

Custody Bank Contract Modification

Finance, Budget and Audit Committee
July 18, 2024

Custody Bank Contract Modification

Causes and benefits of the modification:

- Metro's Investment Policy requires the use of an external custody bank to safekeep operating fund securities or cash.
- The number of accounts, trading volume and the market value of investments has increased since 2019.
- Contracted fixed fee percentages have not changed.
- This action will provide adequate funding, allow sufficient time for the re-procurement to expand participation for local community banks, and allow a 3-month transition period.

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Recommendation:

- Authorize the CEO to execute an extension of the current contract with US Bank to March 31, 2025, and increase contract value by \$500,000 to a new Not to Exceed (NTE) amount of \$1,600,370 ;

The existing contract expires on December 31, 2024.

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Next Step:

- Upon Board approval, staff will execute the modification with U.S. Bank to continue to provide custodial banking services.