

**SANTA YNEZ COMMUNITY SERVICES DISTRICT
MEMORANDUM**

TO: Board of Directors
FROM: Loch Dreizler, General Manager
DATE: April 17, 2024
SUBJECT: Reinvest a recently matured Certificate of Deposit.

Proposed Motion / Recommendation

Staff recommends reinvesting a recently matured Certificate of Deposit.

Proposed Motion: Approve the District's Treasurer (GM) to reinvest the recently matured Certificate of Deposit of approximately \$205,000 with King Capital Advisors for an additional 18 months, currently at 5.0% (may change before actual investment).

Proposed Alternative Motions:

1. Transfer funds from recently matured CD to Five Star Bank or LAIF (Local Agency Investment Fund) currently at 4.23%.
2. Leave in a King Capital Advisors Fidelity Government Money Market, currently at 4.47%
3. Defer the decision and subsequent Board recommendation to the Finance Committee.

Policy Implications

District's Investment Policy 11-03

Fiscal Implications

The CD 18-month yield to maturity is 5.0%, but that depends on the percentage at the time of investment.

Reinvesting the CD will earn the district approximately \$15,000 after 18 months at the current 5% opportunity.

Discussion

The Objective of our policy when investing and managing District Funds is to:

1. Safeguard the principal
2. Meet our liquidity needs
3. Achieve a return on our investments

Existing CDs, Maturity Date, and Yield to Maturity Percentage

• Ally Bank	04/12/2024	4.25% (Recently Matured)
• BMO Harris Bank	10/15/2024	4.30%
• US Bank	12/03/2024	5.50%
• First Foundation Bank	05/29/2025	5.25%
• Bank of America	05/29/2025	5.30%
• BMW Bank (New)	09/28/2025	5.00% (Estimate if Approved)