

**EXHIBIT**

**"A"**

**CITY OF ROUND ROCK AGREEMENT  
FOR PROFESSIONAL CONSULTING SERVICES WITH  
PATTERSON CAPITAL MANAGEMENT dba PATTERSON & ASSOCIATES**

**THE STATE OF TEXAS**

§

**THE CITY OF ROUND ROCK**

§

**KNOW ALL BY THESE PRESENTS**

§

**COUNTY OF WILLIAMSON**

§

§

THIS AGREEMENT for professional consulting services related to advisory services for the City's investment portfolio (hereinafter referred to as the "Agreement") is made by and between the CITY OF ROUND ROCK, a Texas home-rule municipal corporation with offices located at 221 East Main Street, Round Rock, Texas 78664-5299, (the "City") and PATTERSON CAPITAL MANAGEMENT dba PATTERSON & ASSOCIATES, located at 301 Congress Avenue, Suite 570, Austin, TX 78701 (hereinafter the "Consultant").

**RECITALS:**

**WHEREAS**, City previously determined that there is a need for the delineated services; and

**WHEREAS**, on May 2, 2014, City entered into a twelve (12) month Agreement for investment advisory services; and

**WHEREAS**, City desires to enter into a new Agreement with Consultant for investment advisory services as set forth herein; and

**WHEREAS**, the parties desire to enter into this Agreement to set forth in writing their respective rights, duties and obligations hereunder;

**NOW, THEREFORE, WITNESSETH:**

That for and in consideration of the mutual promises contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, it is mutually agreed between the parties as follows:

**1.01 EFFECTIVE DATE, DURATION, AND TERM**

This Agreement shall be effective on the date this Agreement has been signed by each party hereto, and shall remain in full force and effect for a period of six (6) months.

City reserves the right to review the Agreement at any time, and may elect to terminate the Agreement with or without cause pursuant to Section 1.10.

## **1.02 CONTRACT AMOUNT; AND SCOPE OF WORK DELINEATION**

In consideration for the professional consulting services to be performed by Consultant pursuant to the "Investment Advisory Extension Proposal" (hereinafter referred to as "Scope of Work" and attached as Exhibit "A" and incorporated herein for all purposes), City agrees to pay Consultant a sum of **Thirteen Thousand Five Dollars and no/100 (\$13,500.00)** during the term of this Agreement for payment of services as delineated in Exhibit "A."

Consultant shall perform its services in accordance with this Agreement and in accordance with the referenced Scope of Work. Consultant shall satisfactorily provide all services and deliverables described under the referenced Scope of Work within the contract term specified in Section 1.01. Consultant's undertakings shall be limited to performing services for City and/or advising City concerning those matters on which Consultant has been specifically engaged. Consultant shall perform its services in a professional and workmanlike manner.

Consultant shall not undertake work that is beyond the Scope of Work set forth in Exhibit "A." However, either party may make written requests for changes to the Scope of Work. To be effective, a change to the Scope of Work must be negotiated and agreed to in all relevant details, and must be embodied in a valid Supplemental Agreement as described in Section 1.04 hereof.

## **1.03 PAYMENT FOR SERVICES; REIMBURSABLE EXPENSES**

**Not-to-Exceed Total Payment for Services:** Consultant's total compensation for consulting services hereunder shall not exceed **Thirteen Thousand Five Hundred Dollars and no/100 (\$13,500.00)**. This amount represents the absolute limit of City's liability to Consultant hereunder unless same shall be changed by Supplemental Agreement, and City shall pay, strictly within the not-to-exceed sum recited herein, Consultant's professional fees for work done on behalf of City. This amount includes all reimbursable expenses, including travel costs.

**Payment for Reimbursable Expenses:** There shall be no payments for reimbursable expenses included in this Agreement.

**Deductions:** No deductions shall be made for Consultant's compensation on account of penalty, liquidated damages or other sums withheld from payments to Consultant.

**Additions:** No additions shall be made to Consultant's compensation based upon project claims, whether paid by City or denied.

## **1.04 SUPPLEMENTAL AGREEMENT**

The terms of this Agreement may be modified by written Supplemental Agreement hereto, duly authorized by City Council or by the City Manager, if City determines that there has been a significant change in (1) the scope, complexity, or character of the services to be performed; or (2) the duration of the work. Any such Supplemental Agreement must be executed by both parties within the period specified as the term of this Agreement. Consultant shall not perform any work or incur any additional costs prior to the execution, by both parties,

of such Supplemental Agreement. Consultant shall make no claim for extra work done or materials furnished unless and until there is full execution of any Supplemental Agreement, and City shall not be responsible for actions by Consultant nor for any costs incurred by Consultant relating to additional work not directly authorized by Supplemental Agreement.

