

**Town of Hertford**  
Regular Session Meeting (In Person/Facebook)  
Monday, September 12, 2022 – 6:00 p.m.  
Horace Reid Community Center, 305 W Grubb Street

The Council of the Town of Hertford held a Regular Session Meeting at the Horace Reid Community Center (also on Facebook) on Monday, September 12, 2022, at 6:00 pm.

**COUNCIL MEMBERS PRESENT**

Mayor Earnell Brown	Ashley Hodges, Mayor Pro Tem
Jerry Mimplitsch	Sandra Anderson
Connie Brothers	

**STAFF PRESENT**

Janice McKenzie Cole, Interim Town Manager  
Gina Durante, Town Clerk  
John Leidy, Attorney

A quorum was present.

**CALL TO ORDER**

Mayor Brown called the meeting to order.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation was led by Councilwoman Anderson, followed by the Pledge of Allegiance.

**APPROVAL OF AGENDA**

Mayor Brown asked for a motion to approve the agenda as presented. Councilman Mimplitsch made a motion to approve the agenda and Councilwoman Anderson seconded the motion. The motion to approve the agenda passed unanimously with the following vote:

Councilwoman Anderson	aye
Councilman Mimplitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

**CONSENT AGENDA**

Mayor Brown asked for a motion to approve the consent agenda accepting the minutes from 8/8/2022 Regular Session, the 8/22/2022 Work Session, 7/12/2021 Regular Session, 8/9/2021 Regular Session, approval of Hertford CERRI, and approval of the ordinances of street closures for 10/28 Trunk or Treat, 12/2 Grand Illumination and 12/3 Christmas Parade. Councilwoman Anderson made a motion to approve the consent

agenda and Councilman Mimplitsch seconded the motion. The motion passed unanimously with the following vote:

Councilwoman Anderson	aye
Councilman Mimplitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

### **CITIZENS CONCERNS**

Jennifer Byrum spoke before Council representing her director and the administration staff of the Landings of Albemarle. They wanted to thank Council, Mayor, Hertford Fire Department, PC Sheriff's Department, EMS for the prompt service that is provided to the Landings and extra security when needed. They have spent time talking to the residents and that brightens their day as well as getting the team certified. Ms. Byrum invited Council, those attending, and those watching to the Landings on Wednesday, September 14<sup>th</sup>, to the Western Party at 5-7PM for their residents. All are welcome.

Karen VanOverbergh, a local business owner and Albemarle Plantation resident, began by commending Council and others for all the activities that have occurred this summer. Ms. VanOverbergh attended the PZBOA last month and is working the Manager Cole and members of the community to define the parking requirements and rules for apartments she is constructing in a downtown building, as well as for other owners of local apartments and Airbnbs. Where are the appropriate spots to be located and how many spots are required for a one-bedroom versus a two-bedroom unit? Council will reply within 30 days to Ms. VanOverbergh's questions.

Yvonne Brown thanked Council for the work at the roadside cemetery and the installation of "Children at Play" signs on Dobbs Street. Ms. Brown stated that speed bumps are still needed on Dobbs Street between the red light and the school. Drivers are not reading the signs and a speed bump would slow down the vehicles that drive on Dobbs too fast.

### **CONTINUED BUSINESS**

None

### **NEW BUSINESS**

Mayor Brown asked Manager Cole to address New Business.

#### **New Events**

There will be a movie night in Central Park on October 8<sup>th</sup>. No street closures are needed.

On October 15, Open Door Pantry is hosting a parade/walk from the library to the S-Bridge and back to bring awareness to the food bank and the need for food in the town. No street closures are needed as walkers will use the sidewalks.

Also on October 15<sup>th</sup>, is a Halloween Community Event on Dobbs Street from 7-11PM. This event will require a road closure, and Council members have the ordinance in their packet.

Mayor Brown asked for a motion to pass the ordinance for the street closures on October 15 for the Halloween Community Event. Mayor Pro Tem Hodges made the motion and Councilwoman Brothers seconded the motion to approve the street closure. The motion passed unanimously with the following vote:

Councilwoman Anderson	aye
Councilman Mimplitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

#### Transferring Funds to Capital Management

The town currently has money in FNB and in PNC. The bulk of the town's money is in PNC and earning no interest. Approximately \$400,000 is at FNB in a money market with 1.75% interest. The banks do give us credits which offset the bank fees. Capital Management Trust is certified by the Local Government Commission. The interest on their money market currently is 2.23% and could be as high as 3% by the end of the month, based on the increase in interest rates anticipated by the Federal Reserve. We can get our money out the same day when we need it; there may be a wire fee charged by our banks for a same day wire transfer or no charge if we request it to be sent to us. Manager Cole is recommending leaving no more than \$500,000 each in FNB and PNC and transfer the rest to Capital Management Trust. Three pages of information about Capital Management Trust are attached.

