



July 25, 2018

**TO:** LOCSO Board of Directors  
**FROM:** Renee Osborne, General Manager  
**SUBJECT:** Agenda Item 6E – 8/2/2018 Board Meeting  
Interest Income Allocation Disbursements

**President**  
Vicki L. Milledge

**DESCRIPTION**

**Vice President**  
Marshall E. Ochylski

Staff recommendation regarding the distribution of Interest Income among the Water, Drainage, Parks and Recreation, and the Wastewater Fiduciary Funds.

**Directors**  
Charles L. Cesena  
Louis G. Tornatzky  
Christine M. Womack

**STAFF RECOMMENDATION**

Staff recommends the following motion:

**General Manager**  
Renee Osborne

***Motion: I move that the Board make the following temporary interest rate allocation changes as of June 1, 2018:***

**District Accountant**  
Robert Stilts, CPA

***LAIF interest income as follows:***

***Drainage 25%***  
***Parks 35%***  
***Water 40%***

**Unit Chief**  
Scott M. Jalbert

***And; Rabobank Money Market Account as follows:***

***Wastewater 2.6%***  
***Fiduciary***

**Battalion Chief**  
Josh Taylor

***Water 50%***  
***Drainage 47.4%***

***And; Pacific Premier Bank CD Account as follows:***

***Water 100%***

**DISCUSSION**

**Mailing Address:**  
P.O. Box 6064  
Los Osos, CA 93412

The Finance Advisory Committee was requested to look at how interest income was distribute among the funds. The Fire Department has transferred all their funds, (\$1,561,305 per the 2016/2017 Audit) into one bank account. They will be receiving 100% interest from their Los Osos South Bay Fire Premier Money Market Account which, as of June 1, 2018, the interest rate for this account was 1.855%.

**Offices:**  
2122 9<sup>th</sup> Street, Suite 102  
Los Osos, CA 93402

All the remaining funds (Water, Drainage, Parks) are currently co-mingled in the LAIF and Rabobank Money Market Accounts and interest income is being disbursed amongst these funds.

**Phone:** 805/528-9370  
**FAX:** 805/528-9377

Since Fire no longer has funds in LAIF, Rabobank, or the Pacific Premier CD account, I recommend temporarily making the following interest income distribution changes until we can un-mingle the funds:

www.losososcscd.org

**LAIF FUND INTEREST DISTRIBUTION**

<b>CURRENT</b>		<b>PROPOSED</b>	
100 - Administration	44.43%	100 - Administration	0%
500 - Water	22.58%	500 - Water	40%
800 - Drainage	1.83%	800 - Drainage	25%
900 - Parks & Recreation	31.16%	900 - Parks & Recreations	35%
	<u>100%</u>		<u>100%</u>

LAIF current Interest Rate is 1.755% quarterly.

**RABOBANK MONEY MARKET INTEREST DISTRIBUTION**

<b>CURRENT</b>		<b>PROPOSED</b>	
301 - Fire	42.90%	301 - Fire	0%
500 - Water	48.00%	500 - Water	50%
602 - WW Fiduciary	2.60%	602 - WW Fiduciary*	2.6%
800 - Drainage	6.50%	800 - Drainage	47.40%
	<u>100%</u>		<u>100%</u>

RABOBANK current Interest Rate is .20% monthly.

\*Wastewater Fiduciary, Fund 602 receives 2.6% interest income because of assessment/lien funds being held.

**PACIFIC PREMIER BANK CD INTEREST DISTRIBUTION**

<b>CURRENT</b>		<b>PROPOSED</b>	
301 - Fire	100%	500 - Water	100%

Current Interest rate on the CD is .35%

As a reference, below are the **2016/2017** cash reserve balances for the Water, Drainage, Parks and Recreation, and Fire funds;

500 - Water	\$1,249,940
800 - Drainage	\$ 357,109
900 - Parks and Recreation	\$ 295,252
301 - Fire	\$1,561,305

**SUMMARY**

The Finance Advisory Committee (FAC), at their July 2<sup>nd</sup> meeting, agreed to staff's recommended temporary interest rate allocations. This report also reflects the additions to the report requested by FAC.

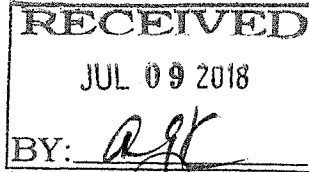


PACIFIC PREMIER BANK

P.O. Box 25171
Santa Ana, CA 92799-9810

STATEMENT OF ACCOUNT ACTIVITY

866-353-1476
www.ppbi.com



00001981-0003961-0001-0001-TIMR8006410630185077

1981

LOS OSOS COMMUNITY SERVICES DISTRICT
PO BOX 6064
LOS OSOS CA 93412-6064

Certificate of Deposit
Quarterly Statement

Statement Period Ending 6-30-18

MORRO BAY
898 MORRO BAY BLVD
MORRO BAY, CA 93442

Certificate of Deposit
Quarterly Statement

Statement Period Ending 6-30-18

LOS OSOS COMMUNITY SERVICES DISTRICT
PO BOX 6064
LOS OSOS CA 93412-6064

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SUMMARY OF ACCOUNTS

Table with 5 columns: Account Number, Type of Account, Maturity, Current Rate, Ending Balance. Row 1: 3419100105, ONE YEAR CD, 4-18-19, 1.8300%, 52,501.00

BALANCE SUMMARY for ACCOUNT 3419100105

Table with 3 columns: Description, Current Period, Year to Date. Rows include Beginning Balance, Deposits, Interest Credited, Withdrawals, Penalties, Federal/State Withholding, Service Charges/Fees, and Ending Balance.

INTEREST SUMMARY for ACCOUNT 3419100105

Table with 2 columns: Description, Value. Rows: Number of Days in Period (91), Interest Earned in Period (202.94), Annual Percentage Yield Earned (1.56%)

TRANSACTION SUMMARY for ACCOUNT 3419100105

Table with 4 columns: Date, Description, Amount, Ending Balance. Rows show interest payments and rate changes from 4-18-18 to 6-18-18.

00001981-0003961-0001-0001-TIMR8006410630185077(00001981)-000003963



**Local Agency Investment Fund**

. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

[www.treasurer.ca.gov/pmia-laif/laif](http://www.treasurer.ca.gov/pmia-laif/laif)

July 02, 2018

LOS OSOS COMMUNITY SERVICES DISTRICT

GENERAL MANAGER  
P.O. BOX 6064  
LOS OSOS, CA 93412

PMIA Average Monthly Yields

**Account Number:**  
16-40-010

Tran Type Definitions

June 2018 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	647,089.92
Total Withdrawal:	0.00	Ending Balance:	647,089.92

**Rabobank, N.A.**

PO Box 6010  
 Santa Maria, CA 93456-6010  
 www.RabobankAmerica.com

**Rabobank** Return Service Requested



Account Number: **9533747849**  
 This Statement: **June 29, 2018**  
 Last Statement: **May 31, 2018**  
 Days in Statement Period: **29**  
 Checks/Items Enclosed: **0**

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107779 TR029STM070118170706 01 000000000 1 002

LOS OSOS COMM SERVICES DIST  
 PO BOX 6064  
 LOS OSOS CA 93412-6064

**Customer Service Information**

- Telephone Banking**  
1-800-942-6222
- Written Inquiries:**  
P.O. Box 6002, Arroyo Grande, CA 93421-6002
- Visit Us Online:**  
[www.RabobankAmerica.com/contact-us](http://www.RabobankAmerica.com/contact-us)

**PUBLIC INVESTMENT MONEY MARKET**

Account Number: **9533747849**

**Balance Summary**

<b>Beginning Balance as of 05/31/2018</b>	<b>\$2,072,938.07</b>
+ Deposits and Credits (0)	0.00
+ Interest Paid	329.40
- Withdrawals and Debits (0)	0.00
<b>Ending Balance as of 06/29/2018</b>	<b>\$2,073,267.47</b>
Low Balance	2,072,938.07
Average Balance	2,072,938.07

**Earnings Summary**

Interest Paid This Period	329.40
Interest Paid Year to Date	2,066.40
Interest Earned	329.40
Interest-Bearing Days	29
Annual Percentage Yield Earned	0.20%

**Credits**

Date	Description	Additions
06-29	INTEREST CREDIT	329.40

**Overdraft and Returned Item Fees**

	Total For This Period	Total Year To Date
TOTAL OVERDRAFT FEES	0.00	0.00
TOTAL RETURNED ITEM FEES	0.00	0.00

**SPECIAL OFFER**  
From BenefitMall

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 To learn more, visit: [RabobankAmerica.com/BusinessServices](http://RabobankAmerica.com/BusinessServices)

Offer valid 5/1/2018 - 7/31/2018. Date of First Payroll must occur by 8/30/2018. Offer cannot be combined with another corporate promotional offer. Offer valid for PayFocus, PayFocus Full Service and PayFocus Pro. Offer not valid for current BenefitMall clients. Gift cards to be sent 90 days after the first check date for active clients. This promotional offer is sponsored by BenefitMall, and all terms, conditions and representations are made solely by BenefitMall. ©2018 BenefitMall. All rights reserved.



**BenefitMall**