#### **1.05 INVOICE REQUIREMENTS; TERMS OF PAYMENT**

**Invoices:** To receive payment, Consultant shall prepare and submit a series of monthly detailed invoices to City for services rendered. Each invoice for professional services shall detail the service performed, along with documentation. All payments to Consultant shall be made on the basis of the invoices submitted by Consultant and approved by City.

Should additional backup material be requested by City, Consultant shall comply promptly. In this regard, should City determine it necessary, Consultant shall make all records and books relating to this Agreement available to City for inspecting and auditing.

If City has any dispute with work performed, then then City shall notify Consultant within thirty (30) days after receipt of invoice. In the event of any dispute regarding the work performed, then and in that event Consultant shall either (a) satisfactorily re-perform the disputed services or (b) provide City with an appropriate credit.

**Payment of Invoices:** City reserves the right to correct any error that may be discovered in any invoice that may have been paid to Consultant and to adjust same to meet the requirements of this Agreement. Following approval of an invoice, City shall endeavor to pay Consultant promptly, but no later than the time period required under the Texas Prompt Payment Act described in Section 1.09 herein. Under no circumstances shall Consultant be entitled to receive interest on payments which are late because of a good faith dispute between Consultant and City or because of amounts which City has a right to withhold under this Agreement or state law. City shall be responsible for any sales, gross receipts or similar taxes applicable to the services, but not for taxes based upon Consultant's net income.

**Offsets:** City may, at its own option, offset any amounts due and payable hereunder against any debt (including taxes) lawfully due to City from Consultant, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due to City has been reduced to judgment by a court.

#### **1.06 REQUIRED REPORTS**

Consultant agrees to provide City with any necessary detailed interim and final written reports, together with all information gathered and materials developed during the course of the project. Additionally, Consultant agrees to provide City with any necessary oral presentations or such detailed interim and final written reports, at City's designation and at no additional cost to City.



### **1.07 LIMITATION TO SCOPE OF WORK**

Consultant and City agree that the scope of services to be performed is enumerated in Exhibit "A," and may not be changed without the express written agreement of the parties. Notwithstanding anything herein to the contrary, the parties agree that City retains absolute discretion and authority for all funding decisions, such to be based solely on criteria accepted by City which may be influenced by but not be dependent on Consultant's work.

### **1.08 NON-APPROPRIATION AND FISCAL FUNDING**

This Agreement is a commitment of City's current revenues only. It is understood and agreed that City shall have the right to terminate this Agreement at the end of any City fiscal year if the governing body of City does not appropriate funds sufficient to purchase the services as determined by City's budget for the fiscal year in question. City may effect such termination by giving Consultant a written notice of termination at the end of its then-current fiscal year.

### **1.09 PROMPT PAYMENT POLICY**

In accordance with Chapter 2251, V.T.C.A., Texas Government Code, any payment to be made by City to Consultant will be made within thirty (30) days of the date City receives goods under this Agreement, the date the performance of the services under this Agreement are completed, or the date City receives a correct invoice for the goods or services, whichever is later. Consultant may charge interest on an overdue payment at the "rate in effect" on September 1 of the fiscal year in which the payment becomes overdue, in accordance with V.T.C.A., Texas Government Code, Section 2251.025(b). This Prompt Payment Policy does not apply to payments made by City in the event:

- (a) There is a bona fide dispute between City and Consultant, a contractor, subcontractor, or supplier about the goods delivered or the service performed that cause the payment to be late; or
- (b) There is a bona fide dispute between Consultant and a subcontractor or between a subcontractor and its supplier about the goods delivered or the service performed that causes the payment to be late; or
- (c) The terms of a federal contract, grant, regulation, or statute prevent City from making a timely payment with federal funds; or
- (d) The invoice is not mailed to City in strict accordance with any instruction on the purchase order relating to the payment.

