

October 19, 2020

Members present Mr. Daniels, Mr. Schaber, Mr. Meade

With a quorum present, Daniels called the meeting to order at 6:30PM.

Old Business:

None

New Business:

Item 1. FIFTH THIRD BANK PRESENTATION ON CITY INVESTMENTS (PANNETT)

Brian Carter, Fifth Third Securities, made a presentation on city investments that they hold. He has worked with Marion City for 17 years, and also works with Marion City Schools and the Marion County Treasurer. He reviewed a dash-board report for the city's holdings as of 09/30/2020. Seven and half million dollars of eight million is "noncallable", i.e. cannot be called back and refinanced at a lower rate. About one half of the city's investment mature within one year. This short-term duration helps city to take advantage of increasing interest rates.

The assets that Fifth Third Securities are responsible for are FDIC insured or have the backing of the federal government. Local banks would need to offer collateral on larger investments.

Although city could use investments to pay off current debt, this could affect locked in interest that has been budget for as well as the bond rating. City would need to consider market loss if ever in a situation where investment is worth less than original cost (not current situation). We have only once liquidated prior to maturity date. That situation was within a project fund. He believes that the most important thing for the city to do is to protect the bond rating. That is based on cash assets available. A trend of a positive carry over is a very positive thing. Debt outstanding is a factor, however an ability to pay is a positive thing. Cash may have more of a positive impact than debt that could be paid off over a number of years.

Mr. Daniels observed that Fifth Third Securities provides one of the highest rates available.

The Ohio Revised Code 135.14 is very conservative as to the type of investments the city can hold. 1% is a very good yield within these guidelines. This is not money to play the market with.

Mr. Carter thanked council for the opportunity to provide service. He is available if members would like to contact him directly.

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Item 2. ORDINANCE MAKING AN ADDITIONAL APPROPRIATION IN VARIOUS FUNDS FOR THE YEAR ENDING DECEMBER 31, 2020. (CHAFFIN)

Mrs. Chaffin explained that CARES Act III money is now available. We will receive \$1,293,070.61. The total received under all three CARES Act distributions is about \$2.5 million. She is asking to have this appropriated. We have until 11/20 to spend this money. We are partnering with Marion City Schools to provide wireless access and to build access for Marion City. It has been applied to a UV ionization filtration process for building to prevent recirculation of COVID virus. They have had additional cleaning services due to COVID. Other appropriations are for police and fire services, dedicated COVID personnel. The small business grant proposed by Mr. Neff would be apart of that as well.

Mrs. Chaffin clarified what some permissible costs are under the CARES Act. Lost revenue cannot be replaced, however a type of small business grant is an option. The city had been working on options for small businesses. She has not fully reviewed Mr. Neff's proposal, but she feels that it is a little cumbersome and she would like to see it streamlined.

Meade made a motion to recommend to council; Schaber 2nd; Roll Call: Ayes – Daniels, Schaber, Meade; Nays – none.
Legislation sent to council (3-0)

Item 3. DISCUSSION OF ROUTINE REPORTS:

- PERFORMANCE AGAINST BUDGET
- BALANCE SHEET (AUDITOR TO TREASURER)
- CREDIT CARD STATEMENT

After some discussion, it was decided that the committee would still like to have this as an agenda item once each month. The review of the credit card report is required by the state, and supported by local ordinance. Council review of the performance against budget report is also an auditable action.

No questions, comments, or concerns.

Items not on the agenda: None

With no other business, Daniels adjourned the meeting at 7:15 PM.

Chairman Daniels

Clerk of Council