

**PORTER COUNTY COUNCIL
AND
PORTER COUNTY COMMISSIONERS
FOUNDATION MEETING
June 28, 2016**

The Porter County Council and the Porter County Commissioners met on Tuesday, June 28, 2015 at 5:00 p.m. in the County Administration Center, 155 Indiana-Suite 205, Valparaiso, Indiana.

Mr. Whitten called the meeting to order with the Pledge of Allegiance.

Members present were Council Member Whitten, Council Member Conover, Council Member Biggs, Council Member Graham, Council Member Jessen, Council Member Poparad, Council Member Rivas, Commissioner Evans, and Commissioner Good. Also present was Council Attorney Harold Harper, County Attorney Scott McClure, Auditor Vicki Urbanik, Treasurer Michelle Clancy, Foundation Advisory Board Member Matthew Vessly, Foundation Advisory Board Member David Rose and Council Administrative Assistant Joy Blakely.

Auditor Vicki Urbanik, Nine members present.

Mr. Whitten, Alright thank you very much. First thing on the agenda or I should say the next thing is the approval of the April 5th, 2016 Foundation minutes. What's your pleasure?

Ms. Conover, Move

Ms. Graham, Second

Mr. Whitten, We have a motion and a second to approve our Foundation Minutes from April 5th, 2016 all in favor signify by saying Aye? Opposed? Minutes are approved.

Motion carried on a unanimous voice vote.

Capital Cities Presentation

Mr. Whitten, And moving right along Capital Cities presentation.

Capital Cities Joe Bill Wiley, Great, thank you Dan. We put some material in front of you we are going to be utilizing in our brief discussion today. We really just have operation updates to give you basically, so we won't be very long we did put together kind of a mock up of a report that you will be seeing going forward. But a lots happened since we were up here last when we got the Investment Policy Statement approved. Most of the assets are now invested with the exception of some Bonds that are still being held outside of the Schwab account. We want to thank Attorney Scott McClure and Treasurer Michelle Clancy for making our lives easy in terms of getting this implemented they have been very helpful with Bob in our office. So if you would just turn pass that first cover page this is something that we use in our quarterly meetings it's called our Considerations and Observations page and it really kind of drives agenda items in our quarterly meetings and so today's agenda items are to kind of give you an update on the investment of the current assets and I am going to turn it over to Amanda.

Capital Cities Amanda Black, Ok, great so I will be brief as well. This is normally where we will set the agenda for the meeting. But again today is mostly just operational, so we've included a lot of that detail for you on this page and this is because as fiduciaries we would like to draw your attention to the things that are going on at any given time. And then for historical purposes you can always turn back to these reports and kind of see what was discussed and we also think it helps with meeting minutes and things like that. So again this is all operational, again at the end of March and through the first few weeks of April we were working hard to get

all of these assets invested per the strategic asset allocation that you all adopted in your investment policy statement. So basically that entailed liquidating assets from different bank accounts including Fifth Third or...and including portfolio accounts Fifth Third, Morgan Stanley and Harris and then as those monies came in investing those in these new Mutual Funds again per your policy. The second thing on the page is about some Municipal Bonds these Hammond Municipal bonds we did not sell those because it was more economical to not sell them. So those are simply being held and you will be continuing to collect interest payments on those and those will be maturing over the next year basically so as that occurs we will put those to work in the new portfolio. And then basically that's it for update so we thought we would do a really quick preview of what our reporting looks like so that the next time you see it when it kind of has real numbers in it, it won't be a new topic for you. So if you would please just turn in behind tab 1 and then you can turn to pages one and two there and I will turn it back to Joe Bill

Capital Cities Joe Bill Wiley, So when we go over a report in a quarterly basis we are looking at the previous quarter's investment returns and what happened in the market. So we generally give a brief market overview to kind of give you a sense of what happened, what assets classes and styles did well or did poorly because that will obviously help us explain the total performance of your portfolio. We'll have a quick snapshot that shows the actual allocation at the end of the given quarter versus the strategic allocation which is outlined in your investment policy statement. We have each of the Managers and the market value of the assets that they are holding and then we give you a quick snapshot below that is just a stoplight grid. Green is good, yellow we might have something we bring up about a particular manager. If there is a red stop light then we are going to probably require or suggest some action. So this is just a quick way to look at things and say where we are right now.

