

MINUTES OF THE TREASURY OVERSIGHT COMMITTEE
ORANGE COUNTY, CALIFORNIA

REGULAR MEETING

July 26, 2006

APPROVED

October 18, 2006

The Regular Meeting of the Treasury Oversight Committee (TOC) was held on July 26, 2006, and called to order by Robert Fauteux, Chair, at 3:05 p.m.

Committee Members:

Present:

Robert Fauteux, Representative of Outside Participants, Chair
David Sundstrom, Auditor-Controller
Wendy Benkert, for Bill Habermehl, O.C. Board of Education
Thomas G. Mauk, CEO

Absent:

Jeffrey M. Thomas, Member of Public

Also present were:

John Moorlach, Treasurer-Tax Collector; **Chriss W. Street**, **Paul Gorman**, **Paul Cocking** and **Melody Taylor** Treasurer's Office; **George Jeffries**, Treasury Advisory Committee; **Paul Whitehead**, Member of Public.

1. Meeting Called to Order

Mr. Fauteux called the meeting to order.

2. Welcome and self-introductions

Introductions were made.

3. Public Comments

Paul Whitehead, San Clemente resident, came to discuss a problem he's having with his property taxes. The Treasurer-Tax Collector asked the Chairman if he can have his Assistant leave to resolve this matter outside the meeting due to it not concerning treasury issues. (Mr. Street and Mr. Whitehead left the meeting.)

4. Approval of April 26, 2006 Meeting Minutes

The Minutes of the April 26, 2006 were reviewed.

Recommended Action: Mr. Fauteux called for a motion to approve the Minutes. Dr. Benkert moved to approve the Minutes, 2nd by Mr. Mauk. Passed 3-0-1 (Mr. Sundstrom).

5. Chairman's Report

Mr. Fauteux updated the committee that Mr. Charles Schroeder is well and has agreed to serve on the Treasury Advisory Committee. He has also been out recruiting for the Orange County Investment Pool. The Treasurer clarified that because of the bankruptcy, the Board limits us to only have entities of the County able to participate in the pool.

6. Treasurer's Report

- a. The Treasurer announced his 70-30 victory on June 6th for the County's 2nd District Supervisor seat. His term will be effective either December 4th or January 8th, depending on the success in Supervisor Jim Silva's November election results.
- b. Chriss Street won the June 6th election for the Treasurer-Tax Collector position.
- c. The Treasurer's campaign was ugly thanks to Employee's unions.
- d. Chriss's hiring issues have been resolved with County Human Resources department.
- e. The Treasurer's transition is going well and is currently busy with:
 - assisting Chriss;
 - clearing out his office;
 - educating himself on his new role; and
 - catching up on campaign "thank yous"
- f. The Treasurer attended the CACTTC conference in June. They have granted him with a lifetime membership as a retiree.
- g. The Treasurer thanked everyone for a great run. A few of the Treasury Oversight Committee members have been here since day one.
- h. The Board of Supervisors has appointed Jeff Thomas to replace Charles Schroeder as public member on the Treasury Oversight Committee. Mr. Schroeder has agreed to serve on the Treasury Advisory Committee.

7. Update - Long Term Investment Portfolios

Children and Families Commission is in the process of laddering into a 1-3 year portfolio. This will be accomplished over the next few months. The Treasurer's office is still planning on setting up additional long-term portfolios for Integrated Waste Management Department and John Wayne Airport.

8. Update – 2006 Legislative Proposals

AB 1794 is currently going through a senate committee. AB 1794 will: eliminate the sunset clause; incorporate language suggested by legislative counsel the previous year; and not limit us to only carry a maximum of 10% of an issuer's debt.

9. SB866 Audit Status

The Audit has been completed. Moreland found only one minor issue regarding Treasury Oversight Committee Form 700 submittal. They advised to have a formal set of procedures put in place for this process. Once the Treasurer has received a copy, it will be distributed to the TOC members.

10. Discussion of Annual Cost Analysis

Mr. Gorman distributed a hypothetical basis point calculation worksheet. There was a brief discussion regarding the administrative fee charged by the Treasurer to its pool participants.

Recommended Action: Mr. Fauteux called for a motion to decrease the administrative fee to 10.00 basis points. Mr. Sundstrom moved to approve, 2nd by Dr. Benkert. Passed
4-0

11. Public and Committee Member Comments

None

12. Schedule Next Meeting Date

The next regular meeting was scheduled for October 18, 2006 in the Treasurer's Office, Conference Room A, 3:00 p.m.

13. Adjournment

Mr. Fauteux adjourned the meeting at 4:10 p.m.