

AGENDA

ROSSMOOR COMMUNITY SERVICES DISTRICT

INVESTMENT COMMITTEE MEETING

**RUSH PARK
West Room
3001 Blume Drive
Rossmoor, California 90720**

**Tuesday, August 27, 2024
7:00 p.m.**

A. ORGANIZATION

1. CALL TO ORDER: 7:00 p.m.
2. ROLL CALL: Directors Searles, Shade
3. PLEDGE OF ALLEGIANCE

B. PUBLIC FORUM

Any person may address the members of the Investment Committee at this time upon any subject within the jurisdiction of the Investment Committee of the Rossmoor Community Services District.

C. REGULAR CALENDAR

1. DISCUSSION REGARDING AN OPPORTUNITY TO DIVERSIFY INVESTMENTS FOR ROSSMOOR COMMUNITY SERVICES DISTRICT

D. ADJOURNMENT

CERTIFICATION OF POSTING

I hereby certify that the attached Agenda for the August 27, 2024, 7:00 p.m. Investment Committee of the Board of Directors of the Rossmoor Community Services District was posted at least 24 hours prior to the time of the meeting.

ATTEST:

Carolyn Whang for Date *August 22, 2024*
JOE MENDOZA
General Manager

ROSSMOOR COMMUNITY SERVICES DISTRICT

AGENDA ITEM C-1

Date: August 27, 2024

To: Investment Committee
Nathan Searles, Chair
Jo Shade

From: General Manager Joe Mendoza

Subject: DISCUSSION REGARDING AN OPPORTUNITY TO DIVERSIFY INVESTMENTS FOR ROSSMOOR COMMUNITY SERVICES DISTRICT

RECOMMENDATION

It is recommended that the Investment Committee review the attached information and discuss options with California Cooperative Liquid Assets Securities System (CLASS) representative Crystal Lynn and make any recommendations to the Board regarding long term investments.

BACKGROUND

The Investment Committee has not met for a few years due to the conservative approach the Rossmoor Community Services District takes toward investing. Over the years, the Board of Directors has been satisfied with utilizing Local Agency Investment Fund (LAIF) as the District's investment vehicle. However, due to the District's healthy reserve balance, the Investment Committee may consider a long-term investment option to generate a higher yield. The option of using California CLASS is very flexible and offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected with the goal of optimizing yields while prioritizing security and liquidity. Representative Crystal Lynn will go over the attachments, please be prepared for a question-and-answer session to follow.

ATTACHMENTS

1. CLASS Features and Benefits
2. CLASS Product Comparison
3. California CLASS Participant List



California Cooperative Liquid Assets Securities System

What is California CLASS?

California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected with the goal of optimizing yields while prioritizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds help assist public agencies in strengthening and diversifying their cash management programs in accordance with the safety, liquidity, and yield hierarchy that provides the framework for the investment of public funds.

How is it governed and managed?

California CLASS is overseen and governed by a Board of Trustees. The Board is made up of public agency finance professionals who participate in California CLASS and are members of the Joint Powers Authority (JPA). The Board of Trustees has entered into an Investment Advisor and Administrator Agreement with Public Trust Advisors, LLC. Public Trust is responsible to the Board for all program investment and administrative activities as well as many of the services provided on behalf of the Participants.

How can we participate?

Enrolling in California CLASS is simple. Public agencies may become Participants simply by filling out the Participant Registration Form that can be found in the document center on the California CLASS website. Public agencies may submit the completed registration packet to California CLASS Client Services for processing at clientservices@californiaclass.com. To obtain account forms and fund documents, visit www.californiaclass.com/document-center/.

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www.csdanet

CALIFORNIA CLASS FEATURES

As a California CLASS Participant, you have access to many convenient features:

- Same-day availability of funds in Prime Fund (11:00 a.m. PT cut-off)
- Contributions by wire or ACH
- Ratings of 'AAA^m' & 'AAA^f/S1'
- Portfolio securities marked-to-market daily
- Secure online access for transactions and account statements
- No redemption notices for Prime Fund
- Participant-to-Participant transactions
- Dividends accrue daily and pay monthly
- No maximum or minimum transaction limits
- No maximum or minimum investment requirements
- No transaction fees*
- Annual audit conducted by independent auditing firm**
- Dedicated client service representatives available via phone or email on any business day

*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no transaction fees charged from California CLASS for such transactions.
**External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.



What are the objectives of California CLASS?

Safety

The primary investment objective of the California CLASS Prime Fund is preservation of principal. Both California CLASS portfolios are managed by a team of investment professionals who are solely focused on the management of public funds nationwide. The custodian for California CLASS is U.S. Bank, N.A.

Liquidity

When you invest in the California CLASS Prime Fund, you have access to your funds on any business day. You must notify California CLASS of your funds transaction requests by 11:00 a.m. PT via the online transaction portal. There are no redemption notices for the daily-liquid California CLASS Prime Fund. The California CLASS Enhanced Cash Fund is a variable NAV fund that provides next-day liquidity and requires a one-day notification of redemption.

