



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



**TREASURY OVERSIGHT COMMITTEE MINUTES**

Wednesday, January 24, 2018 at 3:00 p.m.  
12 Civic Center Plaza, Conference Room 300, Santa Ana

**GARY CAPATA**  
Chair

**RICHARD ROHM**  
Vice Chair

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

**FRANK KIM**  
Member

**DR. AL MIJARES**  
Member

**LAURA PARISI**  
Member

**ERIC WOOLERY**  
Member

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- **Call to Order**
    - Chair Capata called the meeting to order at 3:05 p.m.
  - **Welcome and Introductions**
    - **Members Present:** Gary Capata, Richard Rohm, Laura Parisi (via teleconference) and Eric Woolery (arrived at 3:30)
    - **Alternates Present:** Michelle Aguirre and Dean West
    - **Members Absent:** Frank Kim, Dr. Al Mijares and Dr. Andy Dunn
    - **Liaison Present:** Treasurer-Tax Collector Shari Freidenrich

Treasurer Freidenrich introduced Meline Carranza the new Assistant Portfolio Manager in the Investments Division.

- **Public Comments**
  - Melanie Hoopes - Oral Re: Management of Investment Portfolio
- **Minutes**
  - Alternate Aguirre moved to approve the minutes of the October 18, 2017 Treasury Oversight Committee (TOC) meeting. Member Rohm seconded the motion. **Approved 4-0-1** Member Parisi abstained.
- **Old Business**
  - **Receive and File TOC Bylaws and Rules of Procedures (BOS approved 11/14/2017):** Member Rohm moved to Receive and File the TOC Bylaws. Member Parisi seconded the motion. **Approved 5-0.**
  - **Update on Annual Treasury Compliance Audit for the Eighteen-Month Period Ended June 30, 2017** - The audit will be done in conjunction with the county fiscal audit. The Board of Supervisors approved the audit with MGO on January 23, 2018.
- **New Business**
  - **Receive and File Treasurer's Monthly Investment Report for October, November and December:** Treasurer Freidenrich presented the highlights of these reports. During October, there were three changes to the Treasurer's Approved Issuer List. The Credit Investment Committee removed Berkshire Hathaway Inc. and Berkshire Hathaway Finance from being on hold and Fitch changed the Royal Bank of Canada outlook from Negative to Stable. There were no compliance exceptions for October. In November there were several compliance exceptions due to new investment staff training and trades executed in Bloomberg prior to receiving written authorization by the Treasurer. There were no changes to the Approved Issuer List. In December there was one compliance exception due to new investment staff training and trades executed in Bloomberg prior to receiving written authorization by

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the Treasurer. There were two changes to the Treasurer's Approved Issuer List. Moody's changed the Microsoft Corporation Outlook from Negative to Stable, and the Credit Investment Committee approved the addition of the Orange County Pension Obligation Bonds, 2018 Series A. Alternate Aguirre moved to receive and file these reports. Alternate West seconded the motion. **Approved 5-0.**

- **Receive and File September 2017 TOC Compliance Summary:** Treasurer Freidenrich explained the purpose of the summary and the type of information that can be found in it. Alternate West moved to receive and file this report. Member Rohm seconded the motion. **Approved 6-0.**
- **Receive and File Report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2017:** Mr. Malbon explained the purpose and type of information that can be found in it. There were no instances of non-compliance. Alternate West moved to receive and file this report. Member Woolery seconded the motion. **Approved 6-0.**
- **Review and Approve 2017 TOC Annual Report:** Treasurer Freidenrich explained Government Code requires an oral and written report by the TOC and discussed the points identified in the report, and the major activities of the TOC in the past year. The report will be presented as a discussion item at the February 27, 2018 Board of Supervisor's meeting. Alternate Aguirre moved to approve the 2017 TOC Annual Report. Member Rohm seconded the motion. **Approved 6-0.**
  - *Action Item: Get a count of what TOC members are coming to the Board meeting on 2/27/18.*
- **Review Form 700 Filing:** Treasurer Freidenrich explained the requirements of the Form 700, which pertain directly to the TOC. The Clerk of the Board will send an email to all TOC members with the log on instructions for filing. Form 700 is due by April 1, 2017.
- **Review AB 1234 Mandatory Ethics Training Requirements:** Government Code requires all TOC members complete the mandatory training. The Board of Supervisors approved the revised Ethics Training Policy by the new Office of Campaign Finance and Ethics Commission, requiring all committee members to sign a "Consent to Removal and Forfeiture of Appointment" form. The form states that failure to complete their mandatory training will result in automatic removal from, and immediate forfeiture of their position.
- **Election of Chair:** Member Capata moved to nominate Richard Rohm as Chair. Alternate West seconded the motion. **Approved 6-0.**
- **Election of Vice Chair:** Member Capata moved to nominate Laura Parisi as Vice Chair. Member Woolery seconded the motion. **Approved 6-0.**
- **Chair's Report:**
  - It has been a great honor and privilege to serve for the past three years on the TOC. I want to thank the Treasurer and staff for the great notification to taxpayers regarding the new tax law to pay the second installment of property taxes by the end of the year. Mr. Rohm also thanked the Treasurer for the notification it was very helpful to tax clients.
- **Treasurer's Report:**
  - Treasurer Freidenrich reported on the following topics:
    - a. Some interest and one application received for TOC Public Member vacancy (Dunn)
      - i. *Action Item: Treasurer to present certificate of recognition to Dr. Dunn in person, let committee know the date of presentation*
    - b. Pool Structure potential changes
    - c. Civic Center construction of building 16 and parking update
    - d. Staffing Update
    - e. Upcoming CMTA training in April
    - f. Benchmarking Study is to be updated
    - g. Investment Accounting Software upgrade status

- h. Update on Federal Tax Law change posting to website, press release and property taxes paid by 12/31/2017
- i. New text reminder option
- j. Wild Fire Victims property tax postponement
- k. Property tax auction date
- l. Calendar year-end property tax collections statistics

- Member Parisi mentioned refreshing the committee on the PFM study comparison that was done before having someone look at IPS. Treasurer Freidenrich commented that the benchmarking would be done by staff not an outside company. Alternate Aguirre asked how much time it would take to update the current benchmarking of the six peer counties and present that to the TOC, then they can decide if they want an independent to review. Treasurer Freidenrich will have staff prepare the update for the July meeting.

- *Action Item: Agendize IPS benchmarking review for July 2018 meeting*

- **Committee Member Comments:**

- Member Parisi wanted to thank the Treasurer and staff for accommodating her by teleconference for this meeting.

- **Adjournment:**

- Chair Capata adjourned the meeting at 4:35 p.m. to Wednesday, April 18, 2018, Auditor-Controller's Conference Room #300.