Capital Cities Amanda Black, But like we said because all the trades were happening kind of at the end of March and the beginning of April these numbers that you see aren't really reflective of where exactly your portfolio is just given the timing difference because this happened at the end of March we always report at the end of a quarter so that you see that your return chart is blank because we didn't have one yet. So the next time you see this which will be as of June 30th, 2016 there will be real data in here. So then if you turn to the next page basically this is where we dig into more detail so as you can see how this goes it's from the top down. First we talk about the Broad markets then we give a summary view of your portfolio and then we dig further into that. So on page 3 this is where we would so you how your actual allocation compares to what your allocation is in your policy and that's where we would say we need to do any type of rebalancing or anything like that. And then on page 4 again this will make a lot more sense when we have a full quarter worth of data. But page 4 is where you kind of boil down your performance into dollar figures. So you start with the prior quarter value and then we show any kind of deposit or withdraws that occurred. You will see any investments gains or losses which again there aren't any here because of the timing and then it will all reconcile to your current ending market value.

Capital Cities Joe Bill Wiley, And then the following pages are just the individual managers who are managing money in your portfolio and we'll show you basically your portfolio performance relative to a benchmark and a peer group and each of these pages reflect the actual managers that are in your portfolio we just have the composite returns for these managers for these managers right now. We do want to take you back to...right after page 18 which is the last manager page. We have basically a payment schedule for the external municipal bonds the red reflects payments that have already occurred. The black are what are yet to come, so this is just a schedule that we put together that we thought would be useful to you. As Amanda indicated as these bonds mature we'll be investing these dollars according to the investment policy statement going forward. And then there is just some informational stuff in the back that we thought our Clients find helpful as we go through the meetings so that's really all we have.

Mr. Whitten, Alright, any questions on what we've been presented with this evening? It seems as we sort of drill through this thing looking forward we will have some more detailed discussion about performance and those sorts of things.

Capital Cities Joe Bill Wiley, And that will come in the next meeting we'll have performance information as of June 30th, 2016.

Mr. Whitten, Ok, if that's it thank you so much for coming I appreciate it.

Capital Cities Joe Bill Wiley, Thank you

Capital Cities Amanda Black, Good to see you all thank you.

Attorney Report

Mr. Whitten, Our Attorney's Report Scott anything?

County Attorney Scott McClure, Just the setting of the next meeting for the third quarter. So, I think we should stick with the last of the third quarter to see if we could do something that would be what? September?

Mr. Whitten, We could probably do something on the night we are having a budget meeting I would assume. So we could have this first and go right into a Council Meeting. We're going to have fun.

County Attorney Scott McClure, It could be that last Tuesday of September. What is the date of the fourth Tuesday of September?

Ms. Conover, The 27th

Ms. Blaney, Should we maybe do it the first week in October so that we get that September results.

Mr. Biggs, Get the report

Mr. Good, The quarterly report

County Attorney Scott McClure, You got to have a meeting every quarter.

Ms. Blaney, Our timing is bad.

Non-Voting Advisory Board member, I would say the first week in October they won't have the third quarter report.

Ms. Blaney, They won't have it yet

Mr. Good, It won't be done.

Mr. Whitten, How does the 27th of September feel for everybody?

Ms. Blaney, Ok

Ms. Graham, Sounds good.

Mr. Whitten, Is that ok with our Non-voting members? And is everybody else alright?

Mr. Good, I'm great.

Mr. Whitten, Feeling the love

Mr. Good, Yep

Mr. Whitten, Ok, so will do it the 27th of September at 5:00 p.m. Harold do you have anything for us?

Council Attorney Harold Harper, I do not.

Mr. Whitten, Anything else we need to bring in front of us this evening?
Hearing none this meeting will stand adjourned.

There being no further business, meeting was adjourned.

**PORTER COUNTY COUNCIL
PORTER COUNTY, INDIANA**

Jim Biggs

Karen Conover

Sylvia Graham

Mike Jessen

Bob Poparad

Jeremy Rivas

Dan Whitten

**PORTER COUNTY COMMISSIONERS
PORTER COUNTY, INDIANA**

John Evans

Laura Blaney

Jeff Good

Attest: _____
Vicki Urbanik, Auditor