



CITY OF CANYON LAKE

City Hall

31516 Railroad Canyon Road
Canyon Lake, CA 92587

Website: www.cityofcanyonlake.org

Mayor Larry Greene
Mayor Pro Tem Jordan Ehrenkranz

Council Members:

Randy Bonner
Kasey Castillo
Jeremy Smith

Acting City Manager Mike Borja
City Attorney Elizabeth Martyn
Deputy City Clerk Ana V. Sauseda

AGENDA

Regular Meeting of the Canyon Lake City Council

Wednesday, February 6, 2019

Closed Session 5:30 P.M.

Open Session 6:30 P.M.

COUNCIL CHAMBER

CLOSED SESSION – 5:30 P.M.

CLOSED SESSION CALLED TO ORDER

ROLL CALL Councilmember Bonner, Councilmember Castillo, Mayor Pro Tem Ehrenkranz,
Councilmember Smith, Mayor Greene

PUBLIC COMMENT

Limit 3 Minutes

Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a "Speaker Request Form" available on the back counter. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council. The City Council has adopted a time limitation of three (3) minutes per person. If you are commenting on the agenda item, your comments will be heard at the time that particular item is scheduled on the agenda. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response.

- A. CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54956.9(d)(2) – Based upon existing facts and circumstances, a point has been reached where, in the opinion of the City Council upon the advice of legal counsel, there is a significant exposure to litigation against the City – 3 cases

OPEN SESSION - 6:30 P.M.

OPEN SESSION CALLED TO ORDER

INVOCATION - Pastor Pete VanDyke

FLAG SALUTE

ROLL CALL Councilmember Bonner, Councilmember Castillo, Mayor Pro Tem Ehrenkranz, Councilmember Smith, Mayor Greene

APPROVAL OF CITY COUNCIL AGENDA

CEREMONIAL MATTERS *Presentations, Awards, Proclamations*

- Chamber of Commerce Announcement
- Recognition – Veterans Day Sponsors
- Recognition – Community Award Recipients
- Recognition – Ethan Clarke

PUBLIC COMMENT

Limit 3 Minutes

Any person wishing to address the City Council on any matter within the jurisdiction of the City, whether or not it appears on this agenda, is asked to complete a "Speaker Request Form" available on the back counter. The completed form is to be submitted to the City Clerk prior to an individual being heard by the City Council. The City Council has adopted a time limitation of three (3) minutes per person. If you are commenting on the agenda item, your comments will be heard at the time that particular item is scheduled on the agenda. Please note that if you are addressing the City Council on items NOT on the agenda, the Brown Act does not allow discussion of such items. Therefore, the City Council may only do the following: refer the matter to staff, ask for additional information or request a report back, or give a very limited factual response.

CONSENT CALENDAR

All items listed on the Consent Calendar are considered to be routine matters, status reports or documents covering previous City Council action. The items listed on the Consent Calendar may be enacted in one motion. With the concurrence of the City Council, a Council Member may request that an item be removed for further discussion. Staff recommends approval of all items.

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Adoption of Resolution No. 2019-03 - Approving Claims and Demands of the City
- (3) Adoption of Resolution No. 2019-04 – Appointing its City Manager as the City Clerk
- (4) City Council Meeting Minutes
 - January 2, 2019
 - January 9, 2019
- (5) Authorization of Professional Service Agreement with PZL Inc. for Planning Services in the Building & Safety Department

PULLED CONSENT CALENDAR ITEMS:

SCHEDULE OF FUTURE EVENTS:

BUSINESS ITEMS

- (6) Agreement with Multi-Bank Securities, Inc. & Opening a Custodial Agreement with Pershing LLC
- (7) Authorization of Professional Service Agreement with iWorQ and termination of existing software solutions with CAA
- (8) Introduction and First Reading of Ordinance No. 179 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE REPEALING AND READOPTING CHAPTER 5.01 REGARDING BUSINESS LICENSES TO UPDATE PROVISIONS AND ADDRESS MOBILE VENDORS AND ENFORCEMENT
- (9) Discussion of Implementing an Internship Program for City Hall

ACTING CITY MANAGER COMMENTS

COMMITTEE AND COUNCIL REPORTS/COMMENTS:

- Council Member Bonner
- Council Member Castillo
- Mayor Pro Tem Ehrenkranz
- Council Member Smith
- Mayor Greene

ANNOUNCEMENTS

The next regular meeting will be **Wednesday, March 6, 2019 at 5:30 P.M. for Closed Session & 6:30 P.M. for Open Session**

RECESS TO CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54957(b) – Public Employment Title of Position: City Manager

REPORTING OUT

ADJOURNMENT

VISION STATEMENT

The vision of the City of Canyon Lake is to be a City that provides a quality of life that makes Canyon Lake the premier place to live in Southern California.

ATTENTION RESIDENTS:

Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityofcanyonlake.org once the agenda has been publicly posted. Any written materials relating to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office during normal business hours. In addition, such writings or documents will be made available for public review at the respective public meeting. It is the intention of the City of Canyon Lake to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or participant at this meeting, you will need special assistance beyond what is normally provided, the City of Canyon Lake will attempt to accommodate you in every reasonable manner. Please contact Ana V. Sauseda, Deputy City Clerk, at least 48 hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.


February 6, 2019 City Council Meeting

STATE OF CALIFORNIA }
COUNTY OF RIVERSIDE } SS. AFFIDAVIT OF POSTING
CITY OF CANYON LAKE }

I, Ana V. Sauseda, being duly sworn, depose and say that I am the duly appointed and qualified Deputy City Clerk of the City of Canyon Lake and that on January 31, 2019 before the hour of 5:00 p.m., I caused the above notice to be posted as required by Resolution 2015-36 of the City Council of the City of Canyon Lake.

Ana V. Sauseda
Deputy City Clerk

City of Canyon Lake
City Council
Staff Report

TO: Honorable Mayor and Members of the City Council
FROM: Mike Borja, Acting City Manager 
BY: Lisa Casillas, Accountant
DATE: February 6, 2019
SUBJECT: List of Demands

Recommendation:

That the City Council adopt a resolution entitled: RESOLUTION NO. 2019-03

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CANYON LAKE ALLOWING CERTAIN
CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A

Background:

All claims and demands are reported and summarized for review and approval by the City Council on a routine basis at each City Council meeting. The attached claims represent the paid claims and demands since the City Council meeting of January 9, 2019.

Budget (or Fiscal) Impact:

All claims and demands are paid from appropriated funds or authorized resources of the City and have been recorded in accordance with the City's policies.

Attachments:

1. Resolution No. 2019-03
2. List of Demands

ATTACHMENT 1

RESOLUTION NO. 2019-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, ALLOWING CERTAIN CLAIMS AND DEMANDS AS SET FORTH IN EXHIBIT A

The City Council of the City of Canyon Lake does hereby resolve as follows:

Demands are approved as shown on the Demand/Warrant Register of February 6th, in the amount of \$656,335.45 as follows:

Payroll Earnings (Gross)	\$ 44,253.15	(2nd Half of December & 1st Half of January)
Payroll Taxes - Employer	2,063.71	(2nd Half of December & 1st Half of January)
On-line Retirement	4,591.59	(2nd Half of December & 1st Half of January)
On-line Health	136.69	(For the Month of January)
Nationwide Deferred Comp.	323.27	(For the Month of December)
General	604,967.04	
TOTAL	\$ 656,335.45	

PASSED, APPROVED AND ADOPTED this 6th day of February, 2019.

Mike Borja, Acting City Manager

ATTEST:

Ana V. Sauseda, Deputy City Clerk

State of California
County of Riverside) ss
City of Canyon Lake)

I, Ana V. Sauseda, Deputy City Clerk of the City of Canyon Lake, California, DO HEREBY CERTIFY, that the foregoing is a true and correct copy of the Resolution No. 2019-03 adopted by the City Council of the City of Canyon Lake, California, at a regular meeting thereof, held on February 6, 2019, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Ana V. Sauseda, Deputy City Clerk

ATTACHMENT 2

Claims and Demands

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24764	1/9/2019	BIO-TOX LABORATORIES	Sheriff's Dept Blood Testing	46.00	10	GENERAL
Total 24764	1/9/2019			46.00		
24765	1/9/2019	Randall Bonner	Internet and Phone Reimbursement November 2018	76.39	10	GENERAL
Total 24765	1/9/2019			76.39		
24766	1/9/2019	Charles Abbott Associates, Inc.	Building and Safety Services December 2018	3,587.24	10	GENERAL
24766	1/9/2019	Charles Abbott Associates, Inc.	Engineering Services December 2018	5,592.24	10	GENERAL
24766	1/9/2019	Charles Abbott Associates, Inc.	Environmental Services December 2018	217.50	10	GENERAL
Total 24766	1/9/2019			9,396.98		
24767	1/9/2019	CANYON LAKE PEST CONTROL, Steven E. Young	Pest Control, Storage Unit	90.00	10	GENERAL
Total 24767	1/9/2019			90.00		
24768	1/9/2019	Corelogic Information Solutions, INC.	Database for Code Enforcement December 2018	125.00	10	GENERAL
Total 24768	1/9/2019			125.00		
24769	1/9/2019	CTAI Pacific Greenscape	Landscape Maintenance Service-Fire Station December 2018	250.00	10	GENERAL
24769	1/9/2019	CTAI Pacific Greenscape	Landscape Maintenance Service-Medians & Pkways, December 2018	5,000.00	20	GAS TAX
Total 24769	1/9/2019			5,250.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24770	1/9/2019	DATA TICKET	Parking Citation Processing November 2018	100.00	10	GENERAL
Total 24770	1/9/2019			100.00		
24771	1/9/2019	Eagle Graphic Creations, Inc.	Veteran's Committee Awards	872.89	10	GENERAL
Total 24771	1/9/2019			872.89		
24772	1/9/2019	Fontana Fire Equipment, Inc.	Fire Extinguisher Service	20.00	10	GENERAL
Total 24772	1/9/2019			20.00		
24773	1/9/2019	FRIDAY FLYER	Inviting Sealed Bids	133.35	10	GENERAL
24773	1/9/2019	FRIDAY FLYER	Notice of Nominees for Public Office	27.30	10	GENERAL
24773	1/9/2019	FRIDAY FLYER	Notice of Public Hearing	219.45	10	GENERAL
Total 24773	1/9/2019			380.10		
24774	1/9/2019	THE GAS COMPANY	Gas, 11/29/18-12/31/18	245.75	10	GENERAL
Total 24774	1/9/2019			245.75		
24775	1/9/2019	GOLDING PUBLICATIONS	Business Cards for Petris, Duncan, Castillo, Smith & Greene	203.11	10	GENERAL
24775	1/9/2019	GOLDING PUBLICATIONS	Envelopes	103.92	10	GENERAL
Total 24775	1/9/2019			307.03		
24776	1/9/2019	Dawn Haggerty	Net Payroll for December 2018	265.65	10	GENERAL
Total 24776	1/9/2019			265.65		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24777	1/9/2019	Jani-King of CA, Inc.	Janitorial Services January 2019	735.50	10	GENERAL
Total 24777	1/9/2019			735.50		
24778	1/9/2019	Joe's Hardware	Phone Charger for Jeep	40.91	10	GENERAL
24778	1/9/2019	Joe's Hardware	Supplies, Code Enforcement	59.22	10	GENERAL
24778	1/9/2019	Joe's Hardware	Supplies, Fire Station	10.75	10	GENERAL
Total 24778	1/9/2019			110.88		
24779	1/9/2019	Johnson Controls Security Solutions	Security System 1/1/19-3/31/19	220.69	10	GENERAL
Total 24779	1/9/2019			220.69		
24780	1/9/2019	NBS	Comprehensive Citywide User Fee & Rate Study	415.00	10	GENERAL
Total 24780	1/9/2019			415.00		
24781	1/9/2019	OTIS ELEVATOR COMPANY	Elevator Equipment Service Contract 1/1/19-12/31/19	4,703.19	10	GENERAL
Total 24781	1/9/2019			4,703.19		
24782	1/9/2019	Pitney Bowes, Inc.	Postage meter ink	183.15	10	GENERAL
Total 24782	1/9/2019			183.15		
24783	1/9/2019	Rogers, Anderson, Malody & Scott, LLP	Accounting Services November 2018	6,700.00	10	GENERAL
Total 24783	1/9/2019			6,700.00		
24784	1/9/2019	Riverside County Auditor-Controller	Miscellaneous Admin Expenses 2nd Qtr	1,002.57	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24784	1/9/2019			1,002.57		
24785	1/9/2019	RIV. CO. SHERIFF-S DEPT.	Contract Law Enforcement 10/11/18-11/7/18	122,813.83	10	GENERAL
Total 24785	1/9/2019			122,813.83		
24786	1/9/2019	County Executive Office	Sheltering Services January through March 2019	14,590.71	10	GENERAL
Total 24786	1/9/2019			14,590.71		
24787	1/9/2019	COUNTY OF RIVERSIDE-TLMA	SLF Costs October 2018	2,867.30	20	GAS TAX
Total 24787	1/9/2019			2,867.30		
24788	1/9/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Office Lease 10/18/18-11/17/18	49.90	10	GENERAL
24788	1/9/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Office Lease 11/17/18-12/19/18	49.67	10	GENERAL
24788	1/9/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Control 11/28/18-12/28/18	364.46	20	GAS TAX
24788	1/9/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Signals 10/19/18-11/19/18	70.26	20	GAS TAX
24788	1/9/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Signals 11/19/18-12/20/18	73.50	20	GAS TAX
Total 24788	1/9/2019			607.79		
24789	1/9/2019	STAPLES	Office Supplies	1,138.46	10	GENERAL
Total 24789	1/9/2019			1,138.46		
24790	1/9/2019	TPx Communications	City Hall Phone System 11/16/18-12/15/18	615.45	10	GENERAL
24790	1/9/2019	TPx Communications	City Hall Phone System 12/16/19-1/15/19	625.10	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24790	1/9/2019			1,240.55		
24791	1/9/2019	Toshiba Financial Services	Monthly copier lease 12/15/18-1/15/19	734.58	10	GENERAL
Total 24791	1/9/2019			734.58		
24792	1/9/2019	Vicki Warren	Net Payroll for December 2018	295.65	10	GENERAL
Total 24792	1/9/2019			295.65		
24793	1/9/2019	WRCOG	FY 18/19 Solid Waste Cooperation Dues	2,574.14	10	GENERAL
Total 24793	1/9/2019			2,574.14		
24794	1/9/2019	WRCOG	FY 18/19 Member Dues	1,406.00	10	GENERAL
Total 24794	1/9/2019			1,406.00		
24795	1/23/2019	AmeriGas	Propane for Fire Station	1,097.92	10	GENERAL
Total 24795	1/23/2019			1,097.92		
24796	1/23/2019	ANIMAL FRIENDS OF THE VALLEYS	Animal Control Services November 2018	3,500.00	10	GENERAL
Total 24796	1/23/2019			3,500.00		
24797	1/23/2019	BIO-TOX LABORATORIES	Sheriff's Dept Blood Testing	571.00	10	GENERAL
Total 24797	1/23/2019			571.00		
24798	1/9/2019	Randall Bonner	Internet and Phone Reimbursement November 2018	76.39	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24798	1/9/2019			76.39		
24799	1/23/2019	Brewliterate	Refund on Business License Renewal	6.00	10	GENERAL
Total 24799	1/23/2019			6.00		
24800	1/23/2019	Canyon Mattress and More	Refund on Business License Renewal	6.00	10	GENERAL
Total 24800	1/23/2019			6.00		
24801	1/23/2019	California Bulding Standards Commission	Permit Valuation Fee 4th Quarter 20018	137.70	10	GENERAL
Total 24801	1/23/2019			137.70		
24802	1/23/2019	Charles Abbott Associates, Inc.	Engineering Services August 2018	2,124.42	20	GAS TAX
Total 24802	1/23/2019			2,124.42		
24803	1/23/2019	CANYON LAKE MERCHANT-S ASSOC.	2019 Assessments	5,312.00	10	GENERAL
Total 24803	1/23/2019			5,312.00		
24804	1/23/2019	Cole Huber LLP	Attorney Services December 2018	5,734.72	10	GENERAL
Total 24804	1/23/2019			5,734.72		
24805	1/23/2019	CTAI Pacific Greenscape	Landscape Services November 2018	250.00	10	GENERAL
Total 24805	1/23/2019			250.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24806	1/23/2019	DATA TICKET	Citation Processing, Code Enforcement December 2018	100.00	10	GENERAL
24806	1/23/2019	DATA TICKET	Citation Processing, Parking December 2018	100.00	10	GENERAL
Total 24806	1/23/2019			200.00		
24807	1/23/2019	Delgado Janitorial Services	Janitorial Services January 2019	735.50	10	GENERAL
Total 24807	1/23/2019			735.50		
24808	1/23/2019	DEPARTMENT OF CONSERVATION	4Q State Report for Motion and Seismic Hazard Oct-Dec 2018	367.55	10	GENERAL
Total 24808	1/23/2019			367.55		
24809	1/23/2019	Dolittle & Sitmore Electric Co Inc.	Refund on Business License Renewal	5.00	10	GENERAL
Total 24809	1/23/2019			5.00		
24810	1/23/2019	Division of the State Architect	Disability Access Fees Qtr Ended 12/2018	568.00	10	GENERAL
Total 24810	1/23/2019			568.00		
24811	1/23/2019	Jordan Ehrenkranz	Internet Reimbursement December 2018	40.00	10	GENERAL
24811	1/23/2019	Jordan Ehrenkranz	Internet Reimbursement January 2019	40.00	10	GENERAL
Total 24811	1/23/2019			80.00		
24812	1/23/2019	ELSINORE VALLEY MUNI WATER DIS	Water, City Hall 11/23/18-12/24/18	107.28	10	GENERAL
24812	1/23/2019	ELSINORE VALLEY MUNI WATER DIS	Water, Fire Station 11/27/18-12/28/18	206.35	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24812	1/23/2019	ELSINORE VALLEY MUNI WATER DIS	Water, Irrigation 11/27/18-12/28/18	4,918.66	20	GAS TAX
Total 24812	1/23/2019			5,232.29		
24813	1/23/2019	Frontier Communications	City Hall Internet, 1/10/19-2/09/19	148.98	10	GENERAL
24813	1/23/2019	Frontier Communications	City Hall Phones 1/13/19-2/12/19	122.69	10	GENERAL
24813	1/23/2019	Frontier Communications	Phone and Internet, Fire Station 1/13/19-2/12/19	267.03	10	GENERAL
Total 24813	1/23/2019			538.70		
24814	1/23/2019	NANCY GREENHALGH	Retiree Health Insurance February 2019	163.37	10	GENERAL
Total 24814	1/23/2019			163.37		
24815	1/23/2019	Jeremy Smith	Phone and Internet Reimbursement December 2018	86.56	10	GENERAL
Total 24815	1/23/2019			86.56		
24816	1/23/2019	Lake Elsinore CDJR	Claims and Demands January 2019	85.01	10	GENERAL
Total 24816	1/23/2019			85.01		
24817	1/23/2019	League of California Cities	Membership Dues 2019	100.00	10	GENERAL
Total 24817	1/23/2019			100.00		
24818	1/23/2019	Maureen Kane & Associates, Inc.	Technical Training for Clerks, Series 100	1,550.00	10	GENERAL
Total 24818	1/23/2019			1,550.00		

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
24819	1/23/2019	MR. WINDOW CLEANING	Window Cleaning January 2019	60.00	10	GENERAL
Total 24819	1/23/2019			60.00		
24820	1/23/2019	The Pin Center	Logo Pins	269.00	10	GENERAL
Total 24820	1/23/2019			269.00		
24821	1/23/2019	Joe Price	Refund on Plot Plan Deposit - 23309 Clipper Court	893.00	10	GENERAL
Total 24821	1/23/2019			893.00		
24822	1/23/2019	PZL, Inc.	Planning Services 12/14/18-12/31/18	850.00	10	GENERAL
Total 24822	1/23/2019			850.00		
24823	1/23/2019	Rogers, Anderson, Malody & Scott, LLP	Accounting Services December 2018	6,700.00	10	GENERAL
Total 24823	1/23/2019			6,700.00		
24824	1/23/2019	JOHN REGUS	Conference Room Lease February 2019	250.00	10	GENERAL
Total 24824	1/23/2019			250.00		
24825	1/23/2019	JOHN REGUS	Library Lease February 2019	1,074.62	10	GENERAL
Total 24825	1/23/2019			1,074.62		
24826	1/23/2019	JOHN REGUS	Library Lease March 2019	1,074.62	10	GENERAL
Total 24826	1/23/2019			1,074.62		
24827	1/23/2019	RIVERSIDE COUNTY FIRE DEPT	Fire Protection Services Jul - Sep FY 18/19	375,658.92	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24827	1/23/2019			375,658.92		
24828	1/23/2019	COUNTY OF RIVERSIDE-TLMA	SLF Costs December 2018	1,078.29	20	GAS TAX
Total 24828	1/23/2019			1,078.29		
24829	1/23/2019	SOUTHERN CALIFORNIA EDISON	Electricity, City Hall 12/13/18-1/14/19	694.28	10	GENERAL
24829	1/23/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Fire Station 12/13/18-1/14/19	428.99	10	GENERAL
24829	1/23/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Office Lease 12/19/18-1/18/19	45.14	10	GENERAL
24829	1/23/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Pump Station 12/7/18-1/8/19	604.17	20	GAS TAX
24829	1/23/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Control 11/17/18-12/19/18	12.90	20	GAS TAX
24829	1/23/2019	SOUTHERN CALIFORNIA EDISON	Electricity, Traffic Control 12/13/18-1/14/19	203.40	20	GAS TAX
Total 24829	1/23/2019			1,988.88		
24830	1/23/2019	Special District Risk Management Authority	Dental Insurance February 2019	248.17	10	GENERAL
Total 24830	1/23/2019			248.17		
24831	1/23/2019	Sparkletts	Drinking Water	51.54	10	GENERAL
Total 24831	1/23/2019			51.54		
24832	1/23/2019	STATE COMP. INS. FUND	Workers Comp February 2019	659.17	10	GENERAL
Total 24832	1/23/2019			659.17		
24833	1/23/2019	State of CA Dept of Industrial Relations	Elevator Inspection 1/8/19	225.00	10	GENERAL

City of Canyon Lake
 Check/Voucher Register - Council Report - Expenditures
 From 1/1/2019 Through 1/31/2019

Check Num...	Matching Docum... Date	Vendor Name	Transaction Description	Check Amount	Fund Code	Fund Short Title
Total 24833	1/23/2019			225.00		
24834	1/23/2019	Structural Termite/Pest Control	Pest Control, Fire Station	36.75	10	GENERAL
Total 24834	1/23/2019			36.75		
24835	1/23/2019	TPx Communications	City Hall Phone Systems 1/16/19-2/15/19	634.91	10	GENERAL
Total 24835	1/23/2019			634.91		
24836	1/23/2019	Time Warner Cable	Internet, Fire Station 1/10/19-2/9/19	99.98	10	GENERAL
Total 24836	1/23/2019			99.98		
24837	1/23/2019	U. S. Bank	Office Supplies, LOCC registration, ICMA membership, etc.	4,504.71	10	GENERAL
Total 24837	1/23/2019			4,504.71		
24838	1/23/2019	Verizon Wireless	Cell Phones, 12/4/18-1/3/19	366.49	10	GENERAL
24838	1/23/2019	Verizon Wireless	iPads 12/4/18-1/3/19	199.08	10	GENERAL
Total 24838	1/23/2019			565.57		
Report Total				604,967.04		

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
AmeriGas	Propane for Fire Station	1,097.92
ANIMAL FRIENDS	Animal Control Services November 2018	3,500.00
BIO-TOX	Sheriff's Dept Blood Testing	571.00
Bonner	Internet and Phone Reimbursement November 2018	76.39
Brewliterate	Refund on Business License Renewal	6.00
Canyon Lake Mattress	Refund on Business License Renewal	6.00
CBSC	Permit Valuation Fee 4th Quarter 20018	137.70
Charles Abbott	Engineering Services August 2018	2,124.42
CL MERCHANTS	2019 Assessments	5,312.00
Cole Huber	Attorney Services December 2018	5,734.72
CTAI	Landscape Services November 2018	250.00
DATA TICKET	Citation Processing, Code Enforcement December 2018	100.00
	Citation Processing, Parking December 2018	100.00
Delgado	Janitorial Services January 2019	735.50
DEPT OF CONSER	4Q State Report for Motion and Seismic Hazard Oct-Dec 2018	367.55
Dolittle	Refund on Business License Renewal	5.00
DSA	Disability Access Fees Qtr Ended 12/2018	568.00
Ehrenkranz	Internet Reimbursement January 2019	40.00
	Internet Reimbursement December 2018	40.00
EVMWD	Water, Fire Station 11/27/18-12/28/18	206.35
	Water, Irrigation 11/27/18-12/28/18	4,918.66
	Water, City Hall 11/23/18-12/24/18	107.28
Frontier	Phone and Internet, Fire Station 1/13/19-2/12/19	267.03
	City Hall Phones 1/13/19-2/12/19	122.69
	City Hall Internet, 1/10/19-2/09/19	148.98
GREENHALGH	Retiree Health Insurance February 2019	163.37
Jeremy Smith	Phone and Internet Reimbursement December 2018	86.56
Lake Elsinore Chrysler	Claims and Demands January 2019	85.01
LOCC	Membership Dues 2019	100.00
Maureen Kane	Technical Training for Clerks, Series 100	1,550.00
MR. WINDOW	Window Cleaning January 2019	60.00
Pin	Logo Pins	269.00
Price	Refund on Plot Plan Deposit - 23309 Clipper Court	893.00
PZL, Inc.	Planning Services 12/14/18-12/31/18	850.00
RAMS	Accounting Services December 2018	6,700.00
REGUS	Conference Room Lease February 2019	250.00
	Library Lease March 2019	1,074.62
	Library Lease February 2019	1,074.62
Riv Co Fire	Fire Protection Services Jul - Sep FY 18/19	375,658.92
Riv Co TLMA	SLF Costs December 2018	1,078.29
SCE	Electricity, Office Lease 12/19/18-1/18/19	45.14
	Electricity, City Hall 12/13/18-1/14/19	694.28

Date: 1/23/19
02:48:13 PM

02-05-2019 City Council Agenda

Page: 1

Page 21

City of Canyon Lake
Invoices Selected for Payment - COUNCIL CHECK REPORT

Vendor ID	Invoice Description	Cash Required
BIO-TOX	Sheriff's Dept Blood Testing	46.00
Bonner	Internet and Phone Reimbursement November 2018	76.39
Charles Abbott	Building and Safety Services December 2018	100.00
	Environmental Services December 2018	217.50
	Engineering Services December 2018	4,758.24
	Building and Safety Services December 2018	3,487.24
	Engineering Services December 2018	834.00
CL PEST	Pest Control, Storage Unit	90.00
Corelogic	Database for Code Enforcement December 2018	125.00
CTAI	Landscape Maintenance Service-Fire Station December 2018	250.00
	Landscape Maintenance Service-Medians & Pkwys, December 2018	5,000.00
DATA TICKET	Parking Citation Processing November 2018	100.00
Eagle	Veteran's Committee Awards	872.89
Fontana Fire Equipment	Fire Extinguisher Service	20.00
FRIDAY FLYER	Notice of Public Hearing	153.30
	Inviting Sealed Bids	133.35
	Notice of Nominees for Public Office	27.30
	Notice of Public Hearing	40.95
	Notice of Public Hearing	25.20
GAS CO	Gas, 11/29/18-12/31/18	245.75
GOLDING	Business Cards for Petris, Duncan, Castillo, Smith & Greene	203.11
	Envelopes	103.92
Haggerty	Net Payroll for December 2018	265.65
Jani-King	Janitorial Services January 2019	735.50
Joe's	Supplies, Fire Station	10.75
	Phone Charger for Jeep	40.91
	Supplies, Code Enforcement	59.22
Johnson Controls	Security System 1/1/19-3/31/19	220.69
NBS	Comprehensive Citywide User Fee & Rate Study	415.00
OTIS	Elevator Equipment Service Contract 1/1/19-12/31/19	4,703.19
Pitney Bowes, Inc.	Postage meter ink	183.15
RAMS	Accounting Services November 2018	6,700.00
Riv Co Auditor	Miscellaneous Admin Expenses 2nd Qtr	1,002.57
Riv Co Cal-ID	Contract Law Enforcement 10/11/18-11/7/18	122,813.83
riv Co Exec	Sheltering Services January through March 2019	14,590.71
Riv Co TLMA	SLF Costs October 2018	2,867.30
SCE	Electricity, Traffic Control 11/28/18-12/28/18	364.46
	Electricity, Office Lease 10/18/18-11/17/18	49.90
	Electricity, Office Lease 11/17/18-12/19/18	49.67
	Electricity, Traffic Signals 11/19/18-12/20/18	73.50

Date: 1/9/19

03:22:10 1/9/2019 City Council Agenda

Page: 1

Page 22

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 01/15/2019
Process: 2019011501
Period: 01/01/2019 to 01/15/2019

Department: (1) Staff

Code	Earning	Hours	Amount	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt
Reg	Regular	9.25	555.00													555.00	555.00	555.00
Total Earnings			9.25	555.00	Total Deductions	0.00	Total Employer Taxes	0.00	Total Employer Taxes	0.00	0.00							

Department: (1) Staff Total

Code	Earning	Hours	Amount	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt
1	Reg	Regular	9.25		555.00											555.00	555.00	555.00
Total Earnings			9.25	Total Deductions	0.00	Total Employer Taxes	0.00	0.00	Total Employer Taxes	0.00	0.00							

Department: (20) City Employees

Code	Earning	Hours	Amount	Deduction	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Amount	Taxable	Amount	Gross	Tot Liab	Net Amt
125CO	125 Cash		492.43	PTAXI Pre-Tax P.	264.97	CA	California SI		CA	CA, Edu & Ti		5432.30	285.20	CAETT	5697.27	5697.27	0.00	0.00
102	Holiday	9.50	473.20			CASDI	CA SDI - Err		CASUI	California SI		5697.27	56.97		5697.27	5697.27	353.23	Gross
3785.25	Reg	Regular	3785.25			FITW	Federal Inco		MED-R	Medicare - E		5432.30	741.81		5697.27	5697.27	82.60	Tot Liab
	Sick	Sick	946.39			MED	Medicare					5697.27	82.61					Net Amt
Total Earnings			28.50	Total Deductions	264.97	Total Employer Taxes	1166.59	0.00	Total Employer Taxes	435.83	0.00							
Manzano, Rubi E	125CO	125 Cash	499.58	PTXPE Pre-Tax P.	118.70	CA	California SI		CA	CA, Edu & Ti		2517.51	57.74	CAETT	2636.21	2636.21	0.00	0.00
Emp Id	98	Comp	Comp Tin			CASDI	CA SDI - Err		CASUI	California SI		2636.21	26.36		2636.21	2636.21	163.44	Gross
Rate	24.9900	Hol	Holiday			FITW	Federal Inco		MED-R	Medicare - E		2517.51	226.93		2636.21	2636.21	38.23	Tot Liab
		Reg	Regular			MED	Medicare					2636.21	38.23					Net Amt
		Vac	Vacation															435.83
Total Earnings			85.50	Total Deductions	118.70	Total Employer Taxes	349.26	201.67	Total Employer Taxes	201.67	0.00							
Palmer, Aaron D	125CO	125 Cash	452.83	PTXPE Pre-Tax P.	338.54	CA	California SI		CA	CA, Edu & Ti		5530.96	249.49	CAETT	5869.50	5869.50	0.00	0.00
Emp Id	99	Hol	Holiday			CASDI	CA SDI - Err		CASUI	California SI		5869.50	58.70		5869.50	5869.50	363.91	Gross
Rate	5416.67	Reg	Regular			FITW	Federal Inco		MED-R	Medicare - E		5530.96	571.02		5869.50	5869.50	85.11	Tot Liab
		Vac	Vacation			MED	Medicare					5869.50	85.11					Net Amt
Total Earnings			9.50	Total Deductions	338.54	Total Employer Taxes	964.32	449.02	Total Employer Taxes	449.02	0.00							
Sauseda, Ana	125CO	125 Cash	527.04	457B EE	66.00	CA	California SI		CA	CA, Edu & Ti		2397.35	28.16	CAETT	2607.26	2607.26	0.00	0.00
Emp Id	108	Comp	Comp Tin			CASDI	CA SDI - Err		CASUI	California SI		2607.26	26.07		2607.26	2607.26	161.65	Gross
Rate	24.3300	Hol	Holiday			FITW	Federal Inco		MED-R	Medicare - E		2397.35	149.52		2607.26	2607.26	37.81	Tot Liab
		Reg	Regular			MED	Medicare					2607.26	37.81					Net Amt
Total Earnings			85.50	Total Deductions	209.91	Total Employer Taxes	241.56	199.46	Total Employer Taxes	199.46	0.00							

