

**City of Greenville**  
**Investment Advisory Committee Meeting**  
**Wednesday, September 26, 2018**  
**City Hall, Room 337**  
**10:00am-11:30am**

**Attendees:**

Scott Below, *Chair*

Will Litchfield, *City Council Liaison*

Byron Hayes, *Director of Financial Services*

Ann Wall, *City Manager*

Michael Cowin, *Assistant City Manager*

Jacob Joyner, *Financial Services Manager*

Cameron Evans, *Vice Chair*

Yifan "Mike" Guo, *New Member*

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**1. Election**

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**2. Review April 18, 2018 Meeting Minutes**

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**3. Investment Report as of August 31, 2018**

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**4. City Presentation of Banking RFP Selection**

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**5. Next Meeting:**

**Thursday, October 17, 2018 from 10am-11:00am (Regular Committee Meeting)**

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# Investment Advisory Committee Meeting (IAC)

## Minutes

### Wednesday, April 18, 2018

#### Members present

Cameron Evans, *Vice Chair*; Yifan Guo, *New Member*

#### City Staff present

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

#### Others present

Will Litchfield, *City Council Liaison*

#### Members absent

Dr. Scott Below, *Chair*

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The meeting of the Investment Advisory Committee was at 10:00 a.m. on Wednesday, April 18, 2018 in City Hall Conference Room 337.

#### 1. Election

This item was moved to be an agenda item for the next Committee meeting.

#### 2. Review of October 11, 2017 Meeting Minutes

Council Member Litchfield wanted to clarify information related to Item #1 (SunTrust Bank Presentation) of the October 11<sup>th</sup> meeting minutes. He shared that from reviewing the minutes, it seems that SunTrust does not charge the City fees, but rather they earn their fees. Council Member Litchfield suggested to staff and Committee members that it is prudent that the City understands what SunTrust's dealer spread is, to be more transparent. Mr. Cowin stated that staff would respond electronically to the Committee with an update on this and if there is a need to continue this discussion at a later meeting that will be taken into consideration as well.

The minutes were approved without exception by the Committee.

#### 3. Quarterly Report as of March 31, 2018

Mr. Hayes presented the Quarterly Investment Report dated March 31, 2018. He stated that not much changed from the previous report. The C2 1-3 Portfolio was highlighted next by Mr. Hayes. He specifically shared that the City has a large amount of cash in the Local Government Investment Pool, which is managed by the North Carolina Capital Management Trust (NCCMT). Mr. Hayes stated that the amount is there just for liquidity purposes. Council Member Litchfield asked whether or not there is a certain percentage that has to be kept in the Local Government Investment Pool. Mr. Joyner responded stating that the guidelines for the fund are very broad and no specific breakdown is given, the range can be anywhere from 20%-60%.

Discussion continued as it relates to how cash in the Local Government Investment Pool is managed and the requirements. Mr. Cowin and Ms. Wall followed up by stating that all requested information including the City's Investment Policy will be sent to all Committee Members and the City Council Liaison for a more detailed review.

Mr. Litchfield wanted to clarify whether or not the Local Government Investment Pool was managed outside of what SunTrust manages. Mr. Cowin and Mr. Joyner both verified that SunTrust does not manage those funds.

Mr. Evans discussed the Wells Fargo Dealer Services closing and the possibility of looking at other firms for banking services. The Request for Proposals for banking services was highlighted at this time as well. Mr. Cowin gave a detailed overview of what the process will entail and he stated that staff would provide a presentation for the Committee to provide updates.

**4. Next Meeting:**

**Wednesday, August 15, 2018 from 10am-11am (Regular Committee Meeting)**

The possibility of a meeting to further discuss the RFP process was mentioned by Mr. Cowin and Ms. Wall. The date was to be set at a later time. The Regular Committee Meeting date of August 15, 2018 was unanimously confirmed by the Committee.

Meeting was adjourned.

# MEMORANDUM

**To:** Ann Wall, City Manager  
 Michael Cowin, Assistant City Manager

**From:** Byron Hayes, MBA, Financial Services Director

**Date:** September 20, 2018

**Subject:** Cash/Investment Report as of August 31, 2018

Attached is the City of Greenville's Cash/Investment Portfolio Report as of August 31, 2018. The information below will provide a review of the activity that occurred in the cash portfolio since the last reported period March 2018 through August 2018.

During the reporting period, there were no unusual occurrences within the cash / investment categories. The overall cash portfolio reflects an increase as of August 31, 2018 when compared to prior reporting period March 2018. The portfolio decreased to \$73,313,646, which is a cumulative face value change of \$731,628 or 1%. The majority of the City's collections for the fiscal year take place in this same period because of property tax collections. In addition to property tax collections, the following factors also affect the overall increase in the portfolio

- Spending of Streets and Pedestrian Project Bond Proceeds

Attached is a historical presentation of the cash portfolio performance for the past five years. The pattern remains consistent to prior year(s).

Investment Earnings are directly dependent on the cash balances on-hand, the timing of coupon payments and the C2 monthly buys and sells. As of August 31, 2018, the year-to-date investment earnings have increased when compared to the same time for the prior year. The table below illustrates a 2-year history of investment earnings.

<u>Year</u>	<u>August 2018</u>	<u>August 2017</u>
<b>Investment Earnings</b>	\$123,155	\$115,762

The investment transactions for the reporting period March 2017 –March 2018:

<u>Transactions</u>	<u>Cusip</u>	<u>Amount</u>	<u>Realized Gain/(Loss)</u>
C2 Buys	C2	\$10,812,443	-\$0-
C2 Sells	C2	\$10,754,926	\$(145,552)

The tables on the next page illustrate the portfolio's performance, market amounts, and rate of returns, and include a comparison to the Federal 91-day T-Bill. The City's Optimizer investment returns are in line with the Merrill Lynch benchmarks, as illustrated on the "Group Summary Total Portfolio Holdings".

The diversification of the portfolio and the percentages held in investment types complies with the City's investment policy.

Investment Portfolio Update		
	August 31, 2018	March 30, 2018
Market Amount	\$73,313,646	\$72,582,018.03
% Return (excl. cash & MM)	1.82%	1.49%

City versus Federal T-Bill Comparison as of August 31, 2018 (excl. cash & MM)		
	City Returns	Federal T-Bill Benchmark
91 Day Benchmark Return	2.18%	2.07%
1-3 Year Benchmark Return	1.67%	2.45%
3-5 Year Benchmark Return	2.17%	2.77%

Let me know if you have questions.

Cc: City Council  
Investment Advisory Committee



