



Legislation Text

File #: 19-0516, **Version:** 1

DATE: May 8, 2019

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Brock, Assistant City Administrator/CFO

SUBJECT:

COF Contract 2019-0159; Approval of a Professional Services Agreement with PFM Asset Management in the amount of \$5,000 for Investment Advisory Services related to the Series 2019B General Obligation Refunding Bonds.

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the agreement for professional services related to the procurement of an open market security for the 30-day escrow of the Series 2019B bond proceeds.

Background

Refinancing of the Series 2009 Build America Bonds by the Series 2019B City of Franklin Refunding Bonds requires for a 30-day escrow period, in which these funds set aside for paying the 2009 bond holders may be invested. Purchase of an open market security requires a licensed investment advisor to take bids and prepare documentation in accordance with federal securities laws. This agreement allows for PFM Asset Management to serve in this capacity.

Financial Impact

The net result of this agreement is additional interest income of \$45,691 to the City, as calculated by gross interest of \$50,691 less the \$5,000 fee. This use of this income is restricted to the payment of future general obligation debt service.

Recommendation

Approval of this agreement was provided by the City Administrator through authority granted by the Board of Mayor and Aldermen.