**AGENDA**
**SPECIAL MEETING OF THE CITY COUNCIL**
**FINANCE SUBCOMMITTEE**
Agoura Hills City Hall - City Manager's Conference Room
30001 Ladyface Court, Agoura Hills, California 91301
**Tuesday, July 7, 2026**
**4:00 PM**

*Please silence all cell phones and other electronic devices during the meeting.*

**NOTE:** *The Subcommittee and City staff will be participating in this meeting in-person in the City Manager's Conference Room. Members of the public have the opportunity to participate in-person in the conference room. For public participation on items listed on this Agenda, refer to "Public Comments" below.*

**PUBLIC PARTICIPATION (PUBLIC COMMENT)**

**Option A: To provide public comments in-person at the meeting**

*Members of the public have an opportunity to attend the meeting in-person and speak or submit a written comment on any item listed on this Agenda. Public testimony is limited to three (3) minutes per speaker; a speaker's time may not be transferred to another speaker. Written public comments submitted at the meeting are not read aloud by staff.*

***To request to speak in-person at the meeting.*** *The Subcommittee will open the floor for public comment and any in-person attendee who raises their hand will have the opportunity to speak. Public testimony is limited to three (3) minutes per speaker; a speaker's time may no be transferred to another speaker.*

**Option B: To submit written public comments by e-mail (prior to the meeting)**

*Members of the public have an opportunity to submit email correspondence on any item listed on the Agenda by sending an email to:* ***comments@agourahillscity.gov****. All public correspondence received by 3:00 p.m. on the meeting date will be provided to the Subcommittee prior to the meeting. Public comments are not read into the record. Any public comments received after 3:00 p.m. on the meeting day will not be considered as part of the Subcommittee's deliberations or entered into the official record, but will be provided to the Subcommittee the next day.*

## CALL TO ORDER

## ROLL CALL

Mayor Jeremy Wolf
Councilmember Penny Sylvester

## APPROVAL OF AGENDA

## PUBLIC COMMENTS

(This section is reserved for persons wishing to address items not listed on the Agenda that are under the subject matter jurisdiction of the City Council. Please refer to "Public Participation" above for full details on how to speak or submit written public comments under this category.)

## DISCUSSION ITEMS

1. Review and Approve a Professional Services Agreement with King Capital Advisors/Cambridge Investment Research Inc. (KCA/CIRI) as a broker-dealer, to assist with Managing the City of Agoura's funds in accordance with the yearly established and approved Investment Policy

   Staff respectfully recommends that the Finance Subcommittee Review and Approve a Professional Services Agreement with King Capital Advisors/Cambridge Investment Research Inc. (KCA/CIRI) as a broker-dealer, to assist with Managing the City of Agoura's funds in accordance with the yearly established and approved Investment Policy.

## SUBCOMMITTEE OR STAFF COMMENTS

## ADJOURNMENT

*Date Posted: July 2, 2026*

**REPORT TO FINANCE SUBCOMMITTEE**

| | |
|---|---|
| **DATE:** | **JULY 7, 2026** |
| **TO:** | **HONORABLE MEMBERS OF THE FINANCE SUBCOMMITTEE** |
| **FROM:** | **NATHAN HAMBURGER, CITY MANAGER** |
| **BY:** | **DIEGO IBANEZ, DIRECTOR OF FINANCE** |
| **SUBJECT:** | **REVIEW AND APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH KING CAPITAL ADVISORS/CAMBRIDGE INVESTMENT RESEARCH INC. (KCA/CIRI) AS A BROKER-DEALER, TO ASSIST WITH MANAGING THE CITY OF AGOURA'S FUNDS IN ACCORDANCE WITH THE YEARLY ESTABLISHED AND APPROVED INVESTMENT POLICY** |

Finance Staff is requesting the Finance Subcommittee review and recommend approval of a professional service agreement with King Capital Advisors/Cambridge Investment Research Inc. (KCA/CIRI) to establish an account with KCA/CIRI, a broker-dealer. This account will support the City's investment activities by providing access to investment options that are in compliance with the California Government Code and the City's Investment Policy. Establishing this account will provide an additional custodial and transaction platform to efficiently execute approved investment transactions while maintaining appropriate controls and separation of duties.

