

PrairieCat Finance Committee Minutes June 12, 2025

The Committee met on Thursday, June 12, 2025, 10:30 am – 12:00 pm in person at the Sycamore Public Library, 103 East State Street, Sycamore, IL 60178-1440 and at the RAILS Coal Valley Service Center., 220 W. 23rd Street Ave, Coal Valley, IL 61240. The meeting will also be available online via Zoom.

Register to attend the meeting: <https://librarylearning.org/event/2025-06-12/prairiecat-finance-committee-meeting>

We require an in-person quorum for this meeting.

1. Call to order, introductions

Present at Sycamore: Beth Ryan (Chair-JO), Megan Gove (TF), Lauren Offerman (TC), Kim Halsey (SY), Maria Meachum (WL), Nick Weber (WO)

Present at Coal Valley: Carolyn Coulter (PrairieCat), Bryon Lear (MX), Angela Campbell (RP), Chelsey Knippel (PrairieCat), Elizabeth Smith (PrairieCat)

Present via Zoom: Elena Mendoza (RAILS)

Absent: Michael Skwara (HC)

Ryan (JO) called the meeting to order at 10:30 am

2. Introduction of guests and public comments

There were no public comments. Elena Mendoza (RAILS), accountant for RAILS and PrairieCat, introduced herself.

3. Approve minutes from March 20, 2025, meeting

Motion #1: Gove (TF) moved and Offerman (TC) seconded to approve the March 20, 2025, meeting minutes as presented. There was no discussion on the motion. Motion carried by vocal affirmation.

4. Review and discussion, PrairieCat investment options and recommendations to the Administrative Council

Mendoza (RAILS) explained the investment options for PrairieCat stating, as we re-evaluate investment options this year, we must consider the economic uncertainty that may impact the Federal Reserve's expectations of two .25% interest rate cuts for this calendar year, and their interest rate projections of 3.9% and 3.4% for calendar years 2025 and 2026, respectively.

PrairieCat has a long relationship with Bank Orion, and, over the years, they have been extremely responsive and attentive to all of our needs. The rate they offered for their 13-month CD was the highest rate of all quotes received.

PrairieCat has been a client of PMA (Prudent Man Advisors) for almost two years, and we have a depository account as well as two current CDs which are maturing at the end of August. PMA came in slightly lower for their 12-month CD compared to Bank Orion but offered a significantly better rate for their 24-month CD.

As mentioned earlier, interest rates fluctuate often, but reports from the Federal Open Market Committee indicate that the Federal Reserve has had a conservative approach regarding lowering interest rates due to uncertainty with the economic outlook. They have held interest rates steady at their last three meetings and their projections for calendar years 2025 and 2026 remain unchanged since their December 2024 meeting, at 3.9% and 3.4%, respectively.

Mendoza continued stating since interest rates are predicted to decrease in the next two calendar years and with the uncertainty surrounding the economic outlook that could be very impacted by tariffs and inflation, we feel it would be beneficial to ladder the maturity of PrairieCat's CDs. Laddering CDs would spread PrairieCat's investments across two financial institutions with different maturity dates and allows more flexibility in accessing funds if needed. Our recommendation would be, once the two CDs with PMA mature on August 27,

2025, for a total of \$452,200 plus accrued interest, to secure one 24-month CD for less than the \$250,000 FDIC insurance coverage limits including the projected net interest with PMA and another \$250,000 13-month CD with Bank Orion. To do this, PrairieCat will need to move \$250,000 of the matured CD funds from the PMA ISC account to Bank Orion.

The remaining balance in the PMA iPrime money market (ICS) account could either be left there to float with the market and remain available for PrairieCat's immediate use or be transferred to Bank Orion and then Illinois Funds for immediate use, if needed. Currently, the average interest rates as of April for the PMA ISC money market account and Illinois Funds are 4.207% and 4.434%, respectively.

Coulter asked if Illinois Funds is doing better than PMA right now? Mendoza stated yes.

Weber (WO) asked if one institution has the highest rates for both the 12 month and 24-month CDs should we take a lower rate to diversify the institutions? Mendoza explained that the most important thing is to keep the amounts below the \$250,000 FDIC insurance limit and splitting between a 12 month and 24-month CD due to the market volatility and being able to access those funds earlier if need be. Campbell (RP) stated we should do what is most advantageous to PrairieCat.

The Committee agreed to recommend splitting the money between a 12- or 13-month CD and a 24-month CD with the institutions that have the higher interest rates at the time of the Administrative Council meeting in August.

5. Adjournment

The meeting adjourned at 10:48 am.

Next meeting: September 18, 2025, 10:30 am – 12:00 pm, in person at the Sycamore Public Library, the Coal Valley Service Center, and online via Zoom