE MINUTES

Wednesday, July 20, 2011 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana, CA

1. **Call to Order**

- Vice Chairman Jeffries called the meeting to order at 3:05 p.m.

2. **Welcome**

- Members Present: Vice Chairman George Jeffries, William Habermehl, Bob Franz (Alternate for Tom Mauk)
- Members Absent: Chairman David Sundstrom, Andy Dunn
- Staff Present: Treasurer-Tax Collector Shari Freidenrich, Paul Gorman, Paul Cocking, Leslie Morales, Fahad Haider, William Chau, Alison Griffith

3. **Public Comments**

- There were no public comments made.

4. **Minutes**

- Member Habermehl moved to approve the minutes of the April 27, 2011 Treasury Oversight Committee meeting. Alternate Member Franz seconded the motion. **Approved 3-0.**

5. **Old Business:**

- **Form 700:** Treasurer Freidenrich stated that she had made a request to County Counsel, Angelica Daftary, and County Counsel advised her that the Treasury Oversight Committee Members need to file Form 700.

6. **New Business**

- **Treasurer's Monthly Investment Report for April, May and June 2011**
Treasurer Freidenrich presented key highlights of the Monthly Investment Reports. She also stated that there were no compliance issues for the past 3 months. Treasurer Freidenrich stated there was a possibility that United States Government debt might be downgraded and staff was reviewing our investment options if this occurred. Member Habermehl moved to receive and file the report. Alternate Member Franz seconded the motion. **Approved 3-0.**
- **Annual Audit of Treasurer's Investment Compliance for 12/31/2009**
Treasurer Freidenrich stated that there were two material non-compliance exceptions. She stated that changes had been made to Bloomberg to prevent future issues. Treasurer Freidenrich also stated that other findings of non-compliance included the fact that a review of investment fees for 2009 had not been reviewed by the TOC and that the TOC did not provide the Board of Supervisors with annual reports for several years. Member Habermehl moved to receive and file the report. Alternate Member Franz seconded the motion. **Approved 3-0.**
- **Audit of Statement of Assets as of 12/31/10 and 3/31/11**
Treasurer Freidenrich stated key highlights of these reports and noted that footnote disclosures appear on only the 12/31/10 report. Member Habermehl moved to receive and file these reports. Alternate Member Franz seconded the motion. **Approved 3-0.**

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

- **Management Letter on Audit of Statement of Assets as of 12/31/10**
Alternate Member Franz moved to receive and file the report. Member Habermehl seconded the motion. **Approved 3-0.**
- **Investment Portfolio Compliance Monitoring for April and May 2011**
Treasurer Freidenrich stated that she would like to have the TOC review and consider at the next meeting reviewing the frequency of these compliance audits. Treasurer Freidenrich also stated that there were no compliance exceptions in the April and May reports. Member Habermehl offered congratulations to Treasurer Freidenrich and her investment staff for their outstanding work. Member Habermehl moved to receive and file the report. Alternate Member Franz seconded the motion. **Approved 3-0.**

7. Treasurer's Report

- Treasurer Freidenrich reported that she presented an overview of the County Pooled Investments to the Rancho Santiago College District Trustees and received a very positive reaction. She stated that she may be presenting to the Mesa Consolidated Water District Board also. Treasurer Freidenrich stated that we are planning on making changes to the processes for pool participants regarding transfers and loans for school districts. These items will be brought to the TOC for approval as per the policy. Treasurer Freidenrich stated that a contract is in place with PFM to look at investment processes including a review of credit procedures. She also stated that a new Credit Committee has been implemented with a focus on credit analysis. Treasurer Freidenrich distributed an updated department organizational chart to the TOC members.

8. Public Comments

- There were no public comments made.

9. Committee Member Comments

- Member Habermehl stated that AB114 related to education finance was approved by the Governor into law.

10. Adjournment

- Vice Chairman Jeffries adjourned the meeting at 4:08 p.m. to Wednesday October 26, 2011, at 3:00 p.m., 12 Civic Center Plaza, Room 300, Santa Ana, CA.