

Citizens' Finance Advisory Committee

March 13, 2013 – 6:00 PM

City of Loveland Council Chambers
500 E. 3rd Street, Loveland, CO 80537

Committee Members Present: John Case, Gerald Fleischer (departed at 7:43), Jason Napolitano, Jennifer Travis, Meg Corwin (departed at 7:53), Brad Pierson, Erik Trenary, Jodi Radke, Richard Ball (arrived at 6:13).

Staff & Council Liaison Present: John Hartman, Alan Krcmarik, Jim Wedding, Councilor Ralph Trenary

PUBLIC COMMENT:

No public present.

CALL TO ORDER:

John Case called the meeting to order at 6:02 PM

APPROVAL OF MINUTES & AGENDA:

John Case asked for approval of the February minutes and March agenda. **Motion was made to approve the minutes and agenda as submitted. Motion passed 6-0.**

REGULAR AGENDA:

Investment Policy (Sub Committee – Jason Napolitano and Brad Pierson)

Jason shared the committee's summary of proposed changes and discussed how it varied from the City's current investment policy. Alan had requested some data from Morgan Stanley Smith Barney and showed his findings. The group discussed yield vs. risk in correlation to potential policy changes. **A motion was made to adopt the revision format with discussion following as to the maturity of ratings, as well as allowing municipal bonds to the current revision format. Motion passed 9-0. (Attached)**

-A motion was made to adopt sub-section eight in the investment policy as written. Motion was passed 9-0.

-A motion was made to adopt a new sub-section three, state and local debt issue with a minimum credit rating A-/A3/A- and a limit of A/A2/A for 5 years. Motion passed 8-1. A second motion was made in relation to the first, to accept the percentage cap of 10%. Motion passed 9-0.

-A motion was made to adopt sub-section one as written with a 10% cap. Motion passed 9-0.

-A motion was made to adopt sub-section two as written with a 10% cap. Motion passed 9-0.

-A motion was made to adopt sub-section four as written with a 10% cap with a four year maximum maturity on A-/A3/A-. A motion was made to amend the current motion to make the maximum maturity at five years. Motion to amend was passed 8-1. A motion was made to approve the amended motion. Motion passed 9-0.

Outreach Committee – Discuss goals and methods (John Case)

John recommended CFAC form two sub-committees, one for Loveland citizenry, as well as for other commissions and committees. Jodi and Richard will head up citizenry, and Jennifer to will head up commission/committees as well as another possible volunteer from a member no longer present at the meeting. John Case will assist both groups as he is able.

Banking (Brent Worthington and Jim Wedding)

Jim Wedding informed CFAC of the Finance Department's status on the Banking RFP. CFAC's subcommittee will present its recommendation to the group in April.

REPORTS:

Council Update (Ralph Trenary)

- Council is several months short of reaching point of focus on the budget. A guidance study session is scheduled for April 23rd to get consensus of comments and feedback without reaching formal vote.
- Summit will be Thursday night.
- An agreement came from Council to move forward with a capital program for water. \$10 million in funds will be borrowed from an outside source and \$6 million will be borrowed from within the City (loan from the Power Enterprise to the Water Enterprise). The General Fund will pay principal each year by a transfer to the Water Enterprise.

Staff Liaison Update (John Hartman)

- Staff is closing out year-end for solid final numbers.
- In June, staff will bring recommended capital program to council
- April 23rd presentation will also have a forecast project that will include a projection (for FTE growth due to increased population, the current financial plan in a static in terms of FTE growth)

ADJOURNMENT:

Meeting adjourned at 8:10 PM

Minutes respectfully submitted,

Chloe Romero,
Board Secretary