

RESOLUTION NO. 2026-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITIES
ASSOCIATION OF SANTA CLARA COUNTY JOINT POWERS AGENCY
ADOPTING A BUDGET RESERVE AND INVESTMENT POLICY**

WHEREAS the Cities Association of Santa Clara County (“Cities Association”) desires to adopt a budget reserve and investment policy to ensure the ongoing financial health of the organization and to responsibly invest any public funds not needed for immediate use; and

WHEREAS, on January 22, 2026, the Cities Association’s Board of Directors held a duly noticed public meeting to consider the proposed budget reserve and investment policy and to receive comment and feedback from the public; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITIES ASSOCIATION THAT:

1. The recitals set forth above are true and correct.
2. The Cities Association’s Board of Directors hereby adopts the following Budget Reserves and Investment Policy, set forth in Appendix A, which shall become effective upon the date of its approval by the Cities Association’s Board of Directors.

ADOPTED this 22nd day of January 2026, by the following vote:

AYES: 13

NOES: 0

ABSENT: 2

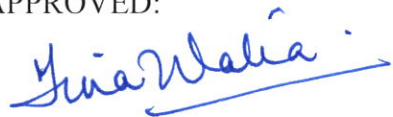
ABSTENTION: 0

ATTEST:



Vaishali Sirkay, Executive Director

APPROVED:



Tina Walia, President, Board of Directors

APPENDIX A

Budget Reserve and Investment Policy

The following establishes the Cities Association's Budget Reserves and Investment Policy.

Budget Reserves

The Cities Association shall endeavor to create and maintain a budget reserve. The purposes of this budget reserve shall be:

- To ensure that the Cities Association can continue its operations, in the event of unforeseen circumstances, such as a sudden downturn in the economy.
- To demonstrate continued prudent and responsible fiscal management.

The Cities Association shall seek to establish a target of three months of operating expenses as its budget reserve. During its adoption of each fiscal year's budget, the Cities Association's Board of Directors shall assess the organization's budget reserve and shall consult this policy, as needed.

Investment Policy

For any surplus funds, or funds held in its budget reserve, the Cities Association shall make appropriate investments of these funds. The purposes of this investment policy shall be:

- to safeguard principal;
- to meet liquidity needs; and
- to achieve a reasonable return.

To further these goals, except for two months of operating expenses, the Cities Association directs its Executive Director to deposit the agency's available funds in its Local Agency Investment Fund (LAIF) account with the California State Treasurer. During its adoption of each fiscal year's budget, the Cities Association's Board of Directors shall receive a report on its LAIF investment account and its performance over the prior 12 months.