

MINUTES OF THE TREASURY OVERSIGHT COMMITTEE  
ORANGE COUNTY, CALIFORNIA

REGULAR MEETING

July 28, 2004

**APPROVED**

October 27, 2004

The Regular Meeting of the Treasury Oversight Committee (TOC) was held on July 28, 2004 and called to order by Charles Schroeder, Chair, at 3:33 p.m.

**Committee Members:**

**Present:**

Charles Schroeder, Member of the Public, Chair (3-13-03)  
Robert Fauteux, Member of Outside Participant, Vice-Chair  
John Nakane, for David Sundstrom, Auditor-Controller  
Wendy Benkert, for Bill Habermehl, O.C. Board of Education

**Absent:**

Jim Ruth, CEO

Also present were:

**John Moorlach**, Treasurer-Tax Collector; **Gary Cowan**, Assistant Tax Collector; **Brett R. Barbre**, **Melody Taylor**, **Paul Gorman**, **Judy Jacobson** and **Paul Cocking**, Treasurer's Office; **Thomas L. Beckett**, County Executive Office; **Alan Marcum**, **Toni Smart** and **Camille Gackstetter**, Internal Audit; **Tom Agin**, County Counsel.

**1. Meeting Called to Order**

Mr. Schroeder called the meeting to order.

**2. Welcome and self-introductions**

Introductions were made.

**3. Public Comments**

There were none.

**4. Approval of Minutes**

The Minutes of the May 5, 2004 were reviewed. There were five changes to the minutes:

- 1 – Section 6(d) - delete "...still here and...";
- 2 – Section 6(e) was changed to read, "The schools one complaint is that we do not provide enough yield for bond proceeds";
- 3 – Section 6(i) the spelling of Tom Agin's last name was corrected;
- 4 – Section 7 – It should read, "There was a discussion of the distributed copy of proposed changes to the Committee's bylaws. Mr. Schroeder suggested it might be desirable to add a member of the public to replace Mr. Fauteux and to add a new member appointed by participating agencies. After discussion, it was agreed that one member representing the participating agencies be appointed by a majority of them but selection of a second public representative was deferred." and;
- 5 – Section 10 should be changed to "The December Compliance Report" will...

Recommended Action: Mr. Schroeder called for a motion to approve the Minutes as corrected. Dr. Benkert moved to approve the Minutes, 2nd by Mr. Nakane. Passed 4-0.

**5. Chairman's Report**

The Chairman had no comments.

**6. Treasurer's Report**

- a) Municipal Water District of Orange County is a new participant in the investment pool.
- b) Supreme Court voted 5-2 to not review the Recapture Case. *Moody's* has put out a special report on this.
- c) In the process of reviewing custodial services. State Street's contract with OCERS is up for renewal; Orange County's contract is with Bank of New York. The Treasurer and OCERS are looking to see if we can both save money by doing business with a single custodial service.
- d) The Treasurer's Conference held in May 2004 at Angel's Stadium was a big success. The Conference was held late in the year due to: The May revise, March election, and pending decision of the Recapture Case. The Treasurer would like to report that the next Treasurer's Conference is to be held on December 6, 2004, 10<sup>th</sup> anniversary of the O.C. bankruptcy filing, at Nixon Library. The Treasurer is also planning to put together a documentary, which will be shown on PBS that will be "educational in nature." The documentary will feature interviews from key players of the O.C. Bankruptcy and have Ben Stein as narrator of the project.
- e) The Treasurer attended the June 2004 CACTTC meeting. He has been elected 2<sup>nd</sup> Vice President and Program Chair for the coming year.

**7. Annual SB866 Audit- 12-31-03**

The Treasurer distributed copies of the Audit year ended December 31, 2003 to the members of the Treasury Oversight Committee (TOC). The Treasurer recommended receiving and filing the report.

Recommended Action: Mr. Schroeder called for a motion to receive and file report. Mr. Fauteux moved to receive and file, 2nd by Dr. Benkert. Passed 5-0.

**8. Annual SB866 Audit- 12-31-04**

The Treasurer recommended that we pursue RFP for best fee and services, including quarterly monitoring reports. The Auditor-Controller, as well as the CFO and CEO will review the RFP. TOC members will be notified when the RFP is released.

Recommended Action: Mr. Schroeder called for a motion to approve the issuance of an RFP for the audit.. Mr. Fauteux moved to approve, 2nd by Dr. Benkert. Passed 5-0.

**9. Proposed Changes to the Investment Policy Statement (IPS)**

The Treasurer explained the 3 proposed changes to the Investment Policy Statement (IPS). The Treasury Oversight Committee (TOC) will examine in more detail at the next meeting in October at which the Treasurer will recommend adoption.

**10. Public Comments**

There were none.

**11. Schedule Next Meeting Date**

The next regular meeting was scheduled for October 27, 2004 in the Treasurer's Office, Conference Room A, 3:30 p.m.

**12. Adjournment**

Mr. Schroeder adjourned the meeting at 4:13 p.m.