MINUTES
Investment Committee Meeting
July 25, 2012 – Wednesday – 10:00 a.m.
Wayne Gilley Conference Room

Members Present:	Councilman Doug Wells Pat Henry Brian Henry
Others Present:	Kathy Sheppard, Internal Auditor Bryan Long, Asst. City Manager Stephanie Tehauno, Accountant Julie Magness, Financial Services Supervisor Rick Endicott, Finance Director Susan N. Schlecht, Recording Secretary Krystal Urbanski, Fiscal Technician
Absent:	None

Meeting called to order at 10:02 a.m. by Endicott. Notice of meeting and agenda were posted on the New City Hall notice board as required by law.

CONSIDER APPROVAL OF MINUTES FOR APRIL 25, 2012 MEETING.

MOTIONED by, Brian Henry **SECOND by**, Pat Henry to approve the minutes of April 25, 2012. AYE: Pat Henry, Wells, Brian Henry. NAY: None. MOTION CARRIED.

OLD BUSINESS:
None Discussed

NEW BUSINESS:

REVIEW 4th QUARTER INVESTMENT INFORMATION (April 2012 – June 2012)
Tehauno read over the investment charts and figures.

Endicott noted that the Security Sector chart on page three shows US Agencies in the 80 to mid 80 percentile range, which has been consistent in the last several quarters. This is obviously something we want to do.

Tehauno stated and Magness concurred that the one to 3 months and the zero to one month investments are higher percentages because we are synchronizing the investments to mature at the same time so that we can pay off the 33 million loan.

Wells asked how much the City pays on interest on those loans; are we paying more interest than we are making on the investments.

Magness said they are probably higher than the investments but the loans are low interest loans and will be paid off soon.

Endicott asked if anyone had any questions. No one had any so motion was made to accept the Investment Report.

MOVED by Brian Henry, SECOND by Pat Henry, to accept the 4th Quarter Investment Report for (April 2012 – June 2012) AYE: Wells, Pat Henry, Brian Henry. NAY: None. MOTION CARRIED.

DISCUSS 4th QUARTER Financial Report (July 2011-June 2012)
Endicott apologized to the Committee for not have the quarterly financials completed. He has the information. He said that the City is doing fairly well in the water revenue, but it did flatten and begin to go down. We still came in fairly close to budget. General revenue is down. Overall it was not a bad year. It wasn't a phenomenal year, but not a bad year either. Our March quarterly report showed that we were about 85 to 86% in expenditures. The last quarter we curtailed expenditures and I believe this was successful in preserving carry-over for the next fiscal year. It remains to be seen but we will know more in September when the books are closed. We are always conservative throughout the year, but especially in the beginning and ending of a fiscal year. Once we see how things are going to flow in the middle then we can loosen up on purchases. From my perspective it is not bad considering the economy that we are in and have been for awhile.

Hotel/Motel funds are down considerably. The collections for July are approximately 98 thousand dollars. We have no carry-over like we normally had in the past so basically we are working on a payday to payday basis. The Chamber bill was 71 thousand for July. We have to figure out how to pay each claim we receive each month based on what the cash flow isn't. The Chamber will get 70% of that month collections. Each group will get their percentage of the month total revenues. We are going to have to look at things really close. We have never had to do this before. Usually we get the invoice in and there has always been some carry-over to pay the invoice in full.

Brian Henry asked about the other groups getting funds, do they get the funds incrementally?

Endicott said yes they do. And they get shorted as well if we do not have the revenue to cover the invoices.

Pat Henry stated that the percentage for each group should be set aside each month even if they do not put in a claim for that month so that the money is there when they file their claim in the future. They should not be able to claim all of their funding in one month and receive their entire allotted amount while the others gave up amounts throughout the year. If it were me I would have safeguarded the Chambers percentage first then paid the others what is left. But from the very beginning we need to set aside their percentage for the month and pay them their monthly collected amount when they do file a claim.

Endicott said in the past years groups could request all of their funding based on their expenditures and receive it. Now the dynamics of the Hotel/Motel have changed; we can no longer do that. We have to develop a different system for reimbursements and that is what we are doing. We want to make it fair to everyone.

Pat Henry said that the Committee will be interested in how the City works out paying the Hotel/Motel claims. Pat Henry also asked for the financials to be provided to the Committee members when they became available.

OTHER DISCUSSION:

ADJOURNMENT:
There being no other business to discuss the meeting adjourned.

MOVED by Brian Henry, SECOND by, Wells to adjourn. AYE: Pat Henry, Wells, Brian Henry. Meeting adjourned at 10:50 a.m.