

## **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
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**Legislation Title:** AN ORDINANCE related to City banking contracts; creating a new Chapter 20.65 in Title 20 of the Seattle Municipal Code; requiring the Director of the Department of Finance and Administrative Services to consider socially responsible banking practices when selecting vendors for depository services; and requiring periodic reports to the City Council.

### **Summary of the Legislation:**

This ordinance requires the Department of Finance & Administrative Services to utilize socially responsible banking criteria as a factor in selecting financial institutions as vendors to handle City deposits and provide other financial services. It also lays out a framework for ongoing reporting and monitoring of the vendor's performance in the community, as well as participation goals for outreach and education to reach low- to moderate-income communities, which may lack access to banking services.

### **Background:**

The legislation follows and codifies a successful pilot program of the socially responsible banking criteria, which were utilized in the 2012 depository services RFP process that ultimately selected Wells Fargo as the City's depository institution. The social responsibility criteria accounted for 15 percent of the total points awarded to bidders. The City typically re-bids its banking services contracts every five years.

Please check one of the following:

☐ **This legislation does not have any financial implications.**

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

☒ **This legislation has financial implications.**

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)

This legislation has only indirect financial implications, as it makes no appropriations and affects no City revenues.

## **Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

Ongoing monitoring and implementation of the socially responsible banking data will require some staff work by Finance & Administrative Services and potentially other departments, which will be supported in the departments' regular budgeting process. Also, the socially responsible banking criteria may raise the costs of depository services somewhat to the extent that the winning vendor is not chosen on price alone and to the extent that the winning vendor recovers the costs of outreach, data collection and reporting through its fees.

**b) What is the financial cost of not implementing the legislation?**

None.

**c) Does this legislation affect any departments besides the originating department?**

No.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

The City could encourage socially responsible banking and outreach to unbanked and underbanked communities through other programs.

**e) Is a public hearing required for this legislation?**

No.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**g) Does this legislation affect a piece of property?**

No.

**h) Other Issues:** None.

**List attachments to the fiscal note below:** None