

MINUTES OF THE RIDA
FINANCE COMMITTEE MEETING
Virtual
May 10, 2024

PRESENT FROM COMMITTEE: James Farley
Lee Mendelson
Douglas Williams

OTHERS IN ATTENDANCE: Tracy Stark- James
Denise Cooper, CFO

ABSENT:

The Chairman of the Finance Committee opened the meeting at 1:03pm noting the agenda was to review the agency finances and vehicles of investing.

The CFO informed the committee that the Agency has approximately \$289,000 dollars in the operating and money market accounts. This is non inclusive of the depository account or PILOT accounts. The agency is anticipating another closing with a fee of approximately \$250,000 of revenue within the next month.

The CFO had suggested using Hanover Bank which is offering 4.5% instead of the M&T T bills due to a quarterly charge that M&T was placing on the Treasury Bill Investment. After a brief discussion, the committee agreed the quarterly custodial fee was counterproductive to the investment. Although T Bills are available through a retail account for a transaction fee per trade which is much lower, the problem is that someone will have to manage it. Some T Bills are at 5.51% for one month and shorter dated paper have higher rates.

Doug Williams advised that he had managed investing for a county, but he handled it after the cash management part. He thinks it's easier to let someone else manage it, but it depends on what level based on the volume. The agency volume is not that large. Doug screen shared a sample treasury portfolio for discussion, but the portfolios will depend on how much money the agency would deposit into the account and pricing will differ as a result.

Denise Cooper, the Agency CFO, described the NOW checking account through Hanover. Other local agencies are using the institution. It seems relatively simple. Current interest rate of 4.5% for municipality and its collateralized. The Agency is required to have collateralized deposits in excess of the FDIC Insurance limit. They are based in Hauppauge. So, it is suggested to prefund the Agency's expenditures

each month with one transfer, which is about \$20,000 per month. Hanover NOW account cannot be used for everyday banking but transfers and some activity per month is permissible and there would be no fees. Flushing Bank was comparable, but wanted all the Agency's business. They also wanted a minimum of \$1 million, although offered an exception. Flushing also did not have any other municipal customers.

The ED asked about the CD rates at Hanover. The M&T rates were way too low. Doug Williams did discuss brokered CD's. 1 Year about 5.15%, but whatever is easiest for the agency to administer. Both options were discussed. One account that you can keep all your surplus in to draw from seems the easiest to manage.

The CFO recommended maintaining a minimum of \$60,000 in the operating account, estimating approximately 3 months' worth of expenses. With an annual expense rate of approximately \$240,000 per year, everything above that can be invested. Laddering was discussed.

One member discussed dropping 100,000 into a CD for now and whatever amount we can invest in the NOW account. Doug Williams asked if there was a lock out period, but that was not discussed with the financial institution.

Denise Cooper recommends closing the M&T money market account, opening an account with Hanover and depositing an initial \$230,000 into the Hanover account, pulling over 20,000 a month for operations when necessary back into M&T operating account. Payroll tax deposits are tied to M&T account and the Hanover account is not for excessing everyday banking.

James Farley motioned to recommend to the full board to approve Hanover as an authorized depository, to transfer funds from the M&T Operating account into Hanover to diversify and generate a higher interest rate of return while maintaining a balance of sufficient funds in the operating account at M&T for 3 months' worth of operations. Doug Williams seconded. All three members voted unanimously in favor.

It was further discussed and voted upon to take all prerequisite requirements to actuate and authorize such transfer until the full board may ratify the action during the next agency board meeting.

James Farley motioned and Doug Williams seconded to take all necessary steps to actuate and authorized the transfer as soon as possible. All three committee members voted unanimously in favor.

Lee Mendelson motioned to adjourn the meeting. Douglas Williams seconded.

The meeting was adjourned at 1:54pm