



Board Agenda Item 21

DATE: December 12, 2023

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Assignment of Investment Advisory and Reporting Services Agreement from FHN to Meeder

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Assignment of Agreement to provide that the rights, benefits, responsibilities, and obligations of FHN Financial Main Street Advisors, LLC, under the Agreement for Investment Advisory and Reporting Services (Agreement No. 20-422), relating to the County's Treasury Investment Pool, are transferred to Meeder Public Funds, Inc.

On October 20, 2020, your Board approved and executed agreement 20-422 with FHN Financial Main Street Advisors, LLC. (FHN) for Investment Advisory and Reporting Services (Agreement) relating to the County's Treasury Investment Pool. FHN recently entered into an assignment and purchase agreement with Meeder Investment Management, Inc., which, when it closes, will result in the acquisition of FHN, whose operations will be taken over by Meeder Public Funds, Inc. (Meeder), a wholly-owned subsidiary of Meeder Investment Management, Inc. Under the Agreement, services provided by FHN may not be assigned to Meeder without written consent by both parties to the Agreement, including the County. The recommended Assignment of Agreement will accomplish that consent and provide that Meeder assumes all rights, benefits, responsibilities, and obligations of FHN under the Agreement.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the County will be unable to continue receiving investment advisory and reporting services under the Agreement. The Auditor-Controller/Treasurer-Tax Collector (Department) would then need to conduct a new competitive selection process for these services, which would take several months to complete and would leave the County without any services during that period.

FISCAL IMPACT:

There are no net County costs associated with the recommended action.

DISCUSSION:

On October 20, 2020, your Board approved the Agreement with FHN for investment advisory and reporting services with a term effective January 1, 2021, through December 31, 2023, with two additional one-year extensions available.

The investment advisory and reporting services under the Agreement are necessary to the operation of the County's Treasury Investment Pool.

On October 2, 2023, the Treasurer approved the first extension of the Agreement, through December 31, 2024. By letter to the County on November 1, 2023, FHN advised that on October 31, 2023, it had entered into an Assignment and Purchase agreement with Meeder Investment Management, Inc. FHN further advised that, as a result of the acquisition, all FHN employees will become employees of Meeder and Meeder will assume the operations of FHN. FHN expects the acquisition transaction to close by mid-December 2023.

The existing Agreement provides that neither party shall assign its rights or delegate its obligations under the Agreement without the prior written consent of the other party. Approval of the recommended action would authorize the assignment of FHN's rights, obligations, and duties under the Agreement to Meeder. The Assignment of Agreement provides that Meeder will perform each and every one of FHN's obligations and responsibilities under the Agreement as though it were the signatory party to the Agreement, in lieu of FHN. The Assignment of Agreement also provides that Meeder assumes liability accruing as a result of FHN's, as well as Meeder's, performance or failure to perform its obligations under the Agreement.

The Department believes that, if your Board approves the recommended action, Meeder will provide services to the County that are equivalent to the services that FHN has been providing to the County.

REFERENCE MATERIAL:

BAI #22, October 20, 2020

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Assignment of Agreement
On file with Clerk - FHN Contract
On file with Clerk - FHN-First Extension
On file with Clerk - FHN acquisition letter

CAO ANALYST:

Paige Benavides