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 01/15/2019
Process: 2019011501
Period: 01/01/2019 to 01/15/2019

Department: (20)City Employees Total

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Taxable	Code	Amount	Taxable	Amount
4	125CO 125 Cash		1971.88	457B EE	CA	66.00	California SI	CA	620.59	15878.12	CA	620.59	15878.12	0.00
2	Comp Tin	10.50	261.73	PTAXI Pre-Tax P.	CASDI	408.88	CA SDI - Err	CASUI	168.10	16810.24	CASUI	168.10	16810.24	16810.24
2	Hol Holiday	38.00	941.74	PTXPE Pre-Tax P.	FITW	457.24	Federal Incoi	MED	1689.28	15878.12	MED-R	1689.28	16810.24	1042.23
	Reg Regular	132.00	12451.10				Medicare		243.76	16810.24		243.76	243.75	Gross
	Sick Sick	19.00	946.39											Tot Liab
	Reg Regular	19.00	946.39											Net Amt
	Vac Vacation	9.50	237.40											13156.39
	Total Earnings	209.00	16810.24	Total Deductions		932.12	Total Employee Taxes		2721.73	Total Employer Taxes		1285.98		

Department: (30)Special Enforcement Team

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Taxable	Code	Amount	Taxable	Amount
Reg	Regular	61.00	1503.04	457B EE	CA	112.73	California SI	CA	13.31	1390.31	CA	13.31	1503.04	0.00
				Aflac Post	CASDI	33.43	CA SDI - Err	CASUI	15.03	1503.04	CASUI	15.03	1503.04	93.19
					FITW		Federal Incoi		72.36	1390.31	MED-R	72.36	1503.04	Gross
							Medicare		21.79	1503.04		21.79	1503.04	Tot Liab
	Total Earnings	61.00	1503.04	Total Deductions		146.16	Total Employee Taxes		122.49	Total Employer Taxes		114.98		1503.04
Reg	Regular	43.00	1192.39											1618.02
														1234.39
	Total Earnings	43.00	1192.39	Total Deductions		0.00	Total Employee Taxes		167.12	Total Employer Taxes		91.22		
125CO 125 Cash			228.02	PTAXI Pre-Tax P.	CA	155.35	California SI	CA	93.09	2291.93	CA	93.09	2447.28	0.00
Reg Regular		74.00	2219.26		CASDI		CA SDI - Err	CASUI	24.47	2447.28	CASUI	24.47	2447.28	151.73
					FITW		Federal Incoi		199.86	2291.93	MED-R	199.86	2447.28	Gross
							Medicare		35.49	2447.28		35.49	2447.28	Tot Liab
	Total Earnings	74.00	2447.28	Total Deductions		155.35	Total Employee Taxes		352.91	Total Employer Taxes		187.22		2634.50

Department: (30)Special Enforcement Team Total

Code	Earning	Hours	Amount	Deduction	Code	Amount	Tax	Code	Amount	Taxable	Code	Amount	Taxable	Amount
2	125CO 125 Cash		228.02	457B EE	CA	112.73	California SI	CA	128.31	4874.63	CA	128.31	5142.71	0.00
1	Reg Regular	178.00	4914.69	Aflac Post	CASDI	33.43	CA SDI - Err	CASUI	51.42	5142.71	CASUI	51.42	5142.71	318.85
				PTAXI Pre-Tax P.	FITW	155.35	Federal Incoi		388.22	4874.63	MED-R	388.22	5142.71	Gross
							Medicare		74.57	5142.71		74.57	5142.71	Tot Liab
	Total Earnings	178.00	5142.71	Total Deductions		301.51	Total Employee Taxes		642.52	Total Employer Taxes		393.42		5142.71

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 01/15/2019
Process: 2019011501
Period: 01/01/2019 to 01/15/2019

02-05-2019 Council Agenda

Report Total

8	Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Taxable	Code	Amount	Tax	Taxable	Amount
5	125CO	125 Cash		2199.90	457B EE	178.73	CA	California SI	20752.75	20752.75	CAETT	748.90	CA Edu & T	21952.95	0.00
3	Comp	Comp Tin	10.50	261.73	AflacP	33.43	CASD	CA SDI - Eir	21952.95	21952.95	CASUI	219.52	California SI	21952.95	1361.08
	Hol	Holiday	38.00	941.74	PTAXI Pre-Tax P	564.23	FITW	Federal Incon	20752.75	20752.75	MED-R	2077.50	Medicare - E	21952.95	318.32
	Reg	Regular	319.25	17920.79	PTXPE Pre-Tax P	457.24	MED	Medicare	21952.95	21952.95		318.33		21952.95	24187.35
	Sick	Sick	19.00	946.39											17910.07
	Vac	Vacation	9.50	237.40											
Total Earnings				396.25	22507.95	Total Deductions				1233.63	Total Employer Taxes				1679.40

[Signature]
Mike Borja, Interim City Manager Date 1/17/19

Labor Distribution

City of Canyon Lake

Company (10756)

Check Date: 12/31/2018
 Process: 2018123101
 Period: 12/16/2018 to 12/31/2018

Department: (20)City Employees

Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Taxable	Amount	Code	Tax	Taxable	Amount
125CO	125 Cash		492.43	PTAXF Pre-Tax P.	CA	264.97	California SI		4012.71	159.59	CAETT CA Edu & T		0.00	0.00
ADML	Admin Le	28.50	0.00		CASD	4277.68	CA SDI - Err		4277.68	42.78	CASUI California SI		0.00	0.00
3785.25	Hol Holiday	19.00	0.00		FITW	4012.71	Federal Incon		4012.71	438.55	MED-R Medicare - E		4277.68	62.02
	Reg Regular		3785.25		MED	4277.68	Medicare		4277.68	62.03				Net Amt
	Vac Vacation	5.00	0.00											3309.76
	Total Earnings	52.50	4277.68	Total Deductions		264.97	Total Employee Taxes			702.95	Total Employer Taxes			62.02
102	Reg Regular	20.00	410.00	AflacP Aflac Post	CA	77.69	California SI		384.37	0.00	CAETT CA Edu & T		0.00	0.00
				PTXPE Pre-Tax P.	CASD	25.63	CA SDI - Err		410.00	4.10	CASUI California SI		0.00	0.00
					FITW	384.37	Federal Incon		384.37	0.00	MED-R Medicare - E		410.00	5.95
					MED	410.00	Medicare		410.00	5.94				Net Amt
	Total Earnings	20.00	410.00	Total Deductions		103.32	Total Employee Taxes			10.04	Total Employer Taxes			5.95
125CO	125 Cash		499.58	PTXPE Pre-Tax P.	CA	95.27	California SI		2291.05	49.76	CAETT CA Edu & T		0.00	0.00
Comp	Comp Tin	14.50	362.35		CASD	2386.32	CA SDI - Err		2386.32	23.86	CASUI California SI		0.00	0.00
Hol	Holiday	19.00	474.81		FITW	2291.05	Federal Incon		2291.05	201.30	MED-R Medicare - E		2386.32	34.60
Reg	Regular	33.00	824.67		MED	2386.32	Medicare		2386.32	34.60				Net Amt
	Vac Vacation	9.00	224.91											1981.53
	Total Earnings	75.50	2386.32	Total Deductions		95.27	Total Employee Taxes			309.52	Total Employer Taxes			34.60
125CO	125 Cash		452.83	PTXPE Pre-Tax P.	CA	338.54	California SI		5530.96	261.35	CAETT CA Edu & T		0.00	0.00
Hol	Holiday	19.00	0.00		CASD	0.00	CA SDI - Err		0.00	0.00	CASUI California SI		0.00	0.00
Reg	Regular	33.50	5416.67		FITW	5530.96	Federal Incon		5530.96	582.35	MED-R Medicare - E		5869.50	85.11
	Vac Vacation		0.00		MED	5869.50	Medicare		5869.50	85.10				Net Amt
	Total Earnings	52.50	5869.50	Total Deductions		338.54	Total Employee Taxes			928.80	Total Employer Taxes			85.11
125CO	125 Cash		527.04	457B EE!	CA	66.00	California SI		2452.70	33.48	CAETT CA Edu & T		0.00	0.00
Comp	Comp Tin	33.50	815.06	PTAXF Pre-Tax P.	CASD	88.56	CA SDI - Err		2607.26	26.07	CASUI California SI		0.00	0.00
Hol	Holiday	19.00	462.27		FITW	158.45	Federal Incon		2452.70	158.45	MED-R Medicare - E		2607.26	37.81
Reg	Regular	33.00	802.89		MED	2607.26	Medicare		2607.26	37.80				Net Amt
	Total Earnings	85.50	2607.26	Total Deductions		154.56	Total Employee Taxes			255.80	Total Employer Taxes			37.81

Labor Distribution

City of Canyon Lake

Company (10756)

Check Date: 12/31/2018
Process: 2018123101
Period: 12/16/2018 to 12/31/2018

Page 2

Department: (20)City Employees Total

Employees	Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Tax	Code	Amount	Taxable	Tax	Amount
Female	3	125CO 125 Cash		1971.88	457B EE		66.00	CA	California SI		14671.79	CA Edu & T		504.18	0.00	0.00	0.00
Male	2	ADML Admin Le	28.50	0.00	AflacP, Aflac Post		77.69	CASDJ	CA SDI - Eir		9681.26	California SI		96.81	0.00	0.00	0.00
		Comp Comp Tin	48.00	1177.41	PTAXF Pre-Tax P.		333.53	FITW	Federal Incon		14671.79	Medicare - E		1380.65	15550.76	225.49	225.49
		Hol Holiday	76.00	937.08	PTXPF Pre-Tax P.		459.44	MED	Medicare		15550.76			225.47			
		Reg Regular	86.00	11239.48													
		Vac Vacation	47.50	224.91													
		Total Earnings	286.00	15550.76	Total Deductions		956.66	Total Employer Taxes			2207.11	Total Employer Taxes		225.49			

Department: (30)Special Enforcement Team

Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Tax	Amount
Reg	Regular	46.00	1133.44	457B EE		89.36	CA	California SI		1044.08	CA Edu & T			6.34	0.00	0.00	0.00
				AflacP, Aflac Post		33.43	CASDJ	CA SDI - Eir		1133.44	California SI			11.34	0.00	0.00	0.00
							FITW	Federal Incon		1044.08	Medicare - E			38.99	1133.44	16.44	16.44
							MED	Medicare		1133.44				16.43			
		Total Earnings	46.00	1133.44	Total Deductions		122.79	Total Employer Taxes		73.10	Total Employer Taxes		16.44				
Reg	Regular	38.00	1053.74														
		Total Earnings	38.00	1053.74	Total Deductions		0.00	Total Employer Taxes		142.79	Total Employer Taxes		15.28				
Female	2	125CO 125 Cash		228.02	PTAXF Pre-Tax P.		159.55	CA	California SI		2347.71	CA Edu & T		102.07	0.00	0.00	0.00
Male	1	Reg Regular	76.00	2279.24							2507.26	California SI		25.07	0.00	0.00	0.00
											2347.71	Medicare - E		208.10	2507.26	36.36	36.36
											2507.26			36.36			
		Total Earnings	76.00	2507.26	Total Deductions		159.55	Total Employer Taxes		371.60	Total Employer Taxes		36.36				

Department: (30)Special Enforcement Team Total

Code	Earnings	Hours	Amount	Deduction	Code	Amount	Code	Tax	Code	Amount	Taxable	Tax	Code	Amount	Taxable	Tax	Amount
Female	2	125CO 125 Cash		228.02	457B EE		89.36	CA	California SI		4445.53	CA Edu & T		125.37	0.00	0.00	0.00
Male	1	Reg Regular	160.00	4466.42	AflacP, Aflac Post		33.43	CASDJ	CA SDI - Eir		4694.44	California SI		46.95	0.00	0.00	0.00
					PTAXF Pre-Tax P.		159.55	FITW	Federal Incon		4445.53	Medicare - E		347.10	4694.44	68.08	68.08
											4694.44			68.07			
		Total Earnings	160.00	4694.44	Total Deductions		282.34	Total Employer Taxes		587.49	Total Employer Taxes		68.08				

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 12/31/2018
Process: 2018123101
Period: 12/16/2018 to 12/31/2018

Department: (50)Council Members

Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAEIT	CA Edu & T	0.30	300.00	300.00	0.30	300.00	0.30
Emp Id					FITW	Federal Incon	0.00	CASUI	California SI	13.50	300.00	300.00	13.50	300.00	Gross
Salary			300.00		MED	Medicare	4.35	MED-R	Medicare - E	4.34	300.00	300.00	4.34	300.00	Tot Liab
															Net Amt
															300.00
															318.14
															295.65

Total Earnings															
Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAEIT	CA Edu & T	0.30	300.00	300.00	0.30	300.00	0.30
					CASDJ	CA SDI - Err	3.00	CASUI	California SI	13.50	300.00	300.00	13.50	300.00	Gross
					FITW	Federal Incon	0.00	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00	Tot Liab
					MED	Medicare	4.35	SS-R	OASDI - Em	0.00	300.00	300.00	0.00	300.00	Net Amt
					SS	OASDI	0.00								18.14
															18.15

Total Earnings															
Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAEIT	CA Edu & T	0.30	300.00	300.00	0.30	300.00	0.30
					FITW	Federal Incon	0.00	CASUI	California SI	13.50	300.00	300.00	13.50	300.00	Gross
					MED	Medicare	4.35	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00	Tot Liab
															Net Amt
															300.00
															318.15
															295.65

Total Earnings															
Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAEIT	CA Edu & T	0.30	300.00	300.00	0.30	300.00	0.30
					FITW	Federal Incon	0.00	CASUI	California SI	13.50	300.00	300.00	13.50	300.00	Gross
					MED	Medicare	4.35	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00	Tot Liab
															Net Amt
															300.00
															318.15
															295.65

Total Earnings															
Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAEIT	CA Edu & T	0.30	300.00	300.00	0.30	300.00	0.30
					CASDJ	CA SDI - Err	3.00	CASUI	California SI	13.50	300.00	300.00	13.50	300.00	Gross
					FITW	Federal Incon	0.00	MED-R	Medicare - E	4.35	300.00	300.00	4.35	300.00	Tot Liab
					MED	Medicare	4.35	SS-R	OASDI - Em	0.00	300.00	300.00	0.00	300.00	Net Amt
					SS	OASDI	0.00								18.15
															18.15

Total Earnings															
Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		300.00		CA	California SI	0.00	CAEIT	CA Edu & T	1.50	1500.00	1500.00	1.50	1500.00	1.50
					CASDJ	CA SDI - Err	6.00	CASUI	California SI	67.50	1500.00	1500.00	67.50	1500.00	Gross
					FITW	Federal Incon	0.00	MED-R	Medicare - E	21.74	1500.00	1500.00	21.74	1500.00	Tot Liab
					MED	Medicare	21.75	SS-R	OASDI - Em	0.00	600.00	600.00	0.00	600.00	Net Amt
					SS	OASDI	0.00								90.74
															90.74

Department: (50)Council Members Total

Code	Earnings	Hours	Amount	Deduction	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount
Reg	Regular		1500.00		CA	California SI	0.00	CAEIT	CA Edu & T	1.50	1500.00	1500.00	1.50	1500.00	1.50
					CASDJ	CA SDI - Err	6.00	CASUI	California SI	67.50	1500.00	1500.00	67.50	1500.00	Gross
					FITW	Federal Incon	0.00	MED-R	Medicare - E	21.74	1500.00	1500.00	21.74	1500.00	Tot Liab
					MED	Medicare	21.75	SS-R	OASDI - Em	0.00	600.00	600.00	0.00	600.00	Net Amt
					SS	OASDI	0.00								90.74
															90.74

Labor Distribution

City of Canyon Lake
Company (10756)

Check Date: 12/31/2018
Process: 2018123101
Period: 12/16/2018 to 12/31/2018

Report Total

Employees	Code	Earning	Hours	Amount	Deduction	Code	Amount	Code	Tax	Amount	Code	Tax	Amount	Taxable	Tax	Amount	Taxable	Amount	
Female	6	125CO 125 Cash		2199.90	457B	457B EE]	155.36	CA	California SI	20617.32	CAETT	CA Edu & T]	1500.00	1500.00		1.50	1500.00	1500.00	21745.20
Male	7	ADML Admin Le	28.50	0.00	AflacP]	Aflac Post	111.12	CASD]	CA SDI - Err	14975.70	CASUI	California SI	1500.00	1500.00		67.50	1500.00	1500.00	22129.51
		Comp Comp Tin	48.00	1177.41	PTAXE]	Pre-Tax P	513.08	FITW	Federal Incoo	20617.32	MED-R	Medicare - E	21745.20	21745.20		315.31	21745.20	21745.20	17683.85
		Hol Holiday	76.00	937.08	PTXPE	Pre-Tax P	459.44	MED	Medicare	21745.20	SS-R	OASDI - Err	600.00	600.00		0.00	600.00	600.00	
		Reg Regular	246.00	17205.90				SS	OASDI	600.00						0.00			
		Vac Vacation	47.50	224.91															
		Total Earnings	446.00	21745.20	Total Deductions		1239.00	Total Employer Taxes		2822.35	Total Employer Taxes		384.31						

Cannon D Palmer
Aaron Palmer, City Manager
1-3-19
Date

Credit Card Review

U S BANK Statement dated 1/7/19

ITEM #	CREDITOR	DESCRIPTION	AMOUNT	ACCOUNT
1	The League of California	New Mayors & Council Mem Academy registration-J Smith	\$ 575.00	10-100-6510
2	The League of California	New Mayors & Council Mem Academy registration-K Castillo	\$ 575.00	10-100-6510
3	Target	City council meeting	\$ 15.99	10-100-6510
4	Target	Office Supplies	\$ 19.01	10-310-6210
5	Vons	City council meeting	\$ 56.97	10-100-6510
6	Costco	Office Supplies	\$ 17.23	10-310-6210
7	Costco	City Council pictures	\$ 14.38	10-100-6510
8	Staples	Office Supplies	\$ 111.95	10-310-6210
9	AKI Homes	Office Supplies	\$ 41.98	10-310-6210
10	Int'l Code Council Inc	Building department code books and membership	\$ 1,444.97	10-360-6220
11	Fastsigns	City council name plates for wall	\$ 86.63	10-100-6510
12	Staples	Office Supplies	\$ 39.82	10-310-6210
13	Microsoft	Microsoft 365 Monthly Fee	\$ 432.50	10-310-6210
14	Canyon Lake Country Club	Monthly roundtable with POA and Water	\$ 23.20	10-310-6510
15	Canyon Lake Country Club	Economic Development Roundtable	\$ 10.08	10-310-6510
16	ICMA	Annual membership	\$ 1,040.00	10-310-6510
17				
			\$ 4,504.71	
		Account Breakdown		
	Council Meeting	10-100-6510	\$ 1,323.97	
	Council Special Dept. Expense	10-100-6520		
	Promotion and Advertising	10-100-6830		
	Office Expense	10-310-6210	\$ 662.49	
	Conference/Meeting/Travel Expense	10-310-6510	\$ 1,073.28	
	Professional/Specialized Services	10-310-6610		
	City Clerk Dues	10-320-6520		
	Professional/Specialized Services	10-320-6610		
	Building Dept Expense	10-360-6220	\$ 1,444.97	
	Fire Station Expenses	10-420-8018		
	Emergency Preparedness Supplies	10-425-6215		
	Code Enforcement Supplies	10-520-6210		
	Special Enforcement Misc Expense	10-520-6220		
	Code Enforcement Vehicle Equipment	10-520-6410		
	Vehicle Maintenance	10-520-6415		
	Code Enforcement Membership Dues	10-520-6520		
	Code Endocement Training	10-520-6710		
			\$ 4,504.71	
			Check Figure \$	-

*Copies for City Council
as directed by
the Finance Committee*

*OK to pay
10/7-19
RBJ*

Skip to: Content | Footer | Welcome Kayla | Help | Contact Us | CalPERS Website | Log out **January 03, 2019**



Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests Health Reconciliation Retirement Appointment Reconciliation

Name: City of Canyon Lake **CalPERS ID:** 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- **To generate the employer payment report, please click the print button.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$136.69

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001235171	01/03/2019	100000015526272	Health PA Billing - PERS	EFT - Debit	Citizens Business Bank -5402	\$136.69

© Copyright 2019 CalPERS | [Conditions of Use](#) | [Accessibility](#)

Build: v7.7.1 Baseline: 181129_154757_v7.7.1_Int.7074 UID: 318

*Ok to pay
1/9/19 K*

Skip to: Content | Footer | Welcome Kayla | Help | Contact Us | CalPERS Website | Log out **January 04, 2019**



Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests Health Reconciliation Retirement Appointment Reconciliation

Name: City of Canyon Lake **CalPERS ID:** 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- **To generate the employer payment report, please click the print button.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$2,127.23

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001236110	01/04/2019	100000015490893	Employer Contribution, PEPPRA, 26189, CalPERS, 12/16/2018 - 12/31/2018	EFT - Debit	Citizens Business Bank -5402	\$962.40
1001236111	01/04/2019	100000015490854	Employer Contribution, Classic, 1684, CalPERS, 12/16/2018 - 12/31/2018	EFT - Debit	Citizens Business Bank -5402	\$1,164.83

© Copyright 2019 CalPERS | [Conditions of Use](#) | [Accessibility](#)
 Build: v7.7.1 Baseline: 181129_154757_v7.7.1_Int.7074 UID: 318

*OK to pay
1/4/19*



Home Profile Reporting Person Information Education Other Organizations

Manage Reports Billing and Payments Payroll Schedule Member Requests Health Reconciliation Retirement Appointment Reconciliation

Name: City of Canyon Lake **CalPERS ID:** 3813045770

Payment Request Acceptance

Your request for payment has been accepted

- **To generate the employer payment report, please click the print button.**
- If you need to contact us with questions regarding this payment, please have your Payment Confirmation Number for faster access.
- Your payment will reflect as paid in myCalPERS if your payroll has successfully posted. Once your payment is processed any credits will roll over to the same type of receivable in the next month, after your payroll has been processed.
- Your payment may take longer to post, depending upon your Financial Institution.

Payment Setup Total

Total Payment Amount: \$2,464.36

Payment Summary

Payment Confirmation Number	Payment Authorization Date	Receivable ID	Receivable Description	Payment Method	Payment Account Nickname	Selected Payment Amount
1001248558	01/25/2019	100000015519279	Employer Contribution, PEPRA, 26189, CalPERS, 01/01/2019 - 01/15/2019	EFT - Debit	Citizens Business Bank -5402	\$957.80
1001248559	01/25/2019	100000015519234	Employer Contribution, Classic, 1684, CalPERS, 01/01/2019 - 01/15/2019	EFT - Debit	Citizens Business Bank -5402	\$1,506.56

© Copyright 2019 CalPERS | [Conditions of Use](#) | [Accessibility](#)

Build: v7.8 Baseline: 190116_150942_v7.8_Int.9303 UID: 318

NB
1/30/19



CITY OF CANYON LAKE
PLAN SPONSOR: 0035273

Acknowledgment

Your payment was successfully submitted. Provided it is in good order, it will process within contractual timeframes.
You can print this acknowledgment for your records.

Plan Name: **CITY OF CANYON LAKE 457 OBRA-PST**

Plan Number: **0035273002**

Payroll Center: **CITY OF CANYON LAKE OBRA**

Payroll Center Number: **001**

Payroll Received for Salary Reduction

Submission date: **01/09/2019**

Submission time: **01:37 PM**

Pay period end date: **12/31/2018**

Payment method: **Debit ACH**

Bank routing number: **122234149**

Bank account number: **245125402**

Contributions payment amount: **\$191.27**

Contributions count: **1**

Draft date: **01/10/2019**

*OK [Signature]
10/15/19*

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, the International Association of Fire Fighters-Financial Corporation, and the National Association of Police Organizations.

Nationwide may receive payments from mutual funds or their affiliates in connection with certain investment options. Learn more about these payments.

Retirement Specialists provide information for educational purposes only. This information is not meant to be used as investment advice. Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

Your plan may offer a Nationwide Bank product. Learn more about Bank products.



CITY OF CANYON LAKE
PLAN SPONSOR: 0035273

Acknowledgment

Your payment was successfully submitted. Provided it is in good order, it will process within contractual timeframes.

You can print this acknowledgment for your records.

Plan Name: **CITY OF CANYON LAKE 457**

Plan Number: **0035273001**

Payroll Center: **CITY OF CANYON LAKE**

Payroll Center Number: **001**

Payroll Received for Salary Reduction

Submission date: **01/09/2019**

Submission time: **01:35 PM**

Pay period end date: **12/31/2018**

Payment method: **Debit ACH**

Bank routing number: **122234149**

Bank account number: **245125402**

Contributions payment amount: **\$132.00**

Contributions count: **1**

Draft date: **01/10/2019**

*OK to pay
JBS*

Nationwide Retirement Solutions and Nationwide Life Insurance Company (collectively "Nationwide") have endorsement relationships with the National Association of Counties, the International Association of Fire Fighters-Financial Corporation, and the National Association of Police Organizations.

Nationwide may receive payments from mutual funds or their affiliates in connection with certain investment options. Learn more about these payments.

Retirement Specialists provide information for educational purposes only. This information is not meant to be used as investment advice. Retirement Specialists are Registered Representatives of Nationwide Investment Services Corporation, member FINRA.

Your plan may offer a Nationwide Bank product. Learn more about Bank products.

Investment Reports


CITIZENSTRUST™

PO Box 2549

Sancho Cucamonga, CA 91729-2549

Return Service Requested

00000212 MCBB1000011019186768 01 000000 75 008



CITY OF CANYON LAKE
31516 RAILROAD CANYON RD
CANYON LAKE CA 92587

STATEMENT FOR THE PERIOD FROM 01/01/2018 TO 12/31/2018
ACCOUNT 1035003119

THIS IS YOUR REPORT OF INVESTMENTS AND TRANSACTIONS FOR THE PERIOD. INCLUDED
IN THE REPORT ARE

* PORTFOLIO: SUMMARY GRAPHICAL DISPLAY WITH MARKET VALUE & PERCENT

* ACTIVITY SUMMARY: MARKET VALUE WITH TRANSACTION SUMMARY

* PORTFOLIO STATEMENT: A LISTING OF COST AND MARKET VALUE OF ASSETS
HELD IN THE PORTFOLIO

COST BASIS APPLICABLE FOR CALCULATING CAPITAL GAINS AND LOSSES.
MARKET VALUE IS THE CURRENT VALUE OF EACH ASSET FOR MOST STOCKS AND BONDS.
MARKETS ARE THE CLOSING PRICES ON THE LAST TRADING DAY OF THE PERIOD.

* TRANSACTION STATEMENT: A COMPLETE LISTING FOR THE PERIOD GROUPED BY
TRANSACTION TYPE.

* DISCLOSURES: CITIZENS BUSINESS BANK MAY RECEIVE RESEARCH AND OTHER BENEFITS
FROM BROKER DEALERS WHICH MAY BE CONSIDERED COMPENSATION TO US. UPON REQUEST
WE WILL DISCLOSE DETAILS OF ANY COMPENSATION RECEIVED.

* TO TRUST BENEFICIARIES: UNDER SECTION 17200 OF CALIFORNIA PROBATE CODE,
YOU MAY PETITION THE COURT TO OBTAIN A COURT REVIEW OF THE ACCOUNT AND
THE ACTS OF THE TRUSTEE. CLAIMS AGAINST THE TRUSTEE FOR BREACH OF TRUST
MUST BE MADE WITHIN THREE YEARS FROM THE DATE OF RECEIPT OF AN ACCOUNTING
OR OTHER REPORT DISCLOSING FACTS GIVING RISE TO THE CLAIM.

PO Box 2549
 Rancho Cucamonga, CA 91729-2549
 Return Service Requested



Account Statement

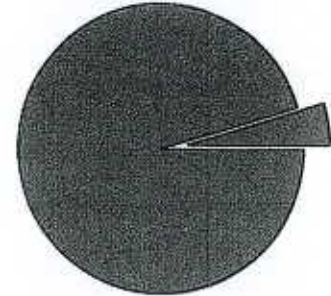
Account Number: **1035003119**
 January 01, 2018 To December 31, 2018

CITY OF CANYON LAKE
 31516 RAILROAD CANYON RD
 CANYON LAKE, CA 92587

Account Name:	CITY OF CANYON LAKE CITIZENS BUSINESS BANK
Account Number:	1035003119
Your Relationship Manager Is:	MIKE GARDNER
Phone:	909-483-4390

Investment Portfolio Summary

Market Value As Of	01/01/2018	12/31/2018	% Of Account
 CASH & CASH EQUIVALENTS	239,395.50	126,040.06	4.8%
 FIXED INCOME	2,383,197.36	2,525,895.12	95.2%
Total	2,622,592.86	2,651,935.18	100.0%



Activity Summary

	This Period	Year To Date	Realized Capital Gains / Losses	
			This Period	Year To Date
Beginning Market Value	2,622,592.86	2,622,592.86		
Income	52,410.60	52,410.60	Long Term	3,064.57-
Asset Activity	155,766.04-	155,766.04-	Total Gains / Losses	3,064.57-
Fees	10,000.00-	10,000.00-		
Cash Management	113,355.44	113,355.44		
Change In Market Value	29,342.32	29,342.32		
Ending Market Value	2,651,935.18	2,651,935.18		

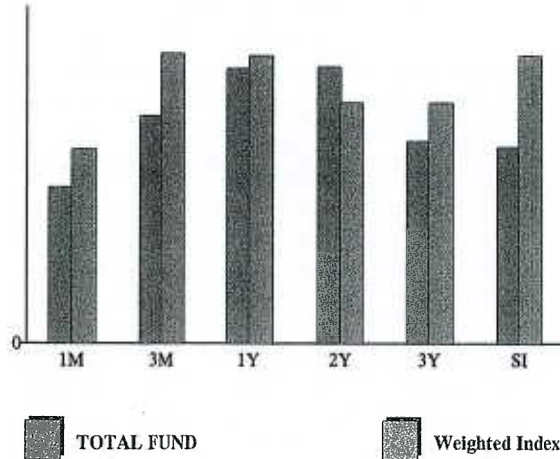
Account Statement

Account Number: **1035003119**
 January 01, 2018 To December 31, 2018

Performance Summary - Total Returns

	Market Value	1 Month	3 Months	1 Year	2 Years	3 Years	Since Inception 03/01/2010
TOTAL FUND	2,663,280	0.82	1.19	1.44	1.45	1.06	1.03
Return On Indexes Fixed GT (95% FX / 5% C)		1.02	1.52	1.51	1.26	1.26	1.51

Return Comparison



PAST RESULTS ARE NOT INDICATIVE OF FUTURE INVESTMENT RESULTS. FUND DATA IS ON A TRADE DATE BASIS. PERFORMANCE RESULTS ARE GROSS OF MANAGEMENT FEES. RETURNS FOR PERIODS LONGER THAN ONE YEAR ARE ANNUALIZED. MARKET VALUE DOES NOT INCLUDE ACCRUED INCOME.