Mayor Brown asked for discussion. Councilman Mimplitsch asked if, like mutual funds, could we lose money. Manager Cole said there are no guarantees, but it would be invested in government money markets, not mutual funds. She also said the money would not be FDIC insured like money is in a bank. She stated that there is security in the investments because the money is invested in US government securities and/or repurchase agreements that are fully collateralized. Councilman Mimplitsch expressed that he still has concerns, but also doesn't want the money not earning any interest. Manager Cole advised him that additional information is available online. Mayor Pro Tem Hodges stated that he had looked at this with manager Cole and this is the recommendation of the former interim finance director and the prior finance directors. The Capital Management Trust is set up by the state. Nothing is risk free, but this is the place where local and county governments put their long-term fund balances to gain interest. It is not stock based but rather low risk government funds, as Manager Cole stated. Each million would earn approximately \$22,000 in interest each year, at a conservative rate, and we are currently getting no interest. Earning that interest is more advantageous to our citizens who could face tax rates and utility increases. Mayor Pro

Tem Hodges has researched this and supports Manager Cole's recommendation to transfer funds to Capital Management Trust and keep \$500,000 in both FNB and PNC. Mayor Brown asked if there were constraints or limitations on how long the money needed to be invested with Capital Management Trust before any funds could be withdrawn. Manager Cole answered no. Mayor Brown, like Councilman Mimlitsch, also expressed concern for losing money when the market takes a downward turn but agrees that the money should be transferred to a fund where it is earning interest. Councilman Mimlitsch asked if Council could be given quarterly performance reports on our investment. Manager Cole said yes. Mayor Brown asked if there is a tax liability on the dividends for the town since we are a government entity investing in government funds. Manager Cole stated that there is not a tax liability on the dividends that she is aware of.

Mayor Brown asked for a motion and Mayor Pro Tem Hodges made the motion to move forward with transferring of funds to Capital Management Trust and keeping approximately \$500,000 in PNC and FNB as recommended by Manager Cole. Councilwoman Brothers seconded the motion and it passed unanimously with the following vote:

Councilwoman Anderson	aye
Councilman Mimlitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

#### Resolution Exempting NCAgr STRAP Grant from Mini-Brooks

Manager Cole explained that the Town is not required to issue an RFQ for engineering services for grants that are less the \$50,000. The School of Government recommends that Council pass a resolution exempting us from the Mini-Brooks Act.

Mayor Pro Tem Hodges stated that it is constructive to vocalize how we expect this to work and why this is a good choice. He said that we still make every attempt to get multiple bids as we are not restricted from doing so by this exemption. Council will approve contracts publicly and be transparent to the community.

Mayor Brown asked for a motion to approve the resolution. Councilman Mimlitsch made the motion and Councilwoman Anderson seconded. The motion passed unanimously with the following vote:

Councilwoman Anderson	aye
Councilman Mimlitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

#### PFAS Cost Recovery Program

Manager Cole gave Council a letter explaining why the NC Rural Water Association is recommending that we register our municipality to participate in the cost recovery action. The national organization has selected the law firm of Napoli Shkolnik PLLC to

handle this matter. The firm has sent a proposed retainer agreement which our attorney, John Leidy, has reviewed and edited.

Council discussed PFAS (polyfluoroalkyl substances) in our water and that the EPA will require us to test for this. The law firm identified will cover the action of filing for recovery of costs we will incur. There are zero upfront costs to register our utilities, but we must be registered prior to any settlement or judgement to benefit for cost recovery. We have a contract to enter into an agreement and the town attorney, Mr. John Leidy, has recommended a few minor changes. Manager Cole is asking Council for approval to allow Attorney Leidy to negotiate those changes with Napoli Shkolnik PLLC. Mayor Pro Tem Hodges asked if the agreement gives the law firm the power to approve a settlement on our behalf and Manager Cole explained that it does not, it only gives them the authority to sign a settlement that Council approves. Mayor Brown asked what the implications are if our water is tested, and we don't meet the acceptable EPA thresholds. Manager Cole answered that this agreement will help us have the money to bring our water levels to the EPA requirements. Mayor Pro Tem Hodges clarified that the costs recovered would only be for our utilities and if residents wanted to sue the source of the PFAS, the retainer agreement does not prohibit them. Attorney Leidy confirmed that.

