



Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Lisa Soghor, Assistant City Manager

Approved by: Reva Feldman, City Manager

Date prepared: August 28, 2020 Meeting date: September 14, 2020

Subject: Certificate of Deposit

RECOMMENDED ACTION: Adopt Resolution No. 20-50 approving the purchase of a Certificate of Deposit (CD) with Celtic Bank for a term of eight years.

FISCAL IMPACT: There is no fiscal impact associated with the recommended action. The City will realize a gain when the CD matures in eight years. The interest revenue will be reflected at that time in the City's annual budget and Comprehensive Annual Financial Report.

WORK PLAN: This item was not included in the Adopted Work Plan for Fiscal Year 2020-2021. This project is part of normal staff operations.

DISCUSSION: Pursuant to the City's Investment Policy, the City Treasurer regularly uses CDs as a low risk investment for portions of the City's reserves. In December 2019, the City deposited \$250,000 in a CD with Celtic Bank. The term of the CD is eight years with an annual yield of 1.83%. The City's Investment Policy states that investments that exceed five years in maturity require authorization by the City Council. This requirement was inadvertently overlooked prior to the purchase of the eight-year CD and was recently pointed out by the City's accountant as part of the preparation for the City's annual independent audit.

At this time, Council is requested to adopt Resolution No. 20-50 approving the acquisition of the CD with an eight-year term.

ATTACHMENTS: Resolution No. 20-50

RESOLUTION NO. 20-50

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU
APPROVING THE PURCHASE OF A CERTIFICATE OF DEPOSIT WITH
CELTIC BANK IN THE AMOUNT OF \$250,000 FOR A TERM OF EIGHT
YEARS

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Recitals.

A. Pursuant to the City's Investment Policy, the City Treasurer uses Certificate of Deposits (CD) as a low risk investment for portions of the City's reserves.

B. In December 2019, the City deposited \$250,000 in a CD with Celtic Bank that has an eight-year term and an annual yield of 1.83%.

C. The City's Investment Policy states that investments that exceed five years in maturity require authorization by the City Council.

SECTION 2. The City Council hereby approves the acquisition of a CD in December 2019 in the amount of \$250,000 for a term of eight years at an annual yield of 1.83%.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, and ADOPTED this 14th day of September 2020.

MIKKE PIERSON, Mayor

ATTEST:

HEATHER GLASER, City Clerk
(seal)

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

CHRISTI HOGIN, City Attorney