

;;;BCC 190613

>> I'M THE CHAIRMAN OF WAYS AND MEANS IN DISTRICT 9 CITY COUNCILOR REPRESENTING AUSTIN BRIGHTON.

TODAY IS THURSDAY, JUNE 13th. WE ARE HERE WITH OUR FOLKS FROM THE TREASURY DEPARTMENT REGARDING DOCKET 0804, MESSAGE AND ORDER AUTHORIZING THE COLLECTED TREASURER FOR THE CITY OF BOSTON TO ENTER INTO A COMPENSATION BALANCE AGREEMENT WITH CITIZENS BANK PURSUANT TO MASS GENERAL LAW CHAPTER 44 SECTION 53F THE PROVISION OF BANKING SERVICES AS MORE FULLY DESCRIBED IN THE ATTACHED FORM. LIKE TO REMIND YOU THIS IS A PUBLIC HEARING.

BROADCAST AND RECORDED ON RCN PASTE 836789 COMCAST CHANNEL 8. VERIZON 1964 AND STREAMED ONLINE.

I'D LIKE TO ASK FOLKS TO SILENCE THEIR ELECTRONIC DEVICES F. ANYBODY WISHES TO TESTIFY PUBLICLY THERE IS A SIGN-IN SHEET TO MY LEFT BY THE DOOR. WE ASK THAT YOU STATE YOUR NAME, ANY AFFILIATION, YOUR RESIDENCE AND PLEASE CHECK THE BOX, YES, IF YOU DO WISH TO TESTIFY.

ALSO LIKE TO WELCOME MY FRIENDS AND COLLEAGUES TO MY LEFT IN ORDER OF THEIR ARRIVAL. CITY COUNCILOR I WAS GOING TO SAY -- ED FLYNN TO MY RIGHT, FRIEND FROM DORCHESTER AT LARGE CITY COUNCILOR ANNISSA ESSAIBI-GEORGE.

WITH THAT I WILL TURN OVER TO DREW.

>> THANKS, MR. CHAIRMAN. AND THANKS COUNCILORS I'M DREW SMITH HEAD OF TREASURY FOR THE CITY OF BOSTON.

ALSO SENIOR DEPUTY TREASURER I HAVE RICH WHO IS SECOND ASSISTANT COLLECTOR TREASURER ALSO HAVE SOME COLLEAGUES FROM BANK IQ FIRM THAT HELPS US WITH

OUR REPORTING REQUIREMENTS.
AS MAN DADE BY STATUTE, EVERY
THREE YEARS THE CITY IS REQUIRED
TO REPROCURE BANKING SERVICES
CONTRACTS.

THIS REQUESTED HEARING IS END
POINT OF THAT PROCESS WITH
COUNCIL AND MAYORAL APPROVAL
REQUIRED BEFORE THE NEW CONTRACT
CAN BE EXECUTED.

AND TAKEN FORWARD.
ONLY CONTRACT THE CITY CURRENTLY
HAS IN PLACE IS THE ONE WITH
CITIZENS, THAT'S THE BANK THAT
CURRENTLY PROVIDES ALL OF THE
CITY'S OPERATIONAL BANKING
SERVICES.

THE CONTRACT EXPIRES AT THE END
OF THIS FISCAL YEAR.
WOULD GO INTO AFFECT ONE BEFORE
YOU ON JULY 1 FOR ENSUING
THREE-YEAR PERIOD.

AT FIRST LIKE TO GIVE YOU
OVERSEE OF OUR PROCUREMENT
PROCESS AND PROVIDE BIT OF
DETAIL ON THE RESULTS OF THAT
PROCESS.

IN CALENDAR 2018 THE CITY MADE
PUBLIC THE RFP FOR BANKING
SERVICES KICKED OFF THAT PROCESS
WITH A BITTERS CONFERENCE WHERