

**Fluvanna County Finance Board**  
**Minutes**  
**August 11<sup>th</sup> 2008**

Adopted as submitted  
September 15, 2008

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

**CALL TO ORDER**

Chairman Moss called the meeting to order at 6:00 p.m. in the County Treasurer's Office.

**ORGANIZATION**

Chairman Moss explained the purpose of the Finance Board and who [by State statute §58.11-3151 and §58.1-3152] was required to attend the meetings. With this being the initial meeting, Chairman Moss implied that once the board got into meeting on a regular basis, they would have a better understanding of what the board's responsibility is, how the board is doing and at what frequency the board should meet. He indicated the statute also states that the Treasurer must report to the Finance Board monthly on what funds are deposited and where.

**GOALS, OBJECTIVES AND MANDATED ACTIVITIES OF THE BOARD**

Chairman Moss indicated that the State statute is vague about details of what is required of the Finance Board. The Finance Board is very limited in power as far as what it can instruct the Treasurer to do or how to invest the County's money. According to §58.1-3156 it states that "the Finance Board may direct the county treasurer to invest such funds in accordance with guidelines issued by the State Treasurer". Basically, the Board is to monitor and advise the Treasurer on investments.

Mr. Gardiner asked if the Treasurer had the State guidelines. The treasurer indicated she did not but would obtain them and distribute a copy to all members.

Chairman Moss indicated he understood the treasurer was limited in what and how she could invest. He asked that the treasurer provide the board with a basic description of what she could and could not do as far as investing. The treasurer indicated she invests mainly with CD's, Money Market Accounts, Sweep Accounts, basically things that are solid at this time. Other things she could invest in is the Legal Government Investment Pool, but indicated their interest rate isn't any better than what the County is getting at the present time with current investments.

Chairman Moss suggested that a copy of the Davenport Credit Presentation, which was presented to New York rating agencies, be provided to Mr. Gardiner and the Treasurer. He felt both of them would find it useful and indicated it provided good background information on the County.

It was suggested that long term fiscal planning be one of the items the Finance Board looks into regarding projects that will be coming up, such as the new Fire Departments, schools, etc.

County finance policies were discussed and Mr. Gardiner asked for a copy of all the policies. Chairman Moss indicated that the policies could be found in the back of the credit presentation which will be provided to him.

It was suggested that a notebook be provided to the members to include the credit presentation, the recent Davenport presentation which was presented to the Board on August 6<sup>th</sup> 2008; along with any other information pertinent to the Finance Board and in which materials could be added in the future.

Discussion ensued on the purpose of the Finance Board and it was determined they were basically a monitoring and advisory board. The treasurer still makes all decisions on how County funds would be handled.

The Treasurer provided Mr. Gardiner with copies of investment policies from Cumberland and Chesterfield Counties.

Frequency of meetings and flow of information was discussed. It was suggested that the treasurer provide periodically fund balance information and any other information to keep the Board apprised of County finances in between the formal meetings of the Finance Board. It was also suggested the Finance Board meet monthly at first to obtain a feel for how often the Board should meet. After discussion it was decided that the second Monday of each month would be the meeting date, time was set for 6:00 p.m. and meeting place will be in the Treasurer's office. The next meeting was set for Monday, September 8<sup>th</sup> 2008 at 6:00 p.m. in the Treasurer office.

Since it is mandated that a report be provided to the Finance Board, it was suggested that the Board of Supervisors be provided a monthly report also. The report would include the amount of money on deposit with each depository, amount of interest earned, and how the money has been dispersed. The treasurer indicated that would be feasible.

Mr. Gardiner requested information regarding the budget and a copy of the budget book was provided to him.

It was suggested that Mr. Gardiner be provided with a copy of the last Davenport presentation material which was presented at the BOS meeting on August 6<sup>th</sup> 2008.

#### **RELATIONSHIP BETWEEN THE BOS AND THE FINANCE BOARD**

Chairman Moss indicated that the Board of Supervisors wants to make sure the County is functioning in accordance to what the law dictates and that the Finance Board is assisting the Treasurer. Being a public body constituted under the Code of Virginia has a duty and responsibility to report to someone and in this case it would be the Board of Supervisors. How often the reports would be presented and in what manner was discussed. The

Finance Board, per se, would not be making the report, it would come from the Treasurer. It was suggested that the end of the fiscal year would be a good time to present an annual report which would include where the County stands financially and what the Finance Board has accomplished during the year.

### **COUNTY INVESTMENT STRATEGY**

Chairman Moss reported that Mr. Allbaugh suggested the County have an investment policy. Mr. Gardiner provided information on what an investment policy was. He indicated the “first component is the objective. What is the objective of the investment strategy? What are you trying to do with the money?” Examples were provided indicating “preserve principal; earn a rate of return in excess of a certain percentage; or beating a certain benchmark. The second component is what are the guidelines you are allowed to operate within to achieve that objective? What you can and cannot invest in and reporting policies.”

Mr. Gardiner was asked to develop a draft investment policy for review by the members of the Finance Board.

### **OTHER TOPICS**

Mr. Gardiner expressed his desire to learn more about what Wachovia’s role is and any other investment advisors the County is using. The treasurer asked the members if they would like for her to invite the County’s Wachovia representative to attend the next meeting to discuss the investments the County was currently involved in. It was the consensus of the members they would like for her to proceed with inviting Wachovia to attend a meeting. It was also suggested that David Rose, Davenport, be invited to attend a future meeting to discuss financial issues and funding capital projects.

### **ADJOURN**

With no further business, the meeting was adjourned at 7:20 p.m.

### **NEXT MEETING**

Monday, September 8<sup>th</sup> 2008 at 6:00 p.m. in the Treasurer’s office

***[Due to other commitments of the Chairman, the next meeting has been changed to Monday, September 15<sup>th</sup> 2008, same place and time.]***

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