



CLALLAM COUNTY FINANCE COMMITTEE

Second Quarter 2023

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

AGENDA – April 20, 2023 – 9:00 am

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|-----------------|--|
| 9:00 am | Call to Order & Introductions
<i>Jennifer White, Treasurer</i> |
| 9:05 am | Approve Today's Agenda (Action Item) |
| 9:08 am | Review and Approve 1st Quarter 2023 Minutes (Action Item)
<i>Committee Members</i> |
| 9:10 am | 1st Quarter 2023 County Portfolio Analysis <ul style="list-style-type: none">• Portfolio Summary• Portfolio Activity <i>Jeanette Gorr, Chief Deputy & Shayla Nagel, Investment Officer</i> |
| 9:30 am | CashVest Report on 2023 1st Quarter
<i>Kyle Metcalf, 3plus1 CashVest</i> |
| 9:40 am | Administrative Policy Discussion (\$560)
<i>Mark Lane, CFO</i> |
| 9:55 am | Good of the Order
<i>Committee Members</i> |
| 10:00 am | Adjourn
<i>Jennifer White, Treasurer</i> |

REMINDER: Zoom meeting information and instructions are included in the meeting calendar invitation.

Join Zoom Meeting:

<https://us06web.zoom.us/j/82580716944?pwd=eGgrZHNwYWlRiOTRxeWdFREU5K2l2QT09>

9:00am Thursday,

April 20, 2023

Zoom Meeting To Dial-in:

1.253.205.0468

Meeting ID: 825 8071 6944

Passcode: 204474

NEXT MEETING: July 20, 2023 @ 9:00am

Minutes of Finance Committee Meeting
Friday 3/24/2023 at 1:30 p.m.

#1 Call to Order & Introductions

Meeting called to order by Jennifer at 1:32 p.m. Jennifer reviewed a few modifications the Treasurer's Office is making to the procedures of the meetings going forward.

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: Randy Johnson, Mike French; Finance Department employees: Mark Lane, Rebecca Turner; Treasurer's Office employees: Jeanette Gorr, Shayla Nagel, Lisa Partridge; Auditor's Office employees: Sandy Williams; CashVest 3plus1 employees: Kyle Metcalfe, Michael Abbott

#2 Approval of Agenda

Mark Lane added an agenda item. He will discuss takeaways from the Washington State Association of County Auditors (WSACA) Finance Conference regarding system migration. The agenda was approved as modified.

#3 Review and Approval of 2022 4th Quarter Minutes

Minutes were approved with spelling correction.

#4 PDC Disclosure Signatures

Reviewed Annual PDC Disclosure, T-1 Form, requested Mark O. to sign for completion.

#5 4th Quarter 2022 County Portfolio Analysis

Jennifer proposed changing our meetings to report on the current ending quarter, instead of up to six months ago. Meeting dates have already been adjusted to accommodate this new change.

Treasurer's Office reported for December. No certificates came due in December, not a lot of movement. Looked at the percentage of what we had in each investment type vs. per se what we had in each financial institution and/or the LGIP. At the end of the year, we had 51% in LGIP; 40% in Certificates; 6.5% in Treasury Bills; a small amount in Money Market. One Bill is coming due in April, currently everything is over 4% long term.

Discussion ensued regarding where we are going in the future. Need to be aware of recent dynamics happening in banking. How do we protect ourselves?

Discussion ensued regarding having regular communications/discussions through a Treasurer's Investment Strategy Committee (TISC Committee). Meetings at least twice a month, so everyone is in the know and can have input as things are happening instead of waiting three months to discuss. This committee would primarily be made up of the Treasurer's Office, they would request a member of the Finance Department and leave an open invitation for one County Commissioner to attend. Jennifer's plan is to get this committee going before May.

#6 CashVest Report on 2022 4th Quarter

Kyle Metcalfe and Michael Abbott presented on behalf of CashVest. They gave a report and overview on the 2022 4th Quarter.

CashVest 3plus1 provides liquidity data to counties, part of that includes scoring. They have a CashVest score that they give to each entity on a quarterly basis, it benchmarks their progress against themselves as well as other counties across the country. Score is comprised of five elements: percent of funds providing value; county's liquidity compared to potential; average yield earned on all fronts; overall banking structure of county – account structure, efficiency, check to ACH ratio; and reviewing county's investment policies. Typically, entities start at 35-40 points out of 100. Clallam started at 54 points and increased by 6 points by the end of 2022. A large contributor to the increase was the amendment to the County's Investment Policy.

Stats behind how county is doing in the 4th quarter as compared to the 3rd quarter in 2022:

- Total interest on a cash basis received by the county in the 4th quarter was just over 1.3MM., this was over 675K higher than the 3rd quarter, about a 101% increase.
- On a yield basis on all cash, it increased from 1.83% in the 3rd quarter to 3.15% in the 4th quarter.

Score increase was also driven by three key changes in the 4th quarter:

- 12.5MM more was held at State LGIP.
- 4MM moved to US Treasuries in fixed term investments.
- 16MM reinvested in different CDs at higher rates (projected to provide county with over 720K with annual interest earnings).

#7 2023 Clallam County Projects Update

The Finance Department has just begun attending some meetings on county projects and receiving some high-level information to put together more detailed projections that are relevant to the Finance Committee. The purpose of these project updates is to have visibility of the large chunks of money flowing out this year.

- Emergency Operations Center (EOC) move – Finishing design and finalizing purchase of land, getting agreements in place.
- Lower Dungeness Floodplains – Coming up on a quasi-conclusion of project before determination if a road of some kind will go back in place. Levy work is coming to an end and working on final grant. Cleanup costs in lieu of road, good faith attempts being made to find a grant for cleanup. Continued discussion on grant funding and whether a road will go back into place. Currently no commitment of dollar amount going out the door yet.
- Dungeness Off-Channel Reservoir – Budgeted over 5MM to spend this year, of which 2.2MM was a land purchase amount. Carol and staff have been able get acquisition to be paid directly from grantor agency, rather than us paying the costs and waiting to be reimbursed from the grantor. This won't be a cash transaction for us, it will be net neutral.
- Broadband Expansion – Not had a meeting yet.
- Clallam Bay/Sekiu Sewer – Not had a meeting yet.
- ARPA – Funds must be obligated by 2024; spent by 2026.

- Opportunity Fund – Discussion ensued on expenditures and what opportunity funds are used for and future possible changes to our processes.

#8 Cash Flow Report

Mark reviewed his reports. Taxes are currently lagging. We are seeing a softening of sales tax, this was expected. The end of the 2nd quarter should help numbers look a bit better as revenues will begin to flow in. Licensing and permits are currently down a bit, Building Permits are down 33% from last year. We are currently pacing ahead of the budget this year. Expenditures are projected to be underspent this year, like payroll and benefits. We will continue to monitor economic predictions.

ARPA – Received applications from Habitat for Humanity and the Sequim School District.

#9 Takeaway from WSACA Conference – Finance System Migration

Discussion ensued on a Finance System Migration. Sooner than later should be our plan. Now is the time to get serious about beginning to lay the groundwork. Many counties are migrating to a new system. Most are currently going from or leaning towards going from Eden to Munis. Some other Enterprise resource planning (ERP) vendors are Springbrook and Workday.

#7 Adjournment

Meeting adjourned at 3:07 p.m.

NOTE: Video recording of meeting can be accessed on the County Website:

<https://www.clallamcountywa.gov/669/Live-Archived-Meetings-Online>

Respectfully submitted,

Shoona Riggs
Clallam County Auditor