

**CITY OF FIRCREST  
INVESTMENT COMMITTEE MEETING MINUTES**

**FRIDAY, JUNE 10, 2016  
1:00 P.M.**

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

**CALL TO ORDER**

Mayor Matthew Jolibois called the meeting to order at 1:00 P.M. Councilmembers Hunter George, Denny Waltier and Finance Director Colleen Corcoran were present. Staff present: City Clerk Lisa Keely, City Manager Rick Rosenblatt, and Accountant II Michelle Thomas.

**NEW BUSINESS**

Jolibois introduced Jose Veliz, III with Veliz Financial Management, LLC and Brian Jacobus with Sunrise Wealth Management LLC to give a presentation on an investment strategy involving Government Securities that they would like to present to the Investment Committee. Jacobus outlined the City's current Investment Policy followed by a discussion regarding Eagle Asset Management. Jacobus highlighted the organization and resources of Eagle Management, noting its investment management affiliates have \$30.5 billion in assets under management and assets, and employs more than 200 people with more than 60 investment professionals. Jacobus outlined the Eagle goals, noting that the team believes that intermediate-term bonds offer the best risk/reward trade-off for most fixed-income investors. He stated the goal is to maximize total return through well-allocated portfolios – including a full array of federally insured securities to ensure diversification in the government sector, and is managed with a long-term strategic view. Jacobus outlined the fees as follows: Eagle Asset Management gets 30 basis points, LPL Financial gets 15 basis points with \$1.5 million invested, and the Advisor Fee (Veliz and Jacobus) is 25 basis points – for a total of 70 basis points equal to \$10,500 billed at \$2,625 per quarter on a \$1.5 million investment.

Discussion continued as follows:

- If it is possible, compare what is being proposed by Veliz and Jacobus with the current investments with TVI
- Municipal bonds pay a higher rate because the investment is a higher risk
- Is there more risk in holding two to three bonds versus a diversified portfolio
- Interest rates will eventually increase, and as they go up, the bond rates will go up
- It isn't a good idea to buy a bond at a premium price when it is close to maturity because there wouldn't be enough time for the interest you'd earn to make up the price difference
- Bonds get called when they can be refinanced at a lower interest rate

Corcoran provided an overview of the current investments, and a recommendation from TVI of three available bonds. Corcoran indicated that earnings produced by investing in the current bond that matured versus investing in the LGIP for the same timeframe was an additional \$23,366.45.

Jacobus noted that Eagle Asset Management doesn't presently have any municipal customers and has no experience with cities or counties. Jacobus and Veliz concluded their presentation and left the meeting.

Discussion ensued as follows:

- An investment decision should be made soon so that interest can start accumulating
- Perhaps staff could review the materials proposed by Veliz and Jacobus and do a comparison of a .7% fee that is charged for the managed portfolio versus the lump sum costs charged by TVI
- Input could be sought from TVI Investments
- Are the rates charged by Veliz and Jacobus negotiable
- The 2016 budget included interest from the called bond; therefore, the sooner the money gets invested, the sooner the City can start to receive interest
- TVI can provide diversified and laddered bonds if directed just as Veliz and Jacobus can

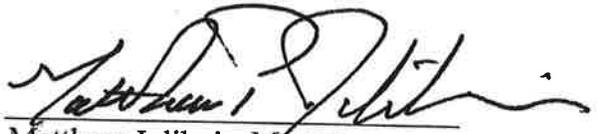
Finance Director Corcoran provided an overview on investing in bonds and the associated risks.

There was interest to invite Paul Jarvis from TVI Investments, LLC to the next meeting so that the Investment Committee could hear his recommendation.

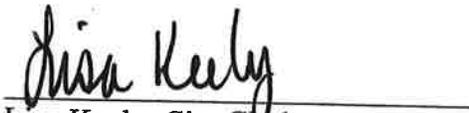
The Committee scheduled the next meeting for June 16, 2016 at 8:30 a.m. and to invite Paul Jarvis from TVI Investments, LLC to make a presentation.

#### **ADJOURNMENT**

**Jolibois adjourned the meeting at 2:00 p.m.**



Matthew Jolibois, Mayor



Lisa Keely, City Clerk