

FINANCE

Tuesday, December 21, 2021 – 6:00 p.m.

via Zoom

Present: Members: Chairman Witte, Vice Chairman Crawford, Alderman Panus, Alderman Gonzalez, Alderman Barnard; Alderman Robinson, and Alderman Anastasia. Others: Mayor William Aiello; Lens Marital, City Clerk; Bob Ring, Director of Public Works; Ron Richardson, Police Chief; Tiffany Taylor, Managerial Confidential Administrative Secretary, and Kathy Saville, NYCLASS.

1. Roll Call

Alderman Witte called the meeting to order at 6:00 p.m. and asked that the record show that all committee members were present.

2. Approval of the Minutes of the Previous Committee Meeting (Tuesday, November 16, 2021)

A motion to approve the minutes of the November 16, 2021 meeting was made by Alderman Witte, seconded by Alderman Robinson. Voice vote, ayes all. Motion carried.

3. Monthly Finance and Bills

Alderman Witte explained that there were no monthly finance and bills to review.

4. Unfinished Business

None

5. New Referrals for Consideration

a. NYCLASS Investment

Ms. Saville explained that she is a representative for the NYCLASS program, which is a cooperative investment program for municipalities in New York State. She explained that there are currently around 800 municipalities involved in the program, investing close to \$3.8 billion. She explained that she worked for the City of Batavia and then was the Finance Director in Monroe County, where she used the program and sat on the NYCLASS board. She explained that this is why she is supporting the program today, because she feels that people need to hear about it. She explained that NYCLASS has been around since 1989 and although people think it is educational material, it is really an investment program that the City of Olean could participate in cooperatively.

Ms. Saville explained that the lead is the Village of Potsdam, and that pooling funds with other municipalities can help get better interest rates. She explained that the program only invests the funds in what the General Municipal Law allows them to, and there are relationships set up with banks for this purpose. She explained that this is a short-term, liquid asset program and if money is put in today and is needed tomorrow, it can be taken out and one day's interest would be received. She explained that interest gets posted every day. She explained that interest rates are relatively low right now, but that last week the Federal Open Market Committee met and discussed increasing rates. She explained that the increases in the US Treasury Rate will be about 25 basis points. She explained that historically when interest rates were down, NYCLASS rates raised more quickly than local banks because of economies of scale.

Ms. Saville explained that there are no minimum or maximum balances or minimum or maximum investment periods. She explained that several school districts take advantage of the program as well as counties. She explained that there is a 15 member board that meets quarterly, and finance officers from across the state help to make decisions on behalf of the program. She explained that there is a secure online portal that the City could use to transact on behalf of the City, which she recommends a couple of authorized signers for, for backup purposes. She explained that the City could set up accounts that are currently used, and they would be the only accounts that we could transact money into or out of. She explained that there are wire transfers available for emergencies.

Alderman Crawford asked about the types of investments that are made, and Ms. Saville explained that the program is really limited by New York State law. She explained that basically everything that is invested in are things backed by the U.S. government. He explained that New York State just passed a law this past July that allows counties to purchase commercial paper. She explained that this has a little bit of a higher risk, but that with higher risk there is apt to be a higher return. She explained that there are portfolio managers who deal specifically with what those secure investments are that almost guarantee that the City wouldn't lose any money. She explained that the transitional NYCLASS program does not allow for anything like that, and that they are very secure with money and take very little risk.

Ms. Saville explained that the benefit in the program is in size and cost. She explained that she worked for a smaller entity, and with a relatively small staff she didn't feel that she had the expertise to go out and look at investments, like what treasury to buy and for how long. She explained that the City does have the ability to do this on our own but one of those things that people take advantage of with the NYCLASS program is that the program alleviates having to do anything individually. She explained that the City could set up as many sub accounts as they wanted to, such as with a general fund, water fund, sewer fund, and reserve funds. She

explained that at the end of each month the program would show how much interest is earned on each individual account.

Ms. Saville explained that there are no transaction fees involved. She explained that the City would be able to sign up immediately, or could have paperwork ready with a \$0 balance so funds just need to be transferred when interest rates go up. She explained that this program is very flexible and designed for municipalities. Alderman Crawford asked if there is a single fund manager, and Ms. Saville explained that there is a lead administrator. She explained that at the end of the day, they review the transaction on behalf of participants and say transact. She explained that the program also has legal counsel and also is required to do an annual audit, which is provided to the Comptroller's Office.

Alderman Crawford explained that this is something that the City has been very interested in, and with interest rates as low as they have been in recent years, this is a no brainer. He explained that for municipalities that are larger and actively have someone managing their money out of interest bearing accounts this program may not be necessary, but that Olean is a small community and this all falls on Mr. Martial. He explained that we have to focus on our day to day operations and this is something that will get us better than what we get in the checking account. He explained that he thinks that this is a great program.

Mayor Aiello explained that he will have information put together for a resolution authorizing the City to move forward at next week's meeting. Ms. Saville explained that the City will need to authorize the City to use NYCLASS as a depository agency, and explained that there is a sample resolution that can be used in the registration packet.

b. Bird E-Scooters

Mayor Aiello explained that the City received another check yesterday from Bird Rides for \$112, and so the City has received in total \$1360.75 from the company for a total of 5,443 rides.

6. Committee Reports

None

7. Adjournment

A motion to adjourn was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:25 p.m.