

## **Tippecanoe County Board of Finance**

### **Minutes of February 4, 2019**

The Tippecanoe County Board of Finance met in the Tippecanoe Room of the County Office Building at 11:00 a.m., February 4, 2019. (Note: The meeting was originally scheduled for January 30 at 9:00 a.m.; however, due to inclement weather, county government was closed January 30 and the meeting re-scheduled.) Present were Treasurer Jennifer Weston; Commissioners Tracy Brown, David Byers, and Thomas Murtaugh; County Attorney Doug Masson; and Chief Deputy Dawn Fay.

Treasurer Weston called the meeting to order. First order of business was the election of officers.

#### **Election of Officers**

Treasurer Weston opened the floor for nominations.

Davis Byers nominated Jennifer Weston for President, second by Thomas Murtaugh;

David Byers nominated Tracy Brown for Vice-President, second by Thomas Murtaugh;

David Byers nominated Thomas Murtaugh for Secretary, second by Thomas Murtaugh;

David Byers nominated Dawn Fay for Recording Secretary; second by Thomas Murtaugh;

All nominations approved in one vote.

#### **Approval of Minutes**

Secretary Murtaugh made a motion to approve the minutes of the January 29, 2018 meeting, second by Tracy Brown; motion carried.

#### **2018 Bank and Investment Report**

President Weston presented a packet to aide in presenting the county's financial standing for 2018. The Bank and Investment Portfolio End of Month Balances report shows the ending account balances by agency. The far-right column lists the long-term investments as a percentage of the total. The percentage of the County's portfolio invested in two to five years at year end was 15.15%, although it is closer to 18% without bond proceeds received during the year for the Fairgrounds project. Holding bond proceeds in the county depository increases the potential

available for long term investment; however, since we only expect to hold the proceeds for three to four years, the Treasurer is being cautious to investment those long term. In addition, the short-term rates have been more favorable, yielding higher return. For most of 2018 the longer-term rates were close to the short-term rates. Ideally, we would like to invest the maximum allowable 25% of the portfolio in longer-term positions; however, as the yield curve starts to invert, more yield is achieved in short term investment options.

The 2018 Interest Summary is the same as presented at the January Council meeting itemizing the monthly and total interest distributed to each fund. The total interest earned was \$2,075,820 with the General Fund receiving just shy of \$1.1 million. Actual interest earned was 106% of revised projections due to several Fed rate increases. Interest earned in 2018 was over \$800,000 more than earned in 2017; the General Fund saw an increase of just under \$400,000 over the prior year.

The Interest Rates & Projections report shows the interest history, both Fed Funds Target Rate and primary bank rate for Tippecanoe County accounts, for the past four years. Four Fed rate increases occurred during 2018, bringing the primary bank rate to 2.6%.

## **2018 Investment Portfolio Review**

In summary of the Investment Portfolio, \$38,211,000 is the par value of investments which mature 2019-2023. Longer term investments, with maturities in the two to five-year range, are valued at \$16,486,000 making up 43% of all investments. Government securities are the largest type of investment in the portfolio with a value of \$21,239,000, or 56% of all investments, with CDs at 27% and municipal bonds at 17%.

## **Portfolio Review & Market Update**

Jessica Rebmann, formerly of Morgan Stanley and currently advising as Turquoise Wealth Management, was in attendance to provide a market outlook. Discussion centered on Fed Funds rate expectations, the current yield curve, and the timing and length of economic recessions. Rates tend to follow GDP growth. By all indications we are not likely to see any rate increases on short term funds in 2019.

## **Other Business**

- **Review of Investment Policy**

Noting no new legislation related to local investment policies or practices, President Weston made no recommendations for revision to the County's investment policy. A list of approved depositories in Indiana was presented to the board to show which

depositories Tippecanoe County uses and confirm they are approved by the Indiana Board for Depositories.

- **Purchasing/Commercial Card Program Update**

With the implementation of a Purchasing Card (P-Card) Program starting November 1, 2018, President Weston gave an update on activity through January 25, 2019. Items of note included the issuance of 32 cards to date and expenditures of \$16,336.76.

Member Byers moved to adjourn.

Approved this \_\_\_\_ day of January 2020.

**Board of Finance of Tippecanoe County**

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Jennifer Weston, President

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Tracy A. Brown, Vice-President

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Thomas P. Murtaugh, Secretary

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David S. Byers, Member