

SANTA YNEZ COMMUNITY SERVICES DISTRICT

MEMORANDUM

TO: Board of Directors
FROM: Wendy Berry, Secretary/Treasurer
DATE: November 17, 2021
SUBJECT: Adopt Resolution 21-11 authorizing Mechanic's Bank Money market to remain open.

Recommendation

Adopt Resolution 21-11, authorizing Mechanic's Bank Money market to remain open.

Policy Implications

On April 21, 2021, the Board adopted Resolution 21-01, authorizing opening of Five Star Checking, closure of Mechanic's Bank Checking and money market accounts and transfer of District funds.

The District has adopted Resolution 11-03, amending the statement of investment policy which regulates what the District does with its monies.

Government Code §53600 regulates investing, reinvesting, purchasing, acquiring, selling and managing the District's funds and Government Code §53630 et seq. requires public funds be collateralized at the financial institution.

Fiscal Implications

To reduce bank fees and the overall expense to the District.

Alternatives Considered

Close the account

Discussion

District staff opened up the Five Star checking account and has transitioned all checks, electronic funds transfers and automatic payments to the Five Star Checking account. The District has closed the Mechanic's Bank checking account. Staff has also transferred all but \$5000.00 from the Money Market account into the Five Star Checking account. Staff checked with Mechanic's Bank about the minimum balance to keep open the money market account without being charged bank fees. The minimum balance is \$3000.00. Staff believes it is the best interest of the District to keep open the money market account with a minimum balance of \$3000.00 to avoid fees. This will give District staff access to cash if needed.

Attachment:
Resolution 21-11
Resolution 21-01

RESOLUTION NO. 21-11

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ
COMMUNITY SERVICES DISTRICT AUTHORIZING MECHANIC'S BANK MONEY
MARKET ACCOUNT TO REMAIN OPEN**

WHEREAS, pursuant to California Government Code Section 53646, on April 20, 2011, the Board of Directors (the "Board") of the Santa Ynez Community Services District (the "District") adopted Resolution No. 11-03 approving a revised and updated statement of investment policy relating to the investment of District funds (the "Investment Policy").

WHEREAS, the purpose of the Investment Policy is to provide guidelines for the prudent investment of the District's temporarily idle cash, and outline the policies for maximizing the efficiency of the District's cash management system. The ultimate goal of the Investment Policy is to enhance the economic status of the District while protecting its cash.

WHEREAS, by Resolution No. 21-01 adopted on April 21, 2021, the Board authorized (i) the opening of a new checking account at Five Star Bank, (ii) the closing of the District's existing checking account at Mechanic's Bank and the transfer of all funds from that account into the District's new checking account at Five Star Bank, and (iii) the closing of the District's existing money market account at Mechanic's Bank and the transfer of all funds from that account into the District's existing money market account at Five Star Bank.

WHEREAS, since the adoption of Resolution No. 21-01, the District has determined that, if the balance of Mechanic's Bank money market account remains above \$3,000.00, the bank will not impose bank fees, and the District will have access to cash from the Mechanic's Bank money market account, if needed for daily business and/or in case of an emergency.

WHEREAS, the Board has determined that authorizing the Mechanic's Bank money market account to remain open is permitted under the terms of the Investment Policy and by applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Ynez Community Services District as follows:

1. The District is hereby authorized to leave the Mechanic's Bank money market account open with a minimum balance of \$3,000.00 to avoid account fees and have access to cash for daily business and/or emergencies.

2. The District's Treasurer is hereby authorized and directed to complete and sign any required paperwork, to transfer funds, and to take such other actions and may be necessary to carry out the purpose and intent of the foregoing resolution.

PASSED AND ADOPTED this 17th day of November 2021, by the following vote of the Board of Directors of the Santa Ynez Community Services District:

AYES:

NOES:

ABSENT:

ABSTAIN:

Karen Jones, President
of the Board of Directors

ATTEST:

Wendy Berry, Secretary
of the Board of Directors

RESOLUTION NO. 21-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ COMMUNITY SERVICES DISTRICT AUTHORIZING OPENING OF FIVE STAR BANK CHECKING ACCOUNT, CLOSURE OF MECHANIC'S BANK CHECKING AND MONEY MARKET ACCOUNTS, AND TRANSFERS OF DISTRICT FUNDS

WHEREAS, pursuant to California Government Code Section 53646, on April 20, 2011, the Board of Directors (the "Board") of the Santa Ynez Community Services District (the "District") adopted Resolution No. 11-03 approving a revised and updated statement of investment policy relating to the investment of District funds (the "Investment Policy").

WHEREAS, the purpose of the Investment Policy is to provide guidelines for the prudent investment of the District's temporarily idle cash, and outline the policies for maximizing the efficiency of the District's cash management system. The ultimate goal of the Investment Policy is to enhance the economic status of the District while protecting its cash.

WHEREAS, the Board desires to authorize (i) the opening of a new checking account at Five Star Bank, (ii) the closing of the District's existing checking account at Mechanic's Bank and the transfer of all funds from that account into the District's new checking account at Five Star Bank, and (iii) the closing of the District's existing money market account at Mechanic's Bank and the transfer of all funds from that account into the District's existing money market account at Five Star Bank.

WHEREAS, the Board has determined that the foregoing actions are permitted under the terms of the Investment Policy and by applicable law.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Ynez Community Services District as follows:

- 1.** The District is hereby authorized to (i) open a new checking account at Five Star Bank, (ii) close the District's existing checking account at Mechanic's Bank and transfer all funds from that account into the District's new checking account at Five Star Bank, and (iii)

close the District's existing money market account at Mechanic's Bank and transfer all funds from that account into the District's existing money market account at Five Star Bank

2. The District's Treasurer is hereby authorized and directed to complete and sign any required paperwork, to transfer funds, and to take such other actions and may be necessary to carry out the purpose and intent of the foregoing resolution.

PASSED AND ADOPTED this 21st day of April 2021, by the following vote of the Board of Directors of the Santa Ynez Community Services District:

AYES: Beard, Jones, D'Ambra, Redfern

NOES:

ABSENT: Van Pelt

ABSTAIN:

Karen Jones, President
of the Board of Directors

ATTEST:

Wendy Berry, Secretary
of the Board of Directors