

A meeting of the Downtown Development Authority was held Thursday, November 19, 1998 in the Lower Level Conference Room of Troy City Hall, 500 West Big Beaver, Troy, Michigan. The meeting was called to order at 7:30 a.m.

PRESENT: Garry G. Carley
Philip Goy
William Kennis
Alan M. Kiriluk
Rebecca L. Maccardini
Carol Price
William Sandy
James Schultz
Jeanne Stine

ABSENT: Daniel MacLeish
Clarke B. Maxson
John G. Pappageorge
Ernest C. Reschke

ALSO PRESENT: James C. Bacon, Jr.
John M. Lamerato
John Szerlag
John M. Martin, III
Doug Smith
Nino Licari

1. EXCUSE ABSENT MEMBERS

Resolution #98-31
Moved by Stine
Seconded by Schultz

RESOLVED, that Directors MacLeish, Maxson, Pappageorge, and Reschke be excused.

Yeas: All (9)
Absent: MacLeish, Maxson, Pappageorge, Reschke

2. APPROVAL OF MINUTES

Resolution #98-32
Moved by Carley
Seconded by Kennis

RESOLVED, that the minutes of the September 17, 1998 meeting be approved.

Yeas: All (9)
Absent: MacLeish, Maxson, Pappageorge, Reschke

Order of agenda was changed to accommodate prior commitment by Troy's Chief Financial Officer. Investment policy, audit and revenue projections were moved to front of agenda.

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NEW BUSINESS

3. INVESTMENT POLICY

John M. Lamerato reviewed the investment policy which has been adopted by City Council and governs the investments of the TDDA funds that are administered by the City.

Resolution #98-33
Moved by Schultz
Seconded by Kennis

RESOLVED, that the attached Investment Policy be approved.

Yeas: All (9)
Absent: MacLeish, Maxson, Pappageorge, Reschke

4. AUDITED FINANCIAL STATEMENTS - JUNE 30, 1998

John M. Lamerato reviewed the 1997-98 audit report.

Resolution #98-34
Moved by Goy
Seconded by Sandy

RESOLVED, that the audited financial statements for the year ended June 30, 1998 be received and filed, and placed on the next City Council Agenda.

Yeas: All (9)
Absent: MacLeish, Maxson, Pappageorge, Reschke

OLD BUSINESS

5. TDDA REVENUE - EXPENDITURE PROJECTIONS

John M. Lamerato reviewed three scenarios on the projected revenues and expenditures for the district. By utilizing the conservative approach the TDDA would be able to issue \$12 Million in Revenue Bonds for the widening of Big Beaver.

6. RFQ/RFP DRAFT REVIEW

Kate Beebe reviewed with the Board the first draft of the RFQ/RFP for the Civic Center Project. It was agreed upon that the Chairman appoint a subcommittee to continue the review and distribute the RFQ.

NEW BUSINESS

7. CHANGE ORDER - BRICK PAVER INSTALLATION, SW CORNER OF BIG BEAVER AND CROOKS

Resolution #98-35
Moved by Schultz
Seconded by Goy

RESOLVED, that the TDDA approves in the amount of \$7,650.00 with Creative Brick for the brick paving of the southwest corner of Crooks and Big Beaver.

Yeas: Carley, Goy, Kiriluk, Price, Sandy, Schultz
Nays: Kennis, Maccardini, Stine
Absent: MacLeish, Maxson, Pappageorge, Reschke

8. BROWNFIELD AUTHORITY

The discussion of the Brownfield Authority will appear on the December Agenda.

9. TDDA REVENUE BOND REQUEST

James C. Bacon provided the Board with information regarding a proposed \$12 Million TDDA Revenue Bond.

10. EXECUTIVE SESSION

Resolution #98-36
Moved by Kennis
Seconded by Stine

RESOLVED, that the TDDA shall meet in closed session as permitted by STATE STATUTE MCLA 15.268, SECTION 8(d).

Yeas: All (9)
Absent: MacLeish, Maxson, Pappageorge, Reschke

The meeting was adjourned at 9:55 a.m.



Gary G. Carley, Vice Chairman

GARRY


John M. Lamerato, Secretary

CITY OF TROY INVESTMENT POLICY
To Comply with Act 20 PA 1943, as amended

Purpose: It is the policy of the City of Troy to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the City and comply with all State statutes governing the investment of public funds.

Scope: This investment policy applies to all financial assets of the City. These assets are accounted for in the various funds of the City and include the general fund, special revenue funds, debt service funds, and capital project funds (unless bond ordinances and resolutions are more restrictive), enterprise funds, internal service funds, trust and agency funds, and any new fund established by the City.

Objectives: The primary objectives, in priority order, of the City's investment activities shall be:

Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.

Diversification – The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

Return on Investment – The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

Delegation of Authority to Make Investments: Authority to manage the investment program is derived from the following: City of Troy City Council's most current resolution establishing investment accounts (98-187). Management responsibility for the investment program is hereby delegated to the City of Troy Assistant City Manager/Finance and Administration who shall establish written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, cash purchase or delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Assistant City

Manager/Finance and Administration. The Assistant City Manager/Finance and Administration shall be responsible for all transactions undertaken and shall establish a system of controls. The Investment Policy shall be reviewed and approved by the City Council annually.

List of Authorized Investments: The Assistant City Manager/Finance and Administration is limited to investments authorized by Act 20 of 1943, as amended, and may invest in the following:

- (a) Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- (b) Certificates of deposit, savings accounts, deposit accounts, or depository of a financial institution. Authorized depositories shall be designated by the City of Troy City Council.
- (c) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- (d) Repurchase agreements consisting of instruments listed in (a).
- (e) Bankers' acceptances of United States banks.
- (f) Obligations of this state or any of its political subdivisions that at the time of purchase are rated investment grade by not less than one standard rating service.
- (g) Investment pools through an interlocal agreement under the urban cooperation act of 1967, 1987 (Ex Sess) PA 7, MCL 124.501 to 124.512
- (h) Investment pools organized under the surplus funds investment pool act, 1982 PA 367, 129.111 to 129.118.
- (i) The investment pools organized under the local government investment pool act, 1986 PA 121, MCL 129.141 to 129.150.

Safekeeping and Custody: All security transactions, including collateral for repurchase agreements and financial institution deposits, entered into by the Assistant City Manager/Finance and Administration may be on a cash basis or a delivery vs. payment basis as determined by the Assistant City Manager/Finance and Administration. Securities may be held by a third party custodian designated by the Assistant City Manager/Finance and Administration and evidenced by safekeeping receipts as determined by the Assistant City Manager/Finance and Administration.

Prudence: Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.