

INVESTMENT COMMITTEE MEETING MINUTES

April 23, 2018

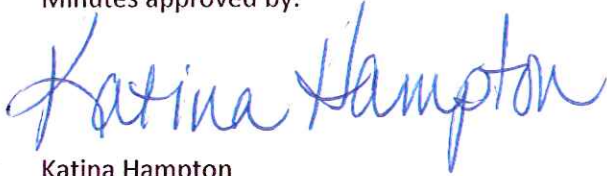
The Investment Committee held a regular meeting on April 23, 2018 at 4:10 p.m. at City Hall in Friendswood, Texas. The following members were present:

Bob Bozka
Larry Collison
Allan Rasmussen
Katina Hampton, Investment Officer
Rhonda Blokas, Deputy Investment Officer

1. Committee meeting minutes from January 22, 2018 were reviewed.
 - Bob made a motion to approve the minutes as accepted with the change to the second bullet under item 2 "Bob stated that rates are up just enough that securities are now being called" to read "Bob stated that rates are up just enough that securities are likely to not be called." Allan seconded the motion. Motion passed unanimously.
2. The Committee reviewed and discussed the quarterly investment report for the period ending March 31, 2018.
 - Katina discussed Hurricane Harvey and the upcoming payable for debris removal estimated to be approximately \$2 million and the need to keep funds as liquid as possible. She also stated there is uncertainty of the timeline for reimbursement of these funds from FEMA.
 - The committee discussed the market noting that the expectation is that it will increase. Economists have varying opinions, however, Tracy Hunt, an Economist, predicts rates to decline and the growing concern is that rates will come back down sooner than expected.
 - Bob suggested when getting quotes for securities that rates for U.S. Treasuries also be requested (make broker give options). Rates for a two year treasury would be fixed. Buying in half million blocks is efficient and safe.
 - Discussion took place regarding the schedules attached to the Investment Report. Suggestions were made to improve the "Investments by Maturity" Schedule. Changing the presentation to remaining maturity instead of maturity from date of purchase will allow the visibility of seeing how much money is available in the future for purchases.
 - Katina stated that based on a previous suggestion by the committee that money was shifted into the Texas Class government pool.
 - Bob reiterated getting quotes on treasuries when buying securities since rates are the best seen in a while. Allan added that a 10 year treasury ended the market at 2.95% today. Bob stated the rate for U.S. Treasuries when buying in million dollar blocks which would be okay are approximately 2.478% as of today. When investing in pools it would be in best interest to invest in anything having "government" written on it. Treasuries and government pools are the safest investments.

- Larry made a motion to accept the Investment Report for quarter ended 3/31/18. Bob seconded the motion and it carried unanimously.
- 3. The committee discussed upcoming meeting dates and was okay with the meeting dates previously suggested by Katina. The next meeting will be on July 23, 2018.
- 4. The meeting was adjourned at 4:44 p.m.

Minutes approved by:



Katina Hampton
Investment Officer

Date Approved: July 23, 2018