



REPORT TO COUNCIL

City of Sacramento

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www. CityofSacramento.org

Consent
February 28, 2006

Honorable Mayor and
Members of the City Council

Subject: Authorize Sacramento City Treasurer's Office To Enter Into An Agreement To Provide Investment Services For Natomas Basin Conservancy.

Location/Council District: Citywide

Recommendation:

The City Treasurer recommends that the City Council adopt the attached resolution authorizing the City Treasurer (Treasurer) to enter into an agreement with the Natomas Basin Conservancy, a non-profit public benefit corporation ("Conservancy") in order to provide investment management services.

Contact: Thomas P. Friery, City Treasurer, 808-5168

Presenters: Thomas P. Friery, City Treasurer

Department: City Treasurer's Office

Division: City Treasurer's Office

Organization No: 0900

Summary:

- Staff is requesting approval from the City Council for the Treasurer to enter into an agreement with Natomas Basin Conservancy to provide investment management services at a negotiated fair market rate.
- The contract provides for a flat fee of 20 basis points and wire transfer fees which equates to up to \$11,000 in revenue annually.

Committee/Commission Action: None.

Background Information:

This report is in response to the City Council's priority for Fiscal Viability and Reinventing of City Government. By approving the Treasurer to enter into an agreement with the Natomas Basin Conservancy to provide investment management services at the determined rate, the Treasurer is able to supplement it's costs to the General Fund. In addition to the City funds, the Treasurer provides investment management services for the Public Trust Mutual Fund, Ethel Hart Endowment Fund, Sacramento Redevelopment Agency, United Way of California Capital Region and most recently Sacramento Public Library.

On January 3, 2005, the Natomas Basin Conservancy transferred \$177,847.72 in the City's Pool 'A' account and has made added over \$5.0 million since. Their current balance is \$5.6 million at an earning rate of 3.48%.

Staff is recommending that the City Council authorize the Treasurer to enter into an agreement with the Natomas Basin Conservancy.

Financial Considerations:

The negotiated fee to provide investment management services to the Natomas Basin Conservancy is set at a rate of .20 basis points and cost of wire services fees. At the current balance this agreement could generate an additional \$11,000 of revenue for the General Fund.

Environmental Considerations:

No Applicable as the California Environmental Quality Act (CEQA) does not apply to ministerial projects.

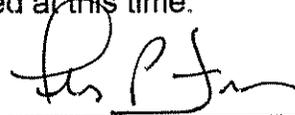
Policy Considerations:

This action is consistent with City Council priority for Fiscal Viability and Reinventing City Government. Providing investment management services to the Natomas Basin Conservancy further insures the City Treasurer's Office does not rely on General Fund support.

Emerging Small Business Development (ESBD):

None as no outside goods or services are being procured at this time.

Respectfully Submitted by: _____



Thomas P. Friery
City Treasurer

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION APPROVING THE CITY TREASURER'S RECOMMENDATION
AUTHORIZING THE SACRAMENTO CITY TREASURER'S OFFICE TO ENTER INTO AN
AGREEMENT WITH THE NATOMAS BASIN CONSERVANCY TO PROVIDE
INVESTMENT MANAGEMENT SERVICES.**

WHEREAS, the Natomas Basin Conservancy desires to have the Sacramento City Treasurer's Office provide investment management services for a portion of their portfolio; and

WHEREAS, the City Attorney has opined that the City Charter does not prohibit the City Council from authorizing the City Treasurer to engage in investment management on behalf of other public and non-profit tax exempt entities and that the Treasurer may contract directly with such agencies and entities without the necessity of contracting with the financing authority; and

NOW, THEREFORE, BE IT RESOLVED BY THE Council of the City of Sacramento, that:

The City Treasurer is authorized to enter into an agreement between the City of Sacramento Treasurer's Office and the Natomas Basin Conservancy in order to provide investment management services at fair market rates.