

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Ron Ahlers, Finance Director *RA*

DATE: October 6, 2014 (City Council Meeting October 15, 2014)

SUBJECT: Consider Establishing an Account with Multi-Bank Securities, Inc. to Engage in Cash Transactions for the Purchase and Sale of Securities According to the City of Moorpark Investment Policy and Authorize the Mayor to Execute the Non-Corporate Resolution Form with Multi-Bank Securities, Inc.

BACKGROUND

The City Treasurer currently utilizes the services of three broker dealers to purchase and sell debt securities; all in accordance with the City of Moorpark Investment Policy (Investment Policy). The three brokers are: Wedbush Securities, Mutual Securities, and Raymond James. Staff is requesting the City Council authorize the addition of one more broker, Multi-Bank Securities, Inc (MBS).

The Moorpark Municipal Code, Section 2.20.030 states:

The city treasurer shall perform such duties as are prescribed by Sections 41000 through 41007 of the Government Code of the state and by any other provisions of law applicable to deposit and investment and safekeeping of public funds of the city.

DISCUSSION

Currently, the three brokers the city utilizes have an offer sheet of the debt securities they are selling. These offer sheets list approximately 40 to 80 securities. MBS offers a unique on-line trading platform that allows the user to search thousands of debt securities for purchase. The platform is called "eConnectDirect" and will allow the user to upload their portfolio of securities in order to maintain sufficient liquidity and cash flows. The eConnectDirect software will literally allow the City to view thousands of

securities. The addition of MBS will allow the City to compare the securities and prices offered by four brokers.

Recently, the National Association of Counties (NACO) announced their partnership with MBS. The NACO press release states:

NACo's Financial Services Center (FSC) is launching a new service to help its members manage their fixed-income investment needs through a robust online platform, eConnectDirect.

Designed by Multi-Bank Securities, Inc. (MBS), eConnectDirect is an online investment marketplace to help institutional clients search, compare, transact and manage their fixed-income portfolios. It delivers information that allows them to perform transactions across thousands of fixed-income assets...

"eConnectDirect is particularly well-suited to help counties remain responsive to investment-related regulation and the transparency requirements our members face," Chase said. "We are confident that this partnership will offer exceptional results and help counties be better stewards of taxpayer resources."

www.naco.org ~ Report titled, "New FSC service helps counties manage investment needs"

MBS requires the City to sign their "Non-Corporate Resolution Form" which establishes the account and the "Institutional Suitability Certificate". MBS recommends that the signer establishing the account not be an authorized user. Staff is requesting the City Council consider empowering the Mayor to sign these forms and name Steven Kueny (City Manager), Ron Ahlers (Finance Director) and Irmina Lumbad (Budget and Finance Manager) as authorized users on this account.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

Authorize the Mayor to execute the Non-Corporate Resolution Form and the Institutional Suitability Certificate with Multi-Bank Securities.

Attachments:

1. Non-Corporate Resolution Form
2. Institutional Suitability Certificate



I. IDENTIFICATION OF QUALIFIED INTERMEDIARY / WITHHOLDING ENTITY

LEGAL NAME OF ORGANIZATION: CITY OF MOORPARK

TYPE OF ORGANIZATION: MUNICIPALITY

ACCOUNT NUMBER: RMB434671

Be it resolved that each of the following has been duly elected or appointed and is now legally holding the title set opposite his/her name.

Table with 2 columns: Name of Authorized Person and Title. Rows include Steven Kueny (City Manager), Ron Aitlers (Finance Director), and Irmina Lumbad (Budget & Finance Manager).

II. CERTIFICATION

I, JANICE S. PARVIN, MAYOR of CITY OF MOORPARK (Name and Title of Officer or Partner signing this Non-Corporate Resolution)

CITY OF MOORPARK hereby certify that said organization is duly and legally organized and existing and that a quorum of the CITY COUNCIL (Name of Governing Body of Organization)

of said Organization attended a meeting duly held on the 15th day of OCTOBER, 2014

at which the following resolutions were duly adopted, and that such resolutions are in full force and effect on this date and do not conflict with the MOORPARK MUNICIPAL CODE (Name of Governing Rules) of said organization.

