

FINANCE COMMITTEE MEETING AGENDA for June 16, 2022 9am

****ATTENTION****

Finance Committee meeting will be virtually only:

This meeting can be viewed on a live stream at this link: <http://www.clallam.net/features/meetings.html>

Committee Members participate via Zoom audio only, call 253-215-8782 and use meeting ID: 851 6301 4981 and passcode 344636

Or Zoom video conference, visit <https://zoom.us> and use meeting ID: 851 6301 4981 and passcode: 344636

Voting Members:

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

Agenda Items:

1. Call to Order
2. Roll Call/Introductions
3. Approve Agenda
4. Approval of Minutes of March 10, 2022
5. Announcements: December 8th meeting scheduling conflict – change date to December 15th
6. Investment Report
7. Revenue Report
8. Expenditure Report
9. Review Investment Policy and discussion with outside consultant, Earl Johnson
10. Adjournment

Minutes of Finance Committee Meeting
Thursday 3/10/2022 at 9:00 am PST

Committee Members Present (all attending remotely):

Mark Ozias, Chairman of the Board of County Commissioners; **Teresa Marchi**, County Treasurer; **Shoona Riggs**, County Auditor

Staff present (also attending remotely):

Mark Lane, CFO; **Karen Wahlsten**, Senior Accountant (acting Secretary); **Sandy Williams**, Chief Deputy Auditor; **Jeanette Gorr**, Accountant; **Lisa Partridge**, Senior Accountant; **Randy Johnson**, Clallam County Commissioner.

Meeting called to order by Teresa Marchi at 9:00 am.

#1 Approval of Agenda

Agenda was approved as presented.

#2 Approval of Minutes of Finance Committee Meeting held on December 10, 2021

Minutes were approved as presented.

#3 Investments

Jeanette Gorr reported:

- CD rates are holding Steady.
- Money Market rates have dropped.
- Sound Community Bank (SCB) is still not accepting public funds for CD investments so funds were pulled from SCB Money Market accounts and reinvested in CDs at First Federal and East West Bank.

#4 Revenues

Lisa Partridge reported:

- Property Tax Revenue was down at the end of February compared to last year most likely due to a delay in statements being sent. Property Taxes Revenue was caught up to prior years' levels by March 9th.
- Sales Tax revenue was up \$200,000 mostly due to the audit of a local company which resulted in a payment of back taxes.
- Investment revenue is down due to current interest rates.
- Real Estate Excise Tax is higher than last year but seems to be leveling off.

Mark Lane reported:

- Revenue is down from last year at this time by approximately \$1,375,000 due to:
 - \$551,000 in COVID relief funding that was received in 2021 but not in 2022.
 - \$531,000 decrease in property tax revenue as a result of statements mailing being delayed.
 - 30% decrease in fine/penalties collected by District Court I as a result of legislation changes.
- We will continue to closely monitor sales tax revenue due to rising gas prices, geopolitical situation and changing economy.
- Licensing/Permit revenue is up, however there is a decline in Building Plan revenues

- Intergovernmental revenue is down due to timing of grant reimbursements which will self-correct and the end of CARES funding.
- Goods and Services revenue is also down mainly due to timing of fees collection in multiple departments which should also self-correct. Criminal Services Revenues are down and Mark will reach out to Juvenile Services for their insight on the situation.

#5 2021 Foreclosure Sale Update

Teresa Marchi reported:

The Tax Foreclosure Sale of 13 properties was held completely online. This method ran very smoothly, produced higher sale prices and was less labor intensive to the Treasurer's Office staff than previous in-person auctions. In addition to taxes/fees/costs collected, \$403,000 in excess funds were generated which is three times more than we have received in past auctions. After attempting to contact prior owners regarding claiming the excess funds, it appears nearly \$260,000 will remain unclaimed. Any funds not claimed by 2024 will be deposited to Current Expense.

#6 Expenditures

Mark Lane reported:

- Expenses are pacing at 15% of our budget which is behind the 16.7% at the same time last year.
- Expenditures are up \$407,000 over February of last year resulting mainly from increased payroll cost due to Cost of Living Adjustment and other collective bargaining results.
- Professional Services are considerably higher in Prosecuting Attorney/Coroner services. Mark will be reaching out to the Prosecuting Attorney Office to determine if this will be a continuing trend.
- Projections:
 - Revenue is projected to be over budget primarily due to the robust sales tax mentioned earlier.
 - Revenue forecast for booking/sales/use/lodging tax collected for the State were lowered. Due to an accounting change, these funds are now being held in a fiduciary fund rather than in the General Fund.
 - Budget is projected to be underspent by \$2 million. \$1.7 million due to unfilled positions.
 - We expect a \$2.9 million operating deficit which is \$2.25 million better than budget. This leaves a General Fund balance of \$12,874,000 at year end.