Mayor Brown asked for a motion and Councilman Mimplitsch made the motion for Attorney Leidy to move forward with negotiations on the contract to retain Napoli Shkolnik PLLC. Councilwoman Anderson seconded the motion and it passed 5-0 with the following vote:

Councilwoman Anderson	aye
Councilman Mimplitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

### Manager's Update

There will be a Planning and Zoning Board of Adjustments Meeting 9/19. There will be a public hearing, so notifications were put in the newspaper. There are many special use permits being considered for Airbnbs and apartments in the downtown area. There is also a text amendment that if it is approved by the planning board, it will be presented to Council for final approval.

There are several upcoming meetings for which Manager Cole has previously given Council the dates.

Tuesday, September 13<sup>th</sup>, Manager Cole and others will be meeting about the historic designation for West Hertford.

Harbor Town will be meeting on September 27<sup>th</sup>.

Hometown Strong meeting will be September 20<sup>th</sup> at 4:00PM. This meeting consists of representatives from different state agencies to discuss issues. In the next few days, Manager Cole should know which state agencies will be represented to meet with us and what that format will be. Citizens of Hertford are welcome to participate in the Hometown Strong event.

At the foot of the S-Bridge at Church Street and Newby, there is the Quaker Monument that has been relocated to that site and secured. The Perquimans County Quaker community would like to have a rededication ceremony. This year is a significant anniversary of their establishment in Perquimans County, and they are the first Christian establishment in this county. October 2<sup>nd</sup> is national Quaker Day and that is the date they would like to have the rededication of the monument. No street closures should be needed. There are approximately 30 Quaker sites in Perquimans County and Manager Cole is working with the Quaker community to provide the TDA with information regarding a driving tour of those sites.

### **COUNCIL REPORTS/CONCERNS**

Councilwoman Brothers thanked Manager Cole for her hard work, efforts, and dedication as it is greatly appreciated and noticed throughout the town and county. She also thanked Public Works Department for their service. Councilwoman Brothers wanted to publicly thank the following for responding when she has reached out to them for assistance to our town and volunteered their time: Mr. Reginald Cox, Mr. Jeremy Roser, Mr. Jamie Everett. On September 14<sup>th</sup> at 2PM The African American Experience from Northeast North Carolina will be back in session. Three new counties have joined the organization: Gates, Martin, and Washington. Councilwoman Brothers thanked the citizens who attended tonight's meeting.

Mayor Pro Tem Hodges thanked all those who helped with the Indian Summer Festival: Public Works, Councilman Mimplitsch representing Council with the TDA, and all those who helped Stacey Layden, who oversaw the event. It was a spectacular event and one of the largest in downtown Hertford in many years. There were many booths, vendors, families, and overall great participation. Perquimans County Manager Heath sent Council an email expressing his thanks and conveying that he and folks in the county offices thought a lot of all the preparation the town did to host the event. Mayor Pro Tem Hodges recognized Manager Cole and her staff for coordinating with the county and we look forward to reciprocating. He expressed appreciation for all that the County did, including the Sheriff's Department, Emergency Management Services, and the Hertford Fire Department for coming out. Mayor Pro Tem Hodges has been working with Manager Cole and Sharon Smith on the narrative for EDA grant the town is pursuing for the next phase of the waterfront project. The deadline for the grant is September 30<sup>th</sup> but our target date for submission is September 23<sup>rd</sup>.

Councilman Mimplitsch also thanked all those for helping with a successful Indian Summer Festival. Citizens were pitching in to set up tents and help with cleanup. The car show was amazing, and vendors were selling out of their goods. He noted that EMS arrived early during set up to be on hand for any situations that may arise and stayed until late at night until the roads were reopened. The street dance Friday night was a huge and well-attended success. This new town council is working well with the community to have events and take care of our town. The town manager is working hard for Council to make things happen, and we are seeing it constantly. The whole community seems to be coming together as a family. He did note that the Quakers do

have a strong presence in our community and county and were recognized in an article about a year or two ago.

