

**Moore-Love, Karla**

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**From:** Thayer, Jeana  
**Sent:** Monday, May 14, 2012 3:19 PM  
**To:** City Elected Officials Exec's  
**Cc:** Moore-Love, Karla  
**Subject:** Responsible Banking Report for Commissioners  
  
**Attachments:** NOT FOR TRIM Unofficial Meeting Items 499-500 5-9-12.MP3; Responsible Banking Council Report.pdf

Dear Commissioners,

The Responsible Banking and Investment Policy testimonies were heard this past Wednesday afternoon. Please review the audio and video from the testimony as well as the documents attached before the next City Council Meeting. The vote for Responsible Banking is scheduled for the 2:30pm Time Certain, Wednesday, May 16.

**Responsible Banking Public Testimony, May 9, 2012**

Video: <http://www.portlandonline.com/mayor/index.cfm?c=49519>

Audio:



NOT FOR TRIM  
Unofficial Meetin..



Responsible  
Banking Council Re

**City Staff Testifiers:**

Jennifer Yocom, Chief of Staff, Mayor's Office  
 Rich Goward, CFO  
 Jennifer Cooperman, City Treasurer

**Public Testifiers:**

Jefferson Smith, State Representative, In Support  
 Lee Mercer, Main Street Alliance, In Support  
 Michelle Rintelman, Oregon Action, In Support  
 Linda Navarro, Oregon Bankers Association, Had some concerns (see letter)  
 Jared Gardner, Oregonians for a State Bank, In Support  
 Pam Leavitt, NW Credit Union Association, In Support

I will be dropping off the documents from the report this afternoon. If you have any questions, please contact Jennifer Yocom at 3-4046.

Best,

**Jeana Thayer**

Executive Assistant to the Chief and Deputy Chief of Staff  
 Office of Mayor Sam Adams  
 City of Portland  
 1221 SW Fourth Avenue, Suite 340, Portland, OR 97204  
 P: 503-823-4046

## RESPONSIBLE BANKING COUNCIL TALKING POINTS

### SAM

Responsible banking: the proposal we have before you today represents months of conversations with various stakeholders. The resolution is a thoughtful approach, it's a balanced approach and ultimately, I think it's good for taxpayers.

This resolution is not about bashing big banks. I have said it before and I will say again that we truly have some great leadership at the local level even at banks even where a lot of us would disagree with the banks' national policies or decision making.

It's important to point that with a lot of our national banks, the mortgage departments are run from the national headquarters even when the regional branches have significant local decision making on other aspects like small business loans etc. I have worked side by side for years with some of our local bank leaders and they are people committed to this community – I have often said that if we had these kind of leaders at some of the national banks headquarters, we would all be a lot better off as a country.

As far as this resolution goes, we worked to create a framework for investments and banking services for the City based on three concepts: flexibility, competition and transparency.

**Flexibility:** We want more localized deposits: Deposits in financial institutions with localized decision making, have been correlated with positive impacts on local economies and job creation, through an increased proportion of loans to local businesses and focus on local customer needs. We think it is important for the City to walk the talk when it comes to supporting the local economy so we are creating the flexibility to do localized deposits.

**Competition:** We are also increasing competition for the City's banking services, which I think will ultimately result in better competition as well as hopefully provide even better services at an even better rate for taxpayers.

**Transparency:** And finally, this should be a public conversation, so our work on this resolution also aims to increase transparency for the public about where the City's money is invested.

Before we get started, a word of thanks to all the advocates and stakeholders who have work with my staff on this and thanks to the folks at OMF and the Treasurer's office (Rich Goward and Jennifer Cooperman) who have been doing the technical work on this and should the Council approve it will continue to implement the resolution over the coming months.

**(SAM – MUST READ THIS!)**

**PLEASE NOTE:** This Time Certain includes two resolutions, one for responsible banking and an accompanying resolution that provides the necessary edits to our Investment Policy. We will hear from staff and testifiers on both today and will likely lose quorum during the meeting so the actual vote will be held over until 2:30pm, May 16th next week. My office will provide a report to the Council members who missed the testimony.

Now I will turn it over to Jennifer Yocom from my staff.

