

MINUTES OF THE TREASURY OVERSIGHT COMMITTEE
ORANGE COUNTY, CALIFORNIA

REGULAR MEETING

April 25, 2007

The Regular Meeting of the Treasury Oversight Committee (TOC) was held on April 25, 2007, and called to order by Bob Franz, Temporary Chair, at 3:05p.m.

Committee Members:

Present:

David Sundstrom, Auditor-Controller
Thomas G. Mauk, CEO, Chair
Ken Henderson, Representative of Outside Participants
Robert Franz, CFO

Absent:

Jeffrey M. Thomas, Member of Public
Bill Habermehl, O.C. Board of Education

Also present were:

Brett R. Barbre, Chief Assistant Treasurer-Tax Collector; **Paul Cocking**, Orange County Treasurer's Office; **Anna Bryson**, Orange County Treasurer's Office; **Keith Rodenhuis**, Orange County Treasurer's Office; **Paul Gorman**, Orange County Treasurer's Office; **Angela Daftary**, Office of the County Counsel; **Robert Fauteux**; Public

1. Meeting Called to Order

Mr. Franz, Temporary Chair, called the meeting to order.

2. Welcome and self-introductions

Introductions were made.

3. Public Comments

None.

4. Approval of October 18, 2006 Meeting Minutes

The minutes of the October 18, 2006 meeting were reviewed.

Recommended Action: Mr. Franz called for a motion to approve the Minutes. Mr. Sundstrom moved to approve the Minutes, 2nd by Mr. Henderson. Passed 3-0.

5. Approval of January 31, 2007 Meeting Minutes

The minutes of the January 31, 2007 meeting were reviewed.

Recommended Action: Mr. Franz called for a motion to approve the Minutes. Mr. Sundstrom moved to approve the Minutes, 2nd by Mr. Henderson. Passed 3-0.

6. Chairman's Report

None

7. Treasurer's Report

Brett Barbre distributed and explained a packet regarding Orange County Water district newspaper article concerning interest distributions.

8. Proposed Changes to the Membership of TOC

There was a discussion about the need for Jeff Thomas to resign due to a conflict of interest caused by a merger of his employer. No recommended action.

9. Update – Long Term Investment Portfolios

A brief update was given on the Children and Families Commission pool. No recommended action.

10. Annual Compliance Audit for the year ended 12-31-06

Paul Gorman announced there were no findings in the annual compliance audit which is performed by Moreland and Associates. The report was received and filed.

11. Preliminary Proposed Changes to the Investment Policy Statement:

There was a brief presentation by Paul Cocking about the highlights of proposed changes to the IPS. The changes will be presented at the July 25 TOC meeting. There was no recommended action.

Overview of proposed changes to the Investment Policy Statement

- Extend the maximum maturity for government debt and medium term note/corporate debt to 5 years.
- Allow single A or better credits to be purchased out to 5 years maximum maturity.
- Allow single A or better credits to be purchased for specific investments.
- Establish additional portfolios to provide for longer-term investment needs, such as OPEB.

12. Public and Committee Member Comments

None.

13. Schedule Next Meeting Date

The next regular meeting was scheduled for July 25, 2007, in the Treasurer's Office, Conference Room A, 3:00 p.m.

14. Adjournment

Mr. Mauk adjourned the meeting at 3:55 p.m.