



ERIE COUNTY TREASURER

JO DEE FANTOZZ



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Erie County Commissioners
2900 Columbus Ave
Sandusky, OH 44870

February 9, 2009

Dear Honorable Board:

In the calendar year 2008, the total investment income earned was \$2,206,325.67. Our projected revenue from investments was \$3,000,000.00, with \$2.7 million going to the general fund. As 2008 progressed, we became aware that this was probably an unattainable goal. Bank interest rates dropped from a high of 4.25% at Star Ohio in January 2008 to a low of 0.92% at Citizens Banking Co. in December of 2008. As we all know, the economy and the interest rates took a nose-dive as the year advanced. Even with this bad news, I am glad to report that our overall return on investment was 4.29%.

The breakdown for the investment income is as follows:

Short Term Investments	\$829,541.40
Certificates of Deposit	\$776,763.05
Interest on Bank Accts	\$586,080.48
Internal Borrowing	\$ 13,940.74

The Erie County Treasurer's office is still offering the pre-pay plan, which many of our senior citizens take advantage of, as they are on a fixed income and like to budget a monthly payment for real estate taxes. With approximately 1,500 properties on this plan, we are able to be self sustaining with the interest earned on the money collected by tax payers utilizing this plan. We are able to pay one employee and purchase the supplies and other materials needed although with the interest rate declining, this may not be the case in the future. In 2007 this program earned \$62,560.00 in interest, while in 2008 this figure dropped to \$42,640.00. We again thank our investment advisors, Productive Portfolios for providing us with their expertise and dedication to finding the best investments for Erie County.

Last year we collected almost \$1.35 million with our foreclosure efforts and we set a goal of \$1 million for 2008, and succeeded in collecting more that \$980,000.00. We opened

*MEMBER – Erie County Board of Revision, Erie County Budget Commission,
Erie County Investment Board*

ERIE COUNTY COMMISSIONERS
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70 new foreclosures in 2007 and only 17 in 2008. This number seems quite low, as we had been trying to do ten per month.

By law, we must offer a delinquent taxpayer a payment plan once. Many of our foreclosure efforts result in payment plans or refinancing. This is good news for the home owners, as it is never the goal of the county to take someone's property from them. Unfortunately, this sometimes happens. Our efforts in selling some of these properties have not been without challenges. Two of our highest delinquencies went to Sheriff Sale three times each and not one bid was made. This will result in the write off of over \$328,000.00 taxes, penalties and interest. (These properties were Ramone's on Sandusky's west side and the old DC Filter on Fifth St. in Sandusky.)

I have included a partial list of the delinquency amounts collected through the Prosecutor's and the Treasurer's efforts. With a new part-time employee, we hope to maintain a solid grasp on the payment plan and take what action is necessary to collect the taxes due the schools and county.

I have also included with this letter a report on how the DTAC money was spent in 2008.

We also had the funds in 2008 to purchase a new security system for the Treasurer's office. This system replaces an antiquated VHS system that had not worked for some time. The new machine is digital and lets us utilize 4 camera angles. Last year we had two incidents that we felt warranted the purchase of a new security system. During tax collection, we had a taxpayer threaten to "go home and get a gun" and another time some suspicious people wanted the plans for Cedar Point. These situations happened early in the year and prompted the Treasurer to look into a better form of capturing these situations on camera.

Also, in 2008 the Treasurer's office added over \$1,500.00 to the general fund through copies made and charges for non-sufficient fund checks. This is not a large amount, but in the economic climate we are in, everything helps.

Again, we invite the Commissioners to visit the Treasurer's office at any time, and we would be glad to show you what we do here. We are proud of our office and the help we provide to the public we serve.

