



TREASURER-TAX COLLECTOR SAN DIEGO COUNTY

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Dan McAllister
Treasurer-Tax Collector



TREASURY OVERSIGHT COMMITTEE

MEETING MINUTES

October 17, 2018

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 Michael Simonson, County Superintendent of Schools Representative
- Seat 5 Gregory Ottinger, Community Colleges/Schools Representative
- Seat 6 Andre Douzdjian, SANDAG (Non-voting)
- Seat 7 *Absent*: Herb Johnson, CHAIR, Public Member
- Seat 8 Colleen Harvey, Public Member
- Seat 9 Charlie Ng, Public Member
- Seat 10 Maria Kachadoorian, Public Member
- Seat 11 Mark Fisher, Public Member

County Staff:

Wendy Joplin, Accounting Manager, Treasurer-Tax Collector
Hank Kim, Interim Chief Deputy Treasurer/Chief Investment Officer, Treasurer-Tax Collector
Richard Kinzly, Investment Officer, Treasurer-Tax Collector
Cameron Urquhart, Investment Officer, Treasurer-Tax Collector
Kevin Foley, Investment Officer, Treasurer-Tax Collector
Rachel Witt, Senior Deputy County Counsel

Guests:

Eric Xin, Partner, Brown Armstrong Certified Public Accountants (via telephone)
Alaina Sanchez, Brown Armstrong Certified Public Accountants (via telephone)
Ray Major, Chief Economist, Director of Data Analytics and Modeling, SANDAG
Rick Phillips, President and Chief Financial Officer, FTN Financial Main Street Advisors

Public:

No public attendees

1. Call Meeting to Order

Dan McAllister, Treasurer-Tax Collector, called the meeting to order at 1:32 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 11, 2018 Meeting Minutes

The April 11, 2018 meeting minutes were reviewed and approved by the Committee.

ACTION: Gregory Ottinger made a motion to approve and Colleen Harvey seconded the motion. The minutes were approved by a 9-0 vote.

4. 2017-2018 Fiscal Year-End Audit Update

Eric Xin and Alaina Sanchez of Brown Armstrong presented an update for the final reporting stage of the year-end audit. He stated that there were no significant findings during the audit. The report is expected to be issued by mid-November. Mr. Xin and Ms. Sanchez thanked the County Treasurer-Tax Collector's staff for their assistance during the audit process.

5. Economic Update

Ray Major, Chief Economist at SANDAG, gave an economic update to the Committee. Mr. Major stated that San Diego has a diverse economy. The key industries driving growth are biotech, technology, military and healthcare. These industries will create jobs and keep the economy moving forward. San Diego's population will continue to grow through 2050. The job market will continue to grow, and housing construction will continue but is not keeping up with demand.

6. 2019 Investment Policy Statement Review

The Committee was presented with a redlined and clean version of the investment policy to review and Chief Investment Officer Hank Kim reviewed the proposed changes. The Committee voted to adopt the changes and the new policy will be placed before the Board of Supervisors for final approval on November 13, 2018.

ACTION: Mark Fisher made a motion to approve. Gregory Ottinger seconded the motion. The investment policy changes were approved by a 9-0 vote.

7. Portfolio Statistics & Strategy Update

Hank Kim, Chief Investment Officer, began his update by stating that the pool size is \$8.3 billion as of August 31, 2018, which is a \$100 million increase in book value year-over-year. Treasury Notes increased slightly, while commercial paper decreased slightly.

8. Treasurer Updates

- a) Mr. McAllister announced the upcoming Municipal Debt Symposium on December 4, 2018 at the Marriott Mission Valley, and the Investment Symposium in February 2019.

- b) Banking transition update
JP Morgan Chase was selected as our new banking services provider. We are now in the implementation phase of the contract and it is going well.

- c) Client coverage update
We are continuing our client coverage initiatives to meet with existing and potential pool participants to update them on the pool and to see how we can help them with their investing needs. Several new clients have come to the County to assist with asset management and the program has been well received.

9. Questions/Comments

The meeting adjourned at 2:51 p.m.

2019 Meeting dates:

April 24

July 10

October 23

November 20 (tentative)

Minutes taken by Donna Gehlken, Administrative Secretary