



City of Grand Island

Tuesday, October 12, 2010

Council Session

Item G22

**#2010-290 - Approving Assignment of Investment Advisory
Contract with McCarthy Group Advisors, L.L.C.**

Staff Contact: Mary Lou Brown

Council Agenda Memo

From: Mary Lou Brown, Finance Director

Meeting: October 12, 2010

Subject: Approving Assignment of Investment Advisory Contract with McCarthy Group Advisors, L.L.C.

Item #'s: G-22

Presenter(s): Mary Lou Brown, Finance Director

Background

McCarthy Group Advisors, L.L.C. (MGA) provides the investment advisory services for the reserve funds held at Smith Hayes. These funds are the backstop to the pension obligations that are administered by Wells Fargo.

Discussion

MGA has entered into a definitive agreement with Westwood Holdings Group (WHG) for WHG's acquisition of MGA which will result in the combination of the two companies' resources. MGA concluded that WHG's approach to preservation and growth of capital, their core values and their commitment to excellence were compatible with their own. All employees of MGA will become employees and shareholders of WHG and offices will be maintained in Omaha and Dallas. MGA's current offerings will continue; MGA will assume the WHG name.

The transaction results in the assignment of the City's investment advisory contract with MGA to WHG. Under the existing investment advisory agreement, the City's consent is required for the assignment to occur.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the assignment of the City's investment advisory contract with MGA to WHG.

2. Postpone the issue to a future meeting.
3. Take no action.

Recommendation

City Administration recommends that the Council approve the assignment of the City's investment advisory contract with MGA to WHG.

Sample Motion

Move to approve the assignment of the City's investment advisory contract with MGA to WHG.

CONSENT TO ASSIGNMENT OF INVESTMENT ADVISORY AGREEMENT

The undersigned client ("Client") has one or more investment advisory agreements with McCarthy Group Advisors, L.L.C. ("MGA"). By letter dated September 20, 2010, MGA notified Client of a definitive agreement between MGA and Westwood Holdings Group, Inc. ("Westwood") pursuant to which Westwood proposes to acquire ownership of 100% of the equity interests in MGA (the "Transaction"). If consummated, the Transaction will result in the "assignment" (within the meaning of the Investment Advisers Act of 1940) to Westwood of Client's investment advisory agreement(s) with MGA. Under Client's investment advisory agreement(s) with MGA, Client's consent is required for such assignment.

By executing this Consent, Client confirms and agrees as follows:

(a) Client consents to the assignment to Westwood of its investment advisory agreement(s) with MGA which will result from the Transaction.

(b) Following such assignment, its investment advisory agreement(s) will remain in full force and effect as written.

Dated: _____, 2010.

Client Name: Grand Island Firefighters
Address: c/o Mary Lou Brown
P.O. Box 1968
Grand Island, NE 68802

Signature

Printed or typed name of signator

Printed or typed title of signator (if signing for a legal entity)

RESOLUTION 2010-290

WHEREAS, the City has an investment advisory agreement with McCarthy Group Advisors, L.L.C.; and

WHEREAS, the City has been notified of a definitive agreement between McCarthy Group Advisors, L.L.C. and Westwood Holdings Group, Inc. pursuant to which Westwood Holdings Group, Inc. proposes to acquire ownership of 100% of the equity interests in McCarthy Group Advisors, L.L.C.; and

WHEREAS, the transaction will result in the assignment to Westwood Holdings Group, Inc. of the City's investment advisory agreement with McCarthy Group Advisors, L.L.C.; and

WHEREAS, the City's investment advisory agreement with McCarthy Group Advisors, L.L.C. requires consent for such assignment;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor is hereby authorized and directed to sign on behalf of the City of Grand Island, the Consent to Assignment of Investment Advisory Agreement consenting to the assignment to Westwood Holdings Group, Inc. of the City's investment advisory agreement with McCarthy Group Advisors, L.L.C. which will result from the transaction and following such assignment, the investment advisory agreement will remain in full force and effect as written.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such Consent on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 12, 2010.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 7, 2010	☐ City Attorney