

# Memo

**To:** Town Council  
**From:** Brian Wolcott, Finance Director  
**Through:** Tony Plante  
**Date:** 04/17/2014  
**Re:** Investments – March 31, 2014

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We maintain a sufficient balance in our general deposit account with Citizens Bank to pay bills and cover payroll. Any excess cash is invested, primarily in CD's. We pay no fees to maintain and service the account. In the past, the bank was able to put our funds to work and cover the cost of services provided. Now however, with historically low rates, that is not the case.

Citizens Bank has requested that we maintain a minimum balance of \$3 million to help defray the cost of maintaining the account. We will not earn interest, but neither will we pay fees. We receive from \$750-\$1,000 per month in services.

This will mean there will be less available for investment. However, foregoing some interest income is preferable to paying service fees.