CLALLAM COUNTY
FINANCE COMMITTEE
Third Quarter 2023

Jennifer White, Chair
Shoona Riggs, Secretary
Mark Ozias, Member

AGENDA – July 20, 2023 – 9:00 am

9:00 am	**Call to Order & Introductions** *Jennifer White, Treasurer*
9:05 am	**Approve Today's Agenda (Action Item)**
9:08 am	**Review and Approve 2nd Quarter 2023 Minutes (Action Item)** *Committee Members*
9:10 am	**2nd Quarter 2023 County Portfolio Analysis** • Portfolio Summary • Portfolio Activity *Jeanette Gorr, Chief Deputy & Shayla Nagel, Investment Officer*
9:30 am	**CashVest Report on 2023 2nd Quarter** *Kyle Metcalf, 3plus1 CashVest*
9:40 am	**2023 Capital Projects Update** *Mark Lane, CFO & Rebecca Turner, Deputy CFO*
9:55 am	**Good of the Order** *Committee Members*
10:00 am	**Adjourn** *Jennifer White, Treasurer*

REMINDER: Zoom meeting information and instructions are included in the meeting calendar invitation.
Join Zoom Meeting:
https://us06web.zoom.us/j/82580716944?pwd=eGgrZHNwalRiOTRxeWdFREU5K2l2QT09

9:00am Thursday,
July 20, 2023
Zoom Meeting To Dial-in:
1.253.205.0468
Meeting ID: 810 5064 9646
Passcode: 776504

NEXT MEETING: October 5, 2023 @ 9:00am

Minutes of Finance Committee Meeting
Friday 4/20/2023 at 9:00 a.m.

#1 Call to Order & Introductions
Meeting called to order by Jennifer White, Treasurer, at 9:04 a.m.

Committee Members Present:
Jennifer White, County Treasurer (Chair); **Mark Ozias**, Chairman of the Board of County Commissioners; **Shoona Riggs**, County Auditor. Quorum established.

Others Present: Commissioners: Mike French; Finance Department employees: Mark Lane, Rebecca Turner, Debi Cook (attending remotely); Treasurer's Office employees: Jeanette Gorr, Shayla Nagel, Lisa Partridge (attending remotely); Auditor's Office employees: Karen Wahlsten, Sara DeBiddle; CashVest 3plus1 employees: Mike (last name unclear), Michael Abbott (both attending remotely); Member of the Public: Ken Reandeau (attending remotely).

#2 Approval of Agenda
The agenda was approved as presented.

#3 Review and Approval of 2022 4th Quarter Minutes
Minutes were approved with the addition of Carol Creasey's last name in item #7 and one minor spelling correction.

#4 1st Quarter 2023 County Portfolio Analysis

- Shayla Nagel and Jennifer White have attended investment trainings this year and are both involved in a year long, 20 course process to obtain their Government Investment Professional Certification. They plan to attend other investment training opportunities as budget allows.
- We have five outstanding securities that will be maturing this year which will generate approximately $220,000 in investment revenue with an average yield of 4.4%.
- All of our lower yielding investments have been closed and invested in CDs staggered to mature each quarter.
- Treasurer Investment Strategy Committee (TISC) will meet quarterly based on CD maturity dates to discuss re-investment options.
- The Treasurer plans to invest $4 million from current expense now held in LGIP @ 4.69% to T-bills which are yielding either side of 5%.

#5 CashVest Report on 2023 1st Quarter
Michael Abbott presented on behalf of CashVest. Clallam County's CashVest score increased this quarter from 60 to 71 due to our Liquidity Proficiency and Cash Flow Optimization.

Michael reported 1st quarter stats:

- Investment level increased by $5.6 million.
- New Investments made this quarter are expected to generate $1.6 million in interest earnings with $620,000 of that total realized in the next 12 months.
- Our Earnings Credit Rate increased 30 basis points to 120 basis points which will offset an additional $23,000 in fees over the next 12 months.

Discussion followed regarding determination of investment levels and terms for both County funds and non-county funds, i.e.: taxing districts, Opportunity Fund. It was agreed that a multi-year, comprehensive financial plan is necessary to ensure our liquidity needs are met.

#6 Administrative Policy Discussion (#560)

Discussion was led my Mark Lane who reported that both low authority limits delegated to the County Administrator, Elected Officials and Department Heads along with low thresholds for bid/contract requirements have caused an ongoing inundation of approval requests to the BOCC. These limits/thresholds haven't been raised in years and are no longer appropriate in today's economy.

~~Details of proposed changes are set out in a hand-put provided by Mark.~~

Concern was raised regarding grant expenditures that are allowed by a Grant Contract but disallowed by County Policy. Proposed changes would make allowances in policy for those grant expenses. It was suggested that the BOCC use greater scrutiny when approving grant applications that require expenditures that are disallowed by County Policy. It was also suggested Risk Management have an opinion on these non-compliant grants.

The Grant portion of this discussion was tabled and will be moved to a Department Heads/Elected Officials meeting.

#7 Good of the Order

A Finance Summit was discussed. This would be an opportunity to present information/training to the departments' financial staff regarding accounts payable, travel reimbursements, advanced travel, budget processes, cash receipting, and other financial topics. Each department represented at this meeting will compile a list of topics that should be covered. This summit will be discussed at an upcoming Elected Official/Department Head meeting. July was the favored choice for this event.

The obsolescence of Petty Cash was discussed. County credit cards and reimbursement procedures make the cumbersome use of Petty Cash unnecessary. Sara will reach out to departments who still have Petty Cash accounts and encourage them to close them. We will then visit mandatory closure if necessary.

Jennifer White and Shoona will begin a rewrite of Clallam County's Travel Policy.

Recently passed House Bill 1352 (related to RCW 3629.020) expands our investment capabilities currently utilized by other districts to the Tribes and will generate additional administration revenue. Jennifer White would like to funnel some of these fees into an investment fund to be used for software upgrades, employee training/certifications, technology needs, bank fees, etc.

#8 Adjournment

Meeting adjourned at 11:05 a.m.

The next meeting of the Finance Committee will be held July 20, 2023 @9:00.

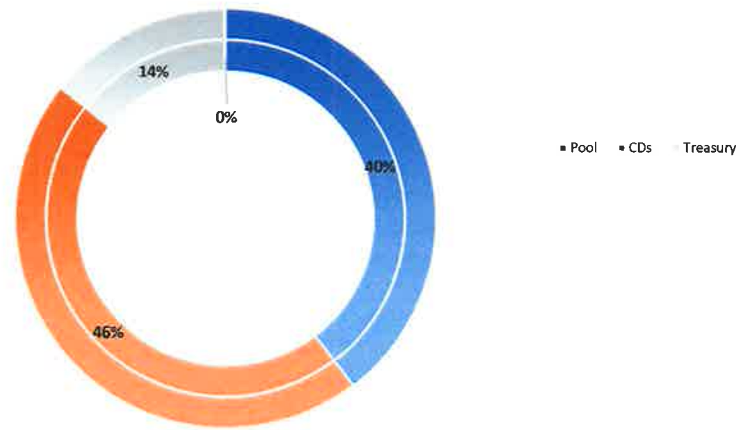
NOTE: Video recording of meeting can be accessed on the County Website:
https://www.clallamcountywa.gov/669/Live-Archived-Meetings-Online

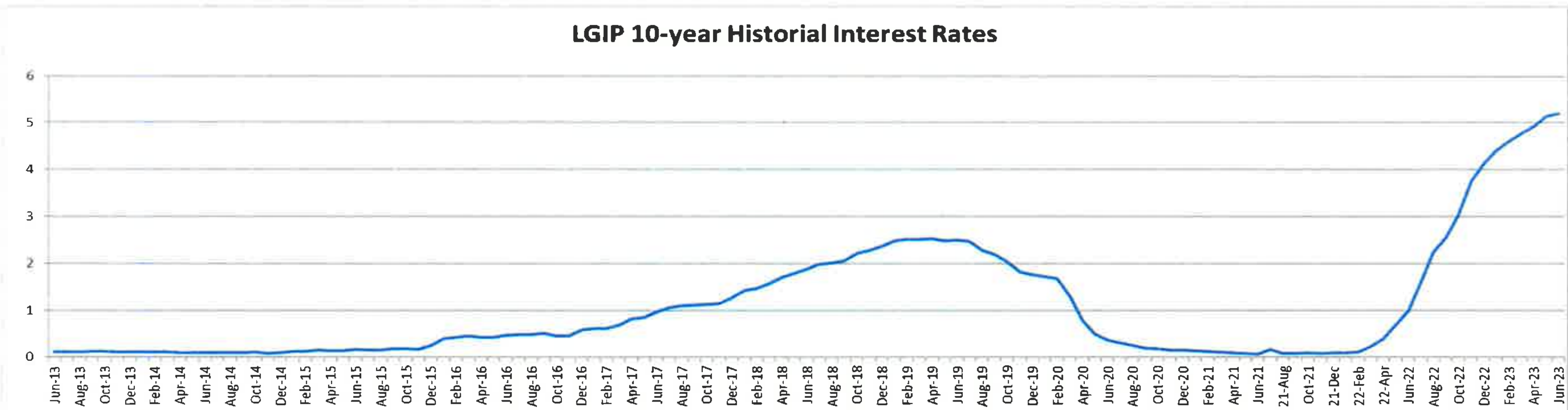
Respectfully submitted,

Karen Wahlsten
Senior Accountant, Clallam County Auditor's Office

LGIP - State Pool		39.63%	$24,233,907.04
Certificates		46.05%	$28,162,017.29
Treasury Accts		14.23%	$8,703,212.48
Operating Accounts		0.09%	$52,030.95
		100.00%	$61,151,167.76