Respectfully,

Jo Dee Fantozz
Erie County Treasurer

RECOMMENDED BOARD ACTION

Cc: Productive Portfolios
Kevin Baxter, Erie County Prosecutor

	-ACTION-		
	Reviewed	Approve	Disapprove
Commrs. <i>W/M</i>	✓		
Commrs. <i>T/M/E</i>	✓		
Commrs. <i>P/S</i>	✓		

INVESTMENT INCOME EARNED IN 2008

<u>INVESTMENT</u>	<u>YEAR TO DATE</u> <u>INTEREST</u>	<u>AVERAGE</u> <u>% RATE</u>
BANKS:		
STAR OHIO	\$ 347,355.48	2.53%
CHARTER ONE	\$ 10,896.26	1.96%
FIRST FEDERAL	\$ 549.74	0.75%
FIFTH THIRD (CLOSED 6/16/08)	\$ 59,778.87	2.40%
CITIZENS:		
CHECKING	\$ 98,774.35	1.84%
PAYROLL	\$ 3,023.08	1.77%
WARRANT	\$ 19,667.39	1.82%
INTEREST	\$ 13,308.12	1.84%
DOES (SEWER & WATER)	\$ 21,058.14	1.84%
HEALTH DEPT	\$ 8,256.30	1.84%
METRO PARKS (CLOSED 12/31/08)	\$ 3,412.75	1.85%
CD'S	\$ 776,763.05	
SHORT TERM INVESTMENTS*	\$ 829,541.40	
INTERNAL BORROWING**	<u>\$ 13,940.74</u>	
TOTAL	<u>\$ 2,206,325.67</u>	

*These include:

Federal Home Loan Bank
 Federal Home Loan Mortgage Corp (Freddie Mac)
 Federal National Mortgage Assoc (Fannie Mae)
 Federal Farm Credit Bureau

**These include:

Country Club Lanes Curb & Gutter Improvements
 Behnke Ditch Improvements
 Auditor's Real Estate Software

INTEREST EARNED IN CALENDAR YEAR 2008

	<u>BANKS</u>	<u>INVESTMENTS</u>	<u>TOTAL</u>	<u>2008 YTD TOTAL</u>	<u>2007 YTD TOTAL</u>	<u>DIFFERENCE</u>
JANUARY	\$ 66,294.75	\$ 104,585.56	\$ 170,880.31	\$ 170,880.31	\$ 156,037.54	\$ 14,842.77
FEBRUARY	\$ 75,201.24	\$ 80,247.61	\$ 155,448.85	\$ 326,329.16	\$ 352,890.81	\$ (26,561.65)
MARCH	\$ 138,982.73	\$ 72,050.41	\$ 211,033.14	\$ 537,362.30	\$ 608,583.20	\$ (71,220.90)
APRIL	\$ 52,431.33	\$ 102,987.89	\$ 155,419.22	\$ 692,781.52	\$ 892,776.36	\$ (199,994.84)
MAY	\$ 35,059.51	\$ 148,033.93	\$ 183,093.44	\$ 875,874.96	\$ 1,192,139.38	\$ (316,264.42)
JUNE	\$ 23,834.23	\$ 99,723.93	\$ 123,558.16	\$ 999,433.12	\$ 1,478,659.09	\$ (479,225.97)
JULY	\$ 49,887.02	\$ 95,671.65	\$ 145,558.67	\$ 1,144,991.79	\$ 1,771,456.80	\$ (626,465.01)
AUGUST	\$ 51,544.91	\$ 63,767.60	\$ 115,312.51	\$ 1,260,304.30	\$ 1,974,084.49	\$ (713,780.19)
SEPTEMBER	\$ 28,048.99	\$ 121,145.48	\$ 149,194.47	\$ 1,409,498.77	\$ 2,300,263.57	\$ (890,764.80)
OCTOBER	\$ 28,925.66	\$ 215,751.85	\$ 244,677.51	\$ 1,654,176.28	\$ 2,551,917.15	\$ (897,740.87)
NOVEMBER	\$ 21,472.01	\$ 184,923.24	\$ 206,395.25	\$ 1,860,571.53	\$ 2,837,929.52	\$ (977,357.99)
DECEMBER	\$ 14,398.10	\$ 331,356.04	\$ 345,754.14	<u>\$ 2,206,325.67</u>	<u>\$ 3,172,121.10</u>	\$ (965,795.43)
TOTAL	<u>\$ 586,080.48</u>	<u>\$ 1,620,245.19</u>	<u>\$ 2,206,325.67</u>			

