FINANCE COMMITTEE MEETING AGENDA for December 15, 2022, 9am

Finance Committee meeting will also be available virtually:

This meeting can be viewed on a live stream at this link: Live & Archived Meetings Online | Clallam County, WA (clallamcountywa.gov)

Committee Members may participate via Zoom audio, call 253-215-8782 and use meeting ID: 858 2124 0056 and passcode: 345876

Or Zoom video conference, visit https://zoom.us **and use meeting ID: 858 2124 0056 and passcode: 345876**

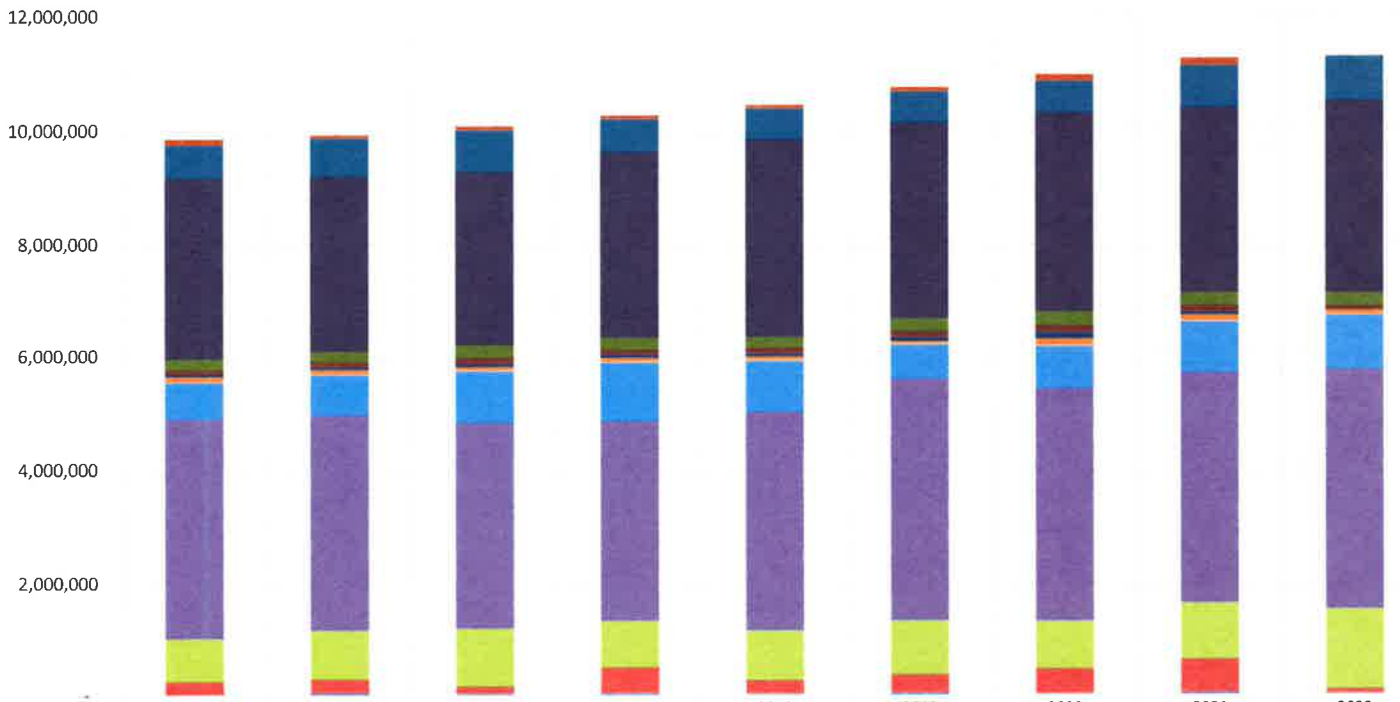
Voting Members:

- Teresa Marchi, County Treasurer, Chair
- Shoona Riggs, County Auditor
- Mark Ozias, Chair Board of County Commissioners

Agenda Items:

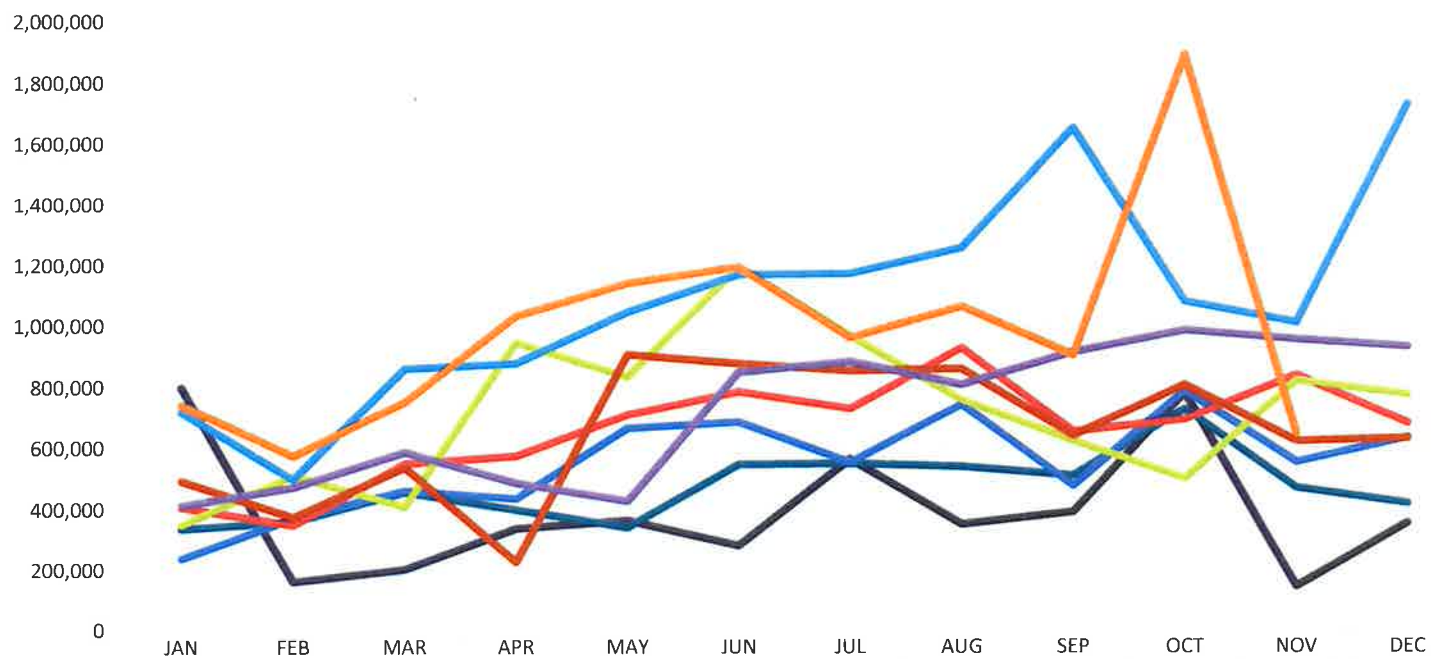
1. Call to Order - Teresa
2. Roll Call/Introductions - Teresa
3. Approve Agenda
4. Approval of Minutes of September 8, 2022
5. Investment Report - Jeanette
    - Investment Policy changes update
6. Revenue/Expenditure Report – Mark
7. Adjournment

