

MINUTES OF A MEETING OF THE FINANCE COMMITTEE OF THE PLEASURE DRIVEWAY AND PARK DISTRICT OF PEORIA, ILLINOIS HELD AT 5:00 PM ON WEDNESDAY, SEPTEMBER 13, 2023 AT THE LOWER BRADLEY PARK SHELTER 1314 N. PARK ROAD, PEORIA IL

MEMBERS PRESENT: Trustee and Chair Timothy Bertschy, Trustee Reagan Leslie Hill (arrived at 5:05 pm), Trustee Steve Montez, and Executive Director Emily Cahill

MEMBERS ABSENT: None

TRUSTEES PRESENT: Trustees Timothy Bertschy, Joyce Harant, Reagan Leslie Hill, Steve Montez, Alexander Sierra, Vice President Laurie Covington, and President Robert Johnson

STAFF PRESENT: Executive Director Emily Cahill, Brent Wheeler, Matt Freeman, Becky Fredrickson, Scott Loftus, Shalesse Pie, Karrie Ross, Willie Howe, Attorney Kevin Day, and Alicia Woodworth

OTHERS PRESENT: None

1. CALL TO ORDER

Trustee Bertschy presided and called the meeting to order at 5:03 pm.

2. ROLL CALL

3. CALL FOR A MOTION TO PERMIT MEMBER TO ATTEND MEETING REMOTELY

No request to attend meeting electronically was received.

4. MINUTES

4.A. Approval of August 9, 2023 Finance Committee Meeting Minutes

Trustee Hill MOVED TO APPROVE the minutes of the August 9, 2023 Finance Committee meeting. Motion seconded by Executive Director Cahill and carried on the following roll call vote: Trustee Bertschy, Trustee Hill, Trustee Montez, and Executive Director Cahill (Results: 4 Ayes; 0 Nays).

5. NEW BUSINESS

5.A. Review of Accounts Payable

The Finance Committee members confirmed they had reviewed the current listing of accounts payable and bills and had no questions or comments. Trustee Montez MOVED TO RECOMMEND the accounts payable and bills be presented to the full Board for approval and payment. Motion seconded by Trustee Hill and carried on the following roll call vote: Trustee Bertschy, Trustee Hill, Trustee Montez, and Executive Director Cahill (Results: 4 Ayes; 0 Nays).

5.B. Investment Policy Revisions Discussion

As per discussion at the last Finance Committee meeting, Karrie Ross provided a draft of the revised Investment Policy, with the proposed revisions in green:

9.00 INVESTMENT POLICY

.01 Statement of Purpose: It is the policy of the Peoria Park District to invest public funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

The committee had no issues with .01 State of Purpose.

.02 Scope: This investment policy applies to all financial assets of the District. The District is comprised of 16 funds, which are defined in Section 8.02 of the Fund Balance and Reserve Policy, and are accounted for in the District's Comprehensive Annual Financial Report. This policy refers to these funds collectively, but each fund's cash, investments, and liquidity needs shall be accounted for separately.

Trustee Bertschy requested "The District is CURRENTLY comprised of 16 funds" be added.

.03 Objectives: The objectives of the District's investments shall be as follows:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

Trustee Bertschy asked if this suggests that the funds will be in various financial institutions, or independent securities offered by financial institutions? Karrie Ross stated that the language can be interpreted either way, and currently, both are true. Trustee Bertschy requested clarification be made on this. He stated that he does not believe the wording "and financial institutions" should be included.

- B. **Liquidity:** The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.
- C. **Return on Investments:** The District's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District's investment risk constraints and the cash flow characteristics of the portfolio.

.04 Prudence: The standard of prudence to be used by the District's Treasurer or Treasurer's designee is the "Prudent Person Rule." This rule states:

"Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived and shall be applied in context of managing the entire portfolio."

