

**Children's Services Council of Leon County (CSC Leon)
Investment Workgroup Meeting**

Wednesday, January 4, 3:30 pm ET

Via Zoom

Members of the public can view the meeting via live stream on this YouTube channel:

<https://www.youtube.com/channel/UCc74A9evhLxbHrH63-clbQ>.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. General Public Comment
- V. Review of Draft Reserve Policy
- VI. Review of Draft RFI for External Investment Services
- VII. General Public Comment
- VIII. Next Meeting Date
- IX. Next Meeting Agenda
- X. Workgroup Member Comments
- XI. Adjournment

Children's Services Council of Leon County

Reserves Policy

The purpose of this Reserve Policy ("Policy") is to set forth the reserve objectives and parameters for the management of Catastrophe and Contingency Funds of the Children's Services Council of Leon County, Florida ("CSC Leon"). This Policy is designed to ensure the prudent management of public funds and the availability of operating funds when needed. The Council believes that sound financial management principles require that sufficient funds be retained by the Council to provide a stable financial base at all times. To retain this stable financial base, the Council needs to maintain a Reserves Fund Balance sufficient to fund all cash flows of the Council, to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature, and to offset significant economic downturns or revenue shortfalls.

This policy will specify the size and composition of the Council's financial reserves.

1. Catastrophe Reserves:

- a) The Catastrophe Reserves will be maintained at 2% annualized of the projected Ad Valorem revenue for the ensuing year.
- b) The Catastrophe Reserves will provide immediate cash flow in the event of a natural disaster to bridge gaps in services until long-term solutions are established.
- c) Funding at the state level designated for natural disasters will be leveraged prior to utilizing CSC Leon Funds.
- d) The Council will have the ability to reallocate funding within the Reserve categories should it be deemed necessary to address the immediate needs.

2. Contingency Reserves:

- a) The Contingency Reserves will be maintained at an amount not to be less than 10% of the projected Ad Valorem revenue for the ensuing year.

- b) The Contingency Reserves will provide immediate cash flow to support the continued operations of CSC Leon to include payment of staff salary, purchase of materials and equipment, and continued contractual supports.
- c) Contingency Reserves can be utilized in the event of unexpected circumstances to include a reduction in the collection of Ad Valorem Taxes and significant economic downturns.
- d) The Council will have the ability to reallocate funding within the Reserve categories should it be deemed necessary to address immediate needs.

Annual Review:

The Council will determine the compliance with the provisions set within this policy. As part of the annual budget process, the Council will review the allocation and use of the Reserves to determine the suitability of the amount allocated in the budget for the ensuing year.

Request for Information (RFI)
Investment Advisory Services
Children's Services Council of Leon County (CSC Leon)

Issue Date: TBD

Response Deadline: TBD

ALL RESPONSES SHOULD BE SUBMITTED IN WRITING VIA EMAIL TO procurement@cscleon.org. UNDER NO CIRCUMSTANCES SHALL ANY RESPONDENT CONTACT ANY CSC LEON COUNCIL MEMBER OR STAFF REGARDING THIS NOTICE.

THIS IS NOT A REQUEST FOR PROPOSAL. THIS IS FOR INFORMATIONAL PURPOSE ONLY; NO QUESTIONS WILL BE ACCEPTED IN RESPONSE TO THIS RFI. NO AWARD WILL BE MADE ON THE BASIS OF RESPONSES RECEIVED TO THIS NOTICE.

DRAFT

I. INTRODUCTION

The Children's Services Council of Leon County (CSC Leon) is issuing this Request for Information (RFI) to assess options for investment and cash management services from qualified vendors that have expertise and knowledge with the investment of public funds. CSC Leon has identified the following broad principles for its investment strategy:

1. Safety of Principal
2. Maintenance of Liquidity
3. Return Maximization

CSC Leon is an independent, special taxing district in Leon County, Florida, established in November 2020. CSC Leon serves a population of nearly 200,000 and has an annual average general fund revenues of \$7.8 million.

