

**CITY OF HOLLYWOOD, FLORIDA
PENSION COORDINATOR
MEMORANDUM TO THE PENSION BOARD**

DATE: February 22, 2016
TO: Joel Wasserman, Director of Procurement Services
VIA: Matthew Lalla, Director of Finance *Matthew Lalla*
FROM: Lisa Castronovo, Pension Coordinator *lcc*
SUBJECT: Expiration of current Wells Fargo, N.A.'s custodial contract

ISSUE:

Expiration of Wells Fargo's agreement with the City of Hollywood for trust custodial services for the City of Hollywood Employees' Retirement Fund

EXPLANATION:

The City of Hollywood's agreement for trust custodial services was awarded in 2008 by the City Commission for a seven (7) year term and there were no renewal options. On January 1, 2009 an agreement was entered into with Wells Fargo, N.A. as the custodian of the City of Hollywood Employees' Retirement Fund and the agreement expired on December 31, 2015.

On November 4, 2015, the City Manager approved a ninety (90) day extension period of the Agreement extending the current trust custodial services through March 31, 2016.

The City of Hollywood Employees' Retirement Fund requested that Procurement Services issue a new request for proposals Trust Custodial Services. Procurement Services issued RFP-4492-16-RD.

In working with Procurement Division through the RFP process it has been determined that additional time is required to complete the RFP questions/answers, evaluation and award processing which also allows for a trust custodial services transition period if required.

RECOMMENDATION:

Therefore, the Board of Trustees of the City of Hollywood Employees' Retirement Fund recommends the City Commission grant an additional ninety (90) day extension of the current contract with Wells Fargo, N.A.



CITY OF HOLLYWOOD, FLORIDA

PROCUREMENT SERVICES DIVISION

2600 HOLLYWOOD BLVD. · ROOM 303 · P. O. BOX 229045 · ZIP 33022-9045
PHONE: 954-921-3299 · FAX: 954-921-3086

February 22, 2016

Wells Fargo Bank, N.A.
Attn: Karl Hutchinson
2169 Bellcrest Circle
Royal Palm Beach, FL 33411

Dear Mr. Hutchinson:

Our Agreement with your company, Wells Fargo Bank, N.A., to provide Trust Custodian Services to the City of Hollywood, Florida Employees Retirement Fund, based upon the City of Hollywood's request for proposals RFP-4163-08-JE expired on December 31, 2015. There were no renewal options available on this contract.

On November 6, 2015, the City Manager via memo from the Pension Coordinator, approved a ninety (90) day extension period of the Agreement extending services through March 31, 2016.

The City has issued a new Request for Proposals, and due to the new solicitation's processing for award and possible custodial services transition period, the Board has requested an additional ninety (90) day extension period of the current agreement with Wells Fargo Bank, N.A.

The Procurement Services Division would like to extend the current blanket purchase order agreement for a second period not to exceed ninety (90) days under the same terms, conditions and pricing pending the City's new contract award.

If you are willing to honor your agreement pricing and extend this agreement for a an additional period not to exceed ninety (90) days pending a new award, please sign below. If you are not, please sign and explain reason(s) in a separate letter.

Extension is subject to the receipt of all required insurance certificate(s). If you have not already done so, please forward updated certificates directly to Procurement Services.

Thanks for your help with this matter and as always, please call me at 954-921-3223 or e-mail to rdierks@hollywoodfl.org if you have questions.

A response as soon as possible would be appreciated.

Sincerely, 
Ralph Dierks, Procurement Manager
Procurement Services Division

I agree: 
(Signature)

I disagree: _____

Name: KARL HUTCHINSON
(Typed or Printed)

Date: 2/22/16

09:27:19 AM NOV 12 2015

**CITY OF HOLLYWOOD, FLORIDA
PENSION COORDINATOR
MEMORANDUM TO THE PENSION BOARD**

DATE: November 4, 2015
TO: Wazir Ishmael, City Manager
VIA: Matthew Lalla, Director of Finance *Matthew Lalla*
FROM: Lisa Castronovo, Pension Coordinator *lee*
SUBJECT: Expiration of current Wells Fargo, N.A.'s custodial contract

ISSUE:

Expiration of Wells Fargo's agreement with the City of Hollywood for custodial services for the City of Hollywood Employees' Retirement Fund

EXPLANATION:

The City of Hollywood's current agreement with Wells Fargo, N.A. as the custodian of the City of Hollywood Employees' Retirement Fund expires December 31, 2015. The City is in the process of issuing an RFP for a Fund custodian for services starting January 1, 2016. The Procurement Division does not expect the RFP process to be completed with a signed agreement and Fund custodian in place on or before January 1, 2016. Therefore, the Board of Trustees of the City of Hollywood Employees' Retirement Fund suggests the City grant a ninety (90) day extension of the current contract with Wells Fargo, N.A.

RECOMMENDATION:

Approve ninety (90) day extension of current contract with Wells Fargo, N.A.

[Signature]
APPROVED BY: Wazir Ishmael, Ph.D.
City Manager

Date 11/6/15

11-10-08-332
11-5-2008

CUSTODIAL AGREEMENT

THIS AGREEMENT made this 1st day of January, 2009, by and among City of Hollywood, Florida, a municipal corporation, (hereinafter referred to as "Company," which term shall include all successors thereto which have adopted the City of Hollywood, Florida Employees Retirement Fund (the "Plan") and/or agreed to be bound by this Custodial Agreement) and Wachovia Bank, National Association as Custodian (hereinafter referred to as "Custodian").

WITNESSETH:

WHEREAS, the Company maintains the Plan for the benefit of its employees; and

WHEREAS, the Plan is designed to comply with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and

WHEREAS, the Company maintains a trust and has appointed Employees' Retirement Fund (hereinafter referred to as the "Trustee") to hold and administer property contributed by the Company pursuant to the terms of the Plan and a duly executed trust agreement (hereinafter referred to as the "Trust Agreement"); and

WHEREAS, Company desires to establish a Custodial Account, as defined below, and appoint Custodian to hold a portion of the assets of the trust and to perform such functions as directed by the Trustee;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, it is agreed by and between the Company and the Custodian as follows:

ARTICLE I

ESTABLISHMENT OF THE CUSTODIAL ACCOUNT

1.1 The Company hereby establishes with the Custodian an account consisting of such sums of money or property as shall from time to time be paid to the Custodian under the Plan, and such earnings, profits, increments, additions and appreciation thereto and thereon as may accrue from time to time. All such sums of money, all investments made therewith or proceeds thereof, and all earnings, profits, increments, appreciation and additions thereto and thereon, less the payments which shall have been made by the Custodian, as authorized herein, to carry out the Plan, are referred to herein as the "Custodial Account".

1.2 The Custodian shall not be responsible for the collection of any funds required by the Plan to be paid by the Company to the Custodian.

1.3 It shall be the duty of the Custodian hereunder:

- (a) To hold, and administer the Custodial Account pursuant to the direction of the Trustee, and

(b) From time to time, on the written direction of the Trustee, to make disbursements out of the Custodial Account to such persons, in such manner, in such amounts, and for such purposes as may be specified in such written direction. The Custodian shall be under no liability for any disbursement made by it pursuant to such a direction.

1.4 Custodian may refuse to accept any property which it deems, in its sole discretion, to be unsuitable.

ARTICLE II

INVESTMENT OF THE CUSTODIAL ACCOUNT

2.1 The Custodian shall invest and reinvest the principal and income of the Custodial Account pursuant to the written, telephone or computer generated direction of the Trustee or a duly authorized Investment Manager and keep the same invested without distinction between principal and income. The Custodian shall not be responsible for, nor make any determination regarding, the prudence of such investment or reinvestment.

