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OFFICE OF THE CITY CLERK
OAKLAND

2013 APR 25 PM 2: 28

AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Katano Kasaine

SUBJECT: Debarment Process for
Goldman Sachs

DATE: April 18, 2013

City Administrator Deanna Santana Date 4/25/13
Approval

RECOMMENDATION

Staff recommends that the City Council accept this report with the additional information requested by the City Council at the April 16, 2013 City Council meeting on the debarment process for Goldman Sachs.

EXECUTIVE SUMMARY

At the April 16, 2013 City Council meeting, staff presented an update and explanation of the process to debar Goldman Sachs from doing any future business with the City. The City Attorney's legal opinion on the City's authority to exclude Goldman Sachs from future contracts with the City was attached to the report and is included separately in this agenda package with the report that was continued from the April 16th meeting. City Council continued this item to the May 7, 2013 meeting and directed staff to return with the original resolution adopted by the City Council regarding the City Council's direction on terminating the swap with Goldman Sachs and excluding Goldman Sachs from doing future business with the City. Also attached is Resolution 83962 C.M.S. (*Attachment A*) approved by the City Council at the July 3, 2012 City Council meeting.

For questions regarding this report, please contact Katano Kasaine, Treasurer, at (510) 238-2989.

Respectfully submitted,

Katano Kasaine
KATANO KASAINÉ
Treasurer

Attachment:
Attachment A: Resolution 83962 C.M.S.

Item: _____
City Council
May 7, 2013

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2012 AUG -8 PM 1:42

Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. 83962 C.M.S.

Introduced by Councilmember _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLAND AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND TERMINATE THE CITY'S INTEREST RATE SWAP AGREEMENT WITH GOLDMAN SACHS & CO. TO THE EXTENT THAT THE CITY IS ABLE TO DO SO AT A BELOW MARKET VALUE COST AND NOT LATER THAN THE END OF THE NEXT FISCAL YEAR, JUNE 30, 2013

WHEREAS, in 1997, the City entered into a forward-starting synthetic fixed rate swap agreement (the "Swap Agreement") with Goldman Sachs Mitsui Marine Derivatives Products, U.S., L.P. in the connection with the issuance of Oakland Joint Powers Financing Authority, Lease Revenue Bonds, 1998 Series A1/A2; and

WHEREAS, the Swap Agreement no longer serves its original purpose to mitigate interest rate risks because the interest rates on the original series of bonds tied to the Swap were restructured to fixed rates in 2008, the City Council finds that termination of the Swap Agreement in the best interest of the City; now therefore be it

RESOLVED, that the City Council authorizes the City Administrator to negotiate the termination of the swap agreement entered in connection with the issuance of Oakland Joint Powers Financing Authority, Lease Revenue Bonds, 1998 Series A1/A2, and report back to the Finance Committee on a monthly basis. If Goldman Sachs refuses to terminate the swap agreement without termination fees or penalty within 60 days, then they will be excluded from any future business with the City of Oakland and the City should continue to use all good faith efforts including options proposed by the Stop Goldman Sachs Coalition until such time as Goldman Sachs drops the termination fees and penalty.

FURTHER RESOLVED, that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, JUL 3 2012, 20

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, ~~KERNIGHAN~~, NADEL, QUAN, and PRESIDENT REID - 7

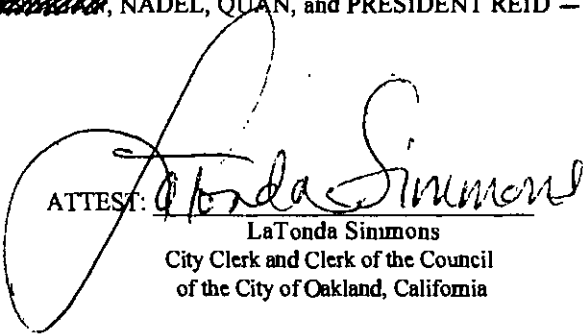
NOES - 0

ABSENT - 0

ABSTENTION - 0

Excused - Kernighan - 1

ATTEST:


LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California