

Robert P. Astorino  
County Executive

Department of Finance

Ann Marie Berg  
Commissioner

**39403**

Date: April 1, 2014

To: Board of Acquisition and Contract

From: Ann Marie Berg  
Commissioner of Finance

Re: Authority to enter into an agreement with JP Morgan Chase Bank, N.A. ("Chase") for the provision of certain banking services for a term of three (3) years, with the County having the sole option to renew the agreement for two (2) additional one (1) year renewal terms

---

Transmitted herewith is a resolution which, if approved by your Honorable Board, will authorize the County of Westchester (the "County") to enter into an agreement with JP Morgan Chase Bank, N.A. ("Chase") for the provision of certain banking services (the "Services") for a term of three (3) years commencing April 1, 2014, with the County having the sole option to renew the agreement for two (2) additional one (1) year renewal terms. Pursuant to the Agreement, Chase will provide General Operating, Payroll and Direct Deposit banking services. These services are currently being provided to the County by Chase and have been since 2007. Pursuant to the Agreement Chase will be compensated through a combination of fees being paid by the County and/or compensating balances. The fees are estimated to be \$270,000 per year regardless of whether they are paid for in compensating balances or in cash. Therefore, the total cost of the agreement is estimated to be \$810,000. This cost will be recorded as an offset to Interest Income.

The County entered into agreements with Chase for banking services on September 27, 2007. The contract expired on March 31, 2014. In mid 2013 the Department of Finance (the "Department") began discussing the possibility of continuing Chase's relationship with the County. The Department asked Chase to review the terms of the current agreement and to propose a new, more competitive, pricing structure. Through negotiations a pricing structure was agreed upon that should save the County approximately 15% as compared to the current agreement. In addition, the Department negotiated an enhanced earnings credit rate where the County will earn ten (10) basis points above the standard rate (with a floor of forty (40) basis points). The earnings credit represents interest earned on Compensating Balances which are used to offset Banking fees.

The current agreement with Chase expired on March 31, 2014, and, based upon the entirety of the expired agreement, which Chase improved upon in the recent negotiations, as well as the very good service the County has received in the last seven (7) years I recommend that the County enter into this new Agreement with Chase.

This agreement is exempt from the procedures of the Procurement Policy under section 3(a)xx thereof.

The goal and objective of this agreement is to receive cost efficient delivery of banking services necessary for the operation of the County. The Department will monitor Chase's performance through regular reports and bank statements.

Accordingly, I recommend that your Honorable Board approve the attached resolution authorizing the Agreement with Chase for banking services.

APPROVED BOARD OF ACQUISITION & CONTRACT - 04/24/2014 - JOSEPH VIEIRA, SECRETARY

## **RESOLUTION**

Upon communication from the Commissioner of Finance, be it hereby

**RESOLVED**, that the County of Westchester ("County") is authorized to enter into an agreement with JPMorgan Chase Bank, N.A. duly executed on April 1, 2014 (the "Agreement") for the purpose of providing certain banking services (the "Services") for a term of three (3) years commencing April 1, 2014, with the County having the sole option to renew the agreement for two (2) additional one (1) year renewal terms.

**RESOLVED**, that this Agreement is subject to County appropriations; and be it further

**RESOLVED**, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

**RESOLVED**, that the County Executive or his authorized designee is hereby authorized to execute any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution

The following REVENUE accounts will be debited. (offsetting Interest Income).

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
2014	101	52	1000	9522	14,250
2014	161	44	4110	9522	17,250
2014	223	60	0310	9522	3,600
2014	224	60	0410	9522	18,750
2014	225	60	0510	9522	1,275
2014	226	60	0610	9522	6,000
2014	227	60	0710	9522	19,875
2014	228	60	0810	9522	4,275
2014	229	60	0910	9522	3,150
2014	230	60	1010	9522	1,875
2014	231	60	1110	9522	1,800
2014	232	60	1210	9522	3,150
2014	235	60	1510	9522	17,625
2014	236	60	1610	9522	1,125
2014	237	60	1710	9522	750
2014	241	60	5110	9522	4,950
2014	244	60	5410	9522	4,425
2014	251	60	7100	9522	375
2014	617	61	0100	9522	55,500
2014	243	60	5310	9522	22,500
					<b>202,500</b>

APPROVED BOARD OF ACQUISITION & CONTRACT ADMINISTRATION  
 03/24/2014  
 JIMMIE MARY VIEIRA, SECRETARY

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
2015	101	52	1000	9522	19,000
2015	161	44	4110	9522	23,000
2015	223	60	0310	9522	4,800
2015	224	60	0410	9522	25,000
2015	225	60	0510	9522	1,700
2015	226	60	0610	9522	8,000
2015	227	60	0710	9522	26,500
2015	228	60	0810	9522	5,700
2015	229	60	0910	9522	4,200
2015	230	60	1010	9522	2,500
2015	231	60	1110	9522	2,400
2015	232	60	1210	9522	4,200
2015	235	60	1510	9522	23,500
2015	236	60	1610	9522	1,500
2015	237	60	1710	9522	1,000
2015	241	60	5110	9522	6,600
2015	244	60	5410	9522	5,900
2015	251	60	7100	9522	500
2015	617	61	0100	9522	74,000
2015	243	60	5310	9522	30,000
					<u>270,000</u>

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
2016	101	52	1000	9522	19,000
2016	161	44	4110	9522	23,000
2016	223	60	0310	9522	4,800
2016	224	60	0410	9522	25,000
2016	225	60	0510	9522	1,700
2016	226	60	0610	9522	8,000
2016	227	60	0710	9522	26,500
2016	228	60	0810	9522	5,700
2016	229	60	0910	9522	4,200
2016	230	60	1010	9522	2,500
2016	231	60	1110	9522	2,400
2016	232	60	1210	9522	4,200
2016	235	60	1510	9522	23,500
2016	236	60	1610	9522	1,500
2016	237	60	1710	9522	1,000
2016	241	60	5110	9522	6,600
2016	244	60	5410	9522	5,900
2016	251	60	7100	9522	500
2016	617	61	0100	9522	74,000
2016	243	60	5310	9522	30,000
					<u>270,000</u>

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
2017	101	52	1000	9522	4,750
2017	161	44	4110	9522	5,750
2017	223	60	0310	9522	1,200
2017	224	60	0410	9522	6,250
2017	225	60	0510	9522	425
2017	226	60	0610	9522	2,000
2017	227	60	0710	9522	6,625
2017	228	60	0810	9522	1,425
2017	229	60	0910	9522	1,050
2017	230	60	1010	9522	625
2017	231	60	1110	9522	600
2017	232	60	1210	9522	1,050
2017	235	60	1510	9522	5,875
2017	236	60	1610	9522	375
2017	237	60	1710	9522	250
2017	241	60	5110	9522	1,650
2017	244	60	5410	9522	1,475
2017	251	60	7100	9522	125
2017	617	61	0100	9522	18,500
2017	243	60	5310	9522	7,500
					<b>67,500</b>

Budget Funding Year(s) 2014 – 2017 Start Date 3/31/14 End Date 3/31/17  
 (must match resolution)

Funding Source \_\_\_\_\_ Tax Dollars \_\_\_\_\_  
 State Aid \_\_\_\_\_  
 \$ 810,000 Federal Aid \_\_\_\_\_  
 (must match resolution) Other Revenue offset \_\_\_\_\_

APPROVED BOARD OF ACQUISITION & CONTRACT ADMINISTRATION, SECRETARY