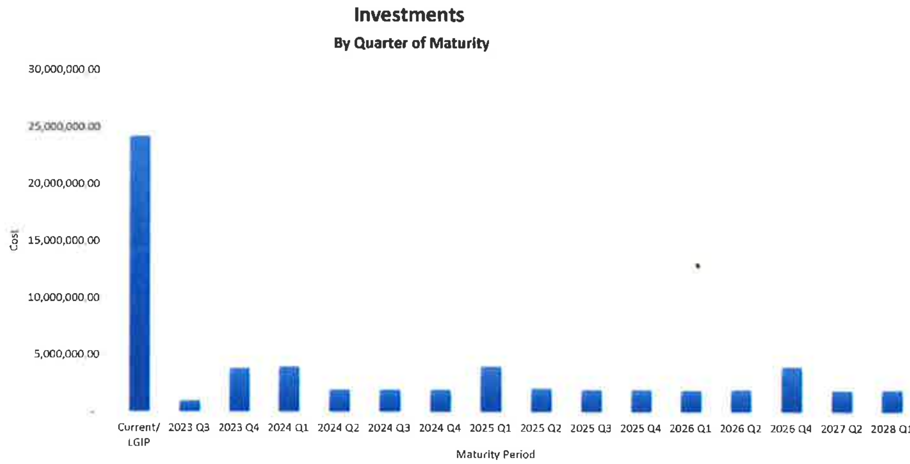
Treasurer's Cash & General Fund Investment
Quarter 2 - Ending June 30, 2023





INVESTMENTS BY MATURITY DATE

Maturity Period	Cost	Avg Yield	% of portfolio
Current/ LGIP	24,233,907.04	5.09%	39.63%
2023 Q3	1,000,000.00	0.90%	1.64%
2023 Q4	3,879,058.37	4.00%	6.34%
2024 Q1	4,012,118.70	4.35%	6.56%
2024 Q2	2,000,000.00	4.35%	3.27%
2024 Q3	2,000,000.00	4.27%	3.27%
2024 Q4	2,000,000.00	4.20%	3.27%
2025 Q1	4,043,740.49	4.86%	6.61%
2025 Q2	2,106,158.10	4.65%	3.44%
2025 Q3	2,000,000.00	4.25%	3.27%
2025 Q4	2,000,000.00	3.90%	3.27%
2026 Q1	1,935,750.37	4.02%	3.17%
2026 Q2	2,000,000.00	4.30%	3.27%
2026 Q4	4,000,000.00	3.55%	6.54%
2027 Q2	1,912,716.15	3.86%	3.13%
2028 Q1	1,975,687.59	3.79%	3.23%
	61,099,136.81		99.91%
Operating Accounts	52,030.95		0.09%
	61,151,167.76		100.0%



General Fund & Treasurer's Cash CDs by Maturity Date

INVESTMENT TYPE	# MOS	ACQ DATE	RATE	MATURES	PRINCIPAL BAL
CERTIFICATE	9	11/16/2022	4.30%	8/10/2023	1,000,000.00
T-Bills	12	10/6/2022	4.17%	10/5/2023	1,440,643.07
T-Bills	12	10/26/2022	4.50%	10/5/2023	1,438,415.30
CERTIFICATE	12	11/16/2022	4.50%	11/2/2023	1,000,000.00
CERTIFICATE	15	11/16/2022	4.35%	2/15/2024	2,000,000.00
CERTIFICATE	13	2/7/2023	4.97%	3/7/2024	2,012,118.70
CERTIFICATE	18	11/16/2022	4.35%	5/15/2024	2,000,000.00
CERTIFICATE	21	11/16/2022	4.27%	8/31/2024	2,000,000.00
CERTIFICATE	24	11/16/2022	4.20%	11/15/2024	2,000,000.00
CERTIFICATE	24	1/19/2023	4.60%	1/19/2025	2,037,747.99
CERTIFICATE	24	1/26/2023	5.13%	1/26/2025	2,005,992.50
CERTIFICATE	28	5/18/2023	4.25%	9/18/2025	2,000,000.00
CERTIFICATE	26	2/16/2023	4.65%	4/16/2025	2,106,158.10
CERTIFICATE	36	4/24/2023	3.90%	10/24/2025	2,000,000.00
TNOTE	36	2/7/2023	4.02%	2/28/2026	1,935,750.37
CERTIFICATE	44	4/6/2023	3.55%	12/6/2026	4,000,000.00
CERTFICATE	36	4/24/2023	4.30%	4/24/2026	2,000,000.00
TNOTE	51	2/7/2023	3.86%	5/31/2027	1,912,716.15
TNOTE	59	2/7/2023	3.79%	1/31/2028	1,975,687.59
			TOTAL INVESTMENTS		$36,865,229.77

