

approved February 23rd 2009
Fluvanna County Finance Board
Minutes
January 26th 2009

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: G. Cabell Lawton, IV, County Administrator; Charles W. Allbaugh, Rivanna Supervisor; and Gloria Vest, Chief Deputy Treasurer

CALL TO ORDER

Chairman Moss called the meeting to order at 7:00 p.m. in the County Treasurer's Office.

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 MINUTES

MOTION:

Mrs. Lenherr moved the minutes of October 20th 2008 be approved as amended. Mr. Gardiner seconded. The motion carried with a vote of 3-0.
AYES: Gardiner, Lenherr and Moss. NAYS: None.

PASSAGE OF COUNTY INVESTMENT POLICY

Chairman Moss apprised the Finance Board that the Board of Supervisors passed the Investment Policy; significant achievement for the Finance Board. He reminded the Board that this provides sound guidance to the treasurer's policy regarding investments.

TREASURER'S END OF YEAR REPORT

Mrs. Linda H. Lenherr provided the group with a handout reviewing all investments. Mr. Gardiner suggested that the treasurer obtain daily or weekly reports to remain more current versus the quarterly reports. The treasurer indicated she had a new contact with Wachovia by the name of Mr. James Long. Mrs. Lenherr also indicated that the closing balance of the checking account with Wachovia as of December 31st 2008 was **\$3,049,361.97** and the money market account balance is **\$13,971,000.00**.

Mrs. Lenherr is preparing a delinquent tax report for the Finance Board.

UPCOMING BUDGET – FY10

Mr. Cabell Lawton updated the Finance Board regarding the County's budget shortfall. He indicated that the personal property values on trucks and SUV's were down approximately \$700,000 to \$800,000. Schools are being cut approximately \$2M and there is also an anticipated 60% cut in State revenues. Mr. Lawton asked the Finance Board to look at ways in which they can maximize the County's investments. For every

\$100,000 that comes in is that much less that has to be taken out of the fund balance to balance the budget.

DISCUSSION OF INVESTMENT OPTIONS RELATING TO SHORT, MID AND LONG TERM INVESTMENTS

Mr. Gardiner provided suggestions for short term investments; need to discuss first is where we are in terms of investments [possibly looking at other banks or options]. The treasurer indicated she was still waiting to hear from Bank of America regarding additional information. Mr. Gardiner indicated that the idea was to go out and do due diligence to make sure the County is getting the best deal for our money. We do not need to be paying more for services. The treasurer stated that Bank of America came in and she gave them target balances, peak times and payroll amounts and is waiting for a response from them. Mr. Gardiner indicated that the information was important in order to make an informed decision as to whether to stay with Wachovia or move to another banking institution. Moving the money back into a more traditional fund should be safe at this point. The decision is up to the treasurer and she will wait until she has more information to determine whether she will move the money around within Wachovia or move the money to another banking institution.

Supervisor Allbaugh suggested that there was a need to move the money back into something that provides a little more interest. Mr. Gardiner agreed. He [Mr. Gardiner] thought that the market has changed enough now from September 2008 when we first moved the money.

Chairman Moss asked how much should be moved? Mr. Gardiner indicated that it would be the entire amount and that this should help increase the revenue for budget purposes. The treasurer is to obtain the information and email it to the Finance Board members in order to obtain consensus of whether to move the monies before another month comes around.

Chairman Moss indicated that if the treasurer does move the money into a higher yield instrument with either Wachovia or potentially another bank, he would still like to determine whether there is an element of the amount that could safely [\$3 or \$4M] be put into long term investments. He posed several questions:

1. What is the nature of those instruments?
2. What yields to they have?
3. What risk is involved?
4. How best to proceed to make that kind of decision?

Mr. Gardiner provided a graph of yield curves at present time to give the Board ideas of what type of yields are out there. He also explained what a yield curve was.

Discussion ensued between the members and Supervisor Allbaugh who suggested moving money into CD's for short term. The treasurer will take a look at CD rates and see what the yield curve looks like.

Chairman Moss asked that the minutes reflect that the Finance Board has made a decision to check on the rates and then make a decision of exactly how the money should be invested up to \$2M in certificates of deposit [CD's].

Further discussion ensued.

NEW ITEMS OF BUSINESS

Discussion ensued regarding the tax collections rates.

NEXT MEETING

It was the general consensus that the Finance Board meet monthly. The next meeting is tentatively scheduled for Monday, February 23rd 2009 at 7:00 p.m. in the Treasurer's office

ADJOURN

There being no further business, the meeting was adjourned at 8:00 p.m.

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