## RESPONSIBLE BANKING COUNCIL TALKING POINTS

### JEN

Good afternoon, Commissioners and Mayor. I'm Jennifer Yocom for the Office of Mayor Sam Adams and with me here today is Rich Goward, the City's Chief Financial Officer, and Jennifer Cooperman, City Treasurer. I'll start by discussing the process by which we arrived at the proposed draft and giving you a little background on what the responsible banking resolution does and Rich and Jennifer will take you through some of the more technical aspects of the resolution and the accompanying changes to the City's Investment Policy.

First, we began discussions with the community regarding this resolution in the Fall of 2011 and then we researched the work of Multnomah County on a similar program they implemented in 2010. We released the first draft of the resolution for public input in February of 2012.

Since February, we have worked with a broad range of stakeholders from community advocates to banks large and small as well as credit unions and released another draft for public input two weeks ago. The resolution before you is broadly supported and represents a reasonable and practical framework upon which future Councils can build.

As the Mayor mentioned, we created this policy based on creating flexibility, increasing competition and adding transparency.

As you know, the City of Portland's Investment Policy goals are to maintain a portfolio that preserves principal while serving the City's liquidity needs and also generating a fair return. The vast majority of the City's deposits are in US Treasuries and other federal securities and while these securities markets are stable and provide a fair return, there is also great value in using some of the funds currently in these securities to create more localized deposits.

That brings us to the first aspect of the responsible banking resolution:

- Which creates more flexibility for deposits by the City's Treasurer by allowing 10 initial deposits in smaller financial institutions including credit unions up to the current NCUA and FDIC insurance caps of \$250,000; it is important to note that this flexibility in deposits has

always been allowable under state law but until this proposed resolution and the accompanying Investment Policy Changes, the City's own policy was silent on the issue.

- Separately, the second aspect of the resolution aims to increase competition in the market for the City's banking services and proposes include lending and community investment practices of banks as part of the bid evaluation criteria. More on this from Rich and Jennifer in a moment.
- And finally, this resolution increases transparency. We believe that where the City has its money invested and deposited should be clearly displayed for taxpayers to see and discuss and to that end, this resolution reaffirms the City's commitment to take in public input on its Investment Policy on an annual basis and sets a new precedent of publishing on a monthly basis on the City's website where our funds are invested or deposited.

So flexibility, competition, and transparency. With that, I will turn it over to Rich Goward, CFO.

Responsible Banking Council Talking PointsRich Goward

Introduce Self and Jennifer Cooperman.

To give a contextual overview, if you look at the "Be It Resolved" portion, starting on the second page, there are 9 paragraphs:

- First 5 are associated with the City's "Deposits" in Financial Institutions – In essence, where the City places available cash in order to receive interest income.
- The 6<sup>th</sup> talks about transparency in making sure the public has investment information easily accessible.
- Last 3 – Deal with the merchant services side of Treasury – How we do our banking business (Checking Account, Credit Card Transactions, Electronic Payments, etc.)

Important to understand the overall structure so as to not be confused as to which side of the operation we are talking about.

Start by discussing the first 6 – Again, associated with the Deposit side of the portfolio.

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First "Be It Resolved" directs the Treasurer to continue to looking for opportunities to place money in local financial institutions. While we have certainly placed money in local banks, this gives us the requirement to refocus efforts on increasing local deposits.

I want to point out that the resolution reinforces that these deposits be made within the scope of the investment policy criteria, with an emphasis toward the three main tenets of the policy "Safety, Liquidity and Yield". – In that order.

The Second "Be It Resolved" builds on the first, and directs the Treasurer to look at local financial institutions that are also approved as qualified depositories by the State Treasurer.

Basically, the law allows local governments to deposit money into financial institutions (approved to do business in Oregon) up to the insurance limits (FDIC or NCUA). To deposit money in excess of the limits, they need to be participating in the State Treasurer's Collateralization Program and be on the Treasurer's Approved List. (Explain Collateralization Program).

The current insured limits for FDIC and NCUA are \$250,000 so any larger deposits (typically, the type the City would make) need to be in financial institutions on the Treasurer's List.

The Third "Be It Resolved" says that the City will enter in a relationship with at least one Credit Union and submit a letter of intent, to the State Treasurer, to deposit more than

## Responsible Banking Council Talking Points

### Jennifer Cooperman

Good afternoon. I'm Jennifer Cooperman, City Treasurer.

I'll start my remarks by discussing the City's Investment Policy (IP). The IP is the document that establishes the framework within which the City invests its funds. These are a set of conservative guidelines and, for the most part, all government IP's are quite similar.

