



City of Keller

Keller Town Hall
1100 Bear Creek Parkway
Keller, TX 76248
817-743-4000
www.cityofkeller.com

Legislation Text

File #: 19-650, **Version:** 1

To: Mark R. Hafner, City Manager

From: Aaron Rector, Director of Administrative Services

Subject:

Consider a resolution approving a two-year agreement with the option for one-year or two-year renewals, for investment services with Valley View Consulting, L.L.C. Inc.; and authorizing the City Manager to execute all documents relating thereto on behalf of the City of Keller, Texas.

Action Requested:

Consider a resolution approving a two-year agreement with Valley View Consulting, L.L.C. Inc. for investment services with an annual cost of \$40,062.

Background:

The City of Keller has contracted with Valley View Consulting (VVC) for investment services since 2010 and is seeking to continue the relationship for another two years with the option of two annual renewals. VVC has continually guided the city investment portfolio beyond the policy investment benchmarks and helps ensure the city is in compliance with the Public Funds Investment Act (PFIA). The agreement for investment services includes constant investment strategy support including investment solicitations, monthly investment balancing reports, quarterly investment reports as required by PFIA, quarterly investment presentations to the Finance Committee, annual updates to the investment policy as required by PFIA, as needed presentations to Council, and creation and review of depository requests for applications as the contract expires.

The proposed fees for services are based upon average quarterly end book value and are charged quarterly. The first \$85 million is charged a fee of 0.040% or 4 basis points, the next 65 million is charged at 0.035% or 3.5 basis points, and anything above that is charged 0.030% or 3 basis points. Based upon the FY 2018-19 fourth quarter investment report, the annual cost of the contract would be \$40,062 which is in-line with the four year average cost of \$42,025.

Financial Impact:

Funding is available in the General Fund. The average cost of services for the past four years has been \$42,025. It is anticipated the annual costs with the new agreement will be similar. If the agreement is not approved, the City would need to consider either contracting with another investment firm or adding an investment analyst.

Citizen Input/Board Review:

Not Applicable.

Legal Review:

The City Attorney has reviewed and approved.

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial

Council Action:

Staff recommends approval of the proposed resolution as presented.