### **1.10 TERMINATION**

This Agreement may be terminated for any of the following conditions:

- (1) By City for reasons of its own, with or without cause, and not subject to the mutual consent of any other party, provided a written termination notice is given to Consultant not less than thirty (30) days prior to termination.
- (2) By mutual agreement and consent of the parties, provided such agreement is in writing.
- (3) By either party for failure by the other to perform the services set forth herein in a satisfactory manner, provided such notice is given to the other party in writing.
- (4) By either party for failure by the other party to fulfill its obligations herein.
- (5) By satisfactory completion of all services and obligations described herein.

Should City terminate this Agreement as herein provided, no fees other than fees due and payable at the time of termination shall thereafter be paid to Consultant. City shall pay Consultant for all uncontested services performed to date of notice of termination.

If City terminates this Agreement for default on the part of the Consultant, then City shall give consideration to the actual costs incurred by Consultant in performing the work to the date of default. The cost of the work that is useable to City, the cost to City of employing another firm to complete the useable work, and other factors will affect the value to City of the work performed at the time of default.

The termination of this Agreement and payment of an amount in settlement as set forth above shall extinguish all rights, duties, and obligations of City and the Consultant to fulfill contractual obligations. Termination under this section shall not relieve the terminated party of any obligations or liabilities which occurred prior to cancellation.

#### **1.11 INDEPENDENT CONTRACTOR STATUS**

Consultant is an independent contractor, and is not City's employee. Consultant's employees or subcontractors are not City's employees. This Agreement does not create a partnership, employer-employee, or joint venture relationship. No party has authority to enter into contracts as agent for the other party. Consultant and City agree to the following rights consistent with an independent contractor relationship:

- (1) Consultant has the right to perform services for others during the term hereof.
- (2) Consultant has the sole right to control and direct the means, manner and method by which it performs its services required by this Agreement.
- (3) Consultant has the right to hire assistants as subcontractors, or to use employees to provide the services required by this Agreement.

- (4) Consultant or its employees or subcontractors shall perform services required hereunder, and City shall not hire, supervise, or pay assistants to help Consultant.
- (5) Neither Consultant nor its employees or subcontractors shall receive training from City in skills necessary to perform services required by this Agreement.
- (6) City shall not require Consultant or its employees or subcontractors to devote full time to performing the services required by this Agreement.
- (7) Neither Consultant nor its employees or subcontractors are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of City.

#### **1.12 NON-SOLICITATION**

All parties agree that they shall not directly or indirectly solicit for employment, employ, or otherwise retain staff of the other during the term of this Agreement.

#### **1.13 CONFIDENTIALITY; AND MATERIALS OWNERSHIP**

Any and all programs, data, or other materials furnished by City for use by Consultant in connection with services to be performed under this Agreement, and any and all data and information gathered by Consultant, shall be held in confidence by Consultant as set forth hereunder. Each party agrees to hold all confidential information in the strictest confidence and not make any use thereof other than for the performance of this Agreement. Notwithstanding the foregoing, the parties recognize and understand that City is subject to the Texas Public Information Act and its duties run in accordance therewith.

Any and all materials created and developed by Consultant in connection with services performed under this Agreement, including all trademark and copyright rights, shall be the sole property of City at the expiration of this Agreement.

#### **1.14 WARRANTIES**

Consultant warrants that all services performed shall be performed consistent with generally prevailing professional or industry standards, and be performed in a professional and workmanlike manner. Consultant shall re-perform any work not in compliance with this warranty.

#### **1.15 INDEMNIFICATION**

Consultant agrees to hold harmless, exempt, and indemnify City, its officers, agents, directors, servants, representatives and employees, from and against any and all suits, actions, legal proceedings, demands, costs, expenses, losses, damages, fines, penalties, liabilities and claims of any character, type, or description, including but not limited to any and all expenses of



litigation, court costs, attorneys' fees and all other costs and fees incident to any work done as a result hereof.

To the extent allowable by law, City agrees to hold harmless, exempt, and indemnify Consultant, its officers, agents, directors, servants, representatives and employees, from and against any and all suits, actions, legal proceedings, demands, costs, expenses, losses, damages, fines, penalties, liabilities and claims of any character, type, or description, including but not limited to any and all expenses of litigation, court costs, attorneys' fees and all other costs and fees incident to any work done as a result hereof.

#### **1.16 ASSIGNMENT AND DELEGATION**

The parties each hereby bind themselves, their successors, assigns and legal representatives to each other with respect to the terms of this Agreement. Neither party may assign any rights or delegate any duties under this Agreement without the other party's prior written approval, which approval shall not be unreasonably withheld.

