

Capitola City Council

Agenda Report

Meeting: January 8, 2026

From: Administrative Services Department

Subject: City Investment Brokerage Services



Recommended Action: Authorize the Administrative Services Director to execute a non-corporate resolution allowing Cetera Advisor Networks, LLC to continue acting as the City's investment broker.

Background: The City's investment policy authorizes the use of certificates of deposit as an approved investment vehicle. ProEquities, Inc. has historically served as the City's brokerage firm, executing investments in certificates of deposit at the City's direction. In February 2025, ProEquities, Inc. was acquired by Cetera Financial Group, which now requires the City Council to adopt a resolution to allow the brokerage firm to continue providing brokerage services.

Discussion: With the acquisition of ProEquities, Inc. by Cetera Financial Group, brokerage services previously provided to the City are now administered through Cetera Advisor Networks, LLC. In order to maintain continuity of investment operations, formal authorization is required by Cetera Advisor Networks, LLC to act on the City's behalf.

Capitola currently has six Certificates of Deposit (CD) with Cetera Financial Group totaling approximately \$1.5 million, with an average interest rate of approximately 4% and maturity dates extending until September 2027. The City's Investment Policy prioritizes the following (in order): 1) safety, 2) liquidity, and 3) earnings. Based on these priorities, staff is allowing each CD to reach maturity and then reinvesting in idle cash with the City's new local banking partner, West Coast Community Bank.

Adoption of the proposed resolution will allow the City to continue hold and invest in certificates of deposit without interruption.

Fiscal Impact: None.

Attachments:

1. Cetera Advisor Networks, LLC Non-Corporate Resolution

Report Prepared By: Luis Ruiz, Accountant II

Reviewed By: Julia Gautho, City Clerk and Jim Malberg, Administrative Services Director

Approved By: Jamie Goldstein, City Manager