I further certify that I have the authority to execute this Non-Corporate Resolution on behalf of said Organization, and that the CITY COUNCIL (Name of Governing Body of Organization) of the Organization which took the action called for by the resolutions annexed hereto has the power to take such action.

*SIGNATURE: DATE:

TITLE: MAYOR

*The signer should be someone other than one of the authorized person(s) named above. However, if signed by an authorized person named above, the Fed Wire Letter of Authorization and/or ACH Authorization Agreement must be signed by an authorized person other than the signer of this document.

Certified Copy Of Certain Resolutions by the Governing Body of Said Organization Whereby the Establishment and Maintenance of Accounts Have Been Authorized.

RESOLVED –

FIRST: That the named Authorized Persons of this organization or _____ or _____ be and they hereby are, and each of them is, authorized and empowered, for and on behalf of this organization (herein called the “Organization”), to establish and maintain one or more accounts with Multi-Bank Securities, Inc. (herein called the “Brokers”) and Pershing LLC, its successors or assigns, and for the purpose of purchasing, investing in, or otherwise acquiring, selling, possessing, transferring, exchanging, pledging, or otherwise disposing of or realizing upon, and generally dealing in and with;

(a) THIS PARAGRAPH PERMITS CASH TRANSACTIONS IN SECURITIES

any and all forms of securities including, but not by way of limitation, shares, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, chooses in action, evidence of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise;

(b) THIS PARAGRAPH PERMITS CASH AND MARGIN TRANSACTIONS IN SECURITIES

any and all forms of securities including, but not by way of limitation, shares, stocks, options, stock options, stock index options, foreign currency options and debt instrument options, bonds, debentures, notes, scrip, participation certificates, rights to subscribe, warrants, certificates of deposit, mortgages, chooses in action, evidence of indebtedness, commercial paper, certificates of indebtedness and certificates of interest of any and every kind and nature whatsoever, secured or unsecured, whether represented by trust, participating and/or other certificates or otherwise; and margin transactions, including short sales;

The fullest authority at all times with respect to any such commitment or with respect to any transaction deemed by any of the said Authorized Persons and/or agents to be proper in connection therewith is hereby conferred, including authority (without limiting the generality of the foregoing) to give written or oral instructions to the Brokers with respect to said transactions; to bind and obligate the Organization to and for the carrying out of any contract, arrangement, or transaction, which shall be entered into by any such Authorized Persons and/or drafts drawn upon the funds of the Organization such sums as may be necessary in connection with any of the said accounts to deposit funds with the Brokers; to deliver securities and/or contracts to the Brokers; to order the transfer or delivery thereof to any other person whatsoever, and/or to order the transfer record of any securities, or contracts, or titles, to any name selected by any of the said Authorized Persons or agents; to affix the Organization’s seal to any documents or agreements, or otherwise; to endorse any securities and/or contracts in order to pass title thereto; to direct the sale or exercise of any rights with respect to any securities; to sign for the Organization all releases, powers of attorney and/or other documents in connection with any such account, and to agree to any terms or conditions to control any such account; to direct the Brokers to surrender any securities to the proper agent or party for the purpose of effecting any exchange or conversion, or for the purpose of deposit with any protective or similar committee, or otherwise; to accept delivery of any securities, to borrow money and securities, if applicable, and to secure repayment thereof with the property of the Organization; to appoint any other person or persons to do any and all things which any and all things which any of the said Authorized Persons and/or agents is hereby empowered to do, and generally to do and take all action necessary in connection with the account, or considered desirable by such Authorized Persons and/or agents with respect thereto.

SECOND: That the Brokers may deal with any and all of the persons directly or indirectly by the foregoing resolution empowered, as though they were dealing with the Organization directly.

