RESOLUTION NO. 19-0481

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EDGEWOOD, PIERCE COUNTY, WASHINGTON AUTHORIZING THE MAYOR TO PURCHASE TWO HUNDRED FIFTY THOUSAND 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 increased the balance of the Strategic Reserve Fund in 2019 to one million three hundred thirty-three thousand dollars ($1,333,000) and;

WHEREAS, the City will enjoy a higher rate of return (as opposed to LGIP or the US Bank Treasury Account) 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 as a hedge against inflation on funds kept for emergency and stabilizing purposes as an offset against unforeseen loss or unpredictable downturns in current economic factors as well as monies accumulated for long term capital projects, 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 six years,

WHEREAS, the City has recently received a cash liquidation of $250,000 plus interest income from the liquidation of a previously authorized government security purchase held on behalf of the City’s Strategic Reserve Fund, and wishes to repurchase another security to keep the Strategic Reserve Fund invested in a higher rate of return against inflation, and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EDGEWOOD, 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, two hundred fifty thousand ($250,000) 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 (staggered maturity dates).

ADOPTED THIS 26TH DAY OF DECEMBER, 2019.

Daryl Ejdinger, Mayor

ATTEST:

Rachel Pitzel, CMC
City Clerk