

**DRAFT MINUTES
WORK SESSION
MAYOR and COMMON COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
Wednesday, APRIL 20, 2011
5:30 p.m.**

DRAFT

Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion

1. Call to Order

The meeting was called to order at 5:30 p.m.

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, Garrison and Baker were present; Councilor Roulette arrived at 6:02 p.m., Councilor German was absent due to illness.

Also Present: Town Manager Russ Martin, Finance Director Mel Preston, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. Pledge of Allegiance

The Pledge was led by Baker.

Discussion relative to the following:

4. Cash balance and investment options with Stone and Youngberg

Town Manager Russ Martin explained that staff would be working with Stone and Youngberg on two different items; one, about how the Town grows its cash, and the other about how the Town spends it. The presentation today will focus on how to grow the cash. The Town currently uses LGIP as the investment pool; very little return is received on the 4 to 5 million dollars invested. Martin said that Stone and Youngberg had been suggested as an alternate to work with; that firm is being used by Cottonwood, Queen Creek and Florence, among others. Finance Director Preston has contacted those entities and found they are pleased with the results from their association with that firm. The point of the presentation is to show how the Town can put its money to better use. Martin said all he would look for at the end of the discussion tonight is direction to come back to Council with the request to give the Mayor the authority to sign the documents prepared by staff to make the fund transfers, after approval by Council. The main concern for Council to address tonight is the risk-reward ratios; with this type of investment, the horror stories experienced by other municipalities during the recent crises have not happened. The information the Town gives to the presenter will help him decide what kind of portfolio(s) to move forward with to at least begin moving the money towards those proposed investments, if the Council so chooses, based on the information to be presented at this meeting. Martin noted that the Town is currently getting close to 20 basis points, and could be looking at 100-200-plus basis points, or returns of approximately 10 times more; the money needs to be invested somewhere else in order to get those better returns.

Kenton McCarthy, from the firm of Stone and Youngberg gave a Power Point presentation on building investment portfolio(s) that serve a number of purposes, first and foremost safety, or preservation of assets; second, liquidity, access to funds; and then returns, or compensation; the portfolio would be kept basic and simple. During discussion following the presentation, Mr. McCarthy explained that the relationship between his firm and the Town would be a simple broker relationship, no fee, no obligation, no contract; the only mechanism for the firm to pay itself is a small bid-ask spread built into every bond; the market keeps that small fraction for itself. The relationship would consist of listening, providing feedback; the simpler it is kept, the less oversight required.

Martin said that, based on what today and the next couple of weeks look like, Mr. McCarthy will come back and give the Council a couple of options, and feedback, so the Town can further consider a course of action.

5. Adjournment

On a motion by Garrison, seconded by Whatley, the meeting was adjourned at 6:25 p.m.

Bob Burnside, Mayor

Margaret Harper, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on the 20th day of April 2011. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2011.

Debbie Barber, Town Clerk