



Legislation Details (With Text)

**File #:** 17-313      **Version:** 1      **Name:** Finance Committee Minutes May 2 2017  
**Type:** Minutes      **Status:** Passed  
**In control:** Finance Committee  
**On agenda:** 6/5/2017      **Final action:** 6/5/2017  
**Enactment date:**      **Enactment #:**  
**Title:** Highlights of the Finance Committee Meeting of May 2, 2017  
**Indexes:**  
**Code sections:**  
**Attachments:** 1. May 2 2017 FC Agenda

Date	Ver.	Action By	Action	Result
6/5/2017	1	City Council	Approved as Submitted	Pass

Highlights of the Finance Committee Meeting of May 2, 2017

**CITY OF SAN LEANDRO**

**FINANCE COMMITTEE**

**May 2, 2017**  
**5:30 - 6:30p.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 Lee

City staff present: City Manager Zapata, Assistant City Manager Kay, Finance Director Baum; Sustainability Manager Barros

Public present: Maureen Forney, Nancy Pretto, Lorri Foster, Amy Chornick, Craig Williams, Bryan Azevedo, Dan Dillman, Patty Vonnegut, Carol Habeross, Jeromey Shafer, Virginia Madsen

## **1.B. Announcements**

City Manager Zapata stated that Councilmember Hernandez is out of town.

## **2. DISCUSSION ITEMS**

### **2.A. 17-194 Staff Report on divestiture from Wells Fargo Bank due to its funding of the Dakota Access Pipeline (DAPL) Project**

City Manager Zapata stated that a group of concerned residents of San Leandro, Our Revolution San Leandro, that advocated Council for two items, making San Leandro a “sanctuary city” as well as accelerated minimum wage, both of which the City Council has approved. Our Revolution San Leandro, has followed up with raising a shared concern on sustainability, climate care, and the divestment from Wells Fargo and other financial institutions due to the funding of the Dakota Access Pipeline (DAPL) Project. Sustainability Manager Barros stated that in 2009 the City of San Leandro began a Climate Action Plan; however, departments were not coordinated. In September 2016, the City created and funded a Sustainability Manager position. The City will now begin to report on Greenhouse Gas Emissions, join the Covenant of Mayors, create a new action plan, and to look at adaptation strategies. The City will look into how to prepare for impacts due to greenhouse gas emissions, e.g. the shoreline, extreme weather and heat, and actively pursuing grants. In addition to the \$5.4 million project to install energy efficient and water savings improvements, the City has been awarded a \$1.9 million State grant, to be used to install solar panels at the Water Pollution Control Plant. The City is also working with Alameda County on community choice aggregation, East Bay Community Energy, that is to procure locally produced, renewable energy.

Finance Director Baum reiterated the information provided at the April 4, 2017 Finance Committee, including the process of issuing a Request for Proposal (RFP) and/or Request for Qualifications (RFQ) for banking services, and the City does have an investment in Wells Fargo for \$700,000 that can be sold. A request for review of the City’s investment policy was made, and it will come before the Finance Committee in June as part of the annual process. Mr. Baum stated that there are a few agencies that have gone out for an RFP for banking services. The City of Hayward received five proposals this week, including one from a non-DAPL bank. There is a potential to get the services needed from a bank that is not investing in DAPL. However, due to the shortage of staff and the hours needed to devote to a RFP/RFQ process, it is recommended by staff not to go out for an RFP/RFQ. Staff is proposing to divest from a current investment in Wells Fargo and not invest in any more Wells Fargo securities for a period of 3 years.

Councilmember Lee stated the he believes the fee that Well Fargo is too expensive and holds his position to look into other banks. He also stated that we should allow the current investment in Wells Fargo to mature, (which is next year), and then have a policy to not to invest in any future Wells Fargo securities.

Mayor Cutter asked if we could ask the City of Hayward about their current RFP/RFQ proposals received. Also, Mayor Cutter is requesting a report on how much it would cost, in staff hours, to conduct an RFP/RFQ.

## 17-267 Discussion of Financial Assistance Package for the BAL

### Theatre

Assistant City Manager Kay provided information, as requested by Council at their annual retreat, on assisting the BAL Theatre financially. The most urgent financial need is the mortgage balloon payments of \$400k due this year. There is an interest in refinancing to a long-term structure and the City is proposing a long-term loan of 30 years at 3% for the \$400k. The loan will be to the Dillman family as the owners of the BAL Theatre, secured by the Deed of Trust.

There is also a physical need of the theatre and the City may provide a forgivable loan based on an agreeable amount and on the requirement that the improvements be maintained; the proposed amount is \$100k.

Dan Dillman stated how appreciative he is to the Council for all that has been done and the willingness to continue to help improve the BAL Theatre. Mr. Dillman provided a list of improvements that can be made to the theatre. Mr. Dillman is requesting that the interest rate be at 1% not 3% and perhaps a change in terms of the traditional loan as well as the forgivable loan.

Both Mayor Cutter and Councilmember Lee support providing a loan and working with the BAL Theatre.

Mayor Cutter would like the community to provide input and believes the loan should be secured by Mr. Dillman's property. In addition, Mayor Cutter has asked Mr. Dillman to prioritize the list of improvements.

### 3. PUBLIC COMMENTS

Bryan Azevedo stated that he supports divesting from Wells Fargo.

Maureen Forney stated she appreciates the stance the City Council has taken and the steps the City is taking for sustainability and the future of the City.

Virginia Madsen provided information regarding the transportation of oil and gas that is transported through the pipeline from tar sands. She supports divesting from Wells Fargo.

A resident spoke on the corrupt actions of Wells Fargo in opening fake accounts.

Jeromey Shafer, resident, stated this not a symbolic gesture but an act of resistance against catastrophic eventualities and there is a moral obligation to commit to the reduction of CO2 emissions.

Amy Chornick stated that a petition will be started to ask the Council to divest in any fossil fuel companies and place that in the Climate Action Plan, pass a resolution that states the City is committed to not use banks that invest in fossil fuel, replace Wells Fargo with a bank that invests in green technology, pass a resolution to urge CalPERS to halt and divest investments in fossil fuel.

Lori Foster, resident, supports what the other speakers, including Jeromey Shafer, stated.

Nancy Pretto, resident would like to see the City hold Wells Fargo accountable for their actions and look at doing a RFP.

Mayor Cutter requested staff to speak to City of Hayward and ask what banks they received RFPs from and what banks are non-DAPL.

#### **4. COMMITTEE MEMBER COMMENTS**

Mayor Cutter has requested the following be presented to Council: investments that we have and what should be done; the policy we have; cost per transaction; survey like-sized cities; when the right time might be to do a RFP; and what is the City doing in sustainability.

Mayor Cutter agrees to bring the loan agreement to the Council for review.

#### **5. ADJOURN**

The meeting adjourned at 7:08 p.m.