

**AGENDA**

**ROSSMOOR COMMUNITY SERVICES DISTRICT**

**INVESTMENT COMMITTEE MEETING**

**RUSH PARK  
West Room  
3001 Blume Drive  
Rossmoor, California 90720**

**Thursday, May 28, 2026  
6:00 p.m.**

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**A. ORGANIZATION**

1. CALL TO ORDER: 6:00 p.m.
2. ROLL CALL: Directors Shade, Searles
3. PLEDGE OF ALLEGIANCE

**B. PUBLIC FORUM**

*Any person may address the members of the Investment Committee at this time upon any subject within the jurisdiction of the Investment Committee of the Rossmoor Community Services District.*

**C. REGULAR CALENDAR**


1. DISCUSSION REGARDING THE POSSIBILITY OF DIVERSIFYING INVESTMENTS FOR ROSSMOOR COMMUNITY SERVICES DISTRICT AND PROPOSED CHANGES TO POLICY NO. 3035 INVESTMENT OF DISTRICT FUNDS

**D. ADJOURNMENT**

**CERTIFICATION OF POSTING**

I hereby certify that the attached Agenda for the May 28, 2026, 6:00 p.m. Investment Committee of the Board of Directors of the Rossmoor Community Services District was posted at least 24 hours prior to the time of the meeting.

ATTEST:

  
\_\_\_\_\_  
SHARON LANDERS  
General Manager

Date: 5/27/2026

**ROSSMOOR COMMUNITY SERVICES DISTRICT**

**AGENDA ITEM C-1**

**Date:** May 28, 2026

**To:** Investment Committee  
Jo Shade, Chair  
Nathan Searles

**From:** General Manager Sharon Landers

**Subject:** DISCUSSION REGARDING THE POSSIBILITY OF DIVERSIFYING INVESTMENTS FOR ROSSMOOR COMMUNITY SERVICES DISTRICT AND PROPOSED CHANGES TO POLICY NO. 3035 INVESTMENT OF DISTRICT FUNDS

**RECOMMENDATION**

It is recommended that the Rossmoor Community Services District Investment Committee evaluate a portfolio diversification strategy to move portions of its reserve balance from LAIF to California CLASS or CAMP to secure higher yields. Over time market trends have shown improved pricing from these alternative vehicles, prompting proposed updates to Investment Policy No. 3035 to allow investment changes.

**BACKGROUND**

The Investment Committee met in August 2024 and reviewed the options that CLASS had to offer at the time. Due to the conservative approach the Rossmoor Community Services District takes toward investing, the Board of Directors has been satisfied with utilizing Local Agency Investment Fund (LAIF) as the District's investment vehicle. However, due to the District's healthy reserve balance, the Investment Committee may consider a long-term investment option to generate a higher yield.

The Investment Committee met again on October 25, 2025 and received presentations by California CLASS, which is very flexible and offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected with the goal of optimizing yields while prioritizing security and liquidity. The Committee also received a presentation by California Asset Management Program (CAMP), which offers a range of services to assist public agencies with investing their operating funds, bond proceeds, debt service funds, and reserve funds. Representative Crystal Lynn (CLASS) and Kyle Tanaka (CAMP) went over their respective programs and answered questions the Committee had.

## DISCUSSION

As of **May 2026**, the specific yield metrics and structural differentials between the Local Agency Investment Fund (LAIF), California CLASS, and the California Asset Management Program (CAMP) show that **LAIF maintains a slight lead in current yield, but alternative pools offer faster rate responsiveness and higher-yielding specialized tiers.**

The structural mechanics, portfolio maturity, and recent yield performance break down across these three public investment options as follows:

### Current Yield Comparison (May 2026)

Investment Pool / Portfolio	Current Yield Metric	Weighted Average Maturity (WAM)	Best Suited For
LAIF (State Pool)	3.81% (Daily Yield) / 3.98% (Q1 Apportionment)	~266 Days	Core conservative reserves
California CLASS (PRIME)	3.68% (Daily) / 3.70% (7-Day)	36 Days	Daily fluid operating funds
California CLASS (Enhanced Cash)	3.73% (Daily) / 3.75% (30-Day)	163 Days	Strategic, multi-month reserves
CAMP (Pool)	3.79% (7-Day Net)	54 Days	Immediate liquidity & bond proceeds
CAMP (Term Series)	~4.02% (Fixed-Term Rate)	Fixed (60 days to 1 year)	Long-term dedicated reserves

### Key Structural Differentials

#### 1. Yield Responsiveness & Maturity (WAM)

- **LAIF** has a very long WAM (~266 days). This means its yields are slow to move. When market interest rates drop, LAIF holds a higher yield for longer; when market rates rise, LAIF lags behind the market.
- **California CLASS (PRIME)** and **CAMP** maintain very short maturities (36 to 54 days). Their yields react almost immediately to Federal Reserve changes or market fluctuations.

## 2. Portfolio Segmentation (Tiers)

- **LAIF** offers a single, blended rate for all deposited funds.
- **California CLASS** allows the District to split funds between the ultra-liquid **PRIME** portfolio (daily liquidity) and the **Enhanced Cash** portfolio, which captures a higher yield by locking cash into a slightly longer maturity (163-day WAM).
- **CAMP** offers the standard liquid pool alongside **Term Series** portfolios. These function similarly to public-sector certificates of deposit, locking in fixed yields above 4% for durations up to one year to maximize long-term reserve growth.

## 3. Administrative and Fee Overhead

- **LAIF** charges a quarterly administrative fee based on actual costs (historically tracking around 0.24% to 0.27%) subtracted directly from the earnings ratio.
- **CAMP and CLASS** utilize a direct, capped asset management fee structure (typically up to 0.15%), meaning the yields they quote to public agencies are already completely net of all expenses.

## Strategic Recommendation for the Committee

Because LAIF's lagging maturity currently protects a 3.81% yield, **moving 100% of District funds out of LAIF immediately is not advised.** Instead, the timing is perfect to implement a **laddered diversification strategy:**

1. Keep immediate operational cash in **LAIF** to capture the lagging daily yield.
2. Move predictable, long-term reserves into a **CAMP Term Series** to lock in fixed rates exceeding 4%.
3. Utilize **California CLASS Enhanced Cash** for a higher tier of flexible liquidity that outpaces standard short-term pools.

## ATTACHMENTS

1. LAIF Program Overview
2. California CLASS Program Overview
3. California Asset Management Program (CAMP) Overview
4. Policy No. 3035 Investment of District Funds
5. policy No. 3035 Investment of District Funds – with proposed edits



California State Treasurer  
**Fiona Ma, CPA**



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**LOCAL AGENCY INVESTMENT FUND**

## Program Description

The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and it continues today under Treasurer Fiona Ma's administration. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code.

This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The State Treasurer, as Chair, or her designated representative, appoints two members qualified by training and experience in the field of investment or finance, and two members who are treasurers, finance or fiscal officers or business managers employed by any county, city or local district or municipal corporation of this state. The term of each appointment is two years or at the pleasure of the Treasurer.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that our goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by Investment Division staff and reviewed by both the PMIB and the LIAB on an annual basis.

The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis and the resulting opinion is posted to the State Treasurer's Office website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investments and LAIF claims are audited on a daily basis by the State Controller's Office as well as an internal audit process.

Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This Section states that "moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

During the 2002 legislative session, California Government Code Section 16429.4 was added to the LAIF's enabling legislation. This Section states that "the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency to withdraw its deposited moneys from the LAIF, upon demand, may not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

The LAIF has grown from 293 participants and \$468 million in 1977 to 2,331 participants and \$21.9 billion at the end of September 2025.

