

**Finance Committee**  
**Monday, December 14, 2015**  
**4:00 p.m.**  
**Hagerty Center, 715 E. Front St., Traverse City, Michigan 49686**

**MINUTES**

Committee members present: Steve Perdue, Nicole Sulak, Jim Tamlyn, Bill Tencza, Tom Vine

Committee members absent: Jim Barnard, Ken Bollman, Amanda Haworth, Susan Rogers, Jim Smith, Chris Warren, Ty Wessell

Guests present: Chris Chang, Senior Portfolio Manager, Fifth Third Bank  
Brian Lee, Senior Portfolio Manager, Fifth Third Bank  
Gary Fedus

Staff present: Darla Rowland, Elaine Wood

Call to order & introductions

The meeting was called to order by S. Perdue at 4:03 p.m.

Minutes

The Finance Committee minutes of October 12, 2015 were reviewed and accepted.

Networks Northwest budget report ending 9/30/15 & 10/31/15

Darla Rowland presented the final budget report for FY15, October 1, 2014 through September 30, 2015. Expenditures were at nearly 80% at the end of the fiscal year. Actual expenditures for the year were at just over \$9.1 million. There was discussion on the difference between actual and estimated expenses at the end of the year. Many grants are not on a fiscal year and therefore are not 100% expended by the end of the agency fiscal year. Grants cannot be overspent. Three additional companies completed training through the Skilled Trades Training Fund.

The budget report for the first month of FY16 estimates expenses at \$8.3 million. This is slightly higher than the beginning of last fiscal year. Expenditures are just shy of 8%. Funds that are on an October fiscal year have new amounts. The report also reflects the remaining allocations for the WIOA funds.

Additional new funds include the Sector Partnership National Emergency Grant, one fund for all Trade Act laws, and Coastal Zone Management Resiliency.

## Northwest Michigan Works! Inc. budget report ending 9/30/15 & 10/31/15

Darla Rowland presented the final budget report for FY15 and the first month of FY16 for Northwest Michigan Works! The Northwest Michigan Works! reports are a subset of the Networks Northwest report and provide more detailed information for the workforce funds.

Motion by T. Vine, supported by N. Sulak to recommend the final FY15 and first month FY16 Networks Northwest and Northwest Michigan Works! Inc. budget reports for board acceptance. Motion passed.

## Fifth Third Bank investment review

Chris Chang, Senior Portfolio Manager at Fifth Third Bank, introduced Brian Lee, Senior Portfolio Manager at Fifth Third Bank. Fifth Third is providing increased specialization. Brian is an institutional portfolio manager and will be working with us, along with Kim Lakes-Mormon and Chris.

Chris and Brian provided a general overview of the economic and financial markets. It was a volatile year with significant uncertainty.

There are three investment accounts; two for the Northwest Michigan Council of Governments and one for Northwest Michigan Works! Chris and Brian reviewed each account, noting that all investments are conservative.

The account named NW MI Council of Govts #2, is the sick and vacation liability fund. It is comprised of short term bonds. It has a solid return of 0.9%.

The account named NW MI Council Govts Agy covers the 10 counties' liability. It has a return of 0.8%.

The account named Northwest Michigan Works is for programmatic operations or new initiatives. There is more flexibility with this investment because it is for a non-profit. It is still conservative but more diversified. It has a return of -0.79%. The inception-to-date return is 2.02%.

The committee reviewed the Northwest Michigan Council of Governments and Northwest Michigan Works!, Inc. investment policies. The Northwest Michigan Works!, Inc. Investment Policy stipulates that the Finance Committee will review the policy at least once per year. The committee asked Brian and Chris for their recommendation on the investment allocation specified on page 2 of the Northwest Michigan Works!, Inc. Investment Policy. They recommended staying neutral at the moment, to keep the target allocations the same and they will continue to work within the ranges specified. The committee noted that the ranges are quite broad and offer a lot of flexibility.

The committee discussed keeping the investment with Fifth Third. All agreed that Fifth Third has provided good service and returns.

Motion by T. Vine, supported by J. Tamlyn to not make any changes to the Northwest Michigan Works!, Inc. Investment Policy as adopted on December 9, 2013 and therefore continue investing through Fifth Third Bank. Motion passed.

Adjourn

The meeting was adjourned at 5:04 pm.

Respectfully submitted:



Darla Rowland