

BUDGET AND FINANCE COMMITTEE REPORT relative to authorization for the Office of Finance (Finance) to execute a Sixth Amendment to Contract Nos. C-114826 and C-114564 with Wells Fargo Bank for banking services.

Recommendations for Council action:

1. AUTHORIZE the Director of Finance, or designee, to execute Amendment No. 6 to Contract No. C-114826 with Wells Fargo Bank for banking services, subject to final approval as to form and legality by the City Attorney.
2. AUTHORIZE the Director of Finance, or designee, to execute Amendment No. 6 to Contract No. C-114564 with Wells Fargo Bank for banking services, subject to final approval as to form and legality by the City Attorney.

Fiscal Impact Statement: Finance reports the City paid \$18.2 million in bank service charges for all City departments in Fiscal Year (FY) 2017-18 and is projected to spend \$18.5 million in bank service charges in FY 2018-19. Additionally, in anticipation of a transition to a new bank platform, Finance initiated migrating the City's merchant accounts from the Wells Fargo Merchant Services platform to Elavon, Inc. at the start of this Fiscal Year. Finance reports it is also migrating the service charges for its Armored Courier services off the Wells Fargo payment platform, and approximately \$8.9 Million of the service charges to be paid in FY 2018-19 are invoiced through the agreements with Wells Fargo Bank.

Finance further reports, the Los Angeles Department of Water and Power, Los Angeles World Airports, and Los Angeles Department of Transportation are invoiced directly by the bank, and they pay for their charges directly, which are projected to be approximately \$14.5 million in Fiscal Year 2018-19, and Finance pays for all other City departments' bank service charges.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on April 15, 2019, the Budget and Finance Committee considered a report from Finance relative to approving Finance to execute a Sixth Amendment to Contract Nos. C-114826 and C-114564 with Wells Fargo Bank for banking services.

Finance reports that the Sixth Amendment will continue banking services for the City until new contracts with Bank of America, N.A. and J.P. Morgan Chase N.A. is executed. The new contract information with Bank of America and J.P. Morgan Chase is attached to Council file No. 17-1259.

After providing an opportunity for public comment, the Budget and Finance Committee recommended that Council approve the Sixth Amendment to the contracts with Wells Fargo Bank. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
PRICE	YES
KORETZ	ABSENT
BONIN	ABSENT
BLUMENFIELD	YES

AC 4/15/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-