2.2 The Custodian shall have the following powers in addition to the powers customarily vested in Custodians by law and in no way in derogation thereof:

(a) With any cash at any time held by it, to purchase or subscribe for any authorized investment, and to retain such authorized investment in trust;

(b) To sell for cash or on credit, convert, redeem, exchange for another authorized investment, or otherwise dispose of, any authorized investment at any time held by it;

(c) To retain uninvested all or any part of the Custodial Account;

(d) To purchase authorized investments at a premium or discount;

(e) To employ suitable agents, subcustodians, actuaries, accountants, investment advisors or managers and counsel and to pay their reasonable expenses and compensation;

(f) To cause any investment in the Custodial Account to be registered in, or transferred into, its name as Custodian or the name of its nominee, nominees, or subcustodian or to retain them unregistered or in form permitting transfer by delivery, but the books and records of the Custodian shall at all times show that all such investments are part of the Custodial Account;

(g) Unless directed to the contrary by the Trustee, to invest in units of any common trust fund(s) operated by the Custodian including any such common trust fund operated solely for the purpose of investing assets of retirement plans qualified under Section 401(a) of the Internal Revenue Code and of trusts exempt under Section 501(a) (a "limited purpose fund"). At all times when assets of this Trust

Fund are invested in such limited purpose fund, the declaration(s) of trust governing any such limited purpose fund(s) shall be deemed incorporated herein by reference. Notwithstanding any other provision of this Agreement, the provisions of the declarations of trust of the collective, common or group trust funds, and any amendments thereto, shall govern the investment of account assets in the respective funds. Such provisions may or may not be consistent with those contained in the Plan and in the event of any such inconsistency, the Company understands that the provisions of such funds will control.

(h) To do all acts which it may deem necessary or proper and to exercise any and all powers of the Custodian under this Agreement upon such terms and conditions which it may deem are for the best interests of the Custodial Account; and

(i) To make disbursements from the Custodial Account in amounts and in the manner as directed by the Trustee or Company; provided, however, that the Custodian shall have no responsibility to ascertain whether such direction complies within the terms of the Plan or the Trust Agreement.

2.3 "Authorized Investment" as used in this Article II shall mean bonds, debentures, notes, or other evidences of indebtedness; stocks (regardless of class), or other evidences of ownership in any corporation, mutual investment fund, common or collective trust fund, pooled investment fund, investment company, association, or business trust; life insurance; retirement income or annuity contracts; and real and personal property of all kinds, including leaseholds on improved and unimproved real estate. Authorized investments shall not be limited to that class of investments which are defined as legal investments for trust funds under the law of the State of North Carolina.

2.4 The Custodian shall not have the power, nor shall it accept authorization, to vote or exercise any right appurtenant to Company Stock.

ARTICLE III

ACCOUNTS TO BE KEPT AND RENDERED BY THE CUSTODIAN

3.1 The Custodian shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions hereunder, including such specific records as shall be required by law and such additional records as may be agreed upon in writing between the Company and/or Trustee and Custodian. In compiling such information with respect to any investment which does not have a readily ascertainable market value, Custodian shall be entitled to rely on the Trustee's determination of value and shall have no duty to verify the accuracy of the Trustee's determination. All accounts, books and records relating thereto shall be open to inspection and audit by any person or persons designated by the Company or Trustee at all reasonable times. As a matter of convenience, the Custodian may include on its reports the value of assets for which it does not maintain custody. Such reporting shall not impose any duties under this agreement for such assets. The Custodian shall be entitled to rely on the Trustees' determination of value and shall have no duty to verify the accuracy of the Trustees' determination.

3.2 Within ninety (90) days following the close of each year of the Plan or the receipt of

the Company's contribution for such year, whichever is the latter, the Custodian shall file with the Trustee a written account, setting forth all investments, receipts and disbursements, and other transactions effected by it during such year of the Plan including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales, and showing all cash, securities and other property held at the end of such year of the Plan. Neither the Company, the Trustee nor any other person shall have the right to demand or to be entitled to any further or different accounting by the Custodian, except as may be required by statute or by regulations published by federal government agencies with respect to reporting and disclosure.

3.3 Upon the expiration of two hundred seventy (270) days following the date of filing such annual or other accounting, the Custodian shall be forever released and discharged from any liability or accountability to anyone as respects the transactions shown in such account, except with respect to transactions as to which the Company or the Trustee shall set forth in a written statement claiming negligence or willful misconduct or lack of good faith on the part of the Custodian which is filed with the Custodian during such two hundred seventy (270) day period..

ARTICLE IV

THE CUSTODIAN

4.1 The Custodian accepts the Custodial Account hereby created and agrees to perform the duties hereby required by it, subject, however, to the following conditions:

(a) The Custodian shall incur no liability to anyone for any action taken pursuant to a direction, request or approval given by the Company, the Trustee, or any other party to whom authority to give such directions, requests or approvals is delegated under the Plan or the Trust Agreement.

(b) The Custodian shall receive as compensation for its services such amounts as may be agreed upon at the time of execution of this Agreement, subject to change at any time and from time to time by agreement between the Company and the Custodian. Except as otherwise provided herein, the Custodian's compensation and any other proper expense of the Custodian for the Custodial Account (unless payable out of the Custodial Account) including all real and personal property taxes, income taxes, transfer taxes, and other taxes of any and all kinds whatsoever shall be paid by the Company.

(c) The Custodian shall not be answerable and shall be indemnified for any action taken pursuant to any direction, consent, request, or other paper or document on the belief that the same is genuine if such direction, consent, request or other paper or document relates to a matter with respect to which the purported initiator or signatory has authority under the Plan or Trust Agreement.

4.2 The Custodian acting hereunder may resign at any time by giving 30 days written notice to the Company. The Company may terminate Custodian at any time by giving 60 days written notice to the Custodian. The above notwithstanding, resignation or termination may be made at any time upon mutual consent of the parties.

4.3 Custodian shall not act, nor be under any obligation to act absent direction of the Company or the Trustee. Custodian is not a "Fiduciary" as that term is defined in Section 3(21) of ERISA. In no event shall Custodian be required or authorized to exercise any powers which would cause Custodian to be deemed a Fiduciary.

ARTICLE V

AMENDMENTS TO CUSTODIAL AGREEMENT - DISCONTINUANCE OF PLAN

5.1 The provisions of this Custodial Agreement may be amended at any time and from time to time upon mutual agreement between the Company and the Custodian provided that:

(a) No such amendment shall be effective unless the Custodial Agreement, as so amended, continues to operate for the exclusive benefit of the employees of the Company and their respective beneficiaries.

(b) No such amendment shall operate to deprive a Participant of any rights or benefits irrevocably vested under the Plan or Trust Agreement prior to such amendment.

(c) Each such amendment shall be effective when adopted by the City Commission and accepted by the Custodian.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.1 Any person dealing with the Custodian may rely upon a copy of this Agreement and any amendments thereto, certified to be a true and correct copy by any officer of the Custodian.

6.2 Other than as provided in Section 4.1 hereof, in no circumstances, whether upon amendment or termination of this Agreement, or otherwise, shall any part of the Custodial Account be used for or diverted to any purposes other than the exclusive benefit of employees of the Company who are Participants under the Plan, or their beneficiaries.

6.3 The term "Plan" whenever used herein shall mean the Plan as amended from time to time, and the Company will cause a copy of any amendment or a copy of the Plan, as amended, revised or changed, in any way and from time to time to be delivered to the Custodian.

6.4 The term "Trust Agreement" whenever used herein shall mean the Trust Agreement as amended from time to time, and the Company will cause a copy of any amendment, or a copy of the Trust Agreement, as amended, revised or changed, in any way and from time to time to be delivered to the Custodian.

6.5 Upon any change in the Trustee, or the Investment Manager, the Company shall advise the Custodian in writing thereof, and the Custodian shall be fully protected in assuming that there has been no change until so advised by the Company.

6.6 This Agreement shall be binding on any and all successors to the Trustee and the Company.

6.7 This Agreement shall be construed, enforced and regulated under federal law, and to the extent (if any) not preempted thereby, under the laws of the State of North Carolina.

IN WITNESS WHEREOF, the Company and the Custodian have caused this Agreement to be executed and their respective corporate seals to be hereunto affixed and attested as of the day and year first above written.

Wachovia Bank, National Association

City of Hollywood, Florida

By: *Anna C. Salgado*
Title: *COE PRESIDENT*

By: *Peter Bober*
Title: Mayor

Approved as to Finance:

Carlos E. Garcia
Carlos E. Garcia, CPA, CGFO
Financial Services Director

APPROVED AS TO FORM AND LEGALITY
FOR THE USE AND RELIANCE OF THE
CITY OF HOLLYWOOD, FLORIDA, ONLY

Jeffrey Shiffert AT
CITY ATTORNEY

RESOLUTION NO R-2008-332

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO NEGOTIATE AND EXECUTE AN AGREEMENT BETWEEN THE HIGHEST RANKED FIRM, WACHOVIA BANK, N.A. AND THE CITY TO PROVIDE TRUST CUSTODIAL SERVICES TO THE EMPLOYEES RETIREMENT FUND

WHEREAS, the Board of Trustees of the City of Hollywood Employees Retirement Fund, hereinafter known as the "Board", requires the services of a qualified firm to provide Trust Custodial Services; and

WHEREAS, on July 9, 2008, Notices of Availability for Request for Proposal (RFP) Number 4163-08-JE were mailed to firms and legally advertised on the City's website and Demandstar.com, in accordance with the City's Purchasing Ordinance, Section 38.42(A)(1); and

WHEREAS, RFP-4163-08-JE was opened at 3:00 p.m., Thursday, July 31, 2008, and resulted in the following eight (8) responses:

- ◆ Fifth Third Bank
Orlando, Florida
- ◆ Hancock Bank
Orlando, Florida
- ◆ Salem Trust
Tampa, Florida
- ◆ SunTrust Bank
Orlando, Florida
- ◆ The Bank of New York Mellon
Jacksonville, Florida
- ◆ US Bank
Jacksonville, Florida

- ◆ Wachovia Bank, N.A.
Bloomington, Minnesota
- ◆ Wells Fargo
Minneapolis, Minnesota

, and

WHEREAS, the evaluation of the proposals was based on the following criteria as established in the RFP; Institution's Past Experience, Demonstrated Ability and Proposed Fees; and

WHEREAS, after the proposals were evaluated, a shortlist was formed resulting in three (3) finalists; and

WHEREAS, the three (3) finalists were invited to provide oral presentations before the Evaluation Committee, final evaluation scores were compiled, and the finalists were ranked after the August 28, 2008, meeting:

- 1) Wachovia Bank, N.A.
- 2) Wells Fargo
- 3) The Bank of New York Mellon

, and

WHEREAS, the Evaluation Committee recommends that the City Commission authorize the negotiation and execution of a seven (7) year agreement with the highest ranked firm, Wachovia Bank, N.A., to provide Trust Custodial Services to the City's General Employees Retirement Fund; and

WHEREAS, the City reserves the right to terminate the agreement, with or without cause, effective thirty (30) days from the date of written notice, or terminate immediately upon written notice in the event that any provisions of the agreement are violated; and

WHEREAS, award is subject to the City's receipt and approval of all insurance certificates required by the City's Risk Manager, and Indemnity to the City;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA.

Section 1 That it hereby approves and authorizes the negotiation and execution, by the appropriate City Officials, of an agreement embodying the terms and conditions approved by the City Commission this date between Wachovia Bank, N.A., and the City of Hollywood, in a form acceptable to the City Manager and approved as to form and legality by the City Attorney


Section 2: That this resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this 5 day of NOV, 2008.



PETER BOBER, MAYOR

ATTEST



PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM AND LEGALITY
for the use and reliance of the
City of Hollywood, Florida, only



JEFFREY P. SHEFFEL
CITY ATTORNEY *du*