DELINQUENCIES COLLECTED IN 2008

<u>CASE #</u>	<u>NAME</u>	<u>AMOUNT</u>	
<u>PAID IN JANUARY 2008</u>			
LETTER	EUPHA J KOSTYO	\$ 7,401.60	
2006-CV-229	LARRY WATTS	\$ 4,852.64	
LETTER	ANGELA HENNAN	\$ 4,091.00	
DELINQUENT	FLOYD & GAIL MATTHEWS	\$ 9,499.63	
2006-CV-290	RAYMOND ALEXANDER	\$ 5,193.15	
2004-CV-592	DANIEL ROTH	\$ 1,500.00	
2006-CV-355	PHIL HARTTEN	\$ 6,400.00	
LETTER	TIMOTHY SMITH	\$ 1,000.00	
<u>PAID IN FEBRUARY 2008</u>			
LETTER	JOSEPH RYAN	\$ 620.00	10%
2005-CV-404	MARK HASENMEIER	\$ 19,368.43	
	(HARTUNG TITLE PD)	\$ 1,503.79	
LETTER	BRAD BLACKWOOD	\$ 8,167.55	
NOT OURS	KENNETH DIETRICH	\$ 16,714.19	
NOT OURS	MINORITY ENVIRON ASSOC	\$ 9,626.06	
<u>PAID IN MARCH 2008</u>			
NOT OURS	PETER DOYLE	\$ 26,158.99	
LETTER	ANGEL GUEVARA	\$ 700.00	10%
LETTER	TIMOTHY ZORN	\$ 3,745.92	
LETTER	RICHARD STANLEY	\$ 580.00	10%
??	WESTGATE PROPERTIES	\$ 7,324.11	
NOT OURS	GARY WESTGATE	\$ 5,060.97	
LETTER	AUDREY MICHIEZI	\$ 8,149.96	
<u>PAID IN APRIL 2008</u>			
LETTER	GARY TARRING	\$ 400.00	10%
LETTER	ANNIE HARPER	\$ 735.00	10%
2007-CV-262	RONALD PUTNAM	\$ 13,472.27	
LETTER	CHRISTINE BROWN	\$ 10,385.94	
	(we were foreclosing, but bank did first)		
2007-CV-849	ROBERT TELLMAN	\$ 9,931.05	
2007-CV-246	NANCY BEACH	\$ 10,157.78	
2007-CV-510	HURON RIVER VALLEY	\$ 10,200.00	
2007-CV-292	TODD WEILAND	\$ 900.00	
<u>PAID IN MAY 2008</u>			
??	BCC SANDUSKY TWO LLC	\$ 10,927.76	
BANKRUPTCY	DELPHI	\$ 200,167.44	
PYMT PLAN	HACKENBERGER	\$ 25,000.00	
LETTER	ESTILL OSBORNE	\$ 1,374.87	
2007-CV-336	CHARLES SMITH III	\$ 27,991.27	
	(3 PARCELS)		
LETTER	EDDIE WILLIAMS	\$ 11,059.85	
2007-CV-747	MARTHA ANN SHUMAN	\$ 5,846.61	

<u>CASE #</u>	<u>NAME</u>	<u>AMOUNT</u>	
<u>PAID IN MAY 2008</u>			
2007-CV-0061	HEIDI RIEDEL	\$ 22,204.07	
2008-CV-0066	JAMES & PAMELA DICKEY	\$ 6,184.12	
<u>PAID IN JUNE 2008</u>			
2007-CV-691	PATRICIA ARMSTRONG	\$ 3,235.55	
MONTHLY	RONALD HACKENBERGER	\$ 25,000.00	
2007-CV-510	HURON RIVER VALLEY	\$ 8,869.86	
PAYMENTS	JADTWO LTD (BURGER KING)	\$ 37,939.14	
<u>PAID IN JULY 2008</u>			
2007-CV-760	CHARLES REITZ & LINDA SMITH	\$ 6,627.31	
2207-CV-292	TODD WEILAND	\$ 4,863.41	
2007-CV-845	HEIDI ARHEIT	\$ 10,681.23	
2007-CV-241	PAUL CLARK	\$ 9,384.43	
LETTER	GARY CASTLE	\$ 2,700.00	
<u>PAID IN AUGUST 2008</u>			
2004-CV-592	DANIEL ROTH	\$ 4,000.00	
<u>PAID IN SEPTEMBER 2008</u>			
LETTER	JOANNE CORWIN	\$ 6,396.98	
2004-CV-706	DANNY AARON	\$ 4,178.31	
	(was making no payments)		
2007-CV-510	HURON RIVER VALLEY RESORT	\$ 6,113.04	
2005-CV-647	DAVID QUINT	\$ 9,000.00	
	paid up on 647 but not since		
LETTER	JACOB SCHNEIDER	\$ 625.00	10%
LETTER	BCC SANDUSKY LLC	\$ 15,328.70	10%
2004-CV-592	DANIEL ROTH	\$ 700.00	
LETTER	BOUZAHER, KARIN	\$ 11,358.59	
07-CV-0286	BURTON RUPP (2 parcels)	\$ 11,016.41	
LETTER	GARY CASTLE	\$ 200.00	
LETTER	JAMES GIBSON	\$ 6,800.00	
2007-CV-0728	PAMELA CORWIN	\$ 9,214.98	

