



Legislation Text

File #: 21-1073, Version: 1

MOTION TO APPROVE THE FIRST AMENDMENT TO THE ORIGINAL AGREEMENT BETWEEN THE CITY OF PEMBROKE PINES AND PFM ASSET MANAGEMENT, LLC. TO APPROVE THE ACQUISITION OF PFM ASSET MANAGEMENT, LLC BY U.S. BANCORP ASSET MANAGEMENT, INC, A SUBSIDIARY OF U.S. BANCORP, PURSUANT TO THE REQUIREMENT SET FORTH IN SECTION 16.4 OF THE ORIGINAL AGREEMENT.

SUMMARY EXPLANATION AND BACKGROUND:

1. On May 15, 2019, pursuant to Request for Proposals FN-18-02 "Investment Management Services", the City entered into an Agreement with PFM Asset Management LLC.
2. PFM Asset Management LLC provides Investment Management Services.
3. The Agreement is in its initial five (5) year term which will expire on May 31, 2024.
4. Near the end of 2021, PFM Asset Management LLC is being acquired by U.S. Bancorp Asset Management, Inc.
5. Section 16.4 of the Original Agreement provides that any change of ownership of PFM Asset Management LLC shall constitute an assignment which requires CITY approval.
6. The Finance Department recommends that the City Commission approve the First Amendment to the Original Agreement between the City of Pembroke Pines and PFM Asset Management LLC to approve the acquisition of PFM Management LLC by U.S. Bancorp Asset Management, Inc, a subsidiary of U.S. Bancorp, pursuant to the requirement set forth in Section 16.4 of the Original Agreement.

FINANCIAL IMPACT DETAIL:

- a) Cost:** Fees are based on tiers based on the Investment Balance, the current fees are approximately \$70,500 annually. However, fees are dependent on the amount of funds under management and therefore subject to change.
- b) Amount budgeted for this item in Account No:** Investment management fees are currently netted against investment income, which is budget in account 361084 - Interest on investments.
- c) Source of funding for difference, if not fully budgeted:** Not Applicable.
- d) 5 year projection of the operational cost of the project** Not Applicable

	FY 2021-22		FY 2022-23		FY 2023-24		Year 4	Year 5
Revenues	\$.00	\$.00	\$.00	\$.00	\$.00	\$.00		
Expenditures	\$70,500.00		\$72,000.00		\$75,000.00		\$.00	\$.00
Net Cost	\$70,500.00		\$72,000.00		\$75,000.00		\$.00	\$.00

e) Detail of additional staff requirements: Not Applicable