



MINUTES OF AN OFFICIAL MEETING:

Regular / Special Meeting: Finance Committee

Date and Time: Tuesday, December 15, 2020 at 7:00 pm

Location: City Hall, 2000 N Calhoun Rd, Common Council Chambers

Members Present: Alderman Scott Berg, Alderman Mike Hallquist, Alderman Mike Jurken, Alderman Jerry Mellone, Alderman Bob Reddin, Alderman Dave Christianson and Alderman Kathryn Wilson

Members Excused: None

Others Present: Director of Finance and Administration Robert Scott, Director of Public Works Tom Grisa, Alderman Chris Blackburn and Joe Olson – BMO Global Asset Management (via teleconference)

1. Roll Call

Alderman Scott Berg noted a quorum was present and called the Finance Committee meeting to order at 7:05 pm.

2. Announcements

The next regularly scheduled meeting will be held on Tuesday, January 19, 2021.

3. Minutes of the December 1, 2020 regular Finance Committee meeting.

Motion by Alderman Bob Reddin, second by Alderman Dave Christianson to approve the minutes of the December 1, 2020 regular Finance Committee meeting. Motion carried 7-0.

4. Unfinished Business

a) None.

5. New Business

a) Finance Committee only item - Presentation by BMO Global Asset Management regarding City investments under management.

Joe Olson from BMO Global Asset Management summarized his report regarding the City's portfolio managed by BMO (copy of report available for review in the Finance department offices). He noted that the changes in the interest rate environment over the past year in the wake of the pandemic present a challenge for fixed income investing, given the Federal Reserve's actions to reduce interest rates to near zero to support the economy. The Fed's action and stated intention to hold rates low until 2023 mean that expectations for the returns on the portfolio will be tempered for the foreseeable future. He indicated that BMO has consulted with City staff to transition the portfolio towards a longer duration to use a 1-5 year index as the benchmark in the hopes of capturing some additional return in a very low interest rate environment, and that their strategy will be to continue to overweight corporate bonds in the portfolio mix to enhance returns. With respect to historical returns, Mr. Olson noted that the returns on the portfolio net of fees year to date (3.13%) and over the past year (3.34%) exceed the current benchmark, and returns on the portfolio continue to track with the benchmark over the long term. However, given the lower yields currently available, he indicated that future period returns will likely be 75-90% lower than recent history.

Mr. Olson concluded his remarks with commentary regarding BMO's outlook on the economy and investment markets. Report was for information only – no action required.

b) Vouchers exceeding \$50,000 requiring immediate action.

Motion by Alderman Bob Reddin, second by Alderman Dave Christianson to approve vouchers exceeding \$50,000 requiring immediate action. Motion carried 6-0-1 with Alderman Mike Jurken abstaining.

c) Request of the Fleet Services division to purchase replacement Highway patrol truck chassis (2) and tandem axle patrol truck chassis (1) from Lakeside International for a total of \$307,677 (2021 budget).

Motion by Alderman Jerry Mellone, second by Alderman Mike Hallquist to approve the request of the Fleet Services division to purchase replacement Highway patrol truck chassis (2) and tandem axle patrol truck chassis (1) from Lakeside International for a total of \$307,677 (2021 budget). Motion carried 7-0.

d) Request of the Water Utility for approval of 2021 purchases:
i. Accu Tab chlorine tablets (Energenecs) - \$105,000
ii. Aqua Mag solution (Martelle Water Treatment) - \$75,000

Motion by Alderman Mike Hallquist, second by Alderman Jerry Mellone to approve the request of the Water Utility for approval of 2021 purchases:

- i. Accu Tab chlorine tablets (Energenecs) - \$105,000**
- ii. Aqua Mag solution (Martelle Water Treatment) - \$75,000**

Motion carried 7-0.

e) Request of the Wastewater Utility for approval of 2021 purchase of liquid aluminum sulfate from Milport Chemical for up to a total of \$246,610.

Motion by Alderman Dave Christianson, second by Alderman Bob Reddin to approve the request of the Wastewater Utility for approval of 2021 purchase of liquid aluminum sulfate from Milport Chemical for up to a total of \$246,610. Motion carried 7-0.

f) Request of the Director of Finance and Administration for approval of 2021 fuel purchases from E.H. Wolf and Sons, Inc.

Motion by Alderman Bob Reddin, second by Alderman Jerry Mellone to approve the request of the Director of Finance and Administration for approval of 2021 fuel purchases from E.H. Wolf and Sons, Inc. Motion carried 7-0.

g) Request of the Library to purchase books and other library materials from Baker & Taylor for up to a total of \$170,000 (2021 budget).

Motion by Alderman Scott Berg, second by Alderman Kathryn Wilson to approve the request of the Library to purchase books and other library materials from Baker & Taylor for up to a total of \$170,000 (2021 budget). Motion carried 7-0.

h) Request of the Information Technology department to purchase GIS software maintenance services from ESRI, Inc. from 2021-23 for a total of \$115,500.

Motion by Alderman Dave Christianson, second by Alderman Mike Hallquist to approve the request of the Information Technology department to purchase GIS software maintenance services from ESRI, Inc. from 2021-23 for a total of \$115,500. Motion carried 7-0.

6. Adjournment

Motion by Alderman Bob Reddin, second by Alderman Jerry Mellone to adjourn the meeting at 7:44pm. Motion carried 7-0.

Respectfully Submitted:

Robert Scott

Director of Finance and Administration