



City of Foley, AL

407 E. Laurel Avenue
Foley, AL 36535

Signature Copy

Resolution: 22-1217-RES

File Number: 22-0353

Enactment Number: 22-1217-RES

A Resolution Approving Cash Investments

WHEREAS, Resolution 22-1156 approved the Financial Services Division to solicit Requests for Proposals from area banks in an attempt to secure more desirable interest rates, and

WHEREAS, the Request for Proposal closed out on May 31, 2022, and a summary of results is attached and made part of this resolution, and

WHEREAS, the Treasurer requests Council approval of placement and/or reallocation cash on hand as follows:

NOW THEREFORE BE IT RESOLVED that the City Council of the City of Foley, Alabama, as follows:

SECTION 1: Approves opening a Public Interest Checking account with an initial deposit of \$1,000,000 at Bryant Bank.

SECTION 2: Approves opening a JP Morgan US Gov Money Market Fund account with \$2,500,000 and a State Street Institutional Treasury Money Market Fund account with \$2,500,000 at PNC Bank.

SECTION 3: Approves investing \$24,000,000 in the Regions Investment Management, Government Only Enhanced Cash Strategy fund.

SECTION 4: Approves opening a Public Funds Money Rate Savings account at Truist Bank with a \$5,000,000 initial deposit.

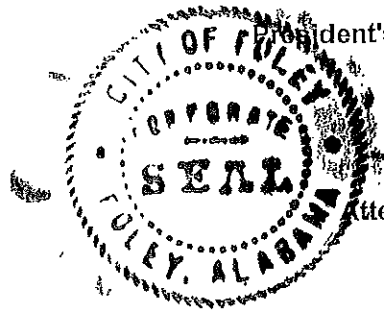
SECTION 5: Approves leaving a \$5,000,000 monthly balance in the existing moderate activity sales tax money market account at The First.

SECTION 6: Approves moving two Centennial Investment Account balances to higher yield accounts with high liquidity when restricted projects are completed.

SECTION 7: Authorizes the City Treasurer to move funds between accounts when needed to maximize earnings, in accordance with past practice.

SECTION 8: This Resolution shall become effective immediately upon its adoption as required by law.

PASSED, APPROVED AND ADOPTED this 20th day of June 2022.



President's Signature

J.W. Trawick

Date

6-20-22

Attest by Clerk

Kathryn Taylor

Date

6-20-22

Mayor's Signature

J.R. Goble

Date

6-20-22

May 31, 2022, Banking Institution RFP's, Resolution 22-1156 - Initial Investments Recommendations

Notes	Bank	Deposit Amount	Interest Rate	Approximate Annual Interest	Fees	Fee Amount	Min or Max Balances
1.	Bryant Bank Public Interest Checking	\$ 1,000,000	0.15%	\$ 1,500	None	\$ -	up to \$15 million
2.	PNC JP Morgan US Gov MM Fund	\$ 2,500,000	0.75%	\$ 18,750	None	\$ -	none
	PNC State Street Institutional Treasury MM Fund	\$ 2,500,000	0.72%	\$ 18,000	None	\$ -	None
3.	Regions Investment Management Government Only Enhanced Cash Strategy (1-3 year Investment)	\$ 24,000,000	1.91%	\$ 458,400	.15% (minimum annual fee \$10k)	\$ 36,000	none given
4.	The First Money Market	See Note	0.15%	\$ 7,500	Service fees (stop payment, wire, etc)	\$ -	None
	The First 1-Year Certificate of Deposit	\$ -	0.17%	\$ -	None	\$ -	None
	The First 2-Year Certificate of Deposit	\$ -	0.20%	\$ -	None	\$ -	None
5.	Truist Public Funds Money Rate savings	\$ 5,000,000	0.40%	\$ 20,000	None	\$ -	\$250 daily or \$500 average daily
		\$ 35,000,000		\$ 524,150		\$ 36,000	

Notes

1. Bryant - the bank charges no fees, pays .03% interest, and provides excellent customer service on the City's high-volume transaction operations account. Recommending placement of \$1MM in their Public Interest Checking account, and in turn the bank will begin also paying .15% on both Impact Fee accounts and the Municipal Court Judicial Admin Fund Account. The Public Interest Checking has a 1-year renewable contract and a floating rate tied to the Banks deposit index rate.
2. PNC - the two money market accounts offer similar rates based on different investment options. The JPMUSG MM Fund invests exclusively in high-quality, short-term securities that are issued or guaranteed by the US government. The SSIT MM Fund seeks a high level of current income consistent with preserving principal and liquidity by investing in high-quality US dollar-denominated money market instruments with maturities of 397 calendar days or less. Recommend placing \$2.5MM in each type account.
3. Regions - as of May 17, 2022, the yield to maturity of this strategy is \$1.91%. The benchmark is the Bloomberg 1-3 Year Government Index and the strategy is laddered so that approximately 10-20% of the portfolio matures each 2-3 months to provide liquidity or allow reinvestment. Clients should expect to remain in the strategy for at least two years to minimize risk and allow time to realize the benefits of the strategy.

4. The First - the bank charges no fees, offers excellent customer service, and will begin paying .15% on all accounts including the City's moderate-volume transaction sales tax money market account. The bank also holds the City's 10MM emergency line-of-credit. Recommend a continued relationship and leaving \$5MM in the Sales Tax account each month (current balance \$34MM) but not opening a new account or investing in certificates of deposit at this time.
5. Truist - this is a non-contractual arrangement that allows 20 deposits and 6 withdrawals per month. The rate is variable and can change at the bank's discretion, but the lack of a contract allows the City to reduce/close the account if warranted.