



BOSTON CITY COUNCIL

Committee on Ways and Means
Brian J. Worrell, Chair

One City Hall Square 5th Floor, Boston, MA 02201 ♦ Phone: (617) 635-3040 ♦ city.council@boston.gov

REPORT OF COMMITTEE CHAIR

April 7, 2025

Dear Councilors,

The Committee on Ways and Means was referred the following dockets for consideration:

Docket #0724, Message and order for your approval an Order authorizing the Collector-Treasurer to enter into a contract under the provisions of General Law Chapter 44, Section 53F, by and between the City of Boston and Citizens, for the provision of Banking Services as more fully described in the attached form of compensating balance agreement.

Docket #0725, Message and order for your approval an Order authorizing the Collector-Treasurer to enter into a contract under the provisions of General Law Chapter 44, Section 53F, by and between the City of Boston and J.P. Morgan Chase Bank, N.A., for the provision of Banking Services.

These matters were sponsored by Mayor Michelle Wu and referred to the Committee on April 2, 2025.

Summary of Legislation

Massachusetts General Law Chapter 44, Section 53F allows municipalities like the City of Boston to enter into formal “compensating balance” agreements for a period not to exceed three years, with local banking institutions for the provision of necessary banking services. Under the terms of the agreement, the City must keep a specified minimum balance – an amount specified in the agreement – with the contracting institution as compensation for the various specified services rendered. The City solicits proposals from interested institutions every three years as required by state law. Proposed agreements then go before the City Council for legislative approval.

A treasurer or collector who has entered into an agreement pursuant to this section shall produce an annual report with the following information: each banking institution with which such agreement was maintained in the year covered by the report and the average daily amount, if any, maintained on deposit with such banking institution in excess of the amount necessary to fulfill the terms of the agreement. Said report shall be provided to the Mayor and the City Council.

Docket #0724 enters the City of Boston into a compensating balance agreement with Citizens Bank from July 1, 2025 to June 30, 2028.

Docket #0725 enters the City of Boston into a compensating balance agreement with J.P. Morgan Chase Bank, N.A. from July 1, 2025 to June 30, 2028.



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