



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



**TREASURY OVERSIGHT COMMITTEE MINUTES**

Wednesday, April 27, 2016 at 3:00 p.m.  
12 Civic Center Plaza, Conference Room 300, Santa Ana

**GARY CAPATA**  
Chair

**LAURA PARISI**  
Vice Chair

**DR. WILLIAM "ANDY" DUNN**  
Member

**FRANK KIM**  
Member

**DR. AL MIJARES**  
Member

**RICHARD ROHM**  
Member

**ERIC WOOLERY**  
Member

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- **Call to Order**
    - Chair Capata called the meeting to order at 3:03 p.m.
  - **Welcome**
    - **Members Present:** Gary Capata, Laura Parisi, Richard Rohm and Eric Woolery
    - **Alternates Present:** Michelle Aguirre, Wendy Benkert
    - **Members Absent:** Frank Kim, Dr. Al Mijares and Dr. Andy Dunn
    - **Liaison Present:** Treasurer-Tax Collector Shari Freidenrich
  - **Public Comments**
    - There were no public comments made.
  - **Minutes**
    - Member Parisi moved to approve the minutes of the January 27, 2016 Treasury Oversight Committee (TOC) meeting. Member Rohm seconded the motion. **Approved 4-0.**
  - **New Business**
    - **Receive and File Treasurer's Monthly Investment Report for January, February and March:** Treasurer Freidenrich presented the highlights of these reports. There were no compliance exceptions in January, February or March. During January, there were two changes to the Treasurer's Approved Issuer List. The Credit Investment Committee approved the addition of Orange County Taxable Pension Obligation Bonds Series 2016 A and placed Chevron Corporation on hold. During February, there were no changes to the Treasurer's Approved Issuer List. During March, there were two changes to the Treasurer's Approved Issuer List. The Credit Investment Committee completed their review of Berkshire Hathaway Inc. and Berkshire Hathaway Finance and removed both companies from being on hold. Alternate Benkert moved to receive and file these reports. Member Parisi seconded the motion. **Approved 6-0.**
    - **Receive and File Continuous Compliance Auditing of the Treasury Investment Portfolio for the Quarter ended December 31, 2015:** Mr. Gorman explained the purpose of the summary and the type of information that can be found in it. There were no compliance deficiencies identified. The Auditor-Controller and the Internal Audit Department proposed to reduce the number of days reviewed in the quarter from 10/month to 5/month, thus reducing the cost to pool participants. Alternate Aguirre moved to receive and file this report. Member Rohm seconded the motion. **Approved 6-0.**  
*Action Item: New Business for discussion for the July TOC meeting*
    - **Receive and File March 2016 TOC Compliance Summary:** Mr. Gorman explained the purpose of the summary and the type of information that can be found in it. There were no compliance incidents. Alternate Benkert moved to receive and file this report. Member Parisi seconded the motion. **Approved 6-0.**

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

- **Receive and File 2015 Audit Management Representation Letter:** Member Rohm moved to receive and file the letter. Alternate Aguirre seconded the motion. **Approved 6-0.**
- **Discuss Annual Audit Request for Proposal Process (RFP) Selection Criteria for auditing firms to conduct the Treasury Oversight Committee's Mandatory Annual Compliance Audit:** Mr. Gorman summarized the selection criteria document and primary areas.
  - Company background and experience
  - Understanding the scope of work
  - Has performed County audits and how many years performed
  - Familiarity with investments and investment pools
  - Record of sub-standard work
  - We are requesting a fixed price bid

*Action Items: Send BidSync link to TOC*  
*Reach out to other peer county Treasurers for RFP samples*  
*RFP top candidate to attend TOC October meeting to answer questions*
- **Discuss Permitted Investments provided in the County's Investment Policy Statement for Possible Investment Purchases.** Treasurer Freidenrich handed out IPS sections for discussion. We are working on breaking out short-term and long-term issuers, and looking at using the following approved investments types:
  - Commercial paper, by adding high quality paper we could better meet liquidity needs of pool participants. Most peer counties use commercial paper.
  - Negotiable Securities
  - Money Market Mutual Funds
  - LAIF
  - Pre-refunded municipal debt
  - Medium term notes
  - JPA's
  - Investment Pools
  - Supranationals
- **Chair's Report:**
  - Vice Chair Parisi attended the CMTA Conference. The State Treasurer was the keynote speaker whose mission is:
    - Modernizing public financing
    - Developing LAIF software
  - Treasurer Freidenrich added that CMTA is changing the certification program to a smaller program and will forward the information to the TOC.

*Action Item: Send CMTA certification program information to TOC*
- **Treasurer's Report:**
  - Treasurer Freidenrich reported on the following topics:
    - a. Update on first and second installments
    - b. Update on eCheck and electronic payments received
    - c. Update on Staffing changes
    - d. Update on open Broker-Dealer application period
    - e. Update on tax auction
    - f. Update on bankruptcy
    - g. Update on City of Placentia embezzlement

*Action Item: Send Press Release to TOC on County approved Plan B payoff from landfill proceeds*

- **Public Comments:**

- There were no public comments.

*Action Item: Update Bylaws to remove public comments from the end of the TOC meeting*

- **Committee Member Comments:**

- There were no Member comments.

- **Adjournment:**

- Chair Capata adjourned the meeting at 4:20 p.m. to Wednesday, July 27, 2016, Auditor-Controller's Conference Room #300.