#### **1.17 LOCAL, STATE AND FEDERAL TAXES**

Consultant shall pay all income taxes, and FICA (Social Security and Medicare taxes) incurred while performing services under this Agreement. City will not do the following:

- (1) Withhold FICA from Consultant's payments or make FICA payments on its behalf;
- (2) Make state and/or federal unemployment compensation contributions on Consultant's behalf; or
- (3) Withhold state or federal income tax from any of Consultant's payments.

If requested, City shall provide Consultant with a certificate from the Texas State Comptroller indicating that City is a non-profit corporation and not subject to State of Texas Sales and Use Tax.

#### **1.18 COMPLIANCE WITH LAWS, CHARTER AND ORDINANCES**

Consultant, its consultants, agents, employees and subcontractors shall use best efforts to comply with all applicable federal and state laws, the Charter and Ordinances of the City of Round Rock, as amended, and with all applicable rules and regulations promulgated by local, state and national boards, bureaus and agencies. Consultant shall further obtain all permits, licenses, trademarks, or copyrights required in the performance of the services contracted for herein, and same shall belong solely to City at the expiration of the term of this Agreement.

#### **1.19 FINANCIAL INTEREST PROHIBITED**

Consultant covenants and represents that Consultant, its officers, employees, agents, consultants and subcontractors will have no financial interest, direct or indirect, in the purchase

or sale of any product, materials or equipment that will be recommended or required hereunder.

#### **1.20 DESIGNATION OF REPRESENTATIVES**

City hereby designates the following representative authorized to act in its behalf with regard to this Agreement:

Lorie Lankford, Assistant Finance Director  
City of Round Rock  
221 East Main Street  
Round Rock, TX 78664

Consultant hereby designates the following representative authorized to act in its behalf with regard to this Agreement:

#### **1.21 NOTICES**

All notices and other communications in connection with this Agreement shall be in writing and shall be considered given as follows:

- (1) When delivered personally to recipient's address as stated herein; or
- (2) Three (3) days after being deposited in the United States mail, with postage prepaid to the recipient's address as stated in this Agreement.

##### **Notice to Consultant:**

Linda T. Patterson, President  
Patterson & Associates  
Barton Oaks Plaza II  
901 S. Mopac, Suite 195  
Austin, TX 78746

##### **Notice to City:**

City Manager, City of Round Rock  
221 East Main Street  
Round Rock, TX 78664

##### **AND TO:**

Stephan L. Sheets, City Attorney  
309 East Main Street  
Round Rock, TX 78664

Nothing contained in this section shall be construed to restrict the transmission of routine



communications between representatives of City and Consultant.

## **1.22 APPLICABLE LAW; ENFORCEMENT AND VENUE**

This Agreement shall be enforceable in Round Rock, Texas, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for same shall lie in Williamson County, Texas. This Agreement shall be governed by and construed in accordance with the laws and court decisions of Texas.

## **1.23 EXCLUSIVE AGREEMENT**

The terms and conditions of this Agreement, including exhibits, constitute the entire agreement between the parties and supersede all previous communications, representations, and agreements, either written or oral, with respect to the subject matter hereof. The parties expressly agree that, in the event of any conflict between the terms of this Agreement and any other writing, this Agreement shall prevail. No modifications of this Agreement will be binding on any of the parties unless acknowledged in writing by the duly authorized governing body or representative for each party.

## **1.24 DISPUTE RESOLUTION**

City and Consultant hereby expressly agree that no claims or disputes between the parties arising out of or relating to this Agreement or a breach thereof shall be decided by any arbitration proceeding, including without limitation, any proceeding under the Federal Arbitration Act (9 USC Section 1-14) or any applicable state arbitration statute.

## **1.25 ATTORNEYS FEES**

In the event that any lawsuit is brought by one party against any of the other parties in connection with this Agreement, the prevailing party shall be entitled to seek to recover its reasonable costs and reasonable attorney fees.

## **1.26 FORCE MAJEURE**

Notwithstanding any other provisions hereof to the contrary, no failure, delay or default in performance of any obligation hereunder shall constitute an event of default or breach of this Agreement, only to the extent that such failure to perform, delay or default arises out of causes beyond control and without the fault or negligence of the party otherwise chargeable with failure, delay or default; including but not limited to acts of God, acts of public enemy, civil war, insurrection, riots, fires, floods, explosion, theft, earthquakes, natural disasters or other casualties, strikes or other labor troubles, which in any way restrict the performance under this Agreement by the parties.