The City of Agoura Hills invests public funds in accordance with California Government Code Sections 53600 et seq. and the City's adopted Investment Policy, with the objectives of safety, liquidity, and yield. Currently, the City of Agoura Hills uses investment services through the Local Agency Investment Fund (LAIF), a specialized, voluntary investment program in California that allows local agencies to pool their funds and participate in the state's massive investment portfolio. It is managed by the California State Treasurer's Office.

Cambridge Investment Research Inc. is a registered broker-dealer and member of the Financial Industry Regulatory Authority (FIRNA) that provides brokerage services for government accounts. FINRA is a not-for-profit self-regulatory organization that is subject to oversight by Congress and the Securities and Exchange Commission (SEC). It works to protect investors by overseeing the broker-dealer industry and ensuring that brokers are fair and truthful in their operations. FINRA regulates trading in equities, corporate bonds, securities futures, and options. In addition, it monitors over 624,000 brokers nationwide and analyzes billions of market events daily

Establishing a government entity brokerage account with KCA/CIRI will allow the City to efficiently purchase and hold eligible securities while maintaining third-party custody and strong internal controls. The proposed account will be structured as a non-advisory account, with all investment decisions remaining under the authority of the City and its authorized personnel. KCA/CIRI will not have discretionary authority over City funds.

### Account Structure and Use

The account will primarily be used for the purchase of securities permitted under the City's Investment Policy and the California Government Code Sections 53600 et seq.

### Authorization and Governance

In order to open and maintain the account, CIRI requires account information pertaining to opening the account and identifying the authorized signers for the account. Finance Staff recommends a professional service agreement governing authorized signers' information. The account will designate the City officials authorized to:

• Open and maintain the investment account

• Execute account documents

• Provide instructions for transactions consistent with City policy

These authorizations are consistent with standard municipal investment governance practices and ensure compliance with CIRI regulatory requirements.

**Risk Management and Controls**

The City will retain full ownership and control of all funds held in the account. CIRI will act as a broker-dealer executing transactions as directed, with Cambridge Investment Research Inc. serving as the brokerage platform. Funds will remain subject to:

• Third-party custody

• Monthly statements and reporting

• Oversight by the Finance Department

• Review by the City's independent auditors

This structure preserves appropriate segregation of duties and minimizes operational and financial risk.

**FISCAL IMPACT**

There is no direct fiscal impact associated with establishing the KCA/CIRI account to the City Council approved FY 2026-27 budget. No advisory fees will be charged by KCA/CIRI, as the account will be non-discretionary and brokerage-only.

Monies to fund the account would be transferred from the City's LAIF account in an amount that the Finance Subcommittee would deem sufficient to begin the relationship;earnings received from this KCA/CIRI account would be received into the City's General Fund.

**RECOMMENDATION**

Finance Staff respectfully recommends review and recommend approval of a Professional Services Agreement with King Capital Advisors/Cambridge Investment Research Inc. (KCA/CIRI) as a broker-dealer, to assist with managing the City of Agoura Hills' funds in accordance with the annually established and approved Investment Policy.

**Attachments**

City of Agoura Hills June 2026 - KCA (002).pdf

# FIXED INCOME PORTFOLIO MANAGEMENT

*Services Proposal*

**PREPARED FOR**

CITY OF AGOURA HILLS

June 2026

## KING CAPITAL ADVISORS

Cambridge Investment Research, Inc.

