

Investment Advisory Committee Meeting

January 24, 2013

Members in Attendance:

Ed Leonard, Franklin County Treasurer
Don Brown, Designee for Commissioner John O'Grady
Ken Wilson, Designee for Commissioner Marilyn Brown
Zak Talarek, Designee for Commissioner Paula Brooks
Shawn Rieder, Designee for Clerk of Courts, Maryellen O'Shaughnessy

Guests in Attendance:

Dennis Yacobozzi, President, UACC
Kevin Klingel, Vice President, UACC
Emily Perkins, Investment & Cash Management Officer, FCT

Call to Order

Treasurer Leonard called the 2012 fourth quarter meeting of the Franklin County Investment Advisory Committee (IAC) to order at 2:07 p.m.

Approval of Minutes

The first order of business was to approve the minutes from the October 25, 2012 meeting. Mr. Talarek moved to accept the minutes and Mr. Wilson seconded the motion. Minutes were approved.

Economic Outlook

Treasurer Leonard requested Mr. Yacobozzi update the group on the economic outlook. Mr. Yacobozzi discussed the economy and the impact it has had on the County's portfolio, as well as the investment strategy going forward.

Mr. Yacobozzi noted that 2013 could be a transitional year in terms of the economy, with employment gains expected to be minimal, and expected GDP growth of around 2%. After QE1, QE2, and Operation Twist pushed interest rates lower and flattened the yield curve, the Fed's latest asset purchase program (QE3 @ \$85 billion/month) is expected to continue throughout the year, and Treasury yields are expected to remain near current levels.

Mr. Yacobozzi reviewed the Treasury yield curve graphic to illustrate the decline in interest rates and the compression of incremental yield spreads along the curve. He noted that while the yield curve has flattened significantly, the County expects to maintain an average portfolio maturity of 2 ½ - 3 years to maintain portfolio earnings.

Mr. Yacobozzi also noted that Franklin County increased its holdings of taxable municipal issues during the quarter, and Treasurer Leonard updated the Committee on the recent purchase of a Columbus Metropolitan Library issue.

Finally, Ms. Perkins informed the Committee that Franklin County will purchase a \$2,000,000 State of Israel bond to replace the issue that matures on February 1.

Mr. Klingel reviewed the Bond Proceeds Quarterly Investment Portfolio Report, and noted that uncertainty regarding the final spend-down of the remaining \$3,000,000 has limited investment opportunities, and that these funds remain in a U.S. Govt MMF. Mr. Wilson then informed the Committee that the County will be refunding the 2005 and 2007 bonds in February and that \$5 million in new issuance should come in March or April.

Liquid Portfolio

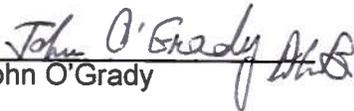
Ms. Perkins noted that the County maintains a minimal balance in the liquid portfolio, except during real estate tax collection periods, and that quarterly earnings totaled \$10,978.

Ms. Perkins also reported that total 4th quarter investment income was \$2,800,000 and 2013 investment income totaled \$10,900,000.

Future Meeting

With no further discussion, Treasurer Leonard set the next meeting date for April 18, 2013 after the end of the first quarter. Mr. Talarek moved to adjourn the meeting and Mr. Wilson seconded the motion. The meeting was adjourned at 2:53 pm.

Voting Aye thereon:

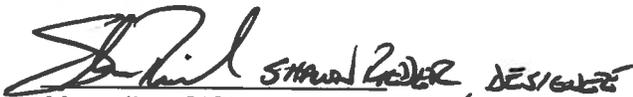


John O'Grady

Marilyn Brown



Paula Brooks



Maryellen O'Shaughnessy

Edward J. Leonard

Voting Nay thereon:

John O'Grady

Marilyn Brown

Paula Brooks

Maryellen O'Shaughnessy

Edward J. Leonard