



City of Killeen

Legislation Details (With Text)

File #: RS-22-111 **Version:** 1 **Name:** Investment Advisory Services
Type: Resolution **Status:** Passed
File created: 7/20/2022 **In control:** City Council
On agenda: 8/23/2022 **Final action:** 8/23/2022
Title: Consider a memorandum/resolution awarding RFQ #22-28, Investment Advisor Services, to Meeder Public Funds, Inc. to provide investment advisory services in the amount of three (3) basis points of investable portfolio value.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Evaluation Matrix, 2. Agreement, 3. Certificate of Interested Parties, 4. Presentation

Date	Ver.	Action By	Action	Result
8/23/2022	1	City Council	Approved	Pass
8/16/2022	1	City Council Workshop		

Consider a memorandum/resolution awarding 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.

DATE: August 16, 2022
TO: Kent Cagle, City Manager
FROM: Judith Tangalin, Interim Executive Director of Finance
SUBJECT: Meeder Public Funds, Inc. Investment Advisory Services Agreement

BACKGROUND AND FINDINGS:

On July 25, 2017, the City Council approved the investment advisory services agreement with Valley View Consulting, LLC. The initial agreement was effective for a two-year term, with the option to extend the agreement for additional one- or two- year periods. The City extended the agreement with Valley View Consulting, LLC, with the most recent renewal ending in June 2022.

On May 22, 2022, the City began advertising a Request for Qualifications (RFQ) in which the City sought responses from qualified firms to provide investment advisory services. The City received 4 responses which were then evaluated by a committee. Meeder Public Funds, Inc. was chosen as the most qualified responder.

Meeder Public Funds, Inc. proposal includes providing advice on market conditions, analyzing risk/return relationships between various investment alternatives, reviewing the City’s investment policy and reporting to ensure compliance with changes in the Public Funds Investment Act, assisting in the purchase and sale of

investment securities, and assisting staff with the Request for Application (RFA) process for the City's primary depository bank.

Meeder Public Funds, Inc. is registered with the Securities and Exchange Commission (SEC) to provide investment advisory services.

On August 16, 2022, the investment committee met with city staff to discuss the results of the RFQ. The investment committee supported the recommendation to award RFQ #22-28, Investment Advisor Services, to Meeder Public Funds, Inc. for investment advisory services.

THE ALTERNATIVES CONSIDERED:

1. Reject Meeder Public Funds, Inc. and open discussions with the next ranked company to provide investment advisory services to the City of Killeen.
2. Reject all proposals for investment advisory services and re-solicit for qualified firms.
3. Authorize the award of RFQ #22-28 to Meeder Public Funds, Inc. to provide investment advisory services to the City of Killeen.

Which alternative is recommended? Why?

Option number 3 to authorize the award of RFQ #22-28 to Meeder Public Funds, Inc. Meeder Public Funds, Inc. has over 30 years of experience managing investment portfolios for public entities with decades of this experience in serving Texas entities.

CONFORMITY TO CITY POLICY:

Texas Government Code, Chapter 2256, cited as the Public Funds Investment Act (PFIA), authorizes the governing body of an investing entity to contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made under this subsection is limited to a term of no longer than two years. A renewal or extension of the contract must be made by the governing body of the investing entity by order, ordinance, or resolution.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The Advisor shall receive an annual fee equal to .03% (3 basis points) of the average quarterly total portfolio book value less demand deposit account balances with the primary depository bank. Based on average portfolio balance of \$150 million, the estimated annual cost for services will be \$45,000.

Is this a one-time or recurring expenditure?

The firm's fee is a recurring expenditure paid quarterly.

Is this expenditure budgeted?

Yes, funds are budgeted in each fund in the investment expense account xxx-0000-361.05-10.

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

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 contracts and change orders within the amounts set by State and Local Law.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Evaluation Matrix

Agreement

Certificate of Interested Parties