Mark Edelman
Executive Vice President

# About King Capital Advisors



*Specialized fixed income expertise backed by an industry-leading broker-dealer*

## KING CAPITAL ADVISORS

*Fixed Income Specialists for Public Agencies*

- Specialists in the fixed income marketplace for public agencies, cities, counties, and special districts throughout California
- Deep expertise in California Government Code Section 53601 — the legal framework governing all public fund investments
- Broad access to fixed income product inventory and markets through Cambridge Investment Research
- Tailored portfolio construction fully aligned with each client's Investment Policy Statement
- Long-term partnership model — we become a trusted extension of your finance team

## CAMBRIDGE INVESTMENT RESEARCH

*Broker-Dealer | FINRA/SIPC Member | Est. 1981*

- Founded in 1981 — over 45 years serving independent financial advisors across the country
- Named Broker-Dealer of the Year by Investment Advisor magazine 13 times
- Full-service broker-dealer offering comprehensive investment solutions and technology
- Core values: Integrity, Commitment, Flexibility, and Kindness
- Robust compliance infrastructure, back-office support, and portfolio reporting capabilities

[1] Cambridge and its predecessor broker-dealer.

[2] Investment Advisor magazine, 2007, 2008, 2010, 2012–2020, Division IV; a broker-dealer becomes eligible for this honor only after a minimum of 10% of its producing financial professionals cast valid ballots. The ballots rate the broker-dealer in 15 different categories defined by Investment Advisor as relevant challenges and concerns. Broker-dealers receiving the highest marks in each of four divisions are declared Broker-Dealer of the Year. Results are based on experiences and perceptions of participants surveyed in June of each of the years listed. Experience may vary. This recognition is not representative of investment performance or returns of financial professionals.

# Your Dedicated Advisor

*Mark Edelman, Executive Vice President — King Capital Advisors*

**KING CAPITAL ADVISORS**

Cambridge Investment Research

## Mark Edelman

*Executive Vice President*

**18+**

Years Experience
Public Funds

**CA**

Gov. Code 53601
Specialist

### Public Fund Expertise

18+ years managing fixed income portfolios for California public agencies, cities, counties, and special districts across the state.

### California Code Section 53601

Comprehensive knowledge of the legal framework governing public fund investments — ensuring every recommendation is fully compliant.

### Investment Policy Assistance

We work with your City to review and strengthen your Investment Policy Statement to reflect current market best practices.

### Long-Term Partnership

Built on lasting relationships — not transactions. We become a trusted extension of your finance team, available year-round.

# Our Investment Philosophy

*The foundation of everything we do — for Agoura Hills and every public agency we serve*



*For public funds, the priority order is non-negotiable and informs every recommendation we make:*

## 01

## SAFETY

*Capital Preservation First*

Protecting the City's principal is the paramount objective. Every investment recommendation is evaluated first through credit quality, issuer strength, and downside risk.

We only recommend securities appropriate for public funds under California Government Code Section 53601.

## 02

## LIQUIDITY

*Meeting Cash Needs On Demand*

Agoura Hills must be able to meet its obligations at all times. We structure maturities and maturity ladders around the City's specific cash flow calendar — payrolls, capital projects, debt service — so funds are always available when needed.

## 03

## YIELD

*Maximizing Return Within Constraints*

Only after safety and liquidity are fully satisfied do we pursue yield enhancement. We leverage our broad market access and deep fixed income expertise to identify the best available return within your Investment Policy Statement.

# How We Manage Your Portfolio

*A disciplined, four-step process built around the City of Agoura Hills' specific needs*



## 1

### Understand Your Cash Flow Needs

We map the City's full financial calendar — payroll cycles, debt service dates, capital project disbursements, and seasonal revenue patterns — to ensure funds are always accessible precisely when required.

## 2

### Align to Your Investment Policy

Every decision is made within the boundaries of your Investment Policy Statement and California Government Code Section 53601. We assist in updating the policy to reflect current market best practices as needed.

## 3

### Construct a Laddered Portfolio

We build a diversified, maturity-laddered fixed income portfolio providing regular cash flow and protection against interest rate volatility — optimizing yield without compromising safety or liquidity.

