



Office of the Mayor

CONSENT CALENDAR  
September 12, 2017

TO: Members of the City Council

FROM: Mayor Jesse Arreguin and Councilmembers Sophie Hahn, Kate Harrison, and Ben Bartlett

SUBJECT: Support the City of Oakland's Regional Public Bank Feasibility Study

RECOMMENDATION

Authorize \$25,000 from the Finance Department Banking Fees budget to the City of Oakland to support their feasibility study of a regional public bank.

BACKGROUND

The City of Oakland, led by Councilmembers Kaplan and Kalb, is currently investigating the possibility of establishing a Public Bank of Oakland, and has recommended a feasibility and economic impact analysis. This study could include the development of a regional institution that also serves the cities of Berkeley and Richmond.

Oakland has committed to covering \$75,000 of the \$100,000 total cost. Councilmember Kaplan reached out to the City of Berkeley through the Office of the Mayor to formally request a contribution in the amount of \$25,000. The request also included City of Oakland Ordinance No.12731 which provides for the receipt of such funds.

On June 27, 2017, the City Council voted to support Oakland's efforts to create a public bank, and considered funding a multi-jurisdictional publicly owned bank if Berkeley could participate. At a time when the City of Berkeley is actively looking to reinvest its city funds in ethical institutions with socially responsible values, a public bank could represent an alternative that meets City's banking needs.

ENVIRONMENTAL SUSTAINABILITY

Directs Berkeley toward banking in the public interest.

FINANCIAL IMPLICATIONS

\$25,000 from banking fees allocated in the Finance Department Budget.

ATTACHMENTS

1. Resolution
2. City of Oakland Ordinance No. 12731
3. City of Berkeley Resolution

RESOLUTION NO. ##,###-N.S.

CONTRIBUTE TO A FORMAL FEASIBILITY STUDY TO SUPPORT A FUTURE  
PUBLIC BANK OF OAKLAND OR REGIONAL PUBLIC BANK

WHEREAS, there is a desire for local funding solutions that reinvest public funds in the local community; and

WHEREAS, public banking operates in the public interest, through institutions owned by the people through their representative governments; and

WHEREAS, a comprehensive feasibility study completed for the City of Santa Fe found that a public bank is feasible and has the potential to provide enhanced fiscal management, improved net interest rate margins, and a more robust local lending climate; and on April 26 a Resolution passed the Santa Fe City Council to appoint a Public Bank for Santa Fe Task Force that will convene and develop a product that will define the process, resources, information and timelines to be met in order to be prepared to submit an application for a New Mexico Bank Charter for a Public Bank for Santa Fe; and

WHEREAS, the City and County of San Francisco recently approved the establishment of a Task Force to determine the feasibility of a public bank of San Francisco; and

WHEREAS, the City of Oakland has chosen a contractor and is in the process of hiring them to do a Feasibility Study for the Public Bank of Oakland; and

WHEREAS, the City of Berkeley, passed a resolution on June 27, 2017 supporting Oakland's efforts to create a public bank and also considered funding the development of such a bank if Berkeley could be a part of a multi-jurisdictional publicly owned bank; and

WHEREAS, the City of Berkeley has been formally asked to contribute 25% of the overall costs of the Feasibility Study authorized by the City of Oakland.

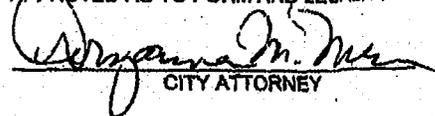
NOW THEREFORE, BE IT RESOLVED that the City of Berkeley hereby declares that it will contribute \$25,000 toward a Feasibility Study commissioned by the City of Oakland to create a public bank.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon passage and funds will be distributed from the City of Berkeley Finance Department budget as requested by the City of Oakland.

OFFICE OF THE CITY CLERK  
FILED

APPROVED AS TO FORM AND LEGALITY

2006 JAN 26 PM 5:19

  
CITY ATTORNEY

**ORDINANCE NO. 12731 C.M.S.**

**ORDINANCE AMENDING OAKLAND MUNICIPAL CODE TITLE 2, CHAPTER 2.04, ARTICLE 2.04.160, EXPENDITURES FROM RESTRICTED GIFT PROCEEDS, TO DELEGATE LIMITED AUTHORITY TO THE CITY ADMINISTRATOR TO, WITHOUT CITY COUNCIL ACTION, ACCEPT GIFTS AND DONATIONS AND TO APPROPRIATE AND EXPEND MONIES DERIVED FROM GIFTS AND DONATIONS, AND REPEALING OAKLAND MUNICIPAL ORDINANCE NO. 8144 C.M.S., ADOPTED JUNE 9, 1970, WHICH CONTAINS CONFLICTING AND OBSOLETE PROVISIONS**

**WHEREAS**, pursuant to Oakland Charter – Article XII, Section 1203, *Gifts and Trusts*, specifies the City Council is authorized to accept gifts and trust on behalf of the City and to control, manage, dispose of and otherwise administer the same in accordance with their terms; and

**WHEREAS**, Oakland Charter – Article VIII, Section 806, *Receipts and Expenditures*, specifies that:

All monies received by the City shall be deposited in the City Treasury, and no monies shall be disbursed from the treasury without the approval of the City Administrator or [his/her delegee]. No expenditure of City funds shall be made except for the purposes and in the manner specified by an appropriation of the Council . . .

**WHEREAS**, Council adopted Ordinance 8144 C.M.S., June 9, 1970, which authorized the City Manager and Directors of Museum, Parks and Recreation and Library to accept unrestricted gifts and donations for use by the respective department, but excluded authority to accept gifts and donations for construction of public improvements; and

**WHEREAS**, the City Council amended Section 2.04.160, *Expenditures from Restricted Gift Proceeds*, of the City's Purchasing Ordinance, Ordinance No. 7937 C.M.S., as amended, on October 4, 1973, authorizing the City Administrator to expend monies derived from gifts and donations to the City in accordance with any special conditions of the donor provided the City Council has accepted the gift/donation by resolution; and

**WHEREAS**, the City Council wishes to improve the City's efficiency in accepting, appropriating and utilizing gifts and donations in order to encourage the offering of such gifts and donations to the City and to facilitate their timely use by the City for the public's benefit; and

**WHEREAS**, to improve the City's efficiency in accepting, appropriating and utilizing gifts and donations, the City Council wishes to delegate authority to the City Administrator, within set dollar limits, to accept, appropriate and expend monies derived from restricted gifts and donations to the City of Oakland; and

**WHEREAS**, the City Administrator will comply with all Charter requirements for fiscal administration of such funds and otherwise apply proper and sufficient procedures and controls necessary to monitor and ensure fiscal and performance accountabilities;

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF OAKLAND DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1. Amendment to Title 2, Chapter 2.04, Section 2.04.160 of the Oakland Municipal Code.** Oakland Municipal Code Title 2, Chapter 2.04, Section 2.04.160 is amended to authorize the City Administrator to accept, appropriate and expend monies derived from restricted gifts and donations as follows:

**2.04.160 Acceptance, appropriation and expenditures from restricted gift proceeds.**

Notwithstanding any other provision of this article, the City Administrator is delegated limited authority to accept restricted gifts and donations to the city up to fifty thousand dollars, including money gifts, and to appropriate and expend monies derived from such gifts/donations, without City Council action, provided that: 1) the gift/donation does not create unbudgeted costs for the City, 2) the gift/donation is for a program or project that has been approved by the Council in the biennial or mid-cycle operating or Capital Improvement Program (CIP) budget, or by City Council legislation during the fiscal year, and 3) the gift/donations or proceeds therefrom are used in accord with restrictions and/or special conditions of the donor.

