

Legislation Details (With Text)

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File created: 10/19/2016 **In control:** Board of Mayor & Aldermen

On agenda: 11/22/2016 **Final action:** 11/22/2016

Title: Consideration of Contract 2016-0322, an Engagement Agreement for Financial Services with PFM Financial (Referred from 10/20/16 Budget & Finance; 11/08/16 WS)

Sponsors: Eric Stuckey, Russ Truell

Indexes:

Code sections:

Attachments: 1. 2016-0322 PFM Professional Services Agreement_with Attachment A.Law Approved.pdf

Date	Ver.	Action By	Action	Result
11/22/2016	1	Board of Mayor & Aldermen	approved	Pass
11/8/2016	1	Work Session	referred as a Consent Item	
10/20/2016	1	Budget & Finance Committee	referred	

DATE: October 19, 2016

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Russ Truell, Assistant City Administrator

SUBJECT:

Consideration of Contract 2016-0322, an Engagement Agreement for Financial Services with PFM Financial (Referred from 10/20/16 Budget & Finance; 11/08/16 WS)

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning an engagement letter with Public Financial Management (PFM) to provide financial advice on the upcoming water system bond issue.

Background

PFM has been the City's financial advisory firm for the last seven years and has operated under a retainer agreement.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its associated regulations has had a significant impact on the municipal market, and in particular, the ways in which financial advisors conduct day-to-day business with issuers. As part of the new Municipal Advisor (MA) regulatory regime, effective June 23, 2016, financial advisors are required to provide certain provisions in writing and also make specific notifications to clients.

With this in mind, an engagement letter that encompasses the necessary disclosures of the regulatory G-42 rule has been drafted. Previously, PFM delivered to the City in July 2016 the necessary G-42 Letter and Conflicts of Interest disclosures.

Going forward, it is expected that an engagement letter we be required for each bond transaction unless the existing contract is modified.

Financial Impact

Fees for financial services are included in the costs of issuance and paid from proceeds of the issue. The fee expected for this transaction and rating review is \$35,000.

Recommendation

Staff recommends approval of the contract.