



LOWER PLATTE SOUTH natural resources district

3125 Portia Street | P.O. Box 83581 • Lincoln, Nebraska 68501-3581
P: 402.476.2729 • F: 402.476.6454 | www.lpsnrd.org

Memorandum

Date: April 11, 2024
To: Finance and Planning Subcommittee
From: Mike Sousek, General Manager
RE: Finance & Planning Subcommittee Meeting Minutes

The Finance and Planning Subcommittee met on Wednesday, April 10, 2024, at 5:30 PM. There was one agenda item where action was taken. Directors on the committee in attendance included Chelsea Johnson, Ken Vogel, Deborah Eagan, Stacie Sinclair, Ray Stevens and Don Jacobson. Directors absent included Christie Lamberty and Melissa Baker. Staff in attendance included Dave Potter, Chris Barber and Mike Sousek. One guest from the public was in attendance (Mike Murphy, GM of MNNRD).

The first item on the agenda was a discussion about Union Bank & Trust NFIT program. This was brought back from last months meeting for further discussion. The questions that were raised last month were answered. The first being are we allowed to choose where our money is invested within NFIT? That answer was no, but the program itself does follow state statutes that govern where public funds can be invested. The second question dealt with FDIC insurance and securities. While the districts funds while they sit in the NFIT account are not covered by FDIC insurance, UB&T does provide securities to our balance. These are the same securities that are used currently with the balance of our funds in our checking account that go beyond the \$250,000 threshold that FDIC covers. In the unlikely event of a bank failure, the district would still own the securities that have been assigned to us. After further discussion on financial operating practices **it was motioned by Director Vogel, seconded by Director Sinclair to recommend to the Board that LPSNRD begin using the NFIT investment option and sweep services provided by Union Bank & Trust. Further, staff is directed to keep the general checking account balance at a certain threshold and manually move funds to NPAIT or NE Class Investment options once a balance between \$500,000 and \$575,000 is met or exceeded minus any upcoming expenditures. Motion passed with Director Eagan, Vogel, Jacobson, Sinclair and Johnson with yes votes, Director Stevens abstaining.**

The committee began discussions on upcoming decisions that will need to be made with the acquisition of the Arbor Road property. Those discussions will continue and be part of the upcoming LRIP process.

The meeting was adjourned following this discussion, roughly at 6:45 PM.

MJS

cc: Dave Landis, Dave Potter, Chris Barber, Donna Reid

A UNIQUE INVESTMENT FOR YOUR EXCESS DAILY FUNDS

Nebraska Federal Investment Trust (NFIT) is a program of Union Bank & Trust Company (UBT) that utilizes UBT's Short Term Federal Investment Trust (STFIT). STFIT is a trust and custodial account arrangement through Union Bank's Wealth Management Division. This unique investment is designed for daily investment of funds by accredited and sophisticated investors.

Your trust account may own a mix of U.S. government and agency securities, student loans, student loan asset-backed securities, student loan participations, FDIC insured Certificates of Deposit and other assets as described in the STFIT Disclosure Statement.

Union Bank & Trust has been trustee of these types of trust accounts since 1969.

Your Funds are Accessible

Funds are made available to STFIT trust customers daily. Withdrawals can be made by phone, written instruction, or wire transfer to a pre-identified account. Sweep arrangements between accounts may also be established.

Investment Protection

Your investment is protected in several ways:

- Holding the funds in trust serves to protect your assets from the claims of creditors of Union Bank.
- Student loan asset-backed securities feature a number of built-in safety and protection features.
- U.S. Treasury securities are backed by the full faith and credit of the United States Government.
- Government Agency securities are debt obligations issued by U.S. Government Sponsored Entities.
- STFIT accounts are not bank deposits, are not FDIC insured, and may lose value.

ANSWERING YOUR QUESTIONS

What investments are within a STFIT account?

When you invest in a STFIT account, interests in a mix of U.S. government and agency securities, student loans, student loan asset-backed securities, student loan participations, FDIC insured Certificates of Deposit and other assets as described in the STFIT Disclosure Statement are purchased for your trust account. Through the trust agreement, you retain beneficial ownership of these securities and receive all the income earned, net of trustee fees and related costs.

The assets purchased for a STFIT trust account are not insured by the FDIC. Holding of assets in trust, however, serves to protect such assets from the claims of creditors of Union Bank & Trust.

How do I invest and withdraw investment funds?

Funds can be directed to us by wire transfer or by check. Subject to the terms of the trust agreement, withdrawals can be made by phone, written instruction, or wire transfer into a pre-identified account.

