

RESOLUTION NO. 2021-043

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING ADJUSTMENTS
TO THE CITY'S OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR
FISCAL YEAR 2020-21**

WHEREAS, the City Council of the City of Calistoga adopted an Operating Budget and Capital Improvement Program for Fiscal Year 2020-21 on June 16, 2020; and

WHEREAS, the City Council of the City of Calistoga adopted budget adjustments on February 16, 2021, for Fiscal Year 2020-21 based on the determination by the City Manager that these adjustments were essential to the City's operations; and

WHEREAS, the City Council has reviewed the proposed budget adjustments for the period of July 1, 2020, through June 30, 2021, and does hereby find the recommendation to be necessary and in the City's best interest.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Calistoga hereby approves the budget adjustments to the City of Calistoga Operating and Capital Improvement Budget for Fiscal Year 2020-21 as shown as **Exhibit A** to this resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this **15th day of June 2021**.

I, Marni Rittburg, City Clerk of the City of Calistoga, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Calistoga at a regular meeting held on the **15th day of June 2021**, by the following vote:

AYES: Councilmembers Kraus and Williams, Vice Mayor Lopez-Ortega and Mayor Canning

NOES: None

ABSENT: Councilmember Gift

ABSTAIN: None

ATTEST:


Marni Rittburg, CMC, City Clerk

APPROVED:


Chris Canning, Mayor

The City of Calistoga Operating Budget for Fiscal Year 2020-21
 Year-End Budget Adjustments 06/30/21

Account #			Fund	Description	Adjustment Amount
fund	dept	object			
01	3201		General Fund	Property Taxes	(200,000)
01	3204		General Fund	Transient Occupancy Tax	(763,372)
01	3211		General Fund	Business License	12,000
01	3212		General Fund	Building Permit	(5,000)
01	3219		General Fund	Licenses and Permits	(1,000)
01	3219	1000	General Fund	Encroachment Permits	(10,000)
01	3232		General Fund	Motor Vehicle In Lieu	(3,922)
01	3243		General Fund	Fire Dept - Reimbursements for Services	(300,000)
01	3244		General Fund	Planning Services	(4,000)
01	3245		General Fund	Public Works	(18,000)
01	3260		General Fund	Rents	11,000
01	3282		General Fund	Reimbursement for Services - Planning	2,000
01	3283		General Fund	Contract Class Fees	(1,000)
01	3286		General Fund	Aquatic Fees	(2,000)
01	3289		General Fund	Other Revenues	(83,300)
01	3299		General Fund	Transfer In	(22,037)
01	4108	4301	General Fund	Finance - Salaries	10,000
01	4108	4303	General Fund	Finance - FICA/Medicare	(500)
01	4108	4310	General Fund	Finance - PERS	3,944
01	4108	4311	General Fund	Finance- Medical/Dental	2,000
01	4108	4312	General Fund	Finance - Workers' Comp	(246)
01	4108	4313	General Fund	Finance - Other Benefits	1,000
01	4110	4303	General Fund	City Council - FICA/Medicare	(250)
01	4110	4311	General Fund	City Council - Medical/Dental	(4,000)
01	4110	4665	General Fund	City Council - Michael Dunsford	(250)
01	4110	4668	General Fund	City Council - Council Member L Ortega-Lopez	(500)
01	4111	4301	General Fund	City Clerk - Salaries	(10,680)
01	4111	4303	General Fund	City Clerk - FICA /Medicare	(600)
01	4111	4311	General Fund	City Clerk - Medical/Dental	(1,000)
01	4111	4312	General Fund	City Clerk - Workers' Comp	(219)
01	4111	4301	General Fund	City Clerk - Salaries	(9,180)
01	4111	4410	General Fund	City Clerk - Advertising	1,800
01	4113	4402	General Fund	City Attorney - Contract	35,000
01	4114	4311	General Fund	City Manager - Health Insurance	1,000
01	4114	4312	General Fund	City Manager - Workers' Comp	(739)
01	4115	4305	General Fund	Planning - Incentive	1,500
01	4115	4310	General Fund	Planning - PERS	(142)
01	4115	4311	General Fund	Planning - Medical/ Dental	2,000
01	4115	4312	General Fund	Planning - Workers Comp	(659)
01	4116	4301	General Fund	Police - Salaries	(57,631)
01	4116	4302	General Fund	Police - Overtime	43,806
01	4116	4303	General Fund	Police - Fica	(2,934)
01	4116	4308	General Fund	Police - Part Time Salaries	(1,698)
01	4116	4309	General Fund	Police - Special Pay	(3,265)
01	4116	4310	General Fund	Police - PERS	(22,000)
01	4116	4311	General Fund	Police - Medical/Dental	(5,000)
01	4116	4312	General Fund	Police - Worker's Comp	(7,561)
01	4116	4313	General Fund	Police - Other Benefits	(500)
01	4116	4402	General Fund	Police - Contract Services	(10,000)

