

Financial Advisory Committee

Minutes from Meeting held on Wednesday, July 14, 2021

Meeting called to order at 7:00 pm

Pledge of Allegiance

Roll call: Present from the Financial Advisory Committee (FAC): Bill Appleton (Chairperson), Norman Bing, George Dranginis (Vice Chairperson), Kristen Elder Angerer (Secretary), Michael Jones, Michael Mariakis, Navin Sharma

Present from Middletown Township: Mega Bhandary (Finance Director) and Stephanie Teoli-Kuhls (Township Manager)

Present from PFM: Brian Sanker, Colleen Chaney and Samantha Myers

1. Stephanie Teoli-Kuhls described Middletown Township's Participation in the American Rescue Plan Act.
 - Under the American Rescue Plan Act, Middletown Township is the recipient of \$4.7 million over two years. \$2.3 million has already been received
 - Because Middletown Township suffered a loss of revenue as a result of COVID-19 (primarily amusement tax), the Township is permitted to use the American Rescue Plan Act funds to replenish the General Fund. This use of funds has been endorsed by the Middletown Township Supervisors.
 - The use of the funds are limited to the terms of the American Rescue Plan Act and Middletown Township will submit a report on the appropriate use of the funds.
 - In separate news, Middletown Township received a second "triple-A" (Aaa) credit rating from Moody's, the highest possible credit rating offered by the agency. One factor in this favorable rating is attributed to the strength and consistent positive performance of the Investment Fund.
2. Brian Sanker provided background on the recent announcement that PFM Asset Management will be purchased by U.S. Bank. Brian noted that no changes are foreseen related to PFM's relationship with Middletown Township, fee structure, or money management practices.
3. Colleen Chaney and Samantha Myers presented PFM's Asset Management Report, for Middletown Township's investment funds for the Quarter Ending June 30, 2021 (Q2).
 - Reviewed market events - Presented by Colleen Chaney
 - Reviewed Q4 performance of the investments - Presented by Samantha Myers
4. The investment policy was discussed by the group.

- PFM recommended revisions based on industry best practice
 - The FAC voted to defer the vote to the next meeting
5. Committee decided to build an asset management RFP discussion into one FAC meeting per year, at a minimum. Historically, the asset management contract has been put out to bid once every five years. Agreed to consider an RFP at the July, 2022 meeting at which time U.S. Bank will have completed their purchase of PFM asset management.
 6. Reviewed and approved meeting minutes from the April 14, 2021 meeting.
 7. Other Business:
 - The FAC agreed to attempt an in-person meeting in October.
 8. Public Comment: None
 9. Next quarterly FAC meeting is scheduled for October 13, 2021 at 7:00 p.m.

Meeting adjourned @ 8:15 p.m.

FAC Governance Activities (to be discussed at October FAC)

Activity	Frequency	Last completed	Proposed action
Reassess asset management contract	FAC to discuss annually	July 2021: Discussed and agreed no RFP (Request For Proposal) needed at this time. 2017: RFP last completed. PFM reappointed.	July 2022: Discuss need for RFP.
Review Investment Policy	TBD	July 2021: Investment policies reviewed and revised	TBD
FAC leadership elections	Annually	January 2021	January 2022