

## Investment Advisory Committee Meeting

February 23, 2012

### Members in Attendance:

Ed Leonard, Franklin County Treasurer  
Zak Talarek, Designee for Commissioner Paula Brooks  
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 fourth quarter meeting of the Franklin County Investment Advisory Committee (IAC) to order at 2:06 p.m.

### Approval of Minutes

The first order of business was to approve the minutes from the October 27, 2011 meeting. Zak Talarek moved to accept the minutes and Shawn Rieder seconded the motion. Minutes were approved.

### Economic Outlook

Treasurer Leonard then asked Dennis Yacobozzi to give an update on the economic outlook. Mr. Yacobozzi went on to explain the fact that the market place has an abundance of cash and that the Fed's "Operation Twist" plan will cause interest rates to be low for a long time, which will require the selling of short term maturities and buying longer maturities to see maximum return. He also indicated that from a yield perspective, our end of the curve has been affected and the spreads for the County's portfolio have diminished. There will not likely be substantial increases in investment income in 2012. This is also due to the fact that treasury yields will stay low because of global crisis situations.

### Portfolio Allocation

Mr. Yacobozzi continued on to talk about the County's Portfolio Allocations. The portfolio has maintained the average maturity time and Mr. Yacobozzi suggested pushing the average date of maturity out because the portfolio should be able to withstand this. He indicated that Franklin County's portfolio is getting the highest yields among all the counties and that it has maintained a strong market value over book value. There may be some unrealized losses when rates improve, but these should not

be realized since there will be no selling of any securities due to the constant communication with the Treasurer's Office. There is also a large portion of non-callables in the portfolio at this time.

There was then discussion about the CFA bond agreement. The CFA bonds were not a subsidy and the interest rates were negotiated to ensure return for the portfolio. It is a 20 year obligation and the Treasurer has the option to recall. This saved the CFA a lot of money and allows the Treasurer to invest at a higher yield rate than would have been obtained elsewhere.

#### Bond Proceeds

Kevin Klingel then spoke about the bond proceeds portfolio. There has been a decline in the bond proceeds portfolio as the project in which it paid for winds down. This portfolio should go away sometime in the near future.

#### Liquid Portfolio

Emily Perkins then spoke to the liquid portfolio. There was not much to report except the fact that the portfolio is earning 12 basis points, so there has been collaboration to only maintain as much as needed in the liquid portfolio to help get as much return as possible.

#### Portfolio Updates and Projections

Discussion then occurred regarding potential projects or issues that could affect the bond proceeds portfolio and the movement of funds. It was indicated that there would not be much draw down on the portfolio until the middle of 2012, except for sewer money that would be drawn down. There was talk of a 7 million dollar project (the Hall of Justice Renovation) that will be occurring over the next 15 months but some of the money can be moved out on the maturity curve because not all will be needed at once. Therefore the plan is to continue to move the maturities out a bit longer into the future.

It was also reported that the 2011 portfolio was above the estimated 12.5 million dollar return.

#### Future Meeting

With no further discussion, Treasurer Leonard set the next meeting date for April 19, 2012 at 2:00 p.m. Zak Talarek moved to adjourn the meeting and Shawn Rieder seconded the motion. The meeting was adjourned at 2:38 p.m.

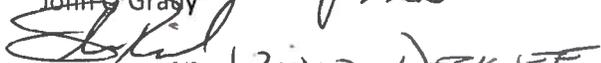
Minutes were approved on April 19, 2012

Voting Aye thereon:

  
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Paula Brooks

  
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Marilyn Brown

  
\_\_\_\_\_  
John O'Grady

  
\_\_\_\_\_  
Maryellen O'Shaughnessy

  
\_\_\_\_\_  
Edward J. Leonard

Voting Nay thereon:

\_\_\_\_\_  
Paula Brooks

\_\_\_\_\_  
Marilyn Brown

\_\_\_\_\_  
John O'Grady

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Maryellen O'Shaughnessy

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Edward J. Leonard