



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

TREASURY OVERSIGHT COMMITTEE MINUTES

Wednesday, April 25, 2012 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana

1. Call to Order

- Member Dunn called the meeting to order at 3:05 p.m.

2. Welcome

- Members Present: Andy Dunn, William Habermehl, Thomas Mauk, Bob Franz, Wendy Benkert
- Members Absent: Jan Grimes
- Liaison Present: Treasurer-Tax Collector Shari Freidenrich

3. Public Comments

- There were no public comments made.

4. Minutes

- Alternate Franz moved to approve the minutes of the January 25, 2012 Treasury Oversight Committee meeting minutes. Member Habermehl seconded the motion.
- **Approved 5-0**

5. Old Business

- **2011 TOC Annual Report:** Treasurer Freidenrich presented a revised report with the previous changes requested by the TOC at the January meeting. This consisted of adding the detailed information and resolution of the four non-compliance items. Treasurer Freidenrich recapped these items to the committee members. Member Mauk moved to receive and file the 2011 TOC Annual Report. Member Habermehl seconded the motion. **Approved 5-0.**

6. New Business

- **Treasurer's Monthly Investment Report for January, February & March:** Treasurer Freidenrich presented the highlights of these reports. Member Habermehl moved to receive and file these reports. Member Mauk seconded the motion. **Approved 5-0.**
- **Investment Portfolio Monitoring December 2011:** Treasurer Freidenrich stated that she provided the details of the Investment Portfolio Monitoring for December 2011 report earlier when she recapped the four exception items that were added to the 2011 TOC Annual Report. Member Mauk moved to receive and file the report. Member Habermehl seconded the motion. **Approved 5-0.**
- **March 2012 TOC Compliance Summary:** Treasurer Freidenrich recapped the items to this summary that have been updated and added to the monthly report in the past year to assist the Office of the Treasurer-Tax Collector in reporting compliance with all the IPS's, guidelines, and audits. Several compliance items have also been added to the monthly report of an administrative nature. This change will enable the Treasury Oversight Committee to easily view quarterly, in

one document, the Treasurer's compliance with operational and administrative requirements. Member Mauk moved to receive and file the report. Member Habermehl seconded the motion. **Approved 5-0.**

- **Investment Options Authorized by the IPS - Liquidity Alternatives:** Treasurer Freidenrich, along with Assistant Treasurer-Tax Collector Cocking, presented other liquidity alternatives that are being considered by the Investment staff. These alternatives being considered are investment pool money market funds and repurchase agreements. This information was presented to the committee for information and input from the TOC, as these are investment instruments that the Treasurer has either not invested in recently, or they are new investment instruments but one that is approved by the investment policy statement.
 - **Election of TOC Chair:** Treasurer Freidenrich informed the committee that the Chair of the Treasury Oversight Committee has resigned. Member Habermehl made the motion to nominate Andy Dunn to serve in this capacity. Member Mauk seconded the motion. **Approved 5-0.**
 - **Election of TOC Vice Chair:** Member Habermehl made the motion to nominate Thomas Mauk to serve in as Vice Chair. Member Franz seconded the motion. **Approved 5-0.**
7. **Chairman's Report:** Chairman Dunn stated that as Chair, he will present the 2011 TOC Annual Report to the Board of Supervisors at their meeting on May 8, 2012. Treasurer Freidenrich asked to Chair Dunn sign the approved 2011 TOC Report which will go into the Board of Supervisors packet for the May 8 meeting.
8. **Treasurer's Report:** Treasurer Freidenrich reported that she had eight informational items to cover in the Treasurer's Report as follows:
- Principal and interest payments from Structured Investment Vehicles - Treasurer Freidenrich stated that we have received principal and interest payments from one of the SIV's, and we are researching to determine if this belongs to the pool participants.
 - PFM - Treasurer Freidenrich reported that PFM performed a best practices review focusing on changes that have been made in the County's credit process including investment strategy and a review of ongoing credit procedures. Treasurer Freidenrich stated that when the report is received, it will indicate that significant progress has been made to keep funds safe for the pool participants. In regards to the investment strategy, Treasurer Freidenrich reported that she is working closely with the Treasury Investment Committee to implement the best investment strategies possible to benefit all of the pool participants.
 - Temporary Transfers to School Districts - Treasurer Freidenrich reported that there are five school districts for a total of \$147 million that took temporary transfers, and eight school districts which took \$24 million in bridge transfers and these funds will go out the last Monday in April. On July 1, 2012, the time period opens again for temporary transfers in case the districts need further funding. Alternate Benkert stated that this process has been a money-saver for the school

districts because they do not have to pay all of their costs of issuance, and it is very much appreciated.

- Dissolution of RDA's - Treasurer Freidenrich stated that she is working closely with Jan Grimes, the Interim Auditor/Controller, who will inform her when the apportionments and disbursements to successor agencies will be made.
- Vacancy due to Resignation of Chair - Treasurer Freidenrich reported that there is a formal process that must be implemented to fill the vacancy on the Treasury Oversight Committee due to the resignation of a member. She is working with the Clerk of the Board who will post the Notice of Vacancy. It is Treasurer Freidenrich's responsibility to nominate someone for the position to the Board of Supervisors. Treasurer Freidenrich will send to the TOC members an Application to Boards, Commissions, and Committees as well as a list of restrictions involved in the selection of candidates. If the members have any suggestions, please ask them to complete an application and send it to the address on the form.
- Pool Participant Redevelopment Agency (RDA) - Treasurer Freidenrich summarized a situation where a pool participant had an RDA account with the State Treasurer (LAIF) and when that account was closed, they temporarily placed funds with the County pool. Treasurer Freidenrich stated that she plans to meet with various agencies to see if the County would be a suitable investment for their agency. It is her goal for herself and her staff to visit all the current pool participants annually in order to answer any questions or concerns that they may have.
- New Issuance of 2012 County Pension Obligation (POBs) - Treasurer Freidenrich stated that the POB's were purchased through our normal credit investment process. Treasurer Freidenrich stated that if there were any questions regarding this issue, she is available to answer any questions. For the record, there were no additional questions.
- Children's Families Commission of Orange County - Treasurer Freidenrich stated that the County has been appointed as the Treasurer for Children's Families Commission of Orange County effective July 1, 2012.

9. Public Comments:

- There were no public comments made.

10. Committee Member Comments:

- Member Habermehl thanked Treasurer Freidenrich and her staff for all their hard work. Alternate Benkert stated that because of the school district temporary transfers agreements put in place in 2011/2012, other counties may now be looking at the County of Orange temporary transfer agreements as a model to be used in other counties.

11. Adjournment:

- Chair Dunn adjourned the meeting at 4:32 p.m. to Wednesday, July 25, 2012, Auditor/Controller's Conference Room #300.