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Account #		Fund	Description	Adjustment Amount	
01	4117	4301	General Fund	Fire Dept - Salaries	(37,177)
01	4117	4303	General Fund	Fire Dept - FICA/Medicare	(5,000)
01	4117	4308	General Fund	Fire Dept - Part-Time Salaries	(10,000)
01	4117	4309	General Fund	Fire Dept - Special Pay	(3,000)
01	4117	4310	General Fund	Fire Dept - PERS	(50,000)
01	4117	4312	General Fund	Fire Dept - Workers Comp	(5,538)
01	4117	4314	General Fund	Fire Dept - Share Savings	3,600
01	4117	4401	General Fund	Fire Dept - Materials & Supplies	1,500
01	4117	4403	General Fund	Fire Dept - Utilities	2,500
01	4117	4404	General Fund	Fire Dept - Repairs and Maintenance	10,000
01	4117	4405	General Fund	Fire Dept - Training and Travel	1,500
01	4117	4420	General Fund	Fire Dept - Treatment	(2,500)
01	4119	4414	General Fund	Non-departmental - audit fees	3,450
01	4119	4499	General Fund	Non-departmental - Contingency	(13,000)
01	4121	4301	General Fund	PW Admin - Salaries	1,990
01	4121	4309	General Fund	PW Admin - Incentive Pay	(1,000)
01	4121	4310	General Fund	PW Admin - PERS	(3,000)
01	4122	4301	General Fund	PW Streets - Salaries	11,942
01	4122	4310	General Fund	PW Streets - PERS	1,799
01	4122	4311	General Fund	PW Streets - Medical/ Dental	1,519
01	4122	4312	General Fund	PW Streets - Workers' Comp	(836)
01	4122	4402	General Fund	PW Streets - Contract Services	(10,000)
01	4123	4301	General Fund	PW Parks - Salaries	(31,072)
01	4123	4303	General Fund	PW Parks - FICA/Medicare	(2,852)
01	4123	4309	General Fund	PW Parks - Special Pay	(1,190)
01	4123	4310	General Fund	PW Parks - PERS	(1,000)
01	4123	4311	General Fund	PW Parks - Medical/ Dental	(15,000)
01	4123	4312	workers comp	PW Parks - Worker's Comp	(652)
01	4123	4402	General Fund	PW Park - Contract	(5,000)
01	4124	4301	General Fund	PW Mntc Shop - Salaries	1,000
01	4125	4401	General Fund	Building - Materials	1,000
01	4125	4402	General Fund	Building - Contract	3,000
01	4125	4405	General Fund	Building - Training	(500)
01	4125	4417	General Fund	Building - Fuel & Oil	200
01	4126	4301	General Fund	PW Pool - Salaries	(7,844)
01	4126	4302	General Fund	PW Pool - Overtime	(283)
01	4126	4303	General Fund	PW Pool - FICA	(659)
01	4126	4309	General Fund	PW Pool - Incentive Pay	(482)
01	4126	4310	General Fund	PW Pool - PERS	(699)
01	4126	4311	General Fund	PW Pool - Medical/ Dental	(3,686)
01	4126	4312	General Fund	PW Pool - Workers' Comp	(473)
01	4126	4313	General Fund	PW Pool - Other Benefits	(43)
01	4127	4301	General Fund	PW Bldg - Salaries	(8,000)
01	4127	4303	General Fund	PW Bldg - FICA/Medicare	(1,000)
01	4127	4309	General Fund	PW Bldg - Special Pay	(3,000)
01	4127	4311	General Fund	PW Bldg - Medical Dental	(6,000)
01	4127	4312	General Fund	PW Bldg - Worker's Comp	(458)
01	4129	4301	General Fund	Dispatch - Salaries	16,000
01	4129	4302	General Fund	Dispatch - Overtime	4,500
01	4129	4303	General Fund	Dispatch - Fica/Medicare	3,000
01	4129	4308	General Fund	Dispatch - Part-time	27,000

