

Investment Advisory Committee Meeting

October 27, 2011

Members in Attendance:

Ed Leonard, Franklin County Treasurer
Zak Talarek, Designee for Commissioner Paula Brooks
Kenneth Wilson – Representative for Commissioner Brown
Don Brown – Representative for Commissioner O’Grady
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 third 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 July 21, 2011 meeting. Zak Talarek moved to accept the minutes and Ken Wilson seconded the motion. Minutes were approved.

Approval of Resolution 2011-12

The second order of business was discussion and approval of Resolution 2011-12 which involves the issuance of bonds for the financing of the Convention Facilities Authority parking garage. Discussion was had regarding the resolution and the bond ratings. Anticipated settlement date of December 1, 2011 was discussed in addition to other details about the issuance of the bonds. After discussion, Don Brown moved to approve Resolution 2011-12 which was seconded by Zak Talarek. Resolution 2011-12 was approved.

Approval of Investment Policy

Next on the agenda was the approval of the investment policy. Discussion was had regarding any pertinent changes. The primary change to the policy was section 3517 and details regarding corporate bonds. Ken Wilson moved to approve the investment policy and Zak Talarek seconded. The Investment policy was approved.

Economic Outlook and Portfolio Allocation, Updates & Projections

At this time Treasurer Leonard turned the meeting over to Dennis Yacobozzi who presented an update on the economic outlook for the County.

Mr. Yacobozzi discussed what was happening at the federal level in great detail. He told the group that the pronouncement in late summer of the additional steps taken, called Operation Twist, was done to stimulate home buying. It also involved the purchase of more long term securities and selling more short maturities. Other information affecting the market is the fact that many creditors of Greece have agreed to take a 50% haircut on all loans made to Greece. In addition, equities are currently up and GDP growth is 2.5%. Also, he stated that the economy is not strong enough to affect unemployment at this time.

With respect to the portfolio, Mr. Yacobozzi indicated that they were searching for every basis point that is currently available and were shopping for the best rates. The position is to ensure a lower number of callable to improve returns. He discussed the fact that we are still seeing growth in the core portfolio because of the duration that has been maintained. This has allowed the County to avoid a steep decline. In order to sustain future yields, the position is to go out a little longer with new investments in the portfolio, such as 2.5 years.

Mr. Yacobozzi indicated that we should meet the 2011 projections.

Bond Proceeds

At this time Treasurer Leonard turned the meeting over to Kevin Klingel to discuss the bond proceeds. Mr. Klingel discussed the fact that \$5 million was put back into the market at a higher rate of return than if the County was to keep it in cash. The strategy going forward is keep the information flowing so money to pay bills can be invested for as long as possible and avoid sitting simply as cash, which is getting a return of virtually zero.

Liquid Portfolio

Treasurer Leonard asked Emily Perkins to go through the liquid portfolio, at this time. Ms. Perkins indicated that there will be a move of an additional \$8 million dollars to be invested because again there is virtually no return on keeping the money liquid. She also expects to move a large amount of money, \$70-90 million, to the core after the January collection as she has done in the last three collection cycles, rather than keeping it liquid.

Future Meeting

With no further discussion, Treasurer Leonard set the next meeting date for January 19, 2012 at 2:00 p.m. Zak Talarek moved to adjourn the meeting and Kenneth Wilson seconded the motion. The meeting was adjourned at 3:05 p.m.

February 23, 2012

Minutes were approved on January 19, 2012

Voting Aye thereon:

Zachary T. Talbot Designee
Paula Brooks

Marilyn Brown
Marilyn Brown

John O'Grady

Shirley
SHIRLEY ROVER-DESIGNEE

Maryellen O'Shaughnessy

Edward J. Leonard
Edward J. Leonard

Voting Nay thereon:

Paula Brooks

Marilyn Brown

John O'Grady

Maryellen O'Shaughnessy

Edward J. Leonard