PAID IN OCTOBER 2008

2006-CV-094	CHRISTOPHER TAYLOR	\$	15,578.05	
LETTER	DANIEL & JAMES ROTH	\$	1,000.00	
LETTER	BERLIN FRUIT BOX CO	\$	7,000.00	
2007-CV-404	J G BRENNEN & SONS	\$	26,888.98	
2008-CV-144	KATHRYN SMITH	\$	4,264.18	
2006-CV-270	DAVID NEWTON	\$	5,591.67	
LETTER	TODD GARY MOORE	\$	10,594.54	
	bankruptcy 05-30598-MAW	\$	8,030.54	
2008-CV-0782	DANIEL DAHS	\$	4,334.90	
LETTER	BRENDA STOOKEY	\$	4,782.73	
1/5 PLAN	SIGNATURE ARTISAN GROUP	\$	5,732.37	
"	"	\$	5,531.35	
"	"	\$	5,881.73	
CONSIDER	MARK MURPHY	\$	9,815.38	
LETTER	BCC SANDUSKY LLC	\$	15,328.70	10%
LETTER	JUDITH BAKER	\$	4,200.00	
LETTER	RON HACKENBERGER (OUTLET MALL)	\$	35,000.00	
LETTER	GARY CASTLE	\$	200.00	

PAID IN NOVEMBER 2008

LETTER	DANIEL & JAMES ROTH	\$	650.00	
LETTER	PATRICK COTNER	\$	1,197.00	
NEXT TO GET LET	CURTIS LOFTIES	\$	4,659.02	
NEXT TO GET LET	GABRIEL BOGGS	\$	4,822.33	
LETTER	GARY CASTLE	\$	200.00	
LETTER	DAVID SCARVELLI	\$	500.00	
LETTER	JEFFREY FENIK	\$	870.00	
LETTER	JAMES HERRON	\$	240.00	
LETTER	CAROLE WARD	\$	10,753.17	
LETTER	BCC SANDUSKY LLC	\$	15,328.70	

PAID IN DECEMBER 2008

MO PYMTS	ROTH	\$	650.00	
LETTER	GREG SPENDIARIAN	\$	10,000.00	
BK FORECLOSE	ROBERT MORRIS	\$	10,578.14	
2005-CV-641	JAMES A FOSTER	\$	4,366.87	
FILED FOR EXEMPT	NEW LIFE CHURCH	\$	9,511.36	
2006-CV-560	TODAYS LIFESTYLE BUILDERS	\$	14,776.40	
LETTER	BCC SANDUSKY LLC	\$	15,328.70	