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Account #			Fund	Description	Adjustment Amount
01	4129	4309	General Fund	Dispatch - Incentive Pay	2,000
01	4129	4311	General Fund	Dispatch - Medical/Dental	(2,000)
01	4129	4312	General Fund	Dispatch - Workers' Comp	(2,327)
01	4129	4404	General Fund	Dispatch - Repairs and Mntc	(1,000)
01	4129	4405	General Fund	Dispatch - Post Travel	(1,000)
01	4138	4301	General Fund	Fire Emergency - Salaries	(1,500)
01	4152	4301	General Fund	Recreation - Salaries	(15,000)
01	4152	4303	General Fund	Recreation - FICA/Medicare	(500)
01	4152	4308	General Fund	Recreation - Part-Time Salaries	7,000
01	4152	4309	General Fund	Recreation - Special Pay	720
01	4152	4310	General Fund	Recreation - PERS	(500)
01	4152	4311	General Fund	Recreation - Medical/Dental	(500)
01	4152	4312	General Fund	Recreation - Workers Comp	(411)
01	4153	4301	General Fund	Rec - Educ - Salaries	(5,000)
01	4153	4308	General Fund	Rec - Educ - Part-Time Salaries	3,000
01	4153	4309	General Fund	Rec - Educ - Incentive Pay	420
01	4153	4310	General Fund	Rec - Educ - PERS	(500)
01	4153	4311	General Fund	Rec - Educ - Medical Dental	(300)
01	4153	4312	General Fund	Rec - Educ - Workers Comp	(282)
01	4154	4301	General Fund	Rec - Seniors Salaries	(13,132)
01	4154	4308	General Fund	Rec - Seniors Part-Time Salaries	11,000
01	4155	4301	General Fund	Rec - Community - Salaries	1,000
01	4155	4303	General Fund	Rec - Community - FICA/Medicare	(300)
01	4155	4308	General Fund	Rec - Community - Part-Time Salaries	(64)
01	4155	4310	General Fund	Rec - Community - PERS	64
01	4156	4301	General Fund	Rec - Aquatics - Salaries	(9,000)
01	4156	4303	General Fund	Rec - Aquatics - FICA/Medicare	4,798
01	4156	4309	General Fund	Rec - Aquatics - Incentive	1,000
01	4156	4310	General Fund	Rec - Aquatics - PERS	1,000
01	4170	4305	General Fund	Risk Mgmt - Incentive	260
01	4170	4312	General Fund	Risk Mgmt - Workers' Comp	(286)
01	4172	4301	General Fund	Personnel - Salaries	(5,200)
01	4172	4303	General Fund	Personnel - FICA/Medicare	(1,000)
01	4172	4305	General Fund	Personnel - Incentive Pay	538
01	4172	4312	General Fund	Personnel - Workers Comp	(199)
01	4172	4410	General Fund	Personnel -Advertising	6,000
01	4172	4424	General Fund	Personnel - Health	12,000
01	4173	4301	General Fund	Sharpsteen - Salaries	(1,300)
01	4173	4311	General Fund	Sharpsteen - Medical & Dental	(500)
01	4174	4402	General Fund	Library Services - Contract Services	(7,415)
01	4176	4303	General Fund	Economic Development - Fica/Medicare	100
01	4176	4305	General Fund	Economic Development - Incentive Pay	500
01	4700	4799	General Fund	Transfers Out-	9,000
01	5200	4915	General Fund	CIP - Pioneer Cemetery	20,000
01	5402	4905	General Fund	CIP - Pavement Maintenance	(721,000)
01	5402	4915	General Fund	CIP - Pavement Maintenance	721,000
01	5570	4915	General Fund	CIP - Parklets	56,902
01	5602	4915	General Fund	CIP - Rancho De Generators	(105,867)
01	5604	4915	General Fund	CIP- Lincoln Bridge Utility	(18,500)

