**CDCB Finance Committee**

**March 18, 2025**

**Conference Call**

**Minutes**

**ROLL CALL**

**Committee Members Participating**

**Jay Weiker, NAAB Dan Sheldon, DRP Neal Smith, PDCA Steven Smith, DRPC**

**Non-voting Participants**

Joao Durr, CDCB CEO

Robert Cooper, CDCB CAO

Bill Mertz, Corporate CFO

Luke Higgins, Corporate CFO

Tom Robertson, Morgan Stanley

**CALL TO ORDER**

The meeting was called to order by Chair Jay Weiker at 3:04 p.m.

**AGENDA REPAIR**

Weiker asked to include an item related to Directors Expenses.

**INVESTMENT UPDATE**

Tom Robertson from Morgan Stanley provided an update for Q4. A discussion followed with respect to the reserves at 6 months vs. 12 months. The group also reviewed how the cash in both the investment portfolio and the operating reserve contributes towards the overall reserve funds available to CDCB.

**MONTHLY FINANCIAL REVIEW**

Corporate CFO presented the January 2025 financial statements. They reviewed the financials and commented on the transition of all accounting functions to their oversight going forward. Corporate CFO confirmed for the committee that proper controls are in place and that they had been reviewing the CDCB accounts for any potential areas of concern. None were found.

Corporate CFO has modified the way the financial information is being presented. This was the first review of the new format. It will be shared with the board for feedback.

**OPERATING RESERVE**

A change toward increasing the operating reserve to cover 12 months of expenses would require moving funds out of the performance portfolio and into the reserve portfolio. The current investment portfolio has several investments that are very liquid and could be converted to cash quickly if needed.

Items were discussed related to the Operating Reserve Fund including:

* Acknowledged that there is enough in the two funds to cover more than 6 months of operating expenses.
* It may be possible to identify and present the highly liquid components of the investment portfolio in the monthly summary to illustrate the funds that could be considered part of the operating reserve.
* Begin identifying capital expenditures that may need to be funded from the performance funds to know how much needs to be available outside of the operating reserve.
* Review the operating reserve policy.

If the board decides to increase the operating reserve to cover 12 months of expenses, the committee recommends looking at options that do not require moving funds out of the performance fund as that would reduce its return potential. The operating reserve policy should be reviewed to determine if the objective could be achieved with a few changes to the policy.

There was no need to act on moving funds from the operating reserve fund to the investment fund until the number of months of reserve is decided.

**VARIANCE REPORTING**

A discussion was held about the potential need for variance reporting from management to the board. The financial summary word document that is provided by Corporate CFO includes all variances and any unusual or extraordinary variances are identified and explained monthly. The committee concludes that the variance reporting is sufficiently covered and welcomes feedback from the Board.

**DIRECTORS EXPENSES**

Weiker identified that a new board member will be required to travel internationally to attend in person CDCB board meetings. The cost of international airfare will be higher than domestic fares. This is being presented to the Board for transparency and to determine if there is any issue with CDCB covering the international airfare.

**PERSONNEL CHANGES**

Cooper updated the group on recent personnel changes and efforts to ensure that issues are addressed as well as the strength and resiliency of CDCB internal controls.

With no other business, the meeting was adjourned.