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## PMIA/LAIF Performance Report as of 10/15/25



### Quarterly Performance Quarter Ended 9/30/25

LAIF Apportionment Rate <sup>(2)</sup> :	4.34
LAIF Earnings Ratio <sup>(2)</sup> :	0.00011893333163814
LAIF Administrative Cost <sup>(1)</sup> :	TBD
LAIF Fair Value Factor <sup>(1)</sup> :	1.001929581
PMIA Daily <sup>(1)</sup> :	4.19
PMIA Quarter to Date <sup>(1)</sup> :	4.24
PMIA Average Life <sup>(1)</sup> :	254

### PMIA Average Monthly Effective Yields<sup>(1)</sup>

September	4.212
August	4.251
July	4.258
June	4.269
May	4.272
April	4.281

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 9/30/25 \$161.7 billion

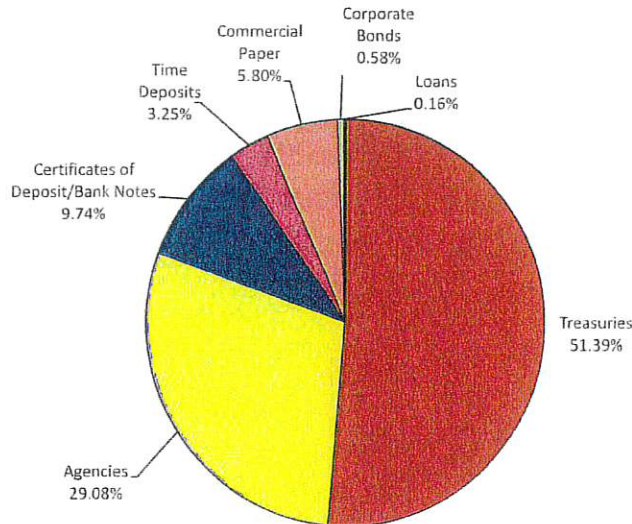


Chart does not include \$987,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller



## California Cooperative Liquid Assets Securities System

### What is California CLASS?

California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected with the goal of optimizing yields while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds help assist public agencies in strengthening and diversifying their cash management programs in accordance with the safety, liquidity, and yield hierarchy that provides the framework for the investment of public funds.

### How is it governed and managed?

California CLASS is overseen and governed by a Board of Trustees. The Board is made up of public agency finance professionals who participate in California CLASS and are members of the Joint Powers Authority (JPA). The Board of Trustees has entered into an Investment Advisor and Administrator Agreement with Public Trust Advisors, LLC. Public Trust is responsible to the Board for all program investment and administrative activities as well as many of the services provided on behalf of the Participants.

### How can we participate?

Enrolling in California CLASS is simple. Public agencies may become Participants simply by filling out the Participant Registration Form that can be found in the document center on the California CLASS website. Public agencies may submit the completed registration packet to California CLASS Client Services for processing at [clientservices@californiaclass.com](mailto:clientservices@californiaclass.com). To obtain account forms and fund documents, visit [www.californiaclass.com/document-center/](http://www.californiaclass.com/document-center/).

### Sponsored By:



[www.calcities.org](http://www.calcities.org)



**California Special  
Districts Association**  
*Districts Stranger Together*

[www.csda.net](http://www.csda.net)

### CALIFORNIA CLASS FEATURES

As a California CLASS Participant, you have access to many convenient features:

- Same-day availability of funds in Prime Fund (11:00 a.m. PT cut-off)
- Contributions by wire or ACH
- Ratings of 'AAAm' & 'AAAf/S1'
- Portfolio securities marked-to-market daily
- Secure online access for transactions and account statements
- No redemption notices for Prime Fund
- Participant-to-Participant transactions
- Dividends accrue daily and pay monthly
- No maximum or minimum transaction limits
- No maximum or minimum investment requirements
- No transaction fees\*
- Annual audit conducted by independent auditing firm\*\*
- Dedicated client service representatives available via phone or email on any business day

\*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no transaction fees charged from California CLASS for such transactions.  
\*\*External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.



## What are the objectives of California CLASS?

### Safety

The primary investment objective of the California CLASS Prime Fund is preservation of principal. Both California CLASS portfolios are managed by a team of investment professionals who are solely focused on the management of public funds nationwide. The custodian for California CLASS is U.S. Bank, N.A.

