

Falls City Council approves investment option

(KLZA)-- The Falls City Council approved a resolution Tuesday evening to enter the Declaration of Trust and become a participant of the Nebraska Class Trust.

The organization allows local government entities to invest surplus or excess funds in cooperation with other governmental entities.

City Administrator Anthony Nussbaum said the City could earn higher interest rates on this type of investment than what local banks can offer currently.

Nussbaum said the City still has the option to invest locally, and decisions on where to invest the money would come before the Council.

Ward IV Council member Derek Leyden, who works for F&M Bank, said that he would abstain from the vote on the resolution because of his occupation.

Although Leyden abstained, Leyden said currently local banks cannot match the interest rate being offered by the Trust. Leyden cautioned the Council about not investing locally. Leyden said municipal deposits are a big part of the banking industry, allowing the banks to lend money to those who need it. He noted that it is local banks that step up when local committees and organizations need money such and F & M Field, Morehead Field and Vandeberg Field at the Fiedler Sports complex that were supported by local banks. He said EDGE and the Chamber receive a lot of support from local banks.

Mayor Mark Harkendorff also suggested investments remain local since its local banks that lend money to people. He said that is more important than a little more interest.

The vote to approve the resolution was 6 in favor, with Leyden abstaining and Council member Jim Wisdom casting a nay vote.

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