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Account #	Fund	Description	Adjustment Amount
		Total for General Fund	(1,617,860)

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #		Fund	Description	Adjustment Amount
02	3221		Water Enterprise Delinquent Penalties and Charges	39,910
02	3260		Water Enterprise Rental Income	710
02	3267		Water Enterprise Water Connections	(457)
02	3282		Water Enterprise Reimbursements for Misc City Services	(15,916)
02	3289		Water Enterprise Other Revenue	(27,139)
02	3401		Water Enterprise Single Residence	(26,718)
02	3403		Water Enterprise Multi Residence	(23,637)
02	3405		Water Enterprise Mobile Homes	(17,969)
02	3409		Water Enterprise Residential Meter Charges	(38,481)
02	3410		Water Enterprise Transient General	(44,502)
02	3412		Water Enterprise SPAS	(11,475)
02	3414		Water Enterprise Camp Grounds	(1,797)
02	3416		Water Enterprise Bed and Breakfast	(4,068)
02	3419		Water Enterprise Transient Meter Charges	(33,753)
02	3420		Water Enterprise Commercial General	(9,363)
02	3422		Water Enterprise Restaurants	(5,064)
02	3424		Water Enterprise Laundries	(2,569)
02	3426		Water Enterprise Public Buildings	(1,358)
02	3428		Water Enterprise Medical Care	(8,370)
02	3429		Water Enterprise Commercial Meter Charges	(26,790)
02	3440		Water Enterprise Industrial General	(27)
02	3442		Water Enterprise Bottling Works	(5,156)
02	3443		Water Enterprise Commercial Works	1,066
02	3449		Water Enterprise Industrial Meter Charges	(3,214)
02	4131	4301	Water Enterprise Distribution - Salaries	(1,000)
02	4131	4310	Water Enterprise Distribution - PERS	2,480
02	4131	4312	Water Enterprise Distribution - Workers Comp	(1,257)
02	4131	4401	Water Enterprise Distribution - Materials	10,000
02	4131	4402	Water Enterprise Distribution - Contract	(10,000)
02	4131	4403	Water Enterprise Distribution - Utilities	1,500
02	4131	4404	Water Enterprise Distribution - Repairs	(1,500)
02	4131	4405	Water Enterprise Distribution - Training	(500)
02	4131	4422	Water Enterprise Distribution - Pension Expense	30,000
02	4131	4434	Water Enterprise Distribution - Vehicles	1,500
02	4131	4456	Water Enterprise Distribution - Bad Debt	35,000
02	4131	4505	Water Enterprise Distribution - Depreciation	45,000
02	4131	4821	Water Enterprise Distribution - Field Equipment	2,500
02	4132	4301	Water Enterprise Treatment - Salaries	22,193
02	4132	4302	Water Enterprise Treatment - Overtime	7,500
02	4132	4303	Water Enterprise Treatment - FICA/Medicare	1,278
02	4132	4309	Water Enterprise Treatment - Special Pay	3,653
02	4132	4310	Water Enterprise Treatment - PERS	3,180
02	4132	4311	Water Enterprise Treatment - Medical/ Dental	12,000
02	4132	4312	Water Enterprise Treatment - Workers Comp	(1,126)
02	4132	4313	Water Enterprise Treatment - Other Benefits	150
02	4132	4401	Water Enterprise Treatment - Materials	(10,000)
02	4132	4402	Water Enterprise Treatment - Contract Services	10,000
02	4132	4403	Water Enterprise Treatment - Utilities	20,000
02	4132	4405	Water Enterprise Treatment - Training	(1,000)
02	4132	4415	Water Enterprise Treatment - Mailing	(500)
02	4132	4422	Water Enterprise Treatment - Pension Expense	40,000

