

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Eric Johansen		2. Telephone No. 503-823-6851	3. Bureau/Office/Dept. OMF – Financial Services - Treasury
4a. To be filed (date) November 12, 2009	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst: November 2, 2009

1) Legislation Title:

Authorize a contract with HyasGroup for investment consulting services for the City's Deferred Compensation Plan (Ordinance)

2) Purpose of the Proposed Legislation

City Code 5.09.030 authorizes the City Treasurer, or his or her designee, at the direction of the Deferred Compensation Committee, to provide support services that may be required to administer the Deferred Compensation Plan.

Since April 16, 2004, the City has contracted with an investment consultant to provide investment consulting services to the Deferred Compensation Plan. In July 2009, the Deferred Compensation Program Coordinator issued a Request for Proposal in accordance with the City Code for Professional Services Contracts.

This contract will provide investing consulting services to include investment performance monitoring, investment option selection, investment policy statement maintenance, education/communication and training to staff and employees, and investment provider contract review/RFP process services.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This request does not impact City revenues.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

Expenses for the Deferred Compensation Plan are requested through a reimbursement account through the investment provider. Expenses during the first 12 months will be \$32,000. Expenses during the second 12 months will be \$33,000. Expenses during the final 12 months will be \$34,000. Additional expenses will be an amount not to exceed \$15,000 for issuance of a Request for Information to the Plan's existing investment provider; and/or the contractor will invoice the City an amount not to exceed \$44,000 for the issuance of a full Request for Proposal to multiple investment providers. The not-to-exceed amount of \$158,000 covers the 3-year contract period of November 18, 2009 through November 18, 2012.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be parttime, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)*

No additional staffing is required for this request.

6) Will positions be created or eliminated in future years as a result of this legislation?

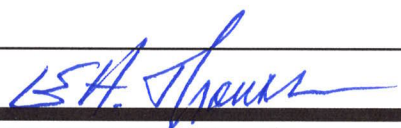
This request does not impact future staffing levels.

Complete the following section only if an amendment to the budget is proposed.

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount
100	MFSS000007	521000	Deferred Compensation		N/A	23,803

Eric Johansen



APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor
Kenneth L. Rust, Chief Administrative Officer
Jennifer Sims, Director & Chief Financial Officer

David Thurman, Treasurer
Financial Services, Treasury Division
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Portland, Oregon 97204-1912
(503) 823-4220
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DATE: November 2, 2009

TO: Mayor Sam Adams

FROM: Ken Rust, Chief Administrative Officer

RE: Authorize a contract with Hyas Group not to exceed \$158,000 for investment consulting services for the City's Deferred Compensation Plan (Ordinance)

1. **INTENDED THURSDAY FILING DATE:** November 12, 2009
2. **REQUESTED COUNCIL AGENDA DATE:** November 18, 2009
3. **CONTACT NAME AND NUMBER:** Jeanine Keller (503) 823-6140
4. **PLACE ON:** ☐ **CONSENT** ☒ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED** ☒ **Yes** ☐ **No** ☐ **N/A**
6. **TWO (2) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☒ **Yes** ☐ **No** ☐ **N/A**

7. BACKGROUND/ANALYSIS

City Code 5.09.030 authorizes the City Treasurer, or his or her designee, at the direction of the Deferred Compensation Committee, to provide support services that may be required to administer the Deferred Compensation Plan.

Since April 16, 2004, the City has contracted with an investment consultant to provide investment consulting services to the Deferred Compensation Plan. In July 2009, the Deferred Compensation Program Coordinator issued a Request for Proposal in accordance with the City Code for Professional Services Contracts.

This three-year contract to expire on November 18, 2012 will provide investing consulting services to include investment performance monitoring, investment option selection, investment policy statement maintenance, education/communication and training to staff and employees, and investment provider contract review/RFP process services.

8. FINANCIAL IMPACT:

The not to exceed value of the contract is \$158,000. Funding for the project is available in the FY 2009-10 Budget. The Deferred Compensation program expenses have an outside funding source.

9. RECOMMENDATION:

Authorize contract with Hyas Group.

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To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.