THIRD: That the person signing this Non-corporate Resolution on behalf of the Organization be and hereby is authorized, empowered and directed to certify to the Brokers:

- (a) a true copy of these resolutions;
- (b) specimen signatures of each and every person by these resolutions empowered;
- (c) a certificate (which, if required by brokers, shall be supported by an opinion of the general counsel of the Organization, or other counsel satisfactory to the Brokers) that the Organization is duly organized and existing, that its governing rules empower it to transact the business by these resolutions defined, and that no limitation has been imposed upon such powers by the governing rules of the Organization or otherwise.

FOURTH: That the Brokers may rely upon the certified copy of the resolutions, specimen signatures, and certificate, as continuing fully effective unless and until the Brokers shall receive due written notice of change or rescission, and the dispatch or receipt of any other form of notice shall not constitute a waiver of this provision. nor shall the fact that any person hereby empowered ceases to be an Authorized Person of the Organization or becomes an Authorized Person under some title, in any way affect the powers hereby conferred, but the failure to supply any specimen signature shall not invalidate any transaction where the party authorizing the same has been actually empowered thereto by or in conformity with these resolutions.

FIFTH: That in the event of any change in the office of powers of persons hereby empowered, an Authorized Person shall certify such changes to the Brokers in writing in the manner herein above provided, which notification, when received, shall be adequate both to terminate the powers of the persons therefore authorized, and to empower the persons thereby substituted.

SIXTH: That the Authorized Persons of the Organization be, and hereby is, authorized and empowered to countersign items as aforesaid.

SEVENTH: That the foregoing resolutions and the certificates actually furnished to the Brokers by the Authorized Person of pursuant thereto, be and they hereby are made irrevocable until written notice of the revocation thereof shall have been received by the Brokers.



Institutional Suitability Certificate
FINRA RULE 2111
Affirmative Indication by Institution – Exercising Independent Judgment

In connection with any recommended transaction or investment strategy by a registered broker-dealer, the undersigned acknowledges on behalf of the Institution named below that:

1. It is an "Institutional Account" as defined in FINRA Rule 4512(c);

PLEASE CHECK THE APPROPRIATE BOX BELOW

- (1) a Credit Union with total assets of \$50 Million or more...
(2) a bank, savings and loan association, insurance company or registered investment company;
(3) an investment adviser registered either with the SEC under Section 203...
(4) MBS will determine suitability (Please provide your most recent Investment Policy)

2. It (1) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities; and (2) will exercise independent judgment in evaluating the recommendations of any broker-dealer or its associated persons, unless it has otherwise notified the broker-dealer in writing;

3. MBS will be notified by the Institutional Account if anything in this Certificate ceases to be true;

4. He or she is authorized to sign on behalf of the Institutional Account named below.

By signing this Certificate, the undersigned affirms that the above statements are accurate but does not waive any rights afforded under U.S. federal or state securities laws, including without limitation, any rights under Section 10(b) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

This Certificate shall apply with respect to all recommended transactions and investment strategies involving securities that are entered into by the "Institutional Account" named in this Certificate, whether for the account(s) of such Institutional Account or for the account of any beneficial owner that has delegated decision making authority to such Institutional Account.

CITY OF MOORPARK
Institutional Account Name

799 Moorpark Avenue
Address

Moorpark CA 93021
City, State, ZIP

U.S. Tax ID / EIN (if applicable)

RAHLERS@MOORPARKCA.GOV
Email Address

Signature of Authorized Signatory

JANICE S. PARVIN
Name of Authorized Signatory

MAYOR
Title of Authorized Signatory

Date

+1 (805) 529-6864
Phone

Table with 4 columns: ADDRESS, PHONES, FAX, and Member of FINRA & SIPC; MSRB A Veteran-Owned Business. Contains contact information for 1000 Town Center, Suite 2300 Southfield, Michigan 48075 and 2400 East Commercial Boulevard, Suite 812 Ft. Lauderdale, Florida 33308.