

Burns Randy

From: Crownover Shirley
Sent: Wednesday, October 22, 1997 9:38 AM
Subject: 10/21/97

BUDGET AND FINANCE COMMITTEE
October 21, 1997--4:00 P.M.

The meeting of the Budget and Finance Committee was called to order by Councilman Hakeem, with Councilpersons Rutherford, Hurley, Lively, Pierce, Crockett, and Eaves present. City Attorney Randy Nelson and Shirley Crownover, Assistant Clerk to the Council, were also present. Management Analyst Randy Burns joined the meeting later.

Others present included Adm. Boney and Daisy Madison.

CITY'S NEW FINANCIAL ADVISOR

Chairman Hakeem opened the meeting with Adm. Boney.

Adm. Boney stated this meeting was not about the "Smart Park". He stated it had been 3 1/2 years since the City had employed Financial Advisory Services; that our Agreement with First Tennessee expired in March. He mentioned issues planned for the winter which could amount to a lot of money. He stated with that in mind, that the City sent out proposals in August and received them back in September and that he and Daisy Madison had gone over them and discussed them with the Mayor and were prepared to have a Resolution ready next week.

Adm. Boney explained that they sent out nine invitations and had eight responses and seven proposals, which he felt was an excellent response in view of the fact that the family of Financial Advisory Services are shrinking. He mentioned one minority firm that is out of business, noting that many of the problems involve "squabbling" between partners. He reiterated that we have seven good proposals and distributed a Spread Sheet, which is made a part of the minute material. He noted that he and Ms. Madison's first two choices were Public Financial Management, Inc. and AG Edwards & Sons, Inc. He then proceeded to briefly go over the seven proposals. He stated that both (1) and (2) Proposals were outstanding; that Daisy and he had

recommended PFM (Public Financial Management, Inc.) to the Mayor, and he concurred. He stated they were one of the largest in the country, and they had no brokerage--that their marketing pitch was that the City gets what it needs and wants at the best price. He noted that we did get good rates with First Tennessee but reiterated that PFM has no underwriting nor brokerage. He also stated that they had a marvelous track record with cities of our size and had handled complex issues, noting that he thought we would realize a lot of money in savings. He also stated that we intend to negotiate with them on fees. He reiterated that what we will get for our money will be well worth it.

Councilman Eaves asked about the qualifications of (2) AG Edwards & Sons, Inc.

Adm. Boney responded that they were a good company who did good work; that they specialized in the Atlanta area and that if something were to happen that PFM could not handle us, that he and Ms. Madison would have no trouble with AG Edwards. He mentioned that they were one of the largest brokerage companies in the country. He stated he had no criticism of their work.

Councilman Lively asked if there was any special reason for not going with First Tennessee, stating that he felt they had done a good job.

Adm. Boney agreed that they had done a good job, especially in marketing and selling bonds; however we needed someone with more robust advisory capabilities but would still be using First Tennessee in marketing and selling bonds.

On motion of Councilman Crockett, seconded by Councilman Eaves, this choice will be recommended to the full Council. Councilwoman Hurley abstained.

Chairman Hakeem asked that the City Attorney work with Adm. Boney and bring this Resolution to the Council next week.

Councilman Crockett noted that his Economic Development Committee interest would be put off for one week as the presenters could not be here tonight.

Chairman Hakeem noted that the matter just discussed was actually scheduled for November 11th. Adm. Boney asked that the November 11th meeting be kept on the calendar as we might be ready for the Capital Budget at that time.

The meeting adjourned at 4:15 P.M.