The IP's are in compliance with Oregon Revised Statutes, and all are reviewed and approved by the Oregon State Treasury's Short Term Fund Board. The City's is also reviewed and approved by the City's Investment Advisory Committee, comprised of members of the public experienced in financial markets.

The City's IP has been changed to allow the City to place deposits with credit unions.

The City's IP acknowledges that deposits with banks or credit unions not participating in State Treasurer's Public Funds Collateralization Program will be limited to amounts insured by FDIC and NCUA, currently \$250,000. This has been allowed by Oregon Revised Statutes, but not previously addressed by the City's IP.

Regarding new local deposits –

Treasury initiated conversations with eleven smaller local financial institutions with which the City currently has no banking relationship – 8 banks and 3 credit unions.

Nine of these institutions – 6 banks and 3 credit unions – have expressed interest in opening accounts to accept deposits from the City.

So we have had a good response to our inquiries, Some people have asked about the rate impact to the City's portfolio as a result of the new local deposit program.

At any point in time, the City maintains an investment portfolio between \$800 million and \$1.0 billion. Currently, we are at \$926 million. Investment returns are not great – about ½% (50 basis points). This program won't have a negative rate impact. In fact, we are hoping these newly established banking relationships will give us flexibility in the future regarding the banking services we look for.

We are also asked about the due diligence we perform regarding the City's portfolio. We look at several factors when evaluating the institutions with which we bank – capital levels, loan concentrations, non-performing assets and reserves, among others. Our concern is to ensure our deposits are secure. This banking deposit program will be no different.

Lastly, regarding transparency:

The IP requires that City Council adopt an IP annually. Treasury will continue to bring the IP forward each year and to invite public comment during that process.

Also, Treasury will begin posting information about the City's investment portfolio on the Public Finance & Treasury section of the City's Portland Online website. We will also provide a link to the City's Investment Policy.

Thank you. I'd be happy to answer any questions.



**PUBLIC DISCUSSION DRAFT #2 – RESPONSIBLE BANKING**  
**CONSIDERED BY COUNCIL: 3:30 P.M. TIME CERTAIN, WEDNESDAY, MAY 9, 2012**



OFFICE OF MAYOR SAM ADAMS  
CITY OF PORTLAND

**FREQUENTLY ASKED QUESTIONS**  
**Responsible Banking Resolution**

***Background Information:***

*The City of Portland's Investment Policy goals are to maintain a portfolio that preserves principal while serving the City's liquidity needs and also generating a fair return. The City has a substantial amount of money invested in federal securities and on deposit with banks. While the City of Portland recognizes the importance of the federal securities markets, national banks and the indispensable services they provide, the City also recognizes the value of having a portfolio that includes more localized deposits.*

*In order to better serve these objectives—while still maintaining the stated principal, liquidity, and return goals of the Investment Policy—the City would like to have the flexibility to make deposits in other smaller financial institutions including credit unions up to the current NCUA and FDIC insurance caps of \$250,000. Deposits in financial institutions with localized decision making, have been correlated with positive impacts on local economies and job creation, through an increased proportion of loans to local businesses and focus on local customer needs.*

*Separately, when requesting bids for its banking and merchant services, the City would like to increase participation and competition in the process and include the proposing banks' policies and practices relating to our community as part of the evaluation criteria for selection. 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, community re-investment practices, 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.*

*Allowing the City to explore the possibility of shifting a portion of its assets from federal securities to other smaller financial institutions and credit unions and separately, allowing the City to include evaluating proposals for banking services based on community re-investment practices, small business loan programs, workforce data, and mortgage and interest rates and terms, etc. may help achieve the City's goal of creating economically sustainable local and regional communities.*

**PUBLIC DISCUSSION DRAFT #2 – RESPONSIBLE BANKING**  
**CONSIDERED BY COUNCIL: 3:30 P.M. TIME CERTAIN, WEDNESDAY, MAY 9, 2012**

**Q: What is Mayor Sam Adams proposing?**

**A: Resolution Title:** Declares intent for the Treasurer of the City of Portland to have the flexibility to make deposits in credit unions as allowed under Oregon House Bill 3700 in 2013; supports the Treasurer to amend the City's Investment Policy to allow for deposits in local credit unions and other financial institutions up to or above the applicable NCUA and FDIC insurance limits and declares intent to make up to 10 initial deposits in 2012; and supports changes in the solicitation process to increase competition and consider community reinvestment criteria when selecting financial institutions which provide the City's financial services.

