

Lake Shastina Community Services District

RESOLUTION 7-89

RESOLUTION ADOPTING AN ANNUAL STATEMENT OF INVESTMENT POLICY FOR THE LAKE SHASTINA COMMUNITY SERVICES DISTRICT

WHEREAS, the Board of Directors has heretofore established a Fire Protection Enterprise Fund, Sewer Enterprise Fund, a Police Protection Enterprise Fund, a Parks & Recreation Fund and a General Non enterprise Fund from which moneys may be expensed for general operating purposes; and

WHEREAS, the Board of Directors has, in addition, established special reserve funds designated as "Capital Improvement Gravity Sewer System, " "Capital Improvement Total Sewer System, " and "Low Pressure Sewer Extensions" from which moneys may be expensed for specific purposes only; and

WHEREAS, the Board of Directors has heretofore designated the General Fund as the depository of all interest moneys save those specifically earned on the aforementioned special reserve funds; and

WHEREAS, in addition to the moneys in the above established special reserve funds the Lake Shastina Community Services District has on hand in the General Fund and the Unrestricted Reserve Fund of each enterprise fund moneys which are surplus to the District's immediate operating needs; and

WHEREAS, it has been determined to be in the public interest to invest such surplus and inactive moneys in a manner which insures a maximum return consistent with safety on such investments while maintaining the integrity of such surplus and inactive funds; and

WHEREAS, the Board of Directors has heretofore designated depositories, and may from time to time hereafter designate additional such depositories, to have custody of District funds; and

WHEREAS, the Finance Officer has rendered an annual statement of investment policy to the Board pursuant to Section 53646(a) of the Government Code;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lake Shastina Community Services District as follows:

1. The Finance Officer's Annual Statement of Investment Policy dated August 8, 1989, attached hereto as Exhibit A, is hereby approved and adopted.

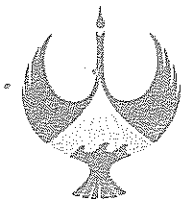
ADOPTED this 8th day of August 1989.

ATTEST:


ROBERT J. APPLGATE
Finance Officer



J. RICHARD SPAHR
President



Lake Shastina Community Services District

August 8, 1989

EXHIBIT A TO RESOLUTION 7-89

TO: Board of Directors

FROM: Finance Officer

SUBJ: Finance Officer's Annual Statement of Investment Policy

The following is my annual statement of investment policy rendered pursuant to Section 53646 (a) of the Government Code:

1. Investment of surplus money of the Lake Shastina Community Services District shall be made in securities in which the District is legally empowered to invest such funds in accordance with Section 53601 of the Government Code, taking into consideration the probable income as well as the probable safety of said funds, exercising the judgment and care, under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of said funds.

2. As far as possible, all money in excess of that required to cover monthly operational and administrative expenses shall be invested in the Local Agency Investment Fund in accordance with Section 16249.1 of the Government Code, Commercial Banks, Federally Chartered Savings and Loans with F.D.I.C. or F.S.L.I.C. insurance. The determination of which of these alternate investments will be used, will be based upon prevailing interest rates taking into consideration the term of the investment. No investments the term of which exceed five years will be considered.

3. Interest earned and received on investments on "Low Pressure Extension Fund," "Reserve for Sewer System Capital Outlay," and "Reserve for Fire Department Capital Outlay" shall be credited to those funds in the same proportion that such funds bear to the total moneys invested. All other interest, including interest on "Unrestricted Reserves" and "Special District Augmentation Funds: shall be credited to the General Fund.

4. Investments of funds under 1,2,3, above shall be limited as follows:

a. District investments in any state or federal savings and loan institution shall be limited to \$100,000 including interest thereon.

b. District investments in state or national banks shall be limited to \$100,000 including interest thereon.

c. District investments in the State of California Local Agency Investment Fund shall be limited to \$10,000,000 including interest thereon.

5. District staff shall provide the Finance Officer a monthly report showing the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than 12 months, rate of interest, and such data as may be required by the District. Said report may be incorporated into the District's monthly Finance Report submitted to the Board by the District Finance Officer.

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Finance Officer's Annual Statement of Investment Policy
8 August 1989

6. Accounts shall be established and maintained in District accounting records to record the surplus and inactive funds invested at all times in accordance with state Controller's Chart of Accounts as authorized by Section 53891 of the Government Code.

7. Reserve fund account balances shall be maintained separately and shall reflect at all times the balance in each reserve fund in a manner consistent with generally accepted accounting practices.

8. Depositories having custody of District Funds shall be directed to forward copies of all correspondence concerning the Lake Shastina CSD funds to the Finance Officer of the District addressed to District Office.

9. Verification that moneys have been on deposit at all times and collateralized in amounts equal to or in excess of funds designated by the Board of Directors as reserve funds shall be made in the annual audit of records.

10. The Board should from time to time determine which reserve funds are surplus and which are inactive, taking appropriate action where deemed necessary.

It is recommended that this Annual Statement of Investment Policy be adopted as Board policy and attached as Exhibit A to Resolution 7-89.

Respectfully submitted,



ROBERT J. APPELATE
Finance Officer
Lake Shastina CSD

General Manager took this question to District Counsel Winston and our counsel sees no problem with our approach. The powers granted to the District by the formation petition allows the District to have Parks & Recreation and thereby allows the District to go the voters for a Special Tax because the law allows District to do whatever is necessary to carry out its function. Using Code 50078 for establishing a special tax to do the things we need to do in the District is legal. This was confirmed by Assistant County Counsel, Bill Stanley.

c. CSD Planning Committee - None to report

d. Consolidation Status

1. Legal questions posed to Attorney Winston pertaining to consolidation: General Manager reported that he has not received an answer to this legal question. Consensus of Board is to have General Manager inform Counsel Winston that they would like to receive this answer soon. NOTE: This question pertains to the legality of a public agency maintaining private roads within the District.

e. Safety - None to report

B. Liability Coverage for Police Department: General Manager reported a policy has been obtained providing \$1,000,000 coverage for Police Professional Liability with a \$25,000 deductible clause for a premium of \$15,000 plus \$465 Tax & Stamp Fee.

C. November Ballot measure Parks and Recreation:

1. County Clerk's ltr of 7/24/89 requesting Tax Rate Statement & Analysis on Measure. By reference incorporated herein.

2. Counsel Winston's Impartial Analysis of Measure. By reference incorporated herein.

3. Development of formal 3-yr plan (costing greater than \$20,000) in order to possibly qualify for grant. A workshop has been tentatively scheduled for Wed., August 16, 1989 at 1:00 or 7:00 p.m. to discuss grant application for Parks & Recreation.

Bob Kintz submitted a Pro Argument for ballot measure pertaining to Parks and Recreation which will be an agenda item for workshop. By reference incorporated herein.

VII. NEW BUSINESS

A. Appoint two members authorized to sign for Civic Services Trust Account.

Director Wallace moved that President and Finance Officer be authorized to sign for Civic Services Trust Account. Seconded by Director Johns. Upon vote, motion carried unanimously.

B. Finance Officer's Annual Statement of Investment Policy, ltr dtd 8/8/89.

1. Adopt an Annual Statement of Investment Policy for L.S.C.S.D. (Resolution 7-89) - Director Wallace moved and duly seconded by Director Applegate to adopt an Annual Statement of Investment Policy for L.S.C.S.D. Upon vote, motion carried unanimously.