



Takoma Park City Council Meeting – February 8, 2017 Agenda Item 3

Work Session

Discussion of Nuclear-Free Takoma Park Committee Recommendation on the City's Banking

Recommended Council Action

Hear information presented and give direction to next steps, if any.

Context with Key Issues

The City Council's Nuclear-Free Takoma Park Committee is asking the City to consider changing the bank it uses for City business from Suntrust Bank to Sandy Spring Bank because Suntrust is listed in the Don't Bank on the Bomb listing prepared by the International Campaign against Nuclear Weapons. Sandy Spring Bank is seen by the Committee to be a more community-oriented bank.

The City Manager and Finance Director have met with the Nuclear-Free Committee to learn more about their request and discuss what is involved in moving from one bank to another. They have also met with Sandy Spring Bank officials and will have met with Suntrust Bank officials before this Work Session.

During this Work Session, representatives of the Nuclear-Free Committee will present their thoughts and staff will discuss the following issues:

- Information on the relative involvement of Suntrust and other banks in the nuclear weapons industry
- The banking accounts and services currently used by the City
- The requirement to do a Request for Proposals for banking services for the City if the City is considering moving its accounts to another bank
- The financial cost and staff resources that would be required in a transfer of banking services, and the preferred timing of such a transfer
- The potential longer term savings or costs of switching banks
- The potential impacts on staff and vendors of switching banks
- Race equity considerations in switching banks given that a larger proportion of staff who physically go to a bank for payroll check cashing services are employees of color; also, depending on the bank chosen, there may be community benefits by the new bank that are better than those provided by Suntrust to communities of color.

Council Priority

Engaged, Responsive Service-oriented Government
Fiscally Sustainable Government

Environmental Impact of Action

Uncertain, but may be minimal. Staff may need to travel a longer distance to get to a new bank.

Fiscal Impact of Action

In the short term during a transition to a new bank, substantial funds would need to be set aside to hedge against delayed receipt of revenue from the State of Maryland and Montgomery County that may be needed for payroll and other immediate expenses. Transition costs would include up to six months of a Finance Department employee to coordinate the transition. Long term impacts could be a savings in banking costs and/or an increase in interest or other bank-related revenue. Short and long term impacts need to be weighed against the possible funding needs of the City due to changes at the national level.

Attachments and Links

None