

## ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team  
at [MileHighOrdinance@DenverGov.org](mailto:MileHighOrdinance@DenverGov.org) by **3:00pm on Monday**.

*\*All fields must be completed.\*  
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 10/30/2013

Please mark one:  **Bill Request** or  **Resolution Request**

**1. Has your agency submitted this request in the last 12 months?**

Yes  **No**

**If yes, please explain:**

**2. Title:** A bill for an ordinance approving a secondary amendment to contract CE90484, between the City and County of Denver and Chandler Asset Management to maintain advisory and investment management services.

**3. Requesting Agency:** Department of Finance, Cash, Risk & Capital Funding

**4. Contact Person:** *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Caroline Hendrickson
- **Phone:** 720-913-9335
- **Email:** caroline.hendrickson@denvergov.org

**5. Contact Person:** *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)*

- **Name:** Caroline Hendrickson
- **Phone:** 720-913-9335
- **Email:** caroline.hendrickson@denvergov.org

**6. General description of proposed ordinance including contract scope of work if applicable:**

This amendment will continue the investment advisory and management services Chandler Asset Management provides to the City's investment staff and to the CFO. As the City's investment advisor and manager, Chandler manages \$400 million of the City's \$3.2 billion investments and advises the City's internal Investment Management Program through research, analysis and best business practices. Chandler has been a supporter and advisor through the recommended ballot initiative process to amend the Charter language to align the City's investment options with that of the State of Colorado Treasurer's Office; therefore, special circumstances exist to request extension beyond 5 years. Please see the attached Executive Summary for details.

**a. Contract Control Number:** FINAN-CE90484-03

**b. Duration:** Amended total term will be six and a half years: July 28, 2009 through December 31, 2015.

**c. Location:** N/A

**d. Affected Council District:** N/A

**e. Benefits:** Chandler Asset Management will advise the City and County of Denver in areas of investment management, analysis, reporting and compliance oversight, best practices, and as a general resource.

**f. Costs:** The Current Contract is from July, 28, 2009 to December 31, 2013 with a total amount of \$1,140,000. This amendment will add an additional 2 years and \$560,000, bringing the total contract from July 28, 2009 through December 31, 2015 with a total amount of \$1,700,000.

**7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.**

No Controversy.

*To be completed by Mayor's Legislative Team:*

SIRE Tracking Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_



**DENVER**  
THE MILE HIGH CITY

MICHAEL B. HANCOCK  
Mayor

**DEPARTMENT OF FINANCE**

CARY KENNEDY  
CHIEF FINANCIAL OFFICER

201 W. COLFAX AVE. Dept. 1010  
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### **Executive Summary**

A BILL FOR AN ORDINANCE APPROVING A SECONDARY AMENDMENT BETWEEN THE CITY AND COUNTY OF DENVER AND CHANDLER ASSET MANAGEMENT TO MAINTAIN ADVISORY AND INVESTMENT MANAGEMENT SERVICES.

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In 2009, the Department of Finance selected and contracted with Chandler Asset Management to provide investment advisory and management services to the City's CFO and Investment Officers.

The services Chandler provides include:

- Ongoing investment recommendations that fit the City's conservative risk profile
- Production of monthly and quarterly performance reports
- Portfolio analytics with respect to individual security selection and valuation
- Periodic reviews of the City's procedures and investment infrastructure
- Staff education on a variety of subjects including proprietary tools Chandler uses in managing fixed income portfolios
- Advice on the appropriate stratification of the City's portfolio
- Discretionary management of \$400 million constrained to the City's Investment Policy
- Verification and recommendations regarding the City's performance calculations
- Market and portfolio updates on a weekly basis
- Periodic meetings with the Investment Advisory Committee and CFO
- Support for City staff as a general resource and subject matter expert

The current contract expires December 31, 2013. Pursuant to the Mayor's G2 Initiative, the Department of Finance recommended amending the City's Charter to allow the City to invest in the same securities as the State of Colorado Treasurer's Office and most other local Colorado governmental entities. The amendment is the result of extensive research and analysis conducted with Chandler Asset Management. Pursuing a selection process that could result in a potential change of the City's investment advisor and manager during the upcoming election and the resulting implementation of the appropriate infrastructure and credit analysis process for the additional investment asset classes exposes the City to potential risks.

Chandler is paid 6.5 (.065%) basis points on the \$400 million of assets they manage, which equates to approximately \$260,000 in fees per year.

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Revised 08/16/10