



City of League City, TX

300 West Walker
League City TX 77573

Text File

File Number: 18-0655

Agenda Date: 11/13/2018

Version: 1

Status: ATS Review

In Control: City Council

File Type: Agenda Item

Title

Consider and take action on a resolution authorizing an agreement with Valley View Consulting, L.L.C. for investment advisory services (Director of Finance)

..Background:

The Public Funds Investment Act states that the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) to provide for the investment and management of its public funds or other funds under its control. A contract may not be for a term 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. Approval of this item, will authorize a one year contract with Valley View Consulting with an option to renew for one additional year.

It is anticipated that investment income will increase with the use of an investment advisor, which would fully cover the expense incurred. While maintaining compliance with the Public Funds Investment Act, implementing a more effective and active strategy of portfolio management is expected to generate an additional \$300,000 in interest income assuming market rates continue with the current trend. Quotes from three investment advisory firms were received and it was determined that Valley View Consulting was most advantageous and will best meet the City's needs and at the best price. As investment advisor, Valley View Consulting, L.L.C. will assist the City in developing cash flow projections, suggest appropriate investment strategies to achieve the City's objectives, advise the City on market conditions, general information and economic data, analyze risk/return relationships between various investment alternatives, and assist in the selection, purchase, and sale of investments, amongst other investment advisory services. Valley View will not have discretionary investment authority and the City will remain in control of executing all investment options.

ATTACHMENTS:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Agreement with Valley View Consulting

CONTRACT ORIGINATION:

FUNDING

{x} Funds in the amount of \$20,000 are available from Accounting Department Professional Services Account #1400000-53050

{x} A future Budget Amendment is required to increase Accounting Department Professional Services Account #1400000-53050 in the amount of \$30,000 which will be offset by an increase in the same

amount to General Fund Revenue Account #0100-47000 Interest Earned

STRATEGIC PLANNING

{x} Addresses Strategic Planning Critical Success Factor #2 and Initiative # N/A