

FINANCE, ADMINISTRATION, & PROCUREMENT COMMITTEE

MARCH 10, 2021

Community Banks & Credit Unions

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Finance Manager**



Overview

- EBCE is committed to investing in the economic growth of its service territory. As such, it is considering the intention of depositing funds in at least one local financial institution to the benefit of the community.
- EBCE has completed an initial survey of local institutions and is evaluating their lending practices.
- Staff is interested in seeking feedback on additional local institutions and evaluation criteria and intends to bring forward a proposal in the late spring

River City Bank

- EBCE currently keeps all cash, and utilizes cash management services, in River City Bank (RCB), headquartered in Sacramento.
- RCB was chosen via RFP and is the bank of choice for many CCA's.
- Currently has lending practices in Alameda and San Joaquin Counties.
- EBCE is discussing options to earmark certain funds for in territory investments/community lending
- Note: EBCE is not evaluating a change in its provider for cash management services

Definitions

Community Bank: A dispository or lending institution that primarily serves businesses and individuals in a small geographical area. They are generally for-profit with shareholders, but can be non-profit 501c3. CB's do not require membership to join for services or to borrow. Traditionally take in deposits and loan out locally, and are usually community focused.

Credit Union: Similar to a CB, CU's generally serve a local area or specific population. They are always non-profit organizations or specifically member-owned. Membership is required to join for services or borrow. Operate under a specific guiding charter.

Survey Criteria

The only criteria applied in this survey is the candidate must be headquartered in Alameda County or the City of Tracy.

An internet search resulted in seven candidates for consideration. This does not exclude the discovery of additional candidates that meet the single requirement—it only represents what was discovered.

Each candidate is classified as either a credit union or a community bank, and some basic information was collected from each institution's annual report.

Community Banks & Credit Unions Identified

Candidate	HQ Location	Service Territory	Accessibility	Assets (\$MM)	Loans (\$MM)	Loan/Assets
1st United CU	Pleasanton	AC Only	Membership	1,120.0	849.9	0.76
Bay Cities CU	Hayward	AC Only	Membership	73.5	26.5	0.36
Chabot Federal CU	Dublin	AC Only	Membership	69.1	17.1	0.25
Community Bank of the Bay	Oakland	AC + 2 Counties	Anyone	493.8	398.3	0.81
Cooperative Center CU	Berkeley	AC Only	Membership	119.2	69.7	0.58
Fremont Bank	Fremont	AC + 4 Counties	Anyone	4,383.0	3,226.0	0.74
Patelco CU	Dublin	AC + 5 Counties	Membership	7,290.0	5,530.0	0.76

It should be noted the CU's membership criteria covered a range of eligibilities from semi-limited to broad in nature

All additional counties are regional to Bay Area or Northern California

Information taken from 2019 annual reports only

Thank You!



Questions? Give us a call:

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