



**MINUTES OF THE FINANCE AUTHORITY OF NEW ORLEANS
Finance & Investments Committee Meeting**

Thursday, April 13, 2017

The Finance & Investments Committee of the Finance Authority of New Orleans met on **Thursday, April 13, 2017 at 3pm in the Board Room of the Finance Authority of New Orleans 618 Baronne St., New Orleans, Louisiana.**

Members Present: Mrs. Gizelle Johnson-Banks, Mr. Joseph Friend & Dr. Gary Clark

Members Absent: None

Other Members Present: Mr. Stephen Smith

Staff Present: Mr. Damon Burns, Ms. Deletha Cyprian, Mrs. Elenora Spears & Mrs. Stacey Weaver

Members of the Public: Legal Counsel Jade Brown Russell, Mr. Byron Poydras (BNY Mellon), Ms. Michelle Thomas (Think Thomas Consulting), Ms. Tessa Jackson (Fabourg Advisors), Mr. Steven Kennedy (REO, LLC.), Ms. Monique Davis (Windfeel Properties), Mr. Wayne Neveu (Foley Judell)

Committee Chair Clark called the Finance & Investments Committee Meeting to order at 3:09pm.

Committee Purpose & Objectives

Mr. Burns stated that this Committee will meet on a quarterly basis. He explained that the purpose of the Finance & Investments Committee was to oversee the financial and investment management of FANO's financial resources. The objectives are to ensure that management is adhering to the budget and financial policies of FANO. The Committee will monitor investment performance and ensure that the investment policy is being followed. Lastly, the Finance & Investments Committee will oversee the organization's credit profile to ensure that FANO has the financial capacity to create new programs that serve the mission. The Committee briefly reviewed the current Short Term Investment Policy.

Old Business

There was no old business to discuss.

Quarterly Strategic Plan Update

Mr. Burns briefly highlighted FANO's Strategic Plan 1st quarter achievements and the goals for the 2nd quarter. He noted that the fiscal year was changed during the 1st quarter. The Investment Policy will be updated in the 2nd quarter. He noted that there are a number of inactive checking and debit accounts that will be combined and the funds will be transferred into a Master Reserve Fund held by the Bank of New York for more efficient management and policy targeting. A report will be given in May.

Review of Investment Policy & Recommendations

Mr. Burns stated that the current policy was a standard policy for all government agencies that limits investments to government securities and a 5-year time horizon. He added that because FANO is not a standard government agency, more flexibility is needed. FANO is currently holding approximately \$11 million in cash which will be reinvested into higher yielding assets. Mr. Friend asked a question regarding item III, A on the Investment Policy. Mr. Neveu stated that it was an error in spelling. The Committee briefly discussed.

Operating Budget Amendments

Mr. Burns informed the Committee that the 2nd quarter adjustments show expected revenue to decline by 53% from \$767,760 to \$400,000 and operating expenses will increase by 15% from \$852,224 to \$976,875 as compared to the original amount budgeted for fiscal year 2017. Operating expenses have increased primarily due to the increase in salaries, professional services, marketing and technology costs. Mr. Burns added that Pathways revenue projections are expected to increase. The reserve fund transfer requirement for fiscal year 2017 is expected to be \$580,974 but can be offset by increased program and investment income. FANO will focus on organic revenue growth to rebuild the organization’s financial capacity. Lastly, Mr. Burns noted that management expects to make periodic budget adjustments that will be presented to the Committee for approval before going to the full Board.

Financial Management Report

Market Update: Once the Investment Policy is updated, performance scorecards and market statistics will be introduced in the 3rd quarter. Mr. Neveu briefly explained the pros and cons of investing in bonds versus equity to the Committee.

Executive Session

There was no need for an Executive Session.

Public Comment

There were no public comments.

There being no further business, **Committee Chair Clark requested a motion to adjourn the Finance & Investments Committee Meeting. Mr. Friend moved and Mrs. Johnson-Banks seconded. The motion passed unanimously.** The meeting was adjourned at 3:49pm.

ATTESTED: G - J - C / - K DATE: 3.1.18
SECRETARY/TREASURER