



## City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Meeting Date:** 2/15/2011

**Report Type:** Consent

**Title:** Bank on Sacramento Marketing Materials MOU

**Report ID:** 2011-00117

**Location:** Citywide

**Recommendation:** Adopt a Resolution authorizing City Council or designee to execute the MOU between the City of Sacramento and the City of San Francisco regarding the Bank on California/Sacramento program marketing materials.

**Contact:** Russ Fehr, City Treasurer, (916) 808-5168, Office of the City Treasurer

**Presenter:** None

**Department:** City Treasurer

**Division:** City Treasurer

**Dept ID:** 05001011

### **Attachments:**

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- 1-Description/Analysis
  - 2- Resolution MOU City of SF and City of Sacramento
  - 3- BOSF MOU with BOS 1 21 10 Final
  - 4- ADRS Unexecuted Contract Cover
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### **Approvals/Acknowledgements**

Department Director or Designee: Russell Fehr - 2/9/2011 4:37:36 PM

## **Description/Analysis:**

**Issue:** Bank on Sacramento is a collaborative and voluntary initiative to assist unbanked Sacramento residents in opening starter bank accounts. This allows City residents to gain access to basic banking services. Residents with bank accounts begin saving, build credit history, and access lower-cost sources of credit. There are over 30,000 unbanked households in Sacramento. Bank on Sacramento also provides City residents with free financial education provided by financial institutions and community based organizations that are partnered with the Bank on Sacramento program. To date, the coalition has held seven financial education classes that brought in 124 participants. We plan to coordinate even more classes, with more community partners in 2011.

Bank on Sacramento is the latest Bank on California city-based initiative following similar programs in other cities. The overall Bank on California program is a voluntary collaboration of the Federal Deposit Insurance Corporation (“FDIC”), city mayors, local financial institutions, state and federal regulatory agencies, and community based organizations.

Previously, the Governor’s Office of Planning and Research (“OPR”) was the lead coordinating agency in the Bank on California/Sacramento program. As such, OPR entered into a Fiscal Agent agreement with the United Way of the Bay Area to receive funds from the State of California and successful grant bids to fund the Bank on Sacramento program. As Governor Schwarzenegger’s term ended, the Bank on Sacramento program leadership passed to the City of Sacramento, Office of the City Treasurer, as it not known at this time if the Brown administration will continue these efforts or to what extent.

The Fiscal Agent agreement entered into by OPR and the United Way of the Bay Area is terminating. As outlined in Resolution 2010-262, the City of Sacramento seeks to enter into a Fiscal Agent Agreement with a local non-profit corporation, the Community Services Planning Council (“CSPC”), to enable the Bank on Sacramento Program to continue to operate. The Office of the City Treasurer will be supporting these efforts, but at this time, the City’s role is strictly administrative. The anticipated agreement with CSPC will allow the Bank on Sacramento program, through the Fiscal Agent, to receive and expend funds that were accumulated under the previous Fiscal Agent Agreement with the United Way and to continue to seek outside funding sources.

The City of San Francisco has already implemented a similar Bank on San Francisco program, and has developed certain marketing materials to promote that program. The proposed MOU with the City of San Francisco will allow the City Treasurer to use marketing materials that the City of San Francisco developed for its program, for the purpose of promoting the Bank on Sacramento program. The MOU specifically allows the City to modify these marketing materials as necessary for this purpose. As a result, entering into this MOU with the City of San Francisco will save the City extensive time and money in its efforts to promote the Bank on Sacramento program.

**Policy Considerations:** Providing City residents with financial management education and basic banking services will enhance to economic vitality and livability of the City.

**Environmental Considerations: California Environmental Quality Act (CEQA):**

This action is not subject to the CEQA because it is not a “project” as defined in section 15378 of the CEQA Guidelines. Even if it were a project, it would be exempt under section 15061(b)(3) of the CEQA guidelines, which provides as follows: “Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”

**Sustainability:** None

**Commission/Committee Action:** None

**Rationale for Recommendation:** Continuing City participation in Bank on Sacramento can only contribute to its success. There is no downside risk to the City.

Also, the problem of predatory lending and countless payday lending facilities greatly exists in Sacramento. Fees from payday lenders total over \$16 million per year. Without a bank account, the average person will spend 5% of their income on money orders and in payday lender fees each year. For this fundamental reason, the City’s role in these efforts are appropriate in that we can help to identify and suggest resources in an effort to sustain this very important initiative.

