



# City of Culver City

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## Staff Report Details (With Text)

**File #:** 24-731      **Version:** 1      **Name:** PSA for Investment Advisory and Portfolio Management Services

**Type:** Minute Order      **Status:** Consent Agenda

**File created:** 2/7/2024      **In control:** City Council Meeting Agenda

**On agenda:** 2/26/2024      **Final action:**

**Title:** CC - CONSENT ITEM: Approval of a Professional Services Agreement with Insight Investment for Investment Advisory and Portfolio Management Services.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
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### CC - CONSENT ITEM: Approval of a Professional Services Agreement with Insight Investment for Investment Advisory and Portfolio Management Services.

**Meeting Date:** February 26, 2024

**Contact Person/Dept:** Lisa Soghor/Finance Department  
**Phone Number:** 310-253-5865

**Fiscal Impact:** Yes  No       **General Fund:** Yes  No

**Attachments:**  No

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (02/20/2024)

**Department Approval:** Lisa Soghor, Chief Financial Officer (02/19/2024)

### RECOMMENDATION

Staff recommends the City Council approve a professional services agreement with Insight Investment to provide investment advisory and portfolio management services.

### BACKGROUND

The City maintains reserves in accordance with the adopted reserve policy and invests its reserves in accordance the adopted investment policy. As of December 31, 2023, the total value of the City's investment portfolio was \$153,944,941. Historically, the City has hired a firm to

manage its investment portfolio. The firm analyzes and researches potential investments and produces quarterly reports. The quarterly reports are published on the City's website. Staff provides oversight over the investment function. The City periodically issues a request for Proposals (RFP) for these services in accordance with the Culver City Purchasing Policy.

## **DISCUSSION**

Staff published a request for proposals for investment advisory and portfolio management on November 2, 2023. Proposals were due December 14, 2023. The City received proposals from five firms. Staff carefully reviewed all the proposals received and conducted interviews with the top three firms. Based on the review of the proposals received and interviews conducted, staff recommends Insight Investments. Insight Investment has been the City's portfolio manager since 2011 and the City has been satisfied with the investment advisory and portfolio management services the company has provided to date. Insight Investment is owned by the Bank of New York Mellon Corporation (BNY Mellon) and confirms that it has complete investment decision-making autonomy. The Insight Investment team is familiar with the City's investment policy and practices, has experience serving public sector clients throughout the country and provides high quality research and reporting at a reasonable cost.

As part of its proposal, Insight Investment reduced its fee structure from what the City is currently charged. Insight Investment is proposing to charge .05% of the average market value of all assets in the portfolio for the first \$150 million and .03% of the average market value of all assets in the portfolio above \$150 million. Insight Investment provided the lowest cost for services among all the proposers.

Staff recommends that the Council approve a professional services agreement with Insight Investment for a five-year team.

## **FISCAL ANALYSIS**

Based on the value of the City's portfolio as of December 31, 2023, the annual cost of these services is anticipated to be approximately \$80,000 in Year 1 of the agreement. The Adopted Budget for Fiscal Year 2023-2024 includes sufficient funding for this agreement in Account No. 10114100.619800 (Finance Administration - Other Contractual Services). Funding for the agreement will be included in the proposed budget for Fiscal Year 2024-2025 and subsequent fiscal years.

## **ATTACHMENTS**

None.

## **MOTIONS**

That the City Council:

1. Approve a professional services agreement with Insight Investment for investment advisory and portfolio management services through March 31, 2029,
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.