Clallam County
Property Tax Collection



	2014	2015	2016	2017	2018	2019	2020	2021	2022
DEC	86,178	46,349	57,341	54,885	48,256	55,016	106,410	115,579	
NOV	589,821	671,995	729,185	581,122	550,314	550,349	552,038	740,393	788,336
OCT	3,224,705	3,126,349	3,097,394	3,304,024	3,511,429	3,490,634	3,552,457	3,288,880	3,403,864
SEP	196,074	180,371	221,742	214,262	194,991	224,232	239,955	234,044	232,684
AUG	65,209	87,020	100,481	75,729	87,001	94,945	105,595	105,308	78,530
JUL	56,015	52,249	55,432	63,355	61,733	66,342	116,861	63,522	8,541
JUN	94,281	87,255	72,248	81,731	66,105	57,849	121,852	112,639	77,168
MAY	649,652	713,999	920,209	1,042,997	915,832	619,548	771,420	906,071	964,656
APR	3,872,875	3,801,593	3,626,491	3,520,093	3,855,498	4,269,429	4,102,736	4,068,841	4,233,820
MAR	777,468	884,174	1,049,161	839,939	900,642	965,816	853,526	1,003,991	1,435,443
FEB	220,202	248,343	124,067	463,507	238,708	326,888	445,761	600,921	72,214
JAN	29,244	36,793	32,227	32,500	25,160	39,783	23,494	37,598	25,474

STATE OF WASHINGTON PORTION
REAL ESTATE EXCISE TAX

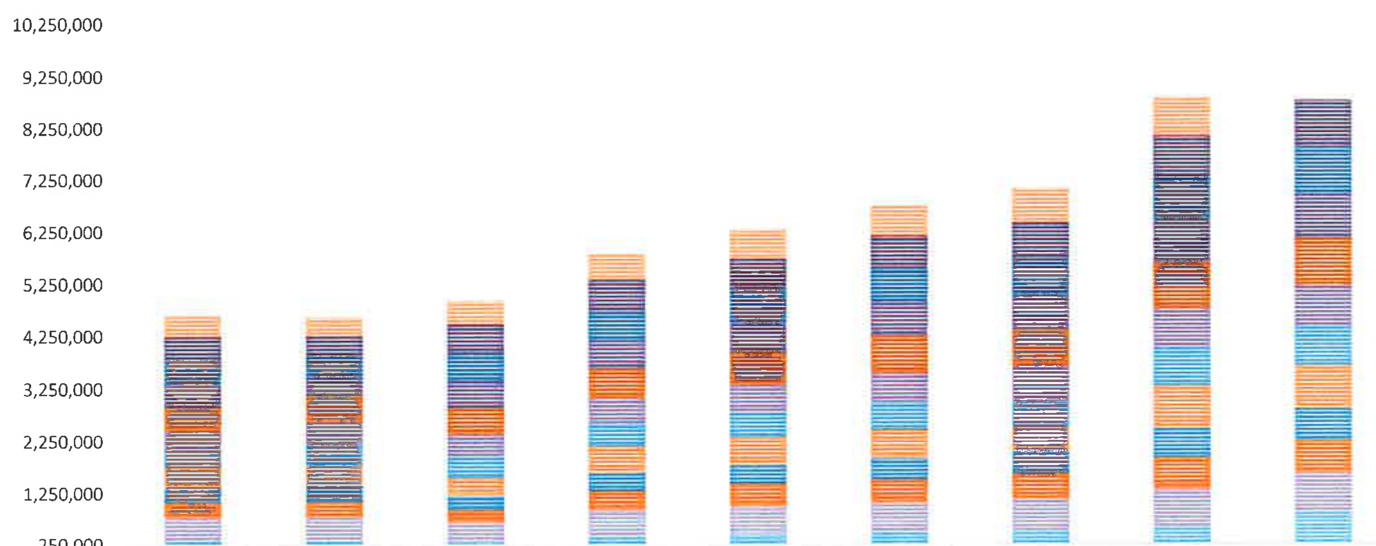


	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014 - total 4,747,200	801,301	163,553	203,479	339,031	365,755	282,439	566,035	352,146	392,159	782,204	144,345	354,755
2015 - total 5,678,943	339,282	363,604	459,414	401,211	343,072	548,692	552,300	541,888	511,962	727,955	470,408	419,156
2016 - total 6,632,205	242,400	375,067	464,742	438,429	667,361	687,095	555,942	744,514	478,778	788,747	555,084	634,045
2017 - total 7,902,993	408,939	350,395	551,017	575,863	708,357	785,764	729,142	928,137	653,449	692,778	838,949	680,204
2018 - total 8,710,447	351,382	512,245	411,478	948,472	836,678	1,194,918	968,857	759,996	625,025	502,518	822,477	776,401
2019 - total 7,838,175	495,388	375,795	539,441	228,770	906,302	877,197	853,532	860,107	641,358	807,241	621,618	631,428
2020 - total 8,729,966	415,177	475,254	588,910	489,317	429,594	848,744	884,628	810,011	915,256	985,473	956,302	931,300
2021 - total 13,103,385	720,838	501,075	862,732	880,658	1,048,049	1,171,167	1,174,529	1,259,562	1,656,724	1,081,908	1,012,212	1,733,930
2022 - total 10,908,842	743,341	575,998	752,653	1,033,673	1,140,054	1,194,230	961,636	1,063,898	903,944	1,892,558	646,856	

