

RESOLUTION 2023-09
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BIG
BEAR CITY COMMUNITY SERVICES DISTRICT APPROVING
THE ANNUAL STATEMENT OF INVESTMENT POLICY

WHEREAS, the Board of Directors has heretofore established general funds from which monies may be expended for general operating purposes; and

WHEREAS, the Board of Directors has, in addition, established reserve funds from which monies may be expended for specific purposes only; and

WHEREAS, the Big Bear City Community Services District has on hand in the general and reserve funds, from time to time, monies that are not required for immediate expenditure; and

WHEREAS, it has been determined to be in the public interest to invest such monies in a manner that seeks to ensure the preservation of capital while meeting the liquidity needs of the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Big Bear City Community Services District that the District's Annual Statement of Investment Policy, attached hereto as Exhibit "A", is hereby amended, approved, and adopted.

PASSED, APPROVED, and ADOPTED by the Big Bear City Community Services District Board of Directors at a regular meeting held the 5th day of June 2023, by the following vote:

| | |
|-----------|------------|
| AYES: | DIRECTORS: |
| NOES: | DIRECTORS: |
| ABSENT: | DIRECTORS: |
| ABSTAINS: | DIRECTORS: |

John Russo, President
of the Board of Directors

ATTEST:

Morgan Szabad, Secretary
of the Board of Directors

EXHIBIT A

BIG BEAR CITY COMMUNITY SERVICES DISTRICT INVESTMENT POLICY

I. Policy Statement

The Big Bear City Community Services District (“the District”) has been entrusted with a special privilege and a unique responsibility to manage and protect public dollars. When managing public funds, the District understands that investment success cannot be measured in terms of achieving the highest possible return but must be measured in terms of prudent investing that utilizes uncommitted dollars in safe, short-term instruments to earn the District reasonable returns with the least amount of risk and to maintain adequate liquidity.

II. Scope

This investment policy applies to all financial assets of the District’s general and enterprise funds that include:

1. Idle operating cash.
2. Short-term deposits held by fiscal agents.
3. Restricted reserve funds.

III. Objective

The primary objectives, in priority order, of the District’s investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital.
2. Liquidity: The District’s investment portfolio will remain sufficiently liquid to meet all operating requirements.
3. Yield: The investment portfolio shall be designed with the objective of attaining a rate of return commensurate with the District’s investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above.

IV. Authorized Investments

The following investments shall be permitted by this policy and are authorized by the California Government Code:

1. The Local Agency Investment Fund (LAIF) managed by the Treasurer of the State of California.
2. Certificates of Deposit insured by the Federal Deposit Insurance Corporation. Maturities are not to exceed five years from the date of purchase. Purchases may not exceed 30 percent of the District's designated reserves.
3. United States Treasury Securities for which the full faith and credit of the United States are pledged for the payment of principal and interest. Maturities are not to exceed two years from the date of purchase.
4. Triple-A rated money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of United States Treasury Securities.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the head of the Finance Department of the District, who may invest the District's funds consistent with this investment policy and who shall establish procedures and a system of controls for the operation of the investment program consistent with this investment policy.

VI. Reporting

The Finance Officer shall render an investment report to the General Manager and Board of Directors of the District on a quarterly basis.

1. The investment report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and money held by the District, and shall additionally include a description of any of the District's funds, investments or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the District, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report.
2. The investment report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.
3. The investment report shall include a statement denoting the ability of the District to meet its expenditure requirements for the next six months or an explanation as to why sufficient money will not or may not be available.

VII. Standards of Care

1. Prudence

The Board of Directors, General Manager and Finance Officer of the District are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

2. Ethics and Conflicts of Interest

In the manner required by applicable law, Officers and Employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

VIII. Policy Adoption

The District's investment policy shall be adopted by the Board of Directors on an annual basis at a public meeting. Any modifications to the policy shall also be considered at a public meeting.