MINUTES

Investment Committee Regular Meeting

October 27, 2021- Wednesday- 10:00 A.M.

City Hall- 3rd Floor Conference Room

I. Call to Order

The meeting was called to order by Chair Gwen Spencer at 10:05 a.m.

II. Roll Call

Members Present: Larry Burk, Deputy City Manager
Gwen Spencer, Interim Finance Director
Brian Henry, Senior Vice President LNB
Randy Warren, Councilmember Ward 8
Julie Magness, Budgeting & Accounting Supervisor

Members Absent: Mark Brace, President BancFirst

Others Present: Susan Schlecht, Account
Donalynn Blazek-Scherler, Sr. Deputy City Clerk

Vacancies: None

III. Old Business

A. Approval of minutes from last meeting: Fourth Quarter Regular Meeting: July 28, 2021

MOTION by Warren, SECOND by Henry to receive the minutes of the July 28, 2021 meeting. AYE: Burk, Spencer, Magness NAY: None. MOTION CARRIED.

B. Approval of Investment Report: First Quarter, July 1, 2021- September 30, 2021

Schlecht began the investments reports discussion with the Investment Portfolio by Security Type Totals. She stated she has been investing more in agencies than CDs over the last 6 months because of the interest rates. She also invested in some Treasury Notes because the rates were a little better than bank rates. There is still a significant amount in CD's that are a little older and the rates are a little higher.

Moving on to the Investment Portfolio by Maturity Range, Schlecht stated that over the next three months, especially in December, a large section of the pie will go away and some of the better rates will go away. The highest rate being lost is around 4.8%.

On the Investments by Maturity Detail, Schlecht stated that some investments that called early. One agent called early on a 1-million-dollar item. FHLB also called early on another million dollars. Some of that has already been reinvested.

For Detail by Firm, Schlecht stated everything is mostly the same as last quarter except the two called items.

<u>MOTION by Warren, SECOND by Henry</u> to approve the First Quarter Investment Report. AYE: Burk, Spencer, Magness NAY: None. MOTION CARRIED.

Burk stated he found a typo in the minutes on page 3. The minutes stated, “motion to adjourn” and it should state “motion to approve”.

Warren stated the motion to adjourn on page 4 is also incorrect. It states, “Hadley requested a motion to adjourn”, but Hadley wasn’t there. It was most likely Donald Moore, but it needs to be checked on the roll call sheet.

<u>MOTION by Warren, SECOND by Henry</u> to receive the minutes of the July 28, 2021 meeting with stated adjustments. AYE: Burk, Spencer, Magness NAY: None. MOTION CARRIED.

Spencer requested a motion to adjourn.

Henry asked if all the money is currently allotted to some sort of project and if there is some way of forecasting what those dollar needs are and what timeframe those are expecting to come up.

Schlecht stated that all money is currently allotted. As far as forecasting, it is more of a conversation between the people that are familiar with that situation. Maddie would be a good resource to ask those types of questions and she will ask her about that.

Warren stated he believes that the City has contracted with someone to do the scheduling portion of that.

Spencer stated that Garver is building that, and it should be ready sometime next year.

Burk asked Schlecht what type of guidance she has on using the reserve fund; is it a certain percentage or formula?

Schlecht stated she does not have a percentage she can work with because it changes often. She said on the reserve fund is speaking with the Finance Director or whoever has been attending those meetings that would know where funds are needed.

Burk stated that is sounds like there’s no policy and it is more of just a feeling or an educated guess.

Schlecht stated it’s not a feeling, but yes, it is sort of an educated guess. There are so many different types of funds that each have their own characteristics that it’s really of matter of knowing those funds and studying those funds and paying attention to what’s going on. She stated she also staggers those investments just in case she makes a bad decision or something else happens. The goal is to have money rolling in and out.

Warren stated the emergency fund is interesting because we don’t know what we want until there’s an emergency, and then it needs to be fluid. For example, if a tornado came through, they would need those funds immediately.

Burk stated that’s what strikes him about that fund. It could be problematic if there’s no work around.

Schlecht stated there is a work around in place: she can call the money and have it almost immediately. There would be a little bit of a hit, but it is wired within a day.

Spencer stated to keep in mind that they have the ability to move money around, so they don’t have to take a hit. That is why they are always asking Kristin to find where money is that is unused. Leaving money sitting around is not a best practice.

Warren stated they may need a policy just to protect Schlecht just in case anything was to happen. That way, she can always say she followed policy.

MOTION by Burk, SECOND by Henry to adjourn. AYE: Warren, Spencer, Magness NAY: None. MOTION CARRIED.

Meeting adjourned at 10:30 a.m.