

STUDY SESSION

The HBPW Board of Directors met
May 24, 2021
at 4:00 p.m.
Via Zoom Teleconference.
Holland, Michigan

Chair Hemingway called the meeting to order at 4:02 p.m.

Members Present: Tim Hemingway, Diane Haworth, Sue Franz, Paul Lilly, City Council Liaison Nathan Bocks, and Ex Officio Members Bob Shilander and Keith Van Beek

Members Absent: PJ Thompson

Staff Present: Dave Koster, Janet Lemson, Becky Lehman, Joel Davenport, Ted Siler, Chuck Warren, Chris Van Dokkumburg, Rene Kalkman, Jeffrey Koelsch, Trista Gregorski

21.229 **Communications from the Audience**

None

21.230 **Financial Update (April 2021)**

For information only

STUDY ITEMS **Futures and Exchange-Traded Options Account with StoneX Financial, Inc.**

21.231 The HBPW Energy Risk Management Policy D015-1 authorizes the use of various products for the HBPW Hedge Program. These products can include swaps, options, forward contracts, commodity swaps, and basis swaps. To date, all hedging has been accomplished with contracts for physical delivery. In order for HBPW to take advantage of financial products, it is necessary to establish a futures and exchange traded options account. While there are no immediate plans to use financial products in the HBPW hedge program, the recent weather-related power and natural gas issues in Texas, uncertainty in the energy markets, and HBPW's interest in prepaid natural gas transactions, prudence dictates that the structure and support system for these products be put in place.

A key part of this structure is a futures and exchange traded options account with a fiscally sound reputable firm. StoneX is a Fortune-100 company with nearly a 100 year track record. Its 2,700 employees serve about 30,000 commercial and institutional customers, along with about 295,000 active retail accounts spread across 140 countries. StoneX is the firm HBPW contracted with last year to review the HBPW hedge program.

Due to the level of effort and length of time to establish a futures and exchange traded options account, StoneX recommends the account be established and ready to implement in advance of immediate need. Neither funding nor activity is required to keep the account in ready status. The Board Resolution to authorize the account along with the table of contents of the 50 plus page application are attached for information.

Accept for study the information on establishing a futures and exchange traded options account with StoneX Inc.

** Red italics indicate information or discussion added during the meeting and/or action taken.*

21.232 **Safety Overview and Update**

Provide overview and update for the Board regarding HBPW Health and Safety Programs and metrics.

Study topic for Board information. No action required.

21.233 **2021 Annual Strategic Plan Review**

In 2020, the HBPW Board adopted a strategic plan culminating several months of work. The plan affirmed seven critical issue areas, and within those, seven more specific priorities to focus on.

The 2020 plan is attached for reference. Staff will assist the Board in a brief review of the priorities and associated efforts underway. The Board is asked to reflect on those priorities and consider whether they need to be adjusted.

One reminder is that we are just one year in to a five-year document. This review is not intended to be a full revisit of the plan. However, if in the Board's opinion, there are different priorities emerging that warrant focus, this would be the time to identify and discuss those.

Review and discuss the priorities and critical issues in the most recently adopted (2020) Strategic Plan.

21.234 **General Manager Comments**

- It is anticipated the HBPW Board will resume its in-person meetings at the BPW's Service Center Boardroom on Hastings Avenue for our next Regular Meeting, June 7, 2021.

ADJOURNMENT

The Board Meeting of May 24, 2021, adjourned at *5:31 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board