



City of Hallandale Beach City Commission Agenda Cover Memo

Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

Meeting Date:	September 17, 2018		Item Type: <i>(Enter X in box)</i>	Resolution X	Ordinance	Other	
Fiscal Impact: <i>(Enter X in box)</i>	Yes	No	Ordinance Reading: <i>(Enter X in box)</i>	1st Reading		2nd Reading	
	X			Public Hearing: <i>(Enter X in box)</i>	Yes	No	Yes
Funding Source:	Parks GO Bond: 302 7290 531010 General Fund: 001 1510 531010 Utility Fund: 490 3390W 531010		Advertising Requirement: <i>(Enter X in box)</i>		Yes		No
						X	
Account Balance:	\$80,000		Quasi Judicial: <i>(Enter X in box)</i>	Yes		No	
						X	
Project Number :	N/A		RFP/RFQ/Bid Number:	RFP# FY2014-2015-015 Investment Advisory Services			
Contract/P.O. Required: <i>(Enter X in box)</i>	Yes	No	Strategic Plan Priority Area: <i>(Enter X in box)</i>				
	X						
Sponsor Name:	Nydia Rafols-Sallaberry, Interim City Manager		Department: Finance		Emil Lopez, Finance Director		

Short Title:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH PUBLIC FINANCIAL MANAGEMENT (“PFM”) ASSET MANAGEMENT, LLC FOR INVESTMENT ADVISORY SERVICES FOR AN AMOUNT NOT TO EXCEED THE BUDGETED AMOUNT AS PROVIDED FOR IN FISCAL YEAR 2018-2019 BUDGET; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL RELATED DOCUMENTS TO EFFECTUATE THE SERVICE; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

The City released RFP# FY2014-2015-015 for Investment Advisory Services on May 26, 2015. Public Financial Management (PFM) Asset Management LLC was selected and, through Resolution No. 2015-72 approved and adopted on August 5, 2015, was awarded the contract for investment advisory services.

PFM responsibilities include but are not limited to, manage the City's separate investment portfolios, works with City's staff to develop cash flow analysis and projections, and serves as general resource to the City staff for investment information and advice. It also provides monthly and quarterly statements on investment performance. The foremost objective of this investment program is the safety of the principal of those funds within the portfolios.

The compensation structure of PFM Services to the City is based on the daily net assets under management according to a pre-established schedule:

First \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Over \$50 million	7 basis points (0.07%)

Daily net assets is defined to include the amortized value of securities, accrued interest and cash or any money market fund balance. The City shall pay PFM a minimum annual amount of fifteen thousand (\$15,000) dollars.

Current Situation:

The Investment Advisory Services contract provided for an initial term through September 30, 2016, and is subject to renewal for additional one (1) year periods for up to five (5) years, upon mutual consent of the parties. An amendment to the Investment Advisory Agreement, dated October 1, 2017 extended the term of the original contract through September 30, 2018. The City is satisfied with the services provided, and is seeking City Commission authorization to renew the agreement for an additional year.

To renew the original agreement for an additional one year period, the original contract must be amended to reflect the term extension. The Third Amendment to the Investment Advisory Agreement is attached as Exhibit 3.

Why Action is Necessary:

Pursuant to Chapter 23, Section 23-6 Award of Contract, the City Manager shall have the authority to recommend to the City Commission award of Contracts.

Fiscal Impact:

Investment Advisory fees are estimated at \$80,000

Proposed Action:

Staff recommends approval of the attached Resolution authorizing the City Manager to execute the Third Amendment to the agreement with PFM for investment advisory services for an amount not to exceed the budgeted amounts as provided for in the FY 18/19 Budget.

Attachment(s):

- Exhibit 1 – Resolution
- Exhibit 2 – Resolution 2015-72
- Exhibit 3 – Third Amendment
- Exhibit 4 – Agreement for Investment Advisory Services with PFM

Prepared by:



Emil Lopez - Finance Director



Andrea Lues – Procurement Director