

RESOLUTION No.

36926

Adopt City of Portland Responsible Banking Policy (Resolution)

WHEREAS, the City of Portland makes investments in accordance with the City's Investment Policy as well as Oregon Revised Statutes; and,

WHEREAS, the objectives of the City's investment portfolio are to preserve principal, provide sufficient liquidity to serve the City's needs and to generate a fair return; to achieve these objectives, the City invests in a diversified portfolio of conservative investments, most heavily in federal securities; and,

WHEREAS, in addition to a diversified portfolio of mostly federal securities, the City of Portland makes deposits in banks and relies on banks for banking and treasury management services including checking, electronic transfers and credit card processing services; and,

WHEREAS, large and small financial institutions in the Portland region are a vital part of our economic, philanthropic, and civic infrastructure and many bank leaders in this region strive together with government to create a more vibrant community; and,

WHEREAS, large and small banks are tax-paying institutions and currently employ over 8,000 people in the Portland metropolitan area alone and larger financial institutions are uniquely positioned to provide financial services to some of the largest employers in the region; and,

WHEREAS, credit unions currently employ over 1,000 people in the Portland metropolitan area; and,

WHEREAS, the economic recession that began in 2007 and some federal programs and banking policies severely limited financing options for homeowners and many small businesses; and,

WHEREAS, when financial institutions tailor their decision making, lending policies, and practices to the needs of the local community, they are better positioned to help sustain the local economy and local employment; and,

WHEREAS, the City's current Investment Policy does not provide for credit union and other smaller financial institution deposits up to the current NCUA and FDIC insurance caps of \$250,000; and,

WHEREAS, the City of Portland declares its support for the implementation of Oregon House Bill 3700 (2010 Special Session) that will allow local governments to deposit more than the current NCUA insurance limit of \$250,000 in State approved credit unions beginning in 2013; and,

WHEREAS, it is in the City's best interest to increase participation in the competitive solicitation process for its banking services during the next contracting cycle.

NOW, THEREFORE, BE IT RESOLVED that the City of Portland will continue to evaluate deposits in local financial institutions where those deposits are consistent with the City's Investment Policy criteria of safety, liquidity and yield and when such deposits are consistent with the efficient management of the investment portfolio; accordingly, Council directs the City Treasurer to continue to exercise diligence in the evaluation of potential opportunities to place deposits within local financial institutions; and,

BE IT FURTHER RESOLVED that the City of Portland directs the Treasurer to evaluate local credit unions and financial institutions which are approved as qualified depositories by the State Treasurer provided such deposits are consistent with the City's Investment Policy criteria of safety, liquidity and yield and when such deposits are consistent with the efficient management of the investment portfolio; and,

BE IT FURTHER RESOLVED that in accordance with House Bill 3700, the City of Portland will enter into a relationship with at least one credit union and submit a letter of intent to deposit more than \$250,000 in that credit union should it be accepted under the collateralization program established in House Bill 3700; and,

BE IT FURTHER RESOLVED that Council directs the Treasurer to amend the City's Investment Policy to allow for deposits in credit unions up to the applicable NCUA insurance limit and in local financial institutions up to the applicable FDIC insurance limit and to bring the amendment to Council for approval as part of the next Investment Policy revision in early 2012; and,

BE IT FURTHER RESOLVED that in accordance with changes in the City's Investment Policy, Council directs the City Treasurer during 2012 to make up to 10 initial deposits in credit unions and other local financial institutions up to the NCUA and FDIC insurance limits, using funds currently residing in federal securities; and

BE IT FURTHER RESOLVED that the City of Portland will publish on its Public Finance and Treasury website a monthly summary of its investment report and the Treasurer will continue to bring the City's Investment Policy before the Council for review annually and that review will include an opportunity for public input; and,

BE IT FURTHER RESOLVED that, in an effort to maximize competition for banking services and create an environment that encourages local participation in the solicitation process, the Treasurer will work collaboratively with Procurement Services to identify any strategies and best practices that would enhance the chance for local participation in the procurement of banking services during the next contracting cycle; and,

BE IT FURTHER RESOLVED that the Treasurer will research national best practices and include as part of the selection criteria for banking services other aspects of a financial institution's operations possibly including, but not limited to, commitments to local lending and other community investments, small business loan programs, workforce data, and mortgage and interest rates and terms, to the extent they are available at the time of the solicitation process and which provide a reasonable basis of comparison and are allowed under law; and,

BE IT FURTHER RESOLVED that as part of the pre-solicitation process, for general banking and treasury management services, the Treasurer will circulate a draft RFP to Council Offices for comment by the end of August 2012.

Adopted by the Council: MAY 16 2012

Mayor Sam Adams

Prepared by: Rich Goward and Jennifer Yocom

Date Prepared: May 3, 2012

LaVonne Griffin-Valade
Auditor of the City of Portland
By


Deputy

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Agenda No.
RESOLUTION NO.
Title

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Adopt City of Portland Responsible Banking Policy (Resolution)

INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams	CLERK USE: DATE FILED <u>MAY 03 2012</u>
COMMISSIONER APPROVAL	
Mayor—Finance and Administration - Adams <i>[Signature]</i>	LaVonne Griffin-Valade Auditor of the City of Portland
Position 1/Utilities - Fritz	
Position 2/Works - Fish	By: <i>[Signature]</i>
Position 3/Affairs - Saltzman	Deputy
Position 4/Safety - Leonard	
BUREAU APPROVAL	ACTION TAKEN:
Bureau: OMF - Financial Services Bureau Head: Richard F. Goward, Jr., Chief Financial Officer <i>[Signature]</i>	MAY 09 2012 Rescheduled to MAY 16 2012 2:30 PM TIME CERTAIN
Prepared by: Jennifer Cooperman, City Treasurer Date Prepared: May 3, 2012	
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date May 9, 2012	
City Attorney Approval	

AGENDA 1 of 2
TIME CERTAIN <input checked="" type="checkbox"/> Start time: 3:30pm
Total amount of time needed: 60 min (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Fish	2. Fish ✓	
3. Saltzman	3. Saltzman ✓	
4. Leonard	4. Leonard ✓	
Adams	Adams ✓	