Competitive Returns

California CLASS strives to provide competitive yields while adhering to the objectives of safety and liquidity. Participants can benefit from the investment expertise and institutional knowledge provided by the team of Public Trust professionals. The portfolio performance objective is strengthened by the knowledge of

California public agency cash flows that the Public Trust team possesses.

Ease of Use

To make cash management streamlined and efficient, California CLASS includes many features that make it easy to access account information and simplify record keeping. Participants can transact on any business day via the California CLASS Online Transaction Portal at www.californiaclass.com.

Flexibility

You may establish multiple California CLASS subaccounts. You will receive comprehensive monthly statements that show all of your transaction activity, dividend accruals, and yield summaries. These statements have been specifically designed to facilitate public sector fund accounting and to establish a clear accounting and audit trail for your records.

Legality

California CLASS only invests in securities permitted by California State Code Section 53601; permitted investments are further restricted to those approved by the Board of Trustees as set forth in the California CLASS Investment Policies.

Have Questions? Contact us or visit www.californiaclass.com for more information.



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Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. The information presented should not be used in making any investment decisions. This material is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. Please review the California CLASS Information Statement(s) before investing. California CLASS is not a bank. An investment in California CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the California CLASS Prime Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the California CLASS Information Statement(s) before investing. Past performance is not an indication of future performance. No assurance can be given that the performance objectives of a given strategy will be achieved. Any financial and/or investment decision may incur losses. The California CLASS Prime Fund is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit www.spglobal.com. The California CLASS Enhanced Cash Fund is rated by 'AAAf/Sf' by FitchRatings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'Sf' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'Sf' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit www.fitchratings.com. Ratings are subject to change and do not remove credit risk.



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A JOINT POWERS AUTHORITY INVESTMENT POOL

Client-First & User-Friendly Cash Management Solutions Designed for California Public Agencies of All Sizes

California CLASS provides Participants the following benefits:

- ✓ Convenient, modern transaction portal
- ✓ Dedicated client service team equally committed to all California public agencies
- ✓ Portfolios managed in accordance with California Government Code
- ✓ Transparent governance by Board of Trustees
- ✓ Portfolios marked-to-market with net asset value and yields posted to website daily

| Fund Option | Prime | Enhanced Cash |
|-----------------------|-------------------------|----------------------------|
| Portfolio Type | Prime-style fund | Enhanced cash |
| Purpose | Operating Funds | Strategic Reserves |
| Rating | 'AAAm' | 'AAAf/S1' |
| Min/Max Investment | None | None |
| Withdrawals | Unlimited | Unlimited |
| Investment Horizon | Day-to-Day | 12-18 Months |
| Liquidity | Same-Day | Next-Day |
| WAM | ≤60 days | 90-200 days |
| Net Asset Value (NAV) | Stable \$1.00 per share | Variable \$10.00 per share |

Learn more about building an optimal liquidity portfolio for your public agency; contact us today.



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Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. The information presented should not be used in making any investment decisions. This material is not a recommendation to buy, sell, implement or change any securities or investment strategy, function, or process. Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. California CLASS is not a bank. An investment in California CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the California CLASS prime-style fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the California CLASS Information Statement before investing. California CLASS is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit www.spglobal.com. California CLASS Enhanced Cash is rated 'AAAf/S1' by FitchRatings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'S1' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'S1' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit www.fitchratings.com. Ratings are subject to change and do not remove credit risk. For risks associated with investing in both a prime-style and enhanced cash-style local government investment pool, please visit www.californiaclass.com/rates-disclaimer. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.



California CLASS Participant List May 2024

Counties

| | |
|-------------------------|-------------|
| El Dorado County | Lake County |
| Sonoma County Treasurer | |

Municipalities

| | |
|---------------------|-----------------------|
| City of Artesia | City of Beaumont |
| City of Brentwood | City of Farmersville |
| City of Folsom | City of Fowler |
| City of Fullerton | City of Gilroy |
| City of Hanford | City of Hemet |
| City of Kingsburg | City of Lancaster |
| City of Martinez | City of Moreno Valley |
| City of Morgan Hill | City of Oroville |
| City of Porterville | City of Santa Ana |
| City of Shafter | City of Solvang |
| City of Wasco | City of Williams |
| Town of Fort Jones | Town of Paradise |

Other

| | |
|--|--|
| California CLASS Enhanced Cash | California Special Districts Association |
| CSDA Finance Corporation | League of California Cities |
| Public Agencies Self-Insurance System | Sewer Authority Mid-Coastside |
| Special District Leadership Foundation | Special District Risk Management Authority |
| Tri-County Water Authority | |

