CITY OF FIRCREST
INVESTMENT COMMITTEE
AGENDA

FRIDAY, OCTOBER 17, 2025 **COUNCIL CHAMBERS**
2:00 P.M. **FIRCREST CITY HALL, 115 RAMSDELL STREET**

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **AGENDA MODIFICATIONS**
4. **APPROVAL OF MINUTES**
   A. Approval of August 14, 2025, Investment Committee Special Meeting Minutes
5. **NEW BUSINESS**
   A. Investment Update & Discussion
6. **ADJOURNMENT**

CITY OF FIRCREST
INVESTMENT COMMITTEE MEETING MINUTES

THURSDAY, AUGUST 14, 2025 | **CITY HALL CONFERENCE ROOM**
4:00 P.M. | **FIRCREST CITY HALL, 115 RAMSDELL STREET**

CALL TO ORDER

Councilmember Brett L. Wittner called the special meeting to order at 4:00 P.M. Councilmember David M. Viafore and Finance Director Deskins were present. Staff present: City Manager Dawn Masko and City Clerk Arlette Burkhart. Mayor Shannon Reynolds was absent and excused.

APPROVAL OF MINUTES

Councilmember Viafore MOVED to approve the August 14, 2025, Investment Committee meeting minutes; seconded by Councilmember Wittner.

The Motion Carried (3-0).

ADJOURNMENT

Councilmember Viafore MOVED to adjourn the meeting at 4:03 P.M., seconded by Councilmember Wittner.

The Motion Carried (3-0).

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Brett L. Wittner, Acting Chair

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Arlette Burkhart, City Clerk

Investment Committee Meeting October 17, 2025

CD Maturity Reached

Harborstone CD matured this week, providing a reinvestment opportunity.

$2M Principal

Original investment amount now available for reinvestment.

$82,212 Earnings

Generated at 4.5% APY over the investment period of 11 months.

Reinvestment Options

Reinvest at 4.15% APY

Lock in current favorable CD rates.

Increase Investment

Consider adding to the original $2M based on strong liquidity.

Return to LGIP

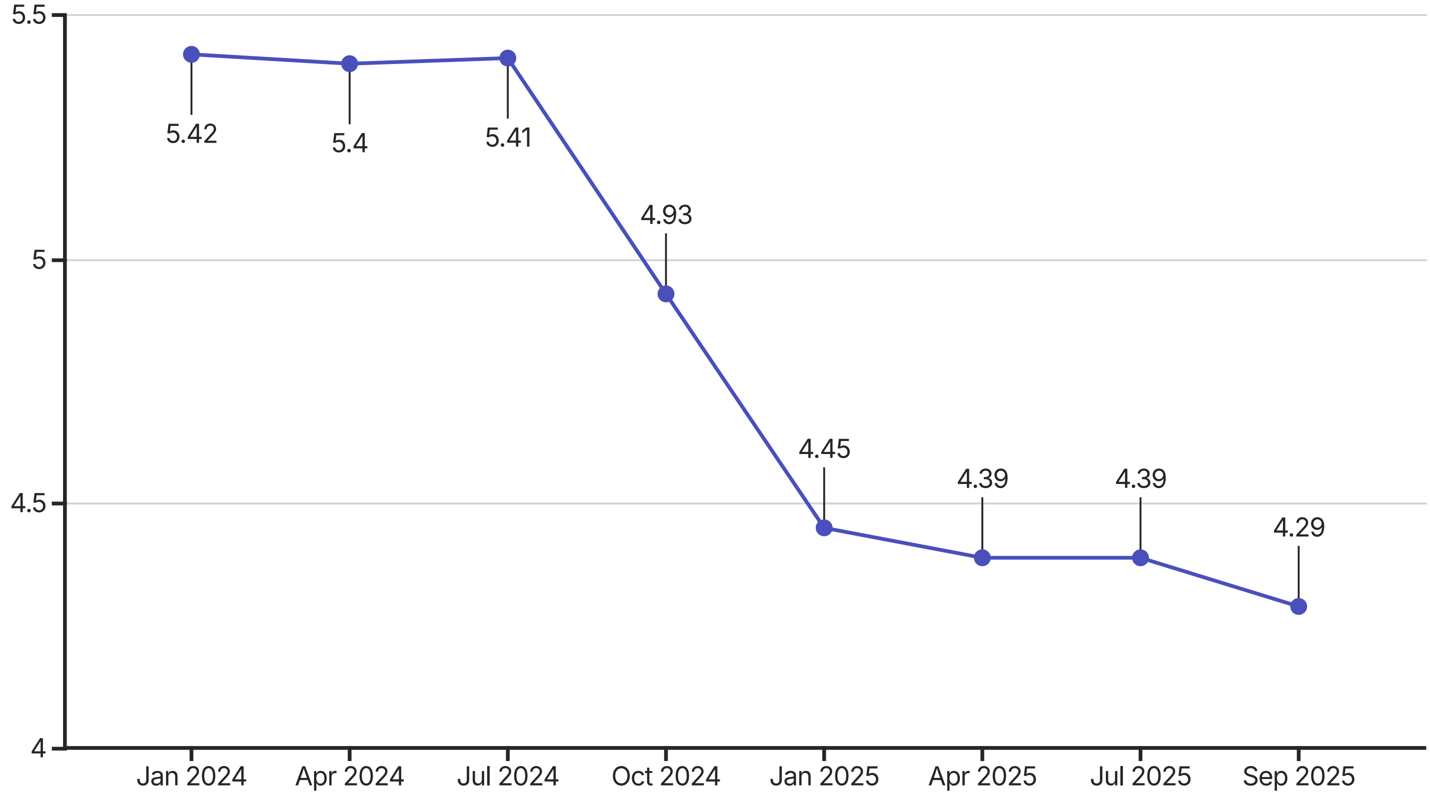
Maintain maximum liquidity with current market rates and flexible access.