**Financial Considerations:** It is in the best interests of the City for its residents to spend as little as possible of discretionary income on basic financial services. This results in more income available for other spending and savings. Assisting residents without bank accounts to receive financial management education and to establish relationships with financial institutions will contribute to the overall prosperity of the community. By capitalizing on program marketing efforts already done by the City of San Francisco, the City can provide the Bank on Sacramento services to its residents more economically.

**Emerging Small Business Development (ESBD):** Not applicable

# RESOLUTION NO. 2011-\_\_\_\_\_

Adopted by the Sacramento City Council

## **AUTHORIZING THE MAYOR OR HIS DESIGNEE TO APPROVE THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE CITY OF SACRAMENTO AND THE CITY OF SAN FRANCISCO REGARDING THE SHARING, MODIFICATION AND USE OF “BANK ON SAN FRANCISCO” MARKETING MATERIALS FOR THE BANK ON SACRAMENTO PROGRAM.**

### **BACKGROUND**

- A.** Bank on Sacramento is a collaborative and voluntary initiative to assist unbanked Sacramento residents in opening starter bank accounts. This allows City residents to gain access to basic banking services. Residents with bank accounts begin saving, build credit history, and access lower-cost sources of credit. There are over 30,000 unbanked households in Sacramento. During 2010 the Bank on Sacramento program succeeded in assisting [REDACTED] residents establish bank accounts, surpassing the goal of 10,001 residents. Bank on Sacramento also provides City residents with free financial education provided by financial institutions and community based organizations that are partnered with the Bank on Sacramento program. To date, the coalition has held seven financial education classes that brought in 124 participants. We plan to coordinate even more classes, with more community partners in 2011.
- B.** Bank on Sacramento is the latest Bank on California city-based initiative following similar programs in other cities. The overall Bank on California program is a voluntary collaboration of the Federal Deposit Insurance Commission (“FDIC”), city mayors, local financial institutions, state and federal regulatory agencies, and community based organizations. Having a good marketing program is a necessary component of a successful Bank on Sacramento program.
- C.** The MOU with the City of San Francisco allows for the sharing, modification and use of Bank on San Francisco marketing materials developed by the City of San Francisco program, for purposes of marketing the Bank on Sacramento program. These marketing materials will be modified as necessary for use in the Bank on Sacramento program.

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1.** The Mayor or his designee is hereby authorized to execute the Memorandum of Understanding (MOU) between the City of Sacramento and the City of San Francisco regarding the sharing, modification and use of “Bank on San Francisco” marketing materials for the Bank on Sacramento Program, attached hereto as Exhibit A.

**Section 2.** Exhibit A is part of this resolution.

**Table of Contents:**

**Exhibit A** - Memorandum of Understanding

**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE TREASURER AND TAX COLLECTOR**

**MEMORANDUM OF UNDERSTANDING**

**for the**

**SHARING, MODIFICATION AND USE OF “BANK ON SAN FRANCISCO”  
MARKETING MATERIALS**

between

City and County of San Francisco

and

City of Sacramento

This is a Memorandum of Understanding (“MOU”), effective January 1, 2011, between the City and County of San Francisco, a municipal corporation, acting by and through the Office of the Treasurer and Tax Collector (hereinafter referred to as “City”), and City of Sacramento, a municipal corporation, acting by and through the Office of the City Treasurer (hereinafter referred to as “City of Sacramento”).

**RECITALS**

WHEREAS, the San Francisco Office of the Treasurer & Tax Collector (“Treasurer”) administers the Bank on San Francisco Program (“Bank on San Francisco”), which is a voluntary partnership between the City, the Federal Reserve Bank of San Francisco, the nonprofit EARN, and 15 San Francisco banks and credit unions;

WHEREAS, the purpose of Bank on San Francisco is to promote starter bank accounts designed for previously unbanked individuals and lessen their dependence on high-priced check cashing and payday lending businesses; and

WHEREAS, all financial institutions participating in Bank on San Francisco offer accounts for individuals who do not have accounts at banks and other mainstream financial institutions (the "unbanked") with the following features: acceptance of the Mexican Matricula and Guatemalan consular identification cards as primary identification, low or no monthly fees, forgiveness of at least once annually a non-sufficient funds/overdraft fee, promotion of financial management classes, and the ability to open accounts and receive financial management training for individuals who have previously overdrawn an account; and

WHEREAS, a key component to the success of Bank on San Francisco is the creation, distribution and posting of marketing materials, including posters, brochures, advertisements, window cling, referral cards, and the Bank on San Francisco logo (collectively, the "Marketing Materials"), which have all been designed by McCann Worldgroup, an international advertising company, on a pro bono basis for the City; and

WHEREAS, the City desires to have other United States cities and jurisdictions implement programs similar to Bank on San Francisco that offer beneficial products for the unbanked market, and the City desires to share and allow the modification of the Marketing Materials with such cities and jurisdictions to accomplish this goal; and

WHEREAS, the City also wishes to ensure that such Marketing Materials are used to promote only programs beneficial to the unbanked market, and ensure that the Marketing Materials are not used to profit any party.