Notwithstanding the above, the City Administrator is authorized to expend monies derived from restricted gifts/donations that exceed fifty thousand dollars (\$50,000.00) without City Council action when the gift has been approved, accepted and appropriated by City Council resolution provided such expenditure is in accord with any restrictions or special conditions of donor.

All funds accepted hereunder shall be deposited into the City Treasury. The City Administrator will provide an annual report to Council on all gifts and donations accepted hereunder during the previous year.

**Section 2. Remaining Provisions Unchanged.** Except as amended herein, all provisions, articles, sections, subsections, sentences, clauses or phrases of Oakland Municipal Code 2.04, shall remain unchanged and in full force and effect.

**Section 3. Oakland Municipal Ordinance No. 8144 C.M.S. Repealed.** Oakland Municipal Ordinance No. 8144 C.M.S., adopted June 9, 1970, which authorized the City Manager,

Director of Museums, Director of Parks and Recreation, and Director of Library to accept certain unrestricted gifts and donations on behalf of the City of Oakland is hereby repealed.

**Section 4. Severability.** If any article, section, subsection sentence, clause or phrase of this ordinance is held to be invalid or unconstitutional, the offending portion shall be severed and shall not affect the validity of remaining portions which shall remain in full force and effect.

**Section 5. Effective Date.** This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

352274

Introduction Date: FEB 7 2006

IN COUNCIL, OAKLAND, CALIFORNIA, FEB 21 2006, 2006

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID AND  
PRESIDENT DE LA FUENTE — 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST:

*Latonda Simmons*  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California

OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to Form and Legality

2006 JAN 26 PM 5:19

*[Signature]*  
Oakland City Attorney's Office

# OAKLAND CITY COUNCIL

Resolution No. 79714 C.M.S.

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR, ON BEHALF OF THE CITY OF OAKLAND, TO ACCEPT AND APPROPRIATE RESTRICTED GRANTS WITH A MARKET OR MONETARY VALUE OF FIFTY THOUSAND DOLLARS (\$50,000.00) OR LESS, WITHOUT PRIOR CITY COUNCIL ACTION**

**WHEREAS**, Oakland Charter -- Article VIII, Section 806, *Receipts and Expenditures*, specifies that all monies received by the City shall be deposited in the City Treasury, and no monies shall be disbursed from the treasury without the approval of the City Administrator or of another officer duly authorized by him/her; and no expenditure of City funds shall be made except for the purposes and in the manner specified by an appropriation of the Council, or made without proper accounting documentation and sufficient funds in the City Treasury and in proper accounts; and

**WHEREAS**, the City Council wishes to improve the City's efficiency in accepting, appropriating and utilizing grants in order to encourage the solicitation and offering of grants to the City and to facilitate their timely use by the City for the public's benefit; and

**WHEREAS**, to improve the City's efficiency in accepting, appropriating and utilizing grants, the City Council wishes to delegate authority to the City Administrator, within set dollar limits, to accept and appropriate monies derived from restricted grants to the City of Oakland; and

**WHEREAS**, the City Administrator will comply with all Oakland Charter requirements for fiscal administration and expenditure of such funds and otherwise apply proper and sufficient procedures and controls necessary to monitor and ensure fiscal and performance accountabilities; now, therefore, be it

**RESOLVED:** That the City Administrator, on behalf of the City Council, is hereby authorized to accept and appropriate, without prior City Council action, monies derived from any restricted grant with a market or monetary value of fifty thousand dollars (\$50,000.00) or less, provided that: 1) the grant is for programs and projects approved by the City Council in the biennial or mid-cycle operating or Capital Improvement Program (CIP) budget, or by City Council legislation during the fiscal year, 2) the grant does not create unbudgeted costs for the City, and 3) the grant does not require specific approval by the legislative body; and, be it

**FURTHER RESOLVED:** That all funds accepted hereunder shall be deposited into the City Treasury; and, be it

**FURTHER RESOLVED:** That expenditures of grant funds shall be in accordance with the requirements of the City of Oakland purchasing requirements codified in Oakland Municipal Code Title 2, Chapter 2.04; and, be it

**FURTHER RESOLVED:** That the City Administrator shall present a report annually to the City Council listing the grants accepted and appropriated on behalf of the City Council during the prior year.