CLALLAM COUNTY PORTION
REAL ESTATE EXCISE TAX

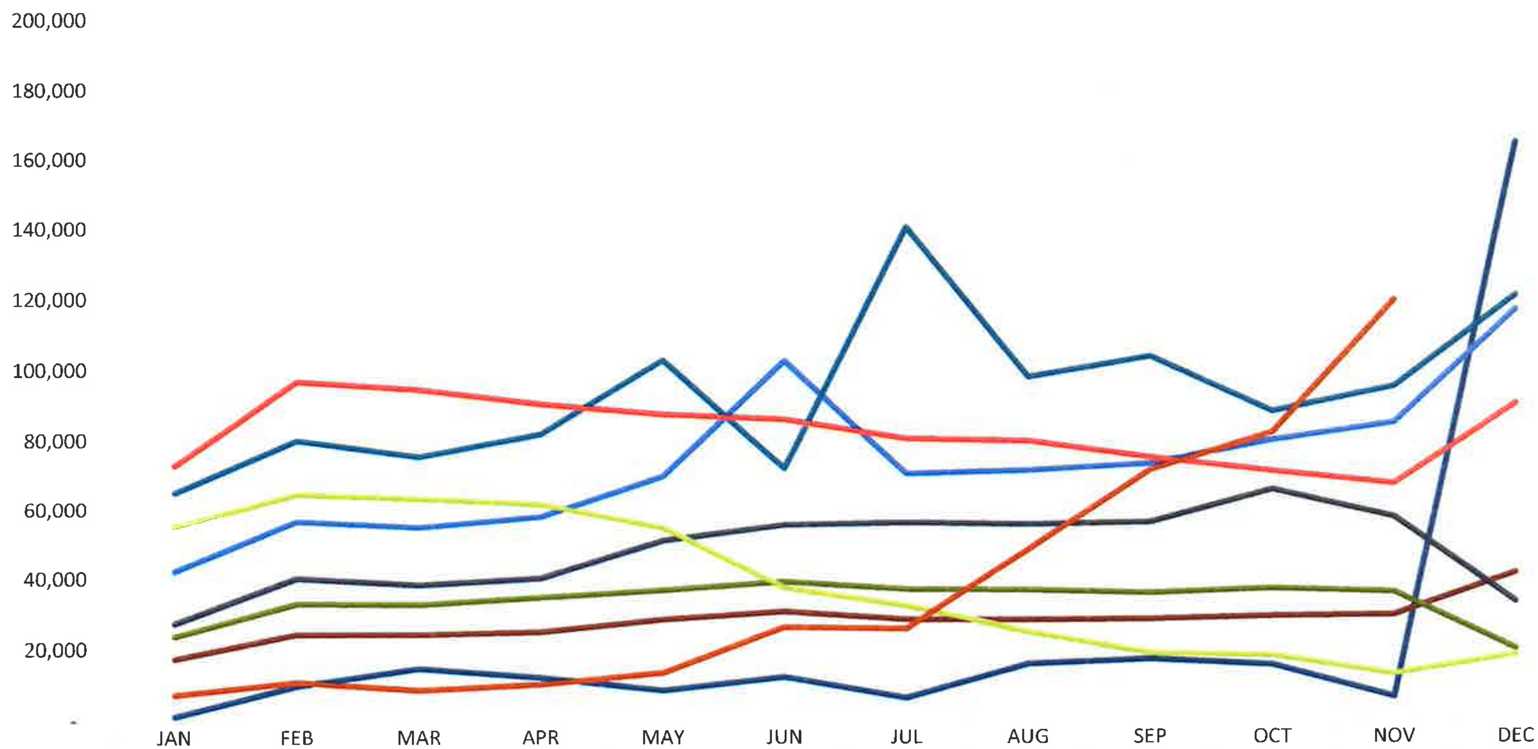
	2014 - total 1,276,944	2015 - total 1,382,610	2016 - total 1,664,114	2017 - total 1,886,971	2018 - total 2,003,776	2019 - total 1,867,445	2020 - total 2,399,580	2021 - total 3,297,581	2022 - total 2,548,898
DEC	97,351	89,524	147,098	173,542	172,037	169,064	209,510	291,282	
NOV	41,378	114,863	121,812	165,329	212,717	158,067	280,419	293,912	181,829
OCT	217,636	187,692	183,993	170,926	126,094	171,886	294,263	291,149	191,859
SEP	99,915	125,288	119,992	166,789	150,552	157,775	279,051	330,477	217,918
AUG	96,936	148,103	204,481	211,260	187,708	191,282	229,433	347,017	243,253
JUL	124,235	129,947	133,725	175,795	173,631	210,512	237,260	341,579	279,083
JUN	71,927	129,447	178,191	185,378	265,883	210,862	241,225	334,588	295,146
MAY	91,428	93,101	194,136	185,533	203,965	236,509	116,738	293,970	309,595
APR	91,984	109,262	115,601	126,290	198,482	46,846	147,845	216,207	279,717
MAR	53,385	87,601	111,344	124,087	101,690	131,363	175,237	256,986	200,411
FEB	43,971	92,182	94,369	95,807	121,317	79,582	91,159	139,032	139,968
JAN	246,799	75,599	59,371	106,236	89,703	103,698	97,441	161,382	210,119

CLALLAM COUNTY
SALES/USE TAX REVENUE



	2014 - total 4,656,655	2015 - total 4,630,158	2016 - total 4,936,351	2017 - total 5,831,152	2018 - total 6,300,300	2019 - total 6,763,042	2020 - total 7,097,191	2021 - total 8,865,502	2022 - total 8,795,411
DEC	383,972	341,911	434,081	475,650	552,169	577,105	655,168	752,896	
NOV	465,467	398,927	563,855	619,852	602,037	641,505	712,566	823,085	908,843
OCT	427,085	364,011	512,792	551,623	617,068	621,819	693,012	782,021	893,961
SEP	452,726	375,925	508,241	527,628	583,626	642,413	667,543	838,512	861,039
AUG	445,487	503,487	515,407	565,224	607,283	722,675	685,765	877,595	900,103
JUL	370,063	420,853	422,073	483,847	513,132	557,818	681,518	747,000	786,155
JUN	345,273	398,102	394,908	427,942	468,504	518,677	467,960	720,971	736,423
MAY	365,345	390,190	354,571	495,613	529,112	546,171	458,217	802,194	818,822
APR	299,204	319,879	273,800	371,006	379,975	404,882	444,860	582,011	610,792
MAR	311,292	311,628	253,856	369,735	433,600	448,781	479,461	609,414	638,572
FEB	443,411	452,657	399,420	524,093	557,989	587,125	634,484	729,504	758,075
JAN	347,330	352,589	303,347	418,938	455,806	494,070	516,637	600,297	882,624

CLALLAM COUNTY
INVESTMENT
INTEREST INCOME



	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2014 - total 284,205	1,198	9,687	14,598	12,090	8,383	12,218	6,185	15,729	17,157	15,478	6,399	165,083
2015 - total 334,217	17,276	24,235	24,159	24,781	28,368	30,490	28,302	28,065	28,349	29,096	29,563	41,531
2016 - total 401,975	23,583	32,915	32,648	34,653	36,697	39,067	36,928	36,601	35,776	37,104	35,993	20,011
2017 - total 577,351	27,338	40,175	38,248	40,127	51,077	55,537	56,151	55,593	56,186	65,848	57,801	33,270
2018 - total 882,928	42,390	56,844	54,971	58,209	69,892	102,794	70,491	71,475	73,407	80,175	85,108	117,171
2019 - total 1,124,831	65,105	80,234	75,569	81,981	102,943	72,070	140,468	97,975	103,852	88,230	95,317	121,087
2020 - total 992,010	72,858	96,790	94,517	90,328	87,424	85,965	80,427	79,649	74,990	71,056	67,512	90,494
2021 - total 462,410	55,087	64,650	63,347	61,762	54,790	37,402	32,333	24,771	18,756	18,152	12,941	18,420
2022 - total 422,810	7,099	10,679	8,400	10,074	13,267	26,073	25,576	48,252	71,449	82,217	119,722	

Property Tax Revenue

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Δ% from prior yr
2014	29,244	220,202	777,468	3,872,875	649,652	94,281	56,015	65,209	196,074	3,224,705	589,821	86,178	**9,861,724**	1.91%
2015	36,793	248,343	884,174	3,801,593	713,999	87,255	52,249	87,020	180,371	3,126,349	671,995	46,349	**9,936,489**	0.76%
2016	32,227	124,067	1,049,161	3,626,491	920,209	72,248	55,432	100,481	221,742	3,097,394	729,185	57,341	**10,085,979**	1.50%
2017	32,500	463,507	839,939	3,520,093	1,042,997	81,731	63,355	75,729	214,262	3,304,024	581,122	54,885	**10,274,143**	1.87%
2018	25,160	238,708	900,642	3,855,498	915,832	66,105	61,733	87,001	194,991	3,511,429	550,314	48,256	**10,455,671**	1.77%
2019	39,783	326,888	965,816	4,269,429	619,548	57,849	66,342	94,945	224,232	3,490,634	550,349	55,016	**10,760,834**	2.92%
2020	23,494	445,761	853,526	4,102,736	771,420	121,852	116,861	105,595	239,955	3,552,457	552,038	106,410	**10,992,105**	2.15%
2021	37,598	600,921	1,003,991	4,068,841	906,071	112,639	63,522	105,308	234,044	3,288,880	740,393	115,579	**11,277,787**	2.60%
2022	25,474	72,214	1,435,443	4,233,820	964,656	77,168	8,541	78,530	232,684	3,403,864	788,336		**11,320,730**	
Δ% from prior yr	-32.25%	-84.70%	-6.66%	0.97%	1.73%	1.17%	0.35%	-0.04%	-0.06%	1.06%	1.42%			

