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~~BUDGET & FINANCE~~

MOTION

Last week, the Council was asked to give the City Administrative Officer (CAO) authority to issue up to \$1.2 billion in short-term Tax and Revenue Anticipation Notes (2010 TRAN), and to approve the selection of four firms as underwriters for the deal.

During the ensuing discussion, it became clear that the Council wants to award City business to firms that have a history of dealing with the City and its taxpayers fairly. Firms that are involved in litigation with the City alleging serious financial misconduct should not be routinely awarded new business with the City.

On March 5, 2010, I presented and the Council unanimously approved a Responsible Banking motion, CF 09-0234. Included in the Responsible Banking motion is a clause that "No contracts for financial or banking services shall be awarded to any bank or financial institution that has exhibited a pattern of discriminatory or other illegal credit practices, or has committed past criminal or civil violations that have resulted in significant harm to the City of Los Angeles' financial interests."

In light of the Council's TRAN 2010 discussion last week, which made clear the Council's continued interest in placing taxpayer dollars in institutions that treat the City both fairly and legally, and in light of the Wastewater System Debt Program discussion today (CF 08-0951), the Council needs advance notice of pending credit transactions in order to make careful, informed decisions regarding the City's selection of financial institutions.

I THEREFORE MOVE that the City Administrative Officer (CAO) and the City Treasurer prepare and present a report to Council with an outline of all pending financial transactions between the City and commercial financial institutions that will take place in the next 6 months, and to report on the matter within 15 days. This report should also include information on what steps the CAO and Treasurer are taking to assist the Council in re-evaluating the current list of financial institutions approved to do business with the City.

ORIGINAL

PRESENTED BY *Richard Alarcón*  
RICHARD ALARCÓN  
Councilmember, 7<sup>th</sup> District

*MAJ*  
JUN 25 2010

SECONDED BY *Bruce Rely*