

**MINUTES**  
**KANSAS CITY, MISSOURI**  
**INVESTMENT COMMITTEE**  
November 18, 2021

**MEMBERS PRESENT**

Kimberly Carter  
Natalie McCarthy, Designee for Tammy Queen  
Chivonne Scott, via videoconference  
Melissa Kozakiewicz, via videoconference

**MEMBERS ABSENT**

Councilwoman Katheryn Shields  
Tammy Queen

Also present was Marcus Whitworth of the Treasury Division.

Mrs. Carter called the meeting to order at 11:02 a.m., offering the committee time to review the minutes of the August 19, 2021, meeting and offer comments or ask questions. There being none, Mrs. McCarthy made a motion to approve the minutes. Ms. Scott seconded this motion, which was approved unanimously.

Referring to the second page, Mr. Whitworth noted that, with regard to safety, all securities in the portfolio are either AAA rated or collateralized with AAA-rated securities. With regard to liquidity, Mr. Whitworth noted that projected expenditures for the next six months are \$410,100,000 and are covered by pooled portfolio maturities and projected revenues of \$658,140,282, a factor of 160.5%. With regard to Return on Investment, Mr. Whitworth noted that the current yield of the investment portfolio exceeds the average checking account rate by 117 basis points and exceeds the Bloomberg Barclays 1-3 Year Blended Index by 70 basis points. Next, Mr. Whitworth reviewed the collateral coverage on the City's bank accounts noting that, on an aggregate basis, collateral exceeded deposits by \$53.7 million as of October 31, 2021.

Referencing the fifth page of the monthly report, Mr. Whitworth noted that the weighted average maturity of the portfolio is 568 days, a slight decrease from 570 days in September. The weighted average yield of the portfolio is 1.19%, a slight decrease from 1.22% in September. Mr. Whitworth noted that bank deposits totaled \$13.4 million as of October 31, 2021, for total cash and investments of \$1,558,970,764.

Referencing the sixth page of the monthly report, Mr. Whitworth noted that pooled interest earnings collected through the first half, ending October 31, 2021, of the current fiscal year is \$9,867,692, which is 56.7% of the fiscal year 2022 budgeted amount of \$17,412,915. Mr. Whitworth further noted that the year-to-date cash basis rate of return on the pooled investment portfolio for fiscal year 2022 is 1.38%.

Mr. Whitworth then reviewed the investment activity for the quarter ended October 31, 2021. For the pooled portfolio, Mr. Whitworth noted deposits totaling \$18,000,000 and withdrawals totaling \$27,001,437 were made in the money market account during the quarter. To offset future debt service and payroll needs, Mr. Whitworth stated that \$80,000,000 in US Treasury Bills and Notes, \$15,000,000 in US Discount Notes, a US Agency MBS at \$5,000,000, a pre-refunded municipal bond in the amount of \$1,500,000, as well as \$32,183,000 in non-callable US Agency securities

to meet those obligations. Mr. Whitworth then stated that \$61,045,000 in callable US Agency securities were purchased during the quarter as well as the renewal of a \$250,000 certificate of deposit, for total pooled portfolio purchases of \$212,978,000. Mr. Whitworth noted that there were eight restricted investment purchases for the quarter for a total of \$40,111,000. There was one purchase for the KCMO 2020 GO Project Fund in the amount of \$7,000,000, one purchase for the KCMO 2021 GO Project Fund that amounted to \$4,905,000, two purchases for the Sewer 2018A Project Fund at \$7,206,000, two purchases for the Sewer 2019A Project Fund at \$12,000,000, and lastly two purchases for the Water 2020A Project Fund of \$9,000,000 for the second quarter. Mr. Whitworth also stated that a 1.68% Federal Home Loan Mortgage Corporation security with a par value of \$6,000,000, was sold on September 3, 2021, to meet the general liquidity needs of the City. Mrs. McCarthy made a motion to approve the investment activity for the quarter ended October 31, 2021. Ms. Scott seconded this motion, which was approved unanimously.

Next, Mr. Whitworth reviewed the callable agency portfolio as referenced on page 12. Mr. Whitworth noted that \$25,650,000 in bonds are anticipated to be called during the remainder of the 2022 fiscal year. Mr. Whitworth then asserted that the previously stated amount could potentially change by a number of factors including, but not limited to, the magnitude the virus plays worldwide going into the winter months, degree of efficiency in the tapering of the Federal Reserve's asset purchase program, and the geopolitical landscape, just to name a few.

Mr. Whitworth then turned the Committee's attention to the dashboard report and noted that all safety and liquidity parameters continue to be satisfactory. Mr. Whitworth stated that the six-month liquidity ratio was 161% as of October 31, 2021, and the pooled portfolio had a weighted average maturity of 1.6 years.

There being no further business, the committee meeting was adjourned at 11:33 a.m.