



CITY of NOVI CITY COUNCIL

Agenda Item H
August 12, 2019

SUBJECT: Approval of the resolution between the City of Novi and the Novi Police and Fire Benevolent Association for investment holdings.

SUBMITTING DEPARTMENT: Finance/Treasury

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

The Novi Police and Fire Benevolent Association (NPFBA) is a not-for-profit organization created by current and former City of Novi public safety employees with the purpose of helping public safety personnel from the City of Novi and other agencies in their time of need. The NPFBA is funded by donations and various fund raising efforts. The City of Novi Treasurer has volunteered to be the Treasurer for the Novi Police and Fire Benevolent Association (NPFBA). The Treasurer of the NPFBA responsibilities includes income generation of donations received until they are disbursed to qualified individuals and safekeeping of the assets. The overall small size of the NPFBA cash reserves limits what investments are available and, therefore; do not generate a significant amount of investment earnings annually.

Over the years, the City of Novi has agreed to hold deposits in trust (such as donations for specific purposes, committee donations, youth programs, etc.) for a few outside organizations, including the Novi Parks Foundation and Friends of the Novi Public Library. Along these lines, the NPFBA is requesting approval from the Mayor and City Council to have the City of Novi hold the surplus cash of the NPFBA in trust with the purpose of investing their funds in accordance with the City's overall investment policy. By allowing this type of trust arrangement it would allow the NPFBA to maximize their investment rate of return by combining their funds into the overall pool of City investments. This would increase the investment returns of the NPFBA from approximately \$1,000 annually to \$9,000 annually; generating an additional \$8,000 towards helping those in need. This agreement, if approved, would have no direct cost to the City of Novi and would involve minimal additional effort monthly/annually by the City's finance/treasury departments

RECOMMENDED ACTION: Approval of of the resolution between the City of Novi and the Novi Police and Fire Benevolent Association for investment holdings.

CITY OF NOVI

COUNTY OF OAKLAND, MICHIGAN

RESOLUTION TO AUTHORIZE THE CITY OF NOVI TREASURER TO HOLD AND INVEST FUNDS IN TRUST ON BEHALF OF NOVI POLICE AND FIRE BENEVOLENT ASSOCIATION

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on _____, 2019, at ____ o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

The following preamble and Resolution were offered by Councilmember _____ and supported by Councilmember _____.

WHEREAS, Novi Police and Fire Benevolent Association ("NPFBA") is a not-for-profit organization created by current and former City of Novi Public Safety Employees with the purpose of helping public safety personnel from the City of Novi and other agencies in their time of need; and

WHEREAS, the NPFBA is funded by donations and various fundraising efforts; and

WHEREAS, the City of Novi Treasurer has volunteered to be the Treasurer for the NPFBA. The responsibilities NPFBA Treasurer include income generation from donations received until they are disbursed to qualified individuals and the safekeeping of those assets; and

WHEREAS, the overall small size of the NPFBA cash reserves limits what investments are available and, therefore, they do not generate a significant amount of investment earnings annually; and

WHEREAS, the NPFBA has requested that the City of Novi hold its surplus cash in trust for the purpose of investing their funds in accordance with the City's overall investment policy.

NOW THEREFORE, IT IS THEREFORE RESOLVED as follows:

The City of Novi agrees to hold assets designated by the NPFBA for and on its behalf, and further authorizes the City of Novi Treasurer to hold and invest those funds in accordance with the City of Novi's investment policies, in trust for the NPFBA.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this _____ day of _____, 2019, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

Cortney Hanson, City Clerk
City of Novi