

OIL AND GAS INVESTMENT BOARD

MINUTES OF FEBRUARY 1, 2022

The City of Manistee Oil and Gas Investment Board held a regular meeting on Tuesday, February 1, 2022, in Council Chambers, City Hall. Meeting was called to order by the Chair at 1:30 p.m.

MEMBERS PRESENT: Lynda Beaton, Jermaine Sullivan, Jeff Reau, Bill Gambill

MEMBERS ABSENT: Doug Parkes, George Saylor, Ed Bradford

OTHERS PRESENT: Woody Uible, Brian Walker, Chris Robbins, Kelly McColl

OLD BUSINESS

2021 Aztec Well Update – Aztec Producing / 2021 Royalties:

No royalties received since April 2021. The City received notification from Hound Resources, LLC that they had acquired all of Aztec’s assets in 2021. City staff has a meeting set up with Hound to discuss a number of issues. The transition from Aztec to Hound did not go as smooth as Hound would have hoped for, and that is the reason for the delayed royalties. Hound is committed to effective clear communication moving forward.

NEW BUSINESS

Minutes - Minutes from the October 15, 2021, meeting were reviewed. **MOTION** by Jeff Reau, second by Lynda Beaton to accept the minutes as presented. No discussion.
Voice vote – Motion passed.

Investment Advisor Update and Commentary – Woody Uible, Brian Walker, and Chris Robbins present the Investment Update as of December 31, 2021. Discussion items:

- Equity markets finished 2021 with near record highs but could be threatened by higher interest rates.
- Portfolio safeguards in place to take advantage of volatility rather than be threatened by it.
- Focus on high quality investments.
- Economy likely to continue to grow.
- Long-term inflation expectations remain moderate.
- Valuations are above average.
- Corporate profits continue to expand.

- 2021 saw record profit growth after pandemic lows. More moderate growth pace expected in 2022.
- Asset allocation is spot on with target allocation.
- Bond portfolio - diversified and reliable income for the next several years.
- Reviewed cash flow additions and distributions, and portfolio performance.

Annual Spending Rule Calculation – Discussed the annual spending rule calculation. May want to revisit this in April once budget is discussed further.

Annual Review of Bylaws – **MOTION** by Lynda Beaton, second by Jeff Reau to accept the bylaws as presented; no changes are required.

Voice vote – Motion passed.

Annual Review of Member Roster – **MOTION** by Jermaine Sullivan, second by Jeff Reau to accept the member roster with changes.

Voice vote – Motion passed.

- Jeff Reau’s address corrected to 263 River Street.

PUBLIC COMMENTS

None.

NEXT MEETING / ADJOURNMENT

Next regular meeting is scheduled for Friday, April 22, 2022, at 12:00 p.m. in Council Chambers, City Hall.

Call of the Chair to adjourn at 2:21 p.m.

Kelly McColl

- c. Manistee City Council
Board Members
William Gambill, City Manager
George Saylor, City Attorney