

Mason County Finance Committee  
411 North 5<sup>th</sup> Street, Shelton, WA  
July 24, 2018

2:00 p.m. Members in attendance: Treasurer Chair Lisa Frazier, Commissioner Randy Neatherlin, and Auditor Karen Herr. Also in attendance: Commissioner Kevin Shutter

Frazier presented the Mason County Finance Committee Report for the second quarter (April - June).

Current Expense cash balance as of June 30, 2018 was \$6,844,843.68. Lisa presented an overview of the county's total cash and investment portfolio. 90 day T-bill rates are at 1.73% and the state pool rate is at 1.88%. 2018 investment interest was budgeted at \$300,000 and \$272,927 has already been collected in the first half of the year.

Old Business: A draft Cash Handling Policy and Procedures were sent to the Audit Committee for Review on 7/6/18. Once it's reviewed, it will be sent for review to the Finance Committee members.

New Business:

- Frazier presented an update from NW Municipal Advisors regarding refunding financing. The savings of \$74,000 or 3.25% does not currently meet our 4% refunding threshold as stated in our Debt Policy.
- Frazier presented the County's Debt Policy and Investment Policy. Neatherlin made a motion to approve both updated policies.
- All members signed the updated Debt Policy with no changes. Debt Policies are required to be reviewed every four years – last reviewed in 2013.
- All members signed the updated Investment Policy with no changes. Investment Policies are required to be reviewed annually – last reviewed in 2014.

Meeting adjourned at 2:18 p.m. Minutes submitted by Karen Herr, Auditor



## Mason County Finance Committee Report

2018 Second Quarter ( April - June ) Submitted July 24th, 2018

**Mason County Finance Committee**  
 Lisa Frazier, Mason County Treasurer  
 Karen Herr, Mason County Auditor  
 Randy Neatherlin, Mason County Commissioner

**RCW 36.48.070**

**County finance committee — Approval of investment policy and debt policy — Rules.**

The county treasurer, the county auditor, and the chair of the county legislative authority, ex officio, shall constitute the county finance committee. The county treasurer shall act as chair of the committee and the county auditor as secretary thereof. The committee shall keep a full and complete record of all its proceedings in appropriate books of record and all such records and all correspondence relating to the committee shall be kept in the office of the county auditor and shall be open to public inspection. The committee shall approve a county investment policy and a debt policy and shall make appropriate rules and regulations for the carrying out of the provisions of RCW 36.48.010 through 36.48.060, not inconsistent with law.

<u>36.48.010</u>	Depositaries to be designated by treasurer.
<u>36.48.040</u>	Depositaries to be designated by treasurer -- Deposited funds deemed in county treasury.
<u>36.48.050</u>	Depositaries to be designated by treasurer -- Treasurer's liability and bond additional.
<u>36.48.060</u>	Definition -- "Financial institution."

**CE CASH BALANCE AS OF**

June 30, 2018	\$ 6,844,843.68	<i>Note: Positive \$1,240,540.78 for same period 2017</i>
March 31, 2018	\$ 2,380,493.61	<i>Note: less \$216,937 for same period 2017</i>
December 31, 2017	\$ 4,102,983.04	<i>Note: Changed to Cash Basis - No 13th Month</i>
September 30, 2017	\$ 3,146,301.05	<i>Note: less \$1,018,896.47 for same period 2016</i>
June 30, 2017	\$ 5,604,302.90	<i>Note: less \$912,227 for same period 2016</i>
March 31, 2017	\$ 2,597,430.50	<i>Note: less \$2,123,755.33 for same period 2016</i>
December 31, 2016	\$ 3,568,011.64	*Included 13th Month
December 31, 2015	\$ 7,294,753.33	*Included 13th Month (Corrected)
December 31, 2014	\$ 8,038,298.93	*Included 13th Month
December 31, 2013	\$ 6,754,020.96	*Included 13th Month

**GENERAL FUND RESERVE AND CONTINGENCY POLICY 58-17**

Year	2017 Expenditures	%	Policy Balance	Cash 6/30/2018	Difference	Less Contingency
General Operating 2018	\$32,665,559.65	12%	\$3,919,867.16	\$6,844,843.68	\$ 2,924,976.52	\$ 1,924,976.52
General Operating 2018	\$32,665,559.65	13%	\$4,246,522.75	\$6,844,843.68	\$ 2,598,320.93	\$ 1,598,320.93
General Operating 2018	\$32,665,559.65	14%	\$4,573,178.35	\$6,844,843.68	\$ 2,271,665.33	\$ 1,271,665.33
General Operating 2018	\$32,665,559.65	15%	\$4,899,833.95	\$6,844,843.68	\$ 1,945,009.73	\$ 945,009.73
Contingency Reserve 2018	n/a	n/a	\$1,000,000.00	\$1,945,009.73	\$ 945,009.73	

