



## MEMORANDUM

**TO: CITY COUNCIL**

**FROM: NICOLE VALENTINE, ACCOUNTING MANAGER**

**SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING THE DEPOSIT OF CITY FUNDS IN VARIOUS FINANCIAL INSTITUTIONS**

**DATE: MARCH 24, 2020**

**SUMMARY OF ACTION:**

Authorizing designated employees to deposit City funds in various financial institutions.

**IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

There are no significant financial or personnel resource impacts to updating the Resolution.

**RECOMMENDATION:**

It is recommended the City Council adopt a Resolution authorizing the deposit of City funds in various financial institutions and updating the names of designated employees in certain positions authorized to enter into banking or investment arrangements.

**BACKGROUND:**

In 2010, the City Council adopted Resolution No. 4291 which authorized the deposit of City funds in various financial institutions and authorized certain employees to act on behalf of the City in banking or investment relationships. Since that time, the Resolution has been updated as position titles and banking regulations have changed.

**ANALYSIS OF ISSUES:**

Regulations for the banking industry require that the City's Resolution include the names of the employees currently serving in the listed position, rather than just the position titles. This will necessitate a more frequent updating of the Resolution as staffing changes occur; however, it is unlikely to be a significant impact to the City. The proposed Resolution includes an update to the name of the Director of Administrative Services. No other changes are proposed at this time.

**CITY COUNCIL  
CONSIDERATION OF A RESOLUTION AUTHORIZING THE DEPOSIT OF CITY  
FUNDS IN VARIOUS FINANCIAL INSTITUTIONS  
MARCH 24, 2020  
PAGE 2**

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution as presented;
2. Modify and adopt the Resolution; or
3. Provide further direction to staff.

**ADVANTAGES:**

The updated Resolution reflects the most current name of the person(s) authorized to enter into banking and investment relationships for the City, and provides documentation compliant with banking regulations

**DISADVANTAGES:**

No significant disadvantages exist.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
ARROYO GRANDE AUTHORIZING THE DEPOSIT OF CITY  
FUNDS IN VARIOUS FINANCIAL INSTITUTIONS**

**WHEREAS** the City of Arroyo Grande normally has excess funds not currently needed to fund operating expenditures, and such excess funds are currently deposited by prior agreement with various financial institutions, including, but not limited to the State Local Agency Investment Fund (LAIF); and

**WHEREAS**, Government Code Section 53635 distinguishes between “deposits” and “investments”, and specifically provides that City monies shall be “deposited” in State or National banks, or State of Federal savings and loan associations, or may be “invested” in specified instruments; and

**WHEREAS**, eligible financial institutions would include banks and savings and loans, primarily for active demand deposits (checking accounts and passbook savings), inactive deposits (non-negotiable time certificates), and investment instruments.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Arroyo Grande as follows:

1. That the City of Arroyo Grande employees in the positions listed below are hereby authorized to enter into agreements to deposit or withdraw money from financial institutions located in California, including United States branches of foreign banks licensed to do business in California, upon a determination of financial soundness of such financial institutions, by the City of Arroyo Grande.

Director of Administrative Services/City Treasurer  
Accounting Manager  
City Manager

2. That the employees listed below are currently filling the designated positions as of the date of this Resolution.

Director of Administrative Services/City Treasurer: Michael Stevens  
Accounting Manager: Nicole Valentine  
City Manager: James Bergman

3. This Resolution supersedes Resolution 4902 dated March 24, 2020 and any and all other resolutions inconsistent herewith.

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**  
**NOES:**  
**ABSENT:**

the foregoing Resolution was passed and adopted this 24<sup>th</sup> day of March, 2020.

**RESOLUTION NO.  
PAGE 2**

\_\_\_\_\_  
**CAREN RAY RUSSOM, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**KELLY WETMORE, CITY CLERK**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
**JAMES A. BERGMAN, CITY MANAGER**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**TIMOTHY J. CARMEL, CITY ATTORNEY**