2023 Major Capital Projects:

- Emergency Operations Center (EOC) Relocation
  - Main Contact: Ron Cameron
    - ~~2023 Projected Revenues: $3,588,000~~
    - ~~2023 Projected Expenditures: $3,540,000~~
    - 2nd Qtr Projected 2023 Revenues: $1,000,000
    - 2nd Qtr Projected 2023 Expenditures: $675,000 (some will be covered by CoPA)
  - 2nd Qtr Updates:
    - Will be setting up a separate capital fund in EDEN to separately track revenues/expenditures and available funds sometime in July(?)
    - Closed on the property early May 2023
    - Project has hit a stall point as we need both the BOCC and CoPA to agree on a construction management method – design work of $1.9mil expected to resume in Fall 2023 (partially grant funded, and partially local government funded)
    - Attorneys are working through crafting a Management Agreement, which may also delay the project costs?

- Lower Dungeness Floodplains
  - Main Contact: Bruce Emery
    - ~~2023 Projected Revenues: $2,722,286~~
    - ~~2023 Projected Expenditures: $2,543,169 (plus $4,683,019 GF transfer)~~
    - 2nd Qtr Projected 2023 Revenues: $3.3mil
    - 2nd Qtr Projected 2023 Expenditures: $1.9mil (plus $3mil GF transfer)
  - 2nd Qtr Updates:
    - Dept of Ecology just agreed to reimburse the County for the full $1.087mil of remediation costs we incurred during 2022. This grant ends 6/30/23 with final reimbursement due by 7/31/23.
      - Would like to recommend transferring $1mil back to the General Fund once these funds are received as the fund should have enough working funds remaining to make it through the end of the project – this will put the General Fund Reserves in a better position as we enter into budget season
    - Other remaining grants expected to cover remaining project costs and almost fully return the funds the General Fund has transferred to it over the course of the project – currently projecting $32k shortage of funds returned, but project won't be completed until Summer/Fall 2024, so things will change from this projection

- Dungeness Off-Channel Reservoir
  - Main Contact: ~~Carol Creasey~~ Steve Gray (until PW new employee onboarded)
    - ~~2023 Original Projected Revenues: $4,206,425 (plus $2,450,000 GF transfer)~~
    - ~~2023 Original Projected Expenditures: $5,173,000 (plus $1,650,000 GF transfer)~~
    - 2nd Qtr Projected 2023 Revenues: $2,006,425 (plus $800,000 GF transfer)
    - 2nd Qtr Projected 2023 Expenditures: $2,973,000
  - 2023 Updated Projections (due to land acquisition being paid directly from grantor agency, rather than us paying the costs and waiting to be reimbursed from the grantor)

- 2nd Qtr Updates:
  - County & DNR have reached an agreement on a purchase price (reduced by the expected amount of environmental cleanup required) – grant will release funds directly to DNR, so no temporary transfer of General Fund monies to cover the purchase costs
  - Work group meeting monthly (County, Jamestown Tribe, Irrigation Districts, Outside Consultants, etc.) – working through some differences in priorities and managing that against a moving timetable

- Broadband Expansion
  - Main Contact: Steve Gray
    - ~~2023 Projected Revenues: $5,685,546 (plus $1,771,000 ARPA transfer)~~
    - ~~2023 Projected Expenditures: $6,317,274~~
    - 2nd Qtr Projected 2023 Revenues: $0 (possibly transferring ARPA funds still?)
    - 2nd Qtr Projected 2023 Expenditures: $500k?
  - 2nd Qtr Updates:
    - Working with the PUD to see if the County can coordinate the work through them.
    - 10% match will be funded through County ARPA funds of $1.7mil (will also serve as working capital as grants are reimbursement funded)
    - Majority will be expended 2024-2026

- Clallam Bay/Sekiu Sewer
  - Main Contacts: Steve Gray & Ron Garcelon
    - 2023 Projected Revenues: $2,000,000 (plus $1,253,215 GF/REET1/REET2 transfers)
    - 2023 Projected Expenditures: $2,975,000
    - No 2nd Qtr updated projections at this point
      - 2nd Qtr Revenues to date: $44k? (plus $79.6k transfer from REET 2)
      - 2nd Qtr Expenditures to date: $119k
  - 2nd Qtr Updates:
      - PW going out to bid currently on the Downtown Sekiu Sewer Main Replacement