### Liquidity

When you invest in the California CLASS Prime Fund, you have access to your funds on any business day. You must notify California CLASS of your funds transaction requests by 11:00 a.m. PT via the online transaction portal. There are no redemption notices for the daily-liquid California CLASS Prime Fund. The California CLASS Enhanced Cash Fund is a variable NAV fund that provides next-day liquidity and requires a one-day notification of redemption.

### Competitive Returns

California CLASS strives to provide competitive yields while adhering to the objectives of safety and liquidity. Participants can benefit from the investment expertise and institutional knowledge provided by the team of Public Trust professionals. The portfolio performance objective is strengthened by the knowledge of

California public agency cash flows that the Public Trust team possesses.

### Ease of Use

To make cash management streamlined and efficient, California CLASS includes many features that make it easy to access account information and simplify record keeping. Participants can transact on any business day via the California CLASS Online Transaction Portal at [www.californiaclass.com](http://www.californiaclass.com).

### Flexibility

You may establish multiple California CLASS subaccounts. You will receive comprehensive monthly statements that show all of your transaction activity, dividend accruals, and yield summaries. These statements have been specifically designed to facilitate public sector fund accounting and to establish a clear accounting and audit trail for your records.

### Legality

California CLASS only invests in securities permitted by California State Code Section 53601; permitted investments are further restricted to those approved by the Board of Trustees as set forth in the California CLASS Investment Policies.

**Have Questions?** Contact us or visit [www.californiaclass.com](http://www.californiaclass.com) for more information.



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Public Trust Advisors, LLC, a registered investment advisor with the U.S. Securities and Exchange Commission, provides investment advisory services to the Fund. PMA Securities, LLC, an affiliate of Public Trust Advisors, is a broker-dealer and municipal advisor registered with the SEC and MSRB and is a member of FINRA and SIPC and provides marketing, and securities and other institutional brokerage services.

T (877) 930-5213 | F (877) 930-5214 | [www.californiaclass.com](http://www.californiaclass.com) | [clientservices@californiaclass.com](mailto:clientservices@californiaclass.com)



September 30, 2025

Program Fact Sheet

CAMP is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services.

INVESTMENT OBJECTIVE

To earn a high rate of return while preserving principal and providing liquidity. The Pool seeks to maintain a stable NAV of \$1.00 per share and the TERM Portfolio seeks to achieve a NAV of \$1.00 per share at the stated maturity.

CASH RESERVE PORTFOLIO (POOL)

A short-term cash reserve portfolio and cash management vehicle permitted as an investment for all local agencies under California Government Code Section 53601(p).

TERM PORTFOLIO

A fixed rate, fixed term portfolio rated AAAf by Fitch Ratings<sup>5</sup> and permitted as an investment for all local agencies under California Government Code Section 53601(p).

POOL FACTS

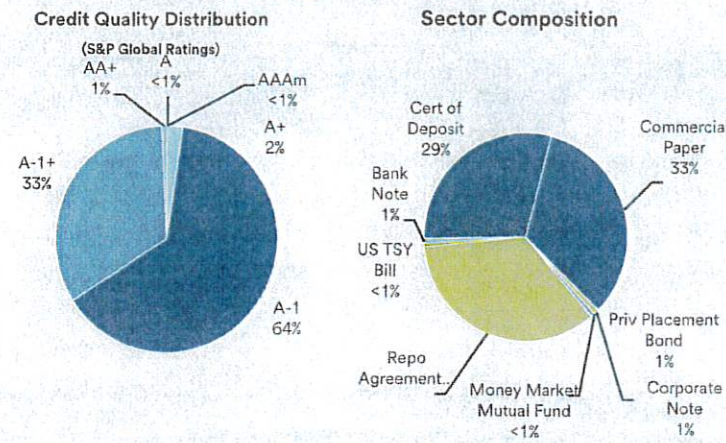
As of September 30, 2025

7-Day Net Yield <sup>1</sup>	4.27%
Monthly Distribution Yield <sup>2</sup>	4.36%
Weighted Average Maturity <sup>3</sup>	45 Days
Program Rating <sup>4</sup>	AAAm by S&P Global