Sales Tax Revenue

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Δ% from prior yr
2014	347,330	443,411	311,292	299,204	365,345	345,273	370,063	445,487	452,726	427,085	465,467	383,972	**4,656,655**	6.25%
2015	352,589	452,657	311,628	319,879	390,190	398,102	420,853	503,487	375,925	364,011	398,927	341,911	**4,630,158**	-0.57%
2016	303,347	399,420	253,856	273,800	354,571	394,908	422,073	515,407	508,241	512,792	563,855	434,081	**4,936,351**	6.61%
2017	418,938	524,093	369,735	371,006	495,613	427,942	483,847	565,224	527,628	551,623	619,852	475,650	**5,831,152**	18.13%
2018	455,806	557,989	433,600	379,975	529,112	468,504	513,132	607,283	583,626	617,068	602,037	552,169	**6,300,300**	8.05%
2019	494,070	587,125	448,781	404,882	546,171	518,677	557,818	722,675	642,413	621,819	641,505	577,105	**6,763,042**	7.34%
2020	516,637	634,484	479,461	444,860	458,217	467,960	681,518	685,765	667,543	693,012	712,566	655,168	**7,097,191**	4.94%
2021	600,297	729,504	609,414	582,011	802,194	720,971	747,000	877,595	838,512	782,021	823,085	752,896	**8,865,502**	24.92%
2022	882,624	758,075	638,572	610,792	818,822	736,423	786,155	900,103	861,039	893,961	908,843		**8,795,411**	
Δ% from prior yr	47.03%	23.38%	17.54%	14.63%	11.60%	9.91%	9.18%	8.16%	7.45%	8.19%	8.42%			

Real Estate Excise Tax Revenue (County Portion Only)

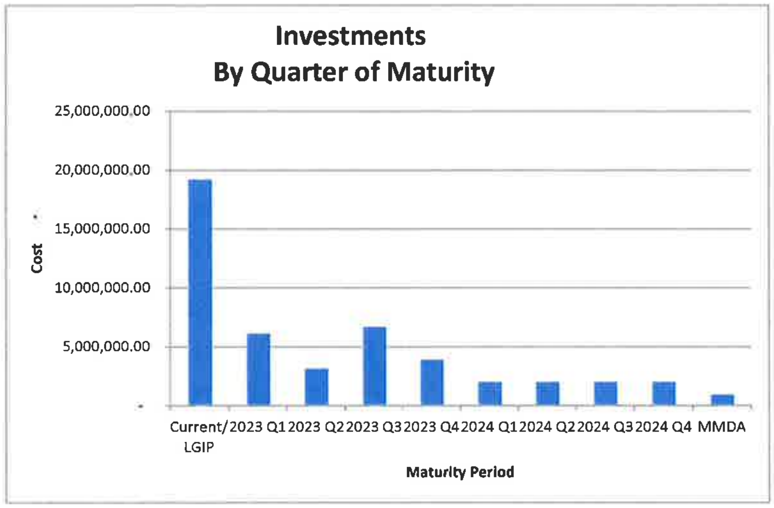
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Δ% from prior yr
2014	246,799	43,971	53,385	91,984	91,428	71,927	124,235	96,936	99,915	217,636	41,378	97,351	**1,276,944**	34.84%
2015	75,599	92,182	87,601	109,262	93,101	129,447	129,947	148,103	125,288	187,692	114,863	89,524	**1,382,610**	8.27%
2016	59,371	94,369	111,344	115,601	194,136	178,191	133,725	204,481	119,992	183,993	121,812	147,098	**1,664,114**	20.36%
2017	106,236	95,807	124,087	126,290	185,533	185,378	175,795	211,260	166,789	170,926	165,329	173,542	**1,886,971**	13.39%
2018	89,703	121,317	101,690	198,482	203,965	265,883	173,631	187,708	150,552	126,094	212,717	172,037	**2,003,776**	6.19%
2019	103,698	79,582	131,363	46,846	236,509	210,862	210,512	191,282	157,775	171,886	158,067	169,064	**1,867,445**	-6.80%
2020	97,441	91,159	175,237	147,845	116,738	241,225	237,260	229,433	279,051	294,263	280,419	209,510	**2,399,580**	28.50%
2021	161,382	139,032	256,986	216,207	293,970	334,588	341,579	347,017	330,477	291,149	293,912	291,282	**3,297,581**	37.42%
2022	210,119	139,968	200,411	279,717	309,595	295,146	279,083	243,253	217,918	191,859	181,829		**2,548,898**	
Δ% from prior yr	30.20%	16.53%	-1.24%	7.32%	6.77%	2.34%	-1.70%	-6.38%	-10.16%	-12.73%	-15.21%			

Investment Interest Revenue

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Δ% from prior yr
2014	1,198	9,687	14,598	12,090	8,383	12,218	6,185	15,729	17,157	15,478	6,399	165,083	**284,205**	-10.85%
2015	17,276	24,235	24,159	24,781	28,368	30,490	28,302	28,065	28,349	29,096	29,563	41,531	**334,217**	17.60%
2016	23,583	32,915	32,648	34,653	36,697	39,067	36,928	36,601	35,776	37,104	35,993	20,011	**401,975**	20.27%
2017	27,338	40,175	38,248	40,127	51,077	55,537	56,151	55,593	56,186	65,848	57,801	33,270	**577,351**	43.63%
2018	42,390	56,844	54,971	58,209	69,892	102,794	70,491	71,475	73,407	80,175	85,108	117,171	**882,928**	52.93%
2019	65,105	80,234	75,569	81,981	102,943	72,070	140,468	97,975	103,852	88,230	95,317	50,134	**1,053,877**	19.36%
2020	72,858	96,790	94,517	90,328	87,424	85,965	80,427	79,649	74,990	71,056	67,512	90,494	**992,010**	-5.87%
2021	55,087	64,650	63,347	61,762	54,790	37,402	32,333	24,771	18,756	18,152	12,941	18,420	**462,410**	-53.39%
2022	7,099	10,679	8,400	10,074	13,267	26,073	25,576	48,252	71,449	82,217	119,722		**422,810**	
Δ% from prior yr	-87.11%	-85.15%	-85.70%	-85.19%	-83.47%	-77.57%	-72.61%	-62.09%	-46.51%	-29.69%	-4.77%			

INVESTMENTS BY MATURITY DATE

Maturity Period	Cost	Avg Yield	% of portfolio
Current/ LGIP	19,171,042.30	3.75%	40.04%
2023 Q1	6,090,702.31	1.59%	12.72%
2023 Q2	3,116,223.27	2.85%	6.51%
2023 Q3	6,669,106.04	0.90%	13.94%
2023 Q4	3,879,058.37	4.00%	8.10%
2024 Q1	2,000,000.00	4.35%	4.18%
2024 Q2	2,000,000.00	4.35%	4.18%
2024 Q3	2,000,000.00	4.27%	4.18%
2024 Q4	2,000,000.00	4.20%	4.18%
MMDA	901,851.04	0.30%	1.88%
	47,827,983.33		99.91%
Operating Accounts	52,028.98		0.11%
	47,880,012.31		100.0%



