



Legislation Text

File #: 18-617, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of the First Extension to Contract 13-025A, Depository Banking, Lockbox and Safekeeping Services, to BMO Harris Bank for an amount not to exceed \$235,000 and for a 16-month term

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In February 2013, the City Council approved the award of Contract 13-025 to BMO Harris Bank for a five-year term from August 1, 2013 through July 31, 2018 with consideration for two, two-year extensions. As part of this contract, BMO Harris is responsible for the following banking services:

- Domestic custody
- Monthly and annual financial statements
- Cost basis maintenance
- 24/7 Internet access via Portfolio Vision for client and managers
- Daily sweep assuming a BMO Fund managed by BMO Global Asset Management is used as the sweep vehicle
- Distributions
- Wire transfers
- All client meetings

DISCUSSION:

BMO Harris has performed well during the initial five-year term. This relationship has yielded numerous benefits and efficiencies. BMO Harris has demonstrated its commitment to client service and is responsive to Finance Department needs and inquiries. BMO Harris has committed to reviewing the City's interest rates annually beginning in December 2018. Additionally, BMO Harris has offered to maintain the current line item pricing at the same per unit price for the 16-month extension. As such, staff projects a not to exceed amount that is in line with the annual cost of the initial contract.

The term of the first extension is 16 months from September 1, 2018 through December 31, 2019. There is one additional two-year extension available with this contract.

FISCAL IMPACT:

CIP #: N/A

Depository Banking, Lockbox and Safekeeping Services, is expensed to the administrative service fees accounts below. A total of \$957,722 has been budgeted for banking and other financial related services in 2018. The requested award of \$235,000 is within the budgeted amount for this expense.

Account Number	Fund Description	Total Budget Amount
15101100-532316	General Fund	\$86,700
31101100-532316	General Fund	\$4,500
40101300-532316	Electric Utility Fund	\$613,022
41101500-532316	Water Utilities Fund	\$250,000
50102900-532316	Library Fund	\$3,500