



OFFICE OF THE TREASURER-TAX COLLECTOR
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, CPFIM

**TREASURY OVERSIGHT COMMITTEE
SPECIAL MEETING MINUTES**

Thursday, August 25, 2011 at 3:00 p.m.
625 N. Ross Street, Building 11, Room G-58, Conference Room A
Santa Ana, CA

1. Call to Order

- Chairman Sundstrom called the meeting to order at 3:00 p.m.

2. Welcome

- Members Present: Chairman David Sundstrom, Vice Chairman George Jeffries, William Habermehl, Bob Franz (Alternate for Tom Mauk)
- Members Absent: Andy Dunn
- Staff Present: Treasurer-Tax Collector Shari Freidenrich, Paul Gorman, Paul Cocking, Leslie Morales, Fahad Haider, William Chau

3. Public Comments

- There were no public comments made.

4. New Business

• **Review Investment Statement Policy**

Treasurer Freidenrich stated that she and her investment team have been watching the credit rating agencies stance on US Government debt and have been sending out emails regarding the possibility of the US Government debt being downgraded. Once the downgrade occurred, Treasurer Freidenrich continued communicating with the County, school districts and pool participants. She stated that according to the present Extended Fund Policy, only 50% of par value can be invested in "AA" rated securities. She stated that prior to US Government debt downgrade, the County of Orange Extended Fund had 8% invested in "AA" rated securities and was in compliance with the Investment Policy Statement (IPS). Treasurer Freidenrich stated that since the downgrade of US Government debt, future purchases of US Government debt would put the Extended Pool be out of compliance. The revised IPS exempts all US Government debt from any credit rating restrictions. She stated that this IPS change will have to go to the Board of Supervisors for approval. She also stated that she is maintaining additional liquidity and continuing to look at the impact of the downgrade on the portfolio. Member Habermehl moved to approve the exemption of US Government debt from credit rating restrictions in the Investment Statement Policy. Chairman Sundstrom seconded the motion. **Approved 4-0.**

5. Public Comments

- There were no public comments made.

6. Committee Member Comments

- There were no committee member comments.

7. Adjournment

- Chairman Sundstrom adjourned the meeting at 3:18 p.m.