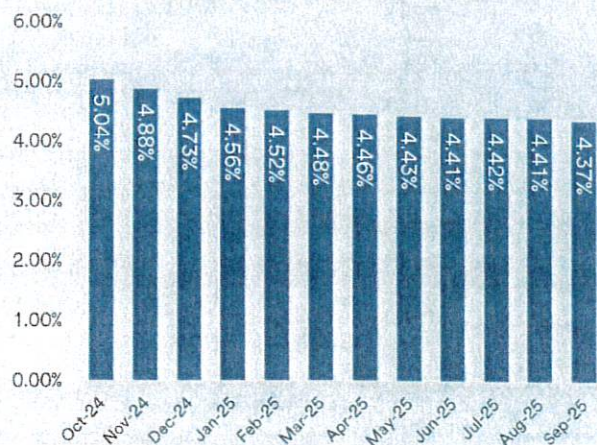
SERVICE PROVIDERS

Investment Advisor and Program Administrator: PFM Asset Management\*  
 Distributor: U.S. Bancorp Investments, Inc.  
 Depository and Custodian: U.S. Bank, N.A.  
 Independent Auditor: Ernst & Young, LLC.  
 Counsel: Nossaman LLP

Pool Diversification as of September 30, 2025



Pool Performance (30-Day Net Yield<sup>6%</sup>)



\*PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc, which serves as administrator and investment adviser to the Pool

<sup>1</sup>7-day net yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7.

<sup>2</sup>The monthly distribution yield represents the net change in the value of a hypothetical account with a value of one share (normally \$1.00 per share) resulting from all dividends declared during a month by the Pool expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

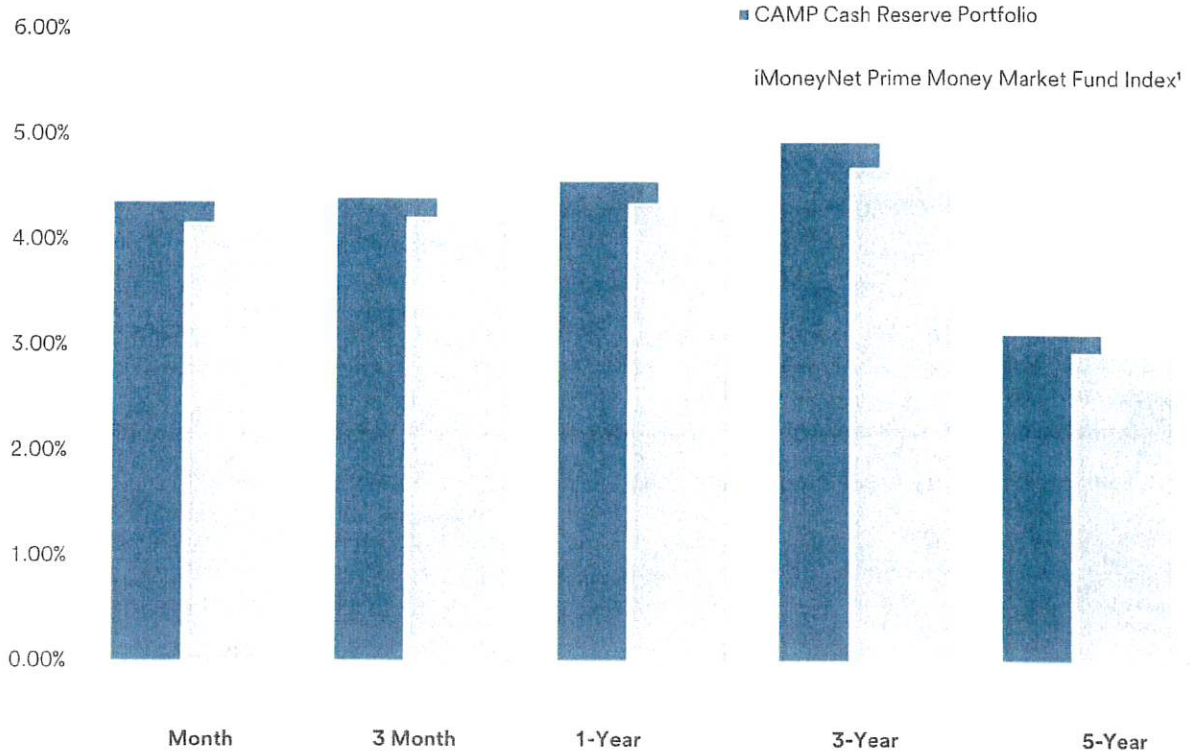
<sup>3</sup>Weighted Average Maturity: Calculated by the final maturity for a security held in the portfolio and the interest rate reset date. This is a way to measure a fund's sensitivity to potential interest rate changes.