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #		Fund	Description	Adjustment Amount	
02	4132	4434	Water Enterprise	Treatment - Vehicle Repairs	(1,000)
02	4132	4505	Water Enterprise	Treatment - Depreciation	45,000
02	4132	4821	Water Enterprise	Treatment - Field Equipment	6,300
02	4132	4823	Water Enterprise	Treatment - Computer Eq Wonderware	(10,000)
02	4700	4799	Water Enterprise	To Water Capital	(219,407)
02				Total for Water Operations Fund	(224,193)

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #		Fund	Description	Adjustment Amount
03	3282	WWTP	Reimbursement for Misc City Services	(9,434)
03	3289	WWTP	Other Revenue	4,000
03	3501	WWTP	Single Residence	(22,158)
03	3502	WWTP	WWTP Capacity Allocation	(1,032)
03	3503	WWTP	Multi Residence	(10,043)
03	3505	WWTP	Mobile Homes	(6,203)
03	3510	WWTP	Transient General	(76,444)
03	3512	WWTP	SPAS	(31,414)
03	3514	WWTP	Camp Grounds	(3,565)
03	3516	WWTP	Bed and Breakfast	(7,449)
03	3520	WWTP	Commercial General	(10,472)
03	3522	WWTP	Restaurants	(17,840)
03	3524	WWTP	Laundries	(3,366)
03	3526	WWTP	Public Buildings	(6,945)
03	3528	WWTP	Medical Care	(1,972)
03	3540	WWTP	Industrial General	(723)
03	3542	WWTP	Bottling Works	(2,868)
03	3543	WWTP	Commercial Social	7,869
03	3544	WWTP	Service Stations	844
03	4141	4301 WWTP	Collection - Salaries	2,249
03	4141	4310 WWTP	Collection - PERS	4,512
03	4141	4311 WWTP	Collection - Medical/Dental	3,000
03	4141	4312 WWTP	Collection - Workers Comp	(1,747)
03	4141	4401 WWTP	Collection - Materials	(1,500)
03	4141	4402 WWTP	Collection - Contract	(15,000)
03	4141	4403 WWTP	Collection - Utilities	800
03	4141	4404 WWTP	Collection - Repairs	(1,500)
03	4141	4422 WWTP	Collection - Pension Expense	57,000
03	4141	4434 WWTP	Collection - Vehicle R&M	1,000
03	4141	4823 WWTP	Collection - Equipment	3,500
03	4141	4821 WWTP	Collection - Field Equipment	(10,000)
03	4142	4301 WWTP	Treatment - Salaries	27,806
03	4142	4302 WWTP	Treatment - Overtime Pay	3,729
03	4142	4303 WWTP	Treatment - FICA/Medicare	3,000
03	4142	4309 WWTP	Treatment - Special Pay	7,044
03	4142	4310 WWTP	Treatment - PERS	5,496
03	4142	4311 WWTP	Treatment - Medical/ Dental	17,000
03	4142	4312 WWTP	Treatment - Workers Comp	(2,977)
03	4142	4401 WWTP	Treatment - Materials	(35,000)
03	4142	4402 WWTP	Treatment - Contract	(45,000)
03	4142	4404 WWTP	Treatment - Repairs	(5,000)
03	4142	4422 WWTP	Treatment - Pension Expense	73,000
03	4142	4431 WWTP	Treatment - Fees	3,500
03	4142	4434 WWTP	Treatment - Vehicles R&M	(500)
03	4142	4440 WWTP	Treatment - Lab Testing	(10,000)
03	4142	4505 WWTP	Treatment - Depreciation	68,000
03	4142	4650 WWTP	Treatment - DH Training	(500)
03	4142	4821 WWTP	Treatment - Field Equipment	21,500
03	4700	4799 WWTP	Transfer to WWTP Capital from WWTP Operations	208,025