## **AGREEMENT**

NOW, THEREFORE, the parties agree as follows:

### **1. Term**

The term of this MOU shall be from January 1, 2011 through December 31, 2011.

### **2. Scope of Work**

The City will provide to City of Sacramento modifiable electronic copies of all marketing materials produced for Bank on San Francisco, including but not limited to the following

(collectively, the “Marketing Materials”):

- a. Posters
- b. Brochures
- c. Advertisements
- d. Window cling
- e. Referral cards
- f. Bank on San Francisco logo

### **3. Release of Marketing Materials**

Prior to the release of the Marketing Materials, City of Sacramento agrees to provide the City with a written summary of the program it intends to launch to benefit the unbanked population, and its intended modifications to the Marketing Materials. The City, in its sole and absolute discretion, shall decide whether the program and proposed modifications are consistent with the goals of Bank on San Francisco, and shall release the Marketing Materials only upon such determination.

### **4. Use of Marketing Materials**

If the City makes such determination to release the Marketing Materials, the City shall release the Marketing Materials to: Kimberlie Gladden via electronic mail delivery, at the following email address: [kgladden@cityofsacramento.org](mailto:kgladden@cityofsacramento.org).

The Marketing Materials may be modified to promote the particular products offered in City of Sacramento (the “Modified Materials”).

The Modified Materials shall be distributed by City of Sacramento to third-parties for free or at cost, but in no case shall City of Sacramento charge a profit for the use of its Modified Materials by a third party. City of Sacramento shall not send modifiable electronic versions of the Marketing Materials or Modified Materials to any party without the prior written consent of the City.

City of Sacramento shall retain control over the printing and distribution of Modified Materials.

## **5. Promotion and Media**

City of Sacramento is prohibited from entering the Marketing Materials or Modified Materials in any media or advertising-related contest or competition. City of Sacramento covenants that any program or entity that uses Modified Materials shall provide the City with notice of any contest, competition, award, recognition it enters or receives where the entry is based in whole or in part on the Modified Materials. In such cases, City of Sacramento covenants that the following statement, or a statement substantially similar to the following statement, shall be included any documents related to or promoting such contest, competition, award or recognition: “The marketing materials used in this program [and other programmatic aspects as necessary] are based on models from Bank on San Francisco, and originally designed by McCann Worldgroup.”

City of Sacramento covenants that any press release or materials submitted to the media in support of any program that is advertised using Modified Materials shall contain the following statement, or a statement substantially similar to the following statement: “The marketing materials used in this program [and other programmatic aspects as necessary] are based on models from Bank on San Francisco, and originally designed by McCann Worldgroup.”

## **6. Modified Materials Provided to City**

City of Sacramento shall provide the City with electronic files of all Modified Materials. Such files shall be sent within 30 days of creation or use by electronic mail to Leigh Phillips, Program Manager of Bank on San Francisco, at the following email address: [leigh.phillips@sfgov.org](mailto:leigh.phillips@sfgov.org).

## **7. Material Modification of Unbanked Program and/or Marketing Materials**

If City of Sacramento modifies the Marketing Materials or the underlying program advertised by the Modified Materials in any way materially different from the written summary provided to the City under Section 3, City of Sacramento shall notify the City within 30 days of such material differences. The City, in its sole and absolute discretion, shall decide whether the modifications are consistent with the goals of Bank on San Francisco, and retains the right to immediately terminate City of Sacramento’s use of the Marketing Materials and Modified Materials upon such determination.

## **8. Ownership of the Marketing Materials and Modified Materials**

The City of Sacramento recognizes and agrees that City is the owner of the Marketing Materials and Modified Materials. Nothing in this agreement shall be construed as transferring ownership of the Marketing Materials or Modified Materials to the City of Sacramento, or as preventing City from providing the Marketing Materials or Modified Materials to other persons or entities at any time for any purpose.

## **9. Remedies**

If the City of Sacramento breaches any of its obligations hereunder, the City shall be entitled to seek equitable relief to protect its interests, including, but not limited to injunctive relief, in addition to any and all other rights and remedies available at law or equity.

