

BEFORE THE BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 2010-160

Establishing the Community Advantage Banking Program (CAB) and repealing Resolution 98-129.

The Multnomah County Board of Commissioners Finds:

- a. Our nation is reeling from the worst economic recession since the 1930s. Multnomah County residents are suffering right alongside their fellow Oregonians with the 8th highest rate of unemployment in the country. 9.9% of the State's population is without a job.
- b. The County has the opportunity to be innovative with its investment dollars. It has the opportunity to be an economic driver, and build capital resources in partnership with our local community banks and credit unions.
- c. The County's investments dollars can be used by Oregon banks for loans that promote new and existing businesses that help save and create jobs for Oregonians.
- d. The County's investment dollars can be used by Oregon banks for loans that enable home purchases and improvements, automobile purchases and tuition expenses that stimulate our local economy.
- e. The County as an economic engine can promote lending opportunities, adding to the quality of life of all Oregonians - including those in Multnomah County, and encourage other local authorities to follow suit.
- f. Local Community Banks are banks with headquarters in the State of Oregon that have less than \$1 billion in assets, are located throughout the State of Oregon and provide valuable financial services to the small business and agricultural sectors ("Local Community Bank").
- g. In addition to deposits with Local Community Banks, the County is also authorized under ORS 294.035 to invest in time deposit open accounts, certificates of deposit and savings accounts in Credit Unions as defined in ORS 723.006 or in federal credit unions, if the credit union maintains a head office or a branch in this state ("Local Credit Union").
- h. The County's investment policy, adopted by the Board, authorizes the County to purchase time certificates of deposits with financial institutions covered by Federal Deposit Insurance Corporation (FDIC) insurance and credit unions covered by National Credit Union Administration (NCUA) insurance.
- i. The County Investment Policy requires the County to safeguard assets, maintain sufficient liquidity requirements and obtain a competitive rate of return.
- j. The County's Investment Advisory Board reaffirmed this policy at its September 30, 2010 meeting.
- k. On September 10, 1998, the Board of County Commissioners adopted Resolution 98-129 that established a "Community Banking Investment Program." It is in the best interests of the County to repeal Resolution 98-129 and to instead adopt the provisions of this Resolution.

The Multnomah County Board of Commissioners Resolves:

1. Resolution 98-129 is repealed.
2. The County will purchase qualified time certificates of deposit from qualifying Local Community Banks and Local Credit Unions headquartered in Oregon to provide deposits for those institutions to make loans.

3. The total amount of funds available for this program will be \$10,000,000.
4. The par amount of the certificate of deposit will not exceed FDIC and NCUA insured limits.
5. Local Community Banks and Local Credit Unions must meet the following requirements to participate in this program:
 - (a) The yield on time certificates of deposit must be competitive with similar qualified investments available to the County at the time of purchase.
 - (b) The institution must have headquarters in the State of Oregon.
 - (c) The assets of the institution must not exceed \$1 billion as of the institution's most recent financial statement.
 - (d) The institution must have its Board of Directors approve a resolution affirming participation in Multnomah County's Community Advantage Banking Program (CAB).
 - (e) The loans to deposits ratio at the institution must equal or exceed the national average for similar institutions.
 - (f) The institution must maintain a rating of "Satisfactory or Better" upon annual examination by the State of Oregon's Division of Finance Corporate Securities.
 - (g) The institutions that participate in the program must provide evidence that they are a member of the FDIC or NCUA.
6. When making investments with Local Community Banks and Local Credit Unions, the Treasury Manager will follow all other provisions contained in the County Investment Policy.

ADOPTED this 18th day of November, 2010.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Jeff Cogen, Chair

REVIEWED:
HENRY H. LAZENBY, JR., COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By: _____
John S. Thomas, Deputy County Attorney

SUBMITTED BY: Guillermo A. Maciel, Policy Advisor - Chair's Office