

New business

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**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

16

September 17, 2018

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Re: Proposed Resolution to Designate the City's Main Banking Partners

Dear Honorable Detroit City Council Members:

The CFO's Office respectfully submits the proposed resolution to designate the City of Detroit's main banking partners. As previously discussed with this body, the Office of the Chief Financial Officer (OCFO) crafted a Request for Proposals (RFP) for one or more financial institution(s) to provide banking services to the City and assist the City in redesigning its cash management and banking management structure and processes to align with leading government practices and industry standards.

Furthermore, consistent with the Mayor and City Council's stated goals of using the City's assets to support investment in Detroit and to improve the quality of life for all Detroiters now and in the future, the City's RFP was crafted to take in account a financial institution's commitment to Detroit as evidenced by job creation, job training, community involvement and diversity.

Should you have any questions, please do not hesitate to contact me or my office.

Best regards,

A handwritten signature in black ink, appearing to read "John W. Hill".

John W. Hill
Chief Financial Officer

Att: Proposed Resolution to Designate the City's Main Banking Partners

Cc: Mayor Michael E. Duggan
David P. Massaron, Chief Operating Officer and Senior Counsel to the Mayor
John Naglick, Chief Deputy CFO/Finance Director
John H. Hageman, Chief of Staff to the Chief Financial Officer
Christa McLellan, Deputy CFO/Treasurer
Stephanie Washington, City Council Liaison

RESOLUTION

BY COUNCIL MEMBER _____:

WHEREAS, Michigan Public Act 40 of 1932, titled *Depositories for Public Moneys* (Public Act 40), defines “financial institution” as a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and, (2) maintains a principal office or branch office located in this state under the laws of this state or the United States; and

WHEREAS, Public Act 182 of 2014 amended the Home Rule City Act by creating the position of Chief Financial Officer (CFO) to, among other requirements, “supervise all financial and budget activities of the city” and “coordinate the city’s activities relating to budgets, financial plans, financial management, financial reporting, financial analysis, and compliance with the budget and financial plan of the city”; and

WHEREAS, the CFO directed the Deputy CFO- Treasurer and the Office of the Chief Financial Officer (OCFO) to craft a Request for Proposals (RFP) for one or more financial institution(s) to provide banking services; and

WHEREAS, consistent with the Mayor and City Council’s stated goals of using the City’s assets to support investment in Detroit and to improve the quality of life for all Detroiters now and in the future, the City’s RFP was crafted to provide solutions to the City’s banking needs and to take into account each financial institution’s commitment to Detroit as evidenced by job creation, job training, community involvement and diversity. In particular, the RFP stated the City would look favorably on institutions that show a commitment to future projects, initiatives, and partnerships related to economic development in Detroit; and

WHEREAS, on March 1, 2018, through the OCFO, the City issued a RFP to select one or more financial institution(s) to provide banking services; and

WHEREAS, the OCFO and the Jobs and Economy Team (JET) performed an extensive and exhaustive review of the responses to the RFP and determined the institutions that have the skills to perform banking services and have shown a commitment to Detroit; and

WHEREAS, the result of the review of the responses to the RFP was a recommendation to the CFO to select the following institutions as the City’s main banking partners:

- Chemical Bank, in partnership with First Independence Bank
- JPMorgan Chase Bank
- Fifth Third Bank; and

WHEREAS, the CFO accepted the recommendation to select the aforementioned institutions to provide banking services to the City; and

WHEREAS, Public Act 40, requires that the legislative body of a city provide by resolution for the designation and deposit of public money, including tax money, coming into the possession of the city treasurer or tax collector, in 1 or more financial institutions in the proportion and manner as may be provided in the resolution; and

WHEREAS, Subsection 18-1-2(a) of the 1984 Detroit City Code requires that “the treasurer shall deposit, daily, his entire receipts from all sources and all money and checks on hand to the credit of the city in such banks as may be designated by the city council as the depository of the funds of the city”; and now therefore be it

RESOLVED, that based on the recommendation of the CFO, the Detroit City Council hereby designates the aforementioned financial institutions Chemical Bank, in partnership with First Independence Bank, JPMorgan Chase Bank and Fifth Third Bank to be depositories of funds of the City of Detroit in a proportion and manner determined by the CFO.



17

City of Detroit

CITY COUNCIL

MARY SHEFFIELD
PRESIDENT PRO TEMPORE
DISTRICT 5

MEMORANDUM

TO: Mr. David Whitaker, Director
Legislative Policy Division

THROUGH: Council President Brenda Jones

FROM: Council President Pro Tempore Mary Sheffield *MS*

DATE: September 14, 2018

RE: **Request for LPD to Draft an Ordinance Requiring 15 Day Accelerated Payments to Certified Small Businesses**

Small businesses and subcontractors have played a critical role in driving economic growth and job creation in the City. These businesses have given new life to our neighborhoods and are hiring local residents. It is critical that the City continue to do its part to support small businesses and create an atmosphere where they can flourish. The District of Columbia enacted legislation that required timely payment to vendors. The Quick Payment Amendment Act of 2017 required the District to disburse payments no later than 15 days after receiving a properly submitted invoice. The legislation reduced the time period from up to 30 days to disburse payment to 15 days.

Ensuring that small businesses and subcontractors receive timely payments would bring financial stability to the businesses and the local residents they employ. Therefore, I am requesting that the Legislative Policy Division draft an ordinance that would reduce the timeframe that vendors are paid from 30 days to 15 days.

Thank you.

Cc: Honorable Colleagues
Hon. Janice Winfrey, City Clerk

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CouncilMemberSheffield@detroitmi.gov

CITY CLERK 2018 SEP 14 PM 2:45