## 4

### Monitor, Report & Adapt

We provide ongoing portfolio monitoring, credit quality surveillance, and regular reporting for City management and council review. We proactively adjust positioning as market conditions or City needs evolve.

# Fixed Income Products Available

*Broad access to California-compliant securities through Cambridge Investment Research*

KING CAPITAL ADVISORS

Cambridge Investment Research

### U.S. Treasury Securities

Bills, notes, and bonds backed by the full faith and credit of the U.S. government — the gold standard of safety for public agency portfolios.

### U.S. Agency Securities

Securities issued by federal agencies (FHLB, FNMA, FHLMC, FFCB) offering higher yields than Treasuries with implied government backing.

### Municipal Bonds

Obligations issued by state and local governments, offering favorable yields for qualifying public fund portfolios.

### Certificates of Deposit

FDIC-insured or NCUA-insured CDs placed through banks and credit unions— ideal as a core holding for small to medium size portfolios.

### Investment-Grade Corporate Bonds

High-quality corporate debt offering yield enhancement for appropriate allocations, always within Investment Policy Statement guidelines.

### Money Market Instruments

Short-term, highly liquid instruments including commercial paper and bankers' acceptances for day-to-day liquidity management.

*All securities recommended are fully compliant with California Government Code Section 53601 and the City's Investment Policy Statement.*

# City of Agoura Hills Policy Approved Investments



| Authorized Investment | Term | Allowable % In Policy | Issuer Limit | CA Code Allowable % |
|---|---|---|---|---|
| US Treasuries | 5-year Max | 100% | N/A | 100% |
| US Agencies | 5-year Max | 75% | 30% | 100% |
| US Agencies (Callable) | 5-year Max | 20% | 30% | 100% |
| Corporates – "A Rated" | 5-year Max | 30% | 5% | 30% |
| FDIC Bank CDs<br>NCUA Credit Union CDs | 5-year Max | 30% | 5% | 30% |
| Municipal Securities | 5-year Max | 30% | 5% | 100% |

** Of the 75% US Agency asset class, only 20% may be callable.*

# City of Agoura Hills Example Investment Portfolio

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Cambridge Investment Research

| Issuer | Type | Price | CPN | SIZE | YTM | MAT. | CASH FLOW | Call Feature |
|---|---|---|---|---|---|---|---|---|
| PNC Bank NA | CD | $100.00 | 4.10% | $ 240,000 | 4.10% | 7/3/2027 | $ 9,840.00 | N/A |
| Ally Bank | CD | $100.00 | 4.20% | $ 244,000 | 4.20% | 1/3/2028 | $ 10,248.00 | N/A |
| Bank of America NA | CD | $100.00 | 4.20% | $ 244,000 | 4.20% | 7/3/2028 | $ 10,248.00 | N/A |
| MTB Bank | CD | $100.00 | 4.25% | $ 244,000 | 4.25% | 6/30/2029 | $ 10,370.00 | N/A |
| JP Morgan Chase Bank | CD | $100.00 | 4.45% | $ 240,000 | 4.45% | 7/2/2029 | $ 10,680.00 | NC1yr-Qtrly call |
| Wells Fargo Bank | CD | $100.00 | 4.30% | $ 249,000 | 4.30% | 7/1/2030 | $ 10,707.00 | N/A |
| Goldman Sachs Bank | CD | $100.00 | 4.25% | $ 244,000 | 4.25% | 7/1/2030 | $ 10,370.00 | N/A |
| Citibank NA | CD | $100.00 | 4.55% | $ 244,000 | 4.55% | 6/30/2031 | $ 11,102.00 | NC6mo-S/A call |
| Morgan Stanley Bank NA | CD | $100.00 | 4.40% | $ 244,000 | 4.40% | 7/1/2031 | $ 10,736.00 | N/A |

| Investment | Avg. Yield | Yr 1 - Cash Flow | Weighted Average Maturity |
|---|---|---|---|
| $ 2,193,000 | 4.30% | $ 94,301.00 | 3.19 YRS |

*This example portfolio is fully FDIC Insured. FDIC allows up to $250,000 of coverage in each institution.*

** Rates and availability subject to change.*

# Benefits of Building a Fixed Income Portfolio

KING CAPITAL ADVISORS

Cambridge Investment Research

## Predictable Cash Flow

A laddered bond portfolio delivers scheduled interest payments, enabling the City to forecast revenue streams and plan budgets with greater confidence.

