



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager
DATE: September 12, 2016

SUBJECT: Consider Resolution No. 2016-026, renewing investment advisory contract with Public Financial Management (PFM).

PRESENTER: Kent Austin, Director of Finance

SUMMARY:

The City awarded a contract with Public Financial Management, LLC (PFM) in 2013. The contract term was two years with two optional one-year extensions. This agenda item would extend PFM's contract for the final one year extension, from November 2016 to October 2017.

GENERAL DESCRIPTION:

The Public Funds Investment Act (PFIA) permits cities to contract with an investment management firm for "the investment and management of its public funds or other funds under its control. A contract made under authority of this subsection may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of the investing entity by order, ordinance, or resolution." Resolution 2016-026 has been prepared to achieve this extension.

The City's investment committee meets quarterly with PFM representatives to review portfolio performance. The Committee has been satisfied with PFM's work. At its August 9, 2016 meeting, the Committee voted unanimously to recommend a one-year extension of PFM's contract. PFM's fee is \$40,000 annually. As of July 31, 2016, the City's managed portfolio totaled \$59,219,88.38 and was composed of 42.92% U.S. Treasury bonds and notes, 50.19% Federal agency bonds and notes, and 6.89% commercial paper.

RECOMMENDATION:

Approve Resolution No. 2016-026.