Consultant shall not be deemed to be in default of its obligations to City if its failure to perform or its substantial delay in performance is due to City's failure to timely provide

requested information, data, documentation, or other material necessary for Consultant to perform its obligations hereunder.

#### **1.27 SEVERABILITY**

The invalidity, illegality, or unenforceability of any provision of this Agreement or the occurrence of any event rendering any portion of provision of this Agreement void shall in no way affect the validity or enforceability of any other portion or provision of this Agreement. Any void provision shall be deemed severed from this Agreement, and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain the particular portion of provision held to be void. The parties further agree to amend this Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this Article shall not prevent this entire Agreement from being void should a provision which is of the essence of this Agreement be determined void.

#### **1.28 STANDARD OF CARE**

Consultant represents that it is specially trained, experienced and competent to perform all of the services, responsibilities and duties specified herein and that such services, responsibilities and duties shall be performed, whether by Consultant or designated subconsultants, in a manner acceptable to City and according to generally accepted business practices.

#### **1.29 GENERAL AND MISCELLANEOUS**

The section numbers and headings contained herein are provided for convenience only and shall have no substantive effect on construction of this Agreement.

No delay or omission by either party in exercising any right or power shall impair such right or power or be construed to be a waiver. A waiver by either party of any of the covenants to be performed by the other or any breach thereof shall not be construed to be a waiver of any succeeding breach or of any other covenant. No waiver of discharge shall be valid unless in writing and signed by an authorized representative of the party against whom such waiver or discharge is sought to be enforced.

This Agreement may be executed in multiple counterparts, which taken together shall be considered one original. City agrees to provide Consultant with one fully executed original.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates hereafter indicated.

**City of Round Rock, Texas**

**Patterson Capital Management  
d/b/aPatterson and Associates**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

By: Linda Patterson  
Printed Name: LINDA PATTERSON  
Title: PRESIDENT  
Date Signed: 3-11-15

**For City, Attest:**

By: \_\_\_\_\_  
Sara L. White, City Clerk

**For City, Approved as to Form:**

By: \_\_\_\_\_  
Stephan L. Sheets, City Attorney





## INVESTMENT ADVISORY EXTENSION PROPOSAL

### CITY OF ROUND ROCK, TEXAS

With the ever-increasing complexity of cash management and the financial markets, more expertise and resources are needed to assure safety and to invest wisely for reasonable returns. Nowhere is this as important as with public funds with their unique fiduciary responsibilities. In this arena, the role of *Patterson & Associates* as your investment advisor is to:

- **protect** client assets,
- **manage** assets within the client's policy constraints,
- **advise** clients of market risks and opportunities,
- **assist** clients with treasury operation functions (such as banking),
- **provide** staff support on controls, procedures and policies,
- **report** accurately and thoroughly on a regular basis,
- **communicate** clearly with staff and management, and
- **perform**.

*Patterson & Associates* brings our extensive personal experience as public funds managers to provide these services. Acting as your **extended staff**, we bring expertise and service without the usual spiraling personnel and equipment costs and provide a continuity of service with a thorough understanding of the markets to your cash flows and portfolio. Let us share the power of our experience with you.

The benefits of our services range from risk reduction to complete reporting. The City obtains the benefit of investment expertise, technology, and market economies designed to be paid for from additional earnings. It adds complete, daily portfolio monitoring, daily market updates, treasury service consulting and accurate monthly/quarterly reporting. This service allows you to reassign your staff to other functions for the best use of your resources. As your advisor we establish and manage *your unique portfolio* guided by *your policy* and objectives. You retain the control and reap the rewards.

Additional earnings from the portfolio generated by our expertise, market economies and continuous attention to value are designed to cover the entire cost of the services provided.

#### Advisory Services

We are proposing an extension of the current contract, signed in 2014, for six months. All the terms and conditions established in the 2013 Request for Proposal and our response to it will continue for six months. All the services listed in the 2013 proposal will also remain the same.

