



TREASURER-TAX COLLECTOR

COUNTY ADMINISTRATION CENTER • 1600 PACIFIC HIGHWAY, ROOM 162
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DAN McALLISTER
TREASURER-TAX
COLLECTOR

LISA MARIE HARRIS
CHIEF DEPUTY
TREASURER

TREASURY OVERSIGHT COMMITTEE MINUTES OF MEETING October 20, 2010

ATTENDANCE:

PRESENT:

Members:

Dan McAllister, Treasurer-Tax Collector
Lora Duzyk, Asst. Superintendent, S.D. County Office of Education
Annette Hubbell, Public Member
Benjamin F. Dillingham III, Public Member
Vernon Evans, Public Member, Interim Chair
Janel Pehau, Director, Office of Financial Planning, Auditor/Controller
Helen Robbins-Meyer, Assistant Chief Administrative Officer
Renee Wasmund, Public Member
Tracy Sandoval, Asst. Chief Financial Officer, Auditor & Controller

Ex-Officio

Members:

Donald Steuer, Chief Financial Officer

ABSENT:

Chris Zapata, National City Manager
Wilmer Cooks, Business Owner, Public Member

County Staff:

Lisa Marie Harris, Chief Deputy Treasurer, Treasurer-Tax Collector
Rachel Witt, Sr. Deputy County Counsel
Rob Castetter, Chief Investment Officer, Treasurer-Tax Collector
Mark Van Den Herik, Investment Officer, Treasurer-Tax Collector
Su Cheng Wang, Sr. Accountant, Treasurer-Tax Collector
Alejandra Lopez, Administrative Secretary, Treasurer-Tax Collector

Guests:

Ami Shackelford, San Diego Unified School District
Kay Chandler, President, Chandler Asset Management
Chris Mier, Loop Capital Markets
Cody Press, Loop Capital Market

1. CALL MEETING TO ORDER

Interim Chairman, Vernon Evans called the meeting to order at 1:30 p.m. in Conference Room 162 of the County Administration Center.

2. GROUP PICTURES OF TREASURY OVERSIGHT MEMBERS

Mr. Evans temporarily adjourned the meeting. Mr. McAllister directed Committee Members to gather for group pictures in room 102.

3. REQUEST BY PUBLIC TO ADDRESS THE TREASURY OVERSIGHT COMMITTEE ON ANY MATTER WITHIN THE COMMITTEE'S JURISDICTION

There were no comments from members of the public for the Treasury Oversight Committee.

4. APPROVAL OF April 28, 2010, MEETING AGREEMENTS/ACTIONS AND MINUTES

Mr. Evans asked for a motion to approve the minutes from the last meeting on April 28, 2010. The motion to approve was made, seconded, and approved.

5. NOMINATE AND APPOINT CHAIR

Mr. McAllister asked for any volunteers or nominations to be appointed Chair. Mr. McAllister nominated Vernon Evans. Mr. McAllister asked for a motion to approve Vernon Evans nomination. The motion was made, seconded, and approved.

6. ECONOMIC UPDATE

Mr. Mier, Managing Director, Loop Capital Markets gave a presentation on The U.S. Economy & Outlook for 2010-2012. In summary he explained current market conditions which included the following.

- The Economy
 - Housing Market
 - Labor Markets
 - State and Local government sector.
 - Financial Markets
 - Fiscal and monetary policy
 - Federal Reserve
 - Fiscal policy
 - Recovery
 - California falling behind the US population growth rate
 - Net loss of relocating firms
 - State's recessions have become more pronounced
 - Balance the State budget
 - Vallejo bankruptcy case
 - California's economic strengths

7. PORTFOLIO STATISTICS AND STRATEGY UPDATE

Ms. Kay Chandler, from Chandler Asset Management, gave a presentation on Benchmark Performance. Ms. Chandler briefly explained the Portfolio Characteristics, Maturity Distribution, and Performance Review on the rate of return as of 09/30/2010. Mr. Rob Castetter provided an update on the market conditions. The highlights of his presentation included reference to the County of San Diego, Treasurer Investment Report, for month ending 9/30/10. Mr. Castetter discussed.

- largest pool participants between schools & county
- Asset allocation identified to areas
- Increase Commercial paper
- Negotiable CD's
- Credit Quality (S&P)
- Strategy (Short Term, add liquidity)

8. **TREASURER'S PROJECTS**

Mr. McAllister encouraged Committee Members to attend upcoming symposiums.

Cash Handling Workshop

The Cash Handling Workshop was attended by 80+ HHSAs employees on September 24, 2010.

Debt Seminar

The Debt Seminar will be held at the Marina Village Conference Center, 1936 Quivira Way, Bayview Room. San Diego, CA 92109 on November 5, 2010

Investment Seminar / Cash Handling Workshop

The Investment Seminar / Cash Handling Workshop will be held at the Marina Village Conference Center, 1936 Quivira Way, Bayview Room. San Diego, CA 92109 on February 10-11, 2011.

Standard & Poor's Pool Fund Review & Ratings

Mr. McAllister announced that Standard and Poor's (S&P) has reaffirmed its highest ratings of San Diego County's Investment pool. S&P assigned the investment pool 'AAAF' (credit quality) and 'S1' (volatility) ratings.

Recruitment for Investment Officer

The department will be interviewing for new Investment Officer.

9. **REVIEW AND APPROVAL OF THE 2010 INVESTMENT POLICY (RED LINED)**

Lisa Marie Harris presented for discussion the red line version of the Treasurer's Investment Policy.

Committee members reviewed the policy and made their recommendations regarding some changes in the policy. The most significant changes are on pages 12 under Collateralized Certificates of Deposit. Two words changed throughout the policy, the words Fund to Portfolio and Treasurer to County Treasurer. A motion to recommend to the Board to have this Policy approved was put to vote. The motion was approved and the Policy as amended will be sent to the Board of Supervisors for approval.

THE MEETING ADJOURNED AT 2:55 P.M.

Minutes taken by: Alejandra Lopez, Administrative Secretary