

**FINANCE COMMITTEE
MINUTES OF MEETING**

July 31st, 2023

4:00 P.M.

Present: DeWayne Ramsey, Curtis Moses, Johnny Buckley and L.W. Nolan. Also present: Ben Bridges, Brenda Abercrombie, Tommy Durrett, Danielle Harkins (Banner), Luke Britt (Gazette), Chris Strickland, Judy Auger and Johnny Creed.

Mr. Ramsey called the meeting to order. Mr. Nolan led the group in prayer.

Motion Mr. Nolan, seconded by Mr. Buckley and declared adopted by unanimous Roll Call vote to approve the agenda as written.

Motion Mr. Buckley, seconded by Mr. Nolan to approve the minutes of the July 11th, 2023 meeting. Motion carried unanimously.

Louisiana National Bank presentation.

Brandon Norris, Executive Vice-President/CFO with Louisiana National Bank addressed the Committee. Mr. Norris has been in the banking business for twenty-one (21) years. He previously worked at Community Trust Bank. Mr. Norris introduced Jennifer Aulds Miller and Jennifer Harrison. Mr. Norris said the bank was originally chartered in 1905 in Arcadia. In 2000 the bank expanded into Ruston and Farmerville. Mr. Norris stated that Louisiana National Bank is here as a resource for the Police Jury.

Mr. Norris stated that the Landfill Trust Account proposal is a proposed Fed Fund Index Account/Money Market. This type of account allows for six withdrawals a month, but that should not be an issue as there are no withdrawals on the Landfill Trust Account. The rates are based on the Fed Funds Rate. The Fed Funds Rate is set by the Federal Reserve Bank. The best feature of this account is that the rate automatically resets or changes every time the feds change rates. If the rates go up there is nothing the police jury needs to do, they will automatically go up. Mr. Norris further stated that if the rates go down then the rates will also lower automatically.

Louisiana National Bank originally proposed a rate of 5%, but the feds increased the rates last week so that amount is now 5.25%. There is a potential for another rate hike later in the year, but that should be the last rate hike cycle.

Mr. Norris stated that if the jury had been with Louisiana National Bank for the first half of 2023 the Landfill Assurance Account would have earned \$225,000 in interest if it had been tied to the Fed Fund Rate. In 2017 the Police Jury was earning 0.15% interest. The feds raised rates over 2% between 2017 and 2018. The Police Jurys rate never changed with Origin. In 2020 covid hit and the fed rates went down to 0% and the Police Jury rates went to 0.03%.

For the last 18 months the Feds have increased rates 5.25%. Mr. Norris said he is under the impression that Origin is offering 4.77% and if you compare that to the 5.25% Louisiana National Bank is offering then Louisiana National Bank would pay over \$36,000 in additional interest per year.

Mr. Norris stated that Louisiana National Bank also submitted a proposal for the Master Account. Louisiana National Bank would guarantee a 5% rate until December 31, 2023. After that time the rate would reset to a platinum account rate which allows for unlimited transactions. Mr. Norris said that moving the master account would be a substantial commitment of time and effort.

Origin Bank presentation.

Drake Mills, Chairman, President & CEO from Origin Bank addressed the Committee. Mr. Mills has a long history in Union Parish. Mr. Mills stated that at no time did Origin Bank take advantage of the Union Parish Police Jury. Mr. Mills is a big proponent of giving back to the Parish. For example, the Town Hall in Bernice was donated by Origin Bank. He believes in giving back and building a strong partnership in the community. Mr. Mills stated that the interest rates had nothing to do with Tim Tettleton or Brandon Maxwell.

Mr. Mills appreciates what the jury does and stated that they have difficult jobs. He reminded them that they were voted in by the majority of the voters in their district. Mr. Mills provided a Historical Deposit Rate Comparison to the jurors. He said the rate history would help with the confusion. The graph shows the Fed Funds rate, savings rate and what the jury account rate was over the last several years. Origin paid the jury a little higher than the average savings rate and money rate.

Mr. Mills stated that he has been in the banking business for 40 years. Mr. Mills stressed that he reinvests back in the community. There was a large base point increase in rates over a one year period. Until that point there was never any issue with any municipality saying Origin was taking advantage of them. It is easy for another company to come in here and give you a higher interest rate. Typically, when you have these increases you have 2 to 3 years to adjust. Mr. Mills stated that it is his fault that it didn't get adjusted. There was a tremendous amount of stimulus money that went into the economy and what that stimulus money did was create a lot of excess liquidity. The banks were flush with liquidity and that made the dollar worth very little.

The Police Jury's responsibility is not to take advantage of every dollar it can make, but to make sure it is safe. Origin's recent bid was 5% less the cost of ICS which is insured so that is why it is a 4.88% rate. That rate just went up 25 basis points which makes Origin's proposal 5.13%. Origin does have an indexed account, but Mr. Mills stated that he was not going to index this account. Mr. Mills stated that regardless of what was previously printed there was never an effort to take advantage of anyone nor was there ever an effort to do things that weren't good for this community.

Mr. Mills appreciates the relationship with the police jury. Mr. Mills stated that there is no set time on his proposal on when he is going to take that rate down. He also states that there is no period of time where the jury lost millions or even thousands. There was a very short period of time when there was a gap in rates, but he takes full responsibility.

He said that during the last few days, he had called 13 of his counterparts in North Louisiana and had asked at what point did you increase municipalities. Seven out of the thirteen have not increased the municipalities. It would be easy to take all of the money Origin makes, send it to New York to make more money, but we keep it here and invest in the community.

Mr. Mills urged the jury to research other banks and see what other banks are paying other municipalities. Money deposited in banks is based on the value of that money and not a federal rate.

Mr. Mills takes responsibility for the slowness in increasing rates. Origin charges the Police Jury 50% of treasury management fees. Mr. Mills asked the jury to look at what Origin was paying when the market wasn't paying. It wasn't much but it was double the amount. Again Mr. Mills stated that he never took advantage of the community or the Police Jury.

In his final statement, Mr. Mills stated that there was no guarantee that the Police Jury would have gotten the Federal Fund Rate. The Federal Fund Rate is at the discretion of the federal reserve. It is volatile.

Motion Mr. Nolan, seconded by Mr. Buckley to take the discussion of the two presentations to the full jury. Motion carried unanimously.

Motion Mr. Nolan, seconded by Mr. Buckley to recommend to the full jury to move 2 million dollars from the Landfill Fund Account to the LAMP account. Motion carried unanimously.

The Secretary/Treasurer presented a Revenue and Expense report for the month of July. She went over the following:

- Budget to actual and the requirements by law to present each month
- How budgeted amounts are determined
- How to read reports
- Budget binders
- Budgeted amounts and how those figures are arrived
- Interfund transfers for the month
- Heading names
- Large expenditure out of Road Maintenance under Materials/Supplies

The Secretary/Treasurer informed the committee that she will present the same report at the Jury meeting, but with more detail. The Secretary/Treasurer also suggested monthly Finance meetings just in case the jurors have any questions that could be covered in greater detail.

No action taken.

In accordance with Ordinance 549, time for public comment was given.
Johnny Creed, 7354 Highway 15, Spearsville, addressed the Committee regarding the Origin Bank decision.

There being no more business to come before the committee, Mr. Ramsey declared the meeting adjourned upon motion by Mr. Nolan and duly seconded by Mr. Buckley on this the 11th day of July, 2023.

DeWayne Ramsey, Chairman
Paula Strickland, Secretary/Treasurer