Portfolio Statement

Quantity	Description	Market Value	Cost Basis
Cash & Cash Equivalents			
Cash Equivalents Unclassified			
126,040.060	31607A703 FIDELITY GOVERNMENT PORTFOLIO	126,040.06	126,040.06
	Total Unclassified	126,040.06	126,040.06
Total	Cash Equivalents	126,040.06	126,040.06
Total	Cash & Cash Equivalents	126,040.06	126,040.06
Fixed Income			
Taxable			
75,000.000	05531FAU7 BB&T CORPORATION DTD 06/29/15 CALL 2.625% 06/29/2020-2020	74,328.75	75,166.09
100,000.000	05580ACZ5 BMW BANK BANK NORTH AMERICA DTD 09/30/15 MEDIUM-TERM CD 2.2% 09/30/2020	99,003.11	99,980.00
100,000.000	14042RAR2 CAPITAL ONE NA MEDIUM-TERM CD DTD 10/07/2015 2.2% 10/07/2020	99,040.97	99,615.00
100,000.000	24422ERE1 JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	101,902.00	106,192.36
100,000.000	29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	98,228.98	100,000.00
70,000.000	3130A1CE6 FEDERAL HOME LOAN DTD 03/27/14 2% 12/27/2019	69,595.40	70,231.64
100,000.000	3130A6NA1 FEDERAL HOME LOAN DTD 10/29/15 CALL 1.4% 10/29/2019-2016	98,969.00	100,000.00
50,000.000	3130A8EN9 FEDERAL HOME LOAN BANK DTD 06/14/16 CALL 1.64% 06/14/2021-2016	48,917.00	50,000.00
100,000.000	3130A8NT6 FEDERAL HOME LOAN DTD 07/13/16 CALL 1.48% 07/13/2021-2017	97,441.00	100,000.00
150,000.000	3130ADZ88 FEDERAL HOME LOAN DTD 4/17/18 3% 4/17/23 CALL 3% 04/17/2023-2019	150,052.50	150,000.00
100,000.000	313380FB8 FEDERAL HOME LOAN BANK DTD 08/09/12 1.375% 09/13/2019	99,101.00	99,667.18

Account Statement

Account Number: **1035003119**

January 01, 2018 To December 31, 2018

Portfolio Statement (Continued)

Quantity	Description	Market Value	Cost Basis
Taxable			
100,000.000	3133EFZ91 FEDERAL FARM CREDIT BANK DTD 04/12/16 CALL 1.62% 04/12/2021-2017	97,917.00	99,909.00
200,000.000	3134G9I40 FREDDIE MAC DTD 07/26/16 CALL 1% 04/26/2019-2017	199,080.00	200,000.00
50,000.000	3134GAHK3 FREDDIE MAC DTD 09/30/16 CALL 1.6% 09/30/2021-2016	48,610.50	49,967.50
100,000.000	3134GAZR8 FREDDIE MAC DTD 12/30/2016 CALL 2.05% 12/30/2021-2017	98,169.00	100,000.00
100,000.000	3134GB7F3 FREDDIE MAC DTD 12/29/17 CALL 2.5% 12/29/2022-2018	99,165.00	100,000.00
100,000.000	3134GBZS4 FREDDIE MAC DTD 7/27/2017 CALL 2.15 4/27/2022 2.15% 04/27/2022-2017	98,041.00	100,000.00
150,000.000	3134GSYQ2 FREDDIE MAC DTD 9/27/2018 CALL 3% 09/27/2021-2019	150,405.00	149,902.50
50,000.000	3136G1C98 FANNIE MAE DTD 02/05/13 1.42% 02/05/2020	49,386.50	50,229.49
100,000.000	3136G3J30 FANNIE MAE DTD 07/28/16 CALL 1.6% 07/28/2021-2016	97,520.00	100,000.00
100,000.000	3136G3VG7 FANNIE MAE DTD 06/29/16 CALL 1.5% 09/29/2020-2016	98,203.00	100,000.00
100,000.000	3136G3XZ3 FANNIE MAE DTD 07/28/16 CALL 1.5% 07/28/2021-2016	96,942.00	100,000.00
100,000.000	3136G4EV1 FANNIE MAE DTD 10/28/16 CALL 1.625% 10/28/2021-2017	96,636.00	99,959.00
38,254.940	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	38,572.41	40,932.79
200,000.000	69353REW4 PNC BANK NA DTD 04/29/16 CALL 2.15% 04/29/2021-2021	195,214.00	202,044.74
25,000.000	713448BN7 PEPSICO INC DTD 01/14/10 4.5% 01/15/2020	25,454.00	26,021.88
Total	Taxable	2,525,895.12	2,569,819.17

Portfolio Statement (Continued)

Quantity	Description	Market Value	Cost Basis
Fixed Income			
Total	Fixed Income	2,525,895.12	2,569,819.17
Miscellaneous			
Miscellaneous Sundry Assets			
Documents			
1.000	DOC199647 INVESTMENT MANAGEMENT AGREEMENT CITY OF CANYON LAKE A/C# 1035003119	0.00	0.00
Total Documents		0.00	0.00
Total	Miscellaneous Sundry Assets	0.00	0.00
Total	Miscellaneous	0.00	0.00
Grand Total Assets		2,651,935.18	2,695,859.23

Account Activity Summary

	Total Cash	Cost Basis Excluding Cash	Market Value Including Cash
Balances Beginning Of Period	0.00	2,663,525.37	2,633,226.38
Prior Accruals			10,633.52-
Unrealized Appreciation This Period			32,406.89
Current Accruals			11,722.26
Asset Activity	155,766.04-	152,701.47	155,766.04-
Cash Management	113,355.44	113,355.44-	113,355.44
Fees	10,000.00-	0.00	10,000.00-
Income	52,410.60	7,012.17-	52,410.60
Realized Gain/loss			3,064.57-
Non Cash Asset Changes			
Balances End Of Period	0.00	2,695,859.23	2,663,657.44

Transaction Statement

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
01/01/18		Beginning Balance		0.00	2,663,525.37
Income					
Interest					
01/02/18		3134GAZR8 FREDDIE MAC DTD 12/30/2016 CALL 2.05% 12/30/2021-2017	INTEREST RCVD	1,025.00	
01/02/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 24422ERE1	INTEREST RCVD	308.98	
01/12/18		JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	INTEREST RCVD	1,950.00	

Account Statement

Account Number: **1035003119**

January 01, 2018 To December 31, 2018

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
01/16/18		3130A8NT6 FEDERAL HOME LOAN DTD 07/13/16 CALL 1.48% 07/13/2021-2017 713448BN7	INTEREST RCVD	740.00	
01/16/18		PEPSICO INC DTD 01/14/10 4.5% 01/15/2020 29266NS32	INTEREST RCVD	562.50	
01/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020 31398R7H2	INTEREST RCVD	148.63	
01/25/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 31398R7H2	INTEREST RCVD	262.21	
01/26/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 3136G3J30	INTEREST RCVD	47.95	
01/29/18		FANNIE MAE DTD 07/28/16 CALL 1.6% 07/28/2021-2016 3136G3XZ3	INTEREST RCVD	800.00	
01/29/18		FANNIE MAE DTD 07/28/16 CALL 1.5% 07/28/2021-2016 31607A703	INTEREST RCVD	750.00	
02/01/18		FIDELITY GOVERNMENT PORTFOLIO 3136G1C98	INTEREST RCVD	255.37	
02/05/18		FANNIE MAE DTD 02/05/13 1.42% 02/05/2020 29266NS32	INTEREST RCVD	355.00	
02/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020 31398R7H2	INTEREST RCVD	148.63	
02/26/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 31607A703	INTEREST RCVD	251.31	
03/01/18		FIDELITY GOVERNMENT PORTFOLIO 313380FB8	INTEREST RCVD	244.45	
03/13/18		FEDERAL HOME LOAN BANK DTD 08/09/12 1.375% 09/13/2019 02587DA99	INTEREST RCVD	687.50	
03/16/18		AMERICAN EXPR CENTURION MEDIUM-TERM CD DTD 09/16/15 1.6% 09/17/2018 29266NS32	INTEREST RCVD	793.42	
03/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020 31398R7H2	INTEREST RCVD	134.25	
03/26/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 31398R7H2	INTEREST RCVD	250.95	
03/27/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 3136G3VG7	INTEREST RCVD	13.88	
03/29/18		FANNIE MAE DTD 06/29/16 CALL 1.5% 09/29/2020-2016 05580ACZ5	INTEREST RCVD	750.00	
03/30/18		BMW BANK BANK NORTH AMERICA DTD 09/30/15 MEDIUM-TERM CD 2.2% 09/30/2020	INTEREST RCVD	1,090.96	

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
03/30/18		3134GAHK3 FREDDIE MAC DTD 09/30/16 CALL 1.6% 09/30/2021-2016	INTEREST RCVD	400.00	
03/30/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 14042RAR2	INTEREST RCVD	302.10	
04/09/18		CAPITAL ONE NA MEDIUM-TERM CD DTD 10/07/2015 2.2% 10/07/2020 3133EFZ91	INTEREST RCVD	1,096.99	
04/12/18		FEDERAL FARM CREDIT BANK DTD 04/12/16 CALL 1.62% 04/12/2021-2017 29266NS32	INTEREST RCVD	810.00	
04/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020 31398R7H2	INTEREST RCVD	148.63	
04/25/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 3134G9I40	INTEREST RCVD	242.18	
04/26/18		FREDDIE MAC DTD 07/26/16 CALL 1% 04/26/2019-2017 31398R7H2	INTEREST RCVD	1,000.00	
04/26/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 3134GBZS4	INTEREST RCVD	5.13	
04/27/18		FREDDIE MAC DTD 7/27/2017 CALL 2.15 4/27/2022 2.15% 04/27/2022-2017 3136G4EV1	INTEREST RCVD	1,075.00	
04/30/18		FANNIE MAE DTD 10/28/16 CALL 1.625% 10/28/2021-2017 3130A6NA1	INTEREST RCVD	812.50	
04/30/18		FEDERAL HOME LOAN DTD 10/29/15 CALL 1.4% 10/29/2019-2016 69353REW4	INTEREST RCVD	700.00	
04/30/18		PNC BANK NA DTD 04/29/16 CALL 2.15% 04/29/2021-2021 31607A703	INTEREST RCVD	2,150.00	
05/01/18		FIDELITY GOVERNMENT PORTFOLIO 29266NS32	INTEREST RCVD	242.28	
05/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020 31398R7H2	INTEREST RCVD	143.84	
05/25/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 31398R7H2	INTEREST RCVD	240.31	
05/25/18		FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020 31607A703	INTEREST RCVD	16.13	
06/01/18		FIDELITY GOVERNMENT PORTFOLIO 3130A8EN9	INTEREST RCVD	159.92	
06/14/18		FEDERAL HOME LOAN BANK DTD 06/14/16 CALL 1.64% 06/14/2021-2016 29266NS32	INTEREST RCVD	410.00	
06/18/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	148.63	

Account Statement

Account Number: **1035003119**

January 01, 2018 To December 31, 2018

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
06/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	234.48	
06/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	19.00	
06/27/18		3130A1CE6 FEDERAL HOME LOAN DTD 03/27/14 2% 12/27/2019 05531FAU7	INTEREST RCVD	700.00	
06/29/18		BB&T CORPORATION DTD 06/29/15 CALL 2.625% 06/29/2020-2020	INTEREST RCVD	984.38	
06/29/18		3134GB7F3 FREDDIE MAC DTD 12/29/17 CALL 2.5% 12/29/2022-2018	INTEREST RCVD	1,250.00	
07/02/18		3134GAZR8 FREDDIE MAC DTD 12/30/2016 CALL 2.05% 12/30/2021-2017	INTEREST RCVD	1,025.00	
07/02/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 24422ERE1	INTEREST RCVD	167.07	
07/12/18		JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021	INTEREST RCVD	1,950.00	
07/13/18		3130A8NT6 FEDERAL HOME LOAN DTD 07/13/16 CALL 1.48% 07/13/2021-2017	INTEREST RCVD	740.00	
07/16/18		713448BN7 PEPSICO INC DTD 01/14/10 4.5% 01/15/2020	INTEREST RCVD	562.50	
07/16/18		29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	143.84	
07/25/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	227.32	
07/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	94.79	
07/30/18		3136G3J30 FANNIE MAE DTD 07/28/16 CALL 1.6% 07/28/2021-2016	INTEREST RCVD	800.00	
07/30/18		3136G3XZ3 FANNIE MAE DTD 07/28/16 CALL 1.5% 07/28/2021-2016	INTEREST RCVD	750.00	
08/01/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 3136G1C98	INTEREST RCVD	196.82	
08/06/18		FANNIE MAE DTD 02/05/13 1.42% 02/05/2020	INTEREST RCVD	355.00	
08/16/18		29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	148.63	
08/27/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	186.88	

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
08/30/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	7.12	
09/04/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 313380FB8	INTEREST RCVD	218.78	
09/13/18		FEDERAL HOME LOAN BANK DTD 08/09/12 1.375% 09/13/2019 02587DA99	INTEREST RCVD	687.50	
09/17/18		AMERICAN EXPR CENTURION MEDIUM-TERM CD DTD 09/16/15 1.6% 09/17/2018	INTEREST RCVD	810.96	
09/17/18		29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	148.63	
09/25/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	183.53	
09/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	69.85	
10/01/18		3136G3VG7 FANNIE MAE DTD 06/29/16 CALL 1.5% 09/29/2020-2016 05580ACZ5	INTEREST RCVD	750.00	
10/01/18		BMW BANK BANK NORTH AMERICA DTD 09/30/15 MEDIUM-TERM CD 2.2% 09/30/2020	INTEREST RCVD	1,109.04	
10/01/18		3134GAHK3 FREDDIE MAC DTD 09/30/16 CALL 1.6% 09/30/2021-2016	INTEREST RCVD	400.00	
10/01/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 14042RAR2	INTEREST RCVD	267.23	
10/09/18		CAPITAL ONE NA MEDIUM-TERM CD DTD 10/07/2015 2.2% 10/07/2020 3133EFZ91	INTEREST RCVD	1,103.01	
10/12/18		FEDERAL FARM CREDIT BANK DTD 04/12/16 CALL 1.62% 04/12/2021-2017 29266NS32	INTEREST RCVD	810.00	
10/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	143.84	
10/17/18		3130ADZ88 FEDERAL HOME LOAN DTD 4/17/18 3% 4/17/23 CALL 3% 04/17/2023-2019	INTEREST RCVD	2,250.00	
10/25/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	142.16	
10/26/18		3134G9J40 FREDDIE MAC DTD 07/26/16 CALL 1% 04/26/2019-2017	INTEREST RCVD	1,000.00	
10/29/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	INTEREST RCVD	21.10	

Account Statement

Account Number: **1035003119**

January 01, 2018 To December 31, 2018

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
10/29/18		3134GBZS4 FREDDIE MAC DTD 7/27/2017 CALL 2.15 4/27/2022 2.15% 04/27/2022-2017	INTEREST RCVD	1,075.00	
10/29/18		3136G4EV1 FANNIE MAE DTD 10/28/16 CALL 1.625% 10/28/2021-2017	INTEREST RCVD	812.50	
10/29/18		3130A6NA1 FEDERAL HOME LOAN DTD 10/29/15 CALL 1.4% 10/29/2019-2016	INTEREST RCVD	700.00	
10/29/18		69353REW4 PNC BANK NA DTD 04/29/16 CALL 2.15% 04/29/2021-2021	INTEREST RCVD	2,150.00	
11/01/18		31607A703 FIDELITY GOVERNMENT PORTFOLIO 29266NS32	INTEREST RCVD	193.79	
11/16/18		ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	148.63	
11/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819%	INTEREST RCVD	132.18	
11/26/18		06/25/2020 31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819%	INTEREST RCVD	8.17	
12/03/18		06/25/2020 31607A703 FIDELITY GOVERNMENT PORTFOLIO 3130A8EN9	INTEREST RCVD	209.01	
12/14/18		FEDERAL HOME LOAN BANK DTD 06/14/16 CALL 1.64% 06/14/2021-2016	INTEREST RCVD	410.00	
12/17/18		29266NS32 ENERBANK USA DTD 10/16/2015 MEDIUM-TERM CD 1.75% 10/16/2020	INTEREST RCVD	143.84	
12/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819%	INTEREST RCVD	127.15	
12/27/18		06/25/2020 3130A1CE6 FEDERAL HOME LOAN DTD 03/27/14 2% 12/27/2019	INTEREST RCVD	700.00	
12/27/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819%	INTEREST RCVD	7.86	
12/31/18		06/25/2020 05531FAU7 BB&T CORPORATION DTD 06/29/15 CALL 2.625% 06/29/2020-2020	INTEREST RCVD	984.38	
12/31/18		3134GB7F3 FREDDIE MAC DTD 12/29/17 CALL 2.5% 12/29/2022-2018	INTEREST RCVD	1,250.00	
12/31/18		3134GAZR8 FREDDIE MAC DTD 12/30/2016 CALL 2.05% 12/30/2021-2017	INTEREST RCVD	1,025.00	
		Total Interest		52,410.60	0.00
		Total Income		52,410.60	0.00

PO Box 2549
 Mancho Cucamonga, CA 91729-2549
 Return Service Requested

Account Number: **1035003119**
 January 01, 2018 To December 31, 2018

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
Asset Activity					
Assets Purchased					
04/17/18	150,000.000	3130ADZ88 FEDERAL HOME LOAN DTD 4/17/18 3% 4/17/23 CALL 3% 04/17/2023-2019	BUY	150,000.00-	150,000.00
09/27/18	150,000.000	3134GSYQ2 FREDDIE MAC DTD 9/27/2018 CALL 3% 09/27/2021-2019	BUY	149,902.50-	149,902.50
Total Assets Purchased				299,902.50-	299,902.50
Assets Sold					
01/25/18	3,426.340-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	3,426.34	3,666.18-
02/26/18	112.080-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	112.08	119.93-
03/26/18	2,755.190-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	2,755.19	2,948.05-
04/25/18	586.520-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	586.52	627.58-
05/17/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
05/25/18	1,833.120-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	1,833.12	1,961.44-
05/25/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
06/26/18	2,248.820-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	2,248.82	2,406.24-
07/25/18	12,707.420-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	12,707.42	13,596.94-
07/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
08/27/18	1,052.880-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	1,052.88	1,126.58-
09/25/18	13,000.320-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	13,000.32	13,910.35-

Account Statement

Account Number: **1035003119**

January 01, 2018 To December 31, 2018

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
09/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
10/25/18	3,133.920-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	3,133.92	3,353.30-
10/29/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
10/29/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
11/26/18	1,582.570-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	1,582.57	1,693.35-
11/26/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
12/26/18	1,697.280-	31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT	1,697.28	1,816.09-
12/27/18		31398R7H2 FANNIE MAE SERIES 2010-M4 CLASS A3 DTD 07/01/10 3.819% 06/25/2020	NOTE AND MTG PMT		
Total Assets Sold				44,136.46	47,226.03-
Maturities					
09/17/18	100,000.000-	02587DA99 AMERICAN EXPR CENTURION MEDIUM-TERM CD DTD 09/16/15 1.6% 09/17/2018	MATURITY	100,000.00	99,975.00-
Total Maturities				100,000.00	99,975.00-
Total Asset Activity				155,766.04-	152,701.47
Fees					
01/25/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 01/20/2018	DISBURSEMENT	849.32-	
02/23/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 02/20/2018	DISBURSEMENT	849.31-	
03/23/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 03/20/2018	DISBURSEMENT	767.12-	
04/26/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 04/20/2018	DISBURSEMENT	849.32-	
05/24/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 05/20/2018	DISBURSEMENT	821.92-	

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
06/27/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 06/20/2018	DISBURSEMENT	849.31-	
07/27/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 07/20/2018	DISBURSEMENT	821.92-	
08/27/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 08/20/2018	DISBURSEMENT	849.31-	
09/27/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 09/20/2018	DISBURSEMENT	849.32-	
10/26/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 10/20/2018	DISBURSEMENT	821.92-	
11/28/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 11/20/2018	DISBURSEMENT	849.31-	
12/28/18		MANAGEMENT FEES CITIZENS BUSINESS BANK FOR THE PERIOD ENDING 12/20/2018	DISBURSEMENT	821.92-	
Total Fees				10,000.00-	0.00
Cash Management					
12/31/18	113,355.440-	31607A703 NET CASH MANAGEMENT	NET CASH MGMT	113,355.44	113,355.44-
Total Cash Management				113,355.44	113,355.44-
Miscellaneous					
01/12/18		24422ERE1 AMORTIZATION ON 100,000 UNITS JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021 TO ADJUST TAX LOT, AMORTIZATION = 2,414.55-	AMORTIZATION		2,414.55-
01/16/18		713448BN7 AMORTIZATION ON 25,000 UNITS PEPSICO INC DTD 01/14/10 4.5% 01/15/2020 EFFECTIVE 01/15/2018 TO ADJUST TAX LOT, AMORTIZATION = 1,816.02-	AMORTIZATION		1,816.02-
02/05/18		3136G1C98 AMORTIZATION ON 50,000 UNITS FANNIE MAE DTD 02/05/13 1.42% 02/05/2020 TO ADJUST TAX LOT, AMORTIZATION = 256.69-	AMORTIZATION		256.69-
04/30/18		69353REW4 AMORTIZATION ON 200,000 UNITS PNC BANK NA DTD 04/29/16 CALL 2.15% 04/29/2021-2021 EFFECTIVE 04/29/2018 TO ADJUST TAX LOT, AMORTIZATION = 393.61-	AMORTIZATION		393.61-
06/27/18		3130A1CE6 AMORTIZATION ON 70,000 UNITS FEDERAL HOME LOAN DTD 03/27/14 2% 12/27/2019 TO ADJUST TAX LOT, AMORTIZATION = 113.12-	AMORTIZATION		113.12-

RECEIVED
 JAN 2 2019

Account Statement

Account Number: **1035003119**

January 01, 2018 To December 31, 2018

BY: _____ *Ru*

Transaction Statement (Continued)

Date	Quantity	Description	Transaction Type	Cash	Cost Basis
06/29/18		05531FAU7 AMORTIZATION ON 75,000 UNITS BB&T CORPORATION DTD 06/29/15 CALL 2.625% 06/29/2020-2020 TO ADJUST TAX LOT, AMORTIZATION = 53.14-	AMORTIZATION		53.14-
07/12/18		24422ERE1 AMORTIZATION ON 100,000 UNITS JOHN DEERE CAPITAL CORP SERIES MTN DTD 07/12/2011 3.9% 07/12/2021 TO ADJUST TAX LOT, AMORTIZATION = 991.09-	AMORTIZATION		991.09-
07/16/18		713448BN7 AMORTIZATION ON 25,000 UNITS PEPSICO INC DTD 01/14/10 4.5% 01/15/2020 EFFECTIVE 07/15/2018 TO ADJUST TAX LOT, AMORTIZATION = 331.10-	AMORTIZATION		331.10-
08/06/18		3136G1C98 AMORTIZATION ON 50,000 UNITS FANNIE MAE DTD 02/05/13 1.42% 02/05/2020 EFFECTIVE 08/05/2018 TO ADJUST TAX LOT, AMORTIZATION = 74.82-	AMORTIZATION		74.82-
10/29/18		69353REW4 AMORTIZATION ON 200,000 UNITS PNC BANK NA DTD 04/29/16 CALL 2.15% 04/29/2021-2021 TO ADJUST TAX LOT, AMORTIZATION = 399.24-	AMORTIZATION		399.24-
12/27/18		3130A1CE6 AMORTIZATION ON 70,000 UNITS FEDERAL HOME LOAN DTD 03/27/14 2% 12/27/2019 TO ADJUST TAX LOT, AMORTIZATION = 114.69-	AMORTIZATION		114.69-
12/31/18		05531FAU7 AMORTIZATION ON 75,000 UNITS BB&T CORPORATION DTD 06/29/15 CALL 2.625% 06/29/2020-2020 EFFECTIVE 12/29/2018 TO ADJUST TAX LOT, AMORTIZATION = 54.10-	AMORTIZATION		54.10-
Total Miscellaneous				0.00	7,012.17-
12/31/18		Ending Balance		0.00	2,695,859.23

Disclosure

1099S WILL BE POST-MARKED ON OR BEFORE FEBRUARY 28TH UNLESS THE ACCOUNT HOLDS COMPLEX ASSETS (REITS, GNMA, FNMA, OTHER GOV'T AGY) OR MASTER LIMITED PARTNERSHIPS (MLPS). THE LATTER WILL BE POST-MARKED BY MARCH 18TH. MAILING OF FIDUCIARY TAX INFORMATION WILL BEGIN MID-FEBRUARY AND CONTINUE THROUGH EARLY APRIL.

Expense Report

2019 Expense Reports

	January	February	March	April	May	June	July	August	September	October	November	December
Randall Bonner												
Internet												
Cell Phone												
Travel												
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Kasey Castillo												
Internet												
Cell Phone												
Travel												
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jordan Ehrenkranz												
Internet	\$ 40.00											
Cell Phone												
Travel												
Total	\$ 40.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Larry Greene												
Internet												
Cell Phone												
Travel												
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jeremy Smith												
Internet												
Cell Phone												
Travel												
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RESOLUTION NO. 2019-04

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, APPOINTING ITS CITY MANAGER AS THE CITY CLERK

WHEREAS, Canyon Lake Municipal Code Chapter 2.08 describes the duties of the City Clerk and Section 2.08.010 provides for the City Council to appoint a City Clerk, who then may appoint deputies to assist him or her in carrying out the duties of the position; and

WHEREAS, state law and practice throughout California allow the City Council to appoint the City Manager also to serve as the City Clerk, generally assisted by one or more Deputy City Clerks whom the City Manager appoints; and

WHEREAS, City Council now wishes to appoint the person holding the position of City Manager, including the Acting or Interim City Manager, to serve as the City Clerk effective as of January 10, 2019.

NOW, THEREFORE, THE CITY COUNCIL OF CANYON LAKE RESOLVES AND ORDERS AS FOLLOWS:

Section 1. That the City Council appoints the City Manager to serve as the City Clerk effective January 10, 2019, to serve concurrently with his position of City Manager, with no additional compensation or bond.

Section 2. That the City Manager may appoint Deputy City Clerks as well.

PASSED, APPROVED AND ADOPTED this 6th day of February 2019.

Larry Greene, Mayor

ATTEST:

Ana V. Sauseda, Deputy City Clerk

State of California)
County of Riverside) ss
City of Canyon Lake)

I, Ana V. Sauseda Deputy City Clerk of the City of Canyon Lake, California, do hereby certify that the foregoing is a true and correct copy of the Resolution No. 2019-04 adopted by the City Council of the City of Canyon Lake, California, at a regular meeting held on the 6th day of February 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

MINUTES
REGULAR MEETING OF THE CANYON LAKE
CITY COUNCIL
Wednesday, January 2, 2019

City Council Chamber
31516 Railroad Canyon Road
Canyon Lake, CA 92587

THE REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE SCHEDULED FOR JANUARY 2, 2019 HAD BEEN ADJOURNED FOR LACK OF A QUORUM AND WAS RESCHEDULED TO WEDNESDAY, JANUARY 9, 2019.

Respectfully Submitted,

Ana V. Sauseda
Deputy City Clerk

MINUTES
ADJOURNED REGULAR MEETING OF THE
CANYON LAKE CITY COUNCIL
Wednesday, January 9, 2019
Closed Session - 5:30 p.m.
Open Session - 6:30 p.m.

City Council Chamber
31516 Railroad Canyon Road
Canyon Lake, CA 92587

Closed Session – 5:30 p.m.

CALL TO ORDER

Mayor Greene called the meeting to order at 5:31 p.m.

CITY COUNCIL ROLL CALL

Present: Council Members, Bonner, Castillo, Smith, and Mayor Greene.

Absent: Mayor Pro Tem Ehrenkranz

PUBLIC COMMENTS

There were no public comments.

CLOSED SESSION

The City Council entered Closed Session at 5:31 p.m.

Closed session pursuant to Govt. Code section 54957 – Public Employment: City Manager

The City Council returned from Closed Session at 6:30 p.m. with no reportable action.

Open Session – 6:30 p.m.

CALL OPEN SESSION TO ORDER

Mayor Greene called the meeting to order at 6:35 p.m.

INVOCATION

Invocation was led by Nancy Carroll

Flag Salute was led by Jim Randall.

CITY COUNCIL ROLL CALL

Present: Councilmembers Bonner, Castillo, Mayor Pro Tem Ehrenkranz, Smith, and Mayor Greene.

APPROVAL OF THE CITY COUNCIL AGENDA

City Manager Palmer stated that Item 8 would be pulled from the agenda and brought back to the Council at a later time.

Motion and Second by Councilmember Bonner/Mayor Pro Tem Ehrenkranz to approve the City Council Agenda with Item 8 pulled.

Vote: Unanimous

CEREMONIAL MATTERS

Presentations, Awards, Proclamations, Announcements

- Chamber of Commerce Announcement

Jim Randall gave an update on upcoming Chamber events.

- Recognition of Veterans Day Sponsors

Mayor Greene called on Veterans Day Committee Chair Vicki Warren to present the trophies and certificates.

Committee Chair Warren presented sponsors with tokens of appreciation. She also presented the Committee with Certificates of Appreciation and thanked them for all their hard work.

Councilmember Bonner stepped away from the dais at 6:41 p.m. and returned at 6:45 p.m.

PUBLIC COMMENT

There were no Public Comments.

CONSENT CALENDAR

- (1) Waive Full Reading, Read all Ordinances by Title Only
- (2) Adoption of Resolution No. 2019-01 - Approving Claims and Demands of the City
- (3) City Council Meeting Minutes
 - December 5, 2018
 - December 12, 2018
- (4) Authorization to Terminate Existing Service Agreement with Jani-King of California Inc. and Authorize New Service Agreement with Delgado Janitorial Services

Motion and Second by Councilmembers Bonner/Smith to approve the Consent Calendar.

Motion carried 5-0, with Council Members Bonner, Castillo, Smith, Mayor Pro Tem Ehrenkranz, and Mayor Greene voting aye.

PULLED CONSENT CALENDAR ITEMS

No items were pulled.

SCHEDULE OF FUTURE EVENTS

Mayor Greene announced the schedule of future events are located on the City's website and in the Friday Flyer.

BUSINESS ITEMS

- (5) Discussion and Possible Direction regarding a Special Open Meeting of the City Council with the POA Board of Directors

City Manager Palmer presented this item.

Councilmember Smith explained this item in further detail.

Councilmember Castillo spoke in favor of this item.

Councilmember Bonner spoke against this item. He also spoke regarding the procedure for adding items to the City Council agenda.

Mayor Pro Tem Ehrenkranz spoke in favor of this item.

Mayor Greene spoke in favor of this item.

Councilmember Bonner questioned how often this meeting would occur.

Mayor Greene clarified that it's scheduled as a quarterly meeting for now but that can be modified at any time.

- (6) Authorize the Transfer of Reserve AQMD Funds into the City's FY18/19 Budget to Purchase a Code Enforcement Vehicle and to Surplus the 2009 GMC Sierra Enforcement Truck

Mike Borja, Administrative Services Manager, presented the item.

Staff is requesting approval for reserve AQMD funds to be transferred into the FY 18/19 budget in order to proceed with the purchase of a new vehicle.

Motion and Second by Councilmembers Bonner/Castillo to approve Item 6.

Motion carried 5-0, with Council Members Bonner, Castillo, Smith, Mayor Pro Tem Ehrenkranz, and Mayor Greene voting aye.

- (7) Reconsideration and possible introduction of Ordinance No. 178 of the City of Canyon Lake, California authorizing the implementation of a Community Choice Aggregation Program and First Amendment to the Western Community Energy Joint Powers Agreement

City Manager Palmer introduced the item.

Rick Bishop, Executive Director of Western Riverside Council of Governments/Western Community Energy, spoke in favor of this item.

Mayor Pro Tem Ehrenkranz stated that he would like to give this item a try and would like the Council's support.

Motion and Second by Councilmember Bonner/Mayor Pro Tem Ehrenkranz to approve Item 7.

Motion Failed with Councilmember Bonner and Mayor Pro Tem Ehrenkranz voting aye and Councilmembers Castillo, Smith, and Mayor Greene voting No.

PUBLIC HEARINGS

(8) ****THIS ITEM WAS REMOVED****

Public Hearing and Adoption of Resolution No. 2018-32A-1

TIME AND PLACE FIXED FOR A PUBLIC HEARING TO CONSIDER THE EXTENSION OF RESOLUTION NO. 2018-32A-1 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE, CALIFORNIA, EXTENDING UPDATED DEVELOPMENT PROCESSING FEES ALONG WITH A CPI ESCALATOR AND DECLARING THE CONTINUED URGENCY FOR THOSE FEES TO REMAIN EFFECTIVE FOR AN ADDITIONAL 30 DAYS

Erica Harnik, Coachella Valley Senior Representative for the Building Industry Association, thanked the Council for pulling this item.

(9) Approval of CDBG Application

RESOLUTION NO. 2019-02- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE AUTHORIZING THE ALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR FISCAL YEAR 2019/20

Borja introduced the item.

Councilmember Bonner questioned if Helping Hands was notified.

Borja clarified that they were notified, however, they did not qualify.

Councilmember Castillo questioned the amount of time given for applications to be submitted and the methods of publication used to advertise this program. Discussion ensued.

Public Hearing Opened

The Public Hearing was opened at 7:22 p.m.

Staff Presentation

The item was presented prior to the public hearing being opened.

Questions to Staff by City Council

Questions were addressed prior to the Public Hearing being opened.

Testimony by Proponents

Jack Wamsley, resident, had a question regarding grants for the BLM land.

Mayor Greene stated that this item is strictly for the CDBG Grant.

Wamsley also questioned the outcome of Item 5.

Mayor Greene confirmed that Item 5 was voted on.

Councilmember Bonner stated that Item 5 had not been voted on and a roll call vote should be conducted. Discussion ensued regarding the outcome of Item 5.

City Attorney Martyn suggested that the Council finish this Public Hearing and then go back to Item 5.

Deputy City Clerk Sauseda submitted the Affidavit of Publication (*on file in the City Clerk's Office*) and there were no protests or objections thereto.