<sup>4</sup>S&P Global AAAm Rating: S&P evaluates a number of factors, including credit quality, market price, exposure, and management. Please visit [SPGlobal.com/Ratings](https://www.spglobal.com/Ratings) for more information and ratings methodology.

<sup>5</sup>Fitch AAAf Rating: portfolios with this rating indicate having the highest underlying credit quality. Please visit [fitchratings.com](https://www.fitchratings.com) for more information and ratings methodology.

<sup>6</sup>As of the last day of the month. The 30-day yield represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a thirty-day base period expressed as a percentage of the value of one share at the beginning of the thirty-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 30.

### Average Annual Return as of September 30, 2025



	Month	3 Month	1-Year	3-Year	5-Year
CAMP Cash Reserve Portfolio	4.37%	4.40%	4.56%	4.94%	3.11%
iMoneyNet Prime Money Market Fund Index <sup>1</sup>	4.15%	4.20%	4.33%	4.68%	2.93%

Must be preceded or accompanied by a Program Guide. For a current Program Guide, which contains more complete information, please visit <http://www.camponline.com/> or call 800-729-7665. Before investing, consider the investment objectives, risks, charges and expenses of the pool carefully. This and other information can be found in the Program Guide. Read the Program Guide carefully before you invest or send money.

<sup>1</sup>Source: iMoneyNet First Tier Institutional Prime Money Market Fund Average ("iMoneyNet Prime Money Market Fund Index"); benchmark yields are as of the last business day of each month. This index is comprised of funds rated in the top grade that invest in high-quality financial instruments with dollar-weighted average maturities of less than 60 days. It is not possible to invest directly in such an index.

**Past performance does not guarantee future results.** Yields will fluctuate as market conditions change. The current fund performance may be higher or lower than that cited. The yields shown may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Pool. Pool yields would be lower if there were no such waivers. Important disclosure information is provided on the following page.

CAMP is a registered trademark and the CAMP logos and designs are trademarks owned by the California Asset Management Trust (Trust).

This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling 1-800-729-7665 or is available on the Trust's website at [www.camponline.com](http://www.camponline.com). While the Cash Reserve Portfolio seeks to maintain a stable net asset value of \$1.00 per share and the CAMP Term Portfolio seeks to achieve a net asset value of \$1.00 per share at the stated maturity, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by U.S. Bancorp Investments, Inc., member FINRA ([www.finra.org](http://www.finra.org)) and SIPC ([www.sipc.org](http://www.sipc.org)). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment adviser to the Trust. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.

Rossmoor Community Services District

Policy

No. 3035

**INVESTMENT OF DISTRICT FUNDS**

**3035.00 Purpose:** The purpose of this policy is to comply with the requirements of California Government Code Sections 53600 et. seq. and to provide clear guidance for the investment of surplus funds under the control but not required for the immediate needs of the Rossmoor Community Services District (RCSD); herein after, the District.

**3035.10 Objectives:** The objectives of the investment of the funds of the District is primarily to safeguard the principal of the funds under its control, secondarily, to meet the liquidity needs of the District and thirdly, to achieve a market rate of return consistent with California law.

**3035.20 Responsibility:** When investing public funds, the District is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing including, but not limited to, the general economic conditions and the anticipated needs of the District that a prudent person would exercise in the management of his or her own funds, not for speculation, but for investment, considering the probable safety of his or her capital, as well as the probable income to be derived.