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #			Fund	Description	Adjustment Amount
03				Total for Wastewater Operations Fund	182,222
12	3230		Water CIP	HMGP Grant Proceeds Conn Creek	463,513
12	3228		Water CIP	HMGP Grant Proceeds	(43,968)
12	3299		Water CIP	Transfers from Water Operations	219,407
12	3269		Water CIP	One Time Impact Fees	170,749
12	5426	4915	Water CIP	Bypass Structure	11,176
12	5586	4915	Water CIP	Relocate Dunaweal Booster Pumps	(501,975)
12	5594	4915	Water CIP	Conn Creek Water Line Reliability	(126,750)
12	5607	4915	Water CIP	Disadvantaged Salary Survey	(16,000)
12	5608	4915	Water CIP	Kimball Spillway Project	-
12	5608	4915	Water CIP	Kimball Spillway Project	-
12				Total for Water CIP Fund	176,152

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #		Fund	Description	Adjustment Amount
13	3230		WWTP CIP HazMit Grant	31,500
13	3269		WWTP CIP One Time Connection Fees	498,525
13	3299		WWTP CIP Transfer in from Operations for Capital Projects	(208,025)
13	5533	4915	WWTP CIP Geothermal	(29,000)
13	5540	4915	WWTP CIP Riverside Ponds	(42,000)
13	5555	4915	WWTP CIP Sewer Main Replacements	(165,000)
13	5607	4905	WWTP CIP Disadvantaged Salary Survey	(16,000)
13	5609	4915	WWTP CIP WWTP Plant Repairs	(70,000)
13			Total for Wastewater CIP Fund	-
15	3299		Eq Replacement Transfers	(9,000)
15	3299		Eq Replacement transfers from police grants- vehicles	(120,000)
15	4970	4820	Eq Replacement Vehicles	120,000
15	4975	4823	Eq Replacement Computer Equipment	50,000
15			Total for Equipment Repl Fund	41,000
22	3274		RMRA Fund Revenues	(40,481)
			Total for RMRA SB 1 Fund	(40,481)
24	3230		Measure T Revenues	(120,700)
24	3299		Measure T From Tranp funds - Petrified Project	(30,098)
24			Total for Measure T	(150,798)
25	3230		MTC Grants	359,696
25	3299		MTC Transfer in	6,656
25	5518		MTC Berry Street	(25,000)
25	5536		MTC Brannan Street	(5,000)
25	5536	4915	MTC Brannan Street	4,257
25	5537	4915	MTC Petrified Forest	(435,500)
25	5560	4915	MTC Pioneer Park	90,405
25	5601	4915	MTC Riverside Pedestrian Project (ATT)	(29,341)
25			Total for MTC Fund	(33,827)
41	4659	4433	Police Grants Youth Diversion Program	9,000
41	4700	4799	Police Grants Transfers out equipment fund (vehicles)	120,000
			Total for Police Grants Fund	129,000
49	3269		Fire Impact Fees	32,000
			Total for Fire Impact Fees	32,000
50	3269		Police Impact Fees	40,000

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #	Fund	Description	Adjustment Amount
		Total for Police Impact Fees	40,000

The City of Calistoga Operating Budget for Fiscal Year 2020-21
Year-End Budget Adjustments 06/30/21

Exhibit A

Account #			Fund	Description	Adjustment Amount
57	4700	4799	Transportation	Measure T -Foothill Petrified Project	(249,150)
57				Total for Transportation Impact Fees	(249,150)
75	3940		HOME Grant	Proceeds from Long Term Notes	(34,384)
75				Total for HOME Grants	(34,384)
77	4700	4799	Cultural/Recreational	Transfer to General Fund - General Fund	(16,343)
77				Total for Cultural/Recreational Fund	(16,343)
78	3204		Affordable Housing	TOT	(150,000)
78				Total for Affordable Housing Fund	(150,000)
87	3291		Recreation	Donations	(2,975)
				Total for Recreation Donations	(2,975)
90	4700	4799	Traffic Signal Impact Fees	Transfer out to MTC - AT&T	273,994
90				Total For Traffic Signal	273,994

City of Calistoga
Statement of Investment Policy Fiscal Year 2021-22

The City Treasurer shall annually render to the Council a statement of investment policy, which the Council shall consider at a public meeting.

