



**INVESTMENT ADVISORY  
SERVICES**

RS-22-111

August 16, 2022

# Background

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- Texas Government Code, Chapter 2256 requires the governing body to approve investment management firm agreements
- A contract made under this subsection is limited to a term no longer than two years
- A renewal extension must be made by the governing body

# Background – Continued

- City Council approved an agreement with Valley View Consulting in July 2017, initial term two years and two renewals (two and one year)
- Request for Qualifications (RFQ) initiated in May 2022 for investment advisory services
- Received 4 responses to the RFQ # 22-28
- Scope - purchase and sale of securities, assist with cash flow projections, and provide advice on market conditions

# Agreement Terms

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- Initial agreement effective until August 31, 2024
  - ▣ Option to extend the agreement in one- or two-year periods, not to exceed five years in total
- Compensation
  - ▣ Advisor will receive an annual fee equal to .03% (3 basis points) of the average quarterly total investable portfolio

# Historical Information

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	2020	2021	2022*	2023*
Average Portfolio	\$104.9 million	\$141.2 million	\$150.0 million	\$150.0 million
Interest Revenue	\$2.0 million	\$0.9 million	\$1.1 million	\$1.4 million
Investment Expenses	\$29,813	\$42,370	\$45,000	\$45,000

\* Estimated amount

# Alternatives

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- ❑ Reject Meeder Public Funds, Inc. and open discussions with the next ranked company to provide investment advisory services to the City of Killeen
- ❑ Reject all proposals for investment advisory services and re-solicit for RFQ's
- ❑ Contract with Meeder Public Funds, Inc. to provide investment advisory services to the City of Killeen

# Recommendation

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City Council authorize the award of RFQ #22-28, Investment Advisor Services to Meeder Public Funds, Inc. to provide investment advisory services in the amount of 3 basis points of investable portfolio value and authorize the City Manager, or designee, to execute any and all change orders within the amounts set by State and Local Law