

THE BOARD OF COUNTY COMMISSIONERS OF COLUMBIANA COUNTY, OHIO,
MET IN REGULAR SESSION IN THEIR OFFICE IN THE COURTHOUSE, LISBON, OHIO
ON WEDNESDAY, MARCH 13, 2013 AT 9:00 A.M.

ROLL CALL: MR. HALLECK, MR. HOPPEL, MR. WEIGLE

CLERK: SCHERRY WILSON

PRAYER WAS GIVEN BY DON HERR

Heavenly Father,

Thank you for a place on the earth, which you created known as Columbiana County.
There is much that is good, positive and beautiful in our county, and we thank you for that.
However, we also have some problems, one of which is the illegal use of drugs and the crime
that goes along with it.

Thank you for the effort by law enforcement and other agencies in the battle against
drugs. Lord Jesus, we admit that we are in need of your help, for it is you who changes the hearts
and lives of men and women. Help us, Lord Jesus help us. Set people free from drugs by your
love, grace and power.

I pray that Mr. Hoppel, Mr. Halleck, and Mr. Weigle would seek your wisdom and
direction as they endeavor to fulfill their duties as county commissioners.

In the Name of Jesus.

Amen

RE: MINUTES

Motion by Mr. Hoppel, seconded by, Mr. Weigle to dispense with the reading of the minutes and the bills of the
regular meeting of March 6, 2013 and approve them as written.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: THEN & NOW BILLS

Motion by Mr. Weigle, seconded by Mr. Hoppel to approve Then & Now's as presented:

PARK DISTRICT PO#458151 IMPACT HOME RENOVATIONS \$13,747.00

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

ACCEPT COURT/AGENCY REPORTS FOR JOURNALIZATION

Motion by Mr. Hoppel, seconded by Mr. Weigle to; journalize Veterans' Service Commission Report for March 2013.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: AMENDED CERTIFICATE AND APPROPRIATIONS

Motion by Mr. Weigle, seconded by Mr. Hoppel to; accept as presented by the Office of Budget Commission the Amended Certificate dated March 13, 2013 and the following appropriations:

CERTIFY:

N20-N20 \$5,453.48 Y98-Y98 \$5,556.66

APPROPRIATE:

N20-E-1010 \$5,453.48 Y98-E-2466 \$1,397.30 Y98-E-2460 \$4,159.36
N32-E-1010 \$100,000.00

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: FUND TRANSFER A00-S01-E-1450 TO O06-O06-R-0600, COMMON PLEAS

Motion by Mr. Hoppel, seconded by Mr. Weigle to; approve a Fund Transfer from A00-S01-E-1450 to O06-O06-R-0600 in the amount of \$2,883.57 for loan repayment on the roof/renovation project.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: APPROVE ROAD USE MAINTENANCE AGREEMENT

Motion by Mr. Weigle, seconded by Mr. Hoppel to; approve Columbiana County roadway use and maintenance agreement for horizontal drilling projects and infrastructure. This agreement is between Columbiana County and Chesapeake Exploration, L.L.C. for use of 2.3 miles of CR 407 Gavers Road.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: JOURNALIZE SURFACE USE AGREEMENT

Motion by Mr. Weigle, seconded by Mr. Hoppel to, journalize a Surface Use Agreement between Columbiana County and Chesapeake Operating Inc.

SURFACE USE AGREEMENT

This Surface Use Agreement ("Agreement") is made and entered into this the 7th day of ~~March~~ 2013 by and between Michael Halleck as President of Columbiana County Board of Commissioners, whose address is 105 South Market Street, Lisbon, OH 44432 ("Surface Owner"), and Chesapeake Operating, Inc., an Oklahoma limited liability company, with an office at 8100 N. Western Avenue, Oklahoma City, Oklahoma 73118 ("Operator").

WHEREAS, Surface Owner is the owner of all interest in and to the surface of the following described lands located in the Township of Center in Columbiana County, State of Ohio.

Tax Map I.D. #: 06-00524.000 containing 320.88 acres of land, more or less and bounded currently or formerly as follows:

- On the North by lands of: Written Family Trust;
- On the East by lands of: Phillip G. and Darlene Brown;
- On the South by lands of: Edward J. Deville;
- On the West by lands of: Columbiana County;

Including lands acquired by Deed dated 7/8/1918, and recorded in Columbiana County Recorder's Office in Book 428, Page 175 AND by ("Lands").

WHEREAS, Operator desires to enter upon the Lands to determine whether the Lands are suitable for the construction of a water take point for use in connection with its oil and gas operations on the Lands or on other lands, and if Operator deems that the Lands are acceptable as a water take point, to construct same, and Surface Owner is agreeable to same.

NOW THEREFORE, in consideration of the sum of Ten Dollars and 00/100 (\$10.00) and other good and valuable consideration paid by Operator to Surface Owner, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, convey and assign to Operator the right to set temporary water tanks, pumps and lines as necessary, to withdraw water from GL-45A Cold Run Creek and transport same off site for use in connection with Operator's oil and gas operations on the Lands or on other lands, the right to install lines, equipment and facilities and the right of ingress and egress across the Lands.

For the consideration stated above, Surface Owner does hereby allow Operator access to the property to conduct any surveys or studies that may be necessary to determine if this site is suitable for Operator's operations.

The Agreement and the rights granted herein shall remain in force for a period of Five (5) years from the date hereof. Operator will pay \$5.00/1000 gallons of water removed from GL-45A Cold Run Creek.

After completion of operations, Operator shall remove all equipment and materials and restore the disturbed areas to, as near as possible, the condition which existed prior to commencement of operations within forty-five (45) days of completion of operations weather permitting.

Operator shall comply with all Federal, State and Local laws, and assume all cost and expense and responsibility in connection therewith, without any liability whatsoever on the part of the Surface Owner.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: AWARD BID CORRUGATED STEEL FLOORING, ENGINEER

Motion by Mr. Hoppel, seconded by Mr. Weigle to, award the low bid of \$9,575.54 to U.S. Bridge, Inc. for corrugated steel flooring and authorize the County Engineer to sign, on behalf of the Columbiana County Commissioners, any and all documents relating to this activity.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: AWARD BID OPEN GRID STEEL FLOORING, ENGINEER

Motion by Mr. Weigle, seconded by Mr. Hoppel to, award the low bid of \$15,397.25 to Ohio Gratings, Inc. for open grid steel flooring and authorize the County Engineer to sign, on behalf of the Columbiana County Commissioners, any and all documents relating to this activity.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: AWARD BID STRUCTURAL STEEL, ENGINEER

Motion by Mr. Hoppel, seconded by Mr. Weigle to, award the low bid of \$28,624.30 to HR Evans, Inc. for structural steel and authorize the County Engineer to sign, on behalf of the Columbiana County Commissioners, any and all documents relating to this activity.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: APPOINT EILEEN DRAY-BARDON TO CAA BOARD OF DIRECTORS

Motion by Mr. Weigle, seconded by Mr. Hoppel to; appoint Eileen Dray-Bardon to the Community Action Agency Board of Directors for 2013.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: ADOPT RESOLUTION #8-2013 CDBG PROGRAM

Motion by Mr. Hoppel, seconded by Mr. Weigle to; adopt Resolution 8-2013, authorizing and directing the President of the Board of Commissioners to act as the county representative in conjunction with the FY'12 Community Development Block Grant Residential Public Infrastructure Grant Program, stating that the County possesses the legal authority to apply for the grant and to execute the proposed program; stating that the County will comply with the assurances as required by the United States Department of Housing and Urban Development.