356528

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, [REDACTED], QUAN, REID AND PRESIDENT DE LA FUENTE -7

NOES - ~~0~~  
ABSENT - NADEL - 1  
ABSTENTION - ~~0~~

ATTEST:



LATONIA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California





## *INTER OFFICE MEMORANDUM*

**TO:** City Administrator and Council Members    **FROM:** Katano Kasaine  
Director of Finance

**SUBJECT:** Public Bank Feasibility Study    **DATE:** August 2, 2017  
Donation Process

This memo outlines the process for accepting donations to apply toward the Public Bank Feasibility Study for Oakland and potential Multi-Jurisdictional publicly owned bank. Listed below is the process for the acceptance of donations:

- Donors should make checks payable to the City of Oakland. Any donations received in an amount greater than \$50,000 must be approved by the City Council.
- The signed Irrevocable Donation Agreement and check should be mailed or delivered in person to the following address:

City of Oakland  
Finance Department – Treasury Bureau  
Attention: David Jones, Interim Treasury Manager  
150 Frank H. Ogawa Plaza #5330  
Oakland, CA 94612  
510.238.6508

- All checks must be received by 5:00 p.m. (PST) Friday, September 15, 2017 in order to provide donation results to City Council on Tuesday, September 19, 2017. **However, the City will continue to accept donations after that date.**
- A receipt of the donation will be mailed to the Donor directly.
- For any tax related matters, the Donor should consult with their tax advisor.
- Donations cannot be refunded.

If you have any questions, please contact me at 510.238.2989.

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KATANO KASAINÉ  
Director of Finance

CITY OF OAKLAND

IRREVOCABLE DONATION AGREEMENT

This Agreement is made by and between \_\_\_\_\_ (the "Donor") and the City of Oakland, CA (the "City"). The Agreement shall be effective as of the date of execution by the parties hereto.

The Donor hereby voluntarily and irrevocably donates (1) the amount of \$ \_\_\_\_\_ ; and/or (2) the property (description): \_\_\_\_\_ ; and/or (3) the service (description): \_\_\_\_\_ to the City of Oakland for the following purpose:

- Research the legality and feasibility of establishing a multi-jurisdiction publicly owned bank to help finance community projects, reduce risk to public funds in existing financial markets, and provide better financial returns on public investments;
- Research the impacts of the legality and feasibility of providing banking services to the cannabis industry; and
- Contract to complete a feasibility study of a multi- jurisdiction public bank that includes the City of Oakland and at least three other East Bay jurisdictions.

The Donor hereby relinquishes all dominion and control over the donated funds and/or property contributed. Except as otherwise expressly stated herein, the Donor agrees that the City shall, at its sole discretion, have exclusive control over any property, projects, programs or other activities for which donated funds or property are used.

The City accepts the voluntary irrevocable donation from the Donor in accordance with Oakland City Council Ordinance No. 12731 and Resolution No. 79714.

This Agreement represents the full and complete agreement between the parties and supersedes all prior or contemporaneous understandings, communications or representations, whether oral or written, regarding the subject matter of the Agreement.

No amendment or modification to this Agreement shall be effective or binding unless the amendment or modification is in writing and duly executed by each of the parties hereto.

DONOR

CITY OF OAKLAND

By: \_\_\_\_\_

By: \_\_\_\_\_

Authorized Representative

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

RESOLUTION NO. ##,###-N.S.

