

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR TO EXTEND THE CONTRACT WITH PUBLIC FINANCIAL MANAGEMENT, INC. (PFM) RELATIVE TO FINANCIAL ADVISORY SERVICES, IN THE AMOUNT OF NINETY THOUSAND FIVE HUNDRED DOLLARS (\$90,500.00).

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, it is hereby authorizing the Mayor to extend the contract with Public Financial Management, Inc. (PFM) relative to financial advisory services, in the amount of \$90,500.00.

ADOPTED: \_\_\_\_\_, 2013.

/mms



## The PFM Group

Public Financial Management, Inc.  
PFM Asset Management LLC  
PFM Advisors

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18<sup>th</sup> & Arch Streets  
Philadelphia, PA  
19103-2770

215 567-6100  
215 567-4180 fax  
www.pfm.com

July 19, 2013

Mr. Andrew Kean  
Chief Operating Officer  
City of Chattanooga  
City Hall  
Chattanooga, TN 37402

Dear Mr. Kean:

Public Financial Management, Inc. (“PFM”) is pleased to submit this description of services to be provided to the City of Chattanooga pursuant to its ongoing contract with the City. PFM will provide project planning and strategic financial planning to help reach consensus on reforms to the Chattanooga Fire and Police Pension Fund (the “Fund”), with the goal of ensuring employees a dignified and affordable retiree benefits package that will attract committed and talented employees and encourage them to lead long careers with the City.

We understand that the City is interested in creating a Task Force to work through these issues in collaboration with the Fund’s board. PFM has recently led similar efforts. The City of Lexington, Kentucky, selected a PFM-led team to assist its task force in reaching a successful consensus agreement that reduced the pension plan’s unfunded liability by 45%. PFM is also proud to be the City of Chattanooga’s long-time financial advisor.

Our team’s professionals include national subject matter experts on public sector pensions and pension reforms (including those currently advancing in other cities and states), municipal finance issues, and public employee workforce and compensation issues. I led the aforementioned engagement in Lexington and have spoken on retiree benefit issues nationally. Jim Link of PFM Asset Management LLC will bring the team more than 20 years of retirement program experience, is a Certified Employee Benefit Specialist (CEBS), and co-authored *New Normal Retirement Plans: Re-engineering and Installing Sustainable Pension and OPEB Plans*, which appeared in the *Government Finance Review* in August 2009. Michael Nadol led similar engagements for the State of Tennessee and the City of Baltimore, and previously served as Director of Finance for the City of Philadelphia. Our team members have significant experience addressing these issues, which will assist in the Task Force’s charge to reach a consensus and move forward with successful implementation. Based on our work on similar engagements, we expect our fees to be \$90,500, plus reimbursable costs.



City of Chattanooga

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As the primary contact for the proposed engagement, I am happy to answer any questions you may have regarding the information contained in this proposal. Please feel free to contact me by phone at (215) 557-1258 or by e-mail at [kapoorv@pfm.com](mailto:kapoorv@pfm.com). On behalf of our team, we look forward to this opportunity to serve the City.

Sincerely,

**Public Financial Management**

A handwritten signature in blue ink, appearing to read "Vijay Kapoor", with a long, sweeping flourish extending to the right.

Vijay Kapoor

Director