Councilwoman Anderson thanked Manager Cole and Public Works for all their help with the SML Flea Market. The last flea market was held August 27<sup>th</sup> and went very well. Vendors have asked if there will be a Christmas market, but it looks unlikely that will happen in 2022. It will be considered next year. Councilwoman Anderson thanked Jennifer Byrum for coordinating the SML Flea Market from setup to cleanup at each of the six events. She also thanked HHI for use of their tents at the market, and thanked HHI President Lynne Raymond for her assistance. Councilwoman Anderson received very positive feedback about the Indian Summer Festival and requests for Native American elements being included next year. People were very happy to see the return of the Indian Summer Festival to Hertford. The Festival and the SML Flea Market brought people into downtown Hertford.

Manager Cole interjected to state that the Indian Summer Festival was not a Town event but a county function. TDA is a county entity and the town worked closely and very well with TDA to host this event. Manager Cole wanted to be sure credit is given to where it is due.

Mayor Brown shared that a 16-year Hertford resident said the Indian Summer Festival this year was the best. She recognized Stacey Layden and her team for a successful event and commended Ms. Layden's leadership skill. The festival this weekend was a great display of the town and county working as a partnership. Mayor Brown even participated in the pie eating contest! Another example of partnership and unity in our community was the voter registration tent. The president of the local democratic party and the president of the local republican party worked together at the booth to register voters. Many people deserve a thank you for their participation in the success of the Indian Summer Festival. Mayor Brown thanked the Town Manager and the Town Clerk for the outstanding job they are doing with our meeting minutes. Not only documenting our current minutes in a timely and professional manner, but also going back into 2021 and getting those minutes cleaned up for presentation as the documentation of our history. The Seeds of Success is making STEM ice on September 17<sup>th</sup> from 1-3PM. On September 26<sup>th</sup> there is an open house as the schools are closed that day. Seeds of Success is trying to be open on the days that school is closed throughout the school year. There is a Harvest Festival on October 29<sup>th</sup>, a Halloween party for the kids. There were days when only one child showed up at Seeds of Success, but the last three events have had an attendance of 19 kids. The program received a free library book box from a grant the Perquimans Library received and asked the Seeds of Success for input for placement of the other two library boxes. The box that has been received, containing adult and children's books, has been placed on Stokes Street next to the mailboxes.

Mayor Brown read the Announcements before going in to Closed Session.

**Announcements**

September 10<sup>th</sup> - 16<sup>th</sup> (new dates) Tent Revival, Academy Green, King St.

- September 17<sup>th</sup> - Toast the Perquimans, 6-10PM, Hertford Bay Marina
- September 22<sup>nd</sup> - Perquimans County Library Community Resource Fair
- September 24<sup>th</sup> - Neighbors Meeting Neighbors, Rec Center, 3 – 5PM
- September 24<sup>th</sup> - Jollification, House Tours and Dinner at Newbold House
- September 26<sup>th</sup> - Seeds of Success Open 1-3PM
- October 1<sup>st</sup> - Art on the Perquimans, Rec Center (incl. bake sale, BBQ dinner plates, chili cook-off, outdoor dining, pumpkin decorating)
- October 8<sup>th</sup> - Community Movie Night (Black Panther), Central Park (Market & East & West Academy, 6:30PM
- October 15<sup>th</sup> - Halloween Community Event, Dobbs St between Hyde Park & Edenton Rd St.
- October 15<sup>th</sup> - Open Door of Perquimans County Walk for Hunger, starting at the Library at 9AM walking to the S-Bridge & back
- October 21<sup>st</sup> - Seeds of Success Open 1-3PM Youth Program with 4-H, 2 – 3PM discussing nutrition
- October 28<sup>th</sup> - Trunk or Treat, Church Street starting at 4:30PM
- October 29<sup>th</sup> - Seeds of Success Harvest Festival
- October 29<sup>th</sup> - 10<sup>th</sup> Annual Belvidere Day

A motion was made by Mayor Pro Tem Hodges for Council to go into closed session pursuant to NCGS§143-318.11 (6) and (3), citing attorney-client privilege and personnel matters. Councilwoman Brothers seconded the motion and it passed 5-0 with the following vote:

Councilwoman Anderson	aye
Councilman Mimlitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

Council went into closed session at 7:06PM

Council came out of closed session at 8:01PM

Councilwoman Brothers made a motion to go back into closed session pursuant to NCGS§143-318.11 (1) and Councilman Mimlitsch seconded. It passed 5-0 with the following vote:

Councilwoman Anderson	aye
Councilman Mimlitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

Council went back into closed session at 8:02PM.

