



March 18, 2019

TO: LOCSD Board of Directors

FROM: Renee Osborne, General Manager

SUBJECT: Agenda Item 11F – 4/4/2019 Board Meeting
Adopt Resolution Establishing a Money Market Account at Pacific Premier Bank and Approve the Transfer of the Water Certificate of Deposit into the Newly Established Account

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Christine M. Womack

General Manager
Renee Osborne

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
George Huang

DESCRIPTION

Staff is requesting the that Water Certificate of Deposit (CD) at Pacific Premier Bank should be rolled over into a Money Market account to receive a better interest rate.

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 that the Board adopt Resolution 2019-11 to establish a money market account at Pacific Premier Bank for the Water Fund and roll over the CD.

or

Motion: I move that the Board adopt Resolution 2019-11 to establish a money market account at Pacific Premier Bank for the Water Fund, roll over the CD, and move \$1,000,000 from the Water money market account at Rabobank into the new money market account at Pacific Premier Bank.

or

Do nothing, let the CD sit as is at Pacific Premier Bank.

DISCUSSION

Currently, the Water CD at Pacific Premier Bank is receiving an annual percentage yield of 1.84%. We earn approximately \$80 a month/\$960 a year. If we roll the CD into a Money Market Account with Premier, they will offer us 1.0% monthly rate. In addition, if we move \$1,000,000 over to that account, they will increase the interest rate to what we currently receive in our Fire Reserve Account, current LAIF rate plus 10 base points from Pacific Premier Bank. (2.44% average monthly)

The CD maturity date is April 18, 2019. Staff is recommending opening a Money Market Account for Water at Pacific Premier Bank and roll over the \$52,984.55 CD into the account.

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

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

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

www.losososcscsd.org

FINANCIAL IMPACT

Currently, the \$52,984 CD is earning about \$80 month/\$960 per year. At the Money Market Rate of approximately **1.0%**, the Water Fund would receive \$529.84 per month. If we move an additional \$1,000,000 to the Pacific Money Market Account, the Water Fund could potentially earn approximately \$25,692.81 a year.

The Rabobank money market rate is **.20%**. They will not match the LAIF rate.

Attachments



PACIFIC PREMIER BANK

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

STATEMENT OF ACCOUNT ACTIVITY

866-353-1476
www.ppbi.com

1824

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

Certificate of Deposit
Quarterly Statement

Statement Period Ending 12-31-18

MORRO BAY
898 MORRO BAY BLVD
MORRO BAY, CA 93442

Certificate of Deposit
Quarterly Statement

Statement Period Ending 12-31-18

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

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SUMMARY OF ACCOUNTS

Table with 6 columns: Account Number, Type of Account, Maturity, Current Rate, Ending Balance. Row 1: ONE YEAR CD, 4-18-19, 1.8300%, 52,984.55

BALANCE SUMMARY for ACCOUNT

Table with 3 columns: Description, Current Period, Year to Date. Rows include Beginning Balance, Deposits, Interest Credited, Withdrawals, Penalties, Federal/State Withholding, Service Charges, and Ending Balance 12-31-18.

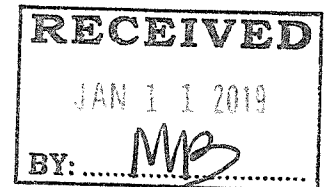
INTEREST SUMMARY for ACCOUNT

Table with 2 columns: Description, Amount. Rows: Number of Days in Period (92), Interest Earned in Period (243.82), Annual Percentage Yield Earned (1.84%)

TRANSACTION SUMMARY for ACCOUNT

Table with 4 columns: Date, Description, Amount, Ending Balance. Rows: Interest Payment (10-18-18, 79.33), Interest Payment (11-18-18, 82.10), Interest Payment (12-18-18, 79.58), End of Transactions.

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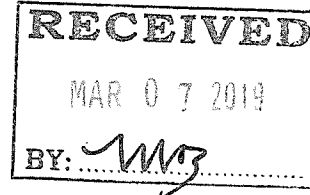


PACIFIC PREMIER BANK

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

STATEMENT OF ACCOUNT ACTIVITY

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LOS OSOS COMMUNITY SERVICES DISTRICT
SOUTH BAY FIRE RESERVES
PO BOX 6064
LOS OSOS CA 93412-6064

Page 1 of 1
Branch 033
Account Number:
Date 02/28/19

EM

BUSINESS MONEY MARKET Acct # 5

Summary of Activity Since Your Last Statement

Table with 3 columns: Description, Date, Amount. Rows include Beginning Balance, Deposits / Misc Credits, Withdrawals / Misc Debits, Ending Balance, Service Charge, Interest Paid Thru, Interest Paid Year To Date, Average Collected Balance, and Average Rate / Cycle Days.

Deposits and Credits

Table with 4 columns: Date, Deposits, Withdrawals, Activity Description. Row for 2/28 showing 3,113.84 in Deposits and INTEREST EARNED.

Daily Balance Summary

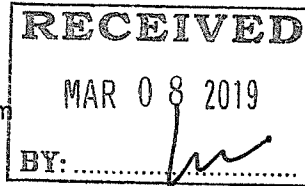
Table with 6 columns: Date, Balance, Date, Balance, Date, Balance. Row for 2/28 showing a balance of 1,662,753.48.

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Rabobank, N.A.
 PO Box 6010
 Santa Maria, CA 93456-6010
 www.RabobankAmerica.com
 Return Service Requested



Rabobank, N.A.
 Member FDIC
 EQUAL OPPORTUNITY LENDER
 NMLS #649477

Account Number: _____
 This Statement: February 28, 2019
 Last Statement: January 31, 2019
 Days in Statement Period: 28
 Checks/Items Enclosed: 0
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 LOS OSOS COMM SERVICES DIST
 PO BOX 6064
 LOS OSOS CA 93412-6064

Water Reserves

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

PUBLIC INVESTMENT MONEY MARKET

Account Number: _____

Balance Summary

Beginning Balance as of 01/31/2019	\$1,925,584.82
+ Deposits and Credits (1)	43,308.70
+ Interest Paid	299.23
- Withdrawals and Debits (0)	0.00
Ending Balance as of 02/28/2019	\$1,969,192.75
Low Balance	1,925,584.82
Average Balance	1,950,332.65

Earnings Summary

Interest Paid This Period	299.23
Interest Paid Year to Date	641.33
Interest Earned	299.23
Interest-Bearing Days	28
Annual Percentage Yield Earned	0.20%

Credits

Date	Description	Additions
02-13	CASH MGMT TRSFR CR REF 0441546L FUNDS TRANSFER FRM DEP 2022384701 FROM WW LIENS EMAIL ADR IENNE 021319	43,308.70
02-28	INTEREST CREDIT	299.23

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



2.50% APY*
25 month CD

1.85% APY*
5 month CD

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RabobankAmerica.com/Earn

*Annual Percentage Yield (APY) shown is accurate as of 01/15/2019 and is subject to change without notice. Minimum deposit to open a Personal or Business CD: \$2,500. Minimum deposit to open an IRA CD: \$1,000. There is no minimum balance to obtain the disclosed APY. Public Funds CDs are excluded from the above offer. A penalty will be imposed for early withdrawal. Fees may reduce earnings. Please review deposit account agreement, disclosures or see a Rabobank associate for full account terms.