

George Latimer
County Executive

68185

Date : March 1, 2019

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 years, with the County having the sole option to renew the agreement for two additional one 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 years commencing on April 1, 2019, with the County having the sole option to renew the agreement for two additional one year renewal terms (the "Agreement"). 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 \$195,000 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 \$585,000. 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 which extended through March 31, 2014. In mid 2013 the Department of Finance (the "Department") began discussing the possibility of continuing Chase's relationship with the County. Through negotiations, undertaken by the Department, a new, more competitive pricing structure was agreed upon that reduced fees by approximately 15% as compared to the then-current agreement. In late 2018 the County again approached Chase about a new agreement. After negotiating with the bank there is a small increase in pricing (approximately 5%) but this will be more than offset by an enhanced earnings credit that we negotiated with Chase. The earnings credit represents interest earned on Compensating Balances which are used to offset Banking fees.

The current agreement with Chase expires on March 31, 2019, and, based upon the entirety of the expired agreement, as well as the very good service the County has received in the last twelve (12) years I recommend that the County enter into this new Agreement with Chase.

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.

AMB/MA/DI

APPROVED BOARD OF ACQUISITION & CONTRACT - 03/07/2019 - LISI MARIJAS PEREIRA

RESOLUTION

Upon a 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. for the term April 1, 2019 through March 31, 2022 (the “Agreement”) for the purpose of providing certain banking services (the “Services”), with the County having the sole option to renew the agreement for two additional one 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>
2019	101	52	1000	9522	10,292
2019	161	44	4110	9522	12,458
2019	223	60	0310	9522	2,600
2019	224	60	0410	9522	13,542
2019	225	60	0510	9522	921
2019	226	60	0610	9522	4,333
2019	227	60	0710	9522	14,354
2019	228	60	0810	9522	3,088
2019	229	60	0910	9522	2,275
2019	230	60	1010	9522	1,354
2019	231	60	1110	9522	1,300
2019	232	60	1210	9522	2,275
2019	235	60	1510	9522	12,729
2019	236	60	1610	9522	813
2019	237	60	1710	9522	542
2019	241	60	5110	9522	3,575
2019	244	60	5410	9522	3,196
2019	251	60	7100	9522	271
2019	617	61	0100	9522	40,083
2019	243	60	5310	9522	<u>16,250</u>
					<u>146,250</u>

APPROVED BOARD OF ACQUISITION & CONTRACT - 03/07/2019 - LISA MRIJAJ, SECRETARY

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
2020	101	52	1000	9522	13,722
2020	161	44	4110	9522	16,611
2020	223	60	0310	9522	3,467
2020	224	60	0410	9522	18,056
2020	225	60	0510	9522	1,228
2020	226	60	0610	9522	5,778
2020	227	60	0710	9522	19,139
2020	228	60	0810	9522	4,117
2020	229	60	0910	9522	3,033
2020	230	60	1010	9522	1,806
2020	231	60	1110	9522	1,733
2020	232	60	1210	9522	3,033
2020	235	60	1510	9522	16,972
2020	236	60	1610	9522	1,083
2020	237	60	1710	9522	722
2020	241	60	5110	9522	4,767
2020	244	60	5410	9522	4,261
2020	251	60	7100	9522	361
2020	617	61	0100	9522	53,444
2020	243	60	5310	9522	21,667
					<u>195,000</u>

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
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APPROVED BOARD OF ACQUISITION & CONTRACT - 03/07/2019 LISA MRIJAJ, SECRETARY

2021	101	52	1000	9522	13,722
2021	161	44	4110	9522	16,611
2021	223	60	0310	9522	3,467
2021	224	60	0410	9522	18,056
2021	225	60	0510	9522	1,228
2021	226	60	0610	9522	5,778
2021	227	60	0710	9522	19,139
2021	228	60	0810	9522	4,117
2021	229	60	0910	9522	3,033
2021	230	60	1010	9522	1,806
2021	231	60	1110	9522	1,733
2021	232	60	1210	9522	3,033
2021	235	60	1510	9522	16,972
2021	236	60	1610	9522	1,083
2021	237	60	1710	9522	722
2021	241	60	5110	9522	4,767
2021	244	60	5410	9522	4,261
2021	251	60	7100	9522	361
2021	617	61	0100	9522	53,444
2021	243	60	5310	9522	<u>21,667</u>
					<u>195,000</u>

<u>Year</u>	<u>Fund</u>	<u>Dept</u>	<u>Unit</u>	<u>Revenue</u>	<u>Dollars</u>
2022	101	52	1000	9522	

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					3,431
2022	161	44	4110	9522	4,153
2022	223	60	0310	9522	867
2022	224	60	0410	9522	4,514
2022	225	60	0510	9522	307
2022	226	60	0610	9522	1,444
2022	227	60	0710	9522	4,785
2022	228	60	0810	9522	1,029
2022	229	60	0910	9522	758
2022	230	60	1010	9522	451
2022	231	60	1110	9522	433
2022	232	60	1210	9522	758
2022	235	60	1510	9522	4,243
2022	236	60	1610	9522	271
2022	237	60	1710	9522	181
2022	241	60	5110	9522	1,192
2022	244	60	5410	9522	1,065
2022	251	60	7100	9522	90
2022	617	61	0100	9522	13,361
2022	243	60	5310	9522	<u>5,417</u>
					<u>48,750</u>

APPROVED BOARD OF ACQUISITION & CONTRACT - 03/07/2019 LISA MRIJAJ, SECRETARY

Budget Funding Year(s) 2019 – 2022 Start Date 4/1/19 End Date 3/31/22
 (must match resolution)

Funding Source

Tax Dollars _____

State Aid _____

\$ 585,000
(must match resolution)

Federal Aid _____

Other Revenue offset _____

APPROVED BOARD OF ACQUISITION & CONTRACT - 03/07/2019 - LISA MRIJAJ, SECRETARY