



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

TREASURY OVERSIGHT COMMITTEE MINUTES

Wednesday, January 23, 2013 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana

WILLIAM "ANDY" DUNN
Chair

BOB FRANZ
Vice Chair

JAN GRIMES
Member

DR. AL MIJARES
Member

LAURA PARISI
Member

1. Call to Order

- Vice Chair Franz called the meeting to order at 3:06 p.m.

2. Welcome

- Members Present: Bob Franz, Dr. Al Mijares, Jan Grimes, Laura Parisi
- Members Absent: Andy Dunn
- Liaison Present: Treasurer-Tax Collector Shari Freidenrich

3. Public Comments

- There were no public comments made.

4. Minutes

- Member Mijares moved to approve the minutes of the October 31, 2012 Treasury Oversight Committee (TOC) meeting. Member Parisi seconded the motion. **Approved 4-0**

5. Old Business

- **Receive and file 2013 Investment Policy Statement (IPS) (BOS approved 1-08-13):** Treasurer Freidenrich stated there were no changes to the IPS since the TOC had seen it at the October 31, 2012 meeting. Member Parisi moved to receive and file the IPS. Member Grimes seconded the motion. **Approved 4-0.**
- **Receive and file Bylaws and Rules of Procedure (BOS approved 1-08-13):** Treasurer Freidenrich stated there were no changes to the Bylaws since the TOC had seen it at the October 31, 2012 meeting. Member Parisi moved to receive and file the Bylaws. Member Grimes seconded the motion. **Approved 4-0.**

6. New Business

- **Receive and file Treasurer's Monthly Investment Report for October, November, & December:** Treasurer Freidenrich presented the highlights of these reports. Member Grimes moved to receive and file these reports. Member Mijares seconded the motion. **Approved 4-0.**
- **Review and file Report on Review of the Statement of Assets Held by the County Treasury as of March 31, 2012:** Treasurer Freidenrich stated there were no reported findings in the report. Vice Chair Franz showed concern regarding the timing of the report. Member Grimes explained the report is

usually released by the second TOC meeting after the period being reviewed. This particular report was released on November 16, 2012. Member Parisi moved to receive and file the report. Member Grimes seconded the motion. **Approved 4-0.**

- **Review and file Report on Review of the Statement of Assets Held by the County Treasury as of June 30, 2012:** Treasurer Freidenrich stated, due to Government Code, this report is required on a quarterly basis. She reported there were no exceptions to the Statement of Assets. Member Parisi moved to receive and file the report. Member Mijares seconded the motion. **Approved 4-0.**
- **Review and file Compliance Continuous Auditing of the Treasury Investment Portfolio for the Quarter of April through June 2012:** Treasurer Freidenrich stated this is a quarterly report done by the Auditor Controller, there is no Government requirement for it. She stated there were no compliance exceptions identified during this quarter. Member Grimes made the motion to receive and file the report. Member Parisi seconded the motion. **Approved 4-0.**
- **Review and file Management Letter on Audit of the Statement of Assets Held by the County Treasury as of December 31, 2011:** Treasurer Freidenrich reported there were three deficiencies identified in the report relating to network access and user security. The Treasurer gave a background and details on each of the reported areas and corrective actions taken. Member Mijares made the motion to receive and file the letter. Member Parisi seconded the motion. **Approved 4-0.**
- **Review and file December 2012 TOC Compliance Summary:** Treasurer Freidenrich highlighted the various sections of the Compliance Summary. The Treasurer reported there have not been any compliance incidents in 2012, unlike the prior year, which had four compliance incidents. Member Parisi made the motion to receive and file the summary. Member Mijares seconded the motion. **Approved 4-0.**
- **Review and file PFM Best Practices Review:** Treasurer Freidenrich identified the areas of best practices covered by PFM which were the strategy for investment development, assessing credit, measuring portfolio compliance, and review of the Bylaws. The Treasurer described the progress made by the Office of the Treasurer-Tax Collector since the last review. Member Grimes made the motion to receive and file the review. Member Mijares seconded the motion. **Approved 4-0.**
- **Review and approve the 2012 Treasury Oversight Committee Report:** Treasurer Freidenrich reviewed the draft 2012 Treasury Oversight Committee Report and highlighted the significant topics. The Treasurer reported for the calendar year of 2012 there were no compliance exceptions, there was a public member appointed, the meetings were identified, and the specific items that needed to be covered by the TOC were done. In addition, the MOU has been signed, the TOC has not impinged on any of the day-to-day activities of the Treasurer, changes to the Bylaws have been discussed, and all members have signed the appropriate forms to maintain compliance. Vice Chair Franz asked for

clarification of the Government Code regarding the requirements of the TOC. Angie Daftary, Attorney from County Counsel, clarified the TOC is not required, rather it is permissive. Member Grimes made the motion to review and approve the report. Member Parisi seconded the motion. **Approved 4-0.**

- **Review Form 700 Filing:** Treasurer Freidenrich explained the requirements of the Form 700 which pertain directly to the TOC, per the Bylaws.
- **Election of Chair and Vice Chair:** Vice Chair Franz made the motion to vote Chair Dunn to remain as Chair. Member Grimes seconded the motion. Vice Chair Franz motioned to vote Member Parisi as Vice Chair. Member Grimes seconded the motion. **Approved 4-0.**

7. **Chairman's Report:** None

8. **Treasurer's Report:**

- Treasurer Freidenrich discussed the status of the Fee Study on the Treasurer's Administration Fee, an update of the preparation to sign the MOU, and reminded that alternates are needed for Vice Chair Franz and Member Grimes. Along with these items, the Treasurer reported tax collection rates are the highest in five years and online payments continue to grow. The Treasurer stated the County has rolled out a new website, which is more user friendly and structured around the needs of the Orange County citizens. The Treasurer then provided information on upcoming training available to the TOC through the California Municipal Treasurers Association 2013 Annual Conference and the Fixed Income Bond School. The Treasurer has scheduled multiple presentations to Voluntary Pool Participants in the near future.

9. **Public Comments:**

- There were no public comments made.

10. **Committee Member Comments:**

- There were no committee member comments made.

11. **Adjournment:**

- Vice Chair Franz adjourned the meeting at 3:55 p.m. to Tuesday, April 23, 2013, Auditor/Controller's Conference Room #300.