



GOVERNMENT FINANCE OFFICERS ASSOCIATION **NEWS RELEASE**

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Government Finance Officers Association Teams with Grant Street Group to Bring Money Market Investment Platform to Public Sector

CHICAGO, IL — Using an online auction platform for the first time, Cook County last week earned significantly better yields on the investment of its bond proceeds than it has in the past. The County placed \$100 million in investments using GFOA YieldAdvantage™, a new Internet auction website offered by the Government Finance Officers Association.

Tom Glaser, chief financial officer of Cook County, said he was pleased with the results of the sale. "We got more bids for more kinds of instruments and at more competitive rates than ever before", he said. "We will definitely be using this platform on a regular basis in the future. It simplified every aspect of the investment process, from soliciting bids to exchanging confirms and settlement information, and its all done electronically."

The County held two back-to-back solicitations — one for a guaranteed investment contract (GIC) and the other for a laddered portfolio of open market securities comprised of treasury and agency securities, certificates of deposit, commercial paper and repurchase agreements.

Bids for the GIC were submitted in an "open" auction where bidders saw the rank of their bids and had the opportunity to improve their rates. Fifty-three bids were submitted by 11 firms, with the winning firm receiving the award for the \$80 million investment at an interest rate of 1.20 percent.

The laddered portfolio transaction was a "sealed" solicitation in which eight banks and broker-dealers submitted quotes for 10 individual maturities ranging from one to 10 months. The best aggregate rate for the portfolio was 1.03 percent. This solicitation resulted in two \$10 million awards, with the County purchasing 60-day commercial paper and a 90-day agency discount note from the two firms quoting the best rates for those maturities.

Both the 1.20 percent GIC rate and 1.03 percent aggregate portfolio rate obtained on YieldAdvantage™ were superior to the benchmark, a 0.96% yield on a Treasury Bill of comparable term.

In December 2003, the GFOA entered into an alliance with Grant Street Group, a fixed income Internet auction house and parent of MuniAuction, to create the GFOA YieldAdvantage™ web site (www.gfoayield.com).

About Grant Street Group

Grant Street Group is the country's first and only Internet auction house dedicated exclusively to hosting auctions of fixed income instruments including new issues of bonds, notes, bills, certificates of deposit, guaranteed investment contracts, tax certificates, auction rate certificates and swaps. In addition to auction hosting, Grant Street Group designs, develops and licenses customized auction Web sites used by municipal and federal agencies and major financial institutions serving as trustees, custodians, broker-dealers, exchange agents, auction agents, and remarketing agents.

About the Government Finance Officers Association

The GFOA is the premier professional association in public finance, serving the needs of more than 15,000 governments in the United States and Canada. Established in 1906, GFOA is the main vehicle for recommended financial management practices that guide the state and local public sector. GFOA provides training programs, a wide range of publications and periodicals, renowned awards programs, and consulting services. For more information, visit the GFOA Web site at www.gfoa.org.