Discussion

There was discussion regarding the current economy which highlighted the following:

- We don't expect an increase in interest revenue in 2022. Interest rates are expected to rise, but not substantially until late 2023 or 2024.
- Oil prices and the war in Ukraine could lead to recession.
- Inflation shouldn't cause a budget hardship for the County as our goods and services budget is traditionally underspent.

With business concluded, the meeting adjourned at 11:32 am.

The next Clallam County Finance Committee meeting will be held Thursday, June 16, 2022 at 9:00 a.m.

Respectfully submitted,

Karen Wahlsten
Senior Accountant
Clallam County Auditor's Office & BOCC Finance Department

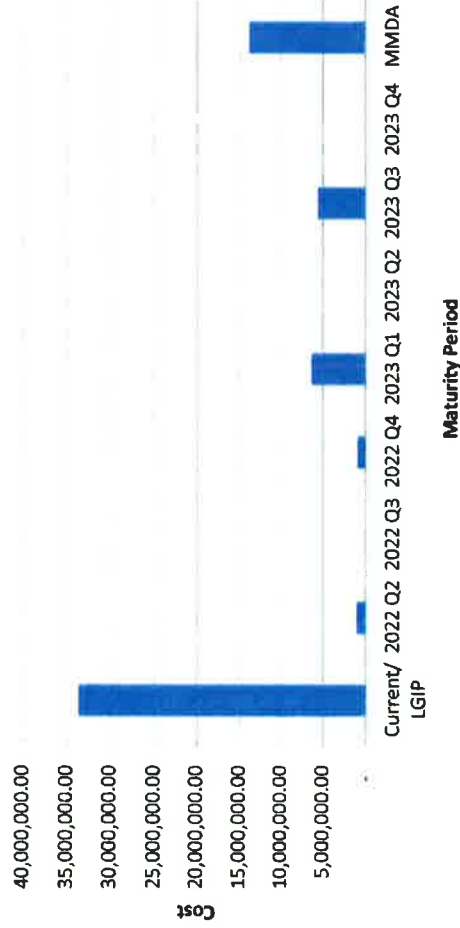
Investments by Fund
May 2021/2022 COMPARISON

