



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Treasurer-Tax Collector



Date: June 17, 2015
Board Meeting Date: July 21, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Sandie Arnott, Treasurer-Tax Collector

Subject: Agreement with The Bank of New York Mellon

RECOMMENDATION:

Adopt a resolution authorizing an agreement with the Bank of New York Mellon to provide custody and safekeeping services for the San Mateo County Investment Pool for the term beginning August 1, 2015 through July 31, 2018 in an amount not to exceed \$295,000.00.

BACKGROUND:

The Treasurer's Office has contracted with the Bank of New York Mellon to provide custody and safekeeping services for the San Mateo County Investment Pool. On May 1, 2015, the Bank of New York Mellon was selected through a Request for Proposal (RFP) process to continue providing these services. The current agreement with the Bank of New York Mellon expires on July 31, 2015.

DISCUSSION:

Based upon the responses received from four (4) banking institutions, the reviewing committee chose to remain with the Bank of New York Mellon for custodial services. Favorable attributes for the Bank of New York Mellon were their high institutional ratings including long and short debt ratings from S&P – A+/A-1, Moody's – A1/P-1, and Fitch – AA+/F1+. Also favorable are their extensive custodial and safekeeping experience, competitive pricing and consistent with the department's disaster preparedness plan, their custodial securities facilities are located on the East Coast.

The agreement and resolution have been reviewed and approved by County Counsel as to form.

County Risk Management has reviewed and approved the Contractor's insurance coverage.

The agreement contributes to the Shared Vision 2025 outcome of a Collaborative Community by managing the financial assets of the County and maintaining the value of the investment pool through professional and efficient administration of the County departments, special districts, schools and cities.

The resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000.00 (in aggregate).

PERFORMANCE MEASURE:

Measure	FY 2014-15	FY 2015-16 Projected
Transactions processed with the Bank of New York Mellon	992	An estimate of the number of transactions for Fiscal Year 2015-16 cannot be provided as the relationship with the Bank of New York Mellon is market dependent.
Percentage of successful transactions	Between July 1, 2014 – December 31, 2014 100% of the transactions were successful.	N/A

FISCAL IMPACT:

Funds for these services have been included in the Treasurer-Tax Collector's FY 2015-16 and 2016-17 Recommended Budget. Similar arrangements will be made for future budget years.