## **10. Termination**

(a) If the City of Sacramento fails to perform or observe any term, covenant, or condition of Sections 3 through 8 of this MOU, City may immediately terminate this MOU by written notice.

(b) The City's termination of this MOU for breach shall not limit City's rights to any other remedies available to City at law or in equity.

(c) All rights granted to the City of Sacramento under this MOU to use such materials shall cease upon the termination of this MOU.

## **11. Indemnification**

Each of the Parties hereto shall indemnify and hold the other Party, its officers, board members, employees and agents, harmless from any losses imposed for injury arising in connection with the negligent acts or omissions or willful misconduct of the indemnifying party, its officers, board members, employees or agents, under or in connection with or arising out this Memorandum of Understanding. No Party shall be responsible for any losses occurring by reason of the negligent acts or omissions or willful misconduct of the other Party in connection with or arising out of this agreement. Losses shall mean any and all claims, demands, losses,

liabilities, damages, liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses.

## **12. Notices**

Unless otherwise indicated elsewhere in this MOU, all written communications sent by the parties may be by U.S. mail, e-mail, or by fax, and shall be addressed as follows:

To City: Mr. David Augustine  
Policy and Legislative Manager  
Treasurer's Office  
City Hall, 1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689  
Tel: (415) 554-7601  
Fax: (415) 554-4672  
e-mail: david.augustine@sfgov.org

To the City of Sacramento: Ms. Kimberlie Gladden  
Sr. Debt Analyst  
Office of the City Treasurer  
915 I Street, HCH 3<sup>rd</sup> Floor  
Sacramento, CA 95814  
Tel: (916) 808-5168  
Fax: (916) 808-5171  
e-mail: kgladden@cityofsacramento.org

## **13. Entire Agreement**

This MOU contains the entire agreement relative to the use of the Marketing Materials and Modified Materials and supersedes all prior or contemporaneous oral or written understandings or agreements regarding this issue. This MOU shall not be modified or amended, except in a written instrument executed by and in the same manner as this MOU.

#### **14. Governing Law**

This MOU shall be governed and construed in accordance with the laws of the State of California. Venue for any litigation relative to the formation, interpretation and performance of this MOU shall be in San Francisco.

#### **15. Non-Assignment**

This MOU may not be assigned or otherwise transferred by either party in whole or in part without the express prior written consent of the other party, which consent shall not unreasonably be withheld. This MOU shall benefit and be binding upon the successors and assigns of the parties hereto.

#### **16. Subcontracting**

The City of Sacramento shall not subcontract any portion of the services to be performed in producing the Modified Materials unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this MOU, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

#### **17. Captions**

All section captions are for reference only and shall not be considered in construing this MOU.

#### **18. Severability**

Should the application of any provision of this MOU to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then: (a) the validity of other provisions of this MOU shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

**19. Counterparts**

This MOU may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**20. Authority**

The City of Sacramento does hereby covenant and warrant that the signer hereunder is authorized to do so. Upon City’s request, the City of Sacramento shall provide City with evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

**21. Conflict of Interest**

The City of Sacramento does hereby certify that no conflict of interest exists between any member of the City of Sacramento and the City regarding the subject matter of this agreement.

IN WITNESS WHEREOF, The parties have executed this MOU on the dates stated below.

CITY OF SACRAMENTO  
by and through its TREASURER

CITY AND COUNTY OF SAN FRANCISCO,  
by and through its TREASURER

By: \_\_\_\_\_  
City Treasurer

By: \_\_\_\_\_  
Treasurer’s Office

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

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

## Unexecuted Contract/Agreements

- The Unexecuted Contract/Agreement is signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract/Agreement (Public Project) is NOT signed by the other party, is attached as an exhibit to the resolution, and is approved as to form by the City Attorney.
- The Unexecuted Contract is NOT included as an exhibit to the Resolution because the Agreement(s) is with other another governmental agency and it is not feasible to obtain the other agency's signature prior to Council action (be they denominated Agreements, MOUs, MOAs, etc.); however, the City Attorney approves the forwarding of the report to Council even though the signed agreement is not in hand yet.
- The Unexecuted Contract is NOT included as an exhibit to the resolution because, due to special circumstances, and the City Attorney confirms in writing that it is okay to proceed with Council action even though the signed agreement is not in hand yet.

*All unexecuted contracts/agreements which are signed by the other parties are in the Office of the City Clerk before agenda publication.*