NEW_FUND_N	FUND NUMBER	INVESTMENT TITLE	5/31/2022	5/31/2021
00100	001-000-010	CURRENT EXPENSE	5,181,626.09	5,181,626.09
10120	679-000-010	TREASURER'S CASH	56,709,294.66	56,709,294.66
10135	112-000-010	FLOOD CONTROL	67,634.97	
11008	118-000-010	SHERIFF'S DRUG FUND	16,055.57	
11901	119-000-010	RACKETEERING FUND	1,855.98	
12201	122-000-010	TREASURER'S O & M	146,471.07	
19910	136-000-010	CONSERVATION FUTURES	730,536.09	
19914	125-000-010	VETERAN'S RELIEF	97,913.68	
19941	145-000-010	OPPORTUNITY FUND	5,413,848.87	
19951	142-000-010	AFFORDABLE HOUSING SALES TAX	351,779.48	
19961	149-000-010	AMERICAN RESCUE PLAN ACT	1,249,368.75	
19991	155-000-010	EMERGENCY COMMUNICATIONS TAX	2,531,082.46	
40201	402-000-010	SOLID WASTE	3,746.50	
41401	414-000-010	CLALLAM BAY SEKIU SEWER O & M	92,497.85	
41501	415-000-010	CLALLAM BAY SEKIU CAPITAL REPL	5,192.57	
42401	416-000-010	CALRSBORG SEWER	287,955.35	
42501	417-000-010	CARLSBORG SEWER CAP REPAIR/REPLACE	187,228.41	
43401	418-000-010	BULLMAN BEACH WATER SYSTEM	97,713.87	
62901	629-000-010	RID GUARANTY TRUST	31,202.23	
64101	649-000-010	COMMUNITY NETWORK		11,312,083.70
64001	653-000-010	NORTH OLYMPIC LIBRARY	11,235,487.33	11,235,487.33
65101	655-100-010	FIRE DIST #1 EXPENSE	618,178.08	
65120	655-200-010	FIRE DIST #2 EXPENSE	1,510,617.28	
65127	655-200-030	FIRE DIST #2 RESERVE	598,050.56	
65131	655-300-010	FIRE DIST #3 EXPENSE	8,674,493.51	
65137	655-300-030	FIRE DIST #3 RESERVE	814,879.63	
65136	655-350-010	FIRE DIST #3 EM EXPENSE	2,133,475.05	
65171	655-400-010	FIRE DIST #4 EXPENSE	1,242,506.98	
65151	655-500-010	FIRE DIST #5 EXPENSE	266,862.84	
65157	655-500-030	FIRE DIST #5 RESERVE	13,241.43	
65161	655-600-010	FIRE DIST #6 EXPENSE	285,247.48	16,157,552.84
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	237,622.67	
69516	666-100-050	HOSPITAL #1 BOND REFUNDING	3,672,459.27	
69517	666-100-310	HOSPITAL #1 BOND		3,910,081.94
66801	668-000-010	QUILLAYUTE PARK & REC. GENERAL	571.37	
66804	668-000-110	QUILLAYUTE PARK & REC.BUILDING	203,570.44	
66808	668-000-310	QUILLAYUTE PARK & REC BOND	1,031,411.17	
66851	675-000-010	PARK & REC DIST 1 GENERAL	48,485.64	
66854	675-100-110	PARK & REC DIST 1 CONST/EQUIP	7,820.07	1,291,858.69
69706	669-000-026	HEART - O - THE HILLS WATER	19,847.59	
67701	680-000-010	BLACK DIAMOND WATER DISTRICT	1,205.17	
67702	680-000-110	BLACK DIAMOND WATER CAPITAL REPLACE	159,149.83	
67731	683-000-010	SUNLAND MAINTENANCE OPERATION	1,268,300.06	1,448,502.65
67101	673-100-010	AGNEW IRRIGATION MAINTENANCE	177,626.53	
67121	673-200-010	CLINE IRRIGATION MAINTENANCE	61,258.25	
67123	673-200-030	CLINE IRRIGATION RESERVE	88,922.89	
67131	673-300-010	DUNGENESS IRRIGATION MAINT	114,385.48	
67141	673-400-010	HIGHLAND IRRIGATION MAINT	115,119.50	
67143	673-400-030	HIGHLAND IRRIGATION RESERVE	148,335.71	
67142	673-450-210	HIGHLAND IRRIGATION LOAN ACT		705,648.36
68101	654-121-010	S.D. 121 GENERAL	5,301,628.67	
68102	654-121-011	S.D. 121 ASB	448,311.26	
68103	654-121-110	SD.121 CAP PROJ FUND (121 BLDG)	17,125,749.82	
68104	654-121-310	S.D. 121 BOND	43,293.39	
68105	654-121-510	S.D. 121 VEHICLE TRANSPORT	41,534.65	
68121	654-313-010	S.D. 313 GENERAL	2,132,661.68	
68122	654-313-011	S.D. 313 ASB	78,185.91	
68123	654-313-110	S.D. 313 BUILDING	312,458.15	
68125	654-313-510	S.D. 313 VEHICLE TRANSPORT	188,396.27	
68131	654-323-010	S.D. 323 GENERAL	4,096,536.68	
68132	654-323-011	S.D. 323 ASB	363,277.19	
68133	654-323-110	S.D. 323 BUILDING	2,243,307.97	
68134	654-323-310	S.D. 323 BOND	70,204.33	
68135	654-323-510	S.D. 323 VEHICLE TRANSPORT	856,938.12	
68141	654-401-010	S.D. 401 GENERAL	7,657,524.15	
68142	654-401-011	S.D. 401 ASB	194,834.33	
68143	654-401-110	S.D. 401 BUILDING	236,639.29	
68144	654-401-310	S.D. 401 BOND	2,142,005.78	
68145	654-401-510	S.D. 401 VEHICLE TRANSPORT	78,840.98	
68151	654-402-010	S.D. 402 GENERAL	11,591,574.98	
68152	654-402-011	S.D. 402 ASB	111,770.55	
68153	654-402-110	S.D. 402 BUILDING	2,296,129.62	
68154	654-402-310	S.D. 402 BOND	1,383,474.75	
68155	654-402-510	S.D. 402 VEHICLE TRANSPORT	171,205.67	59,166,484.19
69700	669-000-000	JAMESTOWN S'KLALLAM FRANCHISE	50,260.46	
63305	669-000-019	DRUG TASK FORCE SUSP-GENERAL	250.21	50,510.67
TOTAL INVESTMENTS			167,169,131.12	167,169,131.12
			Total	133,664,319.26

INVESTMENTS BY MATURITY DATE

Maturity Period	Cost	Avg Yield	% of portfolio
Current/ LGIP	33,739,538.73	0.70%	54.51%
2022 Q2	1,132,671.22	0.20%	1.83%
2022 Q3	-	0.00%	0.00%
2022 Q4	1,000,000.00	0.60%	1.62%
2023 Q1	6,408,739.35	0.30%	10.35%
2023 Q2	-	0.00%	0.00%
2023 Q3	5,669,106.04	0.30%	9.17%
2023 Q4	-	0.00%	0.00%
MMDA	13,888,839.47	0.30%	22.44%
Operating Accounts	61,838,894.81		99.92%
	52,025.94		0.08%
	61,890,920.75		100.0%

