

Responsible Banking Practices Study Session
August 20, 2015

Welcome Remarks by Council Member John Quincy:

Thank you for attending a participating in this special study session this morning. I appreciate everyone's interest in the covering the topic of Responsible Banking Practices – from a council member perspective, constituent interests, and multiple city departments including Finance, CPED and IGR.

My name is John Quincy, and as chair of the Ways & Means Committee, I am delighted to be the host and chair of this morning's session. This is a topic that Council Vice President Elizabeth Glidden and I have been working together on for several years.

As we know, study sessions are public meetings that allow Council Members to consider significant, complex, multi-department, or long-term implications of emerging policy issues and other matters. Presentation of issues in a study session allows Council Members to give feedback and ask questions that will inform future decision-making in the standing committee system.

Study sessions are not for the purpose of informational presentations by outside stakeholders unless incorporated as part of a presentation prepared by a City department. Today's content and format is in that vein, as we will be hearing from a number of speakers on this issue, providing their unique and expert insights on the topic, for our benefit. So, thank you in advance for our guests for your participation.

With all of that said, I would like to begin by inviting Bruce Plante, Treasurer of the City of Minneapolis and the department sponsor for this morning's session.

Introductory Remarks and Session Background by Bruce Plante:

Good morning Chair Quincy and council members. I am Bruce Plante, Treasurer for the City, with Finance and Property Services Department. I am joined by colleagues Andrea Brennan, Housing Director and Bob Lind, Economic Policy and Development Manager from CPED this morning.

In October of 2013, the Minneapolis City Council unanimously approved changes to the City's responsible banking ordinance that require financial institutions that provide banking services to the City to publicly disclose an expanded set of information about their lending practices and policies each year.

The expanded ordinance created greater transparency and allows the public a clearer view of how banks that handle public dollars operate in our community. The information has been used by City leaders to select our Banking Services Provider – Wells Fargo, our Investment Managers, as well as influenced our selection of US Bank\Elavon for the provision of Merchant Services.

The ordinance now requires certain financial institutions to publicly share information by July 1 of each year on loan modifications and foreclosures on residential mortgages on properties located within the city, as well as numbers and amounts of loans given to small businesses, among other data.

Commercial banks that provide FDIC insurance are required to provide a Community Reinvestment Plan, with the Federal Government, that describes current and proposed initiatives to address the financial needs of the city and its residents and businesses. This information is examined by Federal regulators, and I am pleased to announce that both the banks that the city does business with, Wells Fargo and US Bank, received the highest rating possible of "outstanding".

In developing the responsible banking ordinance, the City worked with the banking industry, specifically Wells Fargo, and a number of organizations that focus on creating more transparency and accountability among banks and work toward giving the public a greater voice in the stewardship of tax dollars.

The Study Session this morning provides council members the opportunity to do a deeper dive into these issues in greater detail than the RBO Update and Staff direction progress that I reported on during the August 3, 2015 Ways & Means Meeting.

The Council Direction involving Wells Fargo is to work with Wells Fargo to develop a mutually beneficial framework of community reinvestment principals and goals, consistent with the Responsible Banking Ordinance, and report on progress to the Ways & Means Committee.

To date, since the selection of Wells Fargo as our Banking Services provider, several Meetings occurred with the City of Minneapolis: Finance and Property Services, Community Planning & Economic Development departments and Wells Fargo to further this direction.

The Framework themes are:

- Diversity of bank's workforce
- Preserving home values in Minneapolis
- Support City affordable housing
- Small business loans for local, women and minority owned

Additionally, CPED through the Housing and Economic Development Divisions, have been involved in the Financial Access and Inclusion Roadmap Initiative (FAIR).

The Finance and CPED departments have collaborated on many aspects of this expansive topic. This leads us today to this session presenting the findings of Dr. Meyers Research Report. The Collaborative, led by Jewish Community Action, sponsored the research which will be presented to you.

With the stage now set from a staff perspective, I would like to invite Mr. Rosenthal to serve as a moderator for the balance of this morning's agenda, though Ms. Brennan, Mr. Lind and I are able to provide additional comments and respond to questions.