General Fund & Treasurer's Cash CDs by Maturity Date

BANK	CERTIFICATE	# MOS	ACQ DATE	RATE	MATURES	PRINCIPAL BAL
140	470003090	12	1/27/2022	0.30%	1/26/2023	2,000,000.00
140	470003001A	12	2/7/2022	0.30%	2/7/2023	2,006,091.42
140	470003188	3	11/16/2022	4.08%	2/16/2023	1,000,000.00
140	470003196	3	11/16/2022	4.08%	2/16/2023	1,084,610.89
140	470003189	6	11/16/2022	4.45%	5/18/2023	1,000,000.00
140	470001152D	12	6/21/2022	0.40%	6/21/2023	1,134,948.15
350	173422875F	18	1/21/2022	0.30%	7/21/2023	1,478,594.98
350	173853841F	18	1/24/2022	0.30%	7/24/2023	2,190,511.06
350	173199121	18	2/9/2022	0.30%	8/9/2023	2,000,000.00
140	470003190	9	11/16/2022	4.30%	8/10/2023	1,000,000.00
140	470003191	12	11/16/2022	4.50%	11/2/2023	1,000,000.00
140	470003192	15	11/16/2022	4.35%	2/15/2024	2,000,000.00
140	470003193	18	11/16/2022	4.35%	5/15/2024	2,000,000.00
140	470003194	21	11/16/2022	4.27%	8/31/2024	2,000,000.00
140	470003195	24	11/16/2022	4.20%	11/15/2024	2,000,000.00
500	912796YN3	6	10/6/2022	3.98%	4/6/2023	981,275.12
500	912796YJ2	12	10/6/2022	4.17%	10/5/2023	1,440,643.07
500	912796TJ2	12	10/26/2022	4.50%	10/5/2023	1,438,415.30
140	446179603	mmda		0.30%		901,851.04
TOTAL CD's and MMDA			Avg Wt CD Rate	2.65%		$28,656,941.03

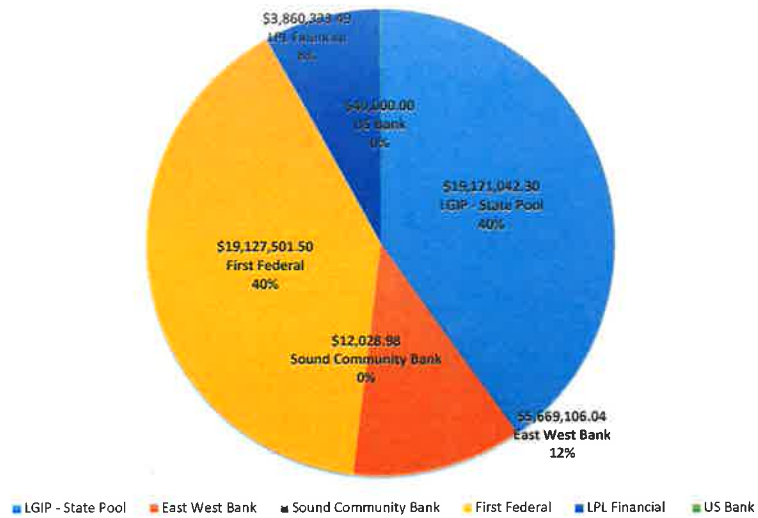
Bank Reference

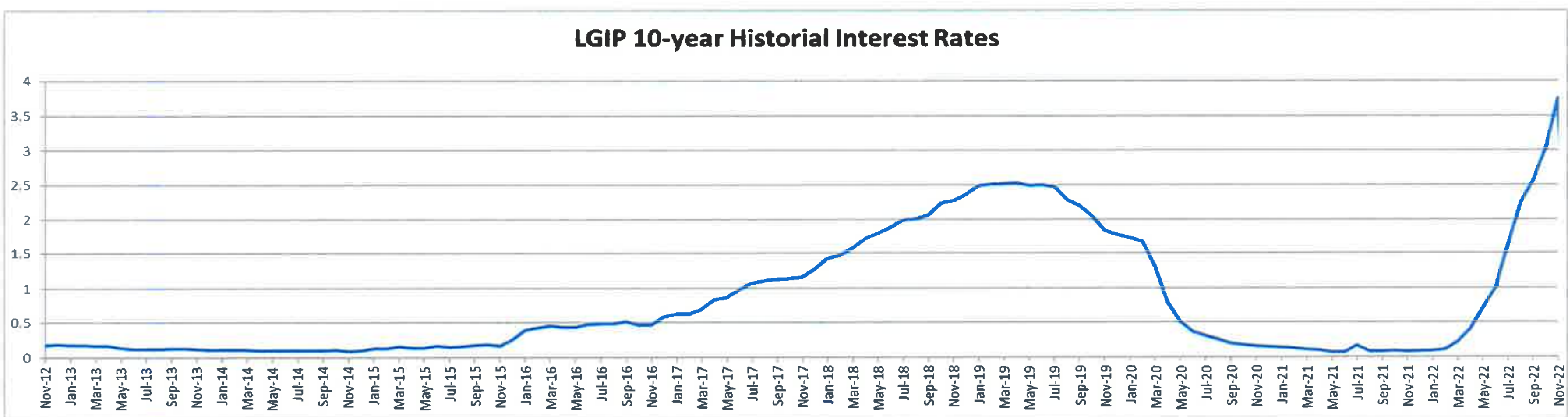
140	FIRST FEDERAL
160	SOUND COMMUNITY BANK
350	EAST WEST BANK/BELLEVUE
500	LPL Financial

LGIP - State Pool	$19,171,042.30
East West Bank	$5,669,106.04
Sound Community Bank	$12,028.98
First Federal	$19,127,501.50
LPL Financial	$3,860,333.49
US Bank	$40,000.00
	$47,880,012.31

