



## Legislation Details (With Text)

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<b>Title:</b>	Staff Report for Resolution Approving the Agreement between the City of San Leandro and Chandler Asset Management for Investment Services effective July 1, 2016				
<b>Sponsors:</b>	David Baum Finance Director				
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Date	Ver.	Action By	Action	Result
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Staff Report for Resolution Approving the Agreement between the City of San Leandro and Chandler Asset Management for Investment Services effective July 1, 2016

### SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council review and approve the agreement between the City of San Leandro and Chandler Asset Management for investment services effective July 1, 2016.

### BACKGROUND

On April 12, 2004, City Council approved a consulting services agreement with Chandler Asset Management for investment services of City funds. Chandler was selected based on their ability to assist the City in establishing an investment management program, appropriate duration of investment needs of the City and the investment philosophy aligned with the City's conservative approach of Safety, Liquidity and Yield.

Originally, Council approved initial investments of \$40 million with an estimated annual cost to the City of \$40,000 for services provided by Chandler.

### Analysis

Over the last eleven years, Chandler Asset Management has provided the following services to the City of San Leandro:

- Monthly consultation with City staff regarding the City's cash flow needs, investment opportunities and market conditions
- Trade execution, trade confirmation and trade settlement with City's safekeeping bank
- Annual review of the City's investment policy ensuring all regulatory updates are included

- Monitoring of creditworthiness of investments
- Monthly and quarterly reporting and analysis of investment holdings and performance
- Adherence to the City's investment philosophy of Safety, Liquidity and Yield

Over the years, the amounts invested in the City's portfolio ranged from a low of \$27.8 million for fiscal year ended June 30, 2010, to a high of \$48.4 million as of December 31, 2005. Currently, the City has invested through Chandler Asset Management, \$44.8 million as of August 31, 2016. The average annual amount paid to Chandler for services provided since inception is \$35,000.

Chandler has provided excellent service to the City and consistently protects the investments.

### **Previous Actions**

- April 12, 2004 Resolution 2004-059 approving the Consulting Services Agreement with Chandler Asset Management, Inc. for investment management of the City of San Leandro's funds

### **Committee Review and Actions**

- November 20, 2003 Finance Committee approved staff to issue a request for proposal for investment management services
- March 18, 2004 Finance Committee recommended Chandler Asset Management be approved by City Council

### **Fiscal Impact**

The investment program costs have ranged from \$30,000 to \$43,000 depending on the total investment amount. No additional budget is required to fund this service.

### **Budget Authority**

The 2016-17 general fund adopted budget in account 010-12-051-5120 has \$50,000 to cover the investment services cost.

## **ATTACHMENT**

### **Attachment to Related Resolution**

- Consulting Services Agreement between the City of San Leandro and Chandler Asset Management

**PREPARED BY:** David Baum, Finance Director, Finance