

MINUTES
Investment Committee Regular Meeting
January 23, 2019 – Wednesday – 10:00 A.M.
City Hall Annex Conference Room

Roll Call:

Members Present: Brian Henry, Senior Vice President Liberty National Bank
Mark Brace, President BancFirst
Bart Hadley, Acting City Manager
Diane Branstetter, Finance Director
Julie Magness, Budgeting & Accounting Supervisor

Members Absent: Jay Burk, Councilman

Others Present: Kaitlin Nunley, Recording Secretary
Susan Schlecht
Stephanie Tehauno
Madison Leonhart

1. Call To Order/Establish Quorum

Branstetter called the meeting to order at 9:59 a.m. and a quorum was established. Notice of meeting and agenda were posted on the City of Lawton website and the City Hall notice board as required by law.

2. Consider receiving the July 25, 2018 Investment Committee meeting minutes and stating any necessary corrections.

MOTIONED by, Henry SECOND by, Brace to receive the minutes of the July 25, 2018 meeting. AYE: Hadley, Branstetter, Magness. NAY: None. **MOTION CARRIED.**

3. Business

- Consider receiving the 1st Quarter Investment Report (July 2018 – September 2018)

Leonhart presented the investment portfolios by security type, manager totals, maturity range, and maturity detail.

Hadley asked if it was because the rates are similar that there is such a drop in the 6-9 month investments.

Tehauno responded that it was likely the investments had been purchased 2+ years ago and were just coming to maturity.

Hadley clarified by asking if the investments were listed by when they come to maturity or by the length of the investment.

Tehauno explained that it was showing when the investments would come to maturity.

Magness stated these are investments the City of Lawton purchased at the end of 2018 and only went out for a year.

Tehauno also pointed out that several of the investments were purchased 6/28/18.

Hadley asked if that meant the investments were all purchased at the same time.

Magness & Tehauno replied yes.

Hadley asked if that meant the items 1-3 months out could have been 6 month or 12 month securities, but they are listed together because they have the same maturity dates.

Tehauno replied that is correct.

Tehauno offered to add a line to the investment report to show when the City of Lawton purchased the investments.

Everyone agreed that would be very helpful.

Brace stated this fits in with a question from the minutes of the previous meeting – how is the usage determined. How is it determined whether the City of Lawton needs the funds at that time.

Tehauno replied that she with J. Magness and together they determine on how much departments are spending on CIP projects. If they are in the process of building and using money soon, the securities will need to mature within a few months to have the funds available.

Brace asked if there was a model to put down the information and analyze the data to determine current needs.

Tehauno replied that there is no model; it is based on current need.

Magness commented that she and S. Tehauno look at the CIP projects and where each one is and whether they have just started and are in the engineering phase or are they nearing construction or completion. Then they look into each of the funds that have money available and the cash balances. After considering all the different information, they decide on which securities to purchase and how much to invest.

Hadley asked how far out are the departments giving Financial Services their best estimates on projects and when money will be needed.

Magness stated that an example would be that with the Public Safety Facility it was known the engineering phase would take a substantial amount of time because it had already been a few years, but once construction started the engineer at the time claimed they would need \$5 million per month during the construction phase. So the City of Lawton had to look at the cash at that time and that's when it was decided to get a loan on it because there would not be enough revenue generated to cover those needs.

Branstetter mentioned on page 4 of the investment report, the second column lists investments by the different funds. So each fund does something different and the cash needs are different as well.

Brace asked how much money is coming from CIP funds.

Magness answered that fund 15 is around \$800,000 and 16 around \$1,000,000,

Brace said he wanted to know the methodology for the analogy because the focus of what he is doing is to help others understand how the City of Lawton forecasts the projected uses of cash. Whatever the source of information, it would be helpful to have it on paper to make it easier to look at and decide the length of investments easier. The further out investments go, the higher the rates. His job is oversight but also making sure the City of Lawton is getting the best return on their investments, so if the methodology were in a format so that the committee could look over it and evaluate it easier to determine which investments could be stretched to the max time.

Henry asked if the process was at least semi-formalized rather than just a conversation. It needs to be documented in a way for others to have access to it.

Tehauno said Engineering could be asked to submit something at the end of every month with the status of projects and projections.

Hadley said that may be something that he will approve Jerry Ihler to help with is monitoring the CIP projects.

Branstetter said she thinks that would be a good idea and very helpful.

Branstetter asked for any other questions, but there were none.

MOTIONED by, Brace SECOND by, Henry to accept the 2nd Quarter Investment Report (July 2018 – September 2018) AYE: Hadley, Branstetter, Magness. NAY: None. **MOTION CARRIED.**

4. Unfinished Business and General Orders:

5. Adjournment:

There being no other business, Branstetter asked for a motion to adjourn.

MOTIONED by, Henry SECOND by, Brace to adjourn. AYE: Hadley, Branstetter, Magness.
NAY: None. **MOTION CARRIED.**

Meeting adjourned at 10:13 a.m.