The mayor's resolution covers several aspects of responsible banking for the City of Portland--it diversifies the City's practices on deposits as well as clarifies the solicitation process for its banking services (Note: these are separate aspects of the resolution and should be conflated):

- **With regard to deposits from the City:**
  1. The resolution changes the City's Investment Policy to allow the flexibility for the City of Portland to make deposits in credit unions.
  2. The resolution allows for the City Treasurer to make up to 10 initial deposits in other financial institutions (previously not allowed due to City Investment Policy but have been allowed under state law) including credit unions up to the NCUA and FDIC insurance limits during 2012. These 10 initial deposits will be shifted from the current pool of federal securities deposits.
  3. The resolution states that the City of Portland will enter into a relationship with at least one local 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.
- **With regard to the City's banking and merchant services:**
  1. The resolution recognizes that a variety of financial institutions are uniquely situated to handle the City of Portland's banking and merchant services needs and encourages the City to bid out or send Requests for Proposals (RFPs) for services and projects in a way that encourages a diverse set of financial institutions to bid.
  2. This resolution supports researching national best practices and including as part of the selection criteria for banking services other aspects of a financial institution's operations -- possibly including, but not limited to, community re-investment practices, small business loan programs and terms, workforce data, etc., all based on what information is available, comparable and allowed under state law.
  3. The resolution states that a draft RFP for the City's banking services will be circulated to Council offices at the end of August 2012.
- **Increases transparency:**
  1. The City of Portland reviews and renews its Investment Policy annually. This resolution reconfirms that this annual review will include an opportunity for public input.
  2. This resolution adds transparency by stating that the City of Portland will publish on its Public Finance and Treasury website a monthly summary of its investment report.

[Here is a link to the full Resolution.](#)

**PUBLIC DISCUSSION DRAFT #2 – RESPONSIBLE BANKING**  
**CONSIDERED BY COUNCIL: 3:30 P.M. TIME CERTAIN, WEDNESDAY, MAY 9, 2012**

**Q: What is the City's investment policy and who is in charge of it?**

**A:** The City's Investment Policy is adopted by Council and implemented by the City Treasurer. The policy establishes the current criteria for the operation of the investment portfolio and applies to all City funds on deposit. The first and foremost objective of the policy is to establish a conservative set of investment criteria that will protect the City's cash assets. A copy of the City's current Investment Policy can be found [here](#).

The City Council will consider this [resolution](#), which edits the City's Investment Policy for 2012, on May 9 at 3:30 p.m. as well. The redlined version of the proposed new Investment Policy is [here](#).

**Q: Where is the City of Portland's money invested now?**

**A:** Investments are made in accordance with the City's Investment Policy as well as Oregon Revised Statutes. The objectives of the investment portfolio are to preserve principal and serve the City's liquidity needs, while generating a fair return within these confines. In order to achieve these objectives, the City invests in a diversified portfolio of conservative investments, most heavily in US government securities or US government-backed securities. While the vast majority of City funds are invested in federal securities, there is an element of our portfolio that deposits money in banks.

As of the end of March 2012, the City investments were in the approximate mix of:

<u>INVESTMENTS</u>	<u>3/31/2012</u>
US Treasuries and Government Agency Securities	58.4%
CD's / Bank Deposits (DDA + Interest Bearing)	5.5%
Corporate Indebtedness	21.3%
Corporate Debt Guaranteed by US Govt.	10.3%
LGIP (State of Oregon Local Govt. Pool)	4.6%

As you can see from this breakdown, the vast majority of the City's investments are in Federal Government issued or backed securities. Further, our investment policy establishes limits as to what we are allowed to invest in specific categories of investment.