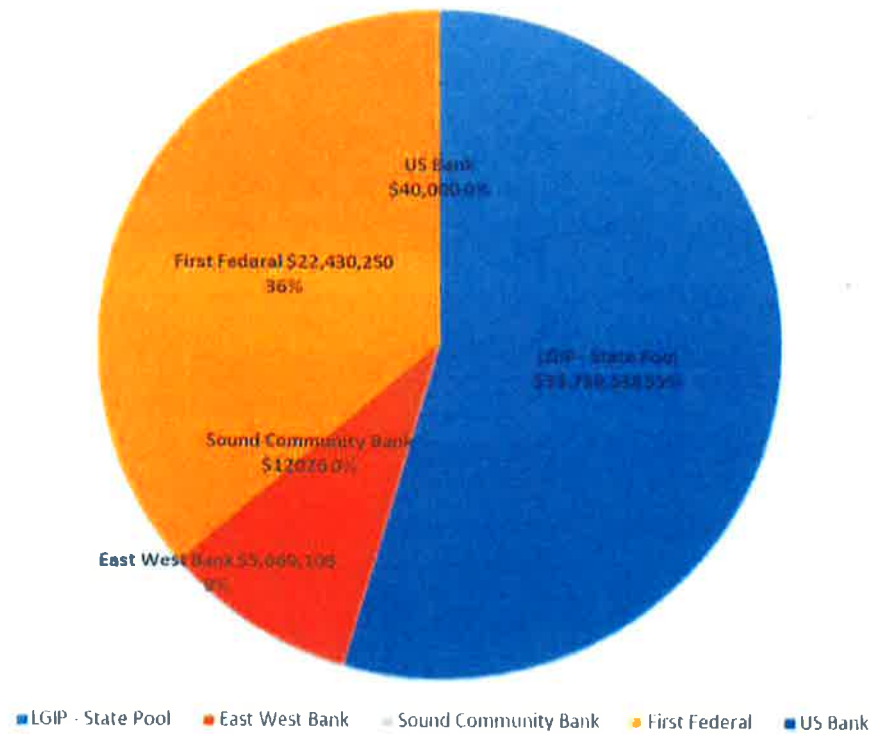
Investments By Quarter of Maturity



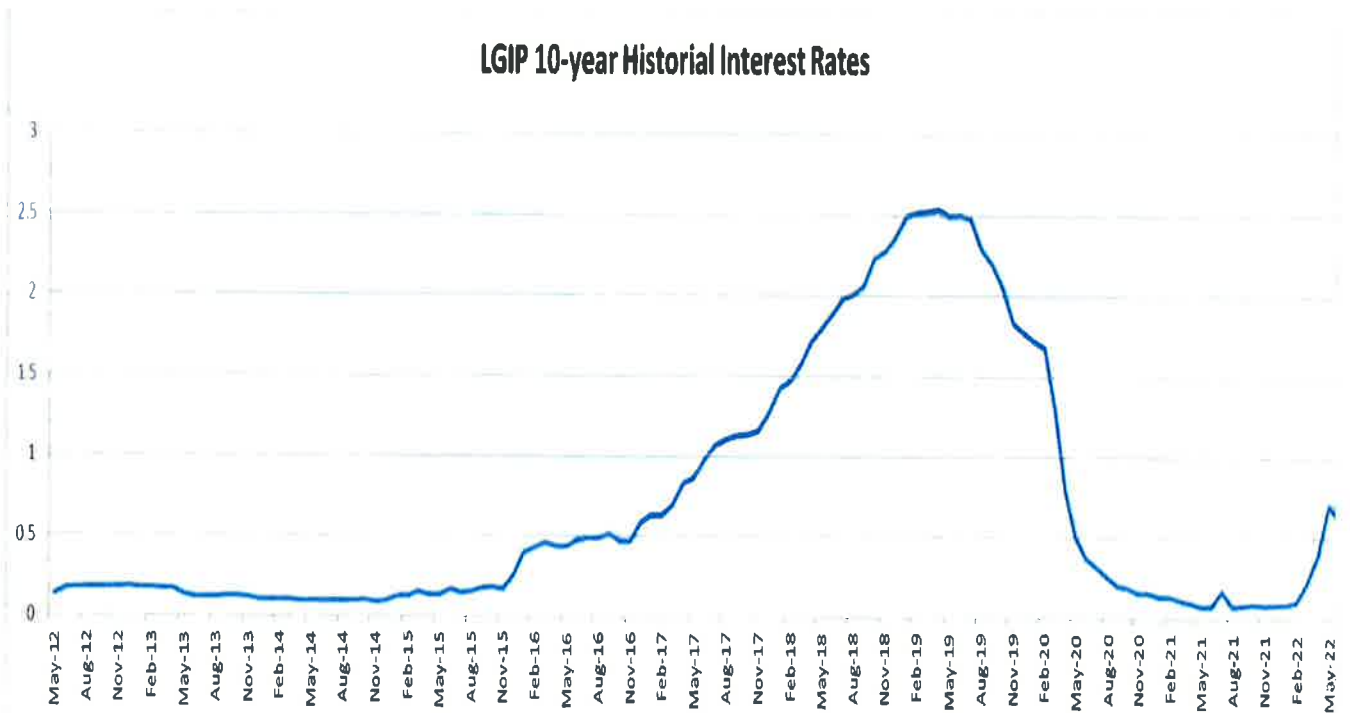
General Fund & Treasurer's Cash CDs by Maturity Date

