



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 1/2/2024

New Business

Department: Finance

Presenter(s): Mason Scott, Finance

Contact(s): Melissa Moore, Mason Scott

Subject: Resolution to join North Carolina CLASS Investment Pool

Brief Summary: The NC CLASS investment pool was formally established on April 12, 2023 by interlocal agreement in compliance with North Carolina general statutes. NC CLASS prioritizes safety, liquidity, and competitive returns on investments, balanced with legal compliance, convenience, and flexibility. Participation in NC CLASS does not prevent a local government for joining one or multiple other local government investment pools.

Current investment pool participants are listed below; the investment pool anticipates several new members joining early in 2024.

Counties: Harnett, Gaston, Mecklenburg, Richmond, Lincoln

Municipalities: Hickory, New Bern, Holden Beach, Knightdale, Rocky Mount, Hope Mills, Bald Head Island

Authorities and special districts: County of Harnett District H Tourism Authority, Roanoke Rapids Sanitary District

Background

Local governments typically invest their idle cash in State-approved investment vehicles, but there is a need to keep a large amount of cash liquid to fund on-going operations. Historically, options for investing idle cash and keeping it liquid were limited to either the County's main bank or the North Carolina Capital Management Trust (NCCMT). Due to interest rate

volatility over the past few years, Finance staff have identified the need for more investment options to allow diversification of investments of idle cash.

Local Government Investment Pools (LGIPs) are allowed by North Carolina State Statute to be formed by two or more participating local government units according to specific guidelines. Finance staff have identified the North Carolina Cooperative Liquid Assets Securities System Investment Pool (“NC Class”) as another LGIP option to increase diversification and flexibility of investment of idle cash.

Additional information on the NC CLASS investment pool is attached separately to this agenda item.

Recommended Motion & Requested Action: Approve the resolution and interlocal joinder agreement to join the North Carolina CLASS Investment Pool.

County Manager’s comments and Recommendation: Approve as recommended.