MINUTES
Investment Committee Meeting
July 23, 2014 – Wednesday – 10:00 a.m.
City Hall Annex Conference Room

Roll Call:

Members Present:	Pat Henry Councilman Doug Wells
Others Present:	Brooks G. Mitchell, Finance Director Julie Magness, Financial Services Supervisor Krystal Urbanski, Accountant Kathy Sheppard, Internal Auditor
Absent:	Jim Russell, Assistant City Manager Brian Henry Susan N. Schlecht, Recording Secretary

Meeting called to order at 10:05 a.m. by Mitchell. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

CONSIDER APPROVAL OF MINUTES FOR APRIL 23, 2014 MEETING.

MOTIONED by, Pat Henry **SECOND by**, Doug Wells to approve the minutes of April 23, 2014. AYE: Wells, Pat Henry. NAY: None. MOTION CARRIED.

OLD BUSINESS:
None Discussed

NEW BUSINESS:

REVIEW 4th QUARTER INVESTMENT INFORMATION (April 2014 – June 2014)

Urbanski proceeded to highlight totals of the investment accounts.

Security Type Total Face Amount	$23,485,336.96
Security Type Invested	29.55% in CD’s .20% in Money Market 70.26% in Bonds
Broker/Dealer Invested	29.81% in Baird $698,100.00 5.81% in FTN Financial $1,591,288.35 4.26% in FTN Safekeeping $999,460.00 6.40% ICD $1,500,000.00 1.06% Morgan Kegan/Raymond James $250,000.00 36.37% Stifel Nicolaus $8,500,000.00 15.39% UBS Financial Services, Inc. $3,588,780.33

Investment Maturity Range	2.33% 0 – 1 month $500,000.00
	10.60% 1 – 3 months $2,490,000.00
	15.11% 3 – 6 months $3,549,000.00
	9.52% 6 – 9 months $2,235,000.00
	3.13% 9-12 months $735,000.00
	42.28% 1 – 2 years $9,939,000.00
	17.03% 2 – 3 years $4,000,000.00

Pat Henry asked if money is sufficiently available when needed using the investment timeline above.

Urbanski and Magness both stated yes.

Mitchell asked if there are any questions on the Financial Report.

MOVED by Wells, SECOND by Pat Henry, to accept the 4th Quarter Investment Report for (April 2014 – June 2014) AYE: Pat Henry, Wells. NAY: None. MOTION CARRIED.

DISCUSS 4th QUARTER Financial Report (July 2013 – June 2014)

Mitchell discussed that the sales tax are slightly up over what they were last year; a little over $25,000 and the YTD tax collections are 1.4 million over our anticipated budget amount. Franchise tax is just about even for the same month last year. However it is $360,000 (17.99%) over the budgeted amount. Police fines within $6000.00 of budget amount.

Magness said that is pretty good.

Pat Henry stated that's pretty close isn't it.

Mitchell said that's about as close as you can get.

Mitchell went on to discuss the use tax for the year is $241,382.00 ahead of budget or 10%. All over, the General Fund income accounts for the year were $1,200,000 under budget. The Enterprise Fund for the year we are 2.2 million under budget or 5.64%. We were able to save on the expenditure side with almost 6.6 million under budget. Capital Outlay $115,000 under budget, Sewer Rehab 1.3 million under budget for the year.

Mitchell asked if there are any questions on the Financial Report?

Pat Henry stated that Finance seems to have a better concept of where you actually are then what we had this time last year. Last year after the audit they found that we were 8 million dollars short.

Wells answered Pat Henry that you really need to look at what was being said. We were projecting that we were going to have a dollar amount to work with and departments were asking for more than that amount. So the City Manager was saying that we had an 8 million dollar short fall. We were not really short money we just did not have as much as departments were requesting.

Pat Henry said so you didn't have the income to support the expenses. So they had to adjust their expenditure amounts to match the income. So it really wasn't went out to the public that we were 8 million dollars short and didn't know anything about it.

Magness said no we went into the budgets and reduced budgets to make them balance.

Wells stated that as a business women she is aware of the fact that you can only cut expense so long. Sooner or later it catches up with you. That is what we are getting at now. There are some things we have deferred maintenance on or deferred purchasing new items that now it is becoming a disaster. In the case of vehicles we had some money, but just didn't spend it. In some cases we do not have the money and we are not doing things.

Pat Henry stated that, that is really bad for sewers and streets. I went back and looked at our water bill from this year versus last year and the year before. Do you know that I am watering more this year because I know I can only water on specific days. Last year I watered when I thought I needed it. This year I am really careful to water every time it is my day to water. I was surprised to see that. I am wondering if instead of the every other day schedule, it might be easier to allow 2 days a week instead of 3.

Wells said that was a good idea and he will bring it up to his fellow council members.

Mitchell asked Magness when the dredging project will be starting out.

Magness said that she did not know but wants to start soon; the sooner the better.

Wells thought it is sometime in September.

Pat Henry asked if they are trying to make the lake deeper.

Magness answered they are going to take the silt out.

Wells believes over a period of time they are going to dredge the whole lake. That's not going to help us if we do not have rainfall.

Pat Henry said she knows we need to beautify the City, but there are some things that need to take a back seat to the things we put off for so long.

Wells stated that on 100 degree or higher days our two lakes will evaporate 25 million gallons of water per day. If we are using 25 and evaporating 25, we can only bring up 21 or 22 from Waurika. We are still down 25, 27 million gallons of water a day.

Pat Henry said she was sorry for bringing up the water, but she thinks it would be helpful to water twice a week instead of three times.

MOVED by Wells, SECOND by Pat Henry, to accept the 4th Quarter Financial Report for (July 2013 – June 2014) AYE: Wells, Pat Henry. NAY: None. MOTION CARRIED.

OTHER DISCUSSION:

Pat Henry asked where we are on the Hotel/Motel tax now.

ADJOURNMENT:

There being no other business to discuss the meeting adjourned.

MOVED by Wells, SECOND by, Pat Henry to adjourn. AYE: Pat Henry, Wells.

Meeting adjourned at 10:30 a.m.