



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: November 28, 2023

DATE: November 2, 2023

TO: Board of County Commissioners

FROM: Justin Taylor, Washoe County Treasurer
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SUBJECT: Recommendation to approve a Consent to Assignment of Investment Advisory Agreement between Washoe County and FHN Financial Main Street Advisors, LLC to Meeder Public Funds, Inc. for investment management services, for the remainder of the four (4) year term that began June 8, 2021 and ends June 7, 2025, with annual renewal options as agreed upon by all parties; estimated annual cost \$250,000.00, which is allocated among the funds and agencies who participate in the Washoe County Investment Pool – Treasurer. (All Commission Districts).

SUMMARY

Recommendation to approve a Consent to Assignment of Investment Advisory Agreement between Washoe County and FHN Financial Main Street Advisors, LLC (FHN) to Meeder Public Funds, Inc. (Meeder) for investment management services, for the remainder of the four (4) year term that began June 8, 2021 and ends June 7, 2025, with annual renewal options as agreed upon by all parties; estimated annual cost \$250,000.00, which is allocated among the funds and agencies who participate in the Washoe County Investment Pool.

Staff has determined this is an appropriate time to conduct a competitive solicitation for investment management services and will return to the Board of County Commissioners with a final contract for award upon a successful completion.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability

PREVIOUS ACTION

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| January 21, 2021 | Request for Proposals (RFP) 3152-21 for Investment Management Services was released. |
| February 5, 2021 | Five (5) respondent proposals were received and evaluated by a panel of subject matter experts. |
| February – April, 2021 | An evaluation committee reviewed the proposals, and four (4) vendors were invited to provide a remote presentation to evaluators. |

AGENDA ITEM # _____

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| April 23, 2021 | Upon completion of the process, FHN was found to be the best responsive, responsible submitter. |
| May 14, 2021 | The Washoe County Investment Committee received the results of the RFP process and the Committee recommended approval of an agreement for investment management services with FHN. |
| June 8, 2021 | The Washoe County Board of County Commissioners approved an agreement for investment services with FHN. |
| October 31, 2023 | FHN entered into an Assignment and Purchase Agreement with Meeder, whereby FHN's assets will be acquired by Meeder. This transaction is expected to close by mid-December 2023. |

BACKGROUND

The Washoe County Board of County Commissioners has overall responsibility for investment of County funds in accordance with NRS 355.175. Washoe County currently holds an investment portfolio of approximately \$850 million. This portfolio invests monies belonging to the Washoe County Investment Pool, which members consist of Washoe County and its various funds, as well as the Regional Transportation Commission, Truckee River Flood Management Authority, Truckee Meadows Fire Protection District, Washoe County Other Post Employee Benefits Trust, Western Regional Water Commission and Nevada Works. The cost of fees paid for investment management services is shared by these funds and agencies.

The size and complexity of the County's portfolio is sufficient to require a reasonably high-level of portfolio management skills and resources. The County's portfolio benefits from the expertise and market knowledge that an investment management agreement provides by way of better diversification and enhanced return. Maintaining an investment management agreement allows for more active management of the portfolio by providing staff time and resources that would not otherwise be available.

The County first sought the services of an investment manager in 2004 and has had the same investment advisor since that time. On January 21, 2021, Washoe County issued an RFP for investment management services, which resulted in the recommendation to award this agreement to FHN. On October 31, 2023, FHN entered into an Assignment and Purchase Agreement with Meeder whereby FHN's assets will be acquired by Meeder. This transaction is expected to close by mid-December 2023. FHN must acquire the County's consent for assignment pursuant to the County's agreement with FHN and the Investment Advisers Act of 1940.

FISCAL IMPACT

Estimated annual cost is \$250,000.00, which is allocated among the funds and agencies who participate in the Washoe County Investment Pool. Costs allocated to the General Fund are a part of the approved fiscal year (FY) 2023/24 budget for Cost Center 113200 Account 710141.

RECOMMENDATION

It is recommended to approve a Consent to Assignment of Investment Advisory Agreement between Washoe County and FHN Financial Main Street Advisors, LLC to Meeder Public Funds, Inc. for investment management services, for the remainder of the four (4) year term that began June 8, 2021 and ends June 7, 2025, with annual renewal options as agreed upon by all parties; estimated annual cost \$250,000.00, which is allocated among the funds and agencies who participate in the Washoe County Investment Pool.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

“Move to approve a Consent to Assignment of Investment Advisory Agreement between Washoe County and FHN Financial Main Street Advisors, LLC to Meeder Public Funds, Inc. for investment management services, for the remainder of the four (4) year term that began June 8, 2021 and ends June 7, 2025, with annual renewal options as agreed upon by all parties; estimated annual cost \$250,000.00, which is allocated among the funds and agencies who participate in the Washoe County Investment Pool.