

APPROVED

Approved October 20, 2008

**Fluvanna County Finance Board
Minutes
September 15th 2008**

Members Present: Marvin F. Moss, Chairman, Board of Supervisors; Linda H. Lenherr, Treasurer; Bryan Gardiner, Citizen Representative; and Alice F. Jones, Clerk, Board of Supervisors

Also Present: Richard H. Grattan, Senior Vice President, Wachovia Bank and Gloria Vest, Chief Deputy Treasurer

CALL TO ORDER

Chairman Moss called the meeting to order at 6:00 p.m. in the County Treasurer's Office and proceeded to thank Mrs. Jones for the notebooks which had been created for each of the Finance Board members. Mr. Moss inquired if Mr. Gardiner and Mrs. Lenherr had received the information which was directed to be provided to them at the last meeting [a copy of the Davenport Funding Reports and the Credit Presentation] which they had received copies of. Mr. Gardiner pulled the Treasurer State guidelines from the website.

ADDITIONS TO THE AGENDA

Chairman Moss asked if there were any additions to the agenda. There being none, Chairman Moss proceeded with the meeting.

APPROVAL OF AUGUST MINUTES

There being no changes to the minutes of August 11th 2008, the following motion was offered:

MOTION:

Mrs. Lenherr moved to approve the minutes as presented. Mr. Gardiner seconded. The motion carried with a vote of 3-0. AYES: Gardiner, Lenherr and Moss. NAYS: None.

UPDATE AND REACTION TO THE FINANCE BOARD'S FIRST MEETING AND ITS MINUTES

Chairman Moss indicated that the Board of Supervisors had a positive reaction to the previous Finance Board meeting and minutes and indicated that they felt the Finance Board was headed in the right direction. He felt the Finance Board should continue to keep the Board of Supervisors and the County's citizens informed of what is being discussed in the Finance Board meetings. A page on the County's website has been created and the County Finance Board can display its activities, meetings and minutes for citizen review.

INTRODUCTION OF MR. RICHARD GRATTAN, WACHOVIA

Mrs. Lenherr introduced Mr. Richard Grattan, Senior Vice President, Wachovia Bank to the County Finance Board members.

INVESTMENT OPTIONS

Mr. Grattan indicated that he has worked with Fluvanna County for ten plus (10+) years and he proceeded to provide an overview of his responsibilities to Fluvanna County. Mr. Grattan outlined the investment services Wachovia is providing Fluvanna County and provided the Finance Board with several handouts which included service charge analysis reports; Evergreen Investments Fund Facts regarding money market funds; Evergreen Fund Fact sheet on institutional treasury money market funds; Evergreen Fund Fact sheet on institutional money market funds; and an Evergreen Investments statement regarding exposure to Lehman Brothers.

NOTE: “Evergreen Investment Management Company, LLC is a subsidiary of Wachovia Corporation and is an affiliate of Wachovia Corporation’s other Broker Dealer subsidiaries.”

Mr. Grattan provided the Finance Board with a little history of the County’s banking and indicated they have moved onto what they call a “sweep account” which is a money fund where money that is left over at the end of each day is moved into the Evergreen Institutional Money Market Fund, which is a standard money market account.

Mr. Grattan, along with the Treasurer, suggested that with the economy as it is at the present time, it may be safer to move the County’s money into the Evergreen Institutional Treasury Money Market Fund. This fund normally invests at least 80% of its assets in short-term U. S. Treasury obligations and repurchase agreements with respect to such securities. This fund may be suitable for investors seeking: 1) stability of principal; 2) current income; and 3) liquidity. This can be done without changing any account numbers and can be done along with the sweep which takes place each night. The Treasurer will let Mr. Grattan know if she wants to make this change and it will happen overnight. It will not affect any daily operations of the County.

Chairman Moss suggested the Finance Board receive from the Treasurer a monthly report providing the monthly checking account balance as of the end of the month and the sweep.

Mr. Grattan suggested that the Evergreen marketer appear before the County Finance Board approximately every six (6) months to provide a report. The consensus of the Finance Board was that they would like to have this bi-annual report from Evergreen to keep them abreast of all their funds within the Evergreen account.

Mrs. Lenherr suggested she could provide the August report from Evergreen which can be pulled from the website+. Chairman Moss suggested that she also send it to Mr. Lawton, County Administrator, in order for him to provide the report to the other Board of Supervisor members.

Chairman Moss thanked Mr. Grattan for appearing before the Finance Board and providing information regarding Wachovia and the County’s financial accounts. Mr. Grattan then left the meeting.

Extensive discussion ensued regarding the County's financial situation and moving money from the regular money market account into the Treasury Fund account and the following motion was offered:

MOTION:

Mr. Gardiner moved to recommend to the Treasurer that she move money from the Sweep account from the Institutional Money Market Fund at Evergreen to the Treasury Money Market Fund. Mrs. Lenherr seconded. The motion carried with a vote of 3-0. AYES: Gardiner, Lenherr and Moss. NAYS: None.

After further discussion regarding moving the account, Mr. Gardiner suggested the account be moved the next day, Tuesday, September 16th 2008. Chairman Moss and Mrs. Lenherr concurred.

Chairman Moss suggested the motion be effective immediately and indicated he would announce the move at the Board of Supervisors meeting scheduled for Wednesday, September 17th 2008.

DRAFT INVESTMENT POLICY

Mr. Gardiner provided a copy to the Finance Board of his draft investment policy. Mr. Gardiner led the discussion of why he chose what he did as to the contents of the policy which led to some suggestions and revisions from the other board members. Mr. Gardiner indicated that the policy can only include what is written in the Code of Virginia and the simpler the policy is written the better. Discussion ensued with changes and items to be included in the policy.

Along with the discussion of the investment policy, debt service and discussion of the budget ensued. Chairman Moss and Mrs. Lenherr explained how the County's budget is set up. It was suggested Mr. Lawton attend the next Finance Board meeting to provide an overview of the County's budget process and methodology used. Mrs. Jones suggested Ms. Crystal Besecker, Budget Analyst, attend the meeting also; she is key to putting the budget together along with the County Administrator and the Assistant County Administrator.

Mr. Gardiner will formalize the investment policy and send it out to the Finance Board members for review and adoption at their October meeting. It will then be forwarded to the Board of Supervisors for their review and adoption. Chairman Moss suggested Mr. Gardiner attend the Board of Supervisors meeting in mid-October for the discussion of the proposed investment policy.

NEW ITEMS OF BUSINESS

Chairman Moss indicated there would be a presentation by bond council at the Board of Supervisors meeting scheduled for Wednesday, September 17th 2008 and suggested Mr. Gardiner attend.

Mr. Gardiner indicated he was planning to attend the Board of Supervisors meeting to listen to the public hearing regarding the proposed issuance of general obligation school bonds in the estimated maximum principal amount of \$75,500,000.

Chairman Moss inquired if Mr. Gardiner found anything alarming or mystifying in the budget when he reviewed it. Mr. Gardiner indicated he was surprised to see how much of the budget belonged to the schools.

NEXT MEETING

The next meeting of the County Finance Board is scheduled for Monday, October 20th 2008 at 6:00 p.m. in the Treasurer's office

ADJOURN

There being no further business, the meeting was adjourned at 7:40 p.m.

Respectfully submitted by
Alice F. Jones
Clerk, Board of Supervisors