Market Context: Declining Yields

- LGIP rates declined from 5.42% (early 2024) to 4.29% (currently).
- This 113 basis point decrease highlights the urgency to secure favorable CD rates.

Cash Flow Analysis & Liquidity Position

Investment Portfolio Performance Comparison



$15.6M

LGIP Available Balance

LGIP vs. CD Rates

LGIP rates declined from **5.23% (2024 avg) to 4.39% (2025)** – a **16% reduction**.

CD Rate Advantage

Current **4.15% CD offering** is 14 basis points below current LGIP rate of **4.29%**

Strategic Opportunity

CDs provide rate certainty with minimal liquidity sacrifice due to strong cash position.

CD Portfolio Strategy & Reinvestment Recommendation

Current CD Holding with Harborstone and Potential Earnings

Purchase Date	Amount	Rate	Maturity Date	Total Earnings
11/12/24	$2,000,000	4.50%	10/12/25	$82,212
10/20/25	$2,000,000	4.15%	10/20/26	$83,000
10/20/25	$2,500,000	4.15%	10/20/26	$103,750
10/20/25	$3,000,000	4.15%	10/20/26	$124,500
10/20/25	$3,500,000	4.15%	10/20/26	$145,250
10/20/25	$4,000,000	4.15%	10/20/26	$166,000
10/20/25	$4,500,000	4.15%	10/20/26	$186,750

Rate Security

Lock in 4.15% for 12 months with declining rates. LGIP dropped 113 bps since early 2024.

Enhanced Returns

Reinvesting $2M yields $83,000 vs. $82,212 from matured CD. $3M would yield $124,500.

Investment Committee Recommendation

Recommendation:

Reinvest $2M+ in a new 12-month Harborstone CD at 4.15% APY

→ **Strong Liquidity**

Checking balance > $1.1M; LGIP portfolio holds $15.6M in liquid assets.

→ **Declining Rates**

LGIP vs. CD yield spread narrowed to 14 bps; CD offers superior, certain returns.

→ **Optimized Earnings**

Additional $1M from original investment of $2M boosts annual earnings by $41,500.

Action Item: Committee approval requested to reinvest matured CD proceeds plus potential additional funds into a new 12-month Harborstone CD at 4.15% APY, with execution by end of October 2025.