



# City of San Leandro

Meeting Date: September 16, 2019

## Minutes

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**File Number:** 19-487 **Agenda Section:** CONSENT CALENDAR

**Agenda Number:** 8.D.

**TO:** Finance Committee

**FROM:** Jeff Kay  
City Manager

**BY:** David Baum  
Finance Director

**FINANCE REVIEW:** David Baum  
Finance Director

**TITLE:** Highlights of the Finance Committee Meeting of May 7, 2019

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### CITY OF SAN LEANDRO

#### FINANCE COMMITTEE

May 7, 2019

5:30 p.m.

San Leandro City Hall  
835 East 14th Street  
San Leandro, California  
(Sister Cities Gallery)

#### HIGHLIGHTS

**1. CALL TO ORDER**

Mayor Cutter called the meeting to order at 5:30 p.m.

**1.A. Attendance**

Committee members present: Mayor Cutter, Councilmember Hernandez, and Councilmember Lee

City staff present: City Manager Kay, Finance Director Baum, and Assistant Finance Director Vong

Public present: John Forney, Sara Bailey, Virginia Madsen, David Bardoff, Lawrence Abbot, Deborah Hirsch

**1.B. Announcements**

None.

**2. DISCUSSION ITEMS**

**2.A. 19-268 Staff Report on Results of Banking Request for Proposals (RFP) - continued from April 2, 2019 Finance Committee**

Mayor Cutter opened by explaining this is a continuation from the April 2, 2019 Finance Committee meeting regarding the Banking RFP

City Manager Kay provided a summary of the RFP and the meeting from April 2, 2019. He stated that the Finance Committee had instructed staff to #1 determine if there was any banks with offices in San Leandro that were not given the opportunity to participate in the RFP, and #2 staff was to provide additional analysis on the banking proposals, including implementation costs. City Manager Kay also stated that staff is looking to the Finance Committee for a recommendation and to move forward as it has been over a year that staff and the Finance Committee have been discussing this topic. Staff would like to be able to have ample time for implementation, if that is the direction.

The answer to the first question was, no. There were no banks identified with a physical location in San Leandro that reported having missed the opportunity to participate. There were several small banks that stated they were just too small to be able to provide the services that would be required.

Finance Director Baum stated that based on the criteria RFP rating criteria approved by the Finance Committee, cost was the primary evaluation factor; Wells Fargo is the bank with the lowest proposed cost.

The primary cost would be the implementation as it would require staff time and potentially the hiring of a 3rd party consultant to assist staff.

Councilmember Lee does not support staying with Wells Fargo. He would like to see the City working with community banks. Councilmember Lee respects the work of staff. He believe that with change of processes, cost can be cut as well.

Councilmember Hernandez stated he would like to see the City move away from Wells Fargo and give Bank of the West a chance.

Mayor Cutter would like to be able to show the community that we are working with them however also believes we must be fiscally responsible and therefore it may be in the best interest to stay with Wells Fargo, work with a consultant to update processes and use funds to purchase a new financial software that may assist staff.

Upon listening to the public and staff, it was recommended that it would be in the best

interest to change banking to Bank of the West. Mayor Cutter stated that staff should work with Bank of the West in investing more funds into the City of San Leandro.

City Manager Kay asked the Finance Committee if it is their recommendation to move forward with Bank of the West

Both Mayor Cutter and Councilmember Hernandez said yes; Councilmember Lee would prefer to reopen the RFP.

Committee Recommendation for City Council Consideration

Finance Committee recommends going to City Council with the recommendation to move banking services from Wells Fargo to Bank of the West.

**3. PUBLIC COMMENTS**

John Forney does not agree that this would be just a “statement”, moving away from Wells Fargo is more than just a message.

Sara Bailey will be happy to leave Wells Fargo, she stated that bigger banks are going to be the least expensive. Would like to see the City stick with the core values in new investment policy. Wells Fargo has not changed their ways, according to a New York Times investigation.

Virginia Madsen stated that the group that has been attending the Finance Committee meetings since 2016 has asked for the divestiture from Wells Fargo for over a year. She would like for the City to divest from Wells Fargo and be clear and have strength of their convictions. If the decision is to stay with Wells Fargo, have good reasons.

David Bardoff agrees the City should leave Wells Fargo as it is more than just a message.

Lawrence Abbot hopes the City decides to go with BNP (Bank of the West) as they are environmentally responsible. It is a small bank but it has different values than Wells Fargo or JP Morgan.

Deborah Hirsch cited values in regard to climate change and leans towards Bank of West.

**4. COMMITTEE MEMBER COMMENTS**

None

**5. ADJOURN**

The meeting was adjourned at 6:58 p.m.