The policy shall be reviewed annually by the City Treasurer and City Manager to ensure its consistency with the global objective of preservation of investment principal, sufficient liquidity, rate of return and relevance to current laws and financial trends. Any modifications to the policy must be approved by the City Council.

XV Cash Management and Internal Controls

The City Treasurer shall jointly establish and implement a system of internal controls, which shall be documented in writing and reviewed annually by the City's independent Auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the City.

City of Calistoga
Statement of Investment Policy Fiscal Year 2021-22

GLOSSARY OF TERMS

Bankers' Acceptances - negotiable time drafts or bills of exchange drawn on and accepted by a commercial bank. Acceptance of the draft obligates the bank to pay the bearer the face amount of the draft at maturity. In addition to the guarantee by the accepting bank, the transaction is identified with a specific commodity. The sale of the underlying goods will generate the funds necessary to liquidate the indebtedness. Banker's Acceptances are usually created to finance the import and export of goods, the shipment of goods within the United States and the storage of readily marketable staple commodities. Banker's Acceptances are sold at a discount from par and the amount and maturity dates are fixed. Bankers' Acceptances have the backing of both the bank and the pledged commodities with no known principal loss in over 70 years. State law permits cities to invest up to 40% in bankers' acceptances.

Certificate of Deposit - A deposit insured up to \$100,000 by the FDIC at a set rate for a specified period of time.

Collateral - Securities, evidences of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Corporate Medium Term Notes - Unsecured promissory notes issued by corporations operating within the United States. The notes mature in one to five year periods. Purchase of these notes may not exceed 30% of the City's portfolio and the notes must have at least an "A" rating by a nationally recognized rating service.

Commercial Paper - An unsecured promissory note of industrial corporations, utilities and bank holding companies having assets in excess of \$500 million and an "A" or higher rating for the issuer's debentures. Interest is discounted from par and calculated using the actual number of days on a 360-day year. The notes are in bearer form, mature from one to 270 days and generally start at \$100,000. There is a secondary market for commercial paper and an investor may sell them prior to maturity. Unused lines of credit back commercial paper from major banks. State law permits cities to invest up to 30% in commercial paper.

Credit Risk - Defined as the risk of loss due to failure of the issuer of a security. This loss shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the City's capital base and cash flow.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the

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securities.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a United States sponsored corporation.

Federal Reserve System - The central bank of the United States which consists of a seven member Board of Governors, 12 regional banks and 5,700 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$100,000) per account.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a United States sponsored corporation.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the United States Government.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Liquidity - Refers to the ability to rapidly convert an investment into cash.

Local Agency Investment Fund (LAIF) Demand Deposit - Was established by the state to enable treasurers to place idle funds in a pool for investment. Each agency is currently limited by LAIF to an investment of \$30 million plus any bond proceeds.

Market Risk - Defined as market value fluctuations due to overall changes in the general level of interest rates. Limiting the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis, and eliminating the need to sell securities prior to maturity should mitigate adverse fluctuation possibilities. Also, avoiding the purchase of long term securities for the sole purpose of short-term speculation mitigates marker risk.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Maturity - the date the principal or stated value of an investment becomes due and payable.

Portfolio - Collection of securities held by an investor.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - Are contractual arrangements between a financial institution or dealer and an investor. The investor puts up their funds for a certain number of days at a stated yield.

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In return, they take title to a given block of securities as collateral. At maturity, the securities are repurchased and the funds are repaid with interest.

Reverse Repurchase Agreement (Reverse REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a United States sponsored corporation.

Treasury Bills - United States Treasury Bills which are short term, direct obligations of the United States Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

United States Government Agencies - Instruments issued by various United States Government Agencies most of which are secured only by the credit worthiness of the particular agency.

