



***CITY COUNCIL AGENDA SUBMISSION  
March 9, 2021***

**Agenda Item:**

**RESOLUTION #2020-204 A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INVESTMENT CONSULTING AGREEMENT WITH MARQUETTE ASSOCIATES, INC.**

**Description:**

The City currently has a contract with Fiduciary Consultants to provide professional investment advice for the City's Employee Pension. Fiduciary Consultants was purchased by Marquette Associates in 2012. The City maintained its agreement with Fiduciary Consultants (now doing business as Marquette Associates Inc.) but the name on the agreement was not changed from Fiduciary Consultants to Marquette Associates. The Council is asked to authorize the City Manager to enter into a new consulting agreement with Marquette Associates. Services provided under the agreement remain the same, it is simply a change in business name.

Marquette Associates is requesting a fee increase of \$1,000 per quarter for the next three years. There has not been a fee increase since 2006.

Both the contract and the fee schedule were presented to the Pension Board of Trustees. The Trustees approved recommending that the Council approve the new contract and associated fee increase.

**Recommended Action:**

Move to Approve:

**RESOLUTION #2020-204 A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INVESTMENT CONSULTING AGREEMENT WITH MARQUETTE ASSOCIATES, INC.**

**Attachments:      Resolution #2020-204**

Submitted by  
Barbara Sondag  
City Manager

**RESOLUTION NO. 2020-204**

**RESOLUTION #2020-204 A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INVESTMENT CONSULTING AGREEMENT WITH MARQUETTE ASSOCIATES, INC.**

**WHEREAS**, the City of Olivette, Missouri (the “City”) requires the services of a Professional Investing Consultant; and

**WHEREAS**, the City has had a contract for Investing Consulting Services with Fiduciary Consultants; and

**WHEREAS**, Fiduciary Consultants was purchased by Marquette; and

**WHEREAS**, Marquette Associates, Inc (“Marquette”) has the knowledge, expertise, and experience to provide, and has been providing, such Consulting Services; and

**WHEREAS**, the City wishes to continue its relationship with Marquette.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OLIVETTE, MISSOURI, AS FOLLOWS:**

**Section 1.** The City Manager is authorized to enter into an Investing Consulting Agreement with Marquette Associates for services and fees as outlined in the Agreement “Exhibit A”.

**Section 2.** This Resolution shall be in full force and effect from and after its passage.

PASSED THIS 5<sup>th</sup> DAY OF March 2021.

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Mayor Ruth Springer

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Denise Mandle, Acting City Clerk

**EXHIBIT A**

## INVESTMENT CONSULTING AGREEMENT

This Agreement is made and entered into as of \_\_\_\_\_, 2021 by and between Marquette Associates, Inc., an Illinois corporation ("Marquette"), and the Salaried Employees Pension Plan of the City of Olivette a Missouri Defined Benefit Plan. ("Client").

- I. **ENGAGEMENT OF MARQUETTE.** Client hereby agrees to retain Marquette to perform the "Services" set forth in Article III of this Agreement and Marquette agrees to perform such Services. The Services of Marquette to Client are not exclusive and Marquette shall be free to render similar services to others so long as such other services do not impair its ability to perform hereunder. Marquette shall be free to retain such employees as it may determine and assign to them such responsibilities, including responsibilities relating to the performance hereunder, as it may determine. It is understood and agreed that the relationship between the parties hereto shall be that of independent contractors and nothing herein shall be construed to constitute or appoint Marquette or its officers and employees as an agent of Client.
- II. **FIDUCIARY STATUS.** Marquette acknowledges it is a fiduciary to Client with respect to the Services rendered under this Agreement and will act in accordance thereof.
- III. **SERVICES.** The Services to be performed by Marquette for Client may include the following:
  1. Systems Review. Marquette will conduct an initial, comprehensive review of Client's current investment program, to include the following:
    - (a) an assessment of the program's current design;
    - (b) a review of the current portfolio structure; and
    - (c) an evaluation of the current investment manager lineup, including a written report containing Marquette's observations and recommendations for the program where appropriate.
  2. Development of Investment Policy and Guidelines. Marquette will meet with Client to develop a written investment policy and guidelines that will govern future management of Client's assets. In formulating such a policy and guidelines, Marquette will consider the following:
    - (a) current financial condition of Client and its future plans;
    - (b) the plan's liabilities, liquidity and distribution needs;
    - (c) level and nature of contributions, if any;
    - (d) the risk tolerances and preferences of Client; and

