



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



**TREASURY OVERSIGHT COMMITTEE
MEETING MINUTES**

Wednesday, October 25, 2023 at 3:00 p.m.

FRANCINE SCINTO , Chair	DAVID CARLSON , Vice Chair	ALISA BACKSTROM , Member
SALAH KUREH , Member	ANDREW HAMILTON , Member	FRANK KIM , Member
DR. AL MIJARES , Member		

• **Call to Order**

- Chair Scinto called the meeting to order at 3:01 p.m.

• **Welcome and Introductions**

- **Members Present:** Francine Scinto, David Carlson, Salah Kureh, Alisa Backstrom, Frank Kim
- **Designees Present:** JC Squires, Dean West
- **Members Absent:** Andrew Hamilton, Dr. Al Mijares
- **Liaison Present:** Treasurer-Tax Collector Shari Freidenrich

• **Public Comments**

- None

• **Minutes**

- Vice Chair Carlson moved to approve the minutes of the July 19, 2023 Treasury Oversight Committee (TOC) meeting. Member Backstrom seconded the motion. **Approved 7-0.**
- **Receive and File Treasurer's Monthly Investment Reports for July, August, and September:** TOC Liaison, Treasurer Freidenrich, presented the economic updates for this quarter. There were no compliance exceptions during the months of July, August, and September. The TOC received and filed the Treasurer's Monthly Investment Reports for July, August, and September.
- **Receive and File September 2023 TOC Compliance Summary:** Treasurer Freidenrich provided a status of several items in the summary. The TOC received and filed the September 2023 Compliance Summary.
- **Receive and File the First Follow-Up Review of the Management Letter on Review of the Schedule of Assets as of March 31, 2022 (Issued on September 23, 2023):** Treasurer Freidenrich explained the background of the First Follow-Up Review as well as the purpose and type of information contained within it. The TOC received and filed the First Follow-Up Review of the Management Letter on Review of the Schedule of Assets as of March 31, 2022.
- **Direct that an Audit be Conducted to Determine the Treasury's Compliance with Article 6 of Division 2 of Title 3 of the Government Code:** Treasurer Freidenrich outlined the Treasury Oversight Committee's responsibility to cause an annual compliance audit, and recommended the Committee cause an audit with an opinion. Member Kim provided historical context of the Treasury's compliance audit in relation to law changes following the Orange County bankruptcy. Designee Squires stated that the Orange County Auditor-Controller would support causing a compliance audit with an opinion. Designee Squires motioned to direct that an audit be

conducted to determine the Treasury's compliance with Article 6 of Division 2 of Title 3 of the Government Code. Member Carlson seconded the motion. **Approved 7-0.**

- **Review the Bylaws and Rules of Procedures:** Treasurer Freidenrich explained that as part of the TOC Bylaws, the committee is required to review the Bylaws and Rules of Procedures annually, and there are no changes recommended. Freidenrich provided some clarifying information describing template changes to Orange County Committee Bylaws and Rules of Procedures by the Board of Supervisors. Counsel Magsaysay explained that the Committee's Bylaws require this annual review.
- **Review the Investment Policy Statement:** Treasurer Freidenrich explained the current Investment Policy Statement (IPS) requires changes to the IPS to be approved by the Board of Supervisors at a public meeting after review by the TOC. Treasurer Freidenrich explained that the proposed formatting changes are not material in nature. The TOC reviewed the proposed changes.
- **Review Irregularity Procedures:** Treasurer Freidenrich stated there are no changes to the policy and no notice of irregularities this year were received. The TOC did not request any changes.
- **Receive and File Office of the Treasurer Broker-Dealer / Financial Institution List as of September 30, 2023:** Treasurer Freidenrich explained that this is a list of all Broker-Dealers, banks and money market mutual fund companies with whom the Treasurer-Tax Collector contracts. Union Bank was removed from the Financial Institution list due to its acquisition by US Bank, which was added. FIS was added to the Broker-Dealer List. The TOC received and filed the Office of the Treasurer Broker-Dealer / Financial Institution List.
- **Review Annual Certificate of Compliance:** Treasurer Freidenrich reminded the committee that the Certificates of Compliance are required to be signed and submitted annually and need to be returned.
- **Elect Chair and Vice Chair:** Designee West moved to nominate Francine Scinto as Chair and David Carlson as Vice-Chair for 2024. Member Backstrom seconded the motion. Vice Chair Carlson abstained. **Approved 6-0-1.**
- **Chair's Report:**
 - No report
- **Treasurer's Report:**
 - Treasurer Freidenrich reported on the following topics:
 1. Entire investment pool is expected to be rated by Fitch Ratings by the end of October, Treasurer anticipates the pool will receive the highest possible credit rating.
 2. The transition to the new Property Tax System was successful in producing all Orange County Secured Property Tax Bills.
 3. Alleged Orange County School District fraud incident was reported is being investigated. The Treasurer discussed checks and balances protecting public funds.
- **Committee Member Comments:**
 - Designee West stated that the County Superintendent has been engaged with the affected School District in the early stages of the discovery of alleged fraud. The suspected individual responsible has been removed. Law enforcement has been engaged and the FBI aggressive in its investigation of the case. The school district has retained a forensic audit aimed at recovering lost funds.
- **Adjournment:**
 - Chair Scinto moved to adjourn the meeting. Vice Chair Carlson seconded the motion. The meeting adjourned at 4:40 p.m. to Wednesday, January 31, 2024, 601 N. Ross Street, 2nd Floor, Conference Room 200.

Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.