BANK	CERTIFICATE	# MOS	ACQ DATE	RATE	MATURES	PRINCIPAL BAL
140	470001152C	12	6/21/2021	0.20%	6/21/2022	1,132,671.22
140	470001816	24	10/20/2020	0.60%	10/20/2022	1,000,000.00
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	470001125C	12	2/15/2022	0.30%	2/15/2023	1,144,155.65
140	470001127C	12	2/15/2022	0.30%	2/15/2023	551,809.44
140	470001138C	12	3/12/2022	0.30%	3/12/2023	706,682.84
350	173422875F	18	1/21/2022	0.30%	7/21/2023	1478594.98
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	446179603	mmda		0.30%		13,888,839.47
TOTAL CD's and MMDA				Avg Wt CD Rate	0.31%	\$28,099,356.08

Treasurer's Cash & General Fund Investment May 31, 2022



LGIP 10-year Historial Interest Rates



Property Tax Revenue

Property Tax Revenue													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
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
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	46,341	9,936,489
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
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
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
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
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
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
2022	25,474	72,214	1,435,443	4,233,820	964,656								6,731,607
Δ% from prior yr	-32.25%	-84.70%	-6.66%	0.97%	1.73%								

Sales Tax Revenue

Sales Tax Revenue													Δ% from prior yr
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
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
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
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
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
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
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
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
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
2022	882,624	758,075	638,572	610,792	818,822								3,708,886
Δ% from prior yr	47.03%	23.38%	17.54%	14.63%	11.60%								

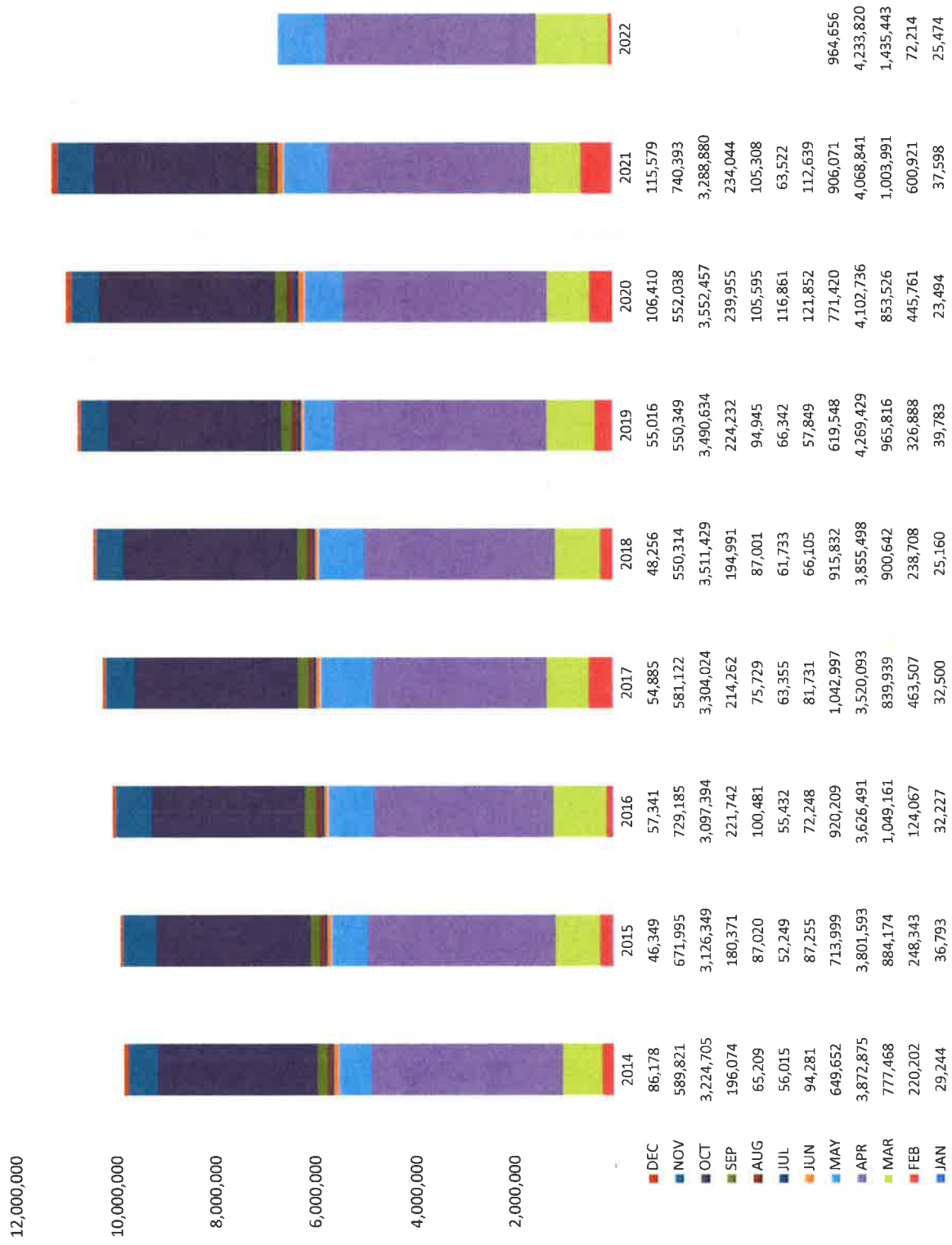
Real Estate Excise Tax Revenue (County Portion Only)

