

# Mayor and Council Communication

**DATE:** 04/28/26

**M&C FILE NUMBER:** M&C 26-0295

**LOG NAME:** 13INVESTMENT\_SERVICES\_ADVISOR\_SERVICES\_2026

## **SUBJECT**

(ALL) Authorize Execution of a Professional Services Agreement with Meeder Public Funds, Inc. for Investment Advisory Services for the Financial Management Services Department in an Amount Up to \$160,000.00 Per Year for a Three-Year Initial Term with Two One-Year Renewal Options

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## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a professional services agreement with Meeder Public Funds, Inc. to provide investment advisory services for the Financial Management Services Department with a contract amount up to \$160,000.00 per year for an initial three-year term with two optional one-year renewals.

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## **DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize a professional services agreement with Meeder Public Funds, Inc. (Meeder) to provide non-discretionary advisory services in connection with the City of Fort Worth's (City) general investment portfolio. Non-discretionary means that the City retains the responsibility for approving all investment trades. The non-discretionary investment advisory services include (but are not limited to) the following:

- Being available in a timely manner, in person, by telephone, in virtual collaboration, or e-mail, for consultation or advice. Advisor will meet with and provide information to Council and the Financial Management Services (FMS) Department staff members as required. Advisor will meet periodically with staff to review and refine portfolio strategy and performance and shall attend and present at the City's quarterly Investment Committee. Both on and off-site, daytime and evening meetings are possible;
- Comply with all applicable federal and State of Texas laws and the ordinances, resolutions, and the policies of the City of Fort Worth;
- Provide assistance with developing and implementing investment strategies that will maintain or enhance portfolio quality and performance within the parameters of the City's established investment policy, relevant Federal, State, and Local laws, regulations, and ordinances;
- Work with the City's Treasury management staff to assure completion of investment trades, delivery of the securities and availability of funds, assist with trade settlements when needed, and obtain and document competitive prices for securities transactions. Provide technical and fundamental market research including yield curve analysis and future interest rate movements, etc.;
- Provide investment advice including breakeven analysis on recommendations made to sell low yield securities and replace them with higher yielding securities; and
- Periodically (at least annually) review and provide input on the City's Investment Policy. The City maintains an Investment Policy that is compliant with the Public Funds Investment Act and the requirements of the Investment Policy Certification Program through the Government Treasurers' Organization of Texas.

The City sought the services of a highly skilled firm with the following minimum qualifications:

- Registered as an Investment Advisor with the Securities and Exchange Commission (SEC) and registered and able to do business in the State of Texas
- Demonstrated familiarity with all applicable Texas statutes with regard to qualified investments for public entities (specifically chapters 2256 and 2257 of the Texas Government Code)
- Complete independence from any financial institution or securities brokerage firm
- A minimum of ten years of experience in managing the investment of government operating and bonded debt funds
- Meet the City's insurance requirements for a professional services engagement

On January 28, 2026, a Request for Qualifications (RFQ) for investment advisory services was issued by the FMS Department with a proposal deadline of March 2, 2026. In addition to publishing the RFQ on the City's website, it was emailed to thirteen firms and the RFQ was published on the message boards of the Municipal Advisory Council of Texas and Government Treasurers' Organization of Texas to further enhance exposure. Proposals were received from the following firms:

- Chandler Asset Management, Inc.
- Goldman Sachs Asset Management
- Hilltop Securities Asset Management, LLC
- Meeder Investment Management, Inc.
- PTMA Financial Solutions

The proposals were evaluated by a five member panel made up of members from the City's Investment Committee (Committee), which consists of key staff from the FMS, Law, FWLab, and Water Departments. The proposals were evaluated based on the following criteria:

- Qualifications and experience (50%);
- Understanding the needs of the City (20%);

- Reasonableness of cost (15%); and
- Soundness of approach (15%)

In addition, references were surveyed from the top two ranked firms by the FMS Treasury Management staff.

At the conclusion of the evaluation process, the Committee unanimously recommended Meeder as the firm that best meets the City's non-discretionary investment advisory requirements.

Meeder has proposed a flat fee of \$160,000.00 per year. As a point of reference, the City currently pays a fee of \$200,000.00 per year. The proposed fee will translate into savings of \$120,000.00 over the initial three year term. The City's practice is to initially expense the fee upon payment; however, the fee is ultimately netted against investment earnings and recorded as a reduction of investment earnings in each fund participating in the City's internal investment pool.

**Agreement Terms**

Upon City Council's approval, the initial three-year term will begin on May 1, 2026 and end on April 30, 2029.

**Renewal Options**

This agreement may be renewed for up to two successive one-year terms at the City's option. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

**About Meeder Public Funds**

Meeder Public Funds has earned the trust of state and local governments for over 35 years with a steadfast focus on client goals and a consistent approach to managing client assets. Meeder practices a consistent, highly quantitative strategy when constructing fixed income portfolios for public entities. Meeder Public Funds has extensive experience working with Texas local government entities and other large cities across the country. Meeder has served the City of Dallas since June 2021.

Highlights of Meeder's experience, qualifications, and service offering include (but are not limited to):

- Meeder is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) under the Investment Adviser's Act of 1940, as amended. Meeder is registered to do business in the State of Texas.
- Meeder is an independent investment advisor with no conflicts of interest unlike firms that are compensated from serving multiple roles within the public sector such as underwriters, banking institutions, insurance companies, and financial advisory consultants.
- Large staff of professionals at the City's disposal – investment advisory professionals, portfolio management professionals, and a credit research team.
- Highly customized investment solutions utilizing industry leading strategies, to potentially include revisions to the investment policy to take advantage of cutting-edge liquidity management techniques.
- Customized reporting: Authorized City staff will have 24/7 access to a customizable dashboard and reporting capability portal.
- Credit research: Meeder has its own proprietary credit research and credit team. Every credit counter party is continually reviewed as deemed necessary.
- Meeder has vast experience at creating customized investment solutions that conform to the requirements of the Public Funds Investment Act (PFIA). The investment solution(s) will be based on the City's cash flows, risk tolerances, and investment guidelines.
- Meeder provides PFIA qualified training that satisfies the training hours required by statute and allow participants to earn CPE credits at no additional cost (except for staff travel costs, if necessary) to the City.
- Meeder will attend formal monthly and quarterly Investment Committee meetings to review the portfolio and to recommend changes to the City's positions as appropriate.
- Meeder will conduct regularly scheduled compliance reviews of the portfolio.

This will serve ALL COUNCIL DISTRICTS.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and execution of the professional services agreement, funds will be available in interest earnings of the participating funds. Prior to any expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** Reginald Zeno 8517

**Originating Business Unit Head:** Reginald Zeno 8517

**Additional Information Contact:** Alex Laufer 2268

