RESOLUTION NO. 17-0371

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EDGECWOOD, PIERCE COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO PURCHASE ONE MILLION DOLLARS OF GOVERNMENT BACKED SECURITIES AS AUTHORIZED IN RCW 39.59, FROM THE STRATEGIC RESERVE FUND WITH A MATURITY NOT TO EXCEED THREE YEARS

WHEREAS, the City expects to maintain a minimum balance of the Strategic Reserve Balance of one million dollars ($1,000,000) for at least the next three years, and;

WHEREAS, the City will enjoy a considerably higher rate of return (about 1.62% vs .7%) by direct purchase of the same grade and kind of government securities the Local Government Investment Pool (LGIP) is currently investing in, and;

WHEREAS, the City does not consider investment income a revenue source for ongoing funding, it believes it is prudent to gain a reasonable rate of return on funds kept for emergency and stabilizing purposes as an offset against unforeseen catastrophic loss or unpredictable downturns in current economic factors, and;

WHEREAS, the City has used the services of TVI, a locally known and GFOA recognized Broker-Dealer representative located in Seattle, for bond purchase in the last four years,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EDGECWOOD, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to purchase out of Strategic Reserve Funds, on behalf of the City of Edgewood, one million ($1,000,000) dollars of government backed securities offered through TVI Investments with maturity dates not to exceed three years from the date of execution, pursuant to the provisions of RCW 39.59, with the highest responsible rate of return in increments he deems to have the least early collection risk.


Daryl Eidinger, Mayor

ATTEST:

Rachel Pitzel, City Clerk