Testimony by Opponents

There were no speakers.

Response by Proponents

There were no speakers.

Public Hearing Closed

The Public Hearing was closed at 7:25 p.m.

Discussion by City Council

Councilmember Smith stated that he sat down with Borja to discuss the item in detail and to figure out different solutions for keeping the money with an agency that is located in Canyon Lake, such as Helping Hands. Unfortunately, they ran out of time, however, they do have a meeting with Helping Hands to discuss how to help them so that they may qualify for 2020 and potentially funding from the District and County.

Councilmember Castillo stated the importance of keeping the funds in Canyon Lake and thanked Councilmember Smith for addressing most of her concerns.

Mayor Pro Tem Ehrenkranz acknowledged HOPE and the work they are doing for the citizens of Canyon Lake.

Action by City Council

Motion and Second by Councilmember Bonner/Mayor Pro Tem Ehrenkranz to approve Resolution No. 2019-02- A Resolution of the City Council of the City of Canyon Lake authorizing the allocation of Community Development Block Grant Funds for Fiscal Year 2019/20.

Motion carried 5-0, with Council Members Bonner, Castillo, Smith, Mayor Pro Tem Ehrenkranz, and Mayor Greene voting aye.

Business Item No. 5

Mayor Greene referred back to Item 5 for a roll call vote.

City Attorney Martyn questioned if the Council would like to give specific direction to staff as to when the meeting should be scheduled.

Mayor Greene stated that he would like for staff to work with POA staff to set up several dates that might work for everyone's schedules.

Motion carried 4-1, with Council Members Castillo, Smith, Mayor Pro Tem Ehrenkranz, and Mayor Greene voting aye and Councilmember Bonner voting No, for staff to proceed in working with the POA to arrange a Joint Meeting.

CITY MANAGER COMMENTS

There were no comments.

COMMITTEE AND COUNCIL REPORTS/COMMENTS

• **COUNCIL MEMBER BONNER**

Council Member Bonner discussed the RCTC Meetings and stated that there is a lot of activity going on. He reminded everyone of the upcoming roundtables.

• **COUNCIL MEMBER CASTILLO**

Councilmember Castillo recognized Law Enforcement Appreciation Day and thanks Law Enforcement for all their work. She discussed attending the swearing in for District Attorney Elect Mike Hestrin. She thanked Mayor Greene for attending the Public Safety Meeting on her behalf. Along with Mayor Greene, she attended a meeting with POA leaders and the Water District. She also discussed upcoming LESJWA and Watershed Homeless Conference.

• **MAYOR PRO TEM EHRENKRANZ**

Mayor Pro Tem Ehrenkranz discussed attending the Blue Light Ceremony with his wife. He discussed attending a Toy Drive hosted by Melissa Melendez. He discussed attending the Vector meeting and will be working with Deputy City Clerk Sauseda to get this information in the Friday Flyer. He discussed attending WRCOG the day prior. He also discussed attending the WCE meeting alongside City Manager Palmer earlier in the day.

- **COUNCIL MEMBER SMITH**

Councilmember Smith discussed attending a Toy Drive event with Senator Jeff Stone. He discussed meeting with the POA alongside Councilmember Castillo. Along with Councilmember Bonner and Mayor Pro Tem Ehrenkranz, he attended the event hosted by Melissa Melendez and spoke to her Chief of Staff regarding a joint internship program with them. He attended the swearing in for Chad Bianco the day prior. He discussed an upcoming WRCOG event and RTA meeting. Lastly, he discussed the Finance & Planning Committee Meeting.

- **MAYOR GREENE**

Mayor Greene discussed being appointed to the Executive Committee of the Regional Conservation Authority. He discussed the work being done on Railroad Canyon and stated that there are alternate routes which are available on the City of Lake Elsinore's website. He discussed the presentation from Battalion Chief Bischof who was part of the Cal Fire team who assisted in the Camp Fire in Paradise, California. Mayor Greene acknowledged National Law Enforcement Day and thanked them for all their services. Lastly, he stated that he submitted his name for consideration on the Santa Ana River Watershed Committee.

ANNOUNCEMENTS

The next regular City Council meeting is scheduled for Wednesday, February 6, 2019 at 6:30 p.m. for Open Session and 5:30 p.m. for closed session.

ADJOURNMENT


Mayor Greene adjourned the meeting at 7:47 p.m.

Respectfully submitted,

Ana V. Sauseda,
Deputy City Clerk

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council

FROM: Mike A. Borja, Acting City Manager 

DATE: February 6, 2019

SUBJECT: Authorization of Professional Service Agreement with PZL Inc. for Planning Services in the Building & Safety Department

Recommendation

That the City Council authorize the Acting City Manager to enter into a professional service agreement with PZL Inc. for Planning services in the Building & Safety Department.

Background

For the past few years, under the service agreement with Charles Abbott Associates (CAA), the City utilized the subcontracted services of PZL Inc. for the Planning services in the Building & Safety Department. In addition, PZL Inc. also provided services for special events permitting and business licensing. In December of 2018, the service agreement with CAA terminated, ending the subcontracted services with PZL Inc. as well.

Currently, the City has retained a month to month service with PZL Inc., independently from CAA, by working on Thursday of each week. Because of the history, knowledge, and workmanship the city has had with PZL Inc., staff is moving forward with a professional service agreement as required to continue services with the City of Canyon Lake.

Fiscal Impact

The fiscal impact comes at a billing rate of \$100 per hour, based on workload, and funded through the city's General Fund 350-Planning.

Attachments

1. Professional Service Agreement with PZL Inc.
2. PZL Inc. Billing rate
3. Proposal Letter - Scope of Work
4. Certificate of Liability Insurance

ATTACHMENT 1



PROFESSIONAL SERVICES AGREEMENT FOR PLANNING SERVICES

THIS AGREEMENT for Professional Services (“Agreement”) is made this 27th day of January (“Effective Date”) by and between the City of Canyon Lake (the “City”) and PZL Inc. (“Provider”) (together sometimes referred to the “Parties”).

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Provider shall provide to the City the services described in the Scope of Work attached as **Exhibit A** and incorporated here. Such work shall be provided at the time and place and in the manner specified in Exhibit A. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

1.1 Term of Services. The term of this Agreement shall begin on the Effective Date and shall be terminated as set out in Section 8.

1.2 Standard of Performance. Provider shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Provider is engaged and to the sole satisfaction of the Contract Administrator.

1.3 Assignment of Personnel. Provider shall assign only competent personnel to perform services pursuant to Agreement. In the event that the City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Provider shall, immediately upon receiving notice from the City of such desire of the City, reassign such person or persons.

1.4 Time. Provider shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to satisfy Provider's obligations hereunder.

1.5 Authorization to Perform Services. The Provider is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

Section 2. COMPENSATION. The City hereby agrees to pay Provider a sum not to exceed \$5,000.00 for each calendar month during which services are provided, notwithstanding any contrary indications that may be contained in Provider's proposal, for services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and **Exhibit A**, regarding the amount of compensation, this Agreement shall prevail. The City shall pay Provider for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from the

City to Provider for services rendered pursuant to this Agreement. Provider shall submit all invoices to the City in the manner specified herein. Except as specifically authorized in advance by the City, Provider shall not bill the City for duplicate services performed by more than one person.

- 2.1 Invoices.** Provider shall submit invoices monthly during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:
- The beginning and ending dates of the billing period;
 - A Task Summary containing the total due this period;
 - At the City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
 - The total number of hours of work performed under the Agreement by Provider and each employee, agent, and subcontractor of Provider performing services hereunder necessary to complete the work described in Exhibit A;
 - Receipts for expenses to be reimbursed;
 - The Provider's signature.
- 2.2 Monthly Payment.** The City shall make payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred.
- 2.3 Total Payment.** The City shall not pay any additional sum for any expense or cost whatsoever incurred by Provider in rendering services pursuant to this Agreement. The City shall make no payment for any extra, further, or additional service pursuant to this Agreement. The City shall be exempt from existing or any and all future fuel service charges, minimum order or one-time order service charge.
- In no event shall Provider submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entire Agreement, unless the Agreement is modified in writing prior to the submission of such an invoice.
- 2.4** Intentionally omitted.
- 2.5 Reimbursable Expenses.** Reimbursable expenses are included within the maximum amount of the contract.
- 2.6 Payment of Taxes.** Provider is solely responsible for the payment of employment taxes incurred under this Agreement and any federal or state taxes.

2.7 **Payment upon Termination.** In the event that the City or Provider terminates this Agreement pursuant to Section 8, the City shall compensate the Provider for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Provider shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

Section 3. FACILITIES AND EQUIPMENT. Provider shall, at its sole cost and expense, provide all facilities, supplies and equipment necessary to perform the services required by this Agreement.

Section 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Provider, at its own cost and expense, shall procure the types and amounts of insurance checked below and provide Certificates of Insurance, indicating that Provider has obtained or currently maintains insurance that meets the requirements of this section and which is satisfactory, in all respects, to the City. Provider shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in the Provider's compensation. Provider shall not allow any subcontractor to commence work on any subcontract until Provider has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to the City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. All insurance coverage and limits provided by Provider and available or applicable under this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage.

4.1 **Workers' Compensation.** Provider shall obtain Workers' Compensation Insurance at such time as Provider has any employees.

4.2 **Commercial General Insurance and Automobile Liability Insurance.**

4.2.1 **Commercial General Liability Insurance.** Provider, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 **Minimum scope of coverage** Intentionally omitted.

4.2.3 **Additional requirements.** Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.
- b. Any failure of Provider to comply with reporting provisions of the policy shall not affect coverage provided to the City and its officers, employees, agents, and volunteers.

4.3 **Professional Liability Insurance. – Intentionally Omitted**

4.4 **All Policies Requirements.**

4.4.1 **Acceptability of insurers.** All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A-: VI.

4.4.2 **Verification of coverage.** Prior to beginning any work under this Agreement, Provider shall furnish the City with Certificates of Insurance, and upon request, complete certified copies of all policies, including complete certified copies of all endorsements. All copies of policies and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

4.4.3 **Notice of Reduction in or Cancellation of Coverage.** A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified, mail, return receipt requested, has been given to the City. In the event that any coverage required by this section is reduced, limited, cancelled, or materially affected in any other manner, Provider shall provide written notice to the City at Provider's earliest possible opportunity and in no case later than ten (10) working days after Provider is notified of the change in coverage.

4.4.4 **Additional insured; primary insurance.** The City and its officers, employees, agents, and authorized volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Provider, including the insured's general supervision of Provider; products and completed operations of Provider, as applicable; premises owned, occupied, or used by Provider; in the course of providing services pursuant to this Agreement. The coverage shall contain no special limitations on the scope

of protection afforded to the City or its officers, employees, agents, or authorized volunteers.

A certified endorsement must be attached to all policies stating that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

4.4.5 Subcontractors. Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4.6 Variation. Contract Administrator may approve in writing a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that the City's interests are otherwise fully protected.

4.4.7 No policy required hereunder shall prohibit Provider from waiving any right of recovery prior to loss. Provider hereby waives such right with regard to the Indemnities set out below in Section 5.

4.5 Remedies. In addition to any other remedies the City may have if Provider fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies the City may have and are not the exclusive remedy for Provider's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Provider to stop work under this Agreement or withhold any payment that becomes due to Provider hereunder, or both stop work and withhold any payment, until Provider demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

Section 5. INDEMNIFICATION

Provider shall indemnify, defend with counsel acceptable to the City and hold harmless the City and its officials, officers, employees, agents and authorized volunteers from and against any and all losses, liabilities, claims, suits, actions, arbitration proceedings, administrative proceedings,

regulatory proceedings, damages and expenses of any kind, whether actual or threatened, (including but not limited to attorneys' fees and costs, court costs, interest defense costs, and expert witness fees) where the same arise out of, are a consequence of or are in any way attributable to, in whole or in part, the performance of this Agreement (or the failure to perform) by Provider or by any individual or entity for which Provider is legally liable, including but not limited to officers, agents, employees or subcontractors of Provider.

The foregoing obligation of Provider shall not apply when (1) the injury, loss of life, damage to property or violation of law arises wholly from the negligence or willful misconduct of the City or its officers, employees, agents or authorized volunteers and (2) the actions of Provider or its employees, subcontractors or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law.

It is understood that the duty of Provider to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by the City of insurance certificates and endorsements required under this Agreement does not relieve Provider from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Provider acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

Section 6. STATUS OF PROVIDER.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Provider shall be an independent contractor and shall not be an employee of the City. The City shall have the right to control Provider only insofar as the results of Provider's services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise the City shall not have the right to control the means by which Provider accomplishes services rendered pursuant to this Agreement. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Provider and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to any compensation, benefit, or any incident of employment by the City, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of the City and entitlement to any contribution to be paid by the City for employer contributions and/or employee contributions for PERS benefits.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this agreement.
- 7.2 Compliance with Applicable Laws.** Provider and any subcontractor shall comply with all applicable local, state and federal laws and regulations applicable to the performance of the work hereunder.

- 7.3 **Licenses and Permits.** Provider represents and warrants to the City that Provider and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Provider represents and warrants to the City that Provider and its employees, agents, any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Provider and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from the City.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 **Termination.** The City may cancel this Agreement at any time and without cause upon written notification to Provider.

Provider may cancel this Agreement upon thirty (30) days' written notice to the City and shall include in such notice the reasons for cancellation.

In the event of termination, Provider shall be entitled to compensation for services performed to the effective date of termination; the City, however, may condition payment of such compensation upon Provider delivering to the City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Provider or prepared by or for Provider or the City in connection with this Agreement.

- 8.2 **Extension.** Not applicable because there's no set termination date.
- 8.3 **Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

- 8.4 **Assignment and Subcontracting.** The City and Provider recognize and agree that this Agreement contemplates personal performance by Provider and is based upon a determination of Provider's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to the City for entering into this Agreement was and is the professional reputation and competence of Provider. Provider may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Provider shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in the proposal, without prior written approval of the Contract Administrator. In the event that key personnel leave Provider's employ, Provider shall notify the City immediately.

- 8.5 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between the City and Provider shall survive the termination of this Agreement.
- 8.6 Options upon Breach by Provider.** If Provider materially breaches any of the terms of this Agreement, the City's remedies shall include, but not be limited to, any or all of the following:
- 8.6.1** Immediately terminate the Agreement;
 - 8.6.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Provider pursuant to this Agreement;
 - 8.6.3** Retain a different Provider to complete the work described in Exhibit A not finished by Provider; or
 - 8.6.4** Charge Provider the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that the City would have paid Provider pursuant to Section 2 if Provider had completed the work.

Section 9. KEEPING AND STATUS OF RECORDS.

- 9.1 Records Created as Part of Provider's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form that Provider prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Provider hereby agrees to deliver those documents to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use. The City and Provider agree that, until final approval by the City, all data, plans, specifications, reports and other documents are confidential and will not be released to third parties without prior written consent of both parties unless required by law.
- 9.2 Provider's Books and Records.** Provider shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Provider to this Agreement.
- 9.3 Inspection and Audit of Records.** Any records or documents that Section 9.2 of this Agreement requires Provider to maintain shall be made available for

inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of, the City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds Ten Thousand Dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

Section 10. MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If either party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in Riverside County.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.
- 10.6 Provider Representative.** All matters under this Agreement shall be handled for Provider by PZL Inc.
- 10.7 City Contract Administration.** This Agreement shall be administered by the City Acting City Manager Mike Borja ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 10.8 Notices.** Any written notice to Provider shall be sent to:

Business Name: PZL, Inc.

Address: 41738 Fulton Avenue, Hemet, CA 92544

Any written notice to the City shall be sent to the Contract Administrator:

Mike Borja, Acting City Manager
City of Canyon Lake
31516 Railroad Canyon Rd.
Canyon Lake, CA 92587

10.9 Intentionally Omitted.

10.10 Integration. This Agreement, including the scope of work attached hereto and incorporated herein as **Exhibit A**, represents the entire and integrated agreement between the City and Provider and supersedes all prior negotiations, representations, or agreements, either written or oral.

10.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

The Parties have executed this Agreement as of the Effective Date.

THE CITY OF CANYON LAKE

PZL INC.

Mike A. Borja, Acting City Manager


Jim Morrissey, City Planner

Attest:

Approved as to Form:

Elizabeth Martyn, City Attorney

ATTACHMENT 2

PZL, INC.

Cost Estimate/Billing Rate

The billing rate for Planning Services is \$100.00/hr., applied on an hourly basis based upon work load. Planning Services are currently provided and would continue to be provided one day a week at the City offices, although I am available via e-mail or phone throughout the week.

ATTACHMENT 3

January 27, 2019

City of Canyon Lake
Attn: Mike Borja
31516 Railroad Canyon Road
Canyon Lake, CA 92587

SUBJECT: PROPOSAL FOR PLANNING SERVICES/SCOPE OF WORK

Dear Mike:

Thank you for the opportunity to submit a proposal to provide Planning Services to the City of Canyon Lake. This letter is intended as a standalone proposal to the proposal provided in 2015 in which I was to provide Planning Services in conjunction with Building and Engineering Services provided by Charles Abbott and Associates. I have had the opportunity to provide planning services to the City for several years and would like to continue to do so. This proposal reiterates the materials previously provided to the City, to ensure a consistent frame of reference.

Background

I started **PZL, Inc.** in the Year 2000 to provide a broad range of planning services, focused in three areas:

- Provide temporary or long-term consulting services directly to jurisdictions assisting in administration, development review or responding to unique planning issues.
- Provide supplemental and support services to businesses to complete planning, management, and environmental documents.
- Provide planning and environmental services directly to developers and property owners.

During this time I have been involved in the preparation and evaluation of general plans, specific plans, policy documents, zoning and subdivision ordinances, environmental impact reports, negative declarations, development processing, and project evaluation, in addition to overall department management and administration.

As part of this work effort **PZL, Inc.** has provided contract planning services to a number of jurisdictions throughout the Inland Empire, including:

- County of San Bernardino (Current Client)

41738 Fulton Ave., Hemet, CA 92544

Phone: (951) 925-8455 • Fax: (951) 925-8588 • E-mail: pzl@verizon.net
02-05-2019 City Council Agenda

- City of Yucaipa
- City of Hemet (Interim part-time Planning Director and Interim part-time Community Development Director on separate occasions)
- City of San Jacinto
- City of Redlands
- City of Moreno Valley
- City of Coachella
- City of Palm Springs
- City of Adelanto (Interim part-time Community Development Director)

Prior to starting **PZL, Inc.** I was Planning Director for the City of Lake Elsinore, Assistant Community Development Director for the City of Hemet, part-time Planning Director for the City of Beaumont, and Principal Planner for NBS/Lowry (primary office in Hemet) and The Keith Companies (primary office in Moreno Valley).

Services Requested by the City of Canyon Lake

The City of Canyon Lake has previously requested assistance in the following areas:

- Reviewing development site plans
- Reviewing conditional use permits
- Updating the General Plan
- Updating the Zoning Code
- Regulating signage
- Reviewing City business licenses

PZL, Inc. has worked with numerous municipalities over the years and has the experience to undertake the tasks listed above. My current responsibilities with the County of San Bernardino include case processing/development review of minor use permits, conditional use permits, subdivision maps, variances, zone changes, and general plan amendments.

Billing Rate

The current billing rate for the proposed service is \$100.00/hr., applied on an hourly basis based upon work load. Planning services are currently provided would continue to be provided one day a week at the City offices, although I am available via e-mail or phone throughout the week.

Educational and Professional Background

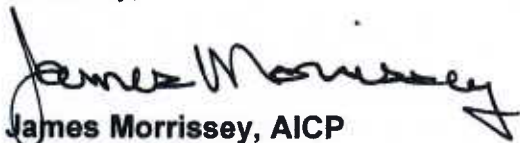
- Bachelor of Science Degree in Urban Planning from California State Polytechnic University (Cal Poly), Pomona

- Masters Degree in Public Administration from California State University, San Bernardino.
- Teaching experience includes courses taught for the Cal Poly Pomona Planning Department and the University of California, Riverside, Extension Program.

I have held the positions of Secretary and Section Director for the Inland Empire Section (IES) of the American Planning Association (APA) and been a long time member of APA and American Institute of Certified Planners (AICP). I was also Co-Vice President of Programs for the Inland Empire Chapter, Association of Environmental Professionals (AEP).

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



James Morrissey, AICP
President, PZL, Inc.

ATTACHMENT 4



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER SOUTHEAST COUNTIES INSURANCE 10405 Los Alamitos Los Alamitos, CA 90720	CONTACT NAME: PHONE (A/C, No., Ext): (562)430-4704 FAX (A/C, No.): (562)430-4630 E-MAIL ADDRESS: jamesdreifus@msn.com
	INSURER(S) AFFORDING COVERAGE NAIC # INSURER A: United States Liability Insurance Co INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
INSURED James Morrissey PZL Inc. 417 Fulton Avenue Hemet, Ca 92544	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	A	X	CX 1005502L	03/07/18	03/07/19	EACH OCCURRENCE \$ 1,000,000. DAMAGE TO RENTED PREMISES (En occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ 2,000,000. PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (En accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	E & O			CX 1005502L	03/07/18	03/07/19	1,000,000.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

City of Canyon Lake
 31516 Railroad Canyon Road
 Canyon Lake, Ca 92587

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



ACORD 25 (2016/03)

The ACORD name and logo are registered marks of ACORD

© 1988-2015 ACORD CORPORATION. All rights reserved.



AGENCY CUSTOMER ID: _____

LOC #: _____

ADDITIONAL REMARKS SCHEDULE

Page ____ of ____

AGENCY SOUTHEAST COUNTIES INSURANCE		NAMED INSURED James Morrissey	
POLICY NUMBER CX 1005502L		PZL 417 Fulton Avenue	
CARRIER United States Liability	NAIC CODE	Hemet, ca 92544	
		EFFECTIVE DATE: 03-07-2018	

ADDITIONAL REMARKS


THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: 25 FORM TITLE: Certificate Holder and Additional Insured

City of Canyon Lake its officers and employees from any claim or liability

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council

FROM: Mike Borja, Acting City Manager 

BY: Terry Shea, Finance Director

DATE: February 6, 2019

SUBJECT: Consideration of Entering Into an Agreement with Multi-Bank Securities, Inc. & Opening a Custodial Agreement with Pershing LLC

RECOMMENDATION:

It is recommended the City Council authorize the City Accountant to purchase negotiable certificates of deposits and other authorized investments from Multi-Bank Securities, and open up a custodial account with Pershing LLC. The authorized signers on the account would be the Acting City Manager Mike Borja and the Mayor Larry Greene.

BACKGROUND:

The City is currently using Citizens Trust to purchase and hold the City's investments. The City's portfolio is approximately \$2.7M, and our annual fees are \$10,000. For fiscal years 2015-16, 2016-17 and 2017-18 the percentage of the fees charged to our investment earnings have been 21.88%, 37.79% and 24.32%, respectively. The high percentage is due to the size of our portfolio and Citizens Trust minimum fee of \$10,000. The City's investments are governed by the City's Investment Policy which was adopted by the City Council and is in accordance with the California Government Code, Sections 53601 et. Seq.

DISCUSSION:

Staff is proposing opening an account with Multi-Bank Securities, Inc. which will allow the City to purchase authorized investments from more than one broker dealer. In order to transact these investments, it is also necessary to establish a separate custodial account with Pershing LLC. Current CD rates available are from 2.65% to 3.05%. All CD's will be below the FDIC insured amount of \$250,000 and any additional investments will conform to the City's Investment Policy.

There is no charge to the City to open the accounts, purchase investments or hold the investments for the City. MBS has indicated the investments currently being held by Citizens Trust can all be transferred over to Pershing LLC and held to maturity. At that point additional investments will be purchased.

CONCLUSION:

Staff would like to establish a list of financial institutions, including broker/dealers who are authorized and licensed to provide investment services in the State of California. Staff has been approached by a couple of other firms and we will be bringing these to the Council at a future meeting. This will allow the City to earn additional funds without risking the City's surplus funds.

Attachments

1. User Agreement
2. Cash Account Application
3. MBS Due Diligence

City of Canyon Lake				
Engineering and Public Works				
FY 2017/2018 Project Listing	COST	TIME OF COMPLETION	LOCATION	USEFUL LIFE
Overlay and Slurry Seal of Railroad Canyon Road.		90 DAYS	Railroad Canyon Road - Western City Boundary to Eastern City boundary - 2 Miles	7 YEARS
Construction	\$550,000.00			
FY 2017/2018	\$550,000.00			
Catch Basin Trash Filters		30 days	Railroad Canyon Road - Western City Boundary to Eastern City boundary - 2 Miles	20 years
construction	\$30,000.00			
FY 2017/2018	\$30,000.00			
Speed Feedback Signs		60 days	Railroad Canyon Road - Western City Boundary to Eastern City boundary - 2 Miles	20 years
Construction	\$10,000.00			
FY 2017/2018	\$10,000.00			
SUMMARY	\$615,000.00			

ATTACHMENT 1

Proudly Veteran-Owned!



eConnect Direct[®]

User Agreement

Contact Information

Primary Point of Contact	Peter Yanez	pyanez@mbssecurities.com	(855) 928-0111
Product Specialist	Alexis Zehnder	azehnder@mbssecurities.com	(888) 354-7534
Senior Vice President	Tim Peacock	tpeacock@mbssecurities.com	(800) 967-9041

Powered by



MULTI-BANK SECURITIES, INC.[®]

(800) 967-9052 • support@eConnectDirect.com • www.eConnectDirect.com

Please send all correspondence to Corporate Headquarters:

Multi-Bank Securities, Inc. • 1000 Town Center, Suite 2300 • Southfield, MI 48075 • www.mbssecurities.com

For institutional investors only, not intended for the investing public. Copyright © 2017, Multi-Bank Securities, Inc.
Member of FINRA & SIPC, MSRB Registered. eConnectDirect is a registered trademark of Multi-Bank Securities, Inc. All rights reserved.
eCD User Agreement.pdf 05.25.17

LICENSING AGREEMENT

This Agreement is between:

Multi-Bank Securities, Inc. (MBS)
1000 Town Center, Suite 2300
Southfield, Michigan 48075

and

City of Canyon Lake
Account Holder
31516 Railroad Canyon Road
Street Address
Canyon Lake, CA 92587
City, State, Zip

This contract governs your use of services, ability to post deposit rates, and access to inventory offered by eConnectDirect®, a registered trademark of Multi-Bank Securities, Inc. ("MBS") and related commerce, products and services corresponding to your access to eConnectDirect.com. You may need to execute additional agreements or provide MBS account numbers if you request additional Opt-In Services in conjunction with your unique eConnectDirect Username and Password. "Opt-In Services" refers to additional trading functionality and supportive services provided through eConnectDirect or MBS.

The terms "MBS," "we," "us" and "our" refer to Multi-Bank Securities, Inc. The terms "Subscriber," "you" and "your" refer to the undersigned Account Holder and additional users identified in Schedule A. The term "eConnectDirect CD" (also known as "Physical CD" or "Listing Service" Deposits) refers to CDs which are transacted directly between the issuing institution and investing entity through eConnectDirect. The term "Securities" generally refers to all other assets purchased or viewed on eConnectDirect that are NOT eConnectDirect CDs. All Securities (e.g., Bonds, DTC-Eligible CDs) will have a corresponding CUSIP number and funds will be settled into a user-selected Securities account (Cash or Delivery Versus Payment "DVP"). If your preferred safekeeping agent is something other than a Pershing LLC account, originated through MBS, delivery and settlement instructions ("DVP Instructions") must be provided prior to gaining access to security's inventory monitors.

User Access Start Date

Start Date: _____ / _____ / 2019

Your user access and all other rights under this eConnectDirect Licensing Agreement will commence on the "Start Date" listed above if we have received from you a signed copy of this agreement and a complete set of all duly executed settlement documents required to purchase or issue a CD or security.

Modification/Cancellation

MBS reserves the right to:

- Modify or cancel any feature of eConnectDirect at any time.
- Discontinue user access at any time for any reason, without penalty, with 30 days written notice, or
- Immediately suspend user access at any time as provided below.

Subscriber reserves the right to:

- Discontinue any or all eConnectDirect services at any time for any reason, without penalty, by providing written notice to MBS.

All changes to the terms, conditions, fees, representations and warranties related to this agreement will be distributed in writing for signature, email consent or online confirmation. If at any time you find these terms unacceptable and do not agree with them, you can let us know that you would like to discontinue your user access without penalty.



ACCOUNT ADMINISTRATION:

The Account Administrator is responsible for maintaining the account profile and approving/assigning additional users and account access. The additional users need to be identified on Schedule A – Authorized User List. All users will be assigned a unique Username and Password and will be required to acknowledge and accept the terms, conditions and licensing agreement pertaining to the use of eConnectDirect upon initial login.

Account Administrator Name: Mike Borja
Title: Interim City Manager
Phone: 951-244-2955
Email: mborja@cityofcanyonlake.com

Secondary Contact Name: Larry Greene
Title: Mayor
Phone: 951-244-2955
Email: lgreene@cityofcanyonlake.com

Licensing/User Fees:

Any applicable licensing fees will be disclosed per Schedule B – Licensing Fee Schedule of this agreement and will be billed annually, payable on the anniversary of the user access start date and are NON-REFUNDABLE. You will not be liable for any increase in licensing fees or new fees related to your access to eConnectDirect unless you agree to such change in writing or other authenticated means.

MBS is not responsible for any fees incurred or charged in relationship to an eConnectDirect CD transaction by the issuing bank, settlement/wire fees, safekeeping charges by your securities' custodian or any other fees related to the purchase, issuance, settlement, or safekeeping of products offered through eConnectDirect. You are responsible for all such fees. Any applicable fees or selling concessions related to the issuance of DTC-eligible CDs are disclosed at the time of trade and per the terms of an executed terms agreement and related Brokerage Agreement.

Account Classification and User Access: Additional documentation may need to be submitted depending on your user access request(s).

Institution Classification City

User Access

- Investor
Securities
Listing Service Deposits (eConnectDirect CDs) (Exhibit C Required)
Issuer
DTC-Eligible CDs (Brokerage Agreement Required)
Listing Service Offerings (eConnectDirect CDs) (Exhibit C Required)
Securities Safekeeping Agent
Pershing LLC (Only to be Used if Originated by Multi-Bank Securities, Inc.)
DVP (Delivery Versus Payment) (Delivery Instructions Required)



Proprietary Rights in the eConnectDirect Software and Database:

Restrictions on Use: SUBSCRIBER AGREES THAT IT WILL NOT PERMIT ANY OTHER PERSON INCLUDING, BUT NOT LIMITED TO, ANY INSTITUTION, BROKER OR BUSINESS OF ANY TYPE, ACCESS TO THE SOFTWARE AND DATABASE.

License Limitations:

This eConnectDirect Licensing Agreement allows access to eConnectDirect using a computer and/or web access by a user from any approved browser. Subscriber agrees not to modify, adapt or translate, disassemble, decompile, reverse engineer or otherwise attempt to discover the source code of the software. Subscriber further agrees not to sublicense, assign, transfer, distribute, pledge, lease, rent or share any rights under this license except with prior written permission from MBS.

Transaction Settlements:

Subscriber agrees to pay for, settle on, deliver or make whole on any approved transaction(s) processed through eConnectDirect or MBS. Failure to pay for a purchase, delivery on a sell or settle on an approved and accepted CD issuance, may result in an IMMEDIATE suspension or cancellation of this user agreement.

Immediate Suspension:

MBS may immediately suspend user access and all rights under this agreement if MBS has not received payment of the applicable License Fee within 30 days of invoice or MBS believes the Subscriber has or may violate MBS's proprietary rights or has or may breach any other provision of this agreement.

Warranty Disclaimer/Liability:

MBS makes no warranty of any kind, express or implied, regarding the timeliness, sequence, accuracy or completeness of data provided on eConnectDirect. MBS will not be liable for any damages whatsoever, whether direct, indirect, general, special, compensatory, consequential and/or incidental, arising out of or relating to your use of eConnectDirect.

City of Canyon Lake
Account Holder

Multi-Bank Securities, Inc.
Company

Signature

Signature

Mike Borja
Name

Tim Peacock
Name

Interim City Manager
Title

Senior Vice President
Title



SCHEDULES, EXHIBITS & SUPPORTING DOCUMENTS

SCHEDULE A: AUTHORIZED USERS** (NOTE: The Administrator must be listed.)

NAME	TITLE	PHONE	EMAIL
Mike Borja	Interim City Manager	951-244-2955	mborja@cityofcanyonlake.com
Larry Greene	Mayor	951-244-2955	lgreene@cityofcanyonlake.com

**Permissions, notifications and account access are set and maintained by the administrator upon login. Securities trading authorization is only permitted to those approved by the account administrator and in confirmation with a submitted resolution of authorized signers.

