

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
MULTNOMAH COUNTY, OREGON**

RESOLUTION No. 98-129

Resolution adopting Multnomah County's Community Banking Investment Program

**The Board of County Commissioners finds:**

1. Many small banks that are community owned ("Community Banks") are located in rural and urban areas throughout the state and provide valuable services including making small business loans, loans to promote entrepreneurial activities and consumer loans for tuition and purchases of automobiles and homes.
2. Multnomah County, Oregon (the "County") has successfully formed partnerships with Community Banks in Multnomah County by making investments with Albina Community Bank and American State Bank and wishes to expand this partnership to provide an economic engine to link the urban/rural relationships throughout the state.
3. The County is committed to forming partnerships with Community Banks, consumers and businesses to provide the much needed capital to assist in economic development, the creation of jobs and providing loans for home purchases, home improvements automobile loans and tuition expenses.
4. Community Bank loans to businesses and consumers generate significant economic development, provide employment opportunities for the communities in which they are located and enhance the livability of their communities.
5. The economic development, employment opportunities made possible by small businesses add to the quality of life of all Oregonians, including those in Multnomah County.
6. With the restructuring and consolidation of banking in Oregon, small businesses and consumers are placing an even high demand for loans on Oregon Community Banks and Community Banks are constantly exploring new ways to raise deposits to provide loans to small businesses and consumers.
7. The County, understands and appreciates the positive economic impact and enriched quality of life that Community Banks have in communities throughout the State of Oregon.
8. The County wishes to establish a model Community Banking Investment Program and encourages other governments in a position to implement similar programs to do so.
9. The County is authorized under ORS 294.035 to invest in certificates of deposit in banks, mutual savings banks and savings and loan associations which maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank or savings and loan association.
10. The County's investment policy, adopted by the Board, authorizes the County to purchase time certificates of deposit with financial institutions covered by FDIC insurance or institutions that cause to have a Certificate of Participation issued evidencing collateral on all public funds on deposit.
11. The County's investment policy requires the County to safeguard assets, maintain sufficient liquidity requirements and obtain a competitive rate of return.

12. The County's Investment Advisory Board has reviewed and approved this policy direction.

**The Board Resolves:**

1. The County will purchase qualified time certificates of deposit from Community Banks to provide deposits for the Community Banks to make loans.
2. The total amount of funds available for this program will be \$1,500,000.
3. The par amount of the certificate of deposit will not exceed \$95,000 per institution.
4. The Community Bank must meet the following requirements to participate in this program:
  - a. The Community Bank's time certificate of deposit yield must be competitive with similar qualified investments available to the County at the time of purchase.
  - b. The Community Bank must have headquarters in the State of Oregon.
  - c. The Community Bank's assets will not exceed \$750,000,000 as of the most recent financial statement.
  - d. The Community Banks must have the bank's Board of Directors approve a resolution affirming its participation in the Multnomah County Community Banking Investment Program.
  - e. The Community Bank's loans to deposits ratio shall equal or exceed the national average for similar institutions.
  - f. The Community Bank's Community Reinvestment Act ("CRA") rating must be satisfactory or higher.
  - g. The Community Bank must provide evidence that they are a member of the FDIC.
5. When making investments with Community Banks, the Treasury Manager will follow all other provisions contained in the County's Investment Policy.

ADOPTED this 10<sup>th</sup> day of September 1998.




REVIEWED:

THOMAS SPONSLER, COUNTY COUNSEL  
FOR MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON

  
Beverly Stein, Chair

BY

  
Thomas Sponsler, County Counsel