As it pertains to the current investment mix, the applicable limits (as a percentage of the total portfolio) are as follows:

<u>APPLICABLE LIMITS</u>	
US Treasuries and Government Agency Securities	100%
CD's / Bank Deposits (DDA + Interest Bearing)	50%
Corporate Indebtedness	35%
Corporate Debt Guaranteed by US Govt.	25%
Banker's Acceptances	25%
LGIP (State of Oregon Local Govt. Pool)	Limit Established by State Treasurer

**PUBLIC DISCUSSION DRAFT #2 – RESPONSIBLE BANKING**  
**CONSIDERED BY COUNCIL: 3:30 P.M. TIME CERTAIN, WEDNESDAY, MAY 9, 2012**

As of the end of March 2011 the City maintained the following bank balances:

<u>BANK BALANCES</u>	<u>3/31/2012</u>
Wells Fargo	\$20,587,000
Albina Community Bank	250,000
Key Bank	6,000
Umpqua Bank	29,990,000
US Bank	<u>49,000</u>
Total Balances	\$50,882,000

Wells Fargo Bank is the City's primary bank relationship, providing accounts used to collect and disburse funds, and to meet short term funding needs. Wells Fargo was selected through an open RFP process, requesting banking and treasury management services, which was conducted in 2008 and approved by Council on March 25, 2009. Unsuccessful bidders for that contract were Bank of America, US Bank and Key Bank.

The Umpqua Bank deposit is a collateralized public money market savings account and is used as an alternative cash management account.

**Q: Why can't the City of Portland invest all its money in credit unions?**

**A:** When it comes to bank deposits the City, under Oregon Statute, is allowed to deposit in any bank authorized to transact business in the State of Oregon up to the limit of insurance (FDIC). The City can deposit funds in excess of that limit only if the bank meets certain collateralization requirements and is also approved by the Oregon State Treasurer. This collateralization of funds in essence provides additional security for the City's deposits should the bank fail. As such, all banks deposits listed above, including the \$20.5 million in Wells Fargo and \$29.9 million in Umpqua, have securities pledged as collateral to backstop those deposits as required by State Statute.

As it pertains to credit unions, the current law only allows local governments to deposit up to the limits of the credit union's insurance (NCUA) which is currently set at \$250,000. This will change in 2013 when HB 3700 takes effect, allowing credit unions to become approved by the State Treasurer for deposits in excess of the \$250,000 limit if they meet the same collateralization requirements as banks.

While Oregon Statute does allow the City of Portland to deposit up to \$250,000 in local credit unions, the City's Investment Policy currently does not specifically address this point. With this draft resolution and the accompanying Investment Policy resolution we are now making amendments to the City's Investment Policy that will allow the City to deposit up to or above the \$250,000 limit in credit unions.

Also, with this resolution and the change to the City's Investment Policy, Council would direct the City Treasurer to make up to 10 initial deposits in local credit unions and other local financial institutions in 2012, up to (or above with the full execution of HB3700 in 2013) the NCUA and FDIC insurance limits.

**PUBLIC DISCUSSION DRAFT #2 – RESPONSIBLE BANKING**  
**CONSIDERED BY COUNCIL: 3:30 P.M. TIME CERTAIN, WEDNESDAY, MAY 9, 2012**

**Q: When will Council consider adoption of this resolution?**

**A:** The public discussion draft of the Responsible Banking resolution along with the accompanying resolution for edits to the City's Investment Policy will be released on April 26, 2012.

The Mayor's office is accepting public comment until 5 p.m. on May 2, 2012 (please email [jeana.thayer@portlandoregon.gov](mailto:jeana.thayer@portlandoregon.gov)) and the Council will consider the resolution and accompanying City Investment Policy edits at 3:30 p.m. on Wednesday, May 9, 2012.

Portland, Oregon

## FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Jennifer Cooperman		2. Telephone No. (503) 823-6851	3. Bureau/Office/Dept. OMF – Financial Services – Public Finance and Treasury
4a. To be filed (date):  May 9, 2012	4b. Calendar (Check One)  <div style="display: flex; justify-content: space-around;"> <span>Regular <input checked="" type="checkbox"/></span> <span>Consent <input type="checkbox"/></span> <span>4/5ths <input type="checkbox"/></span> </div>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: May 3, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

**1) Legislation Title:**

Adopt City of Portland Responsible Banking Policy. (RESOLUTION)

**2) Purpose of the Proposed Legislation:**

The City of Portland's Investment Policy goals are to maintain a portfolio that preserves principal, serves the City's liquidity needs and also generates a fair return. The City would like to have the flexibility to make deposits in smaller financial institutions, including credit unions, up to the current NCUA and FDIC insurance caps of \$250,000. Deposits in financial institutions with localized decision making have been correlated with positive impacts on local economies and job creation, through an increased proportion of loans to local businesses and focus on local customer needs. Allowing the City to shift a portion of its assets from federal securities to deposits in local credit unions and community-based banks and to evaluate proposals for banking services based on other aspects of a financial institution's operations including, but not limited to, commitments to local lending, small business loan programs, workforce data, and mortgage and interest rates and terms, may help achieve the City's goal of creating economically sustainable local and regional communities.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |   |                                    |                                    |                                |
|---|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional                           | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast                            | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                                 |                                    |                                    |                                |
| <input checked="" type="checkbox"/> Internal City Government Services |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No revenue impact.