Treasurer's Cash & General Fund Investment

November 30, 2022





Investments by Fund
November 2021/2022 COMPARISON

NEW FUND #	FUND NUMBER	INVESTMENT TITLE	11/30/2022			11/30/2021
00100	001-000-010	CURRENT EXPENSE	5,181,626.09	**5,181,626.09**	**General Fund**	**5,180,212.17**
10120	679-000-010	TREASURER'S CASH	47,880,012.31	**47,880,012.31**	**Treasurer's Cash**	**51,642,601.13**
10135	112-000-010	FLOOD CONTROL	11,431.23			
11008	118-000-010	SHERIFF'S DRUG FUND	48,172.65			
11901	119-000-010	RACKETEERING FUND	1,855.98			
12201	122-000-010	TREASURER'S O & M	134,359.84			
19910	136-000-010	CONSERVATION FUTURES	861,238.80			
19914	125-000-010	VETERAN'S RELIEF	48,817.84			
19941	145-000-010	OPPORTUNITY FUND	6,156,483.52			
19951	142-000-010	AFFORDABLE HOUSING SALES TAX	677,024.67			
19961	149-000-010	AMERICAN RESCUE PLAN ACT	7,972,279.02			
19991	155-000-010	EMERGENCY COMMUNICATIONS TAX	2,834,978.60			
40201	402-000-010	SOLID WASTE	-			
41401	414-000-010	CLALLAM BAY SEKIU SEWER O & M	247,005.83			
41501	415-000-010	CLALLAM BAY SEKIU CAPITAL REPL	6,707.50			
42401	416-000-010	CALRSBORG SEWER	276,615.40			
42501	417-000-010	CARLSBORG SEWER CAP REPAIR/REPLACE	223,140.59			
43401	418-000-010	BULLMAN BEACH WATER SYSTEM	83,319.64			
62901	629-000-010	RID GUARANTY TRUST	31,424.37			
64101	649-000-010	COMMUNITY NETWORK	-	**19,614,855.48**	**County-Other**	**15,589,728.79**
64001	653-000-010	NORTH OLYMPIC LIBRARY	10,614,910.92	**10,614,910.92**	**NOLS**	**10,444,139.99**
65101	655-100-010	FIRE DIST #1 EXPENSE	600,879.28			
65120	655-200-010	FIRE DIST #2 EXPENSE	1,246,894.49			
65127	655-200-030	FIRE DIST #2 RESERVE	602,129.17			
65128	655-200-040	FIRE DIST #2 FLEET REPLACEMENT	804,309.12			
65131	655-300-010	FIRE DIST #3 EXPENSE	6,658,010.64			
65137	655-300-030	FIRE DIST #3 RESERVE	820,479.00			
65136	655-350-010	FIRE DIST #3 EM EXPENSE	3,532,478.93			
65171	655-400-010	FIRE DIST #4 EXPENSE	1,408,994.73			
65151	655-500-010	FIRE DIST #5 EXPENSE	265,597.76			
65157	655-500-030	FIRE DIST #5 RESERVE	13,331.27			
65161	655-600-010	FIRE DIST #6 EXPENSE	258,980.78	**16,212,085.17**	**Fire Districts**	**11,266,813.25**
69519	656-000-010	HOSPITAL #1 PROJECT				
69510	666-100-005	HOSPITAL #1 CARES ACT-COVID 19				
69512	666-100-015	HOSPITAL #1 FUNDED DEP				
69513	666-100-020	HOSPITAL DONATION FUND	239,235.23			
69516	666-100-050	HOSPITAL #1 BOND REFUNDING	3,448,423.14			
69517	666-100-310	HOSPITAL #1 BOND		**3,687,658.37**	**Hospital #1**	**1,369,359.78**
66801	668-000-010	QUILLAYUTE PARK & REC. GENERAL	8,193.20			
66804	668-000-110	QUILLAYUTE PARK & REC.BUILDING	17,144.94			
66808	668-000-310	QUILLAYUTE PARK & REC BOND	1,180,660.82			
66851	675-000-010	PARK & REC DIST 1 GENERAL	54,763.98			
66854	675-100-110	PARK & REC DIST 1 CONST/EQUIP	7,873.14	**1,268,636.08**	**Parks & Rec Dist**	**1,335,272.88**
69706	669-000-026	HEART - O - THE HILLS WATER	19,847.59			
67701	680-000-010	BLACK DIAMOND WATER DISTRICT	2,167.07			
67702	680-000-110	BLACK DIAMOND WATER CAPITAL REPLACE	145,267.20			
67731	683-000-010	SUNLAND MAINTENANCE OPERATION	1,032,994.59	**1,200,276.45**	**Water Districts**	**1,173,587.33**
67101	673-100-010	AGNEW IRRIGATION MAINTENANCE	151,897.49			
67121	673-200-010	CLINE IRRIGATION MAINTENANCE	44,438.09			
67123	673-200-030	CLINE IRRIGATION RESERVE	95,162.65			
67131	673-300-010	DUNGENESS IRRIGATION MAINT	119,930.13			
67141	673-400-010	HIGHLAND IRRIGATION MAINT	96,218.66			
67143	673-400-030	HIGHLAND IRRIGATION RESERVE	149,342.35			
67142	673-450-210	HIGHLAND IRRIGATION LOAN ACT	-	**656,989.37**	**Irrigation Dist**	**619,544.20**
68101	654-121-010	S.D. 121 GENERAL	1,638,010.49			
68102	654-121-011	S.D. 121 ASB	501,524.34			
68103	654-121-110	SD.121 CAP PROJ FUND **(121 BLDG)**	21,551,600.67			
68104	654-121-310	S.D. 121 BOND	43,890.30			
68105	654-121-510	S.D. 121 VEHICLE TRANSPORT	271,958.87			
68121	654-313-010	S.D. 313 GENERAL	2,146,959.76			
68122	654-313-011	S.D. 313 ASB	55,615.68			
68123	654-313-110	S.D. 313 BUILDING	304,550.09			
68125	654-313-510	S.D. 313 VEHICLE TRANSPORT	222,342.01			
68131	654-323-010	S.D. 323 GENERAL	2,878,649.98			
68132	654-323-011	S.D. 323 ASB	422,834.15			
68133	654-323-110	S.D. 323 BUILDING	2,640,711.87			
68134	654-323-310	S.D. 323 BOND	70,831.58			
68135	654-323-510	S.D. 323 VEHICLE TRANSPORT	1,127,764.23			
68141	654-401-010	S.D. 401 GENERAL	7,609,960.08			
68142	654-401-011	S.D. 401 ASB	188,212.27			
68143	654-401-110	S.D. 401 BUILDING	230,212.33			
68144	654-401-310	S.D. 401 BOND	2,233,097.63			
68145	654-401-510	S.D. 401 VEHICLE TRANSPORT	127,975.77			
68151	654-402-010	S.D. 402 GENERAL	14,111,579.65			
68152	654-402-011	S.D. 402 ASB	102,394.23			
68153	654-402-110	S.D. 402 BUILDING	1,543,158.61			
68154	654-402-310	S.D. 402 BOND	1,907,929.06			
68155	654-402-510	S.D. 402 VEHICLE TRANSPORT	246,140.35	**62,177,904.00**	**School Districts**	**44,497,598.18**
69700	669-000-000	JAMESTOWN S'KLALLAM FRANCHISE	50,470.93			
63305	669-000-019	DRUG TASK FORCE SUSP-GENERAL	250.21	**50,721.14**	**Other Agencies**	**35,222.07**
		TOTAL INVESTMENTS	168,545,675.38	**168,545,675.38**	**Total**	**143,154,079.77**

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INVESTMENT POLICY
POLICY 515

INVESTMENT POLICY

.1 GENERAL INFORMATION

1.1 Economic Data and Location

Clallam County, which was created April 25, 1854, as a county of the Washington Territory, is located in the extreme northwestern corner of Washington State spanning the north end of the Olympic Peninsula. The centerpiece of the Olympic Peninsula is the Olympic National Park surrounded by the Olympic National Forest. Port Angeles is the county seat and the largest city of Clallam County. Forestry and forest products manufacturing form the primary element in the economy of Clallam County supplemented by fishing, tourism and recreation, agriculture, military (Coast Guard) and retirement residential activities. There are over 30 taxing districts for which the Clallam County Treasurer's office functions in a fiduciary capacity.

1.2 Finance Committee

This committee was formed with the purpose of monitoring investments made by the Treasurer. Composed of the County Treasurer, County Auditor, and the Chair of the Board of County Commissioners, it is frequently attended by other interested parties. It has the formal duties of adoption of policy and advisement. The Clallam County Finance Committee has been in existence for over 50 years. A formal investment policy was adopted by the Finance Committee in 1985. This is a revision of the original policy.

.2 ELEMENTS OF POLICY

2.1 Objectives

The four primary objectives of this policy of investment are legality, safety, liquidity, and rate of return of the investment.

This policy is designated to conform to all state and local statutes governing the investment of public funds, i.e. RCWs 36.29.020, 39.56.030, 39.59.020, 39.59.040.

In the event any state or federal legislation or regulation should further restrict instruments or institutions authorized by this policy, such restrictions shall be deemed to be immediately incorporated in this policy. If new legislation or regulations should liberalize the permitted instruments on institutions, such changes shall be available and included in this policy only after written notification of the Finance Committee. All principals in the investment process shall act as responsible custodians of public trust. As a responsible custodian, the first consideration in investing is the preservation and safety of public funds. Liquidity is of prime importance as it is necessary to project expenditures to allow entities to meet operating and capital cash flow. The investment portfolio of Clallam County shall be designed to obtain market average rate of return throughout budgetary and economic cycles, taking into consideration the risk constraints and cash flow.

