



AGENDA MEMORANDUM

Action Item for the City Council Meeting October 12, 2021

DATE: September 21, 2021

TO: Peter Zanoni, City Manager

FROM: Heather Hurlbert, CPA, CGFO, Director of Finance and Business Analysis
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Extension for Investment Advisor Services
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CAPTION:

Resolution authorizing a two-year service agreement extension to provide investment advisor services with Meeder Public Funds, Inc., in an amount not to exceed \$60,000.00 for the first of two option periods, effective September 4, 2021, with first-year funding available in the FY 2021-22 Budget through the General Fund.

SUMMARY:

This resolution extends the current contract with Meeder Public Funds, to provide investment consulting services for an additional two years in an amount not to exceed \$60,000.00. These services are necessary to assist City Investment Officers, in the Finance Department, with investment decisions.

BACKGROUND AND FINDINGS:

Meeder Public Funds, Inc. presents market information to the Investment Committee during the quarterly Investment Committee meetings. The Investment Committee is made up of the City Manager, Chief Financial Officer, Director of Finance and Business Analysis, Assistant Director of Finance and Business Analysis and the Director of Management and Budget. During the past year, Patterson & Associates has provided training to City Investment Officers as required by the Public Funds Investment Act, increased interest earnings on investments, and assisted in the annual review of the City of Corpus Christi Investment Policy and Investment Strategies as well as four City associated investment policies and investment strategies. The City of Corpus Christi's Investment Policy and Investment Strategies was certified by the Government Treasurers'

Organization of Texas earlier this year for the second time.

The City does not have the resources to view current market activity. Prior to the contract with Meeder Public Funds, Inc. our brokers were the only ones providing the City with investment options. Meeder Public Funds, Inc. has access to the Bloomberg financial system that provides them with access to market availability and yield for investments. Because of the knowledge they have about the market activity, they are able to negotiate for the best price of a security. Meeder Public Funds, Inc. provides investment options available to the City's Investment Officers. The City's Investment Officers will determine if they want to act on the investment and then contact the City approved brokers to transact the purchase of the security. Additionally, Meeder Public Funds, Inc. assisted with the depository contract solicitation and review, assisted in the development of treasury policies and procedures, and presented cash handling training.

Meeder Public Funds, Inc. is an SEC registered investment advisory firm which has provided independent and objective portfolio management advice and management since 1994. Linda Patterson is President of Meeder Public Funds, Inc. and was previously the City Treasurer of Fort Worth and Deputy state Treasurer for Texas. She draws her knowledge from these experiences in public finance and her experience working with clients on investment portfolios, policies, controls and depository contracts.

This is the first of two, two-year extensions included in the original contract. Per Public Funds Investment Act (PFIA) a contract for investment services cannot be longer than two years and each extension must be approved by the governing body. This contract has a third two-year extension that may be acted on in 2024 for an amount not to exceed \$64,000 for the two-year period.

ALTERNATIVES:

The alternative is to have the City's brokers provide investment options; however, this would not meet the Finance Department's goal of achieving the best investment for the City. Meeder Public Funds, Inc. has access to the Bloomberg financial system that provides them with access to market availability and yield for investments. Because of the knowledge they have about the market activity, they are able to negotiate for the best price of a security.

FISCAL IMPACT:

The financial impact for the Finance Department is an amount not to exceed \$60,000.00 for the first two-year extension.

FUNDING DETAIL:

Fund:	1020 - General Fund
Organization/Activity:	10830 – Cash Management
Mission Element:	184 – Treasury for Debt & Cash Management
Project # (CIP Only):	
Account:	530000 – Professional Services

RECOMMENDATION:

Staff recommends approval of this resolution authorizing a two-year service agreement extension with Meeder Public Funds, Inc. for investment advisor services as presented.

LIST OF SUPPORTING DOCUMENTS:

Resolution