

Investment Advisory Committee Meeting
April 15, 2010

Members in Attendance:

Edward Leonard, Franklin County Treasurer
Ken Wilson, Designee for Commissioner Marilyn Brown
Zak Talarek, Designee for Commissioner Paula Brooks
Shawn Reider, 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 first quarter meeting of the Franklin County Investment Advisory Committee (IAC) to order at 2:05 p.m.

Approval of Minutes

The first order of business was to approve the minutes from the January 21, 2010 meeting. Zak Talarek moved to accept the minutes and Ken Wilson seconded the motion. Minutes were approved.

Economic Outlook

At this time, Treasurer Leonard turned the meeting over to Dennis Yacobozzi, who presented an overview of the Economic Outlook.

The economy is slowly growing -longer terms, more erratic propositions. While we've seen growth in the private sector, a lot is contributed to fewer workers on the payroll doing more work. Expenses are leaner, companies watching their balance sheets to keep expenses as low as they can. Unemployment – gains have occurred but very minimal, it will take longer to get profits back. Bond market is firm, rates are higher and the curve is steeper. Fed funds are still at 0.25%, best estimate is the possibility that funds will increase late in year or first quarter 2011.

In terms of higher interest rates materializing a couple of things have happened and more will need to be done.

Phase I – feds have kept rates lower by significantly purchasing assets in the economy- our own debt.
Phase II - when feds do nothing in anticipation of when they reverse their policy by selling assets back.

Portfolio is duration neutral, which means staying out on the curve without going out too far. Due to the curve being steep, we're able to stay in the market with longer terms and higher rates. Franklin County's portfolio is very powerful, in the extent of its size, and is in relatively better condition than the rest of the state. We were able to look at a new asset class - Agency Setups which go out longer and pick up added yield.

Core Portfolio review

Mr. Yacobozzi gave an overview of the portfolio analysis handout noting that as of 3/31/10 we were above two years ago with an average yield of 2.5%; step-up callables over 5%.

Bond Proceed Portfolio review

Mr. Klingel reviewed the handouts noting that there is \$34M in portfolio with an average yield of 1.98; one bond called and no reinvestments this quarter.

Emily then reviewed the Liquid Portfolio handout stating that rates are very low – effective rate of return is 0.32%. We are currently holding five CD's; majority of money is in savings accounts with local banks. The total investments the end of March was \$142M

Treasurer Leonard gave the current state of portfolio earnings for YTD 3/31/2010 first quarter income was \$3,594,234.31

At this time, there was some discussion with Mr. Reider of the Clerk of Court's office if we could be of assistance in helping them with investments.

Future Meeting

With no further discussion, Treasurer Leonard set the next meeting date at July 15, 2010 at 2:00 p.m. Zak Talarek moved to accept the meeting date and Ken Wilson seconded the motion. Meeting adjourned.

Submitted by Janet Brown

Minutes were approved on July 15, 2010

Voting Aye thereon:

Voting Nay thereon:



Paula Brooks

Paula Brooks

Marilyn Brown

Marilyn Brown

John O'Grady

John O'Grady



Maryellen O'Shaughnessy

Maryellen O'Shaughnessy



Edward J. Leonard

Edward J. Leonard