Council came out of closed session at 8:06PM

A motion was made by to adjourn the meeting by and seconded by Councilman Mimplitsch. The motion passed 5-0 with the following roll call vote:

Councilwoman Anderson	aye
Councilman Mimplitsch	aye
Councilwoman Brothers	aye
Mayor Pro Tem Hodges	aye
Mayor Brown	aye

The meeting adjourned at 8:07 PM.



# The North Carolina Capital Management Trust Government Portfolio

## Purpose and Benefits

- The North Carolina Capital Management Trust Government Portfolio ("Government Portfolio") seeks to provide preservation of capital and liquidity with a market rate of return.
- Provides an economic and convenient means to invest short-term available cash and bond proceeds.
- Offers a diversified portfolio of high-quality government money market instruments.

## Authority

- Seeks to achieve this objective by investing only in those money market instruments that are authorized for investment by units of local governments pursuant to North Carolina General Statute 159-30 and in 20 North Carolina Administrative Code 3.0703.

## Suitability

- Offers participants the benefits of current money market yields, convenient liquidity, and professional management.
- Allows for investments to be made in any amount for any period of time.
- Withdrawals may be made at any time with no penalties or additional charges.

## Professional Management

- Government Portfolio is a diversified fund of the North Carolina Capital Management Trust, an open-end management investment company.
- Government Portfolio is managed by Fidelity Management and Research Company.
- Capital Management of the Carolinas, LLC, is Government Portfolio's distributor and servicing agent.

## Offered exclusively to the following entities of the State of North Carolina:

- Local governments
- Local ABC boards
- Public authorities
- Community colleges
- School administrative units
- Public hospitals

Please note that the prospectus and statement of additional information are the only authorized sources of definitive information regarding investment in the Government Portfolio. Investors should read and retain them for further reference.

## Trading

- Participants may purchase or redeem shares by bank wire, check, or ACH (Automated Clearing House).
- All same-day wire investments may be placed by calling 800-222-3232 between 8:30 a.m. and 12:00 p.m. ET.
- ACH transactions may be placed by calling 800-222-3232 between 8:30 a.m. and 4:00 p.m. ET for settlement the following business day.

## Dividends

- Government Portfolio's net income is declared as a daily dividend.
- Declared dividends are accrued throughout the month, normally distributed to shareholders on the first business day of the month, and automatically reinvested unless otherwise specified.

## Confirmations and Statements

- A confirmation of each transaction will be sent by mail, indicating the date, amount, type of transaction processed, and the resulting account balance.
- Monthly account statements listing all transactions, dividends paid, and the Government Portfolio's fiscal year-to-date dividends and any paid checks will be sent after the close of each month.

For more information on **The North Carolina Capital Management Trust Government Portfolio**, please call **800-222-3232**.

## Investment Strategy

- Seeks to obtain as high a level of current income as is consistent with the preservation of capital and liquidity, and to maintain a constant net asset value of \$1.00 per share.
- SEC registered money market mutual fund operating in accordance with Rule 2a-7 of the Investment Company Act of 1940.
- Normally invests at least 99.5% of its total assets in cash, U.S. Government Securities, and/or repurchase agreements that are collateralized fully (i.e., collateralized by cash or government securities)
- In addition, the Adviser normally invests at least 80% of the fund's assets in U.S. Government securities and repurchase agreements for those securities.
- Fund is rated AAAM by Standard & Poor's.\*

**Not FDIC Insured • May Lose Value • No Bank Guarantee**

Not NCUA or NCUSIF insured. May lose value. No credit union guarantee. Not a deposit of a bank.

\* The North Carolina Capital Management Trust Government Portfolio received an AAAM rating by Standard & Poor's. Standard and Poor's money market fund ratings rate the investment quality of the fund's shares and range from Aaa/AAAm (Highest) to B/Dm (lowest). Independent rating agency fund ratings include, but are not limited to, a regular analysis of a fund's liquidity, diversification, operational policies, and internal controls; its management characteristics; and the creditworthiness of its assets. Ratings are not intended as a recommendation and are subject to change.

Diversification does not ensure a profit or guarantee against a loss.

