



Lake Shastina Community Services District

RESOLUTION 2-91

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 Fund, Sewer Fund, a Police Protection Fund, and a General Fund and from which such funds, moneys may be expensed for general operating and administrative purposes; and

WHEREAS, the Lake Shastina Community Services District has on hand from time to time in each 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

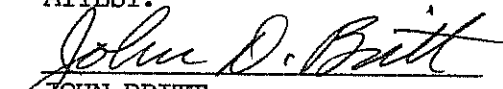
WHEREAS, the Finance Officer has rendered an annual statement of investment policy to the Board pursuant to Section 53646(a) of the Government Code;

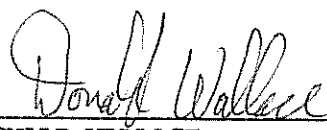
NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lake Shastina Community Services District as follows:

1. The Finance Officer's Annual Statement of Investment Policy dated January 8, 1991, attached hereto as Exhibit A, is hereby approved and adopted.

ADOPTED this 8th day of January 1991.

ATTEST:


JOHN BRITT
Finance Officer


DONALD WALLACE
President

January 8, 1990

EXHIBIT "A" TO RESOLUTION 2-91

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 shall be credited to Police, Fire, Sewer and General funds in the same proportion that such funds bear to the total moneys invested.

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.

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

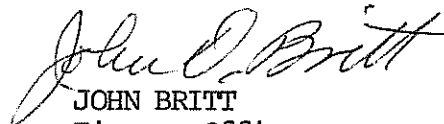
8. Depositories having custody of District Funds shall be directed to forward copies of all correspondence concerning the Lake Shastina CSD funds to the Finance Officer of the District addressed to District Office.

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 2-91.

Respectfully submitted,



JOHN BRITT
Finance Officer
Lake Shastina CSD

Director Britt moved and duly seconded by Director Lewis to have General Manager seek Attorney General's opinion with counsel's assistance on whether Fire/Police funds are enterprise funds or nonenterprise funds. Upon roll-call vote, AYES: Britt and Lewis; NOES: Johns and Wallace; ABSENT: Trager Motion failed for lack of three (3) affirmative votes.

VI. **NEW BUSINESS**

A. Resolution 2-91, Annual Statement of Investment Policy - Director Britt moved and duly seconded by Director Johns to approve Resolution 2-91. Upon vote, motion carried unanimously.

B. Director's request to schedule a workshop to review each line item of the Fire/Police Budget for FY-91. - Board scheduled a workshop to review the following items:

1. Counsel to prepare resolution authorizing loan from the General Fund of \$18,000 using the tax rolls receivables as collateral to keep the Police Department's cash flow positive through June 30, 1991.

2. Counsel's rewrite of Resolution 1-91 pertaining to L.S.C.S.D. Fire Dept. to authorize Budget Transfer of \$8,154.

3. Counsel's opinion pertaining to Protest Hearing to an increase in Police and Fire fees as to whether a 50% or 2/3rds vote is needed.

4. Reading of letter of intent to the McConnell Foundation for a grant for purchase of a new fire engine.

5. Review of each line item of the Fire/Police Budget for FY-91.
NOTE: This will be mid-year review of budgets of all CSD departments, including sewer and general funds.

Target cut off date for additional agenda items is Monday, January 21, 1991.

VII. **PUBLIC COMMENT** - Nancy Seegelken expressed concern that overtime expenditures is used as an excuse not to change meeting times, etc. When she was a department head as a nurse she often worked many days in a row without overtime and feels that in fact overhead could be less if employees were required to work in this manner.

Jim Harrison expressed concern over Boards decision not to give the Police Department their cost-of-living increase.

VIII. **ADJOURNED** - There being no further business noted the meeting was adjourned at 6:10 p.m.

Respectfully submitted,

Mary M. Krolak

MARY M. KROLAK
District Secretary