## Reduce Interest Rate Risk

Overexposure to cash and money markets leaves the City vulnerable to declining short-term rates. Fixed income locks in yields across maturities.

## Portfolio Diversification

Spreading investments across maturities, issuers, and instrument types enhances the overall safety and stability of the City's portfolio.

## Organic Portfolio Growth

Reinvesting earned interest compounds returns over time, growing the portfolio organically without requiring additional principal from the City.

## Fund City Initiatives

Investment income can fund critical priorities — enhancing public safety, wildfire prevention programs, facility upgrades, and other community initiatives.

## Stronger Credit Position

A well-managed portfolio strengthens the City's financial standing, supporting higher credit ratings and more favorable terms when issuing bonds.

*All securities recommended are fully compliant with California Government Code Section 53601 and the City's Investment Policy Statement.*

# Why Choose King Capital for the City of Agoura Hills?

- Safety-first philosophy — protecting City assets is our primary mandate, not an afterthought.
- Cash flow planning built around Agoura Hills' specific calendar — payrolls, projects, and debt service — so funds are always available.
- 18+ years of California public fund experience with deep knowledge of all Government Code Section 53601 requirements.
- Enhanced yield through broad market access and wide fixed income inventory — always within policy guidelines.
- A true long-term partner: responsive, transparent, and fully aligned with the City's best interests.

## OUR COMMITMENT

**#1**
SAFETY

**#2**
LIQUIDITY

**#3**
YIELD

Mark Edelman, EVP

# Other CA Public Agencies We Serve



- Byron-Bethany ID
- City of Rosemead
- City of San Fernando
- City of Solvang
- Imperial Irrigation
- Templeton CSD
- *& Many More*

# Professional Reference



**BYRON-BETHANY IRRIGATION DISTRICT**
7995 Bruns Road • Byron, California 94514 • (209) 835-0375 • www.bbid.org

June 30, 2026

**Re: Professional Reference for Mr. Mark Edelman, King Capital Advisors Inc.**

It is my privilege to provide this letter of reference on behalf of Mr. Mark Edelman of King Capital Advisors Inc. I have known and worked closely with Mr. Edelman for more than a decade. Over the course of my career as a chief executive, he has served as financial advisor to several public agencies under my management, including cities, utilities, and irrigation districts, working directly with me and our finance teams to steward public funds with discipline and care.

In his role, Mr. Edelman has consistently demonstrated deep expertise in managing fixed-income portfolios for public agencies. His investment philosophy is anchored in the priorities that matter most to a public entity: safety of principal first, liquidity to meet operational needs, and a competitive yield. He builds laddered portfolios spread across the yield curve to mitigate interest-rate risk, and he confines holdings to high-quality instruments such as FDIC- and NCUA-insured certificates of deposit and U.S. government agency securities, while keeping the agency informed through clear, ongoing reporting and planning.

The results of that approach speak for themselves. Under Mr. Edelman's management, Byron-Bethany Irrigation District's investable funds, which had been earning roughly 0.10% at the start of 2023, were repositioned into a diversified, high-quality portfolio yielding well over four percent on a par-weighted basis, with maturities thoughtfully scheduled so that funds roll off in a predictable manner to be reinvested or directed toward capital improvement projects. Beyond optimizing returns, he identified and flagged an inherited, unsuitable structured certificate of deposit and recommended a prudent course of action to protect the District's interests, an example of the diligence he brings to safeguarding public money.

