

BUDGET AND FINANCE COMMITTEE REPORT relative to authorization to execute a contract with Bank of New York Mellon (BNY) to provide financial custody and securities lending services.

Recommendation for Council action:

AUTHORIZE the Director of Finance to:

1.
 - a. execute the proposed agreement with BNY, subject to final review as to form and legality by the City Attorney.
 - b. AUTHORIZE the Director of Finance to execute a second five-year option for renewal of the agreement upon mutual agreement of the City and BNY.

Fiscal Impact Statement: The Office of Finance reports that funding for this agreement and services is available in its current fiscal year budget appropriation. Therefore, no additional funding is required. This request is in compliance with the City's Financial Policies in that there is no additional impact on the General Fund. The average annual cost for the contract is approximately \$100,000 which is more than offset by the average annual revenue generated from the department's securities lending activities. The yearly revenue average for the past three fiscal years is approximately \$444,860. The securities lending activities have resulted in \$441,785 in revenue year-to-date in Fiscal Year 2016-17.

Community Impact Statement: None submitted.

TIME LIMIT FILE - MAY 13, 2017

(LAST DAY FOR COUNCIL ACTION - MAY 12, 2017)

SUMMARY

At its regular meeting held on March 20, 2017, the Budget and Finance Committee considered a report from the Office of Finance dated March 10, 2017 relative to authorization to execute a contract with BNY, for a five-year term, with one five-year options to renew, to provide financial custody and securities lending services. The Director of Budget and Administration and the Chief Investment Officer for the Office of Finance addressed the Committee and responded to related questions relative to the proposed contract.

After providing an opportunity for public comment, the Committee approved the recommendations in the Office of Finance report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
MARTINEZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	ABSENT

REW
3/22/17
FILE NO. 17-0284

-NOT OFFICIAL UNTIL COUNCIL ACTS-