

MUNICIPAL TRUST FUND COMMITTEE

Meeting of January 9, 2023

MEMBERS PRESENT: Hon. Michelle Collins, Mayor (Chairman)
Keith Johnson, City Manager
Jennifer Johns, Finance Director
Shon Myers, In City Banker
David Glotfelter, Resident Freeholder
Brenda Wehmer, Attorney
Sarah Simpson, Out of Town Banker

GUEST PRESENT: Mike Fink, Raymond James

NEW BUSINESS:

Mayor Collins called the meeting to order at 3:34 p.m.

Mayor Collins administered the oath of office to Sarah Simpson.

A motion was made by Mr. Myers, seconded by Ms. Wehmer to approve the minutes of the April 18, 2022 meeting. Motion carried.

Ms. Johns stated that there is \$494,788 available in cash ready to invest.

Mr. Fink provided an economic overview. He stated that there is a good possibility of a mild recession in 2023. Federal Reserve will most likely raise rates next month to curb inflation. As the economy responds and slows down there is an expectation that the Federal Reserve may lower interest rates in the 4th quarter of 2023 or the 1st quarter of 2024. This translates into an expectation that long term rates will decline. Therefore, Mr. Fink recommended that the committee look at picking up some higher rates in investments maturing in 2026 and 2028. This also satisfies the laddering of investments.

Mr. Fink recommended three options to invest the \$494,788:

Park Ridge Community Bank, Maturity 1/20/28 Callable 1/25@100, Coupon 4.350%
Cusip 70075QAD7

First Jackson Bank Inc., Maturity 1/18/28, Coupon 3.900%, Cusip 32063KAXO

Savibank, Maturity 1/20/26, Coupon 4.150%, Cusip 80517LAB7

Mr. Myers noted that a preference should be made to non-callable investments given that rates may decline.

A motion was made by Mr. Myers, seconded by Ms. Wehmer to invest \$245,000 in each:
First Jackson Bank Inc., Maturity 1/18/28, Coupon 3.900%, Cusip 32063KAXO
Savibank, Maturity 1/20/26, Coupon 4.150%, Cusip 80517LAB7

The next scheduled meeting is October 13, at 3:30 p.m.

There being no further business to come before the committee, the meeting was adjourned by Mayor Collins.

After returning to the office after the meeting, Mr. Fink tried to invest in the following CD's: Savibank Maturity 1/19/27, Coupon 4.05% or Everett Co-operative Bank, Maturity 1/19/27, Coupon 4.0%, but was unable to do so. However, he was able to invest in a CD at Lakeside Bank, Maturity 1/14/27, Coupon 3.950%