

## **LRB – RESEARCH AND ANALYSIS**

**JULY 22, 2009**

**ITEM 12, FILE 090312**

**FINANCE & PERSONNEL COMMITTEE**

**JAMES CARROLL**

Resolution appointing a successor trustee for City debt.

### **Background**

1. The basic function of the municipal bond trustee is to carry out the administrative functions required under the conditions of the bond. Among these are:
  - Establishing the accounts related to the bond.
  - Invoicing the issuer for debt service payments and holding funds until dispersed.
  - Maintaining a list of bondholders.
  - Making interest and principal payments to bondholders
2. J.P. Morgan Trust Company has been serving as Trustee on various City debt issues. In 2006, J.P. Morgan sold its corporate trust business to Bank of New York pursuant to the terms of the original agreements.

### **Discussion**

This resolution formally accepts the resignation of J.P. Morgan, and appoints Bank of New York as Successor Trustee.

### **Fiscal Impact**

The resolution has no fiscal impact.

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