

RESOLUTION NO _____

A RESOLUTION AUTHORIZING THE CITY FINANCE OFFICER TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH PUBLIC FINANCIAL MANAGEMENT, INC. FOR FINANCIAL ADVISORY SERVICES FOR A PERIOD OF THREE (3) YEARS BEGINNING NOVEMBER 1, 2014, PLUS TWO (2) ONE (1) YEAR EXTENSIONS, FOR AN ESTIMATED ANNUAL AMOUNT OF ONE HUNDRED TEN THOUSAND DOLLARS (\$110,000.00).

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, that it is hereby authorizing the City Finance Officer to execute a professional services contract with Public Financial Management, Inc. for financial advisory services for a period of three (3) years beginning November 1, 2014, plus two (2) one (1) year extensions, for an estimated annual amount of \$110,000.00.

ADOPTED: _____, 2014

/mem

City of Chattanooga



Resolution/Ordinance Request Form

Date Prepared: 10/28/2014

Preparer: Vickie Haley

Department: Finance

Brief Description of Purpose for Resolution/Ordinance: Res./Ord. # _____ Council District # _____

A resolution authorizing the administrator of the Department of Finance and Administration to execute a professional services contract with Public Financial Management, Inc. for financial advisory services for a period of three (3) years beginning November 1, 2014 plus two one-year extensions.

Name of Vendor/Contractor/Grant, etc. _____
Total project cost \$ _____
Total City of Chattanooga Portion \$ _____
City Amount Funded \$ _____
New City Funding Required \$ _____
City's Match Percentage % _____

New Contract/Project? (Yes or No) _____
Funds Budgeted? (YES or NO) Yes _____
Provide Fund 1100 _____
Provide Cost Center C00101 _____
Proposed Funding Source if not budgeted _____
Grant Period (if applicable) _____

List all other funding sources and amount for each contributor.

Amount(s)	Grantor(s)
\$ _____	_____
\$ _____	_____
\$ _____	_____

Agency Grant Number _____

CFDA Number if known _____

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Approved by: _____

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: October, 2011

FEE STRUCTURE

PFM appreciates the opportunity to submit a pricing schedule related to our Qualifications submitted on September 15, 2014. We offer the following fee structure based upon the existing relationship with the City; however, we are open to discussing alternative structures if the City prefers. Since the implementation of the Municipal Advisor rules on July 1, 2014, several of our clients have opted to hire PFM as an Independent Registered Municipal Advisor (IRMA) on a fixed retainer basis rather than on an hourly basis. We would be happy to explore a structure of this kind with the City. We value our existing partnership with the City and are open to negotiating alternative terms and structure to ensure that the City recognizes the value of our relationship.

For the Services to be provided described in 3.2 of the RFQ, PFM proposes the compensation terms.

1. For consideration associated with the rendering of financial advisory services relevant to a specific debt transaction, PFM proposes a transaction fee in accordance with the following schedule subject to a minimum and maximum fee as stated:

<u>Issue Amount</u>	<u>Fee Per \$1,000</u>
First \$5 million	\$2.50 per thousand
Next \$5 million	\$1.75 per thousand
Next \$15 million	\$1.25 per thousand
Next \$25 million	\$1.00 per thousand
Over \$50 million	\$0.75 per thousand

For services rendered with respect to any derivative product financings, revenue and refundings or variable rate financing, the above fees shall be increased by 25%. The minimum compensation for advisory work related to any single debt transaction shall be \$20,000; the maximum compensation for advisory work related to any single debt transaction shall be \$95,000.



2. For consideration associated with the rendering of special projects considered over and above the regular maintenance of effort and defined pursuant to a separate agreement, the Financial Advisor proposes to charge hourly rates for professional services. This may include special research assignments. The Financial Advisor will prepare a written scope of services and a budget for the special project, set a not-to-exceed level for the project, and secure City approval to proceed.

These rates are as follows:

<u>TITLE</u>	<u>Rate/Hour</u>
Managing Director	\$350
Director	\$325
Senior Managing Consultant	\$300
Senior Analyst	\$275
Analyst	\$250
Administrative Assistance	\$200

3. Expenses for transportation, meals, and lodging incurred while traveling on behalf of the City shall be reimbursed by the City, as shall all outside services such as Federal Express and other courier services, meals, transportation and lodging expenses of individuals not employed by the Financial Advisor but paid for by the Financial Advisor upon receipt of proper documentation of such costs. The City shall also reimburse the Financial Advisor for special support services, including but not limited to graphics and publication of reports which the City has requested the Financial Advisor provide and the word processing of disclosure documents. Other incidental expenses for such things as internal computer utilization, and the like shall be the expense of the Financial Advisor.