

# MEMO

Date: October 7, 2020  
To: Matthew Strugis, Town Manager  
From: John Quartararo, Finance Director   
Re: Corporate Resolution – Opening Deposit Account at Machias Savings  
CC: Debra Lane, Town Clerk

We opened bids for 6-month and 12-month CDs for the \$5.3 million CVD that is maturing at Kathahdin Trust. The higher bidder is Machias Savings at a 12-month rate of .35% (35 basis points). This rate is substantially lower than the 1.86% rate that we received one year ago. The rate spread was a low of .05% (5 basis points) to a next highest rate of .30% (30 basis points).

To open an account, Machias Savings requires the adoption of a corporate resolution authorizing the Town to do business with them and signers on the account. This is a statutory requirement of the Sarbanes-Oxley Act in response to the 2001 Enron situation.

Consistent with other banking relationships, the authorized signers would be Debra, yourself and me. A copy of their resolution language and the bid tabulation are included with this memo.

I suggest the following Council order:

*The Town authorizes the establishment of a banking relationship with Machias Savings and appointments the following signers: Matthew E Strugis, Town Manager/Treasurer; Debra Lane, Town Clerk and John Quartararo, Finance Director. Each shall be authorized to open or close an account; authorize wire transfers; and, endorse checks and sign orders for the payment of money, withdraw or transfer funds on deposit.*

**TOWN OF CAPE ELIZABETH  
RFP DEPOSIT - BID TABULATION  
7 OCTOBER 2020**

**Bid opening 1:00, 7 October 2020 via Zoom call**

**Attendees via Zoom call:**

Matthew Sturgis	Town
John Quartararo	Town
Christine Bishop	Machias Savings
Michelle Curtis	Machias Savings
Nick Tsafos	Peoples United
Sarah Bowie	Katahdin Trust

<u>Bidders</u>	<u>Product</u>	<u>6-Month</u>	<u>12-Month</u>	<u>Alternate Rate</u>	<u>Collateralization</u>
Machia Savings	CD	0.25%	0.35%		FHLB - LOC
Peoples United	CD	0.25%	0.30%		FHLB - LOC
TD Bank	MMDA			0.25%	FHLB - LOC
Katahdin Trust	CD	0.13%	0.23%		FHLB - LOC
TD Bank	CD	0.12%	0.12%		FHLB - LOC
Camden National	MMDA	0.05%	0.05%		FHLB - LOC
<b>Non-compliant</b>					
Bath Savings	CD	0.08%	0.11%		CDRS
<b>Declined to bid</b>					
Biddeford Savings					

# Entity Authorization

**ENTITY CERTIFICATIONS.** I, Debra Tane  
Town Clerk

(Authorization Signer's name), certify that: I am a/the

(Authorization Signer's title) designated to act on behalf of Town of Cape Elizabeth

(Authorizing Entity). Authorizing Entity is a Municipal Government

(type of entity, like a "non-profit" corporation) and its Taxpayer Identification Number 01-6000100. I am authorized and directed to execute an original or a copy of this Authorization to Financial Institution, and anyone else requiring a copy. Authorizing Entity is duly organized, validly existing and in good standing under the laws of Maine and is duly qualified, validly existing and in good standing in all

jurisdictions where Authorizing Entity operates or owns or leases property. Authorizing Entity has the power and authority to provide this Authorization, to confer the powers granted in this Authorization and to carry on Authorizing Entity's business and activities as now conducted. The designated Agents have the power and authority to exercise the actions specified in this Authorization and Authorizing Entity properly adopted these authorizations and appointed the Agents and me to act on its behalf. Authorizing Entity will notify Financial Institution before reorganizing, merging, consolidating, recapitalizing, dissolving or otherwise materially changing ownership, management or organizational form. Authorizing Entity will be fully liable for failing to notify Financial Institution of these material changes.

Authorizing Entity conducts business and other activities under the additional trade name or fictitious name of \_\_\_\_\_ and Authorizing Entity has the legal power and authority to use this trade name or fictitious name. Authorizing Entity will not use any trade name or fictitious name without Financial Institution's prior written consent and will preserve Authorizing Entity's existing name, trade names, fictitious names and franchises.

**GENERAL AUTHORIZATIONS.** I certify Authorizing Entity authorizes and agrees that:

(Financial Institution) is designated to provide Authorizing Entity the financial accommodations indicated in this Authorization, subject to the Financial Institution's rules and regulations from time to time. All prior transactions obligating Authorizing Entity to Financial Institution by or on behalf of Authorizing Entity are ratified by execution of this Authorization. Any Agent, while acting on behalf of Authorizing Entity, is authorized, subject to any expressed restrictions, to make all other arrangements with Financial Institution which are necessary for the effective exercise of the powers indicated within this Authorization. The signatures of the Agents are conclusive evidence of their authority to act on behalf of Authorizing Entity. Unless otherwise agreed to in writing, this Authorization replaces any earlier related Authorization and will remain effective until Financial Institution receives and records an express written notice of its revocation, modification or replacement. Any revocation, modification or replacement of this Authorization must be accompanied by documentation, satisfactory to Financial Institution, establishing the authority for the change. Authorizing Entity agrees not to combine proceeds from collateral securing any debts owed to Financial Institution with unrelated funds.

