

I must respectfully and partially disagree with the findings of the Grand Jury. California Government Code Section 27131(a) lifted the mandate requiring a Treasury Oversight Committee and therefore, no State law was compromised. The County exercised its option to continue the Committee and when no annual meeting was held, County Code was violated by the Committee. The Inyo County Treasury Oversight Committee had the membership to call for and conduct a meeting until October 10, 2010 when the resignation of one individual dropped the membership below the amount necessary for a quorum to conduct business. I would like to point out that the alleged accusation was made many months before October 10, 2010 and question the validity of said accusation. This accusation was made during an election campaign by individuals supporting my challenger. I disagree that this office was operating without a viable Committee. Operations of this office do not require Treasury Oversight Committee daily input. In fact, Government Code Section 27137 states "Nothing in this Article shall be construed to allow the county treasury oversight committee to direct individual investment decisions, select individual investment advisors, brokers, or dealers or impinge on the day-to-day operations of the county treasury." They are not allowed to advise this office on investments or investment strategies. The Committee reviews and makes recommendations on the County Investment Policy. They review the current investments for compliance with said policy and they ensure an external audit is conducted.

I partially agree no meeting was held for two years and will clarify that the Treasurer is not a member of the Committee and therefore cannot call a meeting.

I agree with Finding #2 that, on October 10, 2010, I received the last resignation and moved forward with preparing the Agenda Item and making recommendations to the County Board of Supervisors to consider their options in regard to the Committee.

I agree with the Recommendations of the Grand Jury and would add that not only citizens serve on the Committee, but representatives of the local agencies who are depositors into the treasury pool. Since the State lifted the mandate requiring the Committee, the participants who were originally required to sit on the Committee are no longer subject to that requirement. I am truly appreciative of those who currently serve on the Committee and acknowledge that they are giving of their time and efforts to the same degree as the members who represent the public.

I agree with Recommendation #2. On December 7, 2010, the Board of Supervisors, during a public meeting and through Resolution 2010-52, re-populated the Committee. Less than two months elapsed from the last resignation by a Committee member that rendered the Committee unable to call a meeting and conduct their business. The Committee has since conducted their annual meeting. In January 2011, the Committee attended the annual Board of Supervisors meeting wherein discussion was held about the County Investment Policy. They made their recommendations separate from the treasurer's discussion. The Board accepted and approved their recommendations.

Respectfully,


Alisha McMurtrie

Treasurer-Tax Collector

7/12/2011