CSC Leon's potential investment portfolio consists of approximately \$300,000 in general operating and reserve funds (no pension funds). CSC Leon currently manages excess funds in money market accounts. CSC Leon expects to transition to a third-party safekeeping arrangement if/when the transition to a fee-based investment advisor model is made. The transition to a fee-based investment advisor solution is being considered in order to enhance portfolio return, properly manage risk, maintain continuity and ensure that investment decisions are made and executed in the best interest of CSC Leon.

Ultimately, CSC Leon's goal is to maximize the interest earned while minimizing risk on its cash reserves and leverage its fund balance without compromising liquidity.

Responses to this RFI will be used as inputs to CSC Leon's decision-making process.

All information received in response to this RFI marked "Proprietary" will be handled accordingly. Responses to the RFI will not be returned. Responses to this RFI are not considered offers and will not be accepted by CSC Leon to form a binding contract. Responses to this RFI will assist CSC Leon in determining the potential level of interest, competition adequacy, and technical capabilities of commercial vendors to provide the required products and services. CSC Leon does not guarantee any action beyond this RFI.

II. BACKGROUND

CSC Leon is a catalyst for positive change to improve the lives and outcomes of children and families in the local community. Approved by a majority of the Leon County ("County") electorate in the November 2020 general election, CSC Leon has been established to provide children with early learning and reading skills, development, treatment, preventative and other children's services. As an independent special district authorized by section 125.901, Florida Statutes, CSC Leon will provide funding for these children's services throughout the County by

annually levying ad valorem taxes, not exceeding the maximum millage rate of one-half (1/2) mill. CSC Leon has independent oversight and accountability, and the following powers and functions:

1. To provide and maintain in the County such preventive, developmental, treatment and rehabilitative services for children as CSC Leon determines are needed for the general welfare of the County.
2. To provide such other services for all children as CSC Leon determines are needed for the general welfare of the County.
3. To allocate and provide funds for other agencies in the County which are operated for the benefit of children, provided they are not under the exclusive jurisdiction of the public school system.
4. To collect information and statistical data and to conduct research, which will be helpful to CSC Leon and the County in deciding the needs of children in the County.
5. To consult with other agencies dedicated to the welfare of children, to the end that the overlapping of services will be prevented.
6. To lease or buy such real estate, equipment, and personal property and to construct such buildings as are needed to execute the foregoing powers and functions, provided that no such purchases shall be made or building done unless paid for with cash on hand or secured by funds deposited in financial institutions. Nothing in this subsection shall be construed to authorize CSC Leon to issue bonds of any nature, nor shall CSC Leon have the power to require the imposition of any bond by the Board of County Commissioners.
7. To employ, pay, and provide benefits for any part-time or full-time personnel needed to execute the foregoing powers and duties.

In 2021, the ten-member CSC Leon Governing Council set the millage rate at 0.375 generating \$7,335, 558. In 2022, the same millage is proposed to generate \$8,041,249 in revenue.

III. Investment Advisory Services

The following describes the basic scope of services that CSC Leon anticipates needing.

1. Prepare a written Investment Policy Statement (the "IPS"). The IPS will establish the investment policies and objectives of CSC Leon, set forth the asset classes and investment categories to be sought, and define the criteria and standards for selecting and monitoring investments.
2. Provide investment recommendations with regard to the specific selection criteria set forth in the IPS.

3. Monitor the core investment funds being utilized to assure both ongoing compliance with the objective criteria as outlined and required by the IPS as well as ongoing satisfaction of reasonable objective and subjective criteria.
4. Make recommendations regarding investments including, but not limited to, investment changes or supporting documentation as to the ongoing retention of investments when such recommendations are deemed advisable.
5. Provide on-site investment reviews with the Governing Council or committee, generally accepted to be held quarterly during the first year, transitioning to a semi-annual basis thereafter. The meetings will be held at the CSC Leon public office in Tallahassee, Florida.