**SPECIFIC AUTHORIZATIONS.** The following persons (Agents) are authorized to act on behalf of Authorizing Entity in fulfilling the purposes of this Authorization:

Individual's Name, Title, & if applicable, Representative Entity's Name and Relationship to Authorizing Entity	Signature or Facsimile Signature
(a) <u>MATTHEW E. STURGIS, Town Manager/Treasurer</u>	_____
(b) <u>JOHN QUARTARARO, Finance Director</u>	_____
(c) <u>Debra Lane, Town Clerk</u>	_____
(d) _____	_____
(e) _____	_____
(f) _____	_____

Authorizing Entity has adopted any facsimile signatures indicated above. Financial Institution may rely on those facsimile signatures that resemble the specimens within this Authorization or the specimens that Authorizing Entity periodically files with Financial Institution, regardless of by whom or by what means the signatures were affixed.

Authorizing Entity authorizes and directs the designated Agents to act, as indicated, on Authorizing Entity's behalf to:

**(Indicate a, b, c, d, e and/or f to exercise each specific power):**

- a, b, c Open or close any share or deposit accounts in Authorizing Entity's name, including, without limitation, accounts such as share draft, checking, savings, certificates of deposit or term share accounts, escrow, demand deposit, reserve, and overdraft line-of-credit accounts. Number of signatures required \_\_\_\_\_
- N/A Enter into and execute any preauthorized electronic transfer agreements for automatic withdrawals, deposits or transfers initiated through an electronic ATM or point-of-sale terminal, telephone, computer or magnetic tape using an access device like an ATM or debit card, a code or other similar means. Number of signatures required \_\_\_\_\_
- N/A \_\_\_\_\_

a,b,c

Enter into and execute commercial wire transfer agreements that authorize transfers by telephone or other communication systems through the network chosen by Financial Institution. Number of signatures required

a,b,c

Endorse for cash, deposit, negotiation, collection or discount by Financial Institution any and all deposit checks, drafts, certificates of deposit and other instruments and orders for the payment of money owned or held by Trust. Number of signatures required

a,b,c

Sign checks or orders for the payment of money, withdraw or transfer funds on deposit with you. If Authorizing Entity authorizes and Financial Institution accepts this power with a multiple signature limitation, Authorizing Entity agrees to waive the multiple signatures requirement for any withdrawal in a format that does not allow Financial Institution an opportunity to examine signatures. Number of signatures required

N/A

Enter into and execute a written night depository agreement, a lock-box agreement or a safe deposit box lease agreement. Number of signatures required

N/A

Borrow money or obtain other credit or financial accommodation from Financial Institution on behalf of and in the name of Authorizing Entity on the terms agreed to with Financial Institution. The designated Agents may execute and endorse promissory notes, acceptances or other evidences of indebtedness.  If checked, the maximum outstanding credit limit for all available credit and financial accommodation to Authorizing Entity from Financial Institution must not exceed \$ . Number of signatures required

N/A

Grant a security interest, lien or other encumbrance to Financial Institution in any or all real or personal property that Authorizing Entity now owns or may acquire in the future for the payment or performance of:

**Specific Debts.** The debts, liabilities and obligations, and their renewals, extensions, refinancing and modifications, evidenced by *(describe)*:

**All Debts.** All debts, liabilities and obligations of every type and description owed now or in the future by Authorizing Entity to Financial Institution.

Number of signatures required

N/A

Receive and acknowledge receipt for funds, whether payable to the order of Authorizing Entity or an Agent, without additional certification as to the use of the proceeds. Number of signatures required

N/A

Guaranty the payment and performance of debts, liabilities and obligations owed to Financial Institution or its successors and assigns by \_\_\_\_\_ (Borrower):

**Specific Debts.** The debts, liabilities and obligations, and their renewals, extensions, refinancing and modifications, evidenced by *(describe)*:

**All Debts.** All debts, liabilities and obligations, and their renewals, extensions, refinancing and modifications, that Borrower owes now or in the future to Financial Institution, to the extent allowed by law.

Number of Signatures required

a,b,c

**Grant a Security Interest.** The designated Agents may also grant a security interest, lien or other encumbrance to Financial Institution in any or all real or personal property that Authorizing Entity now owns or may acquire in the future for the payment or performance of this guaranty. Number of signatures required

a,b,c

Periodically amend, restructure, renew, extend, modify, substitute or terminate any agreements or arrangements with Financial Institution that relate to this Authorization. Number of signatures required

Execute other agreements that Financial Institution may require, and perform or cause to be performed any further action necessary to carry out the purposes of this Authorization. Number of signatures required

Other *(specify)*

Number of signatures required

**INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Authorization.

**SIGNATURES.** By signing, I certify and agree to the terms contained in this Authorization on behalf of Authorizing Entity on I also acknowledge receipt of a copy of this Authorization.

**AUTHORIZATION'S SIGNERS:**

By: \_\_\_\_\_  
Name Date

By: \_\_\_\_\_  
Attest: Name Date

**FOR FINANCIAL INSTITUTION USE ONLY**

Acct/Loan # \_\_\_\_\_ Authorization and agreement completed and effective \_\_\_\_\_.

By \_\_\_\_\_ for the Financial Institution.