- (e) quantitative asset allocation analysis and portfolio optimization techniques.
3. Selection of Investment Manager(s). Marquette will assist Client in selecting an investment manager(s) if and when needed. Marquette's assistance will consist of:
- (a) analyzing investment manager(s) recommended by Client and performing complete due diligence on each such investment manager(s);
  - (b) recommending new investment manager(s) to Client, as necessary;
  - (c) discussing and reviewing with Client the qualifications of potential investment manager(s);
  - (d) interviewing potential investment manager(s) and reviewing with Client the results of such interview(s); and
  - (e) organizing final presentations by the investment manager(s) and assisting Client in the final selection of an investment manager(s).
4. Performance Evaluation. On a calendar-quarter basis, Marquette will calculate the rates of return for each component of Client's investment program. Marquette will prepare quarterly written reports that will include:
- (a) an analysis and summary of the most recent events in the financial markets;
  - (b) an analysis of the allocation of Client's investments across asset classes and/or managers and changes in that allocation; and
  - (c) a review of Client's investment results of all managers, funds and asset classes in the context of their objectives and benchmarks, along with specific commentary on factors affecting performance.
5. Meetings. Marquette will endeavor to meet with Client at minimum on a quarterly basis (provided that Client is available) to discuss the investment program.
6. Proxy Voting. Marquette is not responsible for voting proxies on behalf of Client.
7. General Consultation. Marquette will accommodate all reasonable requests for information and/or analysis of a general nature.

- IV. INFORMATION AND STATEMENTS. Client shall provide or cause to be provided to Marquette information, including periodic financial statements and periodic written statements of assets and transactions, as Marquette may reasonably request from time to time in the performance of its Services, and Marquette may rely on such reports without further inquiry or review. Marquette agrees that it and its officers and employees will treat as confidential any information received from Client except as may be required to be disclosed (i) in connection with performing its Services to be rendered hereunder or (ii) by law or legal process. It is understood and agreed that Marquette, in the preparation of its reports, does not assume responsibility for the accuracy of any information furnished by Client, the selected investment manager(s) or any other person, firm or corporation.
- V. TERM AND TERMINATION. The term of this Agreement shall commence on January 1, 2021 and shall continue in effect until terminated by either party. This Agreement may be terminated (i) upon 30-days written notice by either party to the other party, (ii) upon written notice by either party in the event of its inability to perform its obligations (other than payment of the compensation due as provided in Article VI of the Agreement) notwithstanding its best efforts, caused by actions or requirements making performance impossible or unfeasible, where the actions or requirements are from non-affiliated entities not a party to this Agreement, or (iii) upon written notice by either party at any time if the other party fails to materially perform its obligations hereunder. Upon termination, Marquette shall refund any prepaid fees to Client on a pro-rata basis, and Marquette may deduct from that sum before payment any amounts that Client owes to Marquette.
- VI. COMPENSATION TO MARQUETTE.
1. Consulting Fee. For so long as it provides Services under this Agreement, Client shall pay Marquette an annual fee. The current fee is set forth on the Schedule of Fees attached as *Exhibit A* and incorporated herein. Marquette may amend and restate *Exhibit A* on an as-needed basis to reflect its current fee, subject to the approval of Client, and shall provide Client with such amended and restated *Exhibit A*.
  2. Other Services. If Marquette is required to perform other services not contemplated herein, then Client shall pay Marquette additional compensation in an amount to be agreed upon between Marquette and Client.
- VII INDEMNITY. Client agrees that it will indemnify and hold harmless Marquette of, from and against any and all costs, claims, losses, demands or liabilities (including legal fees and amounts paid in settlement) with respect to the acts, transactions, duties, obligations or responsibilities of Client, the investment manager(s) selected by Client or any other person, agent, firm or corporation working with or for Client.

