



TREASURER-TAX COLLECTOR

COUNTY ADMINISTRATION CENTER • 1600 PACIFIC HIGHWAY, ROOM 162
SAN DIEGO, CALIFORNIA 92101-2475 • (877) 829-4732 FAX (619) 531-6056

<http://www.sdtreastax.com>

DAN McALLISTER
TREASURER-TAX
COLLECTOR

ANTOINETTE CHANDLER
CHIEF DEPUTY
TREASURER

TREASURY OVERSIGHT COMMITTEE

MINUTES OF MEETING

July 15, 2015

ATTENDANCE

7 Voting Members Present:

- Seat 1 Dan McAllister, Treasurer-Tax Collector
- Seat 2 *Absent*: Tracy Sandoval, Deputy Chief Administrative Officer, Auditor and Controller
- Seat 3 Don Steuer, Assistant Chief Administrative Officer, Board of Supervisors Representative
- Seat 4 Lora Duzyk, County Superintendent of Schools Representative
- Seat 5 Jenny Salkeld, Colleges/School Representative
- Seat 6 Andre Douzjian, 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 *Absent*: Laura Deese, Public Member
- Seat 11 *Absent*: Wilmer Cooks, Public Member

County Staff:

Rob Castetter, Chief Investment Officer, Treasurer-Tax Collector
Antoinette Chandler, Chief Deputy Treasurer, Treasurer-Tax Collector
Israel Garza, Accounting Manager, Treasurer-Tax Collector
Hank Kim, Investment Officer, Treasurer-Tax Collector
Jeanne Rawdin, Staff Officer, Treasurer-Tax Collector
Ebony Shelton, Financial Policy & Planning Director, Auditor & Controller
Rachel Witt, Senior Deputy, County Counsel

Guests:

Al Cappelli, Piper Jaffray
Kay Chandler, President, Chandler Asset Management
Dina Holinka, Macias Gini & O'Connell LLP
Paul Kim, PK Analytics
Kevin Starkey, Macias Gini & O'Connell LLP
Victor E. Ume-Ukeje, Piper Jaffray

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 November 5, 2014 Meeting Minutes

The November 5, 2014 meeting minutes were reviewed. Dan McAllister made a motion to approve the minutes. Tom LaHay seconded the motion. The meeting minutes were approved by a 7-0 vote.

4. Economic Update

Al Capelli, of Piper Jaffray, gave an economic update. Mr. Capelli compared today's economy with that of 2009. Over the past six years, California's economy has rebounded. The housing market in San Diego County has experienced a phenomenal rate of growth and jobs are more plentiful.

5. Year-End Audit

Dina Holinka, of Macias Gini & O'Connell LLP, reported on the status of the year-end audit. Quarterly reviews were completed with no issues. The draft CAFR will be delivered in September and Macias Gini & O'Connell will issue an opinion in November. The County is expected to submit the CAFR to GFOA for certification by the end of the year.

6. Fraud & Risk Management Compliance Program (Phase III)

Paul Kim of PK Analytics presented the status of Phase III of the Fraud & Risk Management Compliance Program. Mr. Kim is working with the Financial Division to review tax refunds and the internal controls and processes within the tax collection area. A risk assessment will be performed to determine whether there are any areas for improvement. Phase III will conclude by September. Mr. McAllister pointed out that the County of San Diego has set a precedent as the only Treasurer-Tax Collector office taking a proactive role by reviewing policies and practices with relation to fraud & risk management.

7. Portfolio Statistics & Strategy Update

Rob Castetter opened the update with a comparison between June 2015 and June 2014. The portfolio is up \$250 million from last year. The yield and maturity experienced a 20% increase from June 2014. There is a good chance that the pool will reach the \$9 billion mark by April 2016. Commercial paper in the investment pool is up 5-6%. Mr. Castetter also covered the new category of Supranationals. Kay Chandler, of Chandler Asset Management, briefly discussed the portfolio summary with regard to long term securities.

Treasurer Updates

a) Introduce new Investment Officer

Mr. McAllister introduced Hank Kim, the new Investment Officer. Mr. Kim was formerly with Hyundai and Toyota

b) Introduce new Treasury Assistant Manager

Antoinette Chandler introduced Zinda Jimenez, the new Assistant Manager for Treasury Accounting. Ms. Jimenez was formerly with the City of Glendale.

c) NACO Awards

The County has won three awards from the National Association of Counties for the following programs: "Standardized Bond Documents Saves Thousands in Taxpayer Dollars", "Fraud & Risk Management Compliance Program", and "Standardized Countywide Escheatment Program."

d) Fraud Prevention Seminar – July 17, 2015

Mr. McAllister extended an invitation to the committee to attend the seminar to take place on July 15 at the Crowne Plaza Hotel at 2270 Hotel Circle North, San Diego, CA 92108.

e) Save the date: Debt Seminar – November 6, 2015

Mr. McAllister made a brief announcement about the the Debt Seminar coming in November 2015, also to be held at Crowne Plaza Hotel.

10. Adjournment at 2:38 PM

Mr. Dillingham asked Committee members to mark their calendars for 2015 meeting dates: October 14, and November 4 (tentatively). He thanked members of the Committee for attending.