

Petaluma Health Care District
Financial Advisor RFP Questions and Answers
Posted 4/15/2021

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Question: Would PHCD consider using more than one advisor?

Answer: Yes, we will be considering the option of more than one advisor.

Question: What are the District's annual liquidity needs from the \$55 Million portfolio?

Answer: Our latest financials can be viewed [here](https://phcd.org/financials.php): (<https://phcd.org/financials.php>). We are in the process of creating the 2021-22 budget which is planned to be made available to the public by July 1, 2021.

We would hope that investment returns would allow us to increase community support.

**Question: Can you please confirm that this RFP covers The District's full portfolio of \$55million?
or will it only be the funds not invested with LAIF?**

Answer: The RFP covers up to the \$55 Million depending on the proposals submitted.

Question: Will the LAIF funds be available immediately for liquidation for the new investment advisor to invest?

Answer: Yes

Question: Are there any limitations as to where these assets may be held in custody?

Answer: The custodial services must be compliant with requirements specified in the CA codes.

Question: Can the District provide the current benchmark(s) for the portfolio?

Answer: A blended benchmark has been utilized in the past. The District will be looking to the selected Financial Advisor to select/develop appropriate benchmark(s) that reflect the performance of investments in a portfolio that is compliant with CA investment codes.”

Question: Section III. Investment Program states: “The District, by way of its investment advisor, purchases investments with the intent to hold until maturity but does not preclude sales before maturity if it can be demonstrated that the transaction will benefit the portfolio.”. Is the District seeking a nondiscretionary or discretionary investment manager? Passive or active strategy? Would the sale of a security before maturity require authorization? If applicable, would the District describe this authorization process? Can the District provide examples or more detail on what information/data the investment manager would need to provide to demonstrate that the transaction would benefit the portfolio?

Answer: The District is seeking to engage a discretionary investment advisor to provide a professional investment strategy and build a portfolio that will meet the District’s financial needs as well as provide appropriate documentation of results with respect to the strategy. The District expects to be passive in the execution of the strategy. The District will work with the advisor to determine/develop the proper guidelines for selling a security before maturity.

Question: Does the Investment Policy allow investment grade floating rate corporate notes?

Answer: Exhibit A – Investment Policy Figure 1 (page 7) of the Investment policy outlines ALLOWABLE INVESTMENT INSTRUMENTS PER CA STATE GOVERNMENT CODE (AS OF JANUARY 1, 2020) APPLICABLE TO ALL LOCAL AGENCIES

Question: What are the fees/fee schedule charged by the current investment manager for the portfolio?

Answer: The proposals submitted will be evaluated by several criteria including, but not limited to, the firms cost and fee structure.