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Permitted Investments
Table A

Permitted Investments	State Code Legal Limit (% or \$)	City Policy Legal Limit (% or \$)	Maximum Maturity Constraints	City Policy Other Constraints
U.S. Government Obligations	Unlimited	Unlimited	5 years *	None
U.S. Government Agencies & Instruments	Unlimited	Unlimited	5 years *	None
Repurchase Agreements	Unlimited	Unlimited	1 year	102% Market value on underlying securities
Bankers Acceptances	40%	40%	180 days	No more than 30% invested in any one commercial bank
Commercial Paper	30%	30%	270 days	U.S. Corporations with assets in excess of \$500,000,000; "A" debt rating; maximum of \$1,000,000 from an issuing corporation
Certificates of Deposit	Unlimited	Unlimited	5 years *	Must be collateralized to 110% of the CD value by other eligible securities or 150% by promissory notes secured by California Deeds & Mortgages
Negotiable Certificates of Deposit	30%	30%	5 years *	State and Federally chartered banks and savings institutions, "AA" rating by one agency
LAIF State Pool	\$30,000,000 **	\$30,000,000 **	N/A	Limited to 15 transactions per month, per account, per State Policy

* Maximum terms unless the City Council expressly authorizes longer maturities and within the prescribed time frame for said approval.

** Not set by Government Code, but instead by LAIF Governing Board.

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State of California
Government Code Section 53601

Deposit and Investment of Public Funds

53600. As used in this article, "local agency" means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

53600.3. Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

53600.5. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

53600.6. The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

53601. This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or

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moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district

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from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated "A" or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or

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greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) (A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, "significant banking relationship" means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

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(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(1) (1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (o), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million

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dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by an NRSRO and rated in a rating category of "AA" or its equivalent or better by an NRSRO. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (o), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

53601.1. The authority of a local agency to invest funds pursuant

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to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

53601.2. As used in this article, "corporation" includes a limited liability company.

53601.5. The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

53601.6. (a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (1) of Section 53601.

53601.8. Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in certificates of deposit at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of certificates of deposit, provided that the purchases of certificates of deposit pursuant to this section, Section 53635.8, and subdivision (i) of Section 53601 do not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the "selected" depository institution.

(b) The selected depository institution may submit the funds to a private sector entity that assists in the placement of certificates of deposit with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the

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United States, for the local agency's account.

(c) The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(d) The selected depository institution shall serve as a custodian for each certificate of deposit that is issued with the placement service for the local agency's account.

(e) At the same time the local agency's funds are deposited and the certificates of deposit are issued, the selected depository institution shall receive an amount of deposits from other commercial banks, savings banks, savings and loan associations, or credit unions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment.

(f) Notwithstanding subdivisions (a) to (e), inclusive, no credit union may act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more certificate of deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that nothing in this section shall restrict competition among private sector entities that provide placement services pursuant to this section.

53602. The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

53603. The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

53604. The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

53605. From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

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53606. The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them uncanceled. While held uncanceled, the bonds may be resold.

53607. The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

53608. The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

53609. Notwithstanding the provisions of this chapter or any other provisions of this code, funds held by a local agency pursuant to a written agreement between the agency and employees of the agency to defer a portion of the compensation otherwise receivable by the agency's employees and pursuant to a plan for such deferral as adopted by the governing body of the agency, may be invested in the types of investments set forth in Sections 53601 and 53602 of this code, and may additionally be invested in corporate stocks, bonds, and securities, mutual funds, savings and loan accounts, credit union accounts, life insurance policies, annuities, mortgages, deeds of trust, or other security interests in real or personal property. Nothing herein shall be construed to permit any type of investment prohibited by the Constitution.

Deferred compensation funds are public pension or retirement funds for the purposes of Section 17 of Article XVI of the Constitution.

53610. (a) For purposes of this section, "Proposition 1A receivable"

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means the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.

(b) Notwithstanding any other law, a local agency may purchase, with its revenue, Proposition 1A receivables sold pursuant to Section 53999.

(c) A purchaser of Proposition 1A receivables pursuant to this section shall not offer them for sale pursuant to Section 6588.
