

BUDGET AND FINANCE COMMITTEE REPORT relative to service agreements with Banks of America, N.A., J.P. Morgan Chase Bank, N.A., and MUFG Union Bank, N.A. to provide general banking services to the City.

Recommendations for Council action:

1. AUTHORIZE the Director of Finance, or designee, to negotiate a service agreement with Bank of America N.A. to provide general banking services for a period of five years, effective upon the date of the execution of the agreement, with an option to extend the agreement for this purpose, for an additional five-year term.
2. AUTHORIZE the Director of Finance, or designee, to negotiate a service agreement with J.P. Morgan Chase Bank, N.A. to provide general banking services for a period of five years effective upon the date of the execution of the agreement, with an option to extend the agreement for this purpose, for an additional five-year term.
3. AUTHORIZE the Director of Finance, or designee, to negotiate a service agreement with MUFG Union Bank, N.A. to provide banking services to support the Neighborhood Council Funding Program for a period of five years effective upon the date of the execution of the agreement, with an option to extend the agreement for this purpose, for an additional five-year term.
4. AUTHORIZE the Director of Finance, or designee, to enter into a Letter of Credit agreement with Bank of America, N.A., for an amount not to exceed \$4 million, to support the City's Contractor Bonding Assistance Program, subject to review and approval by the City Attorney as to form and legality .

Fiscal Impact Statement: The Office of Finance (Finance) reports it will monitor the fiscal impact to the General Fund as the implementation progresses and will monitor the monthly service charges and any additional funding that may be required beyond the Finance's appropriation in its Bank Service Fees account. Finance will also report through the annual budget preparation cycle and the monthly Financial Status Reports on any significant changes in the expenditures from its Bank Service Fees account.

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 service agreements with Banks of America, N.A., J.P. Morgan Chase Bank, N.A., and MUFG Union Bank, N.A. to provide general banking services to the City.

During discussion, Finance reported that it conducted an extensive outreach process and solicited proposals from over 250 banks doing business in the City and encouraged both local financial institutions and national banks doing business in the City to submit proposals. The extensive outreach conducted by Finance produced 20 attendees to the Proposer's Conference

and eight proposals from financial intuitions. Finance reported the evaluations of the proposals were conducted by a committed comprised of the Los Angeles World Airports, the Los Angeles Department of Water and Power, the City Administrative Officer, the Ports of Los Angeles Harbor Department, and the County of Los Angeles Treasurer and Tax Collector.

After an thorough review of the proposals, the evaluation committee recommended the following banks to provide banking services to the City, Bank of America N.A., J.P. Morgan Chase, N.A., and MUFG Union Bank N.A. The agreements with Bank of America N.A. and J.P. Morgan Chase, N.A. will succeed the existing agreements between the City and Wells Fargo Bank, which expire on June 30, 2019, and the agreement with MUFG Union Bank N.A. will supersede an existing agreement between the City and MUFG Union Bank N.A. for banking services to support the City's Neighborhood Council Funding Program.

After providing an opportunity for public comment, the Budget and Finance Committee recommended that Council approve the recommendations in the Finance report. 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-