



TREASURER-TAX COLLECTOR

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DAN McALLISTER
TREASURER-TAX
COLLECTOR

ROB CASTETTER
INTERIM CHIEF DEPUTY
TREASURER

TREASURY OVERSIGHT COMMITTEE

MINUTES OF MEETING

October 19, 2016

ATTENDANCE

9 Voting Members Present:

- Seat 1 Dan McAllister, Treasurer-Tax Collector
- Seat 2 Tracy Sandoval, Deputy Chief Administrative Officer, Auditor and Controller
- Seat 3 Don Steuer, Assistant Chief Administrative Officer, Board of Supervisors Rep.
- Seat 4 Lora Duzyk, County Superintendent of Schools Representative
- Seat 5 *Absent*: Jenny Salkeld, Colleges/School Representative
- Seat 6 Andre Douzdjian, SANDAG (Non-voting)
- Seat 7 Benjamin Dillingham III, CHAIR, Public Member
- Seat 8 Thomas LaHay, Public Member
- Seat 9 Charlie Ng, Public Member
- Seat 10 Laura Deese, Public Member
- Seat 11 Mark Fisher, Public Member

County Staff:

- Rob Castetter, Interim Chief Deputy Treasurer, Treasurer-Tax Collector
- Israel Garza, Accounting Manager, Treasurer-Tax Collector
- Hank Kim, Investment Officer, Treasurer-Tax Collector
- Richard Kinzly, Investment Officer, Treasurer-Tax Collector
- Cameron Urquhart, Investment Officer, Treasurer-Tax Collector
- Rachel Witt, Senior Deputy, County Counsel

Guests:

- Kay Chandler, President, Chandler Asset Management
- Kevin Starkey, Macias Gini & O'Connell LLP
- Ray Major, San Diego Association of Governments

Public:

No public attendees

1. Call Meeting to Order

Ben Dillingham, Committee Chair, called the meeting to order at 1:30 PM in Conference Room 162-West of the County Administration Center.

2. Request by Public to Address the Treasury Oversight Committee on any Matter within the Committee's Jurisdiction

No members of the public were present.

3. Approval of April 20, 2016 Meeting Minutes

The April 20, 2016 meeting minutes were reviewed and approved.

ACTION: Benjamin Dillingham made a motion to approve the minutes. Dan McAllister seconded the motion. The meeting minutes were approved by a 9-0 vote.

4. Economic Update

Ray Major of The San Diego Association of Governments (SANDAG) gave an update on the economic status for San Diego County and the state of California. According to Mr. Major, there will be continued moderate growth as venture capital continues to flow into the state. Additionally, healthcare will continue to grow as our population ages, and education will remain stable. Construction and real estate are the strongest sectors in the economy, especially with the increasing demand for housing in the County.

5. Year-End Audit

Kevin Starkey, of Macias Gini & O'Connell, reported that no major issues were found during the draft CAFR audit. The report will be finalized by mid-November. Mr. Starkey extended his thanks to Israel Garza and his team who are always helpful throughout the audit process.

6. 2017 Investment Policy Statement Review

Rob Castetter, County Chief Investment Officer, reviewed the changes on a redlined version of the 2017 Treasurer's Investment Policy with the Committee.

ACTION: On motion of Lora Duzyk, seconded by Dan McAllister, the Committee unanimously approved the Policy as amended to be submitted to the Board of Supervisors for approval on November 15, 2016.

7. Portfolio Statistics & Strategy Update

Mr. Castetter reviewed September 2016 portfolio statistics and gave an update on the current investment strategy for the pooled money fund. Kay Chandler, of Chandler Asset Management, briefly discussed the portfolio summary with regard to the long-term pool. She stated that the long-term return on Pool B is close to the benchmark and throughout the past few years, Pool B has continually increased the overall return on the portfolio while maintaining a significant amount of liquidity in Pool A.

Treasurer Updates

a) Standard & Poor's Rating Agency Review 2016

Mr. McAllister was pleased to announce that Standard & Poor's awarded a rating of AAA to the San Diego County Treasurer's Pooled Money Fund for another year. He congratulated Rob Castetter and his investment team on a job well done.

b) NACO Awards

Mr. McAllister highlighted several recent NACO awards that the Treasury Department has been awarded. Awards were given for the Market Watch Report, Standardized Bond Documents Save Thousands in Taxpayer Dollars, Fraud and Risk Management Compliance Program, and Standardized Countywide Escheatment Program.

c) 2017 Educational Symposiums

Mr. McAllister announced the dates of the 2017 symposiums and encouraged those present to attend. He also announced the upcoming seminar, the Association of Public Treasurers Cash Handling Workshop, on October 27, 2016.

10. Adjournment at 2:38 PM

Mr. Dillingham thanked members of the presenters, staff members, and Committee members for attending and asked all to note the 2017 meeting dates.

2017 Meeting dates:

April 12, 2017

July 19, 2017

October 18, 2017

November 15, 2017 (Tentative)

Minutes taken by Donna Gehlken, Administrative Secretary