

MINUTES OF THE TREASURY OVERSIGHT COMMITTEE  
ORANGE COUNTY, CALIFORNIA

REGULAR MEETING

January 26, 2011



The Regular Meeting of the Treasury Oversight Committee (TOC) held on January 26, 2011 at the Orange County Auditor/Controller's Office, 12 Civic Center Plaza, Conference Room #300, Santa Ana, CA 92701, and called to order by David Sundstrom, Chair, at 3:04 PM

**Committee Members:**

**Present:**

David Sundstrom, Auditor-Controller (Chair)  
Ms. Wendy Benkert, Assistant Superintendent, O.C. Dept of  
Education (Alternate for William Habermehl)  
Mr. George Jeffries, Treasurer, City of Tustin  
Mr. Thomas Mauk, County Executive Officer

Also present were:

**Bob Franz, CFO** from the CEO's office; **Shari Freidenrich, Paul Gorman, Paul Cocking, Leslie Morales, Fahad Haider, William Chau** and **Yvette Clark** from the Treasurer's Office; **Nancy Ishida, Dat Thomas,** and **Christine Young** from the Auditor-Controller's Office; **Angie Daftary** from County Counsel; **Dr. Peter Hughes, Eli Littner, Alan Marcum, Lisette Free** and **Kenneth Wong** from Internal Audit.

- 1) **Meeting Called to Order**
  - Mr. Sundstrom called the meeting to order.
- 2) **Welcome and Self-introductions**
- 3) **Public Comments**
  - No Comments
- 4) **Approval of the November 4, 2010 Meeting Minutes**
  - Ms. Benkert moved to approve the minutes. Mr. Jeffries seconded the motion.  
**Approved 4-0.**
- 5) **Chairman's Report**
  - none
- 6) **Election of Chair & Vice Chair**

- Mr. Mauk suggested the Chair & Vice-Chair remain the same as last year.
- Ms. Daftary stated there are no specifications in the bylaws which state a term limit for the Chair & Vice-Chair.
- With no nominations, Mr. Sundstrom will remain the Chair and Mr. Jeffries will remain the Vice-Chair. **Approved 4-0.**

## 7) CEO/Treasurer's Report

- Mr. Franz discussed the transition of the Investment responsibility from himself to the newly elected Treasurer, Shari Freidenrich.
- Ms. Freidenrich thanked the Treasurer staff for their help with her transition into the Orange County Treasurer's Office. She stated that she has reviewed the Investment Policy Statement (IPS) and the bylaws and plans to bring some additional revisions to the TOC in 2011.
- Ms. Freidenrich also discussed the upcoming vacant position for a member of TOC. Mr. Jeffries' term will be expiring in March 2011. If he would like to continue with his 2<sup>nd</sup> term, he can complete an application & let Ms. Freidenrich know. She also requested any persons interested in filling the other vacant position complete an application available on the Clerk of the Board website, for her review.
- Ms. Freidenrich also stated that each Committee member must complete a Certificate of Compliance for the year 2011.
- Ms. Freidenrich stated that the Treasurer's Office received a reaffirmation from Standard & Poors of AAAM rating for both the County Money Market Fund & the Education Money Market Fund.
- Ms. Freidenrich stated that she and the Investment Officers were reviewing the opportunity to purchase County Pension Obligation Bonds. They have not made a decision yet.
- Mr. Sundstrom commented that he voted for the Pension Obligation Bonds at the Public Finance Advisory Committee (PFAC) meeting. He believes it is a great opportunity for the County.
- Ms. Freidenrich stated that her office will look at the terms to make sure it is a good investment for them. The County is liable for every dollar of the Pension Obligation Bond.
- Mr. Gorman stated the maturity of the bonds would be about June 2012.
- Ms. Freidenrich reminded members of the TOC to complete a Form 700 by the deadline of March 31, 2011.
- Mr. Jeffries questioned why public members of the TOC would need to file the Form 700.
- Ms. Freidenrich indicated she would request a legal opinion since the TOC is only an advisory board.
- Ms. Daftary stated that she will review the government code regarding the Form 700. She stated that those that manage public investments are required to file, but is not sure if it applies to public members of the TOC.
- Mr. Mauk stated he will have County Counsel review this and report back to the Chair.

- 8) **Receive & File Treasurer's Monthly Management Reports for October 2010 through December 2010.**
  - Mr. Franz stated that the November report included the sale of Serpentine Funding Limited, the last structured investment vehicle related holdings.
  - Mr. Mauk moved to receive & file. Ms. Benkert seconded the motion. **Approved 4-0.**
  
- 9) **Annual Review Discussion and Approval of the Bylaws and Procedures of the County of Orange Treasury Oversight Committee**
  - **Recommended Action:** Direct the Treasurer to take the necessary actions to place the approved bylaws on the Board of Supervisor's agenda for approval.
  - Mr. Mauk requested a motion to revise the bylaws to add "or designee" to Rule 6(a) and Rule 6(b) to allow for an alternate of the Auditor/Controller and County Executive Officer to serve as a member and to take the changes to the Board for approval. Mr. Jeffries moved to approve. Mr. Mauk seconded the motion. **Approved 4-0.**
  
- 10) **Annual Review and Approval of the TOC Report to the Board of Supervisors**
  - **Recommended Action:** Approve the report and direct treasury staff to take the necessary actions to provide the approved report to the Board of Supervisors.
  - Mr. Mauk moved to approve. Ms. Benkert seconded the motion **Approved 4-0**
  
- 11) **Public Comments**
  - Mr. Jeffries suggested that Voluntary Participants or Pool Participants be added as members of the TOC.
  - Mr. Sundstrom suggested adding board member comments to the agenda.
  - Treasurer Freidenrich indicated that they will be added to the next agenda.
  
- 12) **Schedule Next Meeting**
  - The next meeting was scheduled for Wednesday, April 27, 2011 at 3:00 pm at the Auditor-Controller's Conference Room 300, 12 Civic Center Plaza, Santa Ana, CA 92701.
  
- 13) **Adjournment**
  - Mr. Sundstrom adjourned the meeting at 3:38 pm.