



July 26, 2019

TO: Board of Directors
FROM: Renee Osborne, General Manager
Adrienne Geidel, Bookkeeper
SUBJECT: **Agenda Item 11E – 8/1/2019 Board Meeting**
Designate Local Agency Investment Fund Percentages for
Drainage, Parks and Recreation, and Water Reserve Accounts for
Fiscal Year 2018/2019

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DESCRIPTION

At the June 6, 2019 meeting, the Board approved to designate the Local Agency Investment Fund (LAIF) account to Drainage, Parks and Recreation Reserve and move Water Reserve Funds from LAIF to the Pacific Premier Water Reserve Account. Staff still needs direction on percentages for the 2018/2019 Fiscal Year which would still include Water since those funds were still in the LAIF fund during the 2018/2019 time frame.

Percentages for the 2019/2020 fiscal year will be designated once the funds have been reconciled for the 2018/2019 fiscal year in August.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: *I move to divide interest between Drainage, Parks and Recreation, and Water in the following manner: Drainage, 35%; Parks and Recreation, 45%; and, Water 20%.*

DISCUSSION

On July 1, 2018, the Drainage Reserve Fund beginning balance was \$227,293.62; the Parks and Recreation Reserve Fund beginning balance was \$291,655.59; and, the Water Reserve balance was \$131,211.20.

Although the Drainage and Parks and Recreation Funds used money for projects during the 2018/2019 fiscal year, there were no funds physically removed from the LAIF account. Expenses were paid out of the general checking account.

Therefore, since the reserve fund balances stayed the same in the LAIF account for the entire 2018/2019 fiscal year, the percentages should remain the same.

The June 30, 2018 LAIF Reserve balance was \$647,089.92 and June 30, 2019 fiscal end balance was \$661,768.37. Total interest earned in 2018/2019 fiscal year was \$14,678.45.

FINANCIAL IMPACT

Drainage, Parks and Recreation, and Water will see an increase in their Fund balances. No other Fund will be affected; \$5,137.46 in Drainage, \$6,605.30 in Parks and Recreation and \$2,935.69 in Water.

Attachment

2018/2019 FISCAL YEAR

RESERVE BALANCES IN LAIF FROM JULY 1, 2018 TO JUNE 30, 2019 WITHOUT INTEREST

	\$ Amount
Drainage Reserves	\$227,293.62
Parks and Rec Reserves	\$291,655.59
Water Reserves	\$131,211.20

	2018 3RD QRT		2018 4TH QRT		2019 1ST QRT		2019 2RD QRT	
LAIF Balance Per statements	\$650,160.41		\$653,692.96		\$657,643.09		\$661,768.37	

LAIF balance as of 6/30/18 \$647,089.92

BASED ON JULY 1, 2018 AMOUNTS INTEREST EARNED ON RESERVES

	July 1st - Sept 30		Oct 1st - Dec 31st		Jan 1st - March 31 st		April 1st - June 30	
	Interest Amount	% of LAIF	Interest Amount	% of LAIF	Interest Amount	% of LAIF	Interest Amount	% of LAIF
Drainage Reserves	\$1,074.67	35%	\$1,236.39	35%	\$1,382.55	35%	\$1,443.85	35%
Parks and Rec Reserves	\$1,381.72	45%	\$1,589.65	45%	\$1,777.56	45%	\$1,856.38	45%
Water Reserves	\$614.10	20%	\$706.51	20%	\$790.03	20%	\$825.06	20%
LAIF Interest for the quarter	\$3,070.49	100%	\$3,532.55	100%	\$3,950.13	100%	\$4,125.28	100%

Total interest earned in 2018/209 fiscal year: **\$14,678.45**

INTEREST EARNED FOR 2018/2019 BASED ON ABOVE PERCENTAGE SPLIT

Drainage Reserves	\$5,137.46
Parks and Rec Reserves	\$6,605.30
Water Reserves	\$2,935.69