2.2 Scope

This investment policy applies to all financial assets of Clallam County. These funds are accounted for in the government's annual financial report and include:

- General Fund (Current Expense)
- Special Revenue
- Debt Service
- Capital Project
- Enterprise
- Internal Service
- Fiduciary Funds including Trust and Custodial Funds
- Any new fund created by the Board of County Commissioners unless specifically exempted

This investment policy applies to all transactions involving the financial assets and related activity of all foregoing funds.

2.3 Performance Standards

This portfolio will be maintained with the highest professional standards and is designed to obtain maximum yield and maximum safety under market conditions. Consideration for cash flow and risk restraints will be taken at all times. As a measurement of performance, the minimum rate of return shall be at least equal to the average return on three- or six-month U.S. Treasury bills or federal funds, whichever is higher.

2.4 Prudence

The standard of prudence to be used by investment officers shall be the "prudent person" concept and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. All participants shall avoid any transactions that would impair public confidence or give the appearance of impairing public confidence in Clallam County government. At all times, all involved will act as responsible custodians of the public trust.

2.5 Accounting Methods

All investments are booked at cost; this includes actual cost of the security, transfer taxes, and any other related expenditure. Gains or losses determined upon sale will be debited or credited to investment income. Interest income on investments with fixed maturities will be credited to the fund at the time of maturity or at other specified intervals. Interest from investments in the State of Washington Local Government Investment Pool will be distributed at the beginning of the month for the previous month. All investments are placed in the name of the participating entity except for monies placed with the State of Washington Local Government Investment Pool.

.3 ELEMENTS OF CONTROL

3.1 Internal Control

A documented computer system and written procedures have been implemented and will continue to be maintained. These systems and procedures have been designed to insure the safeguard of assets, accuracy and completeness of accounting records, adherence to management policies, and timely preparation of accurate financial information. This documented computer system and procedures were designed to fulfill the components of internal control, i.e. segregation of function, authorization, safeguard of assets and records, controls over accounting system.

In addition to the above system, periodic reviews and/or audits are conducted by the County Treasurer and Examiners of the Washington State Auditor's office. This review shall provide assurance of compliance with the policy and procedures. These controls are established to prevent losses of public funds arising from unanticipated changes in financial markets, misrepresentation of third parties, and employee error or fraud. Bonding shall be provided to protect the public against possible defalcation on the part of elected officials or employees.

3.2 Ethics and Conflict of Interest

All personnel shall adhere to Clallam County's code of ethics. This written guideline clearly outlines ethics for all County personnel. In addition to the County code of ethics the following will be complied with:

- Officers and employees involved in the investment program shall refrain from personal business activity that could conflict with proper execution of this program or impair their ability.
- Employees and investment officials shall disclose to the Chief Financial Officer and the County Administrator, any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial investment position that could relate to the performance of the County's investment program.

- Officers and employees shall subordinate their personal investment transactions to those of the County regarding the timing of purchase and sale.

3.3 Investment Authority/Delegation of Authority

In accordance with Section 36.29.020 of the Revised Code of Washington, the responsibility of investing the public funds is vested in the County Treasurer. This authority may be delegated to a Deputy designated as the Investment Officer. Refer to Appendix C for complete statute. Legal and management responsibility for this investment program resides with the Treasurer of Clallam County who has established procedures of the operation of the investment program. These procedures include explicit delegation of authority to persons responsible for the investment transactions. No other persons shall engage in the investment transactions except as stated in the policy and procedures as established by the County Treasurer. The Treasurer has established internal and reporting controls to supervise the workflow of subordinates.

.4 ELEMENTS OF INVESTING

4.1 Authorized Financial Institutions

As in compliance with RCW 36.48.010, the County Treasurer at such times as deemed necessary, will designate financial institutions in the state as depository for public funds. Institutions may solicit or be contacted by the Treasurer's office to serve as a depository if they meet the following criterion. The parameters for such a depository will include only institutions authorized as Public Depositories by the Washington Public Deposit Protection Commission and with current audited financial statements on file and reside within the State of Washington. Investments with any thrift institution shall not exceed 25% of the institution's net worth. Investments with major banks or dealers shall not exceed 10% of said institutions net worth.

The Treasurer will maintain a list of approved broker/dealers and financial institutions, which are authorized to provide investment services for Clallam County. Authorized broker/dealers will be limited to primary dealers or other dealers that qualify under Security Exchange Act of 1934, Rule 15C3-1, the Uniform Net Capital Rule. The Treasurer shall review semi-annually the financial institution's credit worthiness during the period in which County funds are invested. Refer to Appendix A for a listing of financial depositories currently used by Clallam County.

4.2 Authorized Investments

Funds of the government of Clallam County may be invested in compliance with RCWs 36.29.020, 39.56.030, 39.59.020, 39.59.040:

- U.S. Treasury Obligations

- Insured or fully collateralized non-negotiable certificates of deposit of banks and savings and loan associations approved by the policy
- Repurchase agreements collateralized by U.S. Treasury securities
- State of Washington Local Government Investment Pool (LGIP)
- U.S. Government-sponsored Agencies and instrumentality's
- Registered warrants of a local government in Clallam County

4.3 Diversification

It is the responsibility of Clallam County to consider all investment strategies based on the current and anticipated financial climate. The County should be prudent in its approach to create a diverse portfolio, as this strategy is designed to eliminate risk of loss resulting from over concentration of assets in a single maturity, specific issuer, or single class of securities. Diversity should always be considered; however, it is not required. This policy shall provide the ability to follow an investment strategy approved by the Finance Committee, even when diversification is not achievable or reasonable.

To achieve this, the Finance Committee shall review the portfolio in its entirety. In doing so the Finance Committee will analyze risk default, maturity, and liquidity of risk. Bankers' acceptances, certificates of deposit, and U.S. Treasury notes will be used to minimize or reduce the risk default. Participation in State of Washington Local Government Investment Pool, U.S. Bank's Municipal Investment Account (MIA), and U.S. Bank's repurchase agreement provide the liquidity necessary for daily cash flow.

All reports shall address these risks and as to whether any current investments will be affected. It is suggested that the following investment types do not exceed the following percentages of the investment portfolio:

- U.S. Treasury Obligations 100%
- Certificates of Deposits 100%
- Demand Municipal Investment Account and Washington Local Government Investment Pool 100%
- U.S. Government-sponsored Agency Securities 40%

4.4 Maturities

To the extent possible, the Treasurer shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, no investment will be made in securities maturing more than five (5) years from date of purchase. A portion of the portfolio should be continuously invested in readily available funds such as the State LGIP and Municipal Investment Account to ensure appropriate liquidity is maintained to meet ongoing obligations, with a minimum of 25% of the portfolio at the time of investment to be comprised of investments maturing within one year. Assets held in debt retirement funds and special assessment funds may be invested in maturities of up to five years with approval of the finance committee.

Maturities shall not exceed five years from the time of purchase, or as otherwise matched to a specific cash flow, unless a temporary extension of maturities is approved by the Finance Committee. It is the intent of the Treasurer that investments in all funds shall be managed in such a way that any market price losses resulting from interest rate volatility would be offset by coupon income and current income received from the balance of the portfolio during a 24-month period. No maturity extension should be undertaken if potentially declining prices would result in negative income on the overall funds' portfolio during a given year.

