

**CITY OF FIRCREST
INVESTMENT COMMITTEE MEETING MINUTES**

**MONDAY, SEPTEMBER 21, 2015
9:00 A.M.**

**CONFERENCE ROOM
FIRCREST CITY HALL, 115 RAMSDELL STREET**

CALL TO ORDER

Mayor David M. Viafore called the meeting to order at 9:00 A.M. Councilmembers Hunter George, Denny Waltier and Finance Director Colleen Corcoran were present. Staff present: City Clerk Lisa Keely.

APPROVAL OF MINUTES

Moved by George, seconded by Corcoran, to approve the March 30, 2015 minutes. Ayes: Viafore, George, Waltier and Corcoran. Noes: None. Motion carried.

NEW BUSINESS

Viafore reported good news in that a bond had been called. Corcoran noted that the \$1,000,000 four-year bond that was purchased on March 20, 2014 was called today. She stated the bond was purchased at a discount and would have yielded 1.32% at its original maturity on 03/20/18. She noted that due to the discount and the premature redemption, the bond actually yielded 1.514%. Corcoran provided information of four available bonds that could be purchased if approved by the Investment Committee:

Bond #1

- \$2,000,000, four year and three month bond, callable in three months and quarterly thereafter
- Pays semi-annual interest in the amount of \$12,500 per year
- Maturity date of 12/27/19
- 1.45% yield at maturity

Bond #2

- \$1,003,407, three year and six month bond, callable in one year and continuously thereafter
- Pays semi-annual interest in the amount of \$13,700 per year
- Maturity date of March 21, 2019
- 1.27% yield at maturity

Bond #3

- \$1,144,200, two year and eight month bond, noncallable
- Pays semi-annual interest in the amount of \$8,750 per year
- Maturity date of March 21, 2018
- .82% yield

Bond #4

- \$1,015,000 two year and one month bond, noncallable
- Pays interest at maturity
- .76% compounding interest

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In response to Viafore, Corcoran reported that the Local Government Investment Pool (LGIP) currently pays .16%, and noted she would provide amounts comparing what would have been earned if the monies had been invested in the LGIP compared to what was earned by purchasing the bonds.

There was no interest from the Committee to further discuss Bond #4.

Corcoran reviewed the City's available cash for investment purposes, noting there is approximately \$2,250,000 in General Fund Cumulative Reserves (\$1,000,000 from the bond that was called today and \$1,250,000 additional available for investment). Corcoran reported that \$1,500,000 was invested in a bond that matures on November 21, 2019, noting it was callable on May 21, 2015 and quarterly thereafter, yielding 1.62%.

Viafore outlined the process necessary if Cumulative Reserves money is to be spent, noting that the Reserves are presently generating a favorable revenue stream due to the bond investments. He further suggested that in approximately six weeks the Committee could meet to discuss purchasing a short-term one-year bond from available money in ERR.

Discussion continued on the most favorable bond for investment.

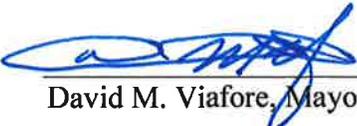
Moved by George, seconded by Waltier, to authorize the Finance Director and Mayor to sign the necessary documents to purchase a \$2 million bond maturing on December 27, 2019, yielding 1.45% at maturity, that uses funds of \$1,750,000 from General Fund Cumulative Reserves and \$250,000 from ERR. Ayes: Viafore, George, Waltier and Corcoran. Noes: None. Motion carried.

NEXT MEETING

There was discussion to meet in approximately six weeks to discuss a short-term bond investment.

ADJOURNMENT

Moved by George, seconded by Waltier, to adjourn the meeting at 9:23 A.M. Ayes: Viafore, George, Waltier and Corcoran. Noes: None. Motion carried.



David M. Viafore, Mayor



Lisa Keely, City Clerk