

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
WORK SESSION HELD ON
FRIDAY, OCTOBER 14, 2022**

A work session of the Cochise County Board of Supervisors was held on Friday, October 14, 2022, at 9:00 a.m. in the Board of Supervisors' Executive Conference Room, 1415 Melody Lane, Building G, Bisbee, Arizona.

Present: Ann English, Chairman; Peggy Judd, Vice-Chairman, telephonic; Tom Crosby, Supervisor

Staff Present: Sharon Gilman, Deputy County Administrator
Tim Mattix, Clerk of the Board

Attendees: Cathy Traywick, County Treasurer
Mike Bell, Broker, Stifel

Chairman English called the meeting to order at 9:00 a.m.

ANY ITEM ON THIS AGENDA IS OPEN FOR DISCUSSION AND POSSIBLE ACTION

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING

ITEMS FOR DISCUSSION

Board of Supervisors

1. Presentation by Mr. Mike Bell, Stifel, of an overview of the County's investment report and current economic conditions, and discussion and possible direction regarding current investment updates, objectives, and management.

Ms. Traywick stated that investment decisions are made with guidance from Stifel. Mr. Bell said he provides economic and stock market information so the Treasurer can make informed decisions. She only buys conservative asset classes. Ms. Traywick discussed her investment philosophy, noting that she looks at safety, liquidity and return on capital. She does not invest in anything with a loss potential. She does not want to risk County funds. She shared a brief history of past investments and discussed reasons she will not invest in something with any possibility of loss. Supervisor Crosby arrived at 9:17 a.m.

Mr. Bell stated that the County cannot invest beyond 5 years and explained the ladder portfolio, which allows a continuous cash flow. He keeps the Treasurer informed daily to assist her in ascertaining how much liquidity the County needs in the portfolio.

Ms. Traywick discussed cash flow availability, which varies depending on the time of year. She reviewed the funding in long-term investment accounts and in liquid assets. She tries to keep \$3 million in the checking account. Mr. Bell reviewed the amounts coming up for maturity in the next few months, and those between 2024 and 2027. They discussed the impact of interest rates being kept low for some time and the impact on investments, and detailed liquidity, banking service fees, and processing of

warrants.

The Board, Ms. Traywick, and Mr. Bell discussed derivatives; inflation; and, interest rates, including the impact of each on the market and the decision-making process. Ms. Traywick detailed Certificates of Deposits, noting that the County at one time had a large number but not recently due to low interest rates. In response to the Board, Mr. Bell confirmed that the County's investments are stable; the Treasurer does not want to invest in anything that may lose money. Chairman English departed the meeting at 9:53 a.m.

Ms. Traywick and Mr. Bell reviewed the Flagship Report (Report) prepared by Stifel. Mr. Bell explained in detail each chart, graph, and the various data in the Report, and how they are used to monitor the County's portfolio and to assist in investment decisions. They reviewed the County's portfolio and the cash flow roll-off in the next one and three years. They discussed the use of the Report to determine cash flow projections, unrealized losses, book value, market value, shock value, and percentage return.

Ms. Traywick requested the Board notify her should they wish to review information on the County's investments, and she will provide the information to them.

Vice-Chairman Judd adjourned the meeting at 10:42 a.m.

APPROVED:

Ann English, Chairman

ATTEST:

Tim Mattix, Clerk of the Board