

anthem

community council

Committee Reports

Finance Committee
May 25, 2021
Civic Building
3:00 p.m.

MEETING MINUTES

Members Present:

Doug Sutherland, Chairperson
Mark Senn, FC
Brenda Johnson, FC

Members Absent:

Jim Martin, FC
William Bobbitt, FC
Tim Donnelly, FC

Others Present:

Paul Conley, Sr. Director of Finance
Jennifer Chappelle, ACC
Francisco Tort, CUE Financial
Michael Di Venti (Blackrock; Zoom)

The meeting started at 3:00 p.m.

- **Meeting called to order** – Chair Sutherland.
- **Prior Meeting Minutes** – Committee approved the minutes from April 27, 2021.

OLD BUSINESS

- **Financial Review** – Mr. Conley reported preliminary April financials and variance reports.
- **Insurance Renewal** – Mr. Conley reported that the Board had accepted and agreed with the FC recommendation to change the excess liability portion of the May 15, 2021 renewal to a limit of \$15 mil. The Board also agreed to change the retention amount to a limit of \$20,000.
- **Investment Review** – Mr. Di Venti and Mr. Tort lead a discussion on the advantages and disadvantages of changing the investment policy. Currently, no more than 60% of the total investment can be in:
 - High grade municipal fixed income securities
 - High grade corporate Fixed Income Securities
 - High grade government agency securities
 - Select mutual funds comprised of high-grade securities
 - Any options must comprise less than 10% foreign exchange risk

The discussion centered around two separate options. First, allowing for “BBB” rated to be allowed in the 60% noted above. The second, to cut out a not to exceed 10% “sleeve” within the 60% investment guideline, to allow for dividend growth equities (DGRO). This would be in a long-term investment strategy to reduce the risk of short-term losses. Comparing the standard deviation (SD) risk of each option currently shows:

- Current investment strategy - SD 1.79
- Open current to “BBB” rated options - SD 1.89
- Dividend growth strategy - SD 14.5

The Committee requested Mr. Conley submit to the Board two separate recommendation memos. First, to expand the 60% investment portion of the current investment policy to include “BBB” rated funds; a second memo to allow for DGRO as part of the 60% portion of the investment policy, and not to exceed 10% of the total investments.

ADJOURNMENT

- There being no further business to discuss, the meeting adjourned at 4:15 p.m.

Respectfully Submitted,
Paul Conley, Sr. Director of Finance