

## MINUTES

### BOARD OF COMMISSIONERS - GRAYS HARBOR COUNTY SPECIAL MEETING FINANCE COMMITTEE

August 03, 2009

1:15 p.m.

The Finance Committee met in Commissioners' Conference Room 1, Administration Building, Montesano, Washington on Monday, August 03, 2009, at 1:15 p.m. Present were Ron Strabbing, County Treasurer; Mike Wilson, Chairman of Board of County Commissioners; Vern Spatz, County Auditor. Guests included Commissioner Al Carter, Commissioner Terry Willis, Budget Director Rose Elway, and Clerk of the Board/Administrative Assistant Donna Caton.

#### CALL TO ORDER:

The meeting was called to order at: 1:15 p.m.

#### MINUTES:

It was motioned by Vern Spatz, seconded by Mike Wilson, and unanimously approved to accept the minutes of April 27, 2009.

#### INVESTMENT REPORTS:

The committee reviewed the Investment/Cash Balance reports for the months of April 2009 through June 2009 with a focus of attention on the June reports. Treasurer Ron Strabbing recapped the report noting that investments as of the end of June were 62 million dollars, with 13 million invested in county funds. The Post Closure fund had over 2 million dollars. He went over the break-down of investments in the different banks. He reported that there is more invested in the Current Expense Fund than is actual cash balance. He outlined how the interest earned was distributed, noting that the State Investment Pool rate is .62 percent. Anchor Savings Bank is paying .5 percent interest and Timberland Bank will not accept any new money.

Average cash balances were reviewed by month. Mr. Strabbing noted that the dollar amount of warrants processed has increased. In Current Expense, the county had 2.4 million dollars in cash on July 1, 2009 and declined to 1.6 million by July 31, 2009.

The Treasurer notes the following items that were noted and discussed at this meeting:

- The total amount of funds held, together with the various types of accounts in which those funds are held, were discussed as part of the review of the June report. The treasurer noted the highest yielding investment available to counties at the present time is the LGIP through the State Treasurer's Office. Most of the local banks have restricted any public funds placed with them to NOW accounts, a federally insured account (through 12/31/09) with an interest rate cap of 0.5%. The state pool is paying approximately 0.62 percent. Interest earnings will remain at these nominal rates until such time as the economy improves.
- The treasurer presented a spreadsheet that tracks the current expense cash flows by month. The report included 2004-2009. A review of earlier year cash flows reveals that cash balances in the current expense fund decrease between June 30<sup>th</sup> and September 30<sup>th</sup>. This naturally follows the property tax collection cycle. In prior years, cash decreases ranged from \$862,000 to \$1,527,000. In 2008, however, the decrease was more dramatic (\$2,776,000). Current year activity indicates 2009 records will track closer to 2008 than prior years.

- The treasurer presented a separate tracking of the 2009 cash flows. Projected cash flows through 9/30/09 indicated there may not be sufficient funds to meet payroll on September 30, 2009. The Committee discussed and agreed there is a need for an Inter-fund loan. The Post Closure fund was identified as a possible source. Such a loan would be authorized by resolution of the Board of Commissioners.

The meeting was adjourned at 1:55 p.m., which also concluded the meeting of the quorum of the Board of Commissioners.

BOARD OF COMMISSIONERS  
For Grays Harbor County  
This \_\_\_\_\_ day of \_\_\_\_\_, 2009

\_\_\_\_\_  
MIKE WILSON, Chairman/Commissioner, District 2

\_\_\_\_\_  
TERRY L. WILLIS, Commissioner, District 1

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ALBERT A. CARTER, Commissioner, District 3

ATTEST:

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Donna Caton  
Clerk of the Board