SCHEDULE B: LICENSING FEE(S)

Applicable licensing fees will apply.

ALL FEES ARE PAYABLE WITHIN 30 DAYS OF INVOICE AND ARE NON-REFUNDABLE:

eConnectDirect Account Access (Including Securities): \$ 0 per year

eConnectDirect CD Listing Services: \$ Waived per year

Special Notes/Instructions:

[Empty rectangular box for special notes/instructions]



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...
[X] (4) MBS will determine suitability (Please provide your most recent Investment Policy).
2. It (1) is capable of evaluating investment risks independently...
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 there under.

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.

Form with fields for Institutional Account Name, Address, City, State, ZIP, U.S. Tax ID/EIN, Email Address, Signature of Authorized Signatory, Name of Authorized Signatory, Title of Authorized Signatory, Date, and Phone.

Address 1000 Town Center, Suite 2300 Southfield, Michigan 48075
Phone (800) 967-9045 (248) 291-1100
Fax (248) 291-1101
www.mbssecurities.com

Authorized Signers (Exhibit 1)

I HEREBY CERTIFY that a meeting of the Board of Directors (or other authorizing body) of City of Canyon Lake a City _____ organized under the laws of the State of CA (Investor), which at said meeting a quorum was present and acting throughout, the following preamble and resolutions were adopted and have been and now are in full force and effect. **WHEREAS** City of Canyon Lake is duly authorized and permitted by its Charter, Bylaws and/or investment policies to:

1. Engage in cash settlement transactions for the purchase of physical certificates of deposit(s) (CDs) purchased through eConnectDirect or through any introducing agent.
2. Engage in cash settlement transactions in the form of CDs held in safekeeping at federally insured financial institutions.
3. Engage in cash or DVP (delivery versus payment) settlement transactions in securities including, but not limited to debt instruments, bond debentures, notes and CDs; and other fixed-income securities, including but not limited to U.S. government agency bonds, corporate bonds, municipal bonds, mortgage-backed securities, collateralized mortgage obligations and Treasury bonds, notes and bills.
4. Receive on behalf of the Investor, or deliver to the Investor or a designated third party, monies, bonds or other securities.
5. Sell, assign or endorse for transfer bonds or other securities registered in the name of the Investor.
6. Establish and maintain safekeeping accounts with Fedwire and ACH privileges from which account funds are directly spent, and the responsibility for which is entirely that of the Investor. Said privileges will be limited to the persons designated by the Investor. Each designated person can independently perform the prescribed privileges.

NAME	TITLE	SIGNATURE
<u>Mike Borja</u>	<u>Interim City Manager</u>	_____
<u>Larry Greene</u>	<u>Mayor</u>	_____
_____	_____	_____
_____	_____	_____

THEREFORE BE IT RESOLVED that City of Canyon Lake can open an account or accounts in its name with a safekeeping agent, introducing broker, or federally insured financial institution offering CD rates through eConnectDirect or through any introducing agent and that the persons named above, or their successors in office, may, on behalf of the Investor or any one of them acting individually, be and they are hereby authorized to (1) give or submit orders in said account(s) for the purchase, sale or other disposition of CDs, bonds and other securities listed on eConnectDirect or offered by any introducing broker; (2) make, execute, deliver or submit directly or through the services of eConnectDirect any and all written endorsements and documents necessary to effectuate closure or the disbursements of funds of or from the Investor account; (3) may at any time while the account is open modify, amend, submit or enter into any other arrangement with the safekeeping agent of its CD or securities. This authorization to each of said officers is to remain in full force and effect until other written notice of revocation is submitted to the safekeeping agent(s) and MBS.

I FURTHER CERTIFY that the signatures of the officers (or others) identified above are authorized by the foregoing resolution to act for City of Canyon Lake

Name Title Signature

IN WITNESS this _____ day of _____, 20_____

Name Signature

ATTACHMENT 2

CASH ACCOUNT APPLICATION

I (We) would like to open a brokerage account with Multi-Bank Securities, Inc. to be carried by Pershing.
ACCOUNT INFORMATION (NOTE: ALL INFORMATION MUST BE COMPLETED.) PLEASE TYPE OR PRINT



MULTI-BANK SECURITIES, INC.®

Account Information	ACCOUNT NAME City of Canyon Lake		SOC. SEC OR TAX I.D. NO. 330449143		
	BUSINESS ADDRESS 31516 Railroad Canyon Rd	CITY Canyon Lake	STATE CA	ZIP 92587	
	ATTENTION Terry Shea				
	BUSINESS PHONE +1 (951) 244-2955	MAIL TO (Check one) <input checked="" type="checkbox"/> Business <input type="checkbox"/> Mailing <input type="checkbox"/> P.O. Box		U.S. ENTITY <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	FAX +1 (951) 246-2022	MAILING ADDRESS (if different than Business Address)		CITY STATE ZIP	
ATTENTION					
HAVE YOU GRANTED TRADING AUTHORIZATION TO ANOTHER PARTY? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, Request Trading Authorization Form and provide name of agent					
Bank or Brokerage Reference	NAME OF FIRM City of Canyon Lake		BRANCH AND ACCOUNT NUMBER		
Account Type	<input checked="" type="checkbox"/> CASH (Customer Agreement on reverse side of this application) <input type="checkbox"/> MARGIN (Request Margin and truth in Lending Agreements) <input type="checkbox"/> LLC <input type="checkbox"/> Trust (Trustee Certification Required) <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation (Request Form) <input type="checkbox"/> Option <input checked="" type="checkbox"/> Other (Specify) MUNICIPAL GOVERNMENT				
Investment Profile	INVESTMENT OBJECTIVE <input checked="" type="checkbox"/> Income: An investment approach in which an investor generally seeks current income over time. <input type="checkbox"/> Long-Term Growth: An investment approach in which an investor generally seeks capital appreciation through buying and holding securities over an extended period of time. <input type="checkbox"/> Short-Term Growth: An investment approach in which an investor generally seeks short-term capital gains through buying and selling securities over a short period of time.			RISK TOLERANCE <input checked="" type="checkbox"/> Low <input type="checkbox"/> Medium <input type="checkbox"/> High	
Service Instructions	WHEN SECURITIES ARE SOLD: <input checked="" type="checkbox"/> Hold Proceeds <input type="checkbox"/> Send Proceeds		DIVIDENDS: <input checked="" type="checkbox"/> Hold <input type="checkbox"/> Send		
WHEN SECURITIES ARE PURCHASED, THEY WILL BE HELD IN FIRM NAME		CONTACT YOUR BROKER FOR FREQUENCY OF "SEND"			
Municipal Bond Offerings	Official Statements: Municipal bond offering official statements are available electronically at: http://www.emma.msrb.org/ Are you interested in hard copy delivery of Municipal Bond Official Statements for this account? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Taxpayer Certification	TAXPAYER CERTIFICATION: Under penalties of perjury, I certify that: <input checked="" type="checkbox"/> (1) the number shown on this form in Section III is my correct Social Security Number or Taxpayer Identification Number (or I am waiting for a number to be issued to me); <input checked="" type="checkbox"/> (2) I am not subject to backup withholding because (a) I am exempt from backup withholding or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and <input type="checkbox"/> (3) I am a U.S. citizen or other U.S. person (defined below). CERTIFICATION INSTRUCTIONS: You must check item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. If you are an exempt payee (if you are unsure, ask us for a complete set of IRS instructions), write the words "Exempt Payee" here: _____ Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are: (a) An individual who is a U.S. citizen or U.S. resident alien, (b) A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, (c) An estate (other than a foreign estate), or (d) A domestic trust (as defined in Regulations section 301.7701-7). The signature provided below is that of the primary account holder. Signature: _____ Date: _____				
Signatures	BY SIGNING THIS APPLICATION, I (WE) ACKNOWLEDGE THE FOLLOWING: (1) THAT, IN ACCORDANCE WITH PARAGRAPH #8 OF THE CUSTOMER AGREEMENT, I (WE) AGREE IN ADVANCE TO ARBITRATE ANY CONTROVERSIES WHICH MAY ARISE WITH EACH OR BOTH OF US, (2) RECEIPT OF A COPY OF THE CUSTOMER AGREEMENT ON THE REVERSE SIDE OF THIS APPLICATION AND (3) THE INFORMATION PROVIDED ABOVE IS ACCURATE AND CORRECT.				
SIGNATURE		DATE			
For Office Use Only	ACCOUNT NO. RMB038365	INTRODUCING REP. SIGNATURE	REP. NO.	DATE	
VERIFIED <input type="checkbox"/> Yes <input type="checkbox"/> No		BRANCH MGR. APPROVAL	DATE		

Multi-Bank Securities, Inc.® Member of FINRA & SIPC; MSRB Registered.

CUSTOMER ACCOUNT AGREEMENT

TO: Multi-Bank Securities (My Broker), and Pershing LLC (Pershing)

Pershing will be responsible for the following; (1) receiving and delivering customer funds and securities; (2) safekeeping customer funds and securities using **ordinary care** (while they are in Pershing's possession or control) in, which, for purposes of this document, ordinary care means the degree of care, which an ordinarily prudent and competent person engaged in the same line of business or endeavor should exercise under similar circumstances in accordance with the rules and regulations of the Securities and Exchange Commission and The Financial Industry Regulatory Authority and segregating such funds and securities as required by applicable law (3) preparing and transmitting to the customer confirmation of trades; and (4) preparing and transmitting to the customer account statements.

1. The client executing this Agreement agrees as follows with respect to the Account I have established with you for the purchase, sale or carrying of securities or contracts relating thereto and/or the borrowing of funds.
2. All transactions for my Account shall be subject to the constitution, rules, regulations, customs and usages of the exchange or market (and Pershing, if any) where executed.
3. The client executing this Agreement agrees that, in giving orders to sell, all "short" sale orders will be designated as "short," and all "long" sale orders will be designated as "long," and that the designation of a sell order as "long" is a representation on my part that I own the security, and if the security is not in your possession or if it is then impracticable to deliver the security to you forthwith, that I will deliver it as soon as possible.
4. Reports of the execution of orders and statements of my account shall be conclusive if not objected to within five days and ten days, respectively, after transmittal to me by mail or otherwise.
5. At any time and from time to time you may, at your discretion, without notice to me, apply and/or transfer any securities, commodities, contracts relating thereto, or any other property or equity therein, interchangeably between any of my accounts, whether individual or joint and from any of my accounts to any account guaranteed by me.
6. In consideration of your carrying my account with a Post Office Box Address, or your sending any mail to me in care of a third party, I hereby agree that "all correspondence of any nature whatsoever" sent to me in such address will have the same force and effect as if it had been delivered to me personally. I have listed my permanent address on the New Account Application.
7. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.
8. **This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**
 - a. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
 - b. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
 - c. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
 - d. The arbitrators do not have to explain the reason(s) for their award.
 - e. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
 - f. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases a claim that is ineligible for arbitration may be brought in court.
 - g. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement. The undersigned agrees, and by carrying and/or introducing an account of the undersigned you agree, that all controversies which may arise between us, including but not limited to those involving any transaction or the construction, performance, or breach of this or any other agreement between us, whether entered into prior, on or subsequent to the date hereof, shall be determined by arbitration. Any arbitration under this agreement shall be conducted before the New the Financial Industry Regulatory Authority. ("FINRA"), and in accordance with its rules then in force. I may elect in the first instance whether arbitration shall be conducted before FINRA, but if I fail to make such election, by registered letter or telegram addressed to you at your main office, before the expiration of five days after receipt of a written request from you to make such election, then you may make such election. Judgment upon the award of arbitrators may be entered in any court, state or federal, having jurisdiction. Class-action matters are excluded from arbitration proceedings conducted by the FINRA. Therefore, it is further agreed that the parties to this agreement shall not bring a putative or certified class-action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class-action; or who is member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.
9. Investment Objective Definitions: **Capital Preservation** - a conservative investment strategy characterized by a desire to avoid risk of loss; **Income** - strategy focused on current income rather than capital appreciation; **Growth** - investing in stocks with strong earnings and/or revenue growth or potential; **Speculation** - taking larger risks, usually by frequent trading, with hope of higher than-average gain. All strategies involve various types and levels of risk, the most common of which are market, credit, inflation, business and interest rate.
10. This Agreement and its terms shall be binding upon Client's successors, administrators, liquidator, receiver, trustee, assignee, custodian, conservator or other similar official ("successors"). In the event of Client's insolvency or bankruptcy whether or not any successors of its assets shall have qualified or been appointed, until Pershing and My Broker has written notice of Client's insolvency or bankruptcy Pershing and My Broker may continue to operate as though Client were solvent and not bankrupt and Pershing and My Broker may liquidate its Account WITHOUT PRIOR WRITTEN NOTICE TO OR DEMAND upon its successors. This Agreement shall inure to the benefit of Pershing's and My Broker's successors and assigns, whether by merger, consolidation or otherwise (and Pershing and My Broker may transfer Client's Account and this Agreement to any such successors and assigns) WITHOUT NOTICE. Client may not assign its rights or delegate duties under this Agreement without Pershing's and My Broker's consent.

ATTACHMENT 3

2018 Municipal Due Diligence

Contents **1**

SIPC Protection **2**

Veteran-Owned
Business **3**

Audited Financials **4**

State Registration **5**

Investment Policy **6**

Compliance **7**

Pershing **8**

eConnectDirect® **9**

Biography **10**

References **11**

Please send all correspondence to Corporate Headquarters:

Multi-Bank Securities, Inc.

1000 Town Center, Suite 2300 • Southfield, MI 48075 • www.mbssecurities.com

Proudly Veteran-Owned!

The information provided in the following pages has been prepared to meet or exceed your regulatory requirements. Member of FINRA & SIPC; MSRB Registered. MBS 2018 Muni DD E eCD.pdf 03.20.18

This page is intentionally left blank.

Dear Valued Customers and Prospective Clients,

Thank you for your interest in Multi-Bank Securities, Inc. (MBS). We understand you have numerous options for your investment needs and **we appreciate you taking the time to learn more about our Firm.**

MBS is a privately held, fixed-income securities broker-dealer that has been serving institutional investors since 1988. We dedicate our resources exclusively to the fixed-income sector, providing you with the broad market visibility you should expect from a trusted service provider. We serve more than 5,000 institutions nationwide and have several offices located across the U.S. to meet your needs.

Our goal is to consistently provide sound financial solutions to your investment objectives:

Investing: MBS has provided a wide range of investment services to our clients for nearly 30 years. We specialize in a broad selection of products and services that allow you flexibility in choosing which options are best suited to meet your needs, including an array of U.S. Treasuries, agencies and CDs. In 2017, MBS traded \$176.9 billion in principal amount with clients across 112,000 transactions.

Underwriting: MBS is an approved underwriter of securities for Fannie Mae, Freddie Mac, Farmer Mac, the Federal Home Loan Banks and the Federal Farm Credit Banks. The Firm was ranked No. 2 among diversity underwriters (minority-, woman- and veteran-owned firms) in 2018. MBS is also a major underwriter of certificates of deposit for banks and credit unions.

Veteran-Owned Status: MBS has been recognized as a certified veteran-owned business by the National Veteran-Owned Business Association and the South Central Texas Regional Certification Agency. We are proud to count numerous former servicemen among our ranks, including founder and CEO David T. Maccagnone.

Focus: We are uniquely suited to meet the needs of public funds investors because MBS dedicates our resources exclusively to the fixed-income sector. The Firm is registered as a Municipal Advisor with the Municipal Securities Rulemaking Board (MSRB) and has numerous Municipal Advisor Representatives on staff. We also offer an online reference resource for municipal investors of all experience and skill levels, the Multi-Bank Securities Institute. Explore the site at <http://institute.mbssecurities.com>.

Progressive Technologies: MBS offers a proprietary investment platform, eConnectDirect®, as a value-added service to our customers. This powerful, web-based tool aggregates thousands of offerings from more than 200 dealers into one location, saving public funds investors valuable time when searching for the most suitable investment in the market.

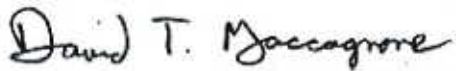
Stability: We are proud of our 30-year history and encourage you to learn more about our Firm's FINRA broker-dealer status at www.finra.org – our CRD number is 22098.

Address	1000 Town Center, Suite 2300 Southfield, Michigan 48075	2400 East Commercial Boulevard, Suite 812 Ft. Lauderdale, Florida 33308	Member of FINRA & SIPC; MSRB Registered, <i>Proudly Veteran-Owned!</i>
Phone	(800) 967-9045 (248) 291-1100	(800) 967-9045 (954) 351-6930	
Fax	(248) 291-1101	(954) 351-9197	
	www.mbssecurities.com		

I hope you will find everything you need in the enclosed documents to complete your due diligence on our Firm. We have included information both on MBS and on our clearing firm, Pershing LLC (Pershing), a BNY Mellon Company. We offer third-party safekeeping through Pershing at no cost to you.

Please feel free to contact your MBS account representative or me if you have any questions or require additional information.

Sincerely,



David T. Maccagnone
Chairman and Chief Executive Officer
Multi-Bank Securities, Inc.

THE FOLLOWING INFORMATION IS PROVIDED TO SUPPORT YOUR DUE DILIGENCE REQUIREMENTS:

SIPC PROTECTION 7-8
 Evidence of SIPC Protection7
 VETERAN-OWNED BUSINESS 9-10
 Veteran Business Enterprise Certification Letter 9
 Veteran Business Enterprise Certification 10
 AUDITED FINANCIALS 11-20
 Statement of Compliance With SEC Annual Report Filing Requirements 11
 A Copy of the Most Recently Audited Financial Statement 13
 Independent Auditor’s Report 14
 Statement of Financial Condition 15
 Notes to Statement of Financial Condition 16
 STATE REGISTRATION 21-22
 A Copy of the Multi-Bank Securities, Inc. Registration Statement 21
 INVESTMENT POLICY 23-26
 Agreement That Specifies the Type of Securities Your Institution Purchases 23
 Investment Policy Recommendations and Guidelines 25
 COMPLIANCE 27-42
 Compliance Information 27
 Privacy Policy 29
 Business Continuity 31
 Statement Regarding SEC, FINRA or State Securities Sanctions 32
 BrokerCheck Response 33
 Understanding the Series 50 35
 AML and CIP: Test Procedures and Internal Audit 37
 Code of Ethical Business Conduct 39
 IT Security 40
 Confirmation of Insurance 41
 PERSHING 43-72
 Pershing Statement of Financial Condition 43
 Pershing Auditor’s SOC1 Certification Letter 69
 Safety of Customer Assets 71
 eConnectDirect® 73-74
 eConnectDirect Investor Benefits 73
 BIOGRAPHY 75
 REFERENCES 77

Multi-Bank Securities, Inc. is committed to providing you with the highest quality service available. We hope this packet will meet or exceed your due diligence needs and expectations.

This page is intentionally left blank.



SECURITIES INVESTOR PROTECTION CORPORATION
1667 K STREET, N. W., SUITE 1000
WASHINGTON, D.C. 20006-1620
(202) 371-8300
WWW.SIPC.ORG

2

January 9, 2018

Multi Bank Securities Inc.
Attn: Merlin Elsner
1000 Town Center, Ste. 2300
Southfield, MI 48075

Dear Mr. Elsner:

In response to your recent telephone request, please be advised that according to SIPC's records, the corporation is registered with the Securities and Exchange Commission as a securities broker or dealer under Section 15(b) of the 1934 Act, (8-39547, 5/6/88). By operation of the Securities Investor Protection Act of 1970, the corporation is a SIPC member unless (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions; (ii) its business as a broker or dealer consists exclusively of (I) the distribution of shares of registered open end investment companies or unit investment trusts, (II) the sale of variable annuities, (III) the business of insurance, or (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts, or (iii) it effects transactions in security futures products only.

Sincerely,

A handwritten signature in black ink, appearing to read "LMcKS".

Linda McKenzie Siemers
Asst. VP – Member Assessments
Human Resources & Facilities

LMcKS:kew

This page is intentionally left blank.



South Central Texas Regional Certification Agency

"Increasing economic prosperity by creating opportunities and eliminating barriers"

www.sctrca.org

March 2, 2018

3

David Maccagnone
Multi-Bank Securities, Inc.
1000 Town Center, Suite 2300
Southfield, MI 48075

Dear David Maccagnone:

We are pleased to inform you that your application for certification in our Small, Minority, Woman and Veteran Business Enterprise (S/M/W/V) Program has been approved. Your firm met the requirements of the SCTRCA Policy and Procedure Manual and is currently certified as a:

***Veteran Business Enterprise (VBE)**

Certification Number: **218031567**
Certification Expiration: **March 31, 2020**

Providing the following products or services:
NAICS 523120: SECURITIES BROKERAGES

On the two year anniversary date of your certification, you are required to provide a renewal application affirming that no changes have occurred affecting your certification status. The SCTRCA will send you a Certification Renewal reminder **sixty (60) days** prior to your expiration date. The SCTRCA will no longer include a certificate upon certification renewals. Your expiration date is **March 31, 2020**.

Please notify this office within **thirty (30) days** of any changes affecting the size, ownership, control requirements, or any material change in the information provided in the submission of the certification application. Thank you in advance.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles Johnson", is written over a horizontal line.

Charles Johnson,
Executive Director

South Central Texas Regional Certification Agency
of Bexar County, Texas hereby duly affirms that:
Multi-Bank Securities, Inc.

has successfully met the established requirements of SCTRCA's Business Enterprise Certification Program to be certified as a

***Veteran Business Enterprise (VBE)**

Certified NAICS Codes:

NAICS 523120: SECURITIES BROKERAGES



Certification Number: 218031567
Effective Date: March 1, 2018
Expiration Date: March 31, 2020

**Charles Johnson,
Executive Director**

Note: This certificate is the property of the South Central Texas Regional Certification Agency and may be revoked should the above named firm graduate from or fails to comply with SCTRCA's Business Enterprise Program. A Certification Renewal Application is required every two years.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: August 31, 2020
Estimated average burden
hours per response... 12.00

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8-39547

FACING PAGE
**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/2017 AND ENDING 12/31/2017
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **Multi-Bank Securities, Inc.**

OFFICIAL USE ONLY
FIRM I.D. NO.

4

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1000 Town Center, Suite 2300

(No. and Street)

Southfield

Michigan

48075

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Jeffery Maccagnone

248-291-1100

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Carnaghi & Schwark, PLLC

(Name - if individual, state last, first, middle name)

30435 Groesbeck Highway

Roseville

MI

48066

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
 Public Accountant
 Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY


*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Jeffery Maccagnone, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Multi-Bank Securities, Inc., as of December 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



 Signature

 President

 Title



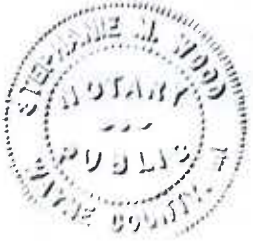
 Notary Public

STEPHANIE M WOOD
 NOTARY PUBLIC, STATE OF MI
 COUNTY OF WAYNE
 MY COMMISSION EXPIRES Apr 9, 2020
 ACTING IN COUNTY OF Oakland

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



MULTI-BANK SECURITIES, INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2017

**Filed Pursuant to Rule 17a-5(e)(3) Under the Securities Exchange Act of 1934
As a Public Document**

Carnaghi & Schwark, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
UPTON PROFESSIONAL BUILDING
30435 GROESBECK HIGHWAY
ROSEVILLE, MICHIGAN 48066

Anthony L. Carnaghi, CPA
Douglas W. Schwark, CPA

(586) 779-8010
FAX (586) 771-8970

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholder
Multi-Bank Securities, Inc.

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Multi-Bank Securities, Inc. as of December 31, 2017, and the related notes to the financial statements. In our opinion, the statement of financial condition presents fairly, in all material respects, the financial position of Multi-Bank Securities, Inc. as of December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

This financial statement is the responsibility of Multi-Bank Securities, Inc.'s management. Our responsibility is to express an opinion on Multi-Bank Securities Inc.'s financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Multi-Bank Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion

Carnaghi + Schwark, PLLC

We have served as Multi-Bank Securities, Inc.'s auditor since 1989.
Roseville, Michigan
February 20, 2018

MULTI-BANK SECURITIES, INC.
STATEMENT OF FINANCIAL CONDITION
December 31, 2017

ASSETS

Assets:	
Cash	\$ 19,967,587
Accounts receivable:	
Brokers, dealers and clearing organization	40,964
Deposit - clearing organization	2,009,808
Other	36,589
Securities owned, at fair value	729,497,803
Prepaid Taxes	103,800
Prepaid expenses	304,391
Deferred tax asset (Note 2)	2,042,153
	<u>\$754,003,095</u>
Other assets:	
Deferred costs (Note 6)	1,787,864
Total assets	<u>\$755,790,959</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities:	
Accounts payable:	
Commissions due sales representatives	\$ 6,609,706
Other	161,880
Payable to brokers, dealers	102,257,685
Securities sold, not yet purchased, at fair value	557,114,978
Accrued interest – subordinated debt	344,444
Accrued expenses	3,860,889
Total current liabilities	<u>670,349,582</u>
Subordinated debt (Note 7)	40,000,000
Deferred compensation (Note 9)	9,724,564
Total long-term liabilities	<u>49,724,564</u>
Total liabilities	<u>720,074,146</u>
Stockholder's equity:	
Common stock, par value \$1.00 per share; 50,000 shares authorized; 16,000 shares issued	16,000
Capital in excess of par value	1,533,000
Retained earnings	33,917,813
Total stockholder's equity	<u>35,716,813</u>
	<u>\$755,790,959</u>

See accompanying notes.

MULTI-BANK SECURITIES, INC.
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2017

Note 1 - ORGANIZATION

Multi-Bank Securities, Inc. (the "Company") is an institutional fixed-income securities broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the U.S. Securities and Exchange Commission. The Company is a wholly owned subsidiary of Multi-Bank Services, Ltd. See Note 4 for transactions with Parent Company.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

Securities transactions are recorded on the trade date, as if they had settled. Profit and losses arising from all securities transactions are recorded on a trade date basis.

Securities owned and securities sold, not yet purchased are recorded at fair value in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Counterparty Credit Risk

The Company is engaged in various trading and brokerage activities with counterparties that primarily include broker-dealers, banks, and other financial institutions. In the event the counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty. The Company monitors its exposure to risk through a variety of control procedures, including daily review of trading positions.

Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates, and market volatility and liquidity. The Company manages risk by setting and monitoring adherence to risk limits and by hedging its positions.

Federal Income Taxes

The Company files a consolidated Federal income tax return with its Parent Company. The provision for Federal income tax for the year ended December 31, 2017 is based on a separate return filing. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. The Company's income tax asset relates primarily to deferred compensation and represents the amount available to reduce income taxes payable in future years.

MULTI-BANK SECURITIES, INC.
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2017
(Continued)

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB ASC 740, Income Taxes. The primary objective of ASC 740 is to prescribe measurement and disclosure requirements for income tax provisions when uncertainty exists as to whether the reporting entity's tax positions would be sustained in the event of an examination. Company management believes that there are no material uncertainties in which tax positions taken would not be sustained upon examination.

Subsequent Events

The Company has evaluated events and transactions for potential recognition or disclosure through February 20, 2018, which is the same date the financial statements were available to be issued.

Note 3 – FAIR VALUE

Fair Value Measurement

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

MULTI-BANK SECURITIES, INC.
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2017
(Continued)

Note 3 – FAIR VALUE (Continued)

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of December 31, 2017.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Corporate and other debt	\$ -	\$50,648,886	\$ -	\$ 50,648,886
U.S. government and agency	-	656,569,366	-	656,569,366
U.S. Treasuries	5,019,215	-	-	5,019,215
Municipal debt	-	17,260,336	-	17,260,336
Total securities owned	<u>\$ 5,019,215</u>	<u>\$ 724,478,588</u>	<u>\$ -</u>	<u>\$ 729,497,803</u>
Liabilities:				
U.S. government and agency	\$ -	\$469,958,787	\$ -	\$469,958,787
U.S. Treasuries	71,929,904	-	-	71,929,904
Municipal Debt	-	110,168	-	110,168
Equities	15,116,119	-	-	15,116,119
Total securities sold, not yet purchased	<u>\$87,046,023</u>	<u>\$470,068,955</u>	<u>\$ -</u>	<u>\$557,114,978</u>

Note 4 - TRANSACTIONS WITH PARENT COMPANY

The Parent Company, Multi-Bank Services, Ltd. provides various administrative services to the Company, including furniture and fixtures. For the year ended December 31, 2017, administrative expenses charged to the Company amounted to \$300,000.

Note 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (Rule 15c3-1). Based on the provisions of this rule, the Company must maintain net capital equivalent to the greater of \$100,000 or 1/15th of aggregate indebtedness, as defined.

At December 31, 2017, the Company's net capital was \$55,068,105 and its required net capital was \$8,197,282. The ratio of aggregate indebtedness to net capital (which may not exceed 15 to 1) was 2.23 to 1.

MULTI-BANK SECURITIES, INC.
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2017
(Continued)

Note 6 – DEFERRED COSTS

Deferred costs in the amount of \$1,787,864 at December 31, 2017 are summarized as follows:

	<u>Borrowing fees and related costs</u>	<u>Website Development costs</u>	<u>CRM Development costs</u>	<u>Total</u>
Balance, 12/31/16	\$ 760,399	\$ 1,129,776	\$ 108,518	\$ 1,998,693
Additions	236,771	-	-	236,771
Amortization	<u>(207,600)</u>	<u>(228,000)</u>	<u>(12,000)</u>	<u>(447,600)</u>
Balance, 12/31/17	<u>\$ 789,570</u>	<u>\$ 901,776</u>	<u>\$ 96,518</u>	<u>\$ 1,787,864</u>

Borrowing fees and related costs represent amounts paid in connection with the financing of the subordinated debt. These amounts are being amortized over the term of the loan.

Website development costs represent amounts paid in connection with the website application and infrastructure development of a web-based platform as a means for financial institutions to research, trade, or obtain both brokered and non-brokered funding alternatives. These costs are being amortized over the estimated useful life of ten years.

CRM development costs represent amounts paid in connection with the development and customization of a customer relationship manager application. These costs are being amortized over the estimated useful life of ten years.

Note 7 – SUBORDINATED DEBT

The Company has a \$40,000,000 subordinated loan agreement with a private investment firm. The loan beared interest at 10.5% per annum through May 31st, 2017. Beginning June 1, 2017 through maturity on November 16, 2021, the loan bears interest at 10% per annum. The debt is subordinate in right of payment to all claims of all other present and future creditors of the Company. The subordinated debt has been approved by the Financial Industry Regulatory Authority (FINRA) and is thus available in computing the Company's net capital under the SEC's net capital rule.

MULTI-BANK SECURITIES, INC.
NOTES TO STATEMENT OF FINANCIAL CONDITION
December 31, 2017
(Continued)

Note 8 - EMPLOYEES' BENEFIT PLAN

The Company maintains a defined contribution 401(k) benefit plan covering all eligible employees of the Company. Under provisions of the Plan, participating employees can elect to contribute to their account a percentage of their compensation not to exceed the limitations imposed by the Internal Revenue Service. In addition, the Company at its discretion may make a matching contribution, which percentage will be determined each year by the Company. For the year ended December 31, 2017, the Company elected not to make a matching contribution.

Note 9 – DEFERRED COMPENSATION PLAN

The Company maintains a Deferred Compensation Plan available to a select group of management and highly compensated employees. The plan allows participants each year to elect to defer all or a portion of their salary and bonuses. All deferrals to the participants' accounts vest immediately. Deferred account balances earn interest at 7% per annum.

At December 31, 2017 the total deferred compensation is \$9,724,564 which includes \$1,863,367 of accrued interest.

Note 10 - OPERATING LEASE COMMITMENTS

The Company leases its primary operating facilities in Southfield, Michigan and Ft. Lauderdale, Florida. They also lease facilities in various other states. The minimum lease payments on these leases are summarized as follows:

Years Ended December 31,	Amount
2018	487,000
2019	400,000
2020	409,000
2021	390,000
2022	71,000

The lease agreements include escalation clauses that increase the minimum rental payment for increased lessor taxes and operating expenses.

For the year ended December 31, 2017, the total lease expense pursuant to the above operating leases amounted to \$868,135.

Furniture and equipment is provided by the Parent Company, the charge for which is included in the administrative charges paid to the Parent Company, see Note 4.



