

Fluvanna County Finance Board
Minutes
April 7th 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 Allbaugh, Rivanna District; Gloria Vest, Chief Deputy Treasurer; and Nelson Bush, PFM

CALL TO ORDER

Chairman Moss called the meeting to order at 6:55 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:

Mr. Gardiner moved the minutes of February 23rd 2009 be approved as amended. Mrs. Lenherr seconded. The motion carried with a vote of 3-0.

AYES: Gardiner, Lenherr and Moss. NAYS: None.

DISCUSSION OF SNAP INVESTMENTS

Mr. Lawton introduced Mr. Nelson Bush, Senior Managing Consultant for PFM Asset Management LLC, who is the financial advisor of the State and Non-Arbitrage Program (SNAP). The SNAP program is a program in which the County borrows money putting it in a trustee and the trustee advises SNAP how to invest the money.

Mr. Bush handed out information regarding the SNAP Program and stated that the SNAP Program offers a complete package of services which includes professional investment management; customized investment strategies; custody services; accounting; online account access to initiate and view transactions; comprehensive website and toll free customer service line; arbitrage rebate compliance tracking and reporting; and educational sessions and workshops. The SNAP program was created by the General Assembly and it empowered the State Treasury Board to create a program that could help municipal governments invest their bond proceeds. Mr. Bush went on to discuss expenditure monitoring, rebate services and investment earnings. He also provided a draw-down schedule for the new high school in order for the Finance Board to further understand the SNAP program. Mr. Bush explained that Fluvanna had options other than investing all the bond proceedings in Money Market Mutual Funds.

Discussion ensued and Mr. Bush recommended that the County invest their bond proceeds through the SNAP program. The Investment Policy was discussed. Mr. Gardiner recommended the Treasurer move forward and invests the bond proceeds for

the high school through the SNAP program. Mr. Bush indicated he would need an email or some direction from the Treasurer asking him to go ahead and buy the portfolio. He [Mr. Bush] cannot arbitrarily move money from the SNAP fund without authorization or direction. The following motion was offered:

MOTION:

Mr. Gardiner moved the Finance Board recommend that the Treasurer invest the bond proceed money for the high school through PFM Asset Management using a combination of the SNAP Money Market bond and a portfolio of agency securities [agency debentures] pursuant to the presentation made on April 7th 2009 by Nelson Bush. Mrs. Lenherr seconded. The motion carried with a vote of 3-0. AYES: Gardiner, Lenherr and Moss.

Mr. Bush will be communicating with Mrs. Lenherr directly regarding the investments.

REPORT ON GENERAL FUND TOTALS AND NEW INVESTMENTS

Mrs. Lenherr provided a handout regarding investments for February and March 2009. There was a decrease in the total from February to March in the amount of \$1,451,945.86 [\$13,660,398.79 - \$12,213,452.93]. She also indicated she was waiting for information from Bank of America regarding transferring the \$2 million into CD's. Discussion ensued and it was determined that due to turnover within Bank of America and trying to communicate with different contacts has produced a major block in the transaction. The suggestion was offered that the Treasurer offer a deadline to Bank of American and if they cannot meet that deadline that she contact other banking institutions and see what they can offer in relation to CD rates and time involved to handle the transaction. The Finance Board recommended the Treasurer contact BB&T to obtain their CD rates and if no progress has been made with Bank of America, then move the funds to another banking facility.

NEW ITEMS OF BUSINESS

None.

NEXT MEETING

The next meeting of the County Finance Board is to be announced.

ADJOURN

There being no further business, the meeting was adjourned at 8:24 p.m.

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