We want to assure the City that all the controls and statutory compliance is in place to ensure that all segments of your cash management program are functioning efficiently since all of these factors affect your risk *and* return profile. The services to be provided are an ongoing review of the City's functional areas and presentation of solutions to improve operations and build safety into the operation:

- **Investment policy and strategy review:** analyze the existing investment policy for application to real needs and, if necessary, formulate revisions including investment strategies (written and operational) for feasibility and appropriateness.
- **Investment reporting:** review current investment reporting for adequacy and accuracy of information to assure understanding of the performance and risk measurement.
- **Cash flow analysis:** review historical and projected cash flows for portfolio design and policy agreement and compliance.
- **Banking arrangement and structure:** determine the efficiency and cost effectiveness of the current banking structure and possible recommendations for improvement including preparation, bidding, and evaluation of new depository agreements.
- **Exposure review:** determine any audit, operational or policy exposures in the Treasury area.
- **Statutory Compliance:** annually evaluate operations and reporting for compliance to state law.

## **EXHIBIT "A"**

Other areas in which we can assist your operation include:

- **Coordination with external client agencies:** improve efficiencies with any external service institutions (such as broker/dealers, custodians, and depositories) for maximum utility of funds and investment alternatives.
- **Review of internal procedures and processes:** evaluate internal treasury procedures for maximum benefit including transactions and transaction audit trails reviewing for adequate management oversight.
- **Collections and receivables review:** review procedures for efficient collection of funds and receivables.
- **Cash Handling review and training:** review cash handlers across the organization in proper handling of funds as well as reviewing the internal forms and processes in use.

***We are managing your funds we include all of these service activities under one contract fee.***

Our complete advisory services offer all our services under one comprehensive agreement. Portfolio management, policy and procedural work, collateral monitoring, bank bidding, and internal control development are available to you when and if needed. We truly have become your extended staff for treasury operations.

We will work to continue our work to understand your cash flows needs, reporting needs, and your policies and procedures. Jointly, we have set guidelines which direct all trades on the portfolio and which are strictly followed. We monitor your cash flow and portfolio daily to create a viable portfolio and monitor the portfolio to make transactions (approved by you) as opportunities and maturities occur. We constantly evaluate the market conditions and potential value for your portfolio. Trades are only initiated after we *together* agree upon yield levels. Documentation of the trade is sent to you immediately and we handle all the time-consuming settlement of your securities into your bank.

*Patterson & Associates* never handles your funds or your securities. We are your independent agent in the market finding the best value, keeping your funds working while monitoring settlement and custody for any difficulties. We watch your cash flow and portfolio to suggest portfolio transactions as opportunities occur. We evaluate the market and potential value to your portfolio daily. Documentation of the trade is sent to you immediately and we handle all the settlement of your securities into your bank.

We will continue to maintain your broker certification files for compliance. All trades are competitive and documented as such. E-mails are used for complete information and independent confirmations of trades are sent to you, by P&A and the counterparty broker, for a complete audit trail. All the time consuming market evaluation, trade and settlement work is done for you. The City simply authorizes P&A to trade and authorizes us to give instructions to your depository for custody. Your control on your assets and funds is complete because all trades are completed delivery versus payment (DVP) assuring safekeeping in the City's name only.

Full reporting will continue to be done for you on a monthly and quarterly basis in compliance with GAAP and GASB. GASB 31 and 40 reporting is provided at year end. All reports are tailored to your specifications and your securities are priced monthly through independent sources.

In addition to managing the portfolio, *Patterson & Associates'* certified cash managers have been and will continue to be available for any treasury project from banking bids and evaluation to collections. We will prepare and evaluate banking proposals for you. We will review your Investment Policy and Strategies annually and keep it in full statutory compliance.

## EXHIBIT "A"

### **Contract Fee**

We are proposing to continue the contract with the full range of investment advisory services to the City on a six-month basis for **\$13,500**.

The charge for services will give the City a significantly higher level of expertise both in the markets and in treasury operations. In funds management we never take a contract unless we feel the value added to the funds will more than pay for our services.

### **Summary**

Funds management services extend your staff, add safety, and provide you with resources normally available only to large portfolios. It also increases your control over the process and your assets and normally increases earnings. The increased earnings you receive from having the funds professionally managed and continuously monitored are designed to pay for the investment advisory service. The contract brings you expertise, safety, performance and support for less than the cost of adding an entry position. It also provides you with a wealth of information and support on all the cash management functions.

*Patterson & Associates* has appreciated and enjoyed working with the City of Round Rock this past year and looks forward to a continuing relationship. We will continue to tailor our services to your needs. You can be assured of our complete support, totally independent and competitive advice and transactions, and our complete focus on safety.

**We would appreciate the opportunity to assist the City  
in this area of high public trust!**