



## Request for City Council Committee Action from the Department of Finance & Property Services

**Date:** August 25<sup>th</sup>, 2014

**To:** The Honorable John Quincy, Chair, Ways & Means Committee

**Subject:** Approval to Negotiate and Enter into Contracts for Investment Management Services

**Recommendation:** Authorize appropriate City officials to enter into agreements with the following investment management firms:

- Advantus Capital Management
- Galliard Capital Management
- Vaughan Nelson Investment Management
- PFM Asset Management
- RBC Global Asset Management

### Department Information

Prepared by: Bruce G. Plante III, Treasury Director, 673-3008

Approved by: \_\_\_\_\_  
Kevin Carpenter, CFO, Finance & Property Services, 673-3554

Presenters in Committee: Bruce G. Plante III

### Reviews

- Permanent Review Committee (PRC): Approval X\_ Date June 12<sup>th</sup>, 2014
- Civil Rights Approval: Approval X\_ Date February 13<sup>th</sup>, 2014

### Financial Impact

- No financial impact

### Community Impact

- N/A

### Supporting Information

On July 1<sup>st</sup>, 2014, the City released a Request for Proposals for Investment Management Services. Contracts with current Investment Managers will expire in the fall of 2014.

The City received 19 proposals from investment management firms. Treasury engaged Ellwood & Associates, the City's current investment consulting firm, to assist the City in the evaluation and recommendation of investment managers.

## **Finalist Determination**

The following criteria were applied in narrowing the list of candidates: the organization's personnel; depth and capabilities of the organization; the firm's investment process and its understanding of the City's Investment program, policy, and objectives; the firm's experience in managing state/local government operating funds; litigation concerns; the organization's historical investment performance with similar portfolios, fees, and approach to managing the City's investment portfolio.

With the assistance of Ellwood, a selection committee of Finance personnel narrowed the list of candidates to five firms for final recommendation. All firms with the exception of one are headquartered locally. Each new finalist additionally made a presentation to the City's Investment Committee the second week of August.

## **Recommendation**

**The Investment Committee recommends that Finance & Property Services be authorized to contract with the following investment managers for three years with two, one year options to renew at the City's discretion:**

**The Recommendation list is as follows (a \* denotes a current City Investment Manager):**

- **Advantus Capital Management \***
- **Galliard Capital Management \***
- **Vaughan Nelson Investment Management \* (only non-local firm)**
- **PFM Asset Management**
- **RBC Global Asset Management**