



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: March 6, 2023

Re: A Resolution Approving Authorized Financial Dealers and Institutions for Investment Brokerage Services

Executive Summary

The Finance Department would like to add 2 investment brokers to the list of authorized financial dealers for the investment of pooled cash funds.

Discussion

The City solicited a request for proposal (RFP) for Investment Broker services in May of 2022. This RFP yielded 4 qualifying bids, in which Staff would like to move forward with final 2 proposals. As stated in the City of Columbia's Investment Policy, a list of approved financial institutions and/or security broker/dealers will be maintained by the Finance department and reviewed annually.

An investment broker a person that will aid the City in the purchase and sell of approved securities. The City will pay no fee to these brokers. To ensure that the City is receiving the best rates and yields possible, a list of these brokers is compiled to have multiple offerings for the period and amount of the investment purchase. These brokers will also aid Staff in creating an investment portfolio that will maximize the City's return on investments and earned interest income.

The two Brokers that Staff would like to add to our list are Arbitrage Management Group (AMG), and BOK Financial. Both of these Institutional Brokers are registered with the Securities and Exchange Commission (SEC) and are Qualified Institutional Buyers (QIB), which means that they are institutional investors that own or manage on a discretionary basis at least \$100 million worth of securities. Under Rule 144A, QIB's are allowed to trade restricted and control securities on the market, which increases the liquidity for these securities.

If approved the City would begin purchasing securities from these brokers when the time and interest rate of the presented securities fits the City's portfolio. Approval of these agreements does not insure that the City will purchase securities from these vendors, and does not obligate any City funds.

Fiscal Impact

Short-Term Impact: There is no cost to this service

Long-Term Impact: N/A



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Primary, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
03/01/2021	PR30-21 - Establishing a City of Columbia Investment Policy.

Suggested Council Action

Approve the Resolution for Investment Broker agreements