Special Districts

| | |
|--|--|
| Alameda County Mosquito Abatement District | Alpine Fire Protection District |
| Altadena Library District | Anderson Springs Community Service District |
| Artesia Cemetery District | Atwell Island Water District |
| Banning Library District | Beaumont Library District |
| Bell Canyon Community Services District | Big Bear Airport District |
| Bighorn - Desert View Water Agency | Bolinas Fire Protection District |
| Bonita Sunnyside Fire Protection District | Brooktrails Township Community Services District |
| Cabazon Water District | Camarillo Health Care District |

California CLASS Participant List May 2024

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| Castroville Cemetery District | Central Fire District of Santa Cruz County |
| Channel Islands Beach Community Services District | Chester Public Utility District |
| Chico Area Recreation & Park District | Chino Basin Water Conservation District |
| Chino Basin Watermaster | City of Big Bear Lake, Department of Water and Power |
| Clovis Veterans Memorial District | Coachella Valley Resources Conversation District |
| Coalinga - Huron Recreation & Parks District | Coastside Fire Protection District |
| Contra Costa Mosquito & Vector Control District | Copper Valley Community Services District |
| Corcoran Irrigation District | Corning Healthcare District |
| Costa Mesa Sanitary District | Crescenta Valley Water District |
| Del Puerto Health Care District | Delano Mosquito Abatement District |
| Desert Recreation District | Durham Irrigation District |
| East Orange County Water District | Emerald Bay Service District |
| Fallbrook Regional Health District | Georgetown Divide P.U.D. |
| Glenn County Resource Conservation District | Gold Mountain Community Services District |
| Goleta Sanitary District | Grossmont Healthcare District |
| Groveland Community Services District | Helendale Community Services District |
| Heritage Ranch Community Services District | Herlong Public Utility District |
| Hilmar County Water District | Humboldt Bay Municipal Water District |
| Humboldt Community Services District | Idyllwild Water District |
| Igo Ono Community Services District | Indian Valley Community Services District |
| Ironhouse Sanitary District | Kensington Police Protection and Community Services District |
| Kenwood Fire Protection District | Keyes Community Services District |
| La Puente Valley County Water District | Lake Oroville Area Public Utility District |
| Lakeside Fire Protection District | Las Gallinas Valley Sanitary District |
| Leucadia Wastewater District | Littlerock Creek Irrigation District |
| Livermore Area Recreation and Park District | Los Alamos Cemetery District |
| Madera Irrigation District | Mariana Ranchos County Water District |
| Marina Coast Water District | Mark Twain Health Care District |
| McKinleyville Community Services District | Mendocino Coast Recreation and Park District |
| Mendocino County Waterworks District II | Midway City Sanitary District |
| Mission Hills Community Services District | Mojave Water Agency |
| Murphy's Sanitary District | North County Fire Protection District, San Diego County |
| North Humboldt Recreation and Park District | North of River Sanitary District No. 1 |
| Oceano Community Services District | Olympic Valley Public Service District |

California CLASS Participant List May 2024

| | |
|--|---|
| Orange County Cemetery District | Oxnard Harbor District |
| Palos Verdes Library District | Paradise Irrigation District |
| Paradise Recreation & Park District | Phelan Pinon Hills Community Services District |
| Pico Water District | Pine Grove Community Service District |
| Pleasant Valley County Water District | Pleasant Valley Recreation and Park District |
| Rainbow Municipal Water District | Rancho Murieta Community Services District |
| Rancho Santa Fe Fire Protection District | Reclamation District No. 1000 |
| Resource Conservation District of Greater San Diego County | Rim of the World Recreation and Park District |
| Rossmoor Los Alamitos Area Sewer District | San Antonio Basin Water District |
| San Diego County Citrus Pest Control District | San Gabriel Valley Mosquito and Vector Control District |
| San Mateo County Mosquito and Vector Control District | San Miguel Consolidated Fire Protection District |
| San Simeon Community Services District | Santa Cruz Port District |
| Santa Maria Public Airport District | Santa Ynez River Water Conservation District |
| Scotts Valley Water District | Sierra Resource Conservation District |
| South Placer M.U.D. | Stockton East Water District |
| Tahoe - Truckee Sanitation Agency | Tahoe City Public Utility District |
| Tehachapi Valley Recreation and Park District | Temecula Public Cemetery District |
| Templeton Community Services District | Town of Discovery Bay - Community Services District |
| Trabuco Canyon Water District | Tracy Rural County Fire Protection District |
| Truckee Donner Recreation and Park District | Truckee Sanitary District |
| Truckee Tahoe Airport District | Turner Island Water District |
| Twentynine Palms Water District | Union Public Utility District |
| Vandenberg Village Community Services District | Ventura River Water District |
| Vista Fire Protection District | Wallace Community Services District |
| Weott Community Services District | West Basin Municipal Water District |
| West County Wastewater District | Western Shasta Resource Conservation District |
| Williams Fire Protection Authority | Yuima Municipal Water District |

Total Participants: 174

Disclaimer: This participant list is being made public as a service to our participant base. The listed participants are active as of the end of the month.