**CASH & INVESTMENTS**

TREASURER'S REGULAR CHECKING ACCOUNT COLUMBIA BANK	\$ 15,684,748.61
IMPREST ACCOUNTS	\$ 66,650.00
TREASURER'S INVESTED FUNDS TOTAL (see breakdown below)	\$ 236,050,702.12

<b>TOTAL CASH &amp; INVESTMENTS AS OF March 30, 2017</b>	<b>\$ 251,802,100.73</b>	<b>6/30/2018</b>	<b>6/30/2018</b>	<b>PORTFOLIO %</b>	
	<b>COST</b>	<b>MARKET VALUE</b>	<b>GAIN/LOSS</b>		<b>Rating</b>
<b>INVESTMENT PORTFOLIO</b>	<b>\$ 236,050,702.12</b>	<b>\$235,920,927.13</b>	<b>\$ (129,774.99)</b>	<b>100.00%</b>	
FEDERAL HOME LOAN BANK (FHLB)	\$ 2,246,195.50	\$ 2,190,832.50	\$ (55,363.00)	0.95%	S&P AA+
FEDERAL FARM CREDIT (FFCB)	\$ 744,518.00	\$ 743,302.50	\$ (1,215.50)	0.32%	S&P AA+
FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA)	\$ 2,393,219.85	\$ 2,368,293.50	\$ (24,926.35)	1.01%	S&P AA+
FEDERAL HOME LOAN MORTGAGE COMPANY (FHLMC)	\$ 2,364,911.45	\$ 2,336,631.50	\$ (28,279.95)	1.00%	S&P AA+
FINANCING CORPORATION COUPONS (FICO)	\$ 606,641.94	\$ 610,806.60	\$ 4,164.66	0.26%	Not Rated
(TREAS DAILY CASH) WA STATE LGIP	\$ 31,176,442.26	\$ 31,176,442.26	\$ -	13.21%	Not Rated
(CO DEPARTMENTS/TAXING DISTRICTS) WA STATE LGIP	\$ 195,519,460.62	\$195,519,460.62	\$ -	82.83%	Not Rated
SAVINGS/ KEY BANK MONEY MARKET			\$ -	0.00%	PDPC Approved
CERTIFICATE OF DEPOSIT - WELLS FARGO	\$ 500,000.00	\$ 489,119.74	\$ (10,880.26)	0.21%	PDPC Approved
CERTIFICATE OF DEPOSIT - FIRST FINANCIAL NW	\$ 249,812.50	\$ 245,052.03	\$ (4,760.47)	0.11%	PDPC Approved
CERTIFICATE OF DEPOSIT - 1ST SECURITY BANK OF WA	\$ 249,500.00	\$ 240,985.88	\$ (8,514.12)	0.11%	PDPC Approved
REGISTERED WARRANTS (INT RATE 2.87%)			\$ -	0.00%	Debt Policy Approved

<b>BENCHMARK: 90 Day T-Bill Rate</b>	<b>June 30, 2018</b>	<b>1.73%</b>
Savings		0.00%
State Pool Rate	June 30, 2018	1.88%
Market Rate Yield Agency/Treasury	June 30, 2018	1.35%
<b>HISTORIC LGIP POOL RATES</b>	2012-2013	.22% - .10%
Fed Rate: .00% - 1.51%	2014-2015	.11% - .26%
	2016-2017	0.26% - 1.28%
	2018	1.28% - 1.88%

INVESTMENT INTEREST COLLECTIONS					
YEAR	BUDGETED			COLLECTED	DIFFERENCE
2012	\$ 50,000.00			\$ 64,282.53	\$ 14,282.53
2013	\$ 50,000.00			\$ 75,674.21	\$ 25,674.21
2014	\$ 65,000.00			\$ 91,522.98	\$ 26,522.98
2015	\$ 80,000.00			\$ 87,673.75	\$ 7,673.75
2016	\$ 95,000.00			\$ 208,126.56	\$ 113,126.56
2017	\$ 150,000.00			\$ 340,721.77	\$ 190,721.77
1/1/2018 through 6/30/2018	\$ 300,000.00			\$ 272,927.16	\$ (27,072.84)

TREASURER'S BANKING COSTS					
YEAR	BANK OF AMERICA	COLUMBIA BANK	BONY MELLON	YEAR PD	DIFF PRIOR YR
2012	\$ 54,018.57			2013	
2013	\$ 42,524.96			2014	\$ (11,493.61)
2014	\$ 47,984.01			2015	\$ 5,459.05
2015	\$ 67,966.57			2016	\$ 19,982.56
2016	\$ 19,464.41	\$ 9,427.86	\$ 1,538.00	2016	\$ (37,536.30)
2017 through 11/30/2017	\$ -	\$ 13,475.35	\$ 1,198.00	2017	\$ (15,756.92)
12-1-2017 through 6/30/2018	\$ -		\$ 862.00	2018	

Monthly Banking Fee Charges attached for reference