DATA CURRENT AS OF:
Thursday, March 1, 2018
CRD#: 22098

REGULATORY, STATE & TERRITORY REGISTRATIONS

Jurisdiction/SRO	Category	Status	Status As Of Date
AK	Broker Dealer	Approved	03/27/1997
AL	Broker Dealer	Approved	11/07/1994
AR	Broker Dealer	Approved	05/02/1997
AZ	Broker Dealer	Approved	10/11/2001
CA	Broker Dealer	Approved	03/30/1994
CO	Broker Dealer	Approved	04/23/1991
CT	Broker Dealer	Approved	08/20/1998
DC	Broker Dealer	Approved	03/30/1994
DE	Broker Dealer	Approved	10/11/1994
FINRA	Broker Dealer	Approved	12/23/1988
FL	Broker Dealer	Approved	02/05/1991
GA	Broker Dealer	Approved	02/28/1994
HI	Broker Dealer	Approved	04/05/1995
IA	Broker Dealer	Approved	03/31/1994
ID	Broker Dealer	Approved	03/20/1997
IL	Broker Dealer	Approved	07/13/1989
IN	Broker Dealer	Approved	03/24/1997
KS	Broker Dealer	Approved	05/04/1994
KY	Broker Dealer	Approved	03/08/1994
LA	Broker Dealer	Approved	09/07/1994
MA	Broker Dealer	Approved	07/25/1994
MD	Broker Dealer	Approved	03/11/1994
ME	Broker Dealer	Approved	05/24/1994
MI	Broker Dealer	Approved	08/31/1988
MN	Broker Dealer	Approved	09/02/1994
MO	Broker Dealer	Approved	05/02/2002
MS	Broker Dealer	Approved	03/04/1994
MT	Broker Dealer	Approved	02/14/1994
NC	Broker Dealer	Approved	08/02/1994
ND	Broker Dealer	Approved	04/25/1997
NE	Broker Dealer	Approved	11/02/1994

5

DATA CURRENT AS OF: Thursday, March 1, 2018 (continued)

CRD#: 22098

REGULATORY, STATE & TERRITORY REGISTRATIONS

Jurisdiction/SRO	Category	Status	Status As Of Date
NH	Broker Dealer	Approved	09/28/1995
NJ	Broker Dealer	Approved	11/09/1994
NM	Broker Dealer	Approved	08/02/1994
NV	Broker Dealer	Approved	05/23/1994
NY	Broker Dealer	Approved	06/05/1996
OH	Broker Dealer	Approved	11/21/1994
OK	Broker Dealer	Approved	06/04/1991
OR	Broker Dealer	Approved	04/04/1997
PA	Broker Dealer	Approved	03/07/1994
PR	Broker Dealer	Approved	02/10/2000
RI	Broker Dealer	Approved	03/02/1994
SC	Broker Dealer	Approved	08/04/1994
SD	Broker Dealer	Approved	03/04/1994
SEC	Broker Dealer	Approved	05/06/1988
TN	Broker Dealer	Approved	08/04/1994
TX	Broker Dealer	Approved	06/29/1990
UT	Broker Dealer	Approved	01/19/1994
VA	Broker Dealer	Approved	05/16/1994
VI	Broker Dealer	Approved	01/30/2012
VT	Broker Dealer	Approved	06/18/1997
WA	Broker Dealer	Approved	10/04/1989
WI	Broker Dealer	Approved	09/06/1991
WV	Broker Dealer	Approved	01/28/1994
WY	Broker Dealer	Approved	08/08/1994

March 1, 2018

To Whom It May Concern:

This letter is to inform you that we at Multi-Bank Securities, Inc. (MBS) do not give accounting, regulatory, tax or legal advice. However, MBS makes every effort to recommend investments we feel are appropriate for our clients.

It is our intention to maintain on file an investment policy from every one of our clients. If you have a written investment policy outlining the types of investments you can and cannot make, please forward it to us at your convenience. We have designed a system of controls to help reduce the risk of inappropriate investments for our clients.

Sincerely,



David T. Maccagnone
Chairman and Chief Executive Officer
Multi-Bank Securities, Inc.

6

Address	1000 Town Center, Suite 2300 Southfield, Michigan 48075	2400 East Commercial Boulevard, Suite 812 Ft. Lauderdale, Florida 33308	Member of FINRA & SIPC; MSRB Registered, <i>Proudly Veteran-Owned!</i>
Phone	(800) 967-9045 (248) 291-1100	(800) 967-9045 (954) 351-6930	
Fax	(248) 291-1101	(954) 351-9197	

www.mbssecurities.com

This page is intentionally left blank.

Municipal Investing Policy

Recommendations and Guidelines

Your Investment Policy

Since 1988, Multi-Bank Securities, Inc. (MBS) has been serving the investment needs of municipalities throughout the U.S. It is with great care that we recommend investment products we feel are appropriate and strictly adhere to your investment policy guidelines. We have systems in place to assist you in reducing the risk of making inappropriate investments.

Maintenance of Your Investment Policy

It is our policy to review and maintain a copy of your investment policy on file. Should your policy need reviewing, your MBS account representative is ready to help. Our team of highly skilled professionals is required to regularly complete continuing education to ensure a broad understanding of how fixed-income products impact the municipal market. They are well-versed in current regional, state and federal governmental investment statutes and policies.

Developing Your Investment Policy

Information about developing and evaluating an investment policy is available on the Multi-Bank Securities Institute website. This online resource focuses on educating and supporting investment professionals of all experience and skill levels. There is no cost associated with the website, but visitors will have to register to view the Public Funds Investor Guide.* Explore the site at <http://institute.mbssecurities.com>.

National municipal organizations such as the Association of Public Treasurers of the United States & Canada (APT) and the Government Finance Officers Association (GFOA) also make sample investment policy guidelines and recommendations available to governmental entities. To receive a free copy, please contact your MBS account representative.

**There may be fees associated with other products/services offered by MBS.*

This page is intentionally left blank.



IMPORTANT COMPLIANCE INFORMATION

USA PATRIOT ACT / ANTI-MONEY LAUNDERING / BANK SECRECY ACT / CIP RULE / KNOW YOUR CUSTOMER

Multi-Bank Securities, Inc. is committed to complying with the U.S. statutory and regulatory requirements designed to combat money laundering and terrorist financing. The USA PATRIOT Act requires all financial institutions to obtain certain identification documents or other information in order to comply with their Customer Identification Procedures (CIP).

When you open an account, we will ask you for your name, address and other information that will allow us to satisfy our Know Your Customer requirements. We also may ask to see your driver's license or other identifying documents. Until you provide the required information or documents, we may not be able to open an account or effect any transactions for you. For additional information, contact Chief Compliance Officer Merlin Elsner, our designated Anti-Money Laundering Compliance Officer, at 1-800-967-9008.

The Customer Due Diligence Rule (CDD Rule) from FinCEN, effective May 11, 2018, requires that certain financial institutions are now obligated to disclose the ultimate beneficiary of the company upon new account opening. We will ask that you provide documentation on each individual that owns 25 percent of the equity interests in your institution, or any individual with significant responsibility to control, manage or direct your institution. We will ask for personal information on the CEO, CFO, COO, managing members, general partners, presidents, vice presidents, treasurers, et al. We will seek to retain sufficient information on any individual who regularly performs functions that demonstrate "control." Under the definition provided by FinCEN, we will seek information on beneficial owners using Appendix A to CFR 1010.230 (Beneficial Owner Certification Form).

ORDER ROUTING

Order routing information for your specific orders is available upon request by contacting your account representative. You can also see the most recent quarterly routing information on our corporate website, www.mbssecurities.com, by clicking on Order Routing at the bottom of the home page.

7

FINRA BROKERCHECK INFORMATION

The FINRA BrokerCheck Program is available at www.finra.org and can be accessed by clicking on Protect Yourself, then clicking on BrokerCheck under Before You Invest. The site gives background information, registration/license status and disciplinary history of brokers and firms.

SECURITIES INVESTOR PROTECTION CORPORATION (SIPC)

Information about SIPC, including the SIPC brochure, can be obtained by calling SIPC at 1-202-371-8300 or on the SIPC website, www.sipc.org.

IMPORTANT COMPLIANCE INFORMATION (CONTINUED)

MUNICIPAL SECURITIES RULEMAKING BOARD (MSRB) RULE G-10 – INVESTOR EDUCATION AND PROTECTION

Multi-Bank Securities, Inc. is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

The website address for the Municipal Securities Rulemaking Board is www.msrb.org.

A Municipal Advisory Client brochure is posted on the website of the Municipal Securities Rulemaking Board. In addition to having investor education materials available, there are also descriptions of the protections provided by MSRB rules and how to file a complaint with FINRA's Investor Complaint Center.

FIRM CONTACT INFORMATION

If you have any concerns about your account, please contact Merlin Elsner at 1-800-967-9008.

Updated March 2018



PRIVACY POLICY

Multi-Bank Securities, Inc. (MBS) respects your right to privacy. We are committed to securing the confidentiality and integrity of your personal information. We are proud of our privacy practices and want our current and prospective clients to understand what information we collect and how we use it.

WHY WE COLLECT YOUR INFORMATION

We gather your information about you and your accounts so we can (1) know who you are and thereby prevent unauthorized access to your information, (2) design and improve the products and services we offer and (3) comply with the laws and regulations that govern the financial industry.

WHAT INFORMATION WE COLLECT

We may collect the following types of nonpublic personal information about you:

- Information about your identity, such as your name, address and Taxpayer Identification Number.
- Information about your transactions with us.
- Information we receive from you from applications, forms or direct discussions with you.

SOURCES FROM WHICH WE OBTAIN YOUR INFORMATION

We collect nonpublic personal information about MBS's clients from the following sources:

- Information we receive from you from applications, forms or direct discussions with you.
- Information we may obtain via the internet.
- Information we receive from our clearing firm or any third-party vendor for authentication purposes.

WHAT INFORMATION WE DISCLOSE

Your securities account is carried by our clearing firm pursuant to clearing agreements. We may disclose to them all the information we collect regarding your account. Our clearing firm is contractually obligated to keep the information we have provided them confidential and use the information only for the services required and as allowed by applicable law or regulation.

We also may disclose some nonpublic personal information about our customers or former customers to facilitate servicing your account or to our regulators upon proper request, except as permitted by law and noted above. Moreover, we will not release information about our customers or former customers, except as noted above, unless one of the following conditions is met:

- We receive your prior written consent.
- We believe the recipient to be you or your authorized representative.
- We are required by law or regulation to release information to the recipient.



PRIVACY POLICY (CONTINUED)

CONFIDENTIALITY AND SECURITY

We maintain physical, electronic and procedural safeguards to protect your personal account information. We also restrict access to your personal and financial data to authorized associates who have a need for these records. We require all non-affiliated organizations to conform to our privacy standards and are contractually obligated to keep the provided information confidential and used only as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.

The examples contained within the Privacy Policy are illustrations and are not intended to be exclusive. If there are material changes to this policy, they will be posted on our website at www.mbssecurities.com.

Updated March 2018

BUSINESS CONTINUITY STATEMENT

In the event of a disruption of service, if you cannot contact us as you usually do through your account representative or your branch office, call our alternative number, 1-800-967-5094, or visit our website at www.mbssecurities.com. If you cannot access us through either of these means, contact our clearing firm, Pershing LLC (Pershing), a BNY Mellon company, directly in one of the following ways:

1. Call 1-201-413-3635. Pershing will process limited trade-related transactions (option No. 1), cash disbursements (option No. 2) and security transfers (option No. 3) on your behalf.
2. Via facsimile at 1-201-413-5368.
3. Via postal service at Pershing LLC, P.O. Box 2065, Jersey City, NJ 07303-2065.

OUR BUSINESS CONTINUITY PLAN

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the Firm's books and records and allowing our customers to transact business. In short, our business continuity plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses the following: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees and regulators; alternate physical location of employees; critical suppliers, contractors, banks and counter-party impact; regulatory reporting; and assuring our customers' prompt access to their funds and securities if we are unable to continue our business. Our clearing firm, Pershing, backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by our clearing firm that its objective is to quickly restore its own operations and be able to complete existing transactions and accept new transactions and payments. Your orders and requests for funds and securities could be delayed during the restoration period.

VARYING DISRUPTIONS

Significant business disruptions can vary in their scope, including the business district, the city or the entire region where one or more of our offices are located. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In the event of a disruption to one or more of our offices, we will transfer our operations to an appropriate location when needed and expect to recover and resume full business operations. In the event of a disruption affecting a larger area, we will transfer our operations to a location outside of the affected area when needed and expect to recover and resume full business operations in a timely manner. In either situation, we plan to continue normal business operations, transferring functionality to other offices within our Firm or to our clearing firm if necessary. We will notify our customers in the most prudent and expeditious method. If a significant business disruption is so severe that it prevents us from remaining in business, we will work with our clearing firm to assure our customers receive prompt access to their funds and securities.

If you have questions about our business continuity planning, you can contact us at businesscontinuity@mbssecurities.com.

Corporate Headquarters

1000 Town Center, Suite 2300, Southfield, MI 48075
1-800-967-9045 phone
1-248-219-1101 fax

Updated March 2018

March 1, 2018

To Whom It May Concern:

This letter is to inform you that as of the date of this letter, (1) there are no current regulatory sanctions outstanding against Multi-Bank Securities, Inc. (MBS) nor any of its account representatives or officers, and (2) MBS has never had a regulatory customer complaint.*

Additionally, MBS confirms we have an Anti-Money Laundering (AML) Program in place with policies and procedures that are reasonably designed to detect and prevent the use of our facilities and services for illegal purposes, including the laundering of monies, the financing of terrorist activities and the proliferation of weapons of mass destruction. This AML Program includes the designation of an AML officer, an ongoing AML employee training program and an annual independent audit to test the effectiveness of the AML Program. The Program is approved by the Board of Directors on an annual basis.

We further attest that we are in compliance with:

1. The Bank Secrecy Act (BSA), as amended by the USA PATRIOT Act, including, without limitation, a system of internal controls for detection and prevention of money laundering and illegal activity, independent testing of the company's BSA program, designation of a qualified individual for coordinating and monitoring day-to-day compliance and training programs for all employees, officers and directors as appropriate.
2. Regulations and requirements of the Office of Foreign Assets Control (OFAC), including, without limitation, screening in OFAC-prohibited parties databases of all individuals involved in transactions by, through or with your institution, screening of OFAC embargoed country regulations for prevention of transactions involving countries subject to U.S. trade and economic sanctions, comparison of transactions on a daily basis, identification procedures and document retention.
3. The Customer Identification Program requirements of the BSA, as amended by the USA PATRIOT Act, including, without limitation, risk-based procedures to verify customer identity, a risk assessment of our customer base and products and due diligence for correspondent accounts.
4. "Know Your Customer" and monitoring requirements as necessary to ensure effective detection of suspicious transactions and procedures for the filing of Suspicious Activity Reports (SARs) and Currency Transactions Reports (CTRs).

Sincerely,



Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

*Based on information available through our regulators and/or supplied to us by our clearing firm.

Address	1000 Town Center, Suite 2300 Southfield, Michigan 48075	2400 East Commercial Boulevard, Suite 812 Ft. Lauderdale, Florida 33308	Member of FINRA & SIPC; MSRB Registered. <i>Proudly Veteran-Owned!</i>
Phone	(800) 967-9045 (248) 291-1100	(800) 967-9045 (954) 351-6930	
Fax	(248) 291-1101	(954) 351-9197	

www.mbssecurities.com

Dear Multi-Bank Securities, Inc. Client,

Thank you for performing your due diligence on Multi-Bank Securities, Inc. (MBS). We understand that this is a crucial part of building a trusting relationship with your broker, and we are more than happy to provide a response concerning your finding(s).

There are four items on our BrokerCheck report we would like to further explain.

The first incident was initiated by the State of Alabama on June 16, 1994. The incident occurred when MBS submitted a broker-dealer application to the State and incorrectly filled out the paperwork in the process. MBS paid a small fine, and Alabama vacated the denial order following the paperwork corrections.

The second incident was initiated by the Vermont Securities Division on June 12, 1997. MBS was cited for transacting business as an unregistered broker-dealer in Vermont. We paid a small fine, became registered in the State of Vermont and conduct business there today.

In the third incident, as the result of a sweep, FINRA found that our Firm failed to accurately report to TRACE certain inter-dealer transactions in a timely manner.

The citation states,

“Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that it failed to report the correct time of trade execution for transactions in Trade Reporting and Compliance Engine (TRACE)-eligible securitized products within 15 minutes of the time of execution to TRACE; and failed to show the correct time of execution on the memorandum of brokerage orders.”

MBS paid a small fine without admitting or denying the facts as presented, and will continue to do business in the market of fixed-income securities. To prevent future events like this, we made changes to our supervisory policies and procedures to reduce redundant supervisory reviews. We reviewed and continue to review our inter-dealer relationships to ensure that trade times are reported, and to ensure that both parties contractually understand and agree to each transaction prior to creating a TRACE reporting obligation.

Finally, as a result of our 2014 and 2016 regular cycle examinations, FINRA took the position that during a specific period of time, on a specific form, there was language that could be potentially confusing to some municipal entities with respect to the capacity in which the Firm would be acting relative to the Municipal Advisor Rule. Additionally, FINRA took the position that the Firm’s Risk Management Controls outside of the Written Supervisory Procedures caused the Written Supervisory Procedures to be inadequate, and that the Firm needed to make specific reference to a particular rule during the annual CEO certification of compliance systems and controls.

We are proud of our customer compliance record and will continue to provide you the best in customer service. We thank you again for the opportunity to provide you with additional details. Should you have any questions or concerns, I can be reached directly at 1-800-967-9008, or by email at melsner@mbssecurities.com.

Sincerely,



Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!

This page is intentionally left blank.



Understanding the Series 50

A Municipal Investor's Guide to the MSRB's New Qualification Exam

What Is the Series 50?

In 2010, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The Dodd-Frank Act amended the Securities Exchange Act to establish a federal regulatory regime applicable to Municipal Advisors. The amendments required Municipal Advisors to register with the Securities and Exchange Commission (SEC) and expand the jurisdiction of the SEC and Municipal Securities Rulemaking Board (MSRB) to regulate Municipal Advisors. The Dodd-Frank Act also expanded the MSRB's original investor protection mandate to explicitly include the protection of municipal entities, including state and local government issuers, 529 college savings plan sponsors and state- and locally sponsored public pension plans.

The Municipal Representative Qualification Exam (Series 50 exam) was developed by the SEC and MSRB as part of their expanded mandate under the Dodd-Frank Act.

The Series 50 exam is intended to measure the degree to which candidates have demonstrated the knowledge and skills necessary to perform the responsibilities of a Municipal Advisor Representative. The content areas covered by the examination were determined by a panel of practicing Municipal Advisor professionals who represented various types of Municipal Advisors that were nationally diverse.

To register for the Series 50 exam, a candidate must be associated with a Municipal Advisor firm that is registered with both the SEC and MSRB.

What Is a Municipal Advisor Representative?

The SEC and MSRB have created a new registration category called Municipal Advisor Representatives for any natural person associated with a Municipal Advisor who engages in municipal advisory activities on the Municipal Advisor's behalf.

Under the Securities Exchange Act, a "person associated with a Municipal Advisor" or "associated person of an Advisor" generally means any partner, officer, director or branch manager of such Municipal Advisor; any other employee of such Municipal Advisor who is engaged in the management, direction, supervision or performance of any activities relating to the provision of certain advice to or on behalf of a municipal entity or obligated person; and any person directly or indirectly controlling, controlled by or under common control with a Municipal Advisor.

What Is a Municipal Advisor?

Section 15B of the Securities Exchange Act defines the term Municipal Advisor to mean a person that (i) provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such financial products or issues; or (ii) undertakes a solicitation of a municipal entity. The definition includes financial advisors, guaranteed investment contract brokers, third-party marketers, placement agents, solicitors, finders and swap advisors that engage in municipal advisory activities.

Pursuant to Securities Exchange Act Rule 15B, a Municipal Advisor and any person associated with such Municipal Advisor shall be deemed to have a fiduciary duty to any municipal entity for whom it acts as a Municipal Advisor. Under the new rules, subject to certain exemptions, any person who provides advice to any municipal entity concerning the investment of proceeds of the issuance of municipal securities or escrow investments is acting as a Municipal Advisor.

Multi-Bank Securities, Inc. (MBS) has been registered as a Municipal Advisor with the MSRB since 2014.

What Is the Deadline to Qualify as a Municipal Advisor Representative?

After September 12, 2017, the only individuals who can engage in municipal advisory activities on behalf of a Municipal Advisor are those that have passed the Series 50 exam and whose firm has filed SEC Form MA-1 (Information Regarding Natural Persons Who Engage in Municipal Advisory Activities) on their behalf.

To view a full list of MSRB-registered Municipal Advisors and Series 50 Representatives, visit www.msrb.org/maregistrants.aspx.

How Does This Impact Your Relationship With Multi-Bank Securities, Inc.?

The Firm will continue to serve as your broker-dealer, but may also engage in municipal advisory activities for you depending on the source of your investment funds. Our fee schedule will not be changing regardless of which role we serve. MBS will continue to provide the same level of service you have come to expect and remains committed to helping your institution achieve its financial goals.

For more information, please contact your MBS account representative.

**MULTI-BANK SECURITIES, INC.
ANTI-MONEY LAUNDERING POLICY TEST PROCEDURES**

EXECUTIVE SUMMARY

Multi-Bank Securities, Inc. (MBS) has in place an Anti-Money Laundering (AML) policy. Merlin Elsner is our Chief Compliance Officer. Senior management has approved the AML policy as written, and all questions are to be directed to Merlin Elsner. The company's AML policy is available for review upon request.

Merlin Elsner is responsible for ensuring the review of all new accounts and routine transactional surveillance. Additionally, the company's clearing firm, Pershing LLC (Pershing), a BNY Mellon company, also reviews each account entity and transaction. Many MBS accounts (credit unions, banks, municipalities and SEC-registered investment advisors) are exempt from full Customer Identification Procedures (CIP). MBS relies on the fact that each of these exempted institutional entities is independently audited to ensure AML program compliance. Whenever practical and/or available, MBS will review external AML policies and independent audit reports made available for compliance with appropriate rules and regulations.

MBS engaged the company controller to perform the annual AML independent testing. The company controller operates fully independent of the Compliance Department and reports directly to the CEO. During the annual independent testing of our AML procedures, randomly selected accounts were checked against the Office of Foreign Asset Control (OFAC) list found at www.ustreas.gov/ofac. The controller verified that as of the most recent test (concluded Dec. 31, 2017), none of the randomly selected accounts were found on the OFAC list. The company controller, upon a review of the processed documentation of account opening files and ongoing review of transactions, found no material deficiencies for 2017.

DAY-TO-DAY OPERATIONS

Philip Sheridan, or his designee, is responsible for making sure that new accounts have appropriate and sufficient information, including but not limited to names, addresses and Taxpayer Identification Numbers requested at the time of account opening. Operations will reject all accounts with improperly filled out forms or forms missing material information. Pershing systems do not allow for customer accounts to be opened without proper identification information.

Pershing is responsible for verifying new control lists against all existing accounts. They have assured us that they do this task regularly. MBS screens all accounts on a continuous basis through a third-party vendor established as best industry practice.

Merlin Elsner, or his designee, is responsible for deposit and withdrawal review. He follows the AML policy instructions for verifying information and record-keeping. Reviews are performed in a timely manner utilizing in-house customer relationship management (CRM) reports as well as Pershing system reports to capture all information necessary for AML review. MBS does not accept money or securities from clients at any time. MBS account activity is reviewed systematically against a complex series of dynamic logical rules to screen for potential AML activity through the Pershing platform. This platform produces behavior-based reports which are reviewed in addition to internal CRM reports. CRM reports are reviewed on a daily basis by executive management. This two-pronged approach ensures that MBS has in place an adequate policy to guard against and detect potential AML activity.

Given the sophistication of MBS's internal client account AML policies, MBS considers the risk of an actual AML incident to be extremely low. The risk rating of accounts at MBS is presented in a spectrum to be considered in the overall securities market, and while there may be differences in ratings within the Firm, the overall AML risk remains low when considering the overall market.

Merlin Elsner is also responsible for ensuring the review the biweekly Financial Crimes Enforcement Network (FinCEN) report and comparing it to the MBS customer database in a timely fashion. Evidence of these report reviews is kept extremely confidential and is available for review upon request from FINRA and/or the SEC. MBS screens new accounts (banks, credit unions and municipalities are exempt) against the OFAC database. Pershing screens accounts and transaction beneficiaries against the report for all clearing transactions. MBS performs OFAC screening on an "ongoing" basis in addition to the initial account opening procedures.

Merlin Elsner is responsible for AML training of new and existing employees. The company also holds employee meetings to cover sales practice and compliance issues. The company maintains attendance records and has the record book available for review as necessary. Employees must complete Firm Element continuing education training, as well as the FINRA-required continuing education. Merlin Elsner coordinates compliance training for all MBS locations.

The company has procedures in place to maintain files for at least five years. The company maintains documentation for two years on-site. The company also has an off-site storage facility to maintain documents from previous years. The company controller personally verifies the packaging and storage of all relevant documents. The off-site storage facility is subjected to an inspection by MBS and all associated files are stored in a safe and secure location with extremely limited access.

Merlin Elsner is responsible for the Suspicious Activity Report (SAR). He is familiar with the SAR form and Bank Secrecy Act (BSA) e-filing procedures. He will file a SAR immediately as applicable. The company does not accept money from clients and therefore does not maintain a Currency Transaction Report (CTR). All customer checks must be payable to Pershing LLC and all money wires go directly to Pershing. Pershing will not accept funds that originate from outside of the U.S.; this includes but is not limited to checks and electronic transfers.

Please contact me at 1-800-967-9008 with any questions related to this AML document.

A handwritten signature in black ink, appearing to read 'Merlin Elsner', with a long horizontal flourish extending to the right.

Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

CODE OF ETHICAL BUSINESS CONDUCT

MISSION STATEMENT

Multi-Bank Securities, Inc. is a fixed-income securities Firm focused on delivering value to the institutional markets. We seek to earn and preserve the respect, confidence and loyalty of our employees and customers through integrity, professionalism, investment expertise, progressive technology and exceptional personal service.

CODE OF ETHICAL BUSINESS CONDUCT

Our Code of Ethical Business Conduct outlines our principles, ethics and standards to help guide our employees. Every person at our Firm is valuable and fulfills a vital role. Each client's objective can be successfully met when all departments work harmoniously with that singular goal in mind. The following are in addition to the rules required by FINRA and other regulatory authorities.

Commitment: We have made a commitment to operate ethically and to lead with integrity. We are committed to maintain the trust of fellow employees, clients, business partners and other industry professionals. This commitment is embedded in our core values.

Integrity: Is the sum of the collective actions of our employees and how those actions measure up every day to our fundamental values. We are obligated to demonstrate moral and sound judgment in all actions within the office environment and the public. Our reputation is a direct reflection of our culture.

Respect: We support an environment that encourages respect. We do not make false or misleading statements about our customers, business partners and competitors, nor do we misrepresent facts in order to gain a competitive advantage or engage in illegal or unethical business practices.

Professional Growth: Our representatives are instructed to familiarize themselves with all policies, laws and regulations that apply to their jobs including but not limited to state statutes, bylaws and investment policies prior to conducting business. We support our representatives' pursuit of professional licenses and certifications.

Accurate Records: It is critical that we properly maintain records and uphold state statutes, bylaws and investment policies at the corporate level as well as in personal files for each customer. These documents will be updated accordingly, or as required by law.

Employee Manual: The Employee Manual is provided to assist employees in being successful at their job. The manual outlines our expectations of employment practices and policies, including the Code of Conduct. It is the responsibility of every employee to be familiar with and understand the contents of the manual. A verification receipt is required to be executed by each employee. We should all work to create a positive and diverse workplace that is free from discrimination and harassment. We are committed to a zero tolerance policy against harassment or threatening behavior of any kind.

Travel: We strongly encourage building trust and rapport with customers and business partners. Representatives are supported and make every effort to attend board meetings and council/commissioner meetings, including state conferences and chapter meetings, locally and nationally.

INFORMATION SECURITY ATTESTATION LETTER

March 1, 2018

In December 2016, Multi-Bank Securities, Inc. (MBS) contracted a Qualified Security Assessor Company to perform an External Penetration Test on MBS's internet-facing systems. The objective of this engagement was to identify vulnerabilities in MBS systems and network security that both internal and external adversaries could exploit.

The security engagement occurred during the period from January 25 to February 1, 2017, and retested on May 18, 2017. The testing process began with an information gathering phase in which the vendor's assessment team conducted steps designed to gather all pertinent information surrounding targeted environment. Automated and manual testing techniques were used to assess the target areas to gauge the level of business risk of any discovered vulnerabilities.

It was the vendor's overall opinion that MBS had taken the appropriate steps to reduce enterprise risk level and mitigate the probability of such an event.

Based on the assessment, MBS has implemented sufficient security controls to ensure the continued operation of business processes. The existing security controls appear to adequately mitigate risks to business processes to ensure the collection of personally identifiable information and critical business data.

As of this date, the chief information officer attests that no material changes or events, as they relate to this external vendor, have occurred.

Moving forward, MBS will continue diligent efforts on improving its overall security posture.

Should you have any questions regarding this matter, please feel free to contact me directly at 1-800-967-9008 or via email at melsner@mbssecurities.com.

Sincerely,



Merlin Elsner
Chief Compliance Officer
Multi-Bank Securities, Inc.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!

CRYSTAL & COMPANY

Crystal IBC LLC
 32 Old Slip
 New York, NY 10005-3504
 Phone 800 221-5830
 FAX 800 383-1852

CONFIRMATION OF INSURANCE

Original

NAMED INSURED
Multi-Bank Securities, Inc. 1000 Town Center Drive, Suite 2300 Southfield, MI 48075

BINDER DATE	BINDER NO.
10/04/17	350238

CLIENT CODE	POLICY TYPE
MULTSE2	Renewal

ACCOUNT EXECUTIVE
Phyllis Chechile 212-504-5909

Page 1 of 1

EFFECTIVE DATE	EXPIRATION DATE	POLICY NUMBER	INSURER
11/01/17	11/01/18	81940548	Federal Insurance Company

COVERAGE DESCRIPTION AND AMOUNTS/LIMITS

Coverage: Securities Dealers Bond

Effective Date of Change: 11/01/2017
 Description of Change: Renewal

It is hereby understood and agreed that the renewal of coverage is bound effective 12:01 a.m. on November 1, 2017 for a one year period as follows:

Limit of Liability: \$4,000,000 per loss
 Deductible: \$20,000 per loss
 One Year Premium:

Terms and conditions remain the same

This confirmation of insurance sets forth the general terms, conditions and subjectivities, if any, of placement effected by Crystal & Company on your behalf and at your direction. This confirmation of insurance will be cancelled, superseded and replaced upon delivery of the insurer's binder of coverage. The insurer's binder will be in effect and control this placement until the receipt of the insurer's formal policy/bond documentation.

In addition to the fees and/or commissions received by Crystal & Company for the placement of insurance, in certain circumstances other parties, including other intermediaries, may earn and retain usual and customary commissions for their role in providing insurance products or services under their separate contracts with insurers and/or reinsurers. Further, in certain segments of our business, some of our compensation may be derived from supplemental or bonus commissions paid by insurers or intermediaries based on criteria designed by the insurer or intermediary, to value all the policies that we place with it in a particular period.

Premium:	Federal Insurance Company
Confirmed By:	Authorized Representative: Program
At Crystal & Company Refer To: Phyllis Chechile	Admitted: X Non-Admitted:

This page is intentionally left blank.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2017

(With Report of Independent Registered Public Accounting Firm)

8

This page is intentionally left blank.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2017

Table of Contents

Report of Independent Registered Public Accounting Firm

Statement of Financial Condition

Notes to Statement of Financial Condition

This page is intentionally left blank.



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Report of Independent Registered Public Accounting Firm

To the Board of Managers and
Member of Pershing LLC:

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Pershing LLC (the Company) as of December 31, 2017, and the related notes (collectively, the financial statement). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2017, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

KPMG LLP

We have served as the Company's auditor since 2007.

New York, NY
February 28, 2018

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

This page is intentionally left blank.

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)

Statement of Financial Condition

December 31, 2017

(Dollars in millions)

Assets

Cash and cash equivalents	\$	324
Cash and qualified securities segregated for regulatory purposes (cash of \$1,751 and qualified securities with a contract value of \$1,014)		2,765
Collateralized financing agreements:		
Securities borrowed		8,413
Securities purchased under agreements to resell		2,637
Receivables:		
Customers		13,371
Broker-dealers and clearing organizations		3,932
Affiliates		435
Intangible assets		15
Financial instruments owned, at fair value		18
Other assets		501
Total assets	\$	<u><u>32,411</u></u>

Liabilities and Member's Equity

Liabilities:		
Drafts payable	\$	259
Collateralized financing agreements:		
Securities loaned		799
Securities sold under agreements to repurchase		6,295
Payables:		
Customers		18,514
Broker-dealers and clearing organizations		2,603
Affiliates		416
Financial instruments sold, not yet purchased, at fair value		25
Accounts payable, accrued expenses and other		310
Total liabilities		<u>29,221</u>
Member's equity:		
Member's contributions		931
Accumulated earnings		2,259
Total member's equity		<u>3,190</u>
Total liabilities and member's equity	\$	<u><u>32,411</u></u>

See accompanying notes to statement of financial condition.