Real Estate Excise Tax Revenue (County Portion Only)													Δ% from prior yr
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
2014	246,799	43,971	53,385	91,984		71,927	124,235	96,936	99,915	217,636	41,378	97,351	1,276,944
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
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
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
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
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
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
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
2022	210,119	139,968	200,411	279,717	309,595								1,139,810
Δ% from prior yr	30.20%	16.53%	-1.24%	7.32%	6.77%								

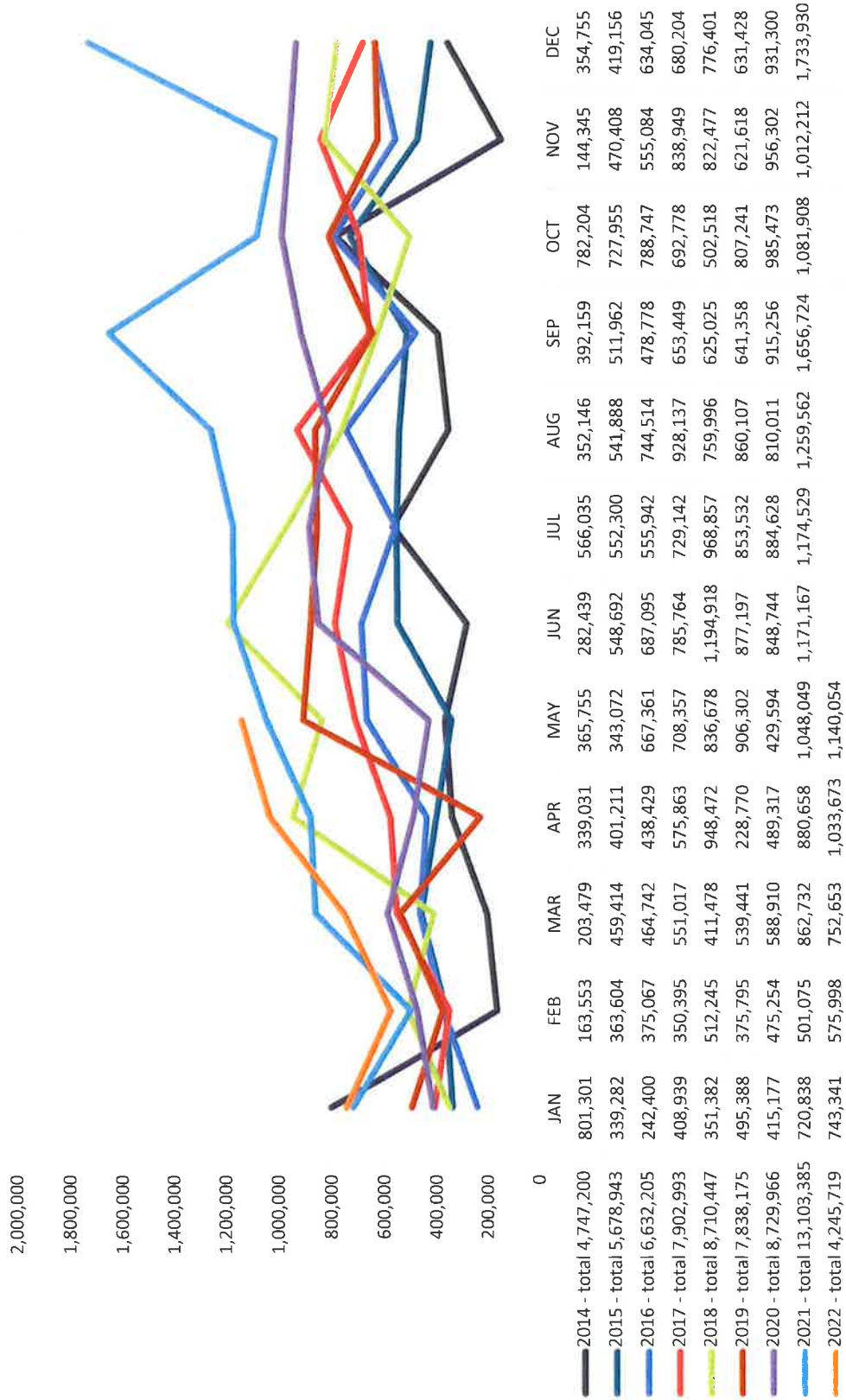
Investment Interest Revenue

Investment Interest Revenue														Δ% from prior yr
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	
	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
	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	330,217
	2016	23,583	37,915	32,648	34,653	36,697	39,067	36,928	36,601	35,776	37,104	35,993	20,011	401,975
	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
	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
	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
	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
	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
	2022	7,099	10,679	8,400	10,074	13,267								49,519
Δ% from prior yr		-87.11%	-85.15%	-85.70%	-85.19%	-83.47%								

