

INVESTMENT COMMITTEE MEETING

September 16, 2010

1:30 PM - Curwen Building

COMMITTEE MEMBERS PRESENT:

Chairperson, J. Petter Turnquist
Jeff Lockett
Cindy Nyquist
Jim Higgins
Joe Colosimo, via teleconference

MEMBERS ABSENT:

Ruth Huck
Dr. Norbert Kennerknecht
Dr. Robert Terrill

1.0 Approval of prior minutes on June 10, 2010.

Team members were in agreement to send the minutes to the September 28th finance meeting as an informational item.

2.0 Current Holdings

3.0 Existing Brokers

- UBS
- PLGIT
- Northwest Sweep Accounts
- PDLAF

4.0 Broker Proposals

- PNC
- First Niagara
- Merrill Lynch
- Northwest

5.0 Other

- The team recommended Mr. Turnquist look into the procedure and fees to transfer the Broker of Record to Northwest Savings, from UBS. It was the consensus of the team that this change is only changing the Broker not the investments. Northwest Savings will submit a Broker of Record letter that will be signed by the Board President and Board Secretary.

- **Joe Colosimo spoke to the team on speaker phone and reiterated that based on the restrictions, the yield curve and the forecast for the curve, he would recommend that the district utilize instruments provided by a bank. He stated that there is not anything out in the investment world that will give an increase in yield without giving up credit quality or going longer than the 18 month limit. This would come down to CD and PLGIT as options within the PA code.**
- **It was also discussed that Merrill Lynch would remain as a viable alternative especially considering future pending Bond borrowing where large amounts of proceeds will be invested until used under construction draw schedules.**

5.0 Next Meeting Date — TBA

Adjournment took place at 2:25PM