4.5 Collateralization and Safekeeping

The County has a safekeeping and custody agreement in the County's name in effect with their depository bank and its affiliates. All investment transactions will be on a delivery verses payment basis. Securities (except certificates of deposit) purchased by the County shall be held in safekeeping by the third-party institution designated as primary agent. The primary agent shall issue a monthly statement listing the specific instrument, rate, maturity, and other activity. Certificates of deposit are purchased in the name of the entity and are kept in the County's vault. The originating institution's financial status is reviewed by the Treasurer and insured by Washington Public Deposit Protection Commission. The State of Washington Local Government Investment Pool investments are protected by the collateralization of banks where invested, as well as possession of all securities, and taxing authority of the State of Washington. These securities are pooled and held by the State.

Through the depository bank, the county retains a repurchase account, which is 102% collateralized. The County retains the master repurchase agreement on file. Also through the depository bank the County has a Municipal Investment Account which is insured by the Federal Deposit Insurance Corporation (FDIC). and the Washington Public deposit Protection Commission (WPDPC).

The above policies apply to the County's current depository bank, which is U.S. Bank of Washington, or any subsequent depository bank that may be chosen by the Treasurer.

.5 ELEMENTS OF REPORTING

5.1 Annual and Interim

Investments are stated in the annual financial report for the County. This report is published by the Auditor's office according to State statute. Interim reports are compiled by the Investment Officer prior to the committee meeting and upon the Treasurer's request. These reports, which vary, will include the following information: monetary amount of investments, yield rate, market trends, projections and any other information the Treasurer deems necessary.

5.2 Finance Committee

Members will be supplied with the necessary reports and/or charts as determined by the agenda. The Finance Committee will review finance policy annually.

5.3 Fiduciary Funds including Trust and Custodial Funds

These funds are provided with a monthly investment report in detail. This detail includes the name of the financial institution, amount of monies invested, date invested, interest rate, maturity date, document number, and the grand total amount of all investments.

APPENDIX A – DEPOSITORY BANKS – INVESTMENT FIRMS LISTING OF 2020

Bank of America NA
PO Box 844336
Dallas TX 75284-4336

Cashmere Valley Bank
124 East Penny Road, Suite 210
Wenatchee WA 98801

East West Bank
10900 NE 4th Street, Suite 200
Bellevue WA 98004

First Federal Savings
139 West 1st Street
PO Box 351
Port Angeles, WA 98362

Local Government Invest Pool
Office of the State Treasurer
Legislative Bldg. AS-23
Olympia, WA 98504

US Bank of Washington
PO Box 720
Seattle, WA 98111

Sound Community Bank
110 North Alder Street
Port Angeles WA 98362

US Bank
CM-9690
PO Box 70870
St Paul MN 55170-9690

US Bank of Washington
134 East 7th Street
Port Angeles WA 98362

APPENDIX B – DIVISION OF RESPONSIBILITIES OF INVESTMENT OFFICIALS

ITEM / TASK	OFFICE/COMMITTEE	STAFF
Investment Policy		
Prepared by	Treasurer	
Adopted by	Finance Committee	
Investment Transactions		
Bid Process	Treasurer	Investment Officer
Recording	Treasurer	Investment Officer
Verification		
Confirm	Treasurer	Investment Officer
Records		
Reconciliations	Treasurer	Senior Accountant
	Treasurer	Investment Officer
Management Review		
Daily	Treasurer	Senior Accountant
Monthly	Treasurer	Senior Accountant
Annual Review of Policy		
	Treasurer	
	Finance Committee	
	Washington State Auditor's Office	
Investment Policy Amendments		
Prepared	Treasurer	
Adopted	Finance Committee	

APPENDIX C – REVISED CODE OF WASHINGTON SECTION 36.29

The county treasurer shall keep all monies belonging to the State, or to any county, in his or her own possession until disbursed according to law. The county treasurer shall not place the same in the possession of any person to be used for any purpose; nor shall he or she loan or in any manner use or permit any person to use the same; but it shall be lawful for a county treasurer to deposit any such monies in any regularly designated qualified public depository.

Any municipal corporation may by action of its governing body authorize any of its funds which are not required for immediate expenditure, and which are in the custody of the county treasurer or other municipal corporation treasurer, to be invested by such treasurer in savings or time accounts in banks, trust companies and mutual savings banks which are doing business in this state, up to the amount of insurance afforded such accounts by the federal deposit insurance corporation, or in savings or time accounts in savings or loan associations which are doing business in this state, up to the amount of insurance afforded such accounts by the federal savings and loan insurance corporation, or in certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States; in bankers' acceptances purchased on the secondary market, in federal home loan bank notes and bonds, federal land bank bonds and federal national mortgage association notes, debentures and guaranteed certificates of participation, or the obligations of any other government sponsored corporation whose obligations are or may become banks as determined by the board of governors of the federal reserve system or deposit such funds or any portion thereof in investment deposits as defined in RCW 39.58.010 secured by collateral in accordance with provisions of chapter 39.58.

APPENDIX D – GLOSSARY

BANKERS' ACCEPTANCE: A draft of bill of exchange accepted by a bank or trust company. Once accepted, the bank or trust company guarantees payment of the bill.

BONDS: Credit instruments that contain a promise to pay a specific amount of money on a specified date ;(usually more than 10 years after issuance.) The relationship between the bondholder and issuer is that of creditor and debtor.

BROKER: A middleman who brings buyers and sellers together and executes their orders, charging a commission for these services. Unlike a dealer, a broker does not own or take a position in the security.

COUPON: (1) The annual rate of interest on the bond's face value that a bond's issuer promises to pay the bondholder. (2) A certificate attached to a bond showing interest due on a payment date.

COLLATERAL: An obligation or security attached to another to secure its performance.

DEBENTURE: A bond secured only by the general credit of the issuer.

DEFAULT: Failure to pay debt interest or principal when due, or to perform other obligation required by contract.

DIVERSIFICATION: Dividing investment funds among a variety of instruments offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal Agency that insures bank deposits; the current limit is $100,000 per insurable fund.

HAIRCUT: Industry term for the valuation of securities used to calculate a broker/dealer's net capital. The haircut will change depending on the class of a security, its market risk, and the time to maturity. The haircut may fluctuate from 0% to 30% (common for equity securities) to 100% for fail positions (securities with past due delivery) that have prospect of settlement.

LIQUIDITY: The ability to convert a security into cash promptly with minimum risk of principal.

NOTE: Coupon issues with relatively short maturity. Municipal notes have Maturities ranging from a month to a year and pay interest only at maturity. Treasury notes are securities that have an original maturity of up to ten years.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A security firm who participates in the securities market and hops set price and distribute securities.

PRINCIPAL: (1) Face amount or par value of a security. (2) One who acts as a dealer buying and selling his own account.

REPURCHASE AGREEMENT: (Repo) Sale of a security with a simultaneous commitment by a bank to repurchase the security from the investor at a specified price.

SAVINGS AND LOAN ASSOCIATION: Federal or state-chartered institution that accepts savings deposits and invests the bulk of the funds in mortgages.

U.S. TREASURY OBLIGATIONS: Include Treasury Bills, Treasury Notes, and Treasury Bonds. Treasury Bills consist of a non-interest-bearing discount security issued by the U.S. Treasury to finance the national debt. Bills are generally issued to mature in 3, 6 and 12 months. Treasury Notes are issued with original maturities of 10 years or less, while Treasury Bonds are issued with maturities longer than 10 years. Treasury Notes and Bonds are sold in minimums of \$1,000, and in multiples of \$1,000, except for notes with maturities of less than four years. These notes are sold in minimums of \$5,000 and in multiples of \$5,000. (General Finance Officers Association (GFOA) an Elected Official's Guide to Investing)