



**CITY
COMMISSION
STAFF REPORT**

DEPARTMENT: Finance

SUBJECT: Motion to Approve Piggyback award to PFM Asset Management LLC for Investment Advisor Services.

CITY MANAGER RECOMMENDATION:

The City Manager recommends Commission approval of the Piggyback Agreement between Cooper City and PFM Asset Management LLC, for investment advisory services.

BACKGROUND:

As a condition of its revenue and expenditure annual cashflows, Cooper City routinely has funds available for investment. Given the current nature of the financial markets and resulting interest rate increases taken by the Federal Reserve to stymie inflation, Cooper City has an opportunity to take advantage of market conditions to increase its annual funding by strategically investing its core reserves and non-current operating cashflows. Also, as it is Cooper City's primary objective when investing funds to maintain the principal, and to ensure funds are readily available for current expenditures it is prudent for Cooper City to engage the services of a professional investment firm.

ANALYSIS:

Given the specialized nature and professional services required to properly ensure the security and desired growth of Cooper City's investment portfolio it is wise for staff to seek additional specialized professional services. Staff believes that with the appropriate financial analysis tools, vision, and market research, that PFM will assist the staff in developing a financial investment plan sufficient to meet and or exceed Cooper City's budgeted FY 2023 portfolio income target.

STRATEGIC PLAN:

The acquisition of these services will help staff capitalize on current market conditions to increase interest income to support the Strategic Plan initiative of Financial Sustainability.

FISCAL IMPACT:

Compensation is calculated as a percentage of assets managed. Compensation is paid after services are provided and are billed in arrears on a monthly basis. Cooper City will receive the same negotiated fees contained in the Pembroke Pines piggybacked agreement as indicated in the exsert Exhibit-B below.

EXHIBIT “B” – FEE SCHEDULE

Below is the new revised negotiated fee schedule for PFM Asset Management LLC:

The discounted investment advisory fee was calculated using the following graduated fee schedule:

Assets Under Management	Year 1	Year 2	Year 3	Year 4	Year 5
First \$25 Million	7.3 bps (0.073%)	7.3 bps (0.073%)	8.0 bps (0.080%)	10 bps (0.10%)	10 bps (0.10%)
Next \$25 Million	7.0 bps (0.070%)	7.0 bps (0.070%)	7.4 bps (0.074%)	8 bps (0.08%)	8 bps (0.08%)
Next \$50 Million	6.5 bps (0.065%)	6.5 bps (0.065%)	6.8 bps (0.068%)	7 bps (0.07%)	7 bps (0.07%)
Over \$100 Million	6.0 bps (0.060%)	6.0 bps (0.060%)	6.0 bps (0.060%)	6 bps (0.06%)	6 bps (0.06%)

ATTACHMENTS:

1. Cooper City Piggyback Agreement
2. Pembroke Pine Contract/Exhibit A Original Agreement
3. Exhibit B – PFM Proposal
4. FMIVT Statements
5. Vendor Compliance

Workflow History			
User	Task	Action	Date/Time
Allen, Tedra	NEW ITEM: Not Yet Routed	*COMPLETE: Forwar...	11/02/22 07:59 AM
Horowitz, Jacob	Assigned to Attorney	COMPLETE: Forwar...	11/04/22 03:52 PM
Napoli, Joseph	Assigned to City Manager	COMPLETE: Forwar...	11/04/22 03:52 PM
Allen, Tedra	Assigned to City Clerk	APPROVE ITEM: En...	11/18/22 04:58 PM
Allen, Tedra	END WORKFLOW - APPROV...		11/18/22 04:58 PM