Investment products: Not FDIC Insured - No Bank Guarantee - May Lose Value.

*Member FDIC

Union Bank & Trust
6811 S 27th Street
PO Box 82529
Lincoln, NE 68501-2529
888.307.8348

We will, subject to the terms of the STFIT trust agreement, attempt (and historically have been able) to accomplish withdrawal of assets on the same business day, if instructions are received by 11:00am. If instructions are received after 11:00am, the withdrawal of assets has been historically completed the following business day.

How is income distributed on my investment?

Income is paid monthly. Income is reinvested in the STFIT account or by credit to another Union Bank & Trust account.

What are the fees involved in this account?

As a STFIT beneficiary, you are entitled to receive all the income of the assets held in trust on your behalf, net of trustee fees and related costs. The fees charged vary by the type of investments owned in the STFIT Account. These fees are listed in the Disclosure Statement. Union Bank & Trust assesses no fees for transferring funds to or from the STFIT account. There are no sales charges associated with a STFIT account.

What kind of statements and verifications will I receive?

Transactional statements showing investments, withdrawals and interest paid will be mailed monthly. Your account information may be viewed via the Internet with Union Bank & Trust's Online Banking or Business Banking Online. Call for more information. Statements identifying the assets owned in trust in your account are available upon request.

How will I know my rate of investment return?

Your net yield will reflect the net income earned on the mix of assets in your STFIT account and will vary as the asset mix varies. It is our objective to provide an asset mix representative of the securities available which will maximize income while maintaining quality and liquidity. We can tell you what you earned yesterday in your STFIT account and will be able to forecast a range in which you may anticipate a yield.

How do I open a STFIT account?

You may open a STFIT account by completing and signing the STFIT Agreement and Application, identifying the title of the account, address and tax identification number. For more information, please call or mail your inquiry using the phone numbers and address listed on the reverse side of this brochure.

How do I transfer funds to or from my STFIT account?

If you are making STFIT transfers to or from another Union Bank & Trust account, call our Investment Desk.

If you are transferring funds to your STFIT account from another bank, you may wire the investment directly to your account by providing the following information to the originating bank:

- Union Bank & Trust Company's routing number is 104910795.
- Include your STFIT account number, name and address with your wire request.

Please call Union Bank & Trust and inform the Investment Desk of the transfer, including your STFIT account number and any subaccount numbers. This will ensure credit is given to the proper investment account.

Collected funds must be received by 11:00am to begin earning interest that day. To withdraw from your STFIT account, call UBT's Investment Desk with the amount of the transfer, your STFIT account number, and the bank account number to which you want your funds transferred.

Union Bank & Trust Investment Desk 402.323.1600 or toll-free 888.307.8348

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Sweep services

Union Bank & Trust's sweep services improve your day-to-day treasury management with a simple, automatic way to keep your funds earning at their maximum potential. Thanks to an automatic sweep and online account information, you no longer spend time monitoring and moving balances to ensure surplus funds are invested or to reduce debt. This sweep is integrated with your business checking and investment account. We'll work with you to establish a target balance of collected funds to be maintained each day in your checking account. The daily transfer amount is determined at the end of each business day, after transactions from all sources are entered.

Investment sweep

Our investment sweep service maximizes interest income. On a daily basis, checking funds in excess of the target balance are transferred to your investment account. Conversely, if funds are needed for disbursements, money is transferred from your investment account. Ask your Treasury Management Services Officer for information on our unique Short Term Federal Investment Trust account (STFIT).*

Credit sweep

Working with your lender, sweeps may also be established with a line of credit to help reduce debt and interest expense. Surplus balances are automatically transferred to reduce your loan balance. As funds are needed for disbursements, we automatically advance funds from your credit line.

Combined sweep services

Your organization may utilize both an investment account and a line of credit to manage your business cycles. We coordinate a "three-way" sweep of surplus collected funds between all accounts to reduce debt or invest funds each business day. Funds over your target balance will first be applied to your loan, then to the investment account to generate additional income. Zero balance accounts (ZBAs) are also available on other bank accounts to help automate those transfers and further consolidate funds.

- Eliminate idle funds
- Reduce time spent monitoring and moving balances
- Maximize interest income
- Reduce debt and interest expense

Sweep services maximize your cash flow, allowing you to focus on what's most important to you: running your business.



TREASURY MANAGEMENT

*Investment products: Not FDIC Insured - No Bank Guarantee - May Lose Value