

Reply to Common Council File No. 020048

From DOA-Budget and Management Division

May 2, 2002

Ref: 02013 (28)

Common Council File No. 020048 contains a resolution authorizing "Collateral Pledge and Bail Agreement", and custodial services by the Federal Reserve Bank. This resolution allows the City to exercise its collateral rights upon the occurrence of either a statutory loss or bank default in paying the City any obligations, which exceed the amount of the deposit insurance. This resolution also adopts the agreement as a new standard form for future collateralization and bailment arrangements with other banks where a Federal Reserve Bank will act as a custodian.

RECOMMENDATION: APPROVE COMMON COUNCIL FILE 020048.



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