

Investment Advisory Committee Meeting (IAC)

Minutes

Wednesday, September 26, 2018

Members present

Dr. Scott Below, *Chair*; Cameron Evans, *Vice Chair*

City Staff present

Ann Wall, *City Manager*; Michael Cowin, *Assistant City Manager*; Byron Hayes, *Financial Services Director*; Jacob Joyner, *Financial Services Manager* & Denisha Harris, *Financial Services Manager*

Others present

Will Litchfield, *City Council Liaison (via phone)*

Members Absent

Yifan Guo, *Secretary*

The meeting of the Investment Advisory Committee was at 10:00 a.m. on Wednesday, September 26, 2018 in City Hall Conference Room 337. The meeting opened with Dr. Scott Below calling the meeting into session, followed by Ms. Ann Wall asking everyone to introduce themselves.

1. Election

Dr. Below was nominated as Chair and Mr. Cameron Evans was nominated as Vice Chair. Mr. Yifan Guo will serve as Secretary by default.

2. Review of April 18, 2018 Meeting Minutes

The minutes were approved without exception by the Committee.

3. Investment Report as of August 31, 2018

Mr. Jacob Joyner presented the Quarterly Investment Report dated August 31, 2018. He stated that cash balances have decreased by 1% and still remain fairly high. Also, he highlighted that spending for the Streets and Pedestrian Bonds will be completed soon. NCCMT rates were discussed next. Mr. Joyner shared that NCCMT rates have been going up significantly, which shows improvement from where they were about a year ago. He then discussed changes to the investment report which excludes items that do not include investable funds. This change was done to show a fair comparison of the City's investments.

Mr. Michael Cowin mentioned that C2 Group should be due to give the Committee a presentation as the next scheduled meeting. Mr. Byron Hayes confirmed that staff would reach out to C2 Group to have them come to the next meeting in October. Council Member Will Litchfield inquired as to how many positions had been sold. Mr. Joyner replied that he would have to pull that report, due the information not being on hand. The discussion continued with Dr. Below and Mr. Joyner further clarifying information on the bonds for Council Member Litchfield. Mr. Cowin added that information is expected to be presented to Council in reference to the next installment of bonds in the next few months.

4. City Presentation of Banking RFP Selection:

Mr. Hayes gave an overview of the RFP Banking process to date. Names of institutions were left anonymous due to the current stage of the process and the fact that information has not been publicly released. Mr. Hayes shared that the search has been narrowed down to two firms, who will be referred to as Bank 1 and Bank 2. Customer Service, stability, references, technology,

community involvement and overall banking in general are the key criteria used in the selection process, stated Mr. Hayes. He then gave a comparison of both banking candidates and how they could meet the City's financial banking needs.

Council Member Litchfield followed up with a question in reference to how many times the City is currently going into a bank branch and Mr. Hayes responded that this occurs every day, due to the City making daily deposits. Council Member Litchfield followed up by asking about the rates that the banks are offering and if they are fixed rates or floating. Mr. Hayes stated that staff's understanding is that the rates are fixed. Bank 1 indicates that the rate will not go down, however if interest rates rise it will in return increase. Bank 2 has not indicated the same. Discussion continued as it relates to the two banks' offerings.

Contract conditions were discussed next and Dr. Below inquired as to whether or not there is no lock-up that would prohibit the City from changing banks if things do not work out with the initial bank chosen. Mr. Hayes replied stating that the initial contract proposal was a three-year contract with two years that we could enter into additionally. Mr. Cowin asked if a convenience clause could be negotiated. Ms. Denisha Harris stated that this absolutely can be done. A termination for convenience and a termination of cause clause can be negotiated, as long as it is within a certain window of time.

Mr. Hayes went over the next steps in the process and gave a timeline of when this process will result in a decision being made. It is expected that a decision of which bank the RFP Banking Selection Committee chooses will be presented to Council in November.

5. Next Meeting:

Wednesday, October 17, 2018 from 10am-11am (Regular Committee Meeting)

Dr. Below opened the floor for any closing remarks or discussions. Mr. Cowin reiterated that the C2 Group will be contacted to come and present to the Committee at the next meeting. He also stated that a final recommendation in the RFP Banking Process will be presented at that time as well.

Meeting was adjourned.