**APPROVED**

**CHITTENDEN SOLID WASTE DISTRICT – Administrative Office**

**INVESTMENT COMMITTEE MINUTES**

**Zoom Meeting**

**Wednesday, December 14, 2022 – 5:00 p.m.**

**FINANCE COMMITTEE PRESENT:** Leslie Nulty, Paul Stabler, Rick McCraw

Other Board members present: Paul Ruess, Ken Spencer, Tim Loucks

**CSWD STAFF PRESENT:** Nola Ricci, Sarah Reeves, Amy Jewell

Others present: Lori Terrien, John Zuchlewski – M&T Bank

**OTHERS PRESENT:**

**AGENDA ITEM:**

1. Agenda
2. Public Comment Period
3. Investment Opportunities – Discussion only
4. Other Business
5. Adjourn

Paul Stabler called the meeting to order at 5:05 p.m.

**Agenda # 1.** No changes to the Agenda

**Agenda #2. Public Comment Period –** No public in attendance

**Agenda #3. Investment Opportunities -**  N. Ricci introduced Lori Terrien & John Zuchlewski from M&T Investment. She stated that historically CSWD has had money invested with JP Morgan but in most recent years has not had investment accounts. The committee and staff feel that it’s time to revisit investment opportunities that will yield a higher return, while keeping in mind risk factors and the ability to access monies when necessary.

John Zuchlewski presented on Treasury Investing. He noted that there are many options to select regarding maturity and the current percentages are yielding between 3.66% to 4.21%.

He stated that the earned rate will decrease as the economy slows but the advantage of this investment is knowing the yield and how much you’ll earn in interest. He noted that the risk is low if you hold the treasuries to maturity because the principle is guaranteed. If the trade is stopped before it matures, and the interest rates go up significantly a loss is possible.

He noted that those that invest in treasuries have a good handle on cash flow so stopping the trade before maturity is unlikely.

The Committee asked clarifying questions on municipalities having shorter term maturities. He noted that only one is going beyond a year, and that some are weekly, and some have intricate ladders set, but the tendency is to stay short. John noted that we are close to reaching a high point of interest rates and the rates will start to go back down. L. Nulty stated that she this is a cash management strategy and CSWD is relatively conservative in our approach. She said this would help to manage the cash within the current year, but we also have reserves that have been in sitting there for years.

John said that if CSWD moves forwards a confirmation of the trade is set up and statements are generated. This is not a long-term strategy.

John Z. asked if there was an investment policy that should be reviewed regarding how we handle the cash management side versus $5 million market account. This will be reviewed further.

N. Ricci said that we will review the reserves and the Capital project for next year and noted there is a large amount that could be invested at a longer term. John noted that any long-term investments would not be done through a brokerage company and that larger, long-term investments should have an investment manager to come up with portfolio based on policy and a list of approved assets.

John Z. said he would send a rate sheet and sample trades for the Committee to review.

L. Nulty said that CSWD has gotten to stage of maturity, where a true CFO, who understands managing investments and handling bonds might be needed. P. Ruess said that he feels we do need to be more aggressive in managing our cash and is looking at what we can do in the near term to get things moving forward and then tackle the question of an Investment Manager versus a CFO to managing large sums of money long-term.

S.Reeves stated that staff will come back with some recommendations and redistribute and review the investment policy.

Further discussion was held on recommendations for hiring and whether we have experience forecasting our cash needs. L. Nulty noted that the Investment Committee will need a proper modeling of cash flow for 3-5 years. That information would show the cash needs on a quarterly basis, including paying down the bond. The finance committee was in favor of investing with treasuries.

L. Nulty requested that M&T Bank send the information and we hold another meeting to make short-term money managing decisions. She requested a quarter-by-quarter cash flow forecast for the year, review of the ladder, and suggested a series of investments with different terms. P. Ruess suggested that we meet by Jan 31, 2023 to make a decision. P. Stabler asked for a one-page summary of available money that can be invested. N. Ricci said that will be prepared for the next meeting along with the information from M&T.

**MOTION TO ADJOURN THE MEETING. The meeting was adjourned at 6:17 p.m.**

The meeting was adjourned at 6:36 p.m.

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Amy Jewell

I agree that this is an original copy of minutes and they have been approved by the Finance Committee at the 12/14/2022 meeting held via Zoom.

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Amy Jewell, Secretary