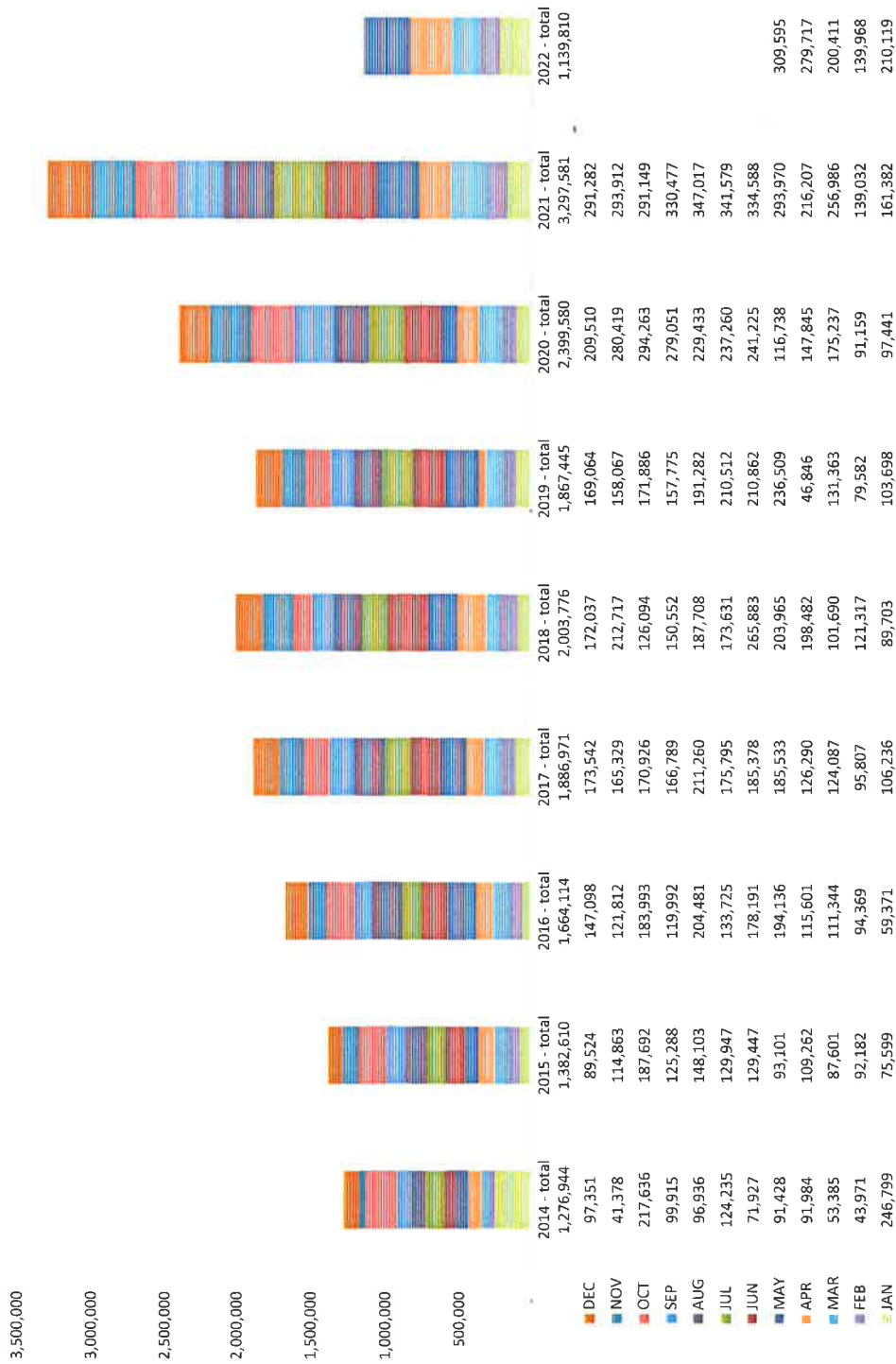
Clallam County Property Tax Collection



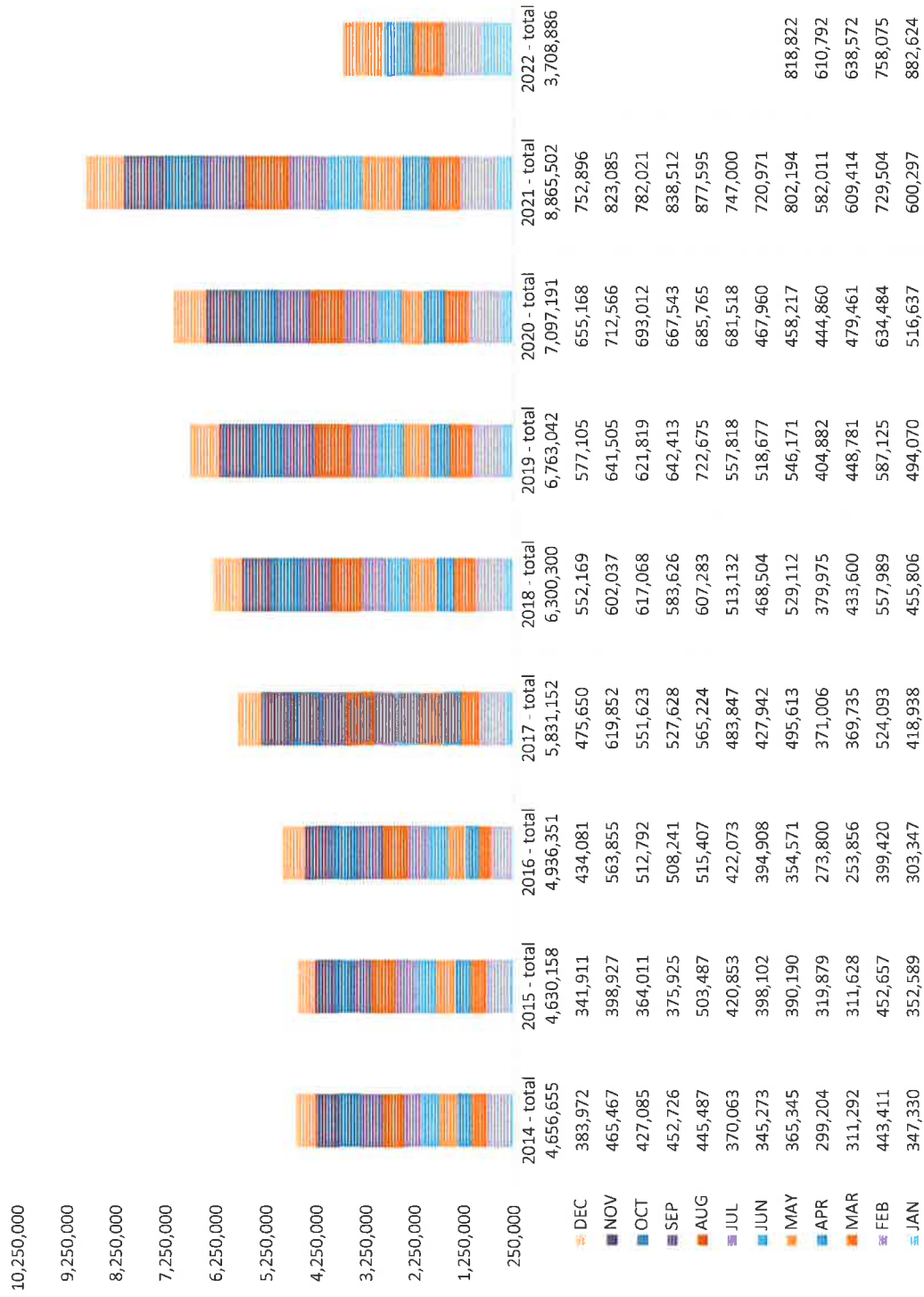
STATE OF WASHINGTON PORTION REAL ESTATE EXCISE TAX



CLALLAM COUNTY PORTION REAL ESTATE EXCISE TAX



CLALLAM COUNTY SALES/USE TAX REVENUE



CLALLAM COUNTY INVESTMENT INTEREST INCOME

