



**CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING**

#25-0389

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Rickelle Williams, City Manager

DATE: April 15, 2025

TITLE: Motion to Terminate Agreement for Employee Financial Loan Program with
BMG Money, Inc. - **(Commission Districts 1, 2, 3 and 4)**

Recommendation

Staff recommends the City Commission terminate the Agreement for Employee Financial Loan Program with BMG Money, Inc and authorize the City Manager, or designee, to issue a Notice of Contract Termination to BMG Money, Inc. (BMG), in substantially the form attached.

Background

The City began offering employees the option to unsecured micro-finance loans ranging from \$500 to \$5,000 through the Loans At Work program administered by BMG, as of February 13, 2012 (CAM #12-2504).

Loan payments are made through payroll deductions and can span over a period of 6 to 35 months. The fixed interest rate offered by BMG is 23.99% for all employee loans. The rate does not fluctuate based upon borrower creditworthiness or other financial factors.

As part of the City's annual review of benefits, staff determined that an alternative vendor should be considered to provide micro-finance loans. Such alternative vendors are currently being reviewed by the City's voluntary benefits broker, FBMC Benefits Management, Inc. (FBMC). These vendors are being evaluated on their ability to provide loans based upon the employees' years of service, annual salary, credit score, amount of loan, and length of the repayment period. As compared with BMG, engaging an alternative vendor will result in a more fiscally responsible option with significantly lower interest rates for employees. Additionally, the alternative vendor will be required to provide financial education and resources to employees who obtain loans. Employees will still have the option to apply for loans through their 457(b) deferred compensation accounts.

As such, staff is recommending termination of the City's agreement with BMG (Exhibit 1). The termination letter (Exhibit 2) has been drafted pursuant to the termination section of the agreement and is attached herein for City Commission consideration and approval.

The termination clause allows for a 60-day notice to BMG. During this time, staff will work to finalize the evaluation process with FBMC and secure an agreement with an alternative vendor. The BMG agreement will survive for the approximately 250 employee notes outstanding.

Resource Impact

There is no fiscal impact associated with the contract termination.

Strategic Connections

This item supports the *Press Play Fort Lauderdale 2029 Strategic Plan*, specifically advancing:

- The Fiscal Responsibility Guiding Principle

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Ready*.

Attachments

Exhibit 1 – Agreement for Employee Financial Loan Program Agreement

Exhibit 2 – Notice of Contract Termination

Prepared by:	Guy Hine, Risk Manager, Human Resources Michaelynn Sampo, Benefits Manager, Human Resources
Department Director:	Jerome Post, Human Resources