



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Treasurer-Tax Collector



Date: July 12, 2012

Board Meeting Date: August 14, 2012

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

Subject: Agreement with PFM Asset Management LLC

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with PFM Asset Management LLC to provide consulting and compliance review for the term August 1, 2012 through July 31, 2015 in an amount not to exceed \$180,000

BACKGROUND:

In December, 2008, the County Manager's office, through an RFP process, selected PFM Asset Management LLC to analyze and review the Treasurer's Investment Pool and to recommend improvements to the County Investment Policy. Although an agreement was not executed at that time, the Treasurer's Office used the results of that RFP process to enter into a one year agreement with PFM Asset Management LLC for investment advisory and consulting services in April 2011. On May 2, 2012, the Treasurer-Tax Collector issued a Request for Proposals (RFP) for investment advisory and consulting services. PFM submitted a proposal and was selected to provide these services.

DISCUSSION:

The 2012 San Mateo County Investment Policy Statement provides that the Treasurer-Tax Collector shall contract with an external investment advisor to conduct independent monthly compliance reviews of the County's portfolio holdings and provide monthly written reports.

County Counsel has reviewed and approved the Agreement and Resolution as to form.

This Resolution will contribute to the Shared Vision 2025 outcome of a Collaborative Community by managing the financial assets of the County and maintaining the value of the investment pool through professional and efficient administration of the County Treasury for County departments, special districts, schools, cities and taxpayers.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Actual	FY 2013-14 Projected
Dollar/percent growth in County pool due to investments	\$25,844,075/ 1.10%	\$15M/ .625%

FISCAL IMPACT:

The amount of the contract will not exceed \$60,000 per fiscal year. The cost of the contract for the three year term is fully offset with revenue collected and there is no impact to the General Fund or Net County Cost. Appropriation for the first year of this contract has been included in the FY 2012-13 budget. The remaining contract amount and offsetting revenues will be included in the FY 2013-14 and FY 2014-15 budgets.