This page is intentionally left blank.

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2017

(1) Organization and Description of Business

Pershing LLC (the Company) is a single member Delaware Limited Liability Company and a wholly owned subsidiary of Pershing Group LLC (the Parent), which is a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon).

The Company is registered as a securities broker-dealer with the Securities and Exchange Commission (SEC) authorized to engage in fully disclosed and omnibus clearing, sales and trading and brokerage services. The Company is a member of the New York Stock Exchange, Inc. (NYSE), Financial Industry Regulatory Authority (FINRA), Chicago Board of Options Exchange, Inc., Securities Investor Protection Corporation (SIPC), and other regional exchanges.

(2) Summary of Significant Accounting Policies

The Company's statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America which require the use of management's best judgment and estimates. Estimates and assumptions that affect the reported amounts in the statement of financial condition and accompanying notes may vary from actual results.

(a) Cash and Cash Equivalents

The Company defines cash and cash equivalents as highly liquid investments with original maturities of three months or less.

(b) Cash and Qualified Securities Segregated for Regulatory Purposes

The Company defines cash and qualified securities segregated for regulatory purposes as deposits of cash or qualified securities that have been segregated in special reserve bank accounts for the benefit of customers and the proprietary accounts of brokers (PAB) under Rule 15c3-3 of the SEC.

(c) Collateralized Financing Agreements

Securities borrowed and securities loaned are collateralized financing arrangements that are recorded at the amount of cash collateral advanced or received. For securities borrowed, the Company deposits cash or other collateral with the lender. For securities loaned, the Company receives cash collateral that typically exceeds the market value of securities loaned.

Securities sold under agreements to repurchase (repurchase agreements) and securities purchased under agreements to resell (resale agreements) are treated as collateralized financing arrangements and are carried at their contract amount, the amount at which they will subsequently be resold or repurchased, plus related accrued interest. Repurchase and resale agreements are typically collateralized by cash or government and government agency securities and generally have terms from overnight up to three months. The Company nets repurchase agreements and resale agreements in the statement of financial condition in accordance with Accounting Standards Codification (ASC) Subtopic 210-20, *Balance Sheet Offsetting*.

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2017

It is the Company's policy to take possession of the underlying collateral, monitor its market value relative to the amounts due under the agreements and, when necessary, require prompt transfer of additional collateral or reduction in the loan balance in order to maintain contractual margin protection. In the event of counterparty default, the financing agreement provides the Company with the right to liquidate the collateral held.

(d) *Receivables and Payables – Broker-Dealers and Clearing Organizations*

Receivables from broker-dealers and clearing organizations include amounts receivable for securities not delivered by the Company to a purchaser by the settlement date (fails to deliver), deposits with clearing organizations and the Company's introducing brokers' margin loans. Payables to broker-dealers and clearing organizations include amounts payable for securities not received by the Company from a seller by the settlement date (fails to receive), clearing deposits from introducing brokers and amounts payable to the Company's introducing brokers.

(e) *Fair Value of Financial Instruments Owned and Sold*

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. ASC Topic 820 defines fair value as "the price that would be received to sell an asset and paid to transfer a liability in an ordinary transaction between market participants at the measurement date." Under ASC Topic 820, fair value is generally based on quoted market prices. If quoted market prices are not available, fair value is determined based on other relevant factors, including price activity for equivalent instruments and valuation pricing models. See Note 4 to Financial Statements for disclosures with respect to ASC Topic 820.

(f) *Fixed Assets and Intangibles*

Fixed assets are recorded at cost, net of accumulated depreciation. Depreciation is recorded on a straight-line basis over the useful lives of the related assets, generally two to five years. Leasehold improvements are amortized on a straight-line basis over the lesser of the lease term or 10 years. For internal-use computer software, the Company capitalizes qualifying costs incurred during the application development stage. The resulting asset is amortized using the straight-line method over the expected life, which is generally five years. All other nonqualifying costs incurred in connection with any internal-use software projects are expensed as incurred.

Identifiable intangible assets are amortized on a straight-line basis over their estimated useful life, which is generally 15 years from the date of acquisition and are assessed for impairment indicators pursuant to the provision of ASC Topic 350, *Intangibles – Goodwill and Other*, and ASC Topic 360, *Property, Plant & Equipment*.

(g) *Receivables and Payables - Customers*

Receivables from and payables to customers include amounts due on cash and margin transactions. Securities owned by customers are held as collateral for receivables. Customer securities transactions are recorded on a settlement date basis, which is generally two business days after trade date.

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2017

Securities owned by customers, including those that collateralize margin or other similar transactions, are not reflected in the statement of financial condition.

(h) Restricted Stock Units

During the year, BNY Mellon issued restricted stock to employees, including certain Company employees. The Company accounts for this plan in accordance with ASC Topic 718, *Compensation – Stock Compensation*, and accordingly compensation cost is measured at the grant date based on the value of the award and is recognized over the vesting period.

(i) Income Taxes

The Company is included in the consolidated federal and combined state and local income tax returns filed by BNY Mellon. In addition, the Company files stand-alone tax returns in certain jurisdictions including New Jersey. Income taxes are calculated using the modified separate return method, and the amount of current tax expense or benefit is either remitted to or received from BNY Mellon, pursuant to a tax sharing agreement between BNY Mellon and the Company.

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes*, which generally requires the recognition of tax benefits or expenses on the temporary differences between the financial reporting and the tax basis of the assets and liabilities. If appropriate, deferred tax assets are adjusted by a valuation allowance, which reflects expectations of the extent to which such assets will be realized.

In accordance with FASB ASC 740, *Income Taxes*, the Company uses a two-step approach in recognizing and measuring its uncertain tax benefits whereby it is first determined if the tax position is more likely than not to be sustained under examination. If the tax position meets the more likely than not threshold, the position is then measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. A tax position that fails to meet the more likely than not recognition threshold will result in either a reduction of current or deferred tax assets, and/or recording of current or deferred tax liabilities.

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2017

(3) Receivables from and Payables to Broker-Dealers and Clearing Organizations

Amounts receivable from and payable to broker-dealers and clearing organizations include the following (dollars in millions):

Receivables:	
Brokers and dealers	\$ 2,912
Securities failed to deliver	776
Clearing organizations	244
Total receivables	\$ 3,932
Payables:	
Brokers and dealers	\$ 1,520
Securities failed to receive	1,083
Total payables	\$ 2,603

(4) Financial Instruments

ASC Topic 820 applies to all financial instruments that are being measured and reported on a fair value basis. This includes those items currently reported in financial instruments owned, at fair value and financial instruments sold, not yet purchased, at fair value on the statement of financial condition.

As defined in ASC Topic 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various methods including market and income approaches. Based on these approaches, the Company utilizes certain assumptions that market participants would use in pricing the asset or liability. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial instrument assets and liabilities carried at fair value have been classified and disclosed in one of the following three categories:

- Level 1 Quoted market prices in active markets for identical assets or liabilities.
- Level 2 Observable market based inputs or unobservable inputs that are derived from or corroborated by market data.
- Level 3 Unobservable inputs that are not corroborated by market data.

Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as listed equities.

Level 2 includes those financial instruments that are valued using models or other valuation methodologies calibrated to observable market inputs. These models are primarily industry-standard models that consider

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition
December 31, 2017

various assumptions, including discount margins, credit spreads, discounted anticipated cash flows, the terms and liquidity of the instrument, the financial condition, operating results and credit ratings of the issuer or underlying company, the quoted market price of publicly traded securities with similar duration and yield, time value, yield curve, default rates, as well as other measurements. In order to be classified as Level 2, substantially all of these assumptions would need to be observable in the marketplace and can be derived from observable data or supported by observable levels at which transactions are executed in the marketplace. The Company did not have any assets or liabilities classified as Level 2 at December 31, 2017 and there was no change in Level 2 assets or liabilities during the year.

Level 3 is comprised of financial instruments whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are unobservable from objective sources. The Company did not have any assets or liabilities classified as Level 3 at December 31, 2017 and there was no change in Level 3 assets or liabilities during the year.

In determining the appropriate levels, the Company performed an analysis of the assets and liabilities that are subject to ASC Topic 820. The following tables present the financial instruments carried at fair value as of December 31, 2017 (dollars in millions):

Assets at fair value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Financial instruments owned, at fair value				
Equity Securities	18	—	—	18
Total assets at fair value	\$ 18	—	—	18
Liabilities at fair value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Financial instruments sold, not yet purchased				
Equity Securities	\$ 25	—	—	25
Total liabilities at fair value	\$ 25	—	—	25

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

The fair values of the other financial assets and liabilities are considered to approximate their carrying amounts because they have limited counterparty credit risk and are short-term, replaceable on demand, or bear interest at market rates.

The table below presents the carrying value and fair value of Pershing LLC's financial instruments which are not carried at fair value (dollars in millions). The table below therefore excludes items measured at fair

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition

December 31, 2017

value on a recurring basis presented in the table above. In addition, the table excludes the values of non-financial assets and liabilities (dollars in millions).

	December 31, 2017				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Estimated fair value</u>	<u>Carrying value</u>
Summary of financial instruments:					
Assets:					
Cash and cash equivalents	\$ 324	—	—	324	324
Cash and qualified securities segregated for regulatory purposes	1,751	1,014	—	2,765	2,765
Securities borrowed	—	8,413	—	8,413	8,413
Securities purchased under agreements to resell	—	2,637	—	2,637	2,637
Receivables from customers	—	13,371	—	13,371	13,371
Receivables from broker- dealers and clearing organizations	—	3,932	—	3,932	3,932
Due from Affiliates	—	435	—	435	435
Other assets	—	501	—	501	501
Total	\$ 2,075	30,303	—	32,378	32,378
Liabilities:					
Drafts payable	\$ —	259	—	259	259
Securities loaned	—	799	—	799	799
Securities sold under agreements to repurchase	—	6,295	—	6,295	6,295
Payables to customers	—	18,514	—	18,514	18,514
Payables to broker- dealers and clearing organizations	—	2,603	—	2,603	2,603
Due to Affiliates	—	416	—	416	416
Accounts payable, accrued expenses other	—	310	—	310	310
Total	\$ —	29,196	—	29,196	29,196

Fair value can vary from period to period based on changes in a wide range of factors, including interest rates, credit quality, and market perceptions of value and as existing assets and liabilities run off and new transactions are entered into.

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2017

Offsetting Assets and Liabilities

The following table presents financial instruments that are either subject to an enforceable netting agreement or offset by collateral arrangements. There were no financial instruments subject to a netting agreement for which the Company is not currently netting (dollars in millions).

Financial assets subject to enforceable master netting agreements						
December 31, 2017	Gross assets recognized	Gross amounts offset in the statement of financial condition	Net assets recognized on the statement of financial condition	Gross amounts not offset (1)		Net amount
				Financial instruments	Cash collateral received	
Securities borrowed	\$ 8,413	—	8,413	8,147	—	266
Securities purchased under agreements to resell (2)	4,386	735	3,651	3,640	—	11
Total financial assets subject to enforceable master netting agreement	<u>\$ 12,799</u>	<u>735</u>	<u>12,064</u>	<u>11,787</u>	<u>—</u>	<u>277</u>

Financial liabilities subject to enforceable master netting agreements						
December 31, 2017	Gross liabilities recognized	Gross amounts offset in the statement of financial condition	Net liabilities recognized on the statement of financial condition	Gross amounts not offset (1)		Net amount
				Financial instruments	Cash collateral pledged	
Securities loaned	\$ 799	—	799	772	—	27
Securities sold under agreements to repurchase	7,030	735	6,295	6,294	—	1
Total financial liabilities subject to enforceable master netting agreement	<u>\$ 7,829</u>	<u>735</u>	<u>7,094</u>	<u>7,066</u>	<u>—</u>	<u>28</u>

(1) The total amount reported in financial instruments is limited to the amount of the related instruments presented in the statement of financial condition and therefore any over-collateralization of these positions is not included.

(2) Including qualified securities with a contract value of \$1,014 recognized on the statement of financial condition.

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2017

Repurchase Agreements and Securities Lending

The following table presents the contract value of repurchase agreements and securities lending transactions accounted for as secured borrowings by the type of collateral provided to counterparties.

Repurchase agreements and securities lending transactions accounted for as secured borrowings at December 31, 2017								
Remaining contractual maturity of the agreements								
<i>(in millions)</i>	Overnight and		Up to 30 days		30 days or			
	continuous		more		Total			
Repurchase agreements:								
U.S. Treasury	\$	1,055	\$	12	\$	—	\$	1,067
U.S. Government agencies		294		180		—		474
State and political subdivisions		215		—		711		926
Agency RMBS		1,807		108		—		1,915
Agency commercial MBS		30		—		—		30
Corporate bonds		373		—		1,052		1,425
Sovereign debt/sovereign guaranteed		—		—		19		19
Other debt securities		1		—		1		2
Equity securities		636		—		475		1,111
Money market funds		19		—		42		61
Total repurchase agreements	\$	4,430	\$	300	\$	2,300	\$	7,030
Securities Lending:								
U.S. Treasury	\$	—	\$	—	\$	—	\$	—
U.S. Government agencies	\$	72	\$	—	\$	—	\$	72
Agency RMBS		134		—		—		134
Agency commercial MBS		—		—		—		—
Corporate bonds		50		—		—		50
Sovereign debt/sovereign guaranteed		—		—		—		—
Equity securities		543		—		—		543
Total securities loaned	\$	799	\$	—	\$	—	\$	799
Total borrowings	\$	5,229	\$	300	\$	2,300	\$	7,829

The Company's repurchase agreements and securities lending transactions primarily encounter risk associated with liquidity. The Company is required to pledge collateral based on predetermined terms within the agreements. If the Company were to experience a decline in the fair value of the collateral pledged for these transactions, additional collateral could be required to be provided to the counterparty, thereby decreasing the amount of assets available for other liquidity needs that may arise.

As of December 31, 2017, the Company has \$400 million of collateral related to repurchase agreements that had remaining contractual maturities that exceeded 90 days.

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2017

(5) Fixed Assets

Fixed assets are included in other assets on the statement of financial condition and consists of the following (dollars in millions):

Capitalized software	\$	204
Leasehold improvements		40
Computer software		26
Computer equipment		10
Other		35
Total		315
Less accumulated depreciation		(224)
Total fixed assets, net	\$	91

(6) Third Party Bank Loans and Lines of Credit

The Company has \$1.5 billion in uncommitted lines of credit with non-affiliated banks as of December 31, 2017. There were no borrowings against these lines of credit at December 31, 2017. Interest on such borrowings is determined at the time each loan is initiated.

(7) Income Taxes

The deferred income taxes reflect the tax effects of temporary differences between the financial reporting and tax bases of asset and liabilities. The Company has a gross deferred tax asset of \$16.8 million and a gross deferred tax liability of \$23.2 million at December 31, 2017. The deferred tax asset is primarily attributable to stock compensation and the deferred tax liability is primarily attributable to internally developed software. The net deferred tax liability is \$6.4 million. The Company has not recorded a valuation allowance because the Company believes it is more likely than not that the deferred tax assets will be realized.

Federal taxes payable of \$60.8 million due to BNY Mellon and state taxes receivable of \$0.1 million due from BNY Mellon are included in affiliate payables and receivables, respectively, on the statement of financial condition. State taxes receivable of \$4.4 million are included in other assets on the statement of financial condition.

BNY Mellon's federal consolidated income tax returns are closed to examination through 2013. The Company's New York State income tax returns are closed to examination through 2014. The Company's New York City income tax returns are closed to examination through 2011. The Company's New Jersey income returns are closed to examination through 2012.

(8) Related Party Transactions

The Company provides clearing, sales and trading, and brokerage related services to indirect wholly owned subsidiaries of BNY Mellon. Balances due from/to these affiliates related to these services were approximately \$435.1 million and \$49.3 million, respectively. They are included in receivables from

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition

December 31, 2017

affiliates and payables to affiliates, respectively, on the statement of financial condition. The Company had securities failed to deliver of \$7.7 million and securities failed to receive of \$85.7 million with affiliates. They are included in receivables from broker-dealers and clearing organizations and payables to broker-dealers and clearing organizations, respectively, on the statement of financial condition.

The Company has \$5.6 billion of unsecured loan facilities with the Parent. At December 31, 2017, there were borrowings against the loan facilities of approximately \$170 million included in payables to affiliates. The Company also has loan agreements with two affiliates. At December 31, 2017, there were no borrowings against the loans.

Balances due to BNY Mellon for taxes, payroll, technology and leased equipment were \$133.1 million and are included in payables to affiliates on the statement of financial condition. The Company maintains a collateralized financing arrangement with an affiliate associated with repurchase agreements, with the maximum facility of \$200 million. At December 31, 2017, the Company had entered into repurchase agreements with the affiliate totaling \$2.2 million, which is included in payables to affiliates on the statement of financial condition. At December 31, 2017, the Company had also entered into securities lending agreements with another affiliate totaling \$61.2 which are included in payables to affiliates on the statement of financial condition.

For the year ended December 31, 2017, the Company leased furniture and fixtures and computer and other communications equipment from an affiliate.

Additionally, the Company contracts through certain related parties acting in their role as agents to facilitate transactions between the Company and certain principal third parties for securities borrowed and tri-party repurchase or reverse repurchase transactions. Any risk assumed in these transactions is solely between the principal third parties and the Company.

(9) Employee Benefit Plans

BNY Mellon sponsors a 401(k) plan (the Plan) for its active employees. The Plan offers the Company's employees the opportunity to plan, save and invest for their future financial needs. The Company makes periodic contributions to the Plan based on the discretion of management.

(continued)

PERSHING LLC
 (An Indirect Wholly Owned Subsidiary of
 The Bank of New York Mellon Corporation)
 Notes to Statement of Financial Condition
 December 31, 2017

(10) Pledged Assets and Guarantees

Under the Company's collateralized financing arrangements and other business activities, the Company either receives or provides collateral. In many cases, the Company is permitted to sell or repledge these securities held as collateral. At December 31, 2017, the fair value of securities received as collateral where the Company is permitted to sell or repledge the securities was \$45,591 million and the fair value of the portion that had been sold or repledged was \$23,136 million. The details of these sources and the uses of collateral are noted in the below tables (dollars in millions).

Source of available collateral – received, borrowed or owned:

Financial instruments owned, at fair value	\$ 18
Securities borrowed	8,158
Securities purchased under agreements to resell	4,373
Margin securities available to sell or re-pledge	33,042
Total source of collateral	\$ 45,591

Use of available collateral – re-pledged, loaned or sold:

Financial instruments sold, not yet purchased, at fair value	\$ 25
Securities loaned	831
Securities sold under agreements to repurchase	7,275
Pledged to clearing corporations	1,073
Short sale covering	12,924
Qualified securities segregated for regulatory purposes	1,008
Total use of collateral	\$ 23,136

The Company also conducts a fully paid lending program, in which customers agree to make available their fully paid securities to be loaned to third parties in exchange for a fee. At December 31, 2017, the fair value of the securities borrowed under this program was \$92 million and is included in securities borrowed and securities loaned on the statement of financial condition and included in the table above.

Obligations under Guarantees

The Company has adopted the disclosure and recognition requirements for guarantees in accordance with ASC Topic 460, *Guarantees*, whereby the Company will recognize a liability at the inception of a guarantee for obligations it has undertaken in issuing the guarantee, including its ongoing obligation to stand ready to perform over the term of the guarantee in the event that certain events or conditions occur.

The Company provides guarantees to securities clearinghouses and exchanges. Under the standard membership agreement, members are required to guarantee the performance of other members. Under the agreements, if another member becomes unable to satisfy its obligations to the clearinghouse, other members would be required to meet shortfalls. The Company's liability under these arrangements is not quantifiable or limited and could exceed the cash and securities it has posted as collateral. However, management believes the potential for the Company to be required to make payments under these

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition

December 31, 2017

arrangements is remote. Accordingly, no contingent liability is carried on the statement of financial condition for these arrangements.

In connection with its securities clearing business, the Company performs securities execution, clearance and settlement services on behalf of other broker-dealer clients. Management believes the potential for the Company to be required to make unreimbursed payments relating to such services is remote due to the contractual capital requirements associated with clients' activity and the regular review of clients' capital. Accordingly, no contingent liability is carried on the statement of financial condition for these transactions.

(11) Commitments and Contingences

As of December 31, 2017, the Company had commitments with twenty two clients to lend a maximum total of \$2.417 billion for various terms. These commitments consisted of outstanding loans of \$2.367 billion, and unfunded commitments totaling \$50 million.

The Company has non-cancelable leases for office space and equipment that expire on various dates through 2022. At December 31, 2017, minimum future rentals on noncancelable operating leases are as follows (dollars in millions): 2018 \$22, 2019 \$21, 2020 \$20, 2021 \$9 and 2022 \$0.19.

The Company is involved in various legal proceedings arising in connection with the Company's business activities. Based on currently available information and the advice of counsel, the Company believes that the aggregate results of all such proceedings will not have a material adverse effect on the Company's financial condition. The Company intends to defend itself vigorously against all claims asserted against it. In accordance with applicable accounting guidance, the Company establishes reserves for litigation and settlements for which loss contingencies are both probable and estimable. The Company will continue to monitor all such matters and will adjust the reserve amounts as appropriate.

(12) Regulatory Requirements

As a registered broker-dealer, the Company is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Securities Exchange Act of 1934 and has elected to use the alternative method of computing regulatory net capital requirements provided for in that Rule. Under the alternative method, the required net capital may not be less than two percent of aggregate debit items arising from customer transactions or \$1.5 million, whichever is greater. At December 31, 2017, the Company's regulatory net capital of approximately \$2.61 billion was 14.57% of aggregate debit items and in excess of the minimum requirement by approximately \$2.25 billion.

Advances to affiliates, repayment of borrowings, dividend payments to Parent and other equity withdrawals are subject to certain notification and other provisions of the Rule 15c3-1 and other regulatory bodies.

Pursuant to Rule 15c3-3 of the SEC, the Company may be required to deposit in a Special Reserve Bank Account, cash or acceptable qualified securities for the exclusive benefit of customers. At December 31, 2017, the Company had approximately \$2.76 billion of cash and acceptable qualified securities on deposit in such accounts.

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2017

As a clearing broker, the Company is required to compute a reserve requirement for the proprietary accounts of broker-dealers (the PAB Reserve Formula). As of December 31, 2017, the Company had approximately \$439 thousand of cash deposits in cash accounts designated for the exclusive benefit of PAB pursuant to Rule 15c3-3 of the SEC.

(13) Financial Instruments and Related Risks

(a) Customer Activities

Certain market and credit risks are inherent in the Company's business, primarily in facilitating customers' trading and financing transactions in financial instruments. In the normal course of business, the Company's customer activities include execution, settlement, and financing of various customer securities, which may expose the Company to both on and off-balance sheet risk in the event the customer is unable to fulfill its contractual obligations.

The Company's customer securities activities are transacted on either a cash or margin basis. In margin transactions, the Company extends credit to customers, which is collateralized by cash and/or securities in the customer's account. In connection with these activities, the Company executes and clears customer transactions involving securities sold but not yet purchased and option contracts. The Company seeks to control risks associated with its customer activities by requiring customers to maintain margin collateral in compliance with various regulatory, exchange and internal guidelines. The Company monitors required margin levels daily; pursuant to such guidelines, the Company requires the customer to deposit additional collateral or to reduce positions, when necessary. Such transactions may expose the Company to significant off-balance sheet risk in the event the collateral is not sufficient to fully cover losses which customers may incur. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell the collateral at prevailing market prices in order to fulfill the customer's obligations.

The Company's customer financing and securities settlement activities may require the Company to pledge customer securities as collateral in support of various secured financing sources, such as securities loaned. Additionally, the Company pledges customer securities as collateral to satisfy margin deposits of the Options Clearing Corporation. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, the Company may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its obligation. The Company controls this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposures.

(b) Credit Risk

As a securities broker and dealer, the Company is engaged in various securities trading and brokerage activities servicing a diverse group of domestic and foreign corporations, governments, and institutional and individual investors. A substantial portion of the Company's transactions is executed with and on behalf of institutional investors including other broker-dealers, banks, U.S. government agencies, mutual funds, hedge funds and other financial institutions.

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)
Notes to Statement of Financial Condition
December 31, 2017

Credit risk is the potential for loss resulting from the default by a counterparty of its obligations. Exposure to credit risk is generated by securities and currency settlements, contracting derivative and forward transactions with customers and dealers, and the holding in inventory of loans. The Company uses various means to manage its credit risk. The creditworthiness of all counterparties is analyzed at the outset of a credit relationship with the Company. These counterparties are subsequently reviewed on a periodic basis. The Company sets a maximum exposure limit for each counterparty, as well as for groups or classes of counterparties. Furthermore, the Company enters into master netting agreements when feasible and demands collateral from certain counterparties or for certain types of credit transactions.

(c) Market Risk

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including size, duration, composition and diversification of positions held, the absolute and relative level of interest rates and foreign currency exchange rates, as well as market volatility and liquidity. The Company manages market risk by setting and monitoring adherence to risk limits.

Financial instruments sold, not yet purchased represent obligations of the Company to deliver the specified security at the contracted price and thereby, create a liability to purchase the security in the market at prevailing prices. Accordingly, these transactions result in off-balance sheet risk, as the Company's ultimate obligation to satisfy the sale of financial instruments sold, not yet purchased may exceed the amount reflected in the statement of financial condition.

(d) Operational Risk

In providing a comprehensive array of products and services, the Company may be exposed to operational risk. Operational risk may result from, but is not limited to, errors related to transaction processing, breaches of internal control systems and compliance requirements, fraud by employees or persons outside the Company or business interruption due to systems failures or the other events. Operational risk may also include breaches of the Company's technology and information systems resulting from unauthorized access to confidential information or from internal or external threats, such as cyber attacks. Operational risk also includes potential legal or regulatory actions that could arise as a result of noncompliance with applicable laws and/or regulatory requirements. In the case of an operational event, the Company could suffer a financial loss as well as damage to our reputation.

(e) Financial Instruments with Off-Balance-Sheet Risk

The Company may enter into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments may include forward foreign exchange contracts that are used to meet the needs of customers. Generally, forward foreign exchange contracts represent future commitments to purchase or sell foreign currency at specific terms at specified future dates.

(continued)

PERSHING LLC
(An Indirect Wholly Owned Subsidiary of
The Bank of New York Mellon Corporation)

Notes to Statement of Financial Condition

December 31, 2017

(14) Subsequent Events

The Company has evaluated subsequent events from December 31, 2017 through February 28, 2018, the date the Company's financial statements are available to be issued.



KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Service Auditor's Report

Board of Directors of Pershing LLC:

Scope

We have examined Pershing LLC's description of its system entitled "Pershing LLC's Description of its introducing firm services, prime services, and managed investments operations system" for processing user entities' transactions throughout the period October 1, 2016 to September 30, 2017 (the "description") and the suitability of the design and operating effectiveness of the controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "Pershing LLC's Assertion" (the "assertion"). The controls and control objectives included in the description are those that management of Pershing LLC believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the introducing firm services, prime services, and managed investments operations system that are not likely to be relevant to user entities' internal control over financial reporting.

The information included in Section V, "Other Information Provided by Pershing LLC", is presented by management of Pershing LLC to provide additional information and is not a part of Pershing LLC's description of its introducing firm services, prime services, and managed investments operations system made available to user entities during the period October 1, 2016 to September 30, 2017. Information about Pershing Management response additional details, NetX360 Report Center Completeness and Accuracy, Pershing LLC's business continuity, disaster recovery, and SEC Rule 206(4)-2 "Custody of Funds or Securities of Clients by Investment Advisers" under the Investment Advisers Act of 1940 has not been subjected to the procedures applied in the examination of the description of the introducing firm services, prime services, and managed investments operations system and of the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description of the introducing firm services, prime services, and managed investments operations system, and, accordingly, we express no opinion on it.

Pershing LLC uses subservice organization(s) for market data, pricing of securities, portfolio accounting, locates, checks, disbursements, confirm and statement printing, and certain information technology services. Pershing LLC also uses the services of BNY Mellon Client Service Delivery & Client Technology Solutions and Risk & Compliance (referred to as "BNY Mellon CSD&CTS and R&C") to provide information technology infrastructure support and to administer centrally managed information technology controls for some of the Pershing LLC systems. The description includes only the control objectives and related controls of Pershing LLC and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by Pershing LLC can be achieved only if complementary subservice organization controls assumed in the design of Pershing LLC's controls are suitably designed and operating effectively, along with the related controls at Pershing LLC. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Pershing LLC's controls are suitably designed and operating effectively, along with related controls at Pershing LLC. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Service organization's responsibilities

In section II, Pershing LLC has provided an assertion about the fairness of the presentation of the description and suitability of the design and the operating effectiveness of the controls to achieve the related control objectives stated in the description. Pershing LLC is responsible for preparing the description and its assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service auditor's responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period October 1, 2016 to September 30, 2017. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of controls involve:

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion,
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description,
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved,
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

Inherent limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives stated in the description is subject to the risk that controls at a service organization may become ineffective.

Description of tests of controls

The specific controls tested and the nature, timing, and results of those tests are listed in section IV.



Opinion

In our opinion, in all material respects, based on the criteria described in Pershing LLC's assertion:

- a. the description fairly presents the introducing firm services, prime services, and managed investments operations system that was designed and implemented throughout the period October 1, 2016 to September 30, 2017;
- b. the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period October 1, 2016 to September 30, 2017, and subservice organization(s) and user entities applied the complementary controls assumed in the design of Pershing LLC's controls throughout the period October 1, 2016 to September 30, 2017; and
- c. the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period October 1, 2016 to September 30, 2017 if complementary subservice organization and user entity controls, assumed in the design of Pershing LLC's controls, operated effectively throughout the period October 1, 2016 to September 30, 2017.

Restricted use

This report, including the description of tests of controls and results thereof in Section IV, is intended solely for the information and use of management of Pershing LLC, user entities of Pershing LLC's introducing firm services, prime services, and managed investments operations system during some or all of the period October 1, 2016 to September 30, 2017, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

New York, New York
November 28, 2017

January 3, 2018

To Whom it May Concern:

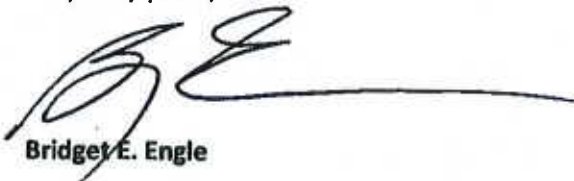
"The Bank of New York Mellon Corporation Service Organization Control (SOC 1SM) Report – Centrally Managed Information Technology Services (CMITS) for the period *October 1, 2016 through September 30, 2017*" has been made available to you as a client of BNY Mellon. This SOC 1SM Report was prepared in accordance with the guidance contained in the American Institute of Certified Public Accountants Statement on Standards for Attestation Engagements no. 18 (SSAE 18).

To the best of our knowledge, there have been no changes to the Bank's internal controls for the period of *October 1, 2017 through December 31, 2017*, as described in this SOC 1 Report and as reviewed by our Independent Auditors in conjunction with their Independent Service Auditors' Report, which would materially or adversely affect the internal control environment.

This letter is intended for use solely by you and your auditors in assessing controls over financial statements. The letter may not be used by you in any document produced by you or included in any other instrument, record or communication in any form or in any medium. The contents of this letter may not be disclosed to any other person or entity except as follows: (1) internal persons that have a need to know, (2) your independent auditors in connection with their engagement as such and (3) as required by law, a court order or a regulatory agency.

Please direct any questions to your BNY Mellon Client Relationship Manager.

Very truly yours,



Bridget E. Engle

This page is intentionally left blank.

