



WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM
Comptroller
DA
Risk Mgt N/a
HR N/a
Budget

STAFF REPORT

BOARD MEETING DATE: May 24th, 2016

DATE: 04/28/2016
TO: Board of County Commissioners
FROM: Tammi Davis, Washoe County Treasurer, Treasurer's Office
775-328-2525, tsdavis@washoecounty.us
SUBJECT: Recommendation to approve a one year extension of the Investment Management Services agreement between Washoe County and PFM Asset Management LLC and Hobbs, Ong and Associates, Inc. The estimated annual cost is [\$290,000] which is allocated among the funds and agencies who participate in the Washoe County Investment Pool (All Commission Districts).

SUMMARY

Recommendation to approve a one year extension of the Investment Management Services agreement between Washoe County and PFM Asset Management LLC and Hobbs, Ong and Associates, Inc. The estimated annual cost is [\$290,000] which is allocated among the funds and agencies who participate in the Washoe County Investment Pool.

Washoe County has a current agreement in place for Investment Management Services. The current agreement states that the contract may be renewed annually as agreed upon by all parties. The original three year term expires April 27, 2016.

Washoe County Strategic Objective supported by this item: Stewardship of our Community

PREVIOUS ACTION

- 11/13/2012 Board of County Commissioners authorized the release of a Request for Proposal (RFP) for investment management services.
- 01/09/2013 RFP Responses received from 6 firms: Chandler Asset Management; C.S. McKee Investment Managers; FTN Financial Main Street Advisors (FTN); Opus Investment Management, Inc.; PFM Asset Management LLC (PFM) and Wells Capital Management.

AGENDA ITEM # 15

- Beginning July 1, 2013, fees are billed quarterly at a rate of 85% of the annual rates noted above. If the total gross return on the portfolio meets or exceeds established benchmarks at the end of each annual period, the additional 15% will be billed and payable.
- If at any time economic conditions are such that the County must implement across the board cuts for budgetary purposes, the annual fee billed will be reduced by the same percentage for the same period.

FISCAL IMPACT

Estimated annual cost is \$290,000 which is allocated among the funds and agencies who participate in the Washoe County Investment Pool. Costs allocated to the General Fund are included in the recommended FY 2016/17 budget for Cost Center 113100 Account 710141.

RECOMMENDATION

It is recommended to approve a one year extension of the Investment Management Services agreement between Washoe County and PFM Asset Management LLC and Hobbs, Ong and Associates, Inc. The estimated annual cost is [\$290,000] which is allocated among the funds and agencies who participate in the Washoe County Investment Pool.

POSSIBLE MOTION

Should the board agree with staff's recommendation, a possible motion would be:
To approve a one year extension of the Investment Management Services agreement between Washoe County and PFM Asset Management LLC and Hobbs, Ong and Associates, Inc. The estimated annual cost is [\$290,000] which is allocated among the funds and agencies who participate in the Washoe County Investment Pool.

**AMENDMENT TO
INVESTMENT SERVICES AGREEMENT**

THIS AMENDMENT TO INVESTMENT SERVICES AGREEMENT, made as of April 27, 2016 (the "Amendment"), is entered into by and between WASHOE COUNTY, NEVADA, a political subdivision of the State of Nevada (hereinafter the "County"), PFM ASSET MANAGEMENT LLC (hereinafter "PFMAM"), and Hobbs, Ong & Associates, Inc. (hereinafter "Hobbs, Ong," and with PFMAM, collectively, the "Advisor").

WHEREAS, the County and the Advisor entered into an Investment Services Agreement dated as of April 23, 2013, but effective as specified therein (the "Original Agreement"); and ---

WHEREAS, the Original Agreement provided for an initial term to April 27, 2016, and annual renewal options thereafter; and

WHEREAS, the County and the Advisor desire to amend the Original Agreement to renew the Original Agreement for an additional one-year period; and

WHEREAS, the Original Agreement, as amended by this Amendment, is referred to as the "Agreement."

NOW, THEREFORE, the County and the Advisor, in consideration of the premises and mutual covenants herein contained, and intending to be legally bound, hereby agree as follows:

1. The parties hereby agree to extend the term of the Original Agreement for an additional one-year period, to April 27, 2017.
2. Except as provided herein, all provisions of the Original Agreement shall remain in full force and effect.


[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their authorized representatives as of the date set forth in the first paragraph of this Amendment.

WASHOE COUNTY

PFM ASSET MANAGEMENT LLC

Chairman, Washoe County Commission

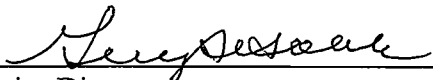


Managing Director

Attest:

HOBBS ONG & ASSOCIATES, INC.

Washoe County Clerk



Managing Director