IN SUPPORT OF THE EFFORTS OF THE CITY OF OAKLAND TO CREATE A PUBLIC BANK OF OAKLAND AND TO INVESTIGATE THE POSSIBILITY OF FORMING A PARTNERSHIP WITH ANY FUTURE PUBLIC BANK OF OAKLAND OR REGIONAL PUBLIC BANK

WHEREAS, there is a desire for local funding solutions that reinvest public funds in the local community; and

WHEREAS, public banking operates in the public interest, through institutions owned by the people through their representative governments; and

WHEREAS, public banks are able to return revenue to the community and can provide low-cost financing in support of local communities; and

WHEREAS, a public bank can have investment priorities that focus on the creation of jobs that spur local economic growth by providing affordable credit to small and medium-sized businesses that have been historically ignored by the larger, more established banks; and

WHEREAS, a public bank can have investment priorities that center on providing loans for low and moderate income housing to help relieve the current housing crisis facing the Bay Area; and

WHEREAS, Wall Street banks seek short-term profits for their private shareholders by investing in stocks, derivatives, credit default swaps and other speculative financial instruments; and

WHEREAS, some Wall Street banks have broken criminal statutes and violated civil and regulatory rules with impunity; and on March 9th, 2016, the Wall Street Journal reported that Wall Street banks had paid in total more than \$100 billion in fines and penalties for mortgage-related fraud, and said Wall Street banks' criminal conduct and wrongful behavior should not be rewarded with future business dealings with local and state government bodies; and

WHEREAS, the state of North Dakota created a state publicly-owned bank (the Bank of North Dakota) in 1919 for the benefit of the people of North Dakota; and during the recent "Great Recession," escaped the credit crisis and maintained budget surpluses with zero public debt and had the lowest foreclosure rates and unemployment rates in the nation, the lowest credit card defaults, and no bank failures, due in large part to the Bank of North Dakota's willingness to provide loans to keep the state economy functioning while credit had been frozen elsewhere; and

WHEREAS, the Bank of North Dakota's total assets have increased seven-fold over the last two decades; and the Bank of North Dakota has returned \$385 million to the General

Fund of North Dakota over the last 20 years; and Community Banks in North Dakota, in large part due to their partnership with the Bank of North Dakota, averaged about \$12,000 in lending per capita compared to an average of \$3,000 for Community Banks in per capita lending nationwide; and

WHEREAS, the City of Philadelphia, by unanimous City Council Resolution, authorized the Council's Committee on Commerce and Economic Development to hold hearings regarding public banking; and

WHEREAS, a comprehensive feasibility study completed for the City of Santa Fe found that a public bank is feasible and has the potential to provide enhanced fiscal management, improved net interest rate margins, and a more robust local lending climate; and on April 26 a Resolution passed the Santa Fe City Council to appoint a Public Bank for Santa Fe Task Force that will convene and develop a product that will define the process, resources, information and timelines to be met in order to be prepared to submit an application for a New Mexico Bank Charter for a Public Bank for Santa Fe; and

WHEREAS, the City and County of San Francisco recently approved the establishment of a Task Force to determine the feasibility of a public bank of San Francisco; and

WHEREAS, the City of Oakland has chosen a contractor and is in the process of hiring them to do a Feasibility Study for the Public Bank of Oakland; and

WHEREAS, the City of Berkeley is tasked with holding and protecting the fundamental interest of the public as well as the financial wellbeing of the City;

NOW THEREFORE, BE IT RESOLVED that the City of Berkeley hereby declares that it is the policy of the City of Berkeley to endorse the efforts of the City of Oakland to create a public bank.

BE IT FURTHER RESOLVED that the City Manager, or designee, shall investigate the possibility of forming a mutually beneficial partnership with any future Oakland public bank.

BE IT FURTHER RESOLVED that pending a positive outcome of the feasibility study conducted and funded by Oakland, the City of Berkeley will consider contributing toward the cost of producing a draft business plan for a regional public bank, along with Oakland and other jurisdictions in the area who are interested in partnering in this endeavor.