**3035.30 Investment Principles:**

**3035.31** The District shall invest all funds under its control that are not needed for its operations.

**3035.32** The District shall have a diversified investment portfolio limited to the following types:

- a. United States Treasury Bills, Notes and Bonds.
- b. Federal Agency or United States Government sponsored enterprise obligations.
- c. Registered California State Bonds, Warrants or Treasury Notes.
- d. California Local Agency Investment Fund (LAIF).
- e. Orange County Treasury.
- f. Bonds or Notes of U.S. corporations rated "A" or better by Moody's or S&P, for terms not to exceed five years.
- g. Bankers Acceptances (Bills of Exchange, or Time Drafts), maturity not to exceed six months.
- h. Certificates of Deposit, maturity not to exceed two years.
- i. Mutual funds that consist solely of one of the following investment types noted above: a., b., c., or f.

**3035.33** The District shall not invest more than fifty percent (50%) of its investment portfolio in securities that have a maturity of more than one year. No more than twenty-five percent (25%) of its portfolio shall be invested in securities that have a maturity of more than two years. No securities can be purchased with a maturity greater than five years, unless matched to a specific asset acquisition or approved by the Board.

**3035.34** The District's investment strategy is to purchase securities with the intent of holding them until maturity. However, the District may sell a security prior to its maturity in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or District needs.

**3035.35** The transferring of investment funds will be carried out exclusively by use of telephonic or electronic wire transfers. Each entity with which the District does business shall receive, in writing, a listing which limits transfers of funds to preauthorized bank accounts only.

**3035.36** The District shall maintain all funds needed for its operations within one month, together with all funds not then invested in accordance with Section 3035.32 in one or more checking accounts or savings accounts that are fully insured by FDIC in state or national banks, state or federal savings associations, or state or federal credit unions in California. Such funds may be in active deposits, inactive deposits, and/or interest bearing active deposits. The deposits cannot exceed the amount of the bank's, savings and loans', or credit union's paid up capital surplus. The funds may be in an account over \$100,000 if the FDIC limit is raised or if the bank, savings and loan or savings institution has collateralized the account by at least 110% in another bank or financial institution.

**3035.37** The District may invest some or all its investment portfolio in the LAIF upon a recommendation of the Investment Committee and approval of the Board. The District shall invest no more than twenty-five percent (25%) of its investment portfolio in any one of the other types of investment as set forth in Section 3035.32 and shall not invest more than the FDIC limit (within the maturity date of the deposit/investment) in any one financial institution (bank, savings and loan, credit union), or U.S. corporation.

**3035.38** All security transactions entered into by the District shall be conducted on delivery-versus payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement.

**3035.39** The purchase of any investment shall be made either directly from the issuer or from an institution licensed by the state as a broker-dealer (as defined in Corporations Code Section 25004) or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined in Financial Code Section 5102) or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

**3035.40** Investment Committee: The Investment Committee is comprised of two Board members and the General Manager. Members are appointed by the President of the Board and shall meet quarterly (unless there are no new funds to invest or investments maturing during the quarter) to review current data concerning all deposit accounts and investments, to analyze the total balance, yield percentage, interest earned, maturity dates and other relevant information for each account and investment. The Investment Committee shall make recommendations specifying the investments to be made and amounts to be transferred to the appropriate accounts. The Investment Committee may consult with the District's auditor and/or other financial advisors as reasonably necessary to implement the District's investment objectives. Following a review by the Investment Committee, the General Manager shall provide a report to the Board of Directors at its next regular meeting, or at a special meeting, as appropriate, setting forth the

components and performance of the District's current investment portfolio, together with any recommendations made by the Investment Committee.

**3035.50 Investment Portfolio:** The District's investment portfolio is defined as all monies invested and any reserve funds, designated or undesignated, which are available for long or short term investment, and any operating capital in excess of three months of the District's operational needs.

