



**Williamson County and Cities Health District
Special Board of Health Meeting
Wednesday, May 25, 2022, 1:30 p.m.
City of Round Rock
231 E. Main Street, HR Training Room
Round Rock, TX 78664**

The meeting was called to order at 1:33 p.m. by Board of Health Chair Kathy Pierce.

- 1) Pledge of Allegiance
Ms. Pierce led the Pledge of Allegiance
- 2) Roll call was taken.
Present: Chair Kathy Pierce (Williamson County), Ed Tydings (Williamson County), Laurie Hadley (Round Rock), David Morgan (Georgetown), Robert Powers (Leander/Liberty Hill) [Arrived Late], Jeffery Jenkins (Taylor), Dr. Caroline Hilbert (WCCHD).

Absent: Bob Farley (Hutto), Chris Copple (Cedar Park)
- 3) Acknowledge staff and visitors; hear any comments.
Staff members and visitors present: Scott Heselmeyer, Williamson County Treasurer; Richard Hamala of Tiemann, Shahady & Hamala, Cindy Botts; Michelle Broddrick; Meghan Murray

REGULAR AGENDA

- 4) Presentation – WCCHD Investment Options, Scott Heselmeyer, Williamson County Treasurer

1:35 p.m. – Robert Powers arrived for the meeting

Mr. Heselmeyer began his presentation with a brief introduction of his role as the Williamson County Treasurer, which includes a portfolio of just over a billion dollars, in which WCCHD's approximately \$9 million is included. Most of the County's money is in bond funds, with approximately \$350 million as a general operating budget for the year. The focus of the management of these funds is to allow the money to be invested, and "working" for the County, while still being available, as needed, to be utilized. The investments are, therefore, "laddered out", with six months, 12 months, and 18 months maturities. The County also manages the investments of other non-County entities, such as the Williamson County Conservation Foundation. The Conservation Foundation was in a very similar financial situation as the Health District, and because there was no immediate need for the funds, the recommendation was to invest in chunks where approximately \$3 million would be maturing every six months. This allowed for partial use of the funds, should it be needed, on a regular schedule. Mr. Heselmeyer gave examples of the types of investments and the rates of return on investment for the Conservation Foundation's funds. He also stated that the Health District's investment, currently sitting in TexPool Prime, for the year, would garner a return of approximately \$80,000. Should the Health District opt to invest in recommended products, the return could be approximately \$180,000 for the year.

Mr. Heselmeyer went on to state that regarding the draft WCCHD Investment Policy, his opinion, is to allow for Board authorization to WCCHD staff to work with him, to invest Health District funds, under the Williamson County Investment policy. He explained that allowing staff to work directly with him on investments allows for a quicker turnaround in decision making. As the County is already providing monthly reports to the Health District on investments, this reporting cadence would continue. The only investment currently is the TexPool account.

Ms. Pierce asked Mr. Heselmeyer which investment advisor he uses. Mr. Heselmeyer explained that the County's investment advisor is Hilltop Securities and the County pays them based on the total portfolio size, which includes WCCHD's investments. Mr. Morgan asked if different options would be provided, based on the market, for investments. Mr. Heselmeyer stated that at least three options are included on trade tickets. Mr. Morgan stated that the Board wanted to continue to see investments on a quarterly basis, as opposed to a monthly basis. He asked for clarification on the Finance Committee that was referenced in the draft WCCHD Investment Policy. Mr. Heselmeyer explained that the County has an Investment Committee, made up of the County Judge, a Commissioner, the County Auditor, the County Tax Assessor, and the County Treasurer, that meets quarterly. Ms. Broddrick explained that she included the review of investments through a WCCHD Board subcommittee, based on Ms. Pierce's suggestion. Mr. Morgan stated that he did not think that the inclusion of a Board Finance subcommittee was necessary and requested that the WCCHD Investment Policy strike any reference to the subcommittee. Mr. Powers asked Mr. Heselmeyer for the County's practice on commercial paper and if there is a formal or informal limit. Mr. Heselmeyer

stated that the County has a formal limit of forty percent, but in the current market, they are not approaching that. His suggestion was that should the Health District opt for rolling six-month investments, that the first investment be commercial paper. After that, there would be 12- and 18-month investments, for which commercial paper is not an option. Mr. Powers also asked staff how much of the approximate \$9 million is available for investments, to ensure that the Health District does not fall short of any obligations. Ms. Hilbert stated that the majority of the \$9 million would be available. Mr. Heselmeyer stated that prior to any investments, he would want to ensure that he discusses with Ms. Hilbert the current cash flow situation. Mr. Morgan reminded the Board that the reserves have been built in anticipation of losing DSRIP funding, so there would be some uncertainty as to when the funding would be needed. Ms. Hilbert stated that if the Board provides an opportunity for herself, the Deputy Director, and the Finance Director to advocate for the use of the funds, she is comfortable with that authority. Mr. Heselmeyer stated that the goal would be to make \$100,000-\$120,000 more, per year, than under the current investment, in the current rate environment. Ms. Hadley stated that the County is extremely well-run and financially stable, under Mr. Heselmeyer, and she has full faith in his ability. Ms. Botts also added that there is a motion recommendation to provide the Executive Director, Deputy Director, and Finance Director authority to work with the County Treasurer on investments. Mr. Morgan and Ms. Pierce stated that as that authorization was included in the Investment Policy, approval of the policy would allow for that authorization.

5) Discuss, consider, and take appropriate action regarding WCCHD Draft Investment Policy

Mr. Powers asked if the Investment Officer, noted in the Investment Policy was also the Executive Director. Ms. Botts clarified it was not, it would be the office of the County Treasurer. Mr. Powers stated that the City of Leander has multiple investment officers. Mr. Heselmeyer stated that from his reading of the policy, the Investment Officer provides the investment options to the Executive Director, or her appointees, for their authorization. Mr. Morgan requested that references to the Board of Health Finance Committee be struck from the policy. Mr. Hamala added that the references to the Board of Health Finance Committee would also need to be struck from the corresponding Standard Operating Procedure (SOP). Mr. Tydings asked if the Policy would need to be brought back to the Board for approval once the changes were incorporated. Ms. Pierce stated that should the policy be approved, with the changes, it would go into effect immediately, and would not need to be brought back.

Motion to approve the WCCHD Investment Policy, with the requested changes.

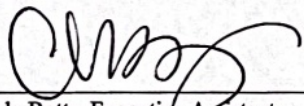
Moved: David Morgan
Seconded: Laurie Hadley
Vote: Approved unanimously

6) Adjourn

Motion to adjourn.

Moved: David Morgan
Seconded: Laurie Hadley
Vote: Approved unanimously

Board Chair Pierce adjourned the meeting at 2:03 p.m.

Recorded by: 
Cindy Botts, Executive Assistant

Reviewed by: 
Christopher Coppel, Secretary