Equally important is the way Mr. Edelman works. He is accessible, responsive, and genuinely invested in the long-term success of the organizations he serves. Across every agency I have managed, he has proven to be a reliable and valued partner, translating complex fixed-income strategy into plain terms so that boards and staff can make well-informed decisions. The long-term relationships he cultivates are a direct reflection of the trust he earns.

Without reservation, I highly recommend Mr. Mark Edelman to any California public agency seeking a knowledgeable, trustworthy advisor to manage its investment portfolio with an emphasis on safety, liquidity, and return. Please feel free to contact me should you wish to discuss his qualifications further.

Respectfully,

Edwin R. Pattison, General Manager
Byron-Bethany Irrigation District

# Economic and Interest Rate Outlook June 2026

## Economic Outlook

- **GDP Growth:** Projected at 2.2% for 2026, supported by consumer spending and business investment, though momentum is softening
- **Labor Market:** Stable but cooling — unemployment at 4.3%, payroll growth averaging ~70,000/month
- **Inflation Elevated:** CPI at 4.2% (May), Core PCE at 3.3% — tariff and energy-driven pressures persist
- **Consumer Pressure:** Sentiment at record lows; gas at $4.49/gal (+42% YoY), real wages lagging inflation

## Interest Rate Outlook

- **Fed Funds Rate:** Held at 3.50%–3.75% for 4th consecutive meeting (June 2026, unanimous vote)
- **Hawkish Shift:** New Chair Warsh removed easing bias; dot plot signals possible hike to 3.75%–4.00% by yearend
- **Market Pricing:** One 25bps hike potentially expected by October; rate cuts previously anticipated are off the table
- **Yield Environment:** Treasury yields elevated; 30-year at highest since 2007; long-run neutral rate ~3.0%

## Impact on the City of Agoura Hills, CA

- **Housing:** Mortgage at 6.71% on $1.1M median home = ~$5,700/mo for new buyers. Rate lock-in reduces mobility for existing owners.
- **Daily Costs:** LA energy up 18% YoY; gas above $5/gal; food +3.5%. CA cost of living is 42% above the national average.
- **Purchasing Power:** Despite $171K median incomes, 3.6% LA-area inflation outpaces wages — consumer sentiment at record lows.
- **Investment Opportunity:** Higher-for-longer rates are favorable for a public agency beginning to build a fixed income portfolio — locking in elevated yields now benefits the City long term.

# New Account Process and Third-Party Custodian Safekeeping



*The next steps:*

1

### Safekeeping Selection

Determine where the City will safekeep your securities. One cost effective safekeeping option available is National Financial Services (NFS), a wholly owned subsidiary of Fidelity Investments.

2

### New Account Paperwork

Cambridge Investment Research Inc new account paperwork: We will safely collect sensitive information about the City and authorized City personnel on the account.

3

### DocuSign & E-Sign

We will securely input this information into DocuSign for the authorized to e-sign and establish the account.

4

### Deposit Funds

Deposit funds into your account to begin investment program.

# Important Disclosures



## Regulatory and Legal Disclosures

**Registered Representative:** Securities offered through Cambridge Investment Research, Inc., a broker-dealer, member FINRA/SIPC.

**Investment Advisor Representative:** Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor.

**Non-Affiliation:** Cambridge Investment Research, Inc. and King Capital Advisors Inc. are not affiliated entities.

**General Disclosure:** This presentation has been prepared for informational purposes only and is intended solely for the City of Agoura Hills. It does not constitute an offer or solicitation for the purchase or sale of any security. Past performance is not indicative of future results. All investments involve risk, including possible loss of principal. Recommendations are subject to the City Investment Policy Statement and California Government Code Section 53601.

**Recognition Disclosure:** The Broker-Dealer of the Year recognition was awarded to Cambridge Investment Research, Inc. by Investment Advisor magazine in 2007, 2008, 2010, and 2012 through 2020, Division IV. Eligibility requires a minimum of 10% of producing financial professionals to cast valid ballots. This recognition is not representative of investment performance or returns.