

BUDGET AND FINANCE COMMITTEE REPORT relative to the General Banking Services Request for Proposal (RFP) for the Office of Finance (Finance).

Recommendations for Council action:

1. APPROVE the General Banking Services RFP for Finance in substantial conformance with the draft RFP attached to the Finance report dated November 2, 2017, and as amended by the Finance report dated November 21, 2017.
2. INSTRUCT Finance to report on the feasibility of incorporating environmental and sustainability criteria into the Social Responsibility phase of the RFP to further delineate scoring.

Fiscal Impact Statement: None submitted by Finance. Neither the City Administrative Officer (CAO) nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 27, 2017, the Budget and Finance Committee considered reports from Finance dated November 2, 2017 and November 21, 2017 relative to the General Banking Services RFP.

Finance's Assistant Director, Chief of Citywide Revenue Management, and Chief Investment Officer provided a brief overview of the Finance RFP reports, and along with a representative of the City Attorney and the CAO's Chief of Debt Management, responded to related questions from the Committee on the matter.

During discussion, various issues were raised by the Committee such as: developing and possibly codifying the City's definition of what constitutes predatory lending practices to determine if financial institutions have engaged in them, disclosure by financial institutions of their sales goals practices for consumer financial products to determine if those goals are realistic or could result in harmful activity to employees and customers, adaptation of AB 689 (Blumenfield) to address the issue of predatory lending and sales goals practices, establishment by the City of a community reinvestment plan and associated committee, and incorporating environmental and sustainability criteria in the Social Responsibility scoring phase of the RFP. After consideration, it was determined by the Chair and the Committee that with the exception of the environmental and sustainability criteria, the other concerns and issues would be more appropriately considered within the context of the Responsible Banking Ordinance (Council file Nos. 09-0234 and 09-0234-S3), which was also considered at the Budget and Finance Committee meeting of November 27, 2017.

After providing an opportunity for public comment, the Committee approved the General Banking Services RFP as amended by the Finance report dated November 21, 2017, and as detailed in Recommendation No. 2 above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW 11/30/17 FILE NO. 17-1259

-NOT OFFICIAL UNTIL COUNCIL ACTS-