INVESTMENT ADVISORY SERVICES

Background

- 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

- 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

	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

- ❑ 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

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