



# City of Culver City

Mike Balkman  
Council Chambers  
9770 Culver Blvd.  
Culver City, CA 90232  
(310) 253-5851

## Staff Report Details (With Text)

**File #:** 23-727      **Version:** 1      **Name:** Investment Advisory and Portfolio Management Services  
**Type:** Minute Order      **Status:** Consent Agenda  
**File created:** 3/2/2023      **In control:** City Council Meeting Agenda  
**On agenda:** 3/13/2023      **Final action:**  
**Title:** CC - CONSENT ITEM: Approval of an Amendment to an Existing Professional Services Agreement with Insight Investment for Investment Advisory and Portfolio Management Services with an Annual Fee of 0.08% of All Assets (Up to/Including \$60 Million) and 0.06% (Exceeding \$60 million) Ending December 31, 2023.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

**CC - CONSENT ITEM: Approval of an Amendment to an Existing Professional Services Agreement with Insight Investment for Investment Advisory and Portfolio Management Services with an Annual Fee of 0.08% of All Assets (Up to/Including \$60 Million) and 0.06% (Exceeding \$60 million) Ending December 31, 2023.**

**Meeting Date:** March 13, 2023

**Contact Person/Dept:** Lisa Soghor/Finance

**Phone Number:** 310-253-5865

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☒ No ☐

**Attachments:** ☐

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (03/09/2023)

**Department Approval:** Lisa Soghor, Chief Financial Officer (03/01/2023)

### RECOMMENDATION

Staff recommends the City Council approve an amendment to an existing Professional Services Agreement with Insight Investment to provide investment advisory and portfolio management

services through December 31, 2023 for an annual fee of 0.08% of all assets up to and including \$60 million and 0.06% for all assets exceeding \$60 million.

## **BACKGROUND**

Insight Investment has been the City's portfolio manager since 2011 and provides expertise in analyzing and researching investments. Monthly and year-end investment reporting is provided, and staff provides oversight of the investment function.

A Request for Proposals (RFP) for these services was issued in 2017, and Insight Investment was selected from the applicant pool. A new RFP is due per the City's Purchasing Policy and will be issued in the coming months.

The City's investment portfolio was approximately \$125 million at the mid-year point of Fiscal Year 2022-2023.

## **DISCUSSION**

Efficient investment of the City's portfolio has been achieved with Insight Investment, and additional yield has been realized that would not have otherwise been attained. The services provided by Insight Investment include a careful analysis of the City's current and projected cash flow needs. Based on analysis, the City's portfolio has been invested in securities with proper and varying durations to ensure that the safety and liquidity needs of the City are met, while maximizing the available yield within these constraints. Insight Investment meets the standards set by the City's Investment Policy.

The amendment to the existing Professional Services Agreement will allow Insight Investment to continue providing service to the City through December 31, 2023. The amendment will allow Finance staff time to prepare and issue an RFP for investment advisory and portfolio management services.

## **FISCAL ANALYSIS**

Insight Investment's fee for providing investment advisory services is based on the average total assets under management maintained for the month and is as follows:

Average assets maintained up to and including \$60 million.....	0.08%
Average assets maintained exceeding \$60 million.....	0.06%

The above fee schedule applied to a portfolio of \$125 million is estimated to be \$87,000 for one year. The City will be invoiced monthly.

The Fiscal Year 2022-2023 Adopted Budget includes sufficient funding for the cost of this agreement through the current fiscal year. The remainder of the cost will be included in the Fiscal Year 2023-2024 budget.

## **ATTACHMENTS**

None.

## **MOTIONS**

That the City Council:

1. Approve an amendment to the existing professional services agreement with Insight Investment for investment advisory and portfolio management services for through December 31, 2023 for an annual fee of 0.08% of all assets up to and including \$60 million and 0.06% for all assets exceeding \$60 million; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.