**You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.**

The North Carolina Capital Management Trust Government Portfolio will not impose a fee upon the sale of your shares, nor temporarily suspend your ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

**Before investing, consider the funds' investment objectives, risks, charges, and expenses. Contact Capital Management of the Carolinas LLC for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.**

**North Carolina Capital Management Trust - Government**

**Portfolio**

**Principal Stability Fund Ratings Definitions**

**AAAm** A fund rated 'AAAm' demonstrates extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. 'AAAm' is the highest principal stability fund rating assigned by S&P Global Ratings

**AAm** A fund rated 'AAm' demonstrates very strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. It differs from the highest-rated funds only to a small degree.

**Am** A fund rated 'Am' demonstrates strong capacity to maintain principal stability and to limit exposure to principal losses due to credit risk, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than funds in higher-rated categories

**BBBm** A fund rated 'BBBm' demonstrates adequate capacity to maintain principal stability and to limit exposure to principal losses due to credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a reduced capacity to maintain principal stability.

**BBm** A fund rated 'BBm' demonstrates speculative characteristics and uncertain capacity to maintain principal stability. It is vulnerable to principal losses due to credit risk. While such funds will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

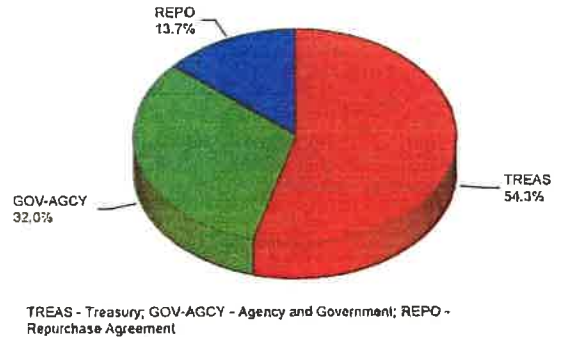
**Dm** A fund rated 'Dm' has failed to maintain principal stability resulting in a realized or unrealized loss of principal.

**Plus (+) or Minus (-)** The ratings may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

**About the Pool**

Pool Rating	<b>AAAm</b>
Pool Type	Stable NAV Government Investment Pool
Investment Adviser	Fidelity Investments & Research Company Management, Inc
Portfolio Manager	Andre Messier & Maura Walsh
Pool Rated Since	October 1998
Custodian	Wells Fargo Bank N.A.
Distributor	Capital Management of the Carolinas L.L.C.

Portfolio Composition as of March 25, 2022



**Rationale**

S&P Global Ratings rates North Carolina Capital Management Trust - Government Portfolio 'AAAm'. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV').

**Overview**

The North Carolina Capital Management Trust is an open-end management investment company organized as a Massachusetts business trust. The North Carolina Capital Management Trust - Government Portfolio is a '40 Act' fund and is subject to SEC rule 2a-7. Shares are offered exclusively to the following entities of the State of North Carolina: local governments and public authorities (as defined in North Carolina General Statute 159-7); school administrative units; local ABC boards (independent political subdivisions of the state); and community colleges or public hospitals. The investment objective of the Government Portfolio is to obtain as high a level of current income as is consistent with the preservation of capital and liquidity and to maintain a constant net asset value (NAV) of \$1.00 per share.

**Management**

The North Carolina Capital Management Trust - Government Portfolio is managed by Fidelity Management & Research Co. (FMR). FMR has overall responsibility for directing the fund's investments and handling its business affairs. Fidelity Investments Money Management, Inc. has

day to day responsibility for choosing investments for each fund. Capital Management of the Carolinas L.L.C., Charlotte, N.C., acts as the distribution agent of shares for the North Carolina Capital Management Trust - Government Portfolio. In addition to the North Carolina - Government Portfolio, FMR currently manages three additional 'AAAm' rated money market funds.

**Portfolio Assets**

In order to meet its investment objectives, the North Carolina Capital Management Trust - Government Portfolio will normally at least 99.5% of total assets in cash, U.S. government securities and/or repurchase agreements that are collateralized fully with cash or government securities, as permitted by North Carolina General Statute 159-30 as amended and 20 North Carolina Administrative Code 3.0703 as amended.

S&P Global Ratings Analyst: Marissa Zuccaro - (303) 264-8819

[www.spratlings.com](http://www.spratlings.com)

Participants should consider the investment objectives, risks and charges and expenses of the pool before investing. The investment guidelines which can be obtained from your broker-dealer, contain this and other information about the pool and should be read carefully before investing.

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