Investment personnel, acting in accordance with written procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

.08 Authorized and Suitable Investments: All securities purchased under this policy shall be governed by the Public Funds Investment Act 30 ILCS 235/1et. seq (The Investment Act), and all revisions made by the Illinois Legislature. Below is a summary of acceptable investments as determined by the Finance Committee in compliance with the applicable statute. Additional investments allowed by The Investment Act may be allowed by the Finance Committee, upon review and specific approval.

- A. Treasury bills, notes, and bonds including STRIPs (zero coupon treasury obligations) or other securities guaranteed by the United States as to principal and interest;
- B. Interest-bearing savings accounts, interest-bearing certificates of deposit, interest-bearing time deposits or any other investments that are direct obligations of banks (as defined by the Illinois Banking Act or by savings banks or savings and loan associations) that are fully insured by the Federal Deposit Insurance Corporation.
- C. The short-term discount notes of the Federal National Mortgage Association, and other U.S. agency securities specifically authorized in The Investment Act.
- D. Dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of the State of Illinois or laws of the United States, provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law. All collateralization policies that apply to banks, savings banks, or savings and loan associations are also applicable to investments in credit unions.
- E. Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et. seq.) provided that the portfolio of any such money market mutual fund is limited to securities guaranteed by the U.S. government or issued by U.S. government agencies.

Investments in "derivative securities" are not permitted. A derivative security is any security whose value is based on the performance of any underlying financial asset, index, or other investment. Some commonly traded derivatives are: Structured Notes, Amortized Notes, and certain branches of Collateralized Mortgage Obligations (CMOs).

.09 Collateralization: At all times in order to meet the objective of safety of principal, the Treasurer (or the Treasurer's designee) shall require all accounts and deposits with banks, savings and loan associations which are in excess of the Federally insured amount to be collateralized to the extent of at least 100% of the uninsured portion of the account or deposit. Such collateralization must be evidenced by a written agreement approved by the District. The collateral is to be held by a neutral third party, registered in the District's name, and priced to the market on a monthly basis, so that the uninsured portion of the account will be fully collateralized (on a market value basis). The Treasurer or Treasurer's designee will monitor the adequacy of collateralization monthly.

.13 Financial Reporting:

A. Monthly: The District Treasurer, or Treasurer’s designee, shall provide a monthly copy of the investment report to the Board. The report shall include:

- i. The full description of each security holding
- ii. The purchase date of each security
- iii. The maturity date of each security
- iv. The yield on each security
- v. The providers of each investment
- vi. The total amount of funds invested including the checking account balances

.14 **Conflicts with Illinois Law:** If, after adoption of this procedure, there is any conflict with the Illinois investment statutes, current law shall control.

.15 **Investment Policy Adoption and Review:** The District’s investment policy shall be adopted by the Board of Trustees. The policy shall be reviewed annually by the Finance Committee and any modifications made thereto must be approved by the Board of Trustees.

President Johnson stated that with all the money the Park District has, and the bank that has the most of the District’s money, can that money be used to the Park District’s advantage? For example, he wants a new amphitheater in Glen Oak Park. Can the Park District sell naming rights or sponsorships to that amphitheater to a bank that holds Park District funds? Trustee Bertschy stated that it might not work in this case, but in general, he thinks that may be a good idea. For example, if there is an item or expensive piece of equipment that a business can purchase, he would be in favor of that i.e., track chairs. The name of the company/organization that purchased that track chair would be placed on it. Emily Cahill stated that currently, the primary focus for those types of sponsorships are in operating dollars. If organizations were approached for capital funds, a campaign would have to be developed for a specific project. A project like that has not been currently identified. Naming rights is something however that staff would love to have further conversations with the Board about what that looks like.

6. PENDING BUSINESS

None at this time.

7. OTHER BUSINESS

7.A. Discussion of Budget Process

This item will be discussed at the next Finance Committee meeting on 10.4.23 where more time will be allotted for that discussion.

8. ACTION STEPS REVIEW

None noted at this time.

9. ADJOURNMENT

At 5:51 p.m., Trustee Montez MOVED TO ADJOURN. Motion seconded by Trustee Hill and carried on a unanimous aye of those present.

Respectfully Submitted by Alicia Woodworth