**5) Expense:** What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

No expense impact.

**6) Staffing Requirements:**

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- Will positions be created or eliminated in future years as a result of this legislation?

No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

This does not amend the budget.

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

**9) If "YES," please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

No direct community impact from this item.

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

We have collaborated with and asked for input from a variety of stakeholders on two versions of the draft resolution. Stakeholders ranged from the Working Families leaders, Oregon Banks Local, the Oregon Bankers Association, the Move Your Money movement, Occupy Portland representatives, State Treasurer Ted Wheeler's office, Oregon Representative Jefferson Smith, Multnomah County officials and Chair Jeff Cogen's office, and a variety of representatives from credit unions, small and large banks as well as constituents in the community at large.

**c) How did public involvement shape the outcome of this Council item?**

Comments from all of the groups listed above were incorporated into the resolution.

**d) Who designed and implemented the public involvement related to this Council item?**

Office of Management and Finance's Bureau of Financial Services, Public Finance and Treasury division.

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

Jennifer Cooperman, City Treasurer, (503) 823-6851,  
jennifer.cooperman@portlandoregon.gov

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

No. Only the actual Investment Policy will be reviewed annually by the City's Investment Advisory Committee, not the Responsible Banking resolution.

Richard Goward, Jr., Chief Financial Officer, Bureau of Financial Services



BUREAU DIRECTOR (Typed name and signature)





**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE

Sam Adams, Mayor  
Jack D. Graham, Chief Administrative Officer  
Richard F. Goward, Jr., Chief Financial Officer

Jennifer Cooperman, City Treasurer  
Bureau of Financial Services  
Public Finance and Treasury Division  
1120 SW Fifth Ave., Rm. 1250  
Portland, Oregon 97204-1988  
(503) 823-4220  
FAX (503) 823-4209

DATE: May 3, 2012  
TO: Mayor Sam Adams  
FROM: Jennifer Cooperman, City Treasurer  
RE: Adopt City of Portland Responsible Banking Policy (Resolution)

**FOR MAYOR'S OFFICE USE ONLY**

Reviewed by Bureau Liaison \_\_\_\_\_

36926

1. INTENDED THURSDAY FILING DATE: May 3, 2012  
2. REQUESTED COUNCIL AGENDA DATE: May 9, 2012  
3. CONTACT NAME & NUMBER: Jennifer Cooperman, City Treasurer (503) 823-6851  
4. PLACE ON:    CONSENT       X    REGULAR       X    TIME CERTAIN  
5. BUDGET IMPACT STATEMENT ATTACHED:    Y    N    X    N/A  
6. (3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY  
ATTACHED:    Yes    No    X    N/A

**7. BACKGROUND/ANALYSIS**

The City of Portland's Investment Policy goals are to maintain a portfolio that preserves principal, provides sufficient liquidity to serve the City's needs and to generate a fair return. The City would like to have the flexibility to make deposits in other smaller financial institutions including credit unions up to the current NCUA and FDIC insurance caps of \$250,000. Deposits in financial institutions with localized decision making have been correlated with positive impacts on local economies and job creation, through an increased proportion of loans to local businesses and focus on local customer needs. Allowing the City to shift a portion of its assets from federal securities to deposits in local credit unions and community-based banks and to evaluate proposals for banking services based on other aspects of a financial institution's operations including, but not limited to, commitments to local lending, small business loan programs, workforce data, and mortgage and interest rates and terms, may help achieve the City's goal of creating economically sustainable local and regional communities.

If you have any questions, please feel free to call Jennifer Cooperman (503) 823-6851.

**8. FINANCIAL IMPACT**

Not Applicable

**9. RECOMMENDATION/ACTION REQUESTED**

It is recommended that Council adopt the Responsible Banking Resolution.

*An Equal Opportunity Employer*

*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*