



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** February 20, 2024  
**SUBJECT:** First Amendment to Agreement with Public Trust Advisors, LLC for Investment Advisory Services

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**Description** Review recommendation to extend the current contract with Public Trust Advisors, LLC for two-years without any changes to the terms and conditions originally agreed upon.

### **Background and Analysis:**

On February 16, 2021, the City Council approved a three-year contract with Public Trust Advisors, LLC (Public Trust), with options for two one-year extensions. The investment advisory team provides professional advice on investment selection, manages the City's investment portfolio, and assists the City in achieving the goals of the investment policy which are safety of principal, liquidity, and obtaining a market rate of return.

On December 5, 2023, the City Council authorized the City Manager to sign an Assignment Consent Letter to consent to a change in a portion of ownership structure of Public Trust. The change allowed Flexpoint Ford, LLC (Flexpoint Ford), to purchase a majority ownership in the firm, including equity previously held by Bear Creek Products (Bear Creek).

Beaumont Municipal Code (BMC) Chapter 3.02.070 allows for professional services contracts to be awarded for a maximum of five (5) years, with two (2) one-year renewals, subject to City Council approval. Therefore, City staff are recommending to extend the contract two additional years as allowable by the BMC, for a total contract term of five (5) years.

Extending the contract without changes to the existing terms allows for the uninterrupted continuation of the investment advisory services provided by Public Trust. It also maintains consistency and stability in the advisory services which have been satisfactory to City staff and assists in portfolio compliance.

**Fiscal Impact:**

There will be no immediate financial impact resulting from the amendment as it does not involve any changes to the existing fee structure or compensation terms outlined in the initial contract. All fees, expenses, and payment terms will remain unchanged.

The estimated cost to prepare this report is \$165.

**Recommended Action:**

Authorize the amendment to extend the Public Trust Advisors, LLC contract for an additional year without any changes to the terms and conditions.

**Attachments:**

- A. Public Trust Advisors Contract First Amendment
- B. Agreement for Professional Services by Public Trust dated February 16, 2021
- C. Assignment Consent Letter