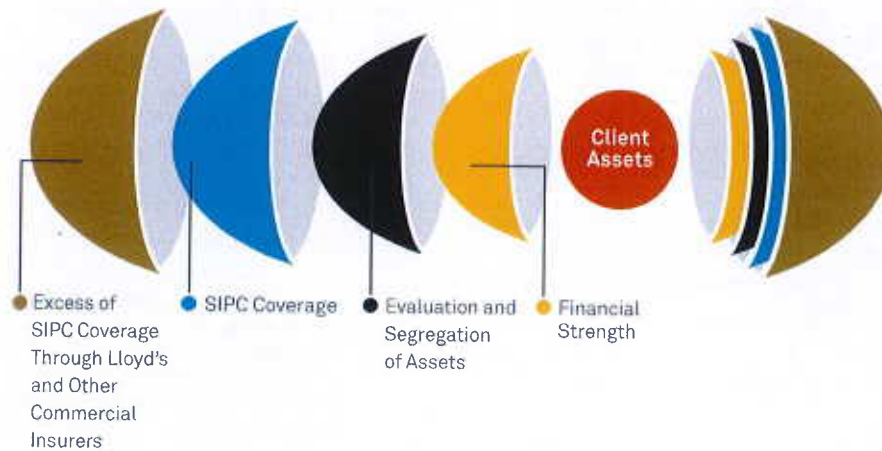
Understanding the Protection of Client Assets

4TH QUARTER 2017

BNY Mellon's Pershing: Strength, Stability and Focus

BNY Mellon's Pershing has been a leading global provider of financial business solutions for almost 80 years and serves many of the world's most respected financial organizations. We remain committed to the safekeeping, servicing, segregation and reporting of our global client assets.

The Protection of Client Assets Remains at the Center of Our Focus



Financial Strength—December 31, 2017

Pershing's core financial strength provides the first measure of protection for our global client assets. Our parent company, BNY Mellon, is a global investments company dedicated to helping its clients manage and service their financial assets and is the world's largest global custodian.¹ While financial strength does not protect against loss due to market fluctuation, our internal controls and regulatory oversight help maintain our stability and focus.

BNY Mellon's Pershing

- › Approximately \$1.7 trillion in global client assets²
- › Net capital of over \$2.0 billion³—well above the minimum requirement

BNY Mellon

- › \$33.3 trillion in assets under custody and/or administration
- › \$1.9 trillion in assets under management

¹ *Institutional Investor*, October 2016, Global Custody Rankings

² Pershing LLC and its global affiliates

³ Pershing LLC



Segregation and Control of Assets

Pershing protects client assets through rigorous internal control measures. An annual audit by a major independent audit firm and the audit team at our parent company, BNY Mellon, helps to monitor controls that are in place. In addition, a Service Organizations Control report conducted by an independent audit firm provides additional evaluation of the design and operating effectiveness of Pershing's internal controls.

Clients' fully paid-for assets are segregated from our own, with quarterly vault inspections conducted. In addition, we segregate cash and/or qualifying securities in special reserve bank accounts for the exclusive benefit of clients, to protect clients' funds in the unlikely event of Pershing's failure and liquidation.

Pershing is a broker-dealer registered with the U.S. Securities and Exchange Commission, all 50 states as well as the District of Columbia and Commonwealth of Puerto Rico, and certain foreign jurisdictions.

Securities Investor Protection Corporation (SIPC®) Coverage

Pershing is a member of the SIPC, which protects securities customers of its members up to \$500,000 (including \$250,000 for claims for cash). Explanatory brochure available upon request or at sipc.org.

Excess of SIPC Coverage Through Underwriters at Lloyd's and Other Commercial Insurers

In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits from certain underwriters in Lloyd's insurance market and other commercial insurers. The excess of SIPC coverage is valid through February 10, 2019, for Pershing LLC accounts. It provides the following protection for Pershing LLC's global client assets:

- › An aggregate loss limit of \$1 billion for eligible securities over all client accounts
- › A per-client loss limit of \$1.9 million for cash awaiting reinvestment—within the aggregate loss limit of \$1 billion

SIPC and the excess of SIPC coverage do not protect against loss due to market fluctuation.

An excess of SIPC claim would only arise if Pershing failed financially and client assets for covered accounts—as defined by SIPC—cannot be located due to theft, misplacement, destruction, burglary, robbery, embezzlement, abstraction, failure to obtain or maintain possession or control of client securities, or to maintain the special reserve bank account required by applicable rules.

©2018 Pershing LLC. Pershing LLC, member FINRA, NYSE, SIPC, is a wholly owned subsidiary of The Bank of New York Mellon Corporation (BNY Mellon). Pershing and your financial institution are separate entities, each responsible for its own services and policies. Pershing does not provide investment advice. Trademarks, service marks and logos belong to their respective owners.



One Pershing Plaza, Jersey City, NJ 07399
OVR-PER-SSF-4Q17-1-18





**IT'S EASY TO
HAVE MORE
VALIDATION.**

**With eConnectDirect[®],
YOU'RE IN GOOD COMPANY.**

The National Association of Counties has partnered with Multi-Bank Securities, Inc. (MBS) and eConnectDirect[®] as an essential tool for members to manage their fixed-income investment needs. This tool gives county treasurers and finance officers visibility to thousands of fixed-income offerings in a market with little transparency. It arms local government investors with the necessary tools and confidence to select offerings within the fixed-income marketplace. While eConnectDirect allows investors to be self-sufficient, the service also allows them to work with a licensed MBS account representative in a dynamic, collaborative way, working side-by-side on investment strategies and decisions.

eConnectDirect[®]

eConnectDirect is transforming the way local governments invest, allowing treasurers to:

- Save Time
- View Market Pricing
- Have Greater Control of Their Investment Portfolio
- Be Even Better Stewards of Taxpayers' Money

Why eConnectDirect?

- No Subscription Fees*
- Nothing to Download
- FDIC CD Insurance Scrub
- Portfolio Management Tools & Reports

eConnectDirect offers access to trillions of dollars of fixed-income investments:

- U.S. Agencies
- Corporate Bonds
- Municipal Bonds
- Certificates of Deposit
- U.S. Treasuries
- New Issue and Secondary DTC Offerings

9

Interested? Schedule a free, personalized webinar to learn more about how eConnectDirect can help your institution meet its investment objectives. Email support@eConnectDirect.com or call (800) 967-9052 today.

Powered by



Premier Corporate Partner of



This page is intentionally left blank.

Multi-Bank Securities, Inc. is registered in all 50 states.

A biography of an account representative licensed in your state will be made available upon request.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930

(954) 351-9197

Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!

This page is intentionally left blank.

Multi-Bank Securities, Inc. has clients in all 50 U.S. states and territories.
References are available upon request.

Address 1000 Town Center, Suite 2300
Southfield, Michigan 48075

Phone (800) 967-9045
(248) 291-1100

Fax (248) 291-1101

www.mbssecurities.com

2400 East Commercial Boulevard, Suite 812
Ft. Lauderdale, Florida 33308

(800) 967-9045
(954) 351-6930


(954) 351-9197

Member of FINRA & SIPC; MSRB Registered.

Proudly Veteran-Owned!

This page is intentionally left blank.

TO: Honorable Mayor and Members of the City Council

FROM: Mike Borja, Acting City Manager 

BY: Gina Dickson, Enforcement Supervisor

DATE: February 6, 2019

SUBJECT: Authorization of Professional Service Agreement with iWorQ and Termination of Existing Software Solutions with CAA

Recommendation

That the City Council authorize the Acting City Manager to enter into a new professional service agreement with iWorQ, effective February 8, 2019, and to terminate the existing software solutions with Charles Abbott Associates Inc. (CAA) upon configuration and launch with the new software solutions with iWorQ.

Background

The City's current software solutions with Charles Abbott Associates is currently operating under a month to month contract. The determination to secede from the current software program was based on several factors; 1) the program is designed only to support Building & Safety Permits and the Enforcement Department; 2) the software limits much needed reporting functions and does not track fees and payments; 3) the program does not allow for the operational support and needs of the City due to antiquated data collection. The expectations and needs for a community size of Canyon Lake isn't operating up to date and has no online capabilities for our residents. The replacement software program iWorQ would remain in our use and purview until such a time it was deemed necessary to terminate the agreement. During the usage period this software contract has a straight forward pricing structure that has no-per user licensing fee accompanied by free, unlimited support, training and upgrades.

The software scope for iWorQ will cover the following areas; Building & Safety with Planning, Code Enforcement, Business Licensing and Animal Licensing. It will also include online capabilities for both permit applications and business license, as well as payment processing for all departments and fees. The software will provide a new online or app called "Citizen Engagement" that will allow citizens to fill out and track complaints or concerns through the department that is responsible for the covered complaint.

Fiscal Impact

Current fiscal impact on the city's General Fund with CAA's software is \$2050 per month, which is a total annual cost of \$24,600. Fiscal impact for year one with iWorQ includes a one-time setup and configuration cost of \$6,000 and an annual cost of \$9,000, for a total cost of \$15,000. Year two and on, only the annual cost of \$9,000 applies, which is an annual savings of \$15,600 each year in comparison to CAA's software.

Attachments

1. iWorQ Proposal and Scope of Work
2. CAA's Current Monthly Subscription Cost

ATTACHMENT 1

**Proposal for The City of
Canyon Lake, California**



Community Development & Public Works Software

Executive Summary

Thank you for your considering iWorQ Systems! We have been providing government software solutions since 2001 and serve more than 1,300 customers throughout the United States and Canada. iWorQ Systems leads the industry in delivering hosted web-based solutions.

To access iWorQ all you need is an internet connection and your choice of device including desktops, laptops, smartphones (iPhone, Android) and tablet devices (iPad, Galaxy, etc.) The system's graphical user interface, including all screens and dashboards, is natively touch screen enabled allowing your staff the flexibility to determine which device to utilize inside the office or in the field.

We are confident in providing a solution that can improve your internal communication as well as increase your responsiveness to your citizens and customers while reducing the time and effort from your staff. We do this by streamlining your processes through our applications inside the office, out in the field, and provide additional access through our Citizen Engagement mobile app and web portal for internal staff and citizens.

We will follow up with you to review any questions you may have about this proposal and the next steps in our consultative sales process.

Best Regards,



Scott Jardine
VP | Sales & Marketing

Canyon Lake	Quote creation: 1/15/2019
31516 Railroad Canyon Rd Canyon Lake, CA 92587	Prepared by: Jon Goble

1. QUOTE

Canyon Lake- hereafter known as "Customer", enters into the following Service Agreement with iWorQ Systems, "iWorQ", headquartered in Logan, UT. Customer will pay an annual fee for the services and a one-time setup fee detailed below:

Population: 10,911

<u>Community Development Applications and Services</u>	<u>Package Price</u>	<u>Billing</u>
Community Development Package <i>*Permit Management</i> <i>*Code Enforcement</i> - Available on any computer, tablet, or mobile device using Chrome browser - Code Enforcement with OpenStreetMap - Permit Management with OpenStreetMap - Quarterly parcel upload - Up to 3 custom forms/permits/letters	\$4,500	Annual
License Management - Available on any computer, tablet, or mobile device using Chrome browser - Licensing for business, alcohol, liquor, animal, etc. - 3 custom letters/forms - Reminder letter generation - Online renewal	\$2,500	Annual
Citizen Engagement with Mobile App <i>*Code Requests</i> - Mobile apps for Website, Android and iOS - Available on any computer, tablet or mobile device using Chrome browser - Configurable fields for simple data entry - Citizen account creation and request tracking - Upload images and PDF files - Track request location with X,Y coordinates - Includes Premium Data Package (25 Mb upload and 100 GB total file storage)	\$1,500	Annual
Payment Processing - Credit/debit card processing via iTransact NOTE: iTransact has Fees associated with their processing - 5 web forms/screens for the payment collection process. - Merchant account and gateway via iTransact - Payments recorded/tracked in iWorQ - More than 5 forms requires additional services.	\$500	Annual
ANNUAL TOTAL	\$9,000	

Setup, training, and system configuration	\$6,000	Once
Grand total due	\$15,000	

Notes

- 1- Invoices for amount will be sent out 2 weeks after signature. Terms of the invoicing is Net 30 days.
- 2- This quote is provided at the customer's request and is good for 30 days.
- 3- This quote cannot be disclosed or used to compete with other companies.
- 4- Pricing is based on population and number of applications. Removing any items from this quote may require application prices to be updated.

2. ADDITIONAL SERVICES

iWorQ provides additional applications and services that can be purchased as part of the Community Development solution. These can be added to the customer's annual* cost, upon request. The services listed below may already be included in the quote in Section 1.

Additional Storage – Each unit of storage contains an additional 100 GB.	\$250	Annual
Portal Home <i>*Permit Management</i> <i>*License Management</i> - Available on any computer, tablet or mobile device -Configurable portal for ease of applying for permits and licenses online -6 Custom Forms -Messaging feature for easy interaction with citizens -Built-in automatic workflow capabilities - Includes Premium Data Package (25MB file uploads and 100 GB storage)	\$3500	Annual
Plans Review and Annotation – Requires premium data package to use. Draw and annotate on plans; save data in layers on plans; and place watermarks on plans.	\$1000	Annual
Onsite Backup – iWorQ will send a *.BAK on a scheduled basis to an FTP server maintained by the customer.	\$500	Annual
Monthly Parcel Update – iWorQ will import an electronic file on a scheduled basis from a file stored on an FTP server maintained by the Customer.	\$500	Annual
Interactive Voice Response (IVR) – used by contractors to schedule inspections via telephone.	\$1000	Annual
Additional letters/forms	\$100 each	Annual

**Additional services are subject to setup fees which are 2/3 of the annual cost.*

3. GUIDELINES

3.1 Getting started

iWorQ will assign an account manager to your account to begin the setup and training process upon contract signature.

Send the signed service agreement to iWorQ Systems:

Email: sales@iworq.com

Fax: 1 (866) 379-3243

Mailing address:

PO Box 3784

Logan, UT 84323

Physical address:

1125 W. 400. N. Suite 102

Logan, UT 84321

3.2 Billing information

iWorQ will invoice Customer on an annual basis. Customer reserves the right to cancel service at any time by providing iWorQ a 30-day written notice.

3.3 Data conversion

As part of the project setup, iWorQ provides a data conversion service. This service consists of importing data, sent by the Customer, in an electronic (relational database) format. iWorQ provides contact information and an upload site where the electronic data can be sent. Additional costs apply for data that does not meet the criteria listed above.

4. SERVICES and SUPPORT

4.1 Data ownership

All customer data remains the property of the customer. Customer can request data electronically or on disk, upon cancellation of Service Agreement. iWorQ will disburse data within 30 days of written notification.

4.2 FREE training

iWorQ provides FREE training and support. iWorQ provides webinars, phone support, written manuals, web videos, documentation and help files. Training is available to any Customer with a login.

4.3 FREE updates

All updates, bug fixes, and upgrades are FREE to the Customer. iWorQ is a web-based application. Customer only needs to login to get any updates to the applications.

4.4 FREE support

Customer support and training are FREE and available from 6:00 A.M. to 5:00 p.m. Mountain Standard Time.

4.5 FREE data back up

iWorQ does back-ups twice weekly and offsite once weekly.

4.6 Proprietary letters/forms

Letters and forms, including permits, certificates, or other documents must be owned by the customer and have a clear copyright.

4.7 Data upload and storage limits

Standard data plan includes uploads of up to 3 MB per file and 10 GB total storage. iWorQ offers a premium data plan available for an additional annual cost.

4.8 Software Terms and Limitations

The iWorQ Software is the proprietary information and a trade secret of iWorQ, Systems Inc. and this agreement grants no title or rights of ownership with the software. The software is protected by United States copyright laws and international copyright treaties, as well as other intellectual property laws. Customer shall not permit any user or other party to, (a) copy or otherwise reproduce, reverse engineer or decompile all or any part of the iWorQ Software, (b) make alterations to or modify the Software, (c) grant sublicenses, leases or other rights, or (d) permit any party access to the Licensed Software for purposes of programming against it.

5. SETUP & BILLING INFORMATION

5.1 Implementation information

Primary Contact(s) _____

Phone _____ Cell _____ Email _____

Additional Contact(s) _____

Phone _____ Cell _____ Email _____

5.2 Billing information

Billing Contact _____ Phone _____ Cell _____

Email _____ Prefer to receive invoice by email? Yes No

Billing Address _____

City _____ State _____ Zip _____

PO# _____ (if required) Tax exempt ID# _____

6. SIGNATURE

Signature of this Agreement is based on the understanding and acknowledgement of the terms and conditions stated within this Service Agreement.

_____	_____	_____
(Phone)	(Mobile)	(Email)
_____	_____	_____
(Signature)	(Print Name & Title)	(Date)

ATTACHMENT 2



Charles Abbott Associates, Inc.
 27401 Los Altos #220
 Mission Viejo, CA 92691
 949.367.2850
 markabbott@caaprofessionals.com

Date: 12/26/18

Prepared By: Mark Abbott
 To: Canyon Lake, CA

SUBSCRIPTION SALES QUOTE

Quantity	Unit(s)	Description	Cost	Term/Mo.	Extended Cost
2	User	Permit System (Desktop and Mobile access)	\$400	6	\$4,800
5	User	Code Enforcement Database	\$200	6	\$6,000
	Annual	Tech Support	-	-	-
1		Data Center Hosting	\$250	6	\$1,500

Subscription Costs \$12,300

Quote Total \$12,300


Notes

1. Minimum subscription term is a 6-month period.
2. Additional users can be provided at listed cost per the above quoted prices.
3. This is a bundled quote for more than one software solution. If only 1 of the database solutions is used, then the prices will be reconfigured at different rates.

City of Canyon Lake
City Council
Staff Report

ITEM 8

TO: Honorable Mayor and Members of the City Council

FROM: Mike Borja, Acting City Manager 

BY: Gina Dickson, Enforcement Supervisor

DATE: February 6, 2019

SUBJECT: Amendment to Chapter 5.01 Business License Registration Program under the Title 5: Business Regulations of the Canyon Lake Municipal Code

Recommendation

That the City Council authorize the amendment of Title 5: Business Regulations of the Municipal Code, specifically Chapter 5.01 Business License Registration Program, Sections 5.01.050 Annual renewal (c), 5.01.060 Posting License; Vehicle Decal (a,b,c), 5.01.070 Form and content of license and decal (c)(10), 5.01.080 Powers and duties of City Clerk regarding licenses and decals (b). These Chapter revisions reflect updates and verbiage changes to accurately set forth adjustments and practices based upon the implemented business licensing program changes.

Background

Based upon the adoption of the current fee study and the implementation of new business licensing practices, City staff, City management, and the City Attorney reviewed the entire ordinance for the purpose of amending language that could be confusing or unclear to applicants, and to implement current language that addresses and reflects current business licensing practices such as the posting of the license while within the community, and addressing vehicle decals.

During the review period it was determined that the annual renewal period would begin acceptance of renewals applications and payments on or after November 1st. This section also has added verbiage that requires all applicants to indicate and return the renewal application by updating their business status, even if they no longer conduct business within the City, and that applications are to be received on or before January 31st to avoid late renewal penalties. The justification for this new licensing process was implemented to save office staff time, avoiding additional processing time with extra postage fees, and removes these businesses from the enforcement follow up that's required for expired licensing.

During the time that businesses enter the gates of the community, the revised portion of the posting license is now applied unilateral to all businesses to reflect language that includes mobile operators. The intent of the revised posting section provides enforcement a line of site tool upon contact. Subsection (c) is an enhancement should the POA

voluntarily choose to participate in referrals to City Hall for a business license, understanding that there is no obligation on their behalf to obtain compliance.

After review and thorough discussion with City staff, City management and the City Attorney, all parties agree with and recommend the amendments set forth.

Fiscal Impact

There is no fiscal impact on the City's General Fund.

Attachments

1. Ordinance No.179

ATTACHMENT 1

ORDINANCE NO. 179

**AND ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CANYON LAKE
REPEALING AND READOPTING CHAPTER 5.01 REGARDING BUSINESS LICENSES
TO UPDATE PROVISIONS AND ADDRESS MOBILE VENDORS AND
ENFORCEMENT**

Section 1. The City Council of the City of Canyon Lake does ordain as follows:

Chapter 5.01 of the City Code, “Business Licenses” is repealed in its entirety and readopted to read as follows:

Section

5.01.010	Definitions.
5.01.020	Business license required.
5.01.030	License required for each business location.
5.01.040	Business license application.
5.01.050	Annual renewal.
5.01.060	Posting license or Vehicle Decal
5.01.070	Form and content of license.
5.01.080	Powers and duties of City Clerk regarding licenses.
5.01.090	Transfer of business license and/or decal.
5.01.100	Compliance with other laws and regulations.
5.01.110	Evidence of doing business within the City.
5.01.120	Exemptions from licensing requirement.
5.01.130	Fees.
5.01.140	Penalties for violation.

5.01.010 Definitions.

The following words and phrases shall, for the purposes of this Chapter, be defined as follows, unless it is clearly apparent from the context that another meaning is intended.

(a) “Business” means professions, trades, or occupations including but not limited to, contractors and subcontractors of all and every kind or calling which may be engaged in for the purposes of earning, in whole or in part, a profit or livelihood, whether or not a profit or livelihood is actually earned, and whether paid for in money, goods, waiver or otherwise. Business includes, but is not limited to, professions, trades or occupations which have a fixed location within the City as well as those which do not have a fixed location within the City but are doing business within the City, including but not limited to mobile operators and home occupations as defined here.

(b) “City Clerk” shall mean the City Clerk of the City of Canyon Lake or his or her designee(s).

(c) “Employee” shall mean either 1) any person engaged or employed by any business which business withholds, or is required to withhold, compensation for the purpose of paying State or Federal taxes as required by the Franchise Tax Board or Internal Revenue Service; or 2) any person who is regarded as the employee of any business for purposes of the Worker’s Compensation laws or other laws of the State of California, including (without limitation) a real estate agent working for, or engaged by, a real estate broker and which business is subject to the provisions of this Chapter.

(d) “Home occupation” means those uses customarily conducted in a residence incidental and secondary to its use as a residence as defined in the Canyon Lake Land Use Ordinance No. 348, Section 21.36.

(e) “Mobile operator” means a business operated on a mobile basis using a vehicle to visit customer locations, and includes mobile vehicle washing; pest control; carpet, drape or furniture cleaning; concrete mixing; masonry; painting or coating; landscaping; pool or fountain cleaning; port-a-potty delivery, dog or other animal grooming or related service, or similar services provided on a regular basis. It excludes one-time deliveries such as those for furniture, items ordered on-line.

(f) “Person” means a natural individual, corporation, whether foreign or domestic, joint venture, association, partnership, estate or trust, or any combination thereof, acting as a unit and engaged in any business in the City, other than as an employee, and specifically includes an independent contractor and a sole proprietorship.

(g) “Professional associate” or “Associate” means a professional separately licensed by the State, including but not limited to realtors, attorneys, beauticians, barbers, manicurists, dentists, dental hygienists, veterinarians, doctors, podiatrist and chiropractors.

5.01.020 Business license required.

Unless exempted pursuant to Section 5.01.120, no person shall engage in any business within the City without a valid business license issued pursuant to this Chapter and without complying with any and all regulations applicable to such business.

5.01.030 License required for each business location.

A separate business license shall be required for each fictitious business name statement for a person or business doing business within the City from separate fixed locations. A separate business license shall be required for each location of a business within the City. A license as evidenced by a decal shall be required for all mobile vendors.

5.04.040 Business license application.

(a) An application for a business license shall be filed utilizing a form provided by the City. The permit application shall not be deemed filed unless the applicant has filled out the form completely and accurately. The applicant shall be the person desiring to engage in the business or such person’s duly authorized representative.

(b) All applications shall be accompanied by a filing fee in an amount established by resolution of the City Council or a request for a waiver of such fee pursuant to this Chapter. Additional fees shall be owed for late applications or repeated failure to file for a license.

(c) The application shall contain the following:

(1) The name, business address, mailing address, cell and/or business telephone numbers, email and fax number (if any) of the person or entity who will engage in the business (the “applicant”); if different, the name, business and mailing address, telephone number and fax number and after hours emergency; and the person authorized to accept service of process.

(2) If the business is advertised to the public by name or designation other than the name of the applicant, that name or designation and proof of filing of a fictitious business name statement.

(3) A detailed description of the nature of the business, including, but not limited to, a listing of all Federal, State, County and other required permits or licenses, including any contractor’s state permit or license number and category.

(4) An employer shall disclose on the application the number of professional associates as defined herein as of the date of the license application or renewal and the type of license held by each such person. An additional fee shall be payable annually for each associate. The employer also shall disclose on the application the total number of employees of the business as of the date of the application.

(5) A statement whether or not the business is a mobile vendor providing services from its vehicle(s) and the number of vehicles providing services within the City.

(6) The signature of the applicant or corporate agent acknowledging under penalty of perjury that the information provided on the application is true and correct to the best of that person’s knowledge and that the applicant or corporation is responsible for all applicable fees; and such other and further information as the City Council or City Clerk may deem necessary.

(7) The application shall not be deemed filed unless the form has been filled out completely and accurately and all applicable fees paid.

(8) It is a violation of this Code, intentionally to give any false or misleading information on the business license application.

5.01.050 Annual renewal.

(a) The first business license obtained by a business shall be good through December 31 of each year no matter on what date it was obtained.

(b) Thereafter, a business license shall be valid from January 1 through December 31 of each year. There shall be no refund if the business closes or the number of associates

decreases during any year; there shall be no additional charge during that year if the number of associates increases.

(c) The license shall be renewed annually by the filing of a renewal application, accompanied by payment of the appropriate fee as set by Resolution of the City Council beginning November 1 of each year. The renewal and fee shall be delinquent after January 31 of each calendar year. Failure to renew or failure to indicate that your business is not renewing shall result in payment of late fees. The business is not allowed to apply for a new business license to avoid late penalties.

(d) The City may send a notice of renewal to each person holding a business license before December 31 of each year (i.e., by the end of November of each year). The notice shall be mailed to the business address set out in the application and shall remind the person of the requirement to renew his or her business license and how to do so. Failure of the City to send or the person to receive a renewal notice shall not waive the renewal requirement.

5.01.060 Posting license or Vehicle Decal.

Every business license shall be posted in a conspicuous place upon the premises where such business is conducted or, for a home occupation, the license shall be produced in response to a request from the City Clerk, duly authorized law enforcement officers and City special enforcement officers.

Mobile operators shall purchase and have a decal showing licensure displayed in plain sight in or on the vehicle window where it can be seen by code enforcement. The business license must remain in view at all times while that business is conducted within the City.

5.01.070 Form and content of license

(a) The business license shall be prepared and issued upon approval by the City Clerk. For a mobile vendor, the City Clerk will issue a decal or one or more vehicles used to provide business services.

(b) The license shall be deemed null and void if the license application is determined to contain any false or misleading information.

(c) Each license shall state on its face the following:

- (1) The name of the business or person to whom the license is issued;
- (2) The location of the business;
- (3) The date of the issuance of the license;
- (4) The date of the expiration of the license;
- (5) The license control number, unique to each license;

- (6) The official seal of the City;
- (7) All other required permit or licenses including but not limited to contractor's licenses;
- (8) The number of associates, if any, which the business had; and
- (9) Such other and further information as the City Council or City Clerk shall deem appropriate.
- (10) The decal as well as license is required for a mobile vendor.

5.01.080 Powers and duties of City Clerk regarding licenses.

(a) The City Clerk may enforce the provisions of this Chapter with duly authorized law enforcement officers or City enforcement officers all of whom shall have the authority to enter, examine all places of business within the City and their business license records or business vehicles to confirm compliance with this Chapter. Any such entry shall comply with applicable constitutional requirements.

(b) The City Clerk performing the duties of the license collector shall have access to State and local summary criminal history information in order to fulfill his or her duties regarding licensing. Penal Code Section 432.7, Stats. 1974 and Ch. 1321 shall apply to such information.

(c) The City Clerk at a minimum shall keep a record of all licenses and decals issued, the term, to whom issued, the location of the business, the amount of the fee paid and any other necessary information.

5.01.090 Transfer of business license and/or decal.

(a) When a business is transferred from one location to another location within the City, the current license may be amended by the City Clerk to authorize the conduct of the business at the new location without an application for transfer or payment of a transfer fee.

(b) Otherwise, application for any transfer or assignment shall be filed on a form provided by the City for that purpose prior to the effective date of the transfer or assignment. The transfer application shall not be deemed filed unless the licensee or such person's has filled out the form completely and accurately duly authorized representative and the fee paid. A transfer or assignment may be from one person to another.

(c) The application shall be accompanied by a transfer fee in an amount established by resolution of the City Council. Additional fees shall owe for a late application.

(d) Any mobile vendor who sells or transfers a vehicle with a decal other than in a transfer of the mobile vending business shall remove the decal from the vehicle and notify the City that such vehicle no longer is used.

5.01.100 Compliance with other laws and regulations.

(a) The fact that a business license has been issued does not authorize or legalize any business or business activity which violates any Federal, State or local governmental ordinance or regulation, nor shall the issuance of a business license be construed as permitting a business in a zone or land use district where such business otherwise is not permitted.

(b) In any trade or profession where a City, County, State or Federal license or permit is required, such license or permit shall first be exhibited to the City Clerk before a City business license will be issued. However, the City shall not be responsible for verifying or confirming the validity of any other license, permit or requirement.

(c) A City business license shall not be issued until an applicant has obtained all necessary City land use entitlements or City building permits to operate the business in and at its location. In applying for a building permit or other entitlement for a business, the applicant shall provide the license control number.

(d) Nothing in this Subsection shall preempt any Property Owner's Association and/or CC&R requirements or restrictions that must be met separately.

5.01.110. Evidence of doing business within the City.

The following circumstances shall be considered evidence that a person is conducting business within the City.

(a) The person consistently represents, holds out or advertises in any sign advertising, card, brochure, website or other on-line listing, telephone book, magazine, newspaper or otherwise that he/she/it is doing business in the City.

(b) The person holds a current license or permit issued by a governmental entity indicating the person is doing business within the City.

(c) The person is observed by reliable witnesses regularly providing services to those within the City.

(d) Real estate agents or brokers who post signs within Canyon Lake even without an office location in the City are doing business in the City.

(e) Notwithstanding, a person may provide to the City a sworn statement, acceptable in form to the City, stating that he or she is not doing business within the City. The City may determine whether or not to accept such statement.

5.01.120. Exemptions from licensing requirement.

No business license (either application or fee) shall be required of or for:

(a) Places of worship to the extent used for the exercise of religion (not including schools, housing or businesses);

(b) Occasional garage sales, including, but not limited to, yard, lawn, attic, patio, moving or rummage sales held to sell, exchange, trade or dispose of surplus household or personal goods belonging to those conducting the garage sale on their own residential premises, which sales may not be conducted for more than three 48-hour periods per calendar year.

(c) Occasional, seasonal or sporadic temporary bazaars, carnivals or other sales conducted by charitable or public service organizations (IRC Section 501(c)(3), (4) or (6), or California nonprofit public benefit corporations or similar unincorporated associations) for fund raising purposes where conducted with a temporary use permit or where no temporary use permit is required;

(d) Minors selling goods to raise funds for schools or for established non-profit public service organizations such as Boy Scouts, Girl Scouts, Camp Fire Girls and so forth;

(e) Group homes of six persons or fewer or similar facilities exempt under state or federal law;

(f) Churches when engaging in religious activities (not including operation of a school)

(g) Domestic household help in the employ of an individual homeowner, or a baby sitter caring for six or fewer children in total at a given address, including the sitter's own children; or

(h) Other businesses that the City may not regulate.

5.01.130. Fees.

The City Council by resolution shall determine and adopt a schedule of fees to cover the cost of business licensing and regulation. Additional fees shall be charged for late applications or failure to file for a license. Such fees shall be a personal debt of the applicant.

5.01.140. Penalties for violation.

(a) The City may enforce the requirements of this Chapter in any manner legally available, including but not limited to administrative citations.

(b) Any person who violates any provision of, or fails to comply with any requirement of, this Chapter is guilty initially of an infraction and, upon conviction thereof, shall be punished in accordance with Canyon Lake Municipal Code Section 1.01.200. A third violation shall be a misdemeanor, and shall be punished as set out therein.

(c) Any violation of this Chapter is deemed a public nuisance.

Section 2. Effective Date. This ordinance shall be effective 60 days from the date of its adoption. The amendment of this ordinance shall have not void warnings or citations issued under the prior ordinance before the effective date of this ordinance.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2019.

Larry Greene, Mayor


ATTEST:

APPROVED AS TO FORM:

Ana V. Sauseda, Deputy City Clerk

Elizabeth Martyn, City Attorney

**City of Canyon Lake
City Council
Staff Report**

TO: Honorable Mayor and Members of the City Council
FROM: Mike A. Borja, Acting City Manager 
DATE: February 6, 2019
SUBJECT: Discussion of Implementing an Internship Program for City Hall

Recommendation

Discussion of implementing an internship program for City Hall to assist city staff workforce.

Background

Councilmember Jeremy Smith is looking into implementing an internship program with City volunteers who are looking into assisting the City's workforce to enhance services to the public by performing tasks beyond the capacity and scope of current City employees.

Fiscal Impact

TBD - Purchase of workstation and desktop computer(s). Licensing of Microsoft Office if necessary.

Attachments

N/A