\$ 983,015.77

Fund	Dept	Acct	Proj	Account Description	2008 Bud Tot Annual	2008 Encumbrance YTD	2008 Actuals YTD	2008 Used YTD	2008 Unexp Annual Balance
22010	1200	511200		Regular	35,110.00	0.00	35,109.36	35,109.36	0.64
22010	1200	511300		Part-time	12,433.00	0.00	5,502.63	5,502.63	6,930.37
22010	1200	512006		Medicare Employer	183.00	0.00	79.79	79.79	103.21
22010	1200	512131		OPERS 2067-08 Employer	6,656.00	0.00	5,685.67	5,685.67	970.33
22010	1200	512300		Unemployment Compensati	20.00	0.00	10.22	10.22	9.78
22010	1200	512401		Medical - Employer	13,008.00	0.00	13,008.00	13,008.00	0.00
22010	1200	512500		Worker's Compensation	480.00	0.00	475.31	475.31	4.69
22010	1200	521100		Office Supplies	8,144.00	0.00	2,289.27	2,289.27	5,854.73
22010	1200	527600		Title Fees	40,000.00	0.00	26,815.00	26,815.00	13,185.00
22010	1200	528000		Travel & Related	1,000.00	0.00	316.80	316.80	683.20
22010	1200	530000		Contractual Services	5,500.00	0.00	4,717.00	4,717.00	783.00
22010	1200	533100		Hardware Maintenance Ag	500.00	0.00	484.00	484.00	16.00
22010	1200	540000		Equipment/Capital Outla	7,051.00	0.00	3,675.50	3,675.50	3,375.50
22010	1200			+Treasurer	130,085.00	0.00	98,168.55	98,168.55	31,916.45
22010				+Delinquent Real Estate	130,085.00	0.00	98,168.55	98,168.55	31,916.45
Grand Totals					130,085.00	0.00	98,168.55	98,168.55	31,916.45

Cost of one full-time and one part-time person working on collecting delinquent taxes: \$ 59,870.98

Cost of supplies, hardware maintenance and contractual services (Manatron): \$ 11,165.77

Cost of travel & related: \$ 316.80

Cost of title searches obtained for foreclosures: \$ 26,815.00

\$ 98,168.55

PRODUCTIVE PORTFOLIOS INC

Client Focused



Experienced

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Providing Independent Investment Advice

DECEMBER 26, 2008

2008 has been an unprecedented year for the financial markets. In this last issue for 2008, we provide a reminder of the many events.

January

- * Fed funds rate reduced 75 basis points at a non-scheduled meeting
- * Existing home prices fall year-over-year

February

- * Economic stimulus package passed providing tax rebates
- * Municipal bond insurers lose AAA rating

March

- * JP Morgan buys Bear Stearns

July

- * Bank of America buys Countrywide
- * IndyMac seized by the FDIC

September

- * FNMA and FHLMC placed into conservatorship
- * Lehman Brothers files for Chapter 11
- * Bank of America buys Merrill Lynch
- * US Government seizes insurer AIG
- * JP Morgan buys Washington Mutual

October

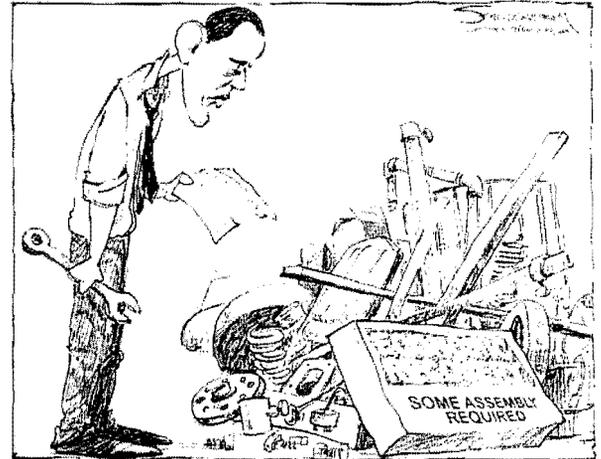
- * Financial rescue plan passed
- * 9 large banks receive 1st round of capital infusion

November

- * Year to date job losses total 1.9 million

December

- * US officially in a recession for the past year
- * Auto industry bailout
- * Fed funds rate reduced to 0.0%-0.25%



Market Rates			
	Today (1)	Last Week	Last Year
STAR Ohio	1.17%	1.28%	4.49%
2 year T Note	0.89%	0.73%	3.31%

(1) Rates as of 1:00 pm



**HAPPY
NEW
YEAR**

THE WEEK AHEAD

Economic Indicators			Consensus ⁽¹⁾	Prior Release
Dec 30	9:45 am	Chicago purchasing managers index	33.0	33.8
	10:00 am	Consumer confidence	45.5	44.9
Dec 31	8:30 am	Initial jobless claims	575,000	586,000
Jan 2	10:00 am	ISM index	35.4	36.2

(1) Source: Bloomberg

Questions or comments: email us advisors@productive-portfolios.com or call 1-800-635-7513

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