- VIII. NOTICES. Any notices, demand, or communication required or permitted hereunder shall be in writing and shall be deemed duly given for all purposes upon: (i) the actual receipt by the recipient, if notice is given by personal delivery or any method not described below; (ii) one business day after deposit of notice, if notice is given by reputable overnight commercial courier service for next day delivery; (iii) four business days after mailing, if notice is given by U.S. mail, postage prepaid; and (iv) when sent, if notice is given by facsimile or e-mail and a confirmation copy of such notice is simultaneously sent by personal delivery, U.S. mail, or reputable overnight commercial courier service. Notices shall be addressed to Marquette Associates, Inc. at 180 N. LaSalle St., Suite 3500, Chicago, IL 60601 and to Client at 1140 Dielman Road, Olivette, MO 63132 or at such other address as shall be specified in each case in a written notice duly given.
- IX. ACKNOWLEDGEMENT AND CONSENT OF USE OF CLIENT'S NAME. Client acknowledges, consents to, and authorizes Marquette to use Client's name in Marquette's brochures, marketing or advertising materials. Client understands that Marquette's use is only for the purpose of showing other potential clients that Client uses the consulting services of Marquette. Marquette shall not disclose any other information about Client or its account assets without Client's written consent.
- X. SERVICE TO OTHER CLIENTS. Client understands that Marquette performs investment consulting services for various other clients and agrees that Marquette, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to Client.
- XI. MISCELLANEOUS.
1. Compliance With Law. The parties shall comply in all material respects with any and all applicable Federal, State and local laws and regulations as the same exist and may be amended from time to time. Notwithstanding any other provision herein, any action of a party that is required by law or regulation shall not be deemed a breach of this Agreement.
  2. Governing Law. This Agreement shall be governed by and construed according to the laws of the State of Illinois without reference to choice-of-law or conflict-of-law principles.
  3. Severability. If, for any reason, any provision of this Agreement is held to be unenforceable, the remainder of the provisions of this Agreement as may remain otherwise intelligible shall nonetheless be valid and enforceable to the maximum extent allowed by applicable laws except to the extent that the intent of this Agreement is frustrated thereby.
  4. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto, and nothing in this Agreement is intended nor shall be deemed

to confer any rights, remedies, or benefits to, or be enforceable by, any other individual or legal entity.

5. Amendments. This Agreement may not be amended, modified, or repealed except by a written amendment or other document signed by both of the parties hereto.
6. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto and contains all the agreements among such parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or written, between such parties with respect to the subject matter hereof.
7. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.
8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
9. Acknowledgements. Client hereby acknowledges receipt of Marquette's ADV Part 2A and Privacy Policy.

IN WITNESS WHEREOF, the parties have entered this Agreement on the date first written above.

Marquette Associates, Inc.

By: \_\_\_\_\_  
Brian Wrubel  
President & CEO

City of Olivette

By: \_\_\_\_\_  
Name:  
Title:

**Schedule of  
Fees**



Since we began our relationship with the City of Olivette in 2006 as Fiduciary Consultants, Inc. and subsequently as part of Marquette, we have never asked for a fee increase. Our expenses and capabilities have increased significantly over this time period. We are investing back into the company to increase our research depth and technological capabilities to continue to bring you sound investment advice. Over this time the Fund's performance has significantly improved, is ranked in the top half of its peer group for longer periods and boasts a 8.9% return and 20<sup>th</sup> percentile ranking over the last 10 years as of 12/31/2020:

	1 Year	3 Years	5 Years	7 Years	10 Years
	12.6%	8.4%	9.9%	8.2%	8.9%
<b>Rank vs. TH PensionFunds</b>	<b>54</b>	<b>65</b>	<b>47</b>	<b>29</b>	<b>20</b>

Our fee Request:

Current Fee	\$6,000/quarter	\$24,000/year
<i>Request: 1-1-21 to 12-31-21</i>	<i>\$7,000/quarter</i>	<i>\$28,000/year</i>
<i>Request: 1-1-22 to 12-31-22</i>	<i>\$8,000/quarter</i>	<i>\$32,000/year</i>
<i>Request: 1-1-23 to 13-31-123</i>	<i>\$9,000/quarter</i>	<i>\$36,000/year</i>

We are requesting a \$1,000 per quarter fee increase, each of the next three years.

We value our relationship with the City of Olivette and look forward to continuing to work hard on your behalf.

Marquette Associates, Inc.

By: \_\_\_\_\_  
 Brian Wrubel  
 President & CEO

Date: \_\_\_\_\_

City of Olivette

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

Date: \_\_\_\_\_