IV. RESPONSE CONTENT

CSC Leon would like to obtain the following information about investment and cash management services that will ultimately meet the functions described in section III:

Organization and Background

1. Briefly describe your organization, the year it was founded, location of its headquarters and other offices, its ownership structure, and affiliation with other companies.
2. Please describe the entire range of investment management services your firm provides to clients. Indicate which services are your firm's specialties or areas of greater expertise. Why did you choose the particular area of expertise and how is the expertise maintained and expanded?
3. Disclose all conflicts or potential conflicts of interest the firm has in serving in an investment manager relationship (e.g., relationships with custodians, investment managers, brokerage firms, etc.).
4. Has the firm or any officer or principal of the organization been involved in litigation related to investment management activities, or have they otherwise been involved in a SEC investigation or litigation? If yes, provide a brief summary and indicate the current status of the proceedings.
5. List any other support services the firm provides CSC Leon, if applicable (e.g., customized research projects, educational seminars, etc.).
6. Describe the firm's expertise in handling monies originating from public funds, specifically for Florida cities, counties or special districts.
7. Describe the financial condition of your firm.

Staffing

8. Provide an organizational chart that includes all individuals employed in the investment management group. Specifically identify consultants, professional support staff, and administrative staff, along with professional designations.

9. List the personnel you would likely propose to assign to this relationship and their responsibilities. Provide brief biographical information on each individual including their positions in the company, education, training, and years and type of experience in investment management.
10. Describe the turnover of portfolio managers and professional support staff over the past five years.

Client/References

11. Identify the types of accounts primarily sought by your firm.
12. Attach a list of three Florida references, including at least one client similar to CSC Leon in size and scope of investment. Indicate the contact name, address and telephone number. Indicate the length of time you have provided investment services to the client and the type of services provided.

Performance Measurement and Evaluation

13. Describe the methods and sources of data used for analyzing the performance of investment managers and the portfolio. Specifically, include the monitoring of performance, risk, style, etc. Which benchmarks are most appropriate for this portfolio? Should we expect an incremental increase in return over the benchmark return?
14. How many business days after the end of a reporting period are the performance reports available? Can the reports be customized? Please provide a sample monthly client report.

Technology

15. What technological capabilities does the firm have to add value and efficiencies to the investment management process? Does the firm have a web site? If yes, please provide the web site address and a brief commentary on information typically accessible to clients.
16. Describe the top two technology initiatives/enhancements your firm will be implementing or developing in the next twelve to twenty-four months.

Investment Strategy

17. Briefly describe your firm's investment management philosophy including your approach to managing portfolios for Florida cities, counties or special districts.
18. What are the primary strategies for adding value to the portfolios?
19. Describe the ongoing daily investment procedures. Include procedures for trades, security selection, controls, etc., and how will you provide necessary liquidity.
20. How frequently would you suggest your staff meet with CSC Leon staff? Who will attend these meetings?

Fee

21. Outline your fee schedule that would likely apply to CSC Leon. Include in the fee schedule any and all applicable fees to perform investment advisory services.
22. What, if any, are the start-up costs (e.g., development of IPS, etc.)?

Summary

23. What do you believe sets your firm's services apart from the competition and what unique value-added services could you provide for CSC Leon? Please respond by using an example of how your firm assisted a similar client build a successful investment program.

V. SUBMISSION DETAILS

Interested businesses shall submit electronic responses; responses must be received by Dina Snider at procurement@cscleon.org no later than MONTH, DAY, 2023, at 5:00 p.m. ET.

Responses must be submitted electronically, formatted in Microsoft Word or Microsoft Excel (any version). Margins must be 1" on all sides, to print on 8 ½" x 11" paper. Calibri typeface, 12-point font is preferred. Responses should be specific to the response content outlined in section III, and include the following: company name, address, url and point-of-contract (POC) including name, phone number and email address.

The page limitation is 15 pages and respondents are cautioned to keep marketing materials and non-specific information to a minimum. No responses shall be accepted via US Mail or Fax.

Disclaimer: This is a Request for Information only to identify sources that can provide investment and cash management services.