**3035.60 Board of Directors:** Upon review of the Investment Committee's report and recommendations, the Board shall make a determination regarding such recommendations. Upon such determination, the officials authorized by Policy No. 4055, shall execute the appropriate documents to transfer funds as necessary and/or to authorize the financial institution to initiate the investment, except for electronic transfers made in accordance with Resolution No.10-06-08-01.

**3035.70 Policy Review:** This policy shall be reviewed by the Board annually, to determine if any changes are needed and to acknowledge that it has been reviewed.

Approved: Renumbering & Format - October 8, 2002

Adopted: August 12, 2003

Amended: July 11, 2006

Amended: May 8, 2007

Amended: November 11, 2008

Amended: January 13, 2009

Amended: April 14, 2009

Amended: August 10, 2010

Rossmoor Community Services District

Policy

No. 3035

INVESTMENT OF DISTRICT FUNDS

**3035.00 Purpose:** The purpose of this policy is to comply with the requirements of California Government Code Sections 53600 et. seq. and to provide clear guidance for the investment of surplus funds under the control but not required for the immediate needs of the Rossmoor Community Services District (RCSD); herein after, the District.

**3035.10 Objectives:** The objectives of the investment of the funds of the District is primarily to safeguard the principal of the funds under its control, secondarily, to meet the liquidity needs of the District and thirdly, to achieve a market rate of return consistent with California law.

**3035.20 Responsibility:** When investing public funds, the District is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing including, but not limited to, the general economic conditions and the anticipated needs of the District that a prudent person would exercise in the management of his or her own funds, not for speculation, but for investment, considering the probable safety of his or her capital, as well as the probable income to be derived.

**3035.30 Investment Principles:**

**3035.31** The District shall invest all funds under its control that are not needed for its operations.

**3035.32** The District shall have a diversified investment portfolio limited to the following types:

- a. United States Treasury Bills, Notes and Bonds.
- b. Federal Agency or United States Government sponsored enterprise obligations.
- c. Registered California State Bonds, Warrants or Treasury Notes.
- d. California Local Agency Investment Fund (LAIF).
- ~~e. Orange County Treasury~~
- f. Bonds or Notes of U.S. corporations rated "A" or better by Moody's or S&P, for terms not to exceed five years.
- g. Bankers Acceptances (Bills of Exchange, or Time Drafts), maturity not to exceed six months.
- h. Certificates of Deposit, maturity not to exceed two years.
- i. Mutual funds that consist solely of one of the following investment types noted above: a., b., c., or f.

**Commented [KT1]:** The Orange County Treasurer closed their Voluntary Investment Pool program earlier this year.

i. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the United States Securities and Exchange Commission.

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(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

Commented [KT2]: This language would allow for the District to invest in either CAMP and/or California CLASS. The Investment Policy as currently written would not allow for either local government investment pool.

3035.33 The District shall not invest more than fifty percent (50%) of its investment portfolio in securities that have a maturity of more than one year. No more than twenty-five percent (25%) of its portfolio shall be invested in securities that have a maturity of more than two years. No securities can be purchased with a maturity greater than five years, unless matched to a specific asset acquisition or approved by the Board.

3035.34 The District's investment strategy is to purchase securities with the intent of holding them until maturity. However, the District may sell a security prior to its maturity in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or District needs.

3035.35 The transferring of investment funds will be carried out exclusively by use of telephonic or electronic wire transfers. Each entity with which the District does business shall receive, in writing, a listing which limits transfers of funds to preauthorized bank accounts only.

3035.36 The District shall maintain all funds needed for its operations within one month, together with all funds not then invested in accordance with Section 3035.32 in one or more checking accounts or savings accounts that are fully insured by FDIC in state or national banks, state or federal savings associations, or state or federal credit unions in California. Such funds may be in active deposits, inactive deposits, and/or interest bearing active deposits. The deposits cannot exceed the amount of the bank's, savings and loans', or credit union's paid up capital surplus. The funds may be in an account over \$100,000 if the FDIC limit is raised or if the bank, savings and loan or savings institution has collateralized the account by at least 110% in another bank or financial institution.

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