RESOLUTION NO. 8-2013 PASSED: March 13, 2013

A RESOLUTION AUTHORIZING AND DIRECTING THE PRESIDENT OF THE BOARD OF COMMISSIONERS TO ACT AS THE COUNTY REPRESENTATIVE IN CONJUNCTION WITH THE FY'12 COMMUNITY DEVELOPMENT BLOCK GRANT RESIDENTIAL PUBLIC INFRASTRUCTURE GRANT PROGRAM, STATING THAT THE COUNTY POSSESSES THE LEGAL AUTHORITY TO APPLY FOR THE GRANT AND TO EXECUTE THE PROPOSED PROGRAM; STATING THAT THE COUNTY WILL COMPLY WITH THE ASSURANCES AS REQUIRED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

Now, Therefore, Be It Resolved By The Board Of Commissioners Of Columbiana County:

SECTION ONE

That the President of the Board of Commissioners is hereby the authorized representative to act in connection with the FY'12 Community Development Block Grant Residential Public Infrastructure Grant Program;

SECTION TWO

That the County of Columbiana possesses the legal authority to apply for the said grant and to execute the proposed program as certified by legal counsel;

SECTION THREE

That the County of Columbiana and its authorized representative will comply with the assurances as required by the United States Department of Housing and Urban Development (HUD) and as administered by the Ohio Department of Development;

SECTION FOUR

That the authorized representative is hereby authorized to file the FY'12 Community Development Block Grant Formula Grant Residential Public Infrastructure Grant Program Application, with the activities requested and reviewed in appropriate public proceedings and as approved by the Board of Commissioners;

SECTION FIVE

That the proposed projects have been reviewed and the County Department of Development is authorized to prepare an application reflecting those activities.

It was moved by MR. HOPPEL and seconded by MR. WEIGLE that the foregoing resolution be approved and adopted this 13th day of March, 2013.

ROLL CALL RESULTED:

Mr. Hallock Aye Mr. Hoppel Aye Mr. Weigle Aye

Whereupon, the Chairman of the Board declared the foregoing resolution duly

adopted this 13th day of March, 2013.

ATTEST: Silvina Williams
Clerk

Mike Halleck
Mike Halleck, President of the Board

Jim Hoppel
Jim Hoppel, Commissioner

Tim Weigle
Tim Weigle, Commissioner

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: EXECUTIVE SESSION, PERSONNEL

Motion by Mr. Hoppel, seconded by Mr. Weigle to; enter into Executive Session for personnel.

ROLL CALL RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: RETURN FROM EXECUTIVE SESSION

Motion by Mr. Hoppel, seconded by Mr. Weigle to; return from Executive Session into Regular Session.

ROLL CALL RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: LETTER OF REPRIMAND

Motion by Mr. Hoppel, seconded by Mr. Weigle; to send a letter of reprimand to county employee, Edith Dillard.

ROLL CALL RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

Commissioner Halleck stated that they are working on a letter to be sent to all county departments that any purchases or updates for computers or security dealing with the county government has to be approve by the Commissioners.

Commissioner Halleck also noted that the Data Processing Board members for 2013 will be updated to show Linda Bolon as Treasurer, replacing Nick Barborak and Theresa Bosel as Recorder, replacing Craig Brown.

Commissioner Halleck stated we are in receipt of a bill from 21st Century from last year that has not been paid. The bill was to install security cameras in the Recorders Office and the Treasurer's Office. Past Commissioner John Payne had approved the purchase for the Treasurer's Office without the knowledge of the other two Commissioners therefore the Commissioners will pay half of the bill with the Treasurer's Office responsible for the other portion.

RE: INVESTMENT ADVISORY BOARD MEETING

Members present: Treasurer Linda Bolon, Tony Dattilio, Commissioner Mike Halleck, Commissioner Jim Hoppel, Commissioner Tim Weigle

Meeting called to order by Treasurer Linda Bolon

Motion by Mr. Halleck, seconded by Mr. Dattilio to; appoint Treasurer Linda Bolon as Chairman.

ROLL CALL RESULTED:

AYES: HALLECK, DATTILIO, HOPPEL,
WEIGLE, BOLON

NAYES: NONE

MOTION CARRIED

Linda Bolon:

You have before you a rather lengthy report and I will try to be as brief and not read through the entire thing try to paraphrase in the interest of time as I know this is a busy time for you however this is a very important issue. I do have a brief opening statement:

Thank you for allowing me the opportunity to do this in advance I do believe that it was necessary to conclude this portion of my review and report before we have our next Investment Advisory Board meeting so that you will have some time think about it and provide me with some future advice.

As previously stated, I believe in full transparency when dealing with the people's money and perhaps more importantly than ever public officials have a responsibility to report and promptly correct any adverse developments that come to their attention.

After taking office on January 1, 2013, the majority of my time has been spent reconstructing, and reconciling the records for an investment account which had not been balanced for the past two and a half years. I look forward to the conclusion of this review and hope to return to my regular duties as Columbiana County Treasurer as soon as possible.

The following report is based upon my review, reconstruction and analysis of the records. I believe I have provided accurate work and factual comments to the best of my ability so that this Board can make well informed decisions regarding future investments.

While conducting my review I noted areas of concern with regard to the County's investment policy. Although my analysis expands the scope of my work, it is my responsibility as your Treasurer to report any issues of concern and seek your guidance in managing adverse developments with respect to the County's portfolio.

I wish to thank my staff they have been through a lot with this reconstruction process and I want to thank them for their understanding and picking up the slack to help me get through this difficult time.

On December 31, 2012 I met for a short period of time with now former County Treasurer, Nick Barborak to review any outstanding issues and that is usually to be expected. He noted that he had an ongoing problem with the records for one of the County's investment accounts. We didn't go into detail on that but on January 2, 2013; I did a cursory review of the investment account finding that the books did not agree with the bank statements, reflecting a variance of \$110,548.33 at November 30, 2012.

I requested a meeting with bank officials who came to my office the next day. I explained that there seemed to be a problem with balancing the records it appeared to be on my part I felt that I needed additional assistance with regard to the records because my first cursory review showed that there were no identifying numbers and trade tickets on file and I understand that made it very difficult having worked with records before regarding banks. They indicated they would send an official after I got settled to answer my questions.

I contacted the State Auditors and met with them the second week in January, 2013 to discuss my concerns. They confirmed that they had worked with Treasurer Barborak and had provided him with figures from the past two audits. They also noted that they had discussed the problem at the past two exit conferences.

The Auditors and I then had several discussions and they concurred that an adjustment entry was going to have to be made to the General Fund. At that point and time it was hard to decide exactly how much it was going to be that they felt that I would need to do a complete reconstruction of the records to be certain that the transactions were properly recorded to actually find out exactly what happened here. So after discussing the matter with the Auditors I reported the problem to Commissioner Halleck. To bring you up to date I have provided you with some progress reports and I tried to talk to most of you independently just to let you know how the course of my work was going.

I began working with the bank records that were on file here in the office trying to trace each investment and I found that very difficult because it was hard to identify the cusip numbers I will note that the cusip numbers are an identifying number it's an industry standard number assigned to a particular investment to help you trace it through the system. So as a transaction occurs investments, accrued interest, amortization of principal is occurring it is very difficult to trace it through the books if you don't have some type of identifying number. I started assigning identifying numbers to the records and found that was extremely difficult so in looking further into the records I found that there was Federated Prime Obligations Fund and it was unclear as to what was in that fund because it was being reflected in the net on financial reports making it difficult to trace what the detail was behind that. That is not unusual under normal circumstances but having to do a complete reconstruction is just impossible so at that point I contacted the bank officials again and on January 31st, I met with them, they provided me with additional copies of records I just couldn't simply find in the office and I put that all together but what they did provide me was a chronological statement of transactions for each year and that helped me proceed with the actual review.

The next page here just gives you, and I am not going to go through it, but it gives you an outline of the documents that I have looked at in order to put this together, and they are quite extensive. See below:

RECORDS

The transaction method of analysis was used to complete the reconstruction and review of records by obtaining the following documents:

- County's Investment Policies – Dated January, 25 2006
- County's Investment Advisory Board meeting minutes (2010-2012)
- Related News article (*Morning Journal* 3/21/10)
- County's Discretionary Agency Agreement (4/9/10)
- County's Depository Agreement (6/22/09)
- SEC Filings IARD/CRD Number:111907 (Rev. 11/2011)
- Reports entitled "Trust and Investments" (July1,2010 through November, 30, 2012)
(It should be noted the report for the month of December, 2012 is in the same format but contained the logo and address of the custodial bank)
- Reports from the Custodial Bank containing Cash Statement, Schedule of Transactions, and Schedule of Principal Assets (7/1/2010-12/31/2012)
- Reports from the Custodial Bank entitled Investment Summary
- Chronological Statement of Transactions (7/1/2010 – 12/31/2010)
- Chronological Statement of Transactions (1/1/2011 – 12/31/2011)

- Chronological Statement of Transactions (1/1/2012 – 12/31/2012)
- Copies of minutes from weekly conference calls (July, 2010 – December, 2012)
- Month-end copies of the Treasurer’s daily balance worksheet
- Copies of Auditor’s receipts paid into the General Fund and identified as interest
- Copy of the Auditor’s Transaction History Listing Report (7/1/2010-12/31/2012)

The Chronological Statements that were provided on January 31st were the documents that I primarily used in order to reconstruct the records.

Using the aforementioned documents, the following procedures were used to reconstruct the records:

1. The Chronological Statements were used to prepare the detailed transaction report by month. (Attachments #1, #2, #3, #4)
 - Self-balancing transfers from principal and income were used to account for amortization of premium and accrued interest paid. These amounts were listed in a separate column to identify the expense since Columbiana County reports on a cash basis of accounting.
 - The reconstructed records were reconciled with the book value listed on the chronological statement, and then verified with the figures contained within other bank documents on file.
 - The reconciliation also reflected the detail of what should have been posted to the books, listing interest, accrued interest paid, amortization of premium, fees, and realized gains and losses.
2. The figures detailing what should have been posted were carried forward to a main summary. (Exhibit A)
3. Additional columns were added to the main summary to reflect the market value confirmed by the Custodial Bank. An additional summary sheet was prepared to reflect the detail. (Exhibit B)
 - The monthly balancing process was also carried forward to the main summary sheet, breaking down the detail and balancing process for the two and- a-half year period.
4. A report from the Treasurer’s daily balance worksheets was prepared. (Exhibit C) This document summarized the revenue and the ongoing balance for the investment account.
5. The entries on the Treasurer’s report were verified with the County Auditor’s receipt. Each transaction was verified with the County Auditor’s Receipt Transaction Report and a summary report documenting the transactions was prepared. (Attachment #5)
 - The Treasurer’s records were carried forward to the main summary and variances between the bank records and Treasurer’s records were noted as adjustments required.

After I was able to determine that we agreed on the auditor’s side and agreed on the treasurer’s side, recognized that we had more interest posted than what we actually received. See below:

By applying the aforementioned procedures the books were able to be reconciled with the bank records reflecting the following totals:

Beginning Balance		5,000,000.00
Interest	230,840.63	
Accrued Interest Paid	(31,903.44)	
Amortization of Premium	<u>(62,206.83)</u>	
Net Interest		136,730.36
Trustee Fees		(22,610.99)
Realized Gains		<u>(47,134.08)</u>

(Losses)

Ending Balance

5,066,985.29

In comparing the reconciled ending balance with the amount reflected on the Treasurer's / County's records it is determined that:

Noting that, the Treasurer's office had incorrectly posted \$185,000.00 that gives us an overstatement of interest of \$49,034.08.

Trustees Fees, we pay the investment advisor for administering this account in total we pay 18 basis points on the market value of the investment and it is expensed out on a quarterly basis. We have paid over the 2 ½ year period \$22,610.99 in addition to that we also have realized gains and losses we had one realized gain of \$50.00, the rest were losses. The net figure here is realized losses of \$47,134.08.

Halleck: For the record, Ms. Bolon and her staff met with me a month ago maybe, I commend them for that, I know they have done a lot of work but to apprise me or the Board, I should say since I represent the Board, of these discrepancies, and because of the sensitivity of these types of things and of peoples reputations and so forth and certainly the political ramifications quite frankly, we did not want it to appear as though this plays any role, and it does not in this, but she has kept in touch to the extent that we were trying to ascertain exactly what was going on in the meeting today, I guess the comment I would have because most of us are laymen in many ways and you're doing a good job in explaining it. One of the questions I have is if we are paying \$22,610.00 in fees and turn up losing \$47,1000, is that a correct statement.

Bolon: According to these records.

Halleck: So we are paying these investment advisors. How many advisors do we currently have?

Bolon: we have two.

Halleck: Do we need two?

Bolon: In my opinion, no.

Halleck: For the record I'm just baffled why we pay fees to lose money. I'm sorry, I'm thinking out loud, please continue.

Bolon: Commissioner, Thank you for pointing that out. This is one of the main reasons that I want you to have the opportunity to digest what I have here, come to me and ask me questions. These are complex investments that we have never seen in the county before. We are into corporate bonds and corporate notes, federal agencies, now there are many counties out there that do this and I will get into some of the particulars as to why there are required training classes that the treasurer must take in order to fully understand that. For the first few days, I've got to admit, I was doing this, trying to make sure that I fully understand it what I was looking at, why we were into these investments, and the benefit behind it because we do not have the trade tickets that give us details. I will get into that. This was the primary scope of my work was to get us to the point to find out why the records didn't agree with the MAG records and the fact that it appeared that there had to be some serious errors in picking this information up. Now I must say that in looking at the records why it was so difficult to understand because they were complex and there were accounting entries that we do not normally see. We vary rarely see a realize loss on investment and yet out in the real world, in private industry, people with money understand that you assume a loss, you pay premiums, you pay accrued interest on an investment but the cost outweighs the benefit (err, the benefit outweighs the cost) at the end of the day with a particular investment and that is what I have yet to be able to analyze but I do have one in here that I want to go through with you to show you the rationale as to why someone would want to invest this type of a product. So we do see that in counties but the treasurer must have a commercial paper class. It must be on file with the state auditor's office. Fortunately, I did take that class, so from January 1 until now we're in commercial paper class at least we do have that certification, but there are some requirements there that have been set up by revised code and for great purpose. Ask away regarding any questions. If I don't know the answer, I'm still learning with these also.

Hoppel: From the knowledge that you now have of this, there's actually no money missing?

Bolon: Not to my knowledge.

Hoppel: Ok, it's all how it was recorded.

Bolon: Right. Its recording what we're looking at right now on paper are recording entries because of the complexity of the financial statements that the treasurer was looking at and he did indeed make attempts to book interest, to account for the trustee fees, but the amortization of premium, the incurred interest paid those things is what caused an overstatement of the interest income.

Hoppel: You mentioned this has been going on for awhile, for like 2.5 years.

Bolon: Yes sir.

Hoppel: You were able to get it worked out in about a month and a half. Why wasn't this solved earlier?

Bolon: That is a question that I can't answer.

Weigle: Did the staff know about this problem as it went along since July 2010?

Bolon: Nick's staff was not assigned a responsibility of this investment and this investment, the UACC investment Star Ohio, but of course not this investment, because it was not here when I was here before. But I always had some cross reconciliations as a part of the internal control where I would reconcile our UACC account which is our other large investment, where we have an investment advisor. Because at that point we were into federal agency notes and I would take and analyze the trade tickets, make sure that those are correct, reconcile that, and then I would merge all of that into a reconciliation each month, give that to the girls, they would check my work and I would check their work so it was a checks and balances so that's how this was set up. Nick, the treasurer, was assigned or had assigned himself to do the work with regard to this investment account.

Hoppel: We knew we had somebody knew or didn't know that we had a problem. I think that is one of the duties of this investment board is that information should have been brought to this board. In 2/ ½ years this problem wasn't brought to this board. Don't you think it should have been brought to this board?

Bolon: I can't say that for sure. I would have brought this to the board, as you know; I just take it and dump it in your lap right away. As I will downstream. In my full, I believe in full disclosure because need to recognize people are having problems or people are human they can make bookkeeping errors, they can make mistakes and yes I believe you should bring this forward. I think I can't speak for the former Treasurer. I know that he recognized the problem. I know that he had a number of meetings with the bank. There is documentation that he had contacted the bank a number of times indicating that he did not feel the reports were user friendly. There is indication in the minutes that they have that there is an internal minutes report every week between the bank and the investment advisor firm where they talk about the investments held by Columbiana County and there was documentation to show that he questioned those things. So yes he did recognize it, I'm not sure that he felt it was...

Hoppel: I think that any discrepancy that we have the investment advisory board for some of those reasons. Did you find were all the investments that were made under his direction were they all legal investments?

Bolon: They are not

Hoppel: They are not legal investments.

Bolon: They are not. They would be in the real world

Hoppel: Yea, I'm talking about government

Bolon: With regard to government, a number of these investments, I've identified at least two, there may be more, but because of the lack of information on the transaction reports and I have yet to receive the trade confirmations which is of grave concern to me. But because I do not have that information it's difficult to determine the length of time of investments. You can do it, it's just time consuming as you can see. You know I've spent a lot of time you know working on this at night. I made copies and took a lot of work home. My husband will attest to the fact that you know I was up until 2 o'clock in the morning almost every night just getting it to this point. So detail regarding these investments, corporate bonds, you can only hold them for a two year period of time. And one of the investments I will go through with you today shows that it exceeds slightly exceeds that. There was another one in there, PNC Bank; I believe that it is a corporate I think it is also a corporate bond I think I believe it exceeded the time limitation. In addition to that there is the restriction of the County Treasurer having the corporate paper certification and in talking with Mr. Barborak he has taken

corporate paper classes as an attorney but he has not indicated to me and I did not find anything in the files to indicate that he has that certification.

Weigle: Stepping back to that Wesbanco— first page here, so I understand it being the new Commissioner. The accrued interest paid that \$31,000 that's basically a pass through fee. Where people are holding the money and they are going to charge us for that

Bolon: Right, ok, you have an investment you have held it for 6 months and you decide you want to sell that investment and you have accrued interest. I decide that I want to pick up that investment since you had it offered cause I think it's a good investment, I have to pay you that accrued interest and that what that column reflects.

Weigle: and then the next column over the amortization of premium that \$62,000 we're buying that investment folks were buying at a premium

Bolon: That's correct

Weigle: and how do we authorize them to do that if they were buying at a premium

Bolon: we authorize that through the Investment discretionary, the actual contract. And it is also included in our policy that we may purchase these types of investments provided that they follow sections of the code when they're doing that. So it is recognized that they are going to do this. I actually found a document on file within the discretionary agreement that indicates that we were agreeable to a moderate conservative portfolio. It's called Portfolios and it recognizes that it is suitable for investors who are not likely to need access to their investments on short notice and can accept risk and can accept the risk of small capital losses in exchange for potential higher rates of return in our capital appreciation. So we did note and give permission to the bank to go through and make these types of investments.

Weigle: Would you do that going forward?

Bolon: I would not.

Weigle: Good

Bolon: Thank you

Weigle: So I understand that from July 2010 to December 2012, we invested \$5,000,000.00, we basically made \$66,000.00 on it.

Bolon: Yes sir.

Weigle: Would you say that was a bad investment?

Bolon: You know, I cannot tell you that, because my time has been consumed on this on reconciling this, I have talked with people that are investors and it depends on the amount of risk that you want to assume. Out there in the market, it is not good I do know that, so what I see was an effort for this investment advisor to try to get us a greater yield but with greater yield comes greater risk and that is what you see when you get into these type of investments. Now if I had the time and the opportunity to have trade confirmations which I do not have, if I had those, I would be able to take and look at each investment and say, ok yeah that was a good investment and our policy requires that we have that information and I do not have that on the books and I have not received that, I have requested that but have not received the trade tickets that provide that information. I'm still waiting it, so to be able to tell you yes investment X, Y, Z is a good investment, apparently our advisor thought it was a good investment. The other thing I do not see in the records or on the reports is callable and non callables, I did notice when I went through the transactions and I apologize I wish I could have spend even more time on this but I think we need to move on with business of the county. When there is a callable and you paid a premium here, if you bought a premium bond and it is a callable bond, we need to know that is a callable bond because we are assuming even greater risk, because there is a greater risk that bond may be called, your left having to pay and hold that principal up to a certain point so does it average out? I think investment advisors will tell you absolutely. Are these unusual investments not for larger counties willing to accept this risk, our problem here is our accounting system is not set up to even record some of this and as a result we have an overstatement of interest because some of it didn't get reported. As Investment Advisory Boards, I do think it is our responsibility to understand these and I think that is where everyone fell short, we were into these things and didn't realize that we were either into them or that we didn't fully understand them.

Halleck: Treasurer Bolon, the thing that is so glaring to me is the Chairman or the Treasurer has to assume when you are member of these board that people are forthright if there is a problem, we would help resolve the problem, I am just a little taken a back after having these meetings that Mr. Barborak did not at least share this with us then you certainly wouldn't have two and a half years of work to do. I went back random and I asked for a monthly financial report which we do so from time to time and it says It is hereby certified, that the foregoing is a true and accurate statement of the Finances of Columbiana County this happen to be dated January 31 of last year showing the balance on hand in each fund and account at the beginning of the month, the amount received to each, the amount disbursed from each, and so forth, the Treasurer signed this. That is telling me that I have to trust this signature as accurate I just I guess disappointment is the word, thankfully there is not actual cash missing around here. You have had a distinguished career of working with Auditors throughout the years if you were auditing those books at the time, what would you have said, you probably would have identified that as a problem I would assume, correct?

Bolon: and the auditors did identify this. Let me explain that auditing standards have changed and we don't have to look to far past Enron and Leyman brothers and so on to know that auditing standards have changed. Auditors now deal with materiality and the hard facts are, in auditing it costs a great deal of money to do this type of analysis. In talking with the auditors and talking with Mr. Barboak they did recognize that there was a problem and it was discussed at exit conferences, they did provide sheets of paper where they recognized there was a variance but that variance was not material to the financial statements of the county so the matter was discussed with the Treasurer and at the exit conference.

Halleck: It was verbal though, correct

Bolon: it would have been verbal yes, I have not seen any documentation or internal management letter that is what they do now, where they have actually said in writing but there are documents on file to support that they did bring this matter to his attention.

Hoppel: I don't know why he was keeping this a secret before any of us was here, except Tony there was a case that was kept secret and got totally out of control and we are lucky on this one it wasn't a money issue kept secret.

Bolon: move on time is of essence, the next section I think I have already gone over with you which is the reconstruction results. The next section indicates what I believe to be true is that interest income has been overstated by 49,000 and I have already gone over this with you, trustees fees were not posted and as you remember they actually were posted and if they hadn't been posted the actual figure would have been higher. So the fact is when I am looking at the actual adjusting entry and you see the report of \$185,000 being reflected as net interest that is what is recorded and reflected as on the books of the county but if you actual went to the rational as to how the Treasurer did it he took the net interest less the trustees fees that is why I wanted to make sure that is clear to you that doesn't have anything to do with our reconciliation but he did make an attempt to try to document the trustees fees and in his mind he was doing that.

Halleck: But how did the interest accumulate in two and a half years I'm confused on that with interest rates so low, some of the documents I looked at I think was 1.18%.

Bolon: Because these are high yield investments and if you're willing to assume that kind of risk.

Halleck: But they are not legal high yield investments?

Bolon: No that is part of the problem, is that the Treasurer, you could pull his feet to the fire, he didn't have trade tickets that said ok, this is a corporate bond it could only be held for so many days ORC and our policy indicate that it can only be held for a certain amount of days. But without having that detail, you can figure it out on the transaction sheets but it is not an easy job, but in his defense he did not know that. His thinking he felt that he did have the corporate paper certification through his law degree, quite frankly it is probably the same if not much much better than the state auditor's office would have provided it that training class. That is what is required.

Halleck; The thing I find interested about that, again, I am not being critical but the fact that he was more formally educated, it seem to me that he should have been better informed or more cautious, if you're saying that certification is better than the auditor's it seems to me that more due diligence would apply to someone with more education. Let me just say this, a lot of this gets blurry with the public and that's the thing we don't want to do in my opinion, over all it is fair to say there is a lot of sloppiness went on and probably some blame to go around. I will let the public decide where that goes. The overriding thing I saw in your office two good employees were a little concerned as they should have been I think our board is more concerned when we found out about it, we have talked around here every day if someone would just share with us and we appreciate your transparency with doing that today that is where the disappointment arises with us.

Bolon: I have pulled off of varies investment advisor websites some descriptions that you can read at your leisure. See Below:

DESCRIPTION OF TRANSACTIONS

The following is a description of the transactions within this investment account:

Interest: The actual return earned or expected to be earned on a debt instrument.

Accrued Interest Paid: A bond represents a debt obligation whereby the owner (the lender) receives compensation in the form of interest payments. These interest payments, known as coupons, are typically paid every six months. During this period the ownership of the bonds can be freely transferred between investors. A problem then arises over the issue of the ownership of interest payments. Only the owner of record can receive the coupon payment, but the investor who sold the bond must be compensated for the period of time for which he or she owned the bond. In other words, the previous owner must be paid the interest that accrued before the sale.

Amortization of Premium: A bond premium is the amount in addition to the bond face value that bond investors have to pay the bond issuer or its current holder. Amortization refers to the allocation of a total current transaction over a number of periods. In the case of bond premium amortization, the total amount of bond premium is allocated over the life of the bond to the interest account as part of each periodic interest payment.

Net Interest: The difference between interest gained and interest paid. For purposes of this investment account: $\text{Interest} - \text{Accrued interest paid} - \text{Amortization of premium} = \text{Net Interest}$.

Investment Advisor Fees: (Listed as Trustee Fees under this account) The SEC, the governing body for securities business, defines an investment advisor as "any person" or firm that: 1) for compensation; 2) is engaged in the business of; 3) providing advice, making recommendations, issuing reports, or furnishing analyses on securities, either directly or through publications. A person or firm must satisfy all three elements to be regulated under the Advisers Act.

Realized gains and losses: The differences in the principal amount of your investment, or the amount you have paid in, that you actually have incurred.

Bolon: The next page are the adjustments required, Mrs. Milliken and I have talked briefly, we do have the adjusting entries that I believe need to be made. These are pending final approval by the State Auditor's Office. I did, I have been in contact with the Auditors since they are fortunately here conducting the audit. I have been asking them to verify information because once you prepare information internal control wise I would have one of my staff do checks and balances but what better to have the State Auditor's do this because this is not my time period so reconstruction is complicated in recognizing that perhaps I either don't understand particular transactions or perhaps would make a mistake. I wanted to have that confirmed and the auditors were gracious enough to review the records in here and did confirm indeed that this is the amount that we need to adjust. We then wind up going into adjustments required. When I was here during my previous life we had gone into an investment advisor situation where we would be receiving these and occasionally accrued interest pay. We have never had amortization of premium because we just simply an agency notes. I was rather adamant that we not get into any risk. So at that point in time, I contacted a number of counties and the way they have reported that on their books was to just simply take interest income and just document and net it out with the fees and anything that was accrued interest pay. This keeps you out of the budgetary requirements of the system. I would always document that on the portfolio reports that I presented to the Commissioners at that time as to what the investment fees were and what accrued interest paid was. And that was accepted by the auditors as perhaps not the full required accounting system but as what is normally seen out there to keep us out of the budgetary process. So the only reason I'm telling you that is that I do have an item number seven at that type of a scenario. But the correct way to do it, the absolutely correct way, would be to have the auditors set up a revenue account, which is already set up called Interest, but to rename it Interest and Dividends on Investments just in case we ever get into any sophisticated investments in the future. And then I would be taking and documenting that fact that accrued interest paid minus amortization premium and the interest would result in net interest. We would then have to have the auditor set up a revenue account Realize Gains on Investments, an expense account which would be Investment Fees and expense account Realize Losses. We would then have the audit budget commission get involved and actually set up appropriations. And then I did go through and set up estimates on those. The general fund interest on investments would then need to have an adjustment made reducing interest on investments by \$49,034.08. The new account called Investment Advisory fees would then need to be posted at \$22,000 and some change there. General fund Realize Gains would need to be posted at \$50.00 and the general fund Realize Losses would need to be posted at \$47,000 and some change. So that's option 1. The auditors are looking at that to determine that I have correctly analyzed that. So that's still pending final approval from the State Auditor.

Halleck: So you would bring these recommendations back to the next meeting?

Bolon: Right or Ms. Milliken would at that point in time. So we will have to sit down and decide which way is best. The easier way to do it would be have a simple investment interest account and then we would net out all

of that information. And then I would provide you with information on that. We would probably have to identify that in the notes to the financial statements that's how we are accounting for it. The auditors would not consider that probably material to the overall financial statements and we would move forward, but that accounting process is a little bit more non transparent. So we would have to make sure that we were transparent if we did it. It's going to be your call. I was just giving you the two options. Calling around and finding that the majority of counties are doing it the second way, simply because getting into the budget process and actually having to explain to the public way you are adjusting for anticipated losses is complicated.

Halleck: One thing that keeps coming back to my mind, I try to take everything that gets a little complicated around here cuz government can be, the average person in our county would have no idea of how to read this. If you look at it with the lowest common denominator, If we had a checking account, it seems to me after the first month if that account was off, you would go back and fix it, I don't know if it was off \$20,000.00 you would be at your bank. I am taken aback as to how this has gone on for two and a half years, not our fault and not your fault that part just stands out that is what troubles me and I am sure you would have figured that out the first month. I am going to quit interrupting you.

Bolon: That is the point Investment Advisory Board meetings should be back and forth. I fully think that recognizing the problem and dealing with it and talking it through even if you fear someone thinks you don't understand it. The next section is a review of the records, I have started with the Investment Policy I have provided you with a copy of the policy and if you haven't read it in a while, I appreciate you going through it. When you do have questions, we go through it. When going through it there are some fine details that I may want to update. I did make a statement The following issues are based upon a preliminary review of available documents on file compared with the investment policies of the County. It is important to note this is not an investigatory report. Areas of concern are presented for the sole purpose of review and consideration by members of the Investment Advisory Board with the understanding that additional research may be needed or additional information may be forthcoming that will clear an issue. So as I go through these a number of these issues I am going to bring forward I have not yet discussed with the bank it is based upon my review of the records as we go forward I feel that some of these questions should be asked and in fairness to the county the investment advisor, the bank is suppose to be aware of this so once again two and a half years went by and some of these things I am questioning I am not sure why I have to question them. Within the policy we are required to follow the Prudent Person Standard and that focuses on documenting how investment decisions are made, exercising due diligence by investigating the qualifications of any experts hired to administer investments and to ensure that those hired do not have any conflicts of interest. As we go through, what I had expected to see in the records, in the minutes, a grave concern to me looking at Custodial bank and the Investment Advisor and going to the Discretionary Agency Agreement, I do not see anywhere, where there is documentation regarding the relationship and how they actual came to become our Investment advisor, it is unclear how the Investment advisor is being paid. I know we are paying 18 basis points to the custodial bank for investment services in accordance with our contract but I don't see how the other company comes into play and that is a concern to me as to why that is not identified, perhaps it's identified in the minutes or explained during the presentation but there should be some type of documentation because it places a questions on one's mind as to how in the world did this other company come into play.

Halleck: Do these guys doing the investing, do they deduct that money from an account or do we physically cut a check for them? How does that work?

Bolon: It comes out of the account. If you go back to the sheet, you will see where the amounts are deducted. I will continue to hammer home, all of this is paper.

Halleck: I understand but this is nothing that the commissioners can go downstairs?

Weigle: We have a contract with First National Community Bank? What is the length of the contract?

Bolon: Yes, Ongoing until someone gives 30 days notice. We need to discuss. There is no documentation on file to support that a review of the qualifications of the experts hired to administer the County's investments was made. I am not accusing any of the Investment Advisors of not having the qualifications, I just don't have the documentation to support that and our policy requires under the due diligence that we have that documentation so if it was here; I have not found it yet. I have not requested that information from the bank yet, but it should be here it is our responsibility to have this information and to be comfortable with the Investment Advisor's we are working with. There is also one of my biggest pet peeves, no documentation on file that would provide the Treasurer with assurances that the Investment Advisor made an effort to demonstrate the decision making process when purchasing investments at a premium. The standard doesn't mean that you can't make a bad investment; it means that you have to document in advance irrational for making the investment. If it goes bad, the fact that you have the trade tickets, I find it concerning that we don't have the trade tickets. I have request copies be made. Commercial paper and corporate notes are listed as permissible investments in the County's

investment policy however certain restrictions apply within the policy and within Ohio Revised Code Section 135.35. They have to be rated by two bonding company's, they have to be of a certain quality so I would advise that you go through the policy. The County's policy requires that the purchase and sale of securities must be through eligible broker/dealers and financial institutions, once again I am hammering this home, our policy requires that we receive this confirmation regarding an investment once again there is no documentation on file, All persons and entities transacting investment business with the County shall sign the approved investment policy. Their signing of the policy shall be an acknowledgment of their receipt of and understanding of the contents of the County's investment policy. There is no documentation on file to indicate the investment advisors on this account have signed the County's investment policy. There is no documentation on file to indicate the broker/dealers and financial institutions used by the investment advisors on this account have signed the County's investment policy. I find that very concerning. The County's policy requires that investment decisions made by the Investment Advisor shall be communicated to the Treasurer by providing a confirmation advice with the details of the purchases and sales. I wanted to show you if it was possible for me to take the records and understand not having the confirmation, It is possible but was difficult for me. Go to Exhibit F: First thing I looked for is do they have a signed agreement on file. I found none.

Halleck: who is responsible for the confirmation sheet?

Bolon: The investment advisor is to make sure that it is sent to the county treasurer, per our policy.

In order to understand the detail of an investment it is important to have the confirmation or trade ticket. Absent of that information I went to the Investment Advisor transaction report (Exhibit F) in an effort to obtain enough detail to review the investment and to demonstrate the difficulty of the review:

2/17/12 It shows we purchased 250,000 units of GE Capital Corp Bonds Series Mtn @ 5.65% 6/9/2014 on 2/14/12 at 110.104 thru PNC Securities
 [maturity exceeds 2 years from date of purchase]
 [can't determine bond rating from this report - have to look at the portfolio detail Aa2]
 [no copy of signed investment policy signed by PNC Securities]
 [no cusip number - Went to minutes of conference call between banks to get cusip number #36962GX41] - (Exhibit G)

We Paid	275,260.00
Maturity	250,000.00
Accrued Interest Paid	(2,668.06)
Premium	22,591.94

	Interest	Amortization of Premium
06/09/12	7,062.50	3,463.55
12/09/12	7,062.50	5,464.04
06/09/13	7,062.50	5,464.04
12/09/13	7,062.50	5,464.04
06/09/14	7,062.50	2,736.27
	35,312.50	22,591.94

Interest	35,312.50	
Amortization	(22,591.94)	
Accrued Interest Paid	(2,668.06)	
Net Interest	10,052.50	
Less Fees @ 18 basis points	@ market	value

Bolon: We need an investment advisor they know if these are legal.

Halleck: You had mentioned something earlier, How many investments were considered not appropriate.

Bolon: That would need more work I would have to work with someone who knew investments better, that is why we hire an investor. Treasurer Linda Bolon explained the above. In Nick's defense in looking at this document, it is very complicated. Not realizing that you need those call sheets, trade tickets, whatever you want to call them, it is complicated. I should note there were cusip numbers and I provided you with a cusip number. How I actually arrived at the cusip number is on the, the bank has an interoffice telephone call every week to

discuss Columbiana County's account and within those minutes, I did identify the cusip number, so that way I was able actually to identify and tie that to that. But I don't understand why it's not on here. Now I do believe that I have to work with 2013 now, but I do believe that upon my insistence the bank is providing that now. So in all fairness it's just something that has to be there. If for no other reason, to give us assurance of comfort that the document exists. You know we're dealing in a world of paper; we're dealing in a world where Bernie Madoff existed. We're dealing, and that's not saying I'm being accusatory, but I'm saying that we as County officials need to exercise our due diligence to make sure that we have a comfort level here to determine that this investment is number one, in existence and it is something good for the County, that we're going to make money. And it's pretty easy to say, yeah, we're going to do some things here that are high tech and we're going to spend some money in order to make money. But we better be able to support why we're doing that and that's what this standard requires.

Halleck: I appreciate "we" but I think it needs to be very clear that's why they have an elected official called a Treasurer. That's why the Treasurer chairs these and we have to assume that our fellow officers when they tell us things are no different than other committees that Tony may chair or us. The expertise is down there with the County investments. We have to assume that what we're being told by our Treasurer, auditor or other elected official is accurate and I'm not saying that is wasn't, I'm saying that's kind of each of our area of expertise.

Bolon: Some additional issues of concern were identified throughout the statements and are listed as follows: Investments were not identified as callable or non-callable making it difficult to predict the risk associated with an investment being called before maturity. Identifying numbers used within the industry were not listed (such as cusip numbers) making it difficult to trace an investment's activity. Transactions run through the Federated US Treasury Cash Reserves 632 Fund and the Federated Prime Obligations Fund were reported in net. Not an unusual thing but I needed the detail to reconstruct. It was very simple when the gentleman from the bank came in and looked at me and said I understand why you couldn't do this. That may be somewhat of a clue as to why former Treasurer was having trouble tracing these things. There was also The Federated Prime Obligations Fund 396 does not appear to be an authorized fund under Section 135.35 ORC. In conclusion I fully believe that the records of the county are now in balance to the satisfaction of the State Auditors and that Mrs. Milliken and I will get together and make adjustments to the books shortly. We may or may not need your involvement but would like some advice on how you want us to account for those and will talk with the Auditors. This situation resulted in the time consuming reconstruction of records. I have been doing this for a long time and this is not the first time I have seen this as an Auditor. People get into trouble and they have a difficult time reconciling things and have a difficult time addressing things but at some point and time it has to be taken care of so thank you for your understanding on this it has resulted in what I consider a sizeable reduction to the General Fund in comparison to my salary, resulting in some public concern. Hopefully I have provided the public with some assurances that we have a handle on this were going to address it, it has been taken care of and we are going to move forward. It is important that all Investment Advisory Board members fully understand that the records are balanced on paper. (Confirmation and auditing of balances is the responsibility of the State Auditor) It should be noted that interest reported as having been earned was reinvested by the Investment Advisor, and placed in the account. Not unusual. It is important to realize that no money has been physically returned to the county throughout the two and-a-half year period. What I am balancing here is on paper. This reconciliation issue has brought to light a number of errors that will probably result in additional review and possible citations against the County. This is one of my colleagues that I respect greatly and he has done a good job. This has been very difficult but I believe I cannot determine or judge why the County's investment policies were not fully followed but I would be remiss if I did not express my concern.

Halleck: I think you did the right thing and I commend you for that but these things don't go away. Linda and I have had this conversation over the past month and again its very sensitive because you're dealing with vendors, with people's reputations, people's careers and it was out responsibility for us to try and find a solution and bring it forward and let the – it is what it is. Thankfully there's not cash missing. We have an ongoing audit in this County as we speak is my understanding. Not specifically related to this but our usual audit. So I would guess by September, October, some point it would be complete, is that you think pretty close?

Bolon: I would hope so

Hoppel: It's supposed to be midsummer, isn't it?

Bolon: I don't know. I wasn't at the entrance conference probably occurred prior to my coming here so I don't know what their time frame is.

Halleck: So I'm going to say by September something there would be a lot of this will be much more clear I would think and clarifications as to maybe what actually happened, who knows. I think so the bottom line is we probably going to have to write down 118,000, am I close on that?

Bolon: \$118,779.15 to be precise unless the, so that must be reduced from the general fund now at the end of the day, that's what the number is. And the auditor has been probably told that we agree with what you have done. The next step in bringing some of this matters to light is I believe we need to perhaps study this, study my areas of concern, talk with the banks, find out get some answers to my questions and I'm sure that they can probably be answered right away. I know there are some bank officials back there that want to stand up and say Yes the money is there.

Bank Official: Yes the money is there

Bolon: There you go, thank you, glad to hear that

Bank Official: Madam Chairman, if I could, perhaps I could clear a couple of things up

Bolon: Certainly

Bank official: I'm Steve Sant President of First National Community Bank, the bank in question. And first of all, I applaud the Treasurer for the work she has done that quite honestly we assumed was always being done. We were aware of the problems the prior treasurer had with the statements early on and there were a number of meetings of our people and Wesbanco. representatives who's the investment advisor that the treasurer was talking about with the treasurer's office. We assumed that had solved the problems because we didn't get any more requests for a change of information we did change the statement as the present treasurer stated because it was more user friend. We honestly believe that the information being sent was being accounted for appropriately. can't account for it on a customer's end but anything we can do to help clear up those issues, the money is there, it was always reinvested quite honestly it was reinvested. We asked that question in August of 2010 right after the money was transferred to us as to whether the treasurers would like a check for what the earnings were or would like it reinvested. We got a response back that they wanted it reinvested. That's what we have done. We've got the investment policy I doubt that we have ever signed it I don't think anyone had ever asked us to and if they had we would have. I think we have been as transparent as possible with the Treasurer's office in the whole two and a half years. I feel bad that the accounting has been done incorrectly so now you have to make an entry like this. I can assure you funds are all there, as to the 18 basis points, is paid to us and is shared with Wesbanco who does the investment advisory work for us and that was in the original agency agreement that the Treasurer's office signed when that money was transferred but again bottom line is your money is there that is not an issue and whatever we can do to help you resolve any of the questions that are outstanding in your mind, help you verify figures if you are not sure about an account, we are more than happy to do it and Wesbanco is also.

Bolon: As I noted the Investment Advisory Board is charged with the task of advising the Treasurer on the county's investments to ensure the best and safest return of funds available. Given some of my concerns before we have our next meeting I do think we need to revisit the processes to make sure that they are accurate. We did receive some assurances from the bank that our money was there so that is very comforting and I do look for you, this was not under my watch, so I do feel we need to be in this together to make any final recommendations on how we are going to handle this in the future. That was one of the reasons I wanted to try to get this done, I have to go back and get caught up with my now current work and responsibilities. I have to go take 26 hours of training between now and the end of March to make sure I follow with my continuing education training. If you have questions regarding this I will be out of the office for a couple of days. I will check in.

Halleck: Madam Chair, at appropriate time maybe 6 weeks, we can have another meeting for a quick update. One other comment, we appreciate First Community Bank, when the treasurer shared this with me I talked to your former chairman that day and I want to commend you all for being very responsive to that along with Mr. Lang. There was never a question at least that there was actual cash missing, obviously you don't know that until you check it. I don't think, I guess I feel badly for some of the staff, that office has been through some trying times in previous years and for them to bear that burden was rough on them. Hopefully we find a resolution and move forward and whatever the state auditor in September is will be. We will have a clear picture.

Bolon: Does anyone have any addition questions, comments anything? I appreciate your kind attention.

Halleck: It is certainly worth the time. I think the public has the right to know and to be transparent.

Weigle: Looks like our investment has done pretty good the first 49 days of the year.

Bolon: Yes

Weigle: It was nice to see it stay on track.

Dattilio: I appreciate you bringing it to the board today and appreciate all the information you shared with us today. Thank you.

Motion by Mr. Hoppel, seconded by Mr. Weigle to; adjourn the Investment Advisory Meeting.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED

RE: PUBLIC HEARING PERRY TOWNSHIP SANITARY SEWER EXTENSION PROJECT

Commissioner Halleck asked if there was anyone here for that reason.

Halleck: We have Jason McDevitt, County Engineers Office. Did you have some comments you wanted to make today?

Jason: No, Troy would normally be here.

Halleck: Is there anyone here opposed to the Sewer Extension? Hearing none, I suggest we follow the recommendation of the Trustees and since there is no opposition, I entertain a motion that we accept the recommendation of the board of trustees.

Motion by Mr. Hoppel, seconded by Mr. Weigle to, accept the recommendation of the Board of Trustees for the Perry Township Sanitary Sewer Extension.

ROLL CALL RESULTED:
AYES: HOPPEL, WEIGLE, HALLECK
NAYES: NONE
MOTION CARRIED

Mr. Springer addressed the Board of Commissioners with his concerns of the gas & oil money not staying in the county.

RE: ADJOURN

Motion by Mr. Hoppel, seconded by Mr. Weigle to; adjourn the regular meeting of Wednesday, March 13, 2013 and resume the next meeting on Wednesday, March 20, 2013 at 9:00 A.M. in the Board of Commissioners Meeting Room.

VOTE RESULTED:
AYES: HOPPEL, HALLECK, WEIGLE
NAYES: NONE
MOTION CARRIED