



George Latimer  
County Executive

Department of Finance

Ann Marie Berg  
Commissioner

#70037

Date: June 3, 2019

To: Honorable Members of the Board of Acquisition & Contract

From: Ann Marie Berg  
Commissioner, Department of Finance

Re: **Authority to enter into an agreement with Sterling National Bank, and its custodian bank, The Bank of New York Mellon related to the deposit of County Funds.**

---

The County of Westchester ("County") maintains relationships with various banks for the deposit of County funds. Pursuant to New York General Municipal Law Section 39, the County is required to have a written investment policy regarding the investment, monitoring and reporting of County government funds. Pursuant to the Investment Policy for the County of Westchester (the "Investment Policy"), when the County deposits funds in banks, such deposits are required to be collateralized. Eligible securities that are used to collateralize the County's deposits in a depository bank are required to be held by a third party custodian bank (in most cases). Currently the County maintains deposits with Sterling National Bank with M&T Bank as Custodian.

Authority is now requested of your Honorable Board to authorize the County to enter into a new tri-party agreement for the custody of the required collateral for deposits with Sterling National Bank with The Bank of New York Mellon as custodian. This change is at the request of the Sterling National Bank. There is no cost to the County for this agreement.

This agreement serves a valid public purpose in that it enables the County to comply with the requirements of its Investment Policy. The goal of the agreement is to ensure adequate and safe collateralization of County funds. The Department of Finance will receive regular statements for this account in order to monitor the banks' performance.

This procurement is exempt from the operation of the Westchester County Procurement Policy pursuant to Section 3(a)(xx).

I recommend approval of the attached proposed resolution.

AMB/MAA/jrc

APPROVED BOARD OF ACQUISITION & CONTRACT - 06/06/2019 - LISA MRIJAJ, SECRETARY

**RESOLUTION**

Upon a communication from the Commissioner of the Department of Finance, be it hereby:

**RESOLVED**, that the County of Westchester (“County”) is hereby authorized to enter into a tri-party custodial agreement for the custody of the required collateral with Sterling National Bank and The Bank of New York Mellon; and be it further

**RESOLVED**, that pursuant to the proposed tri-party agreement County shall agree, jointly and severally with Sterling National Bank, to indemnify The Bank of New York Mellon and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which the The Bank of New York Mellon may sustain or incur or which may be asserted against the The Bank of New York Mellon by reason of or as a result of any action taken or omitted by the The Bank of New York Mellon in connection with operating under the tri-party agreement except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of The Bank of New York Mellon or any of its employees or duly appointed agents; and be it further

**RESOLVED**, that the agreement will commence upon execution by all parties, will be terminable by any of the parties upon written notice and will be at no cost to the County; and be it further;

**RESOLVED**, that the that the County Executive or his duly authorized designee is hereby authorized to take such action and execute such documents as may be necessary and proper to effect the purposes hereof.

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub Object	Trust Account	Dollars
	N/A	N/A	N/A	N/A	N/A	N/A

Budget Funding Year(s) N/A Start Date Upon contract execution  
 End Date Upon contract execution

(must match resolution)

Funding Source Tax Dollars \_\_\_\_\_  
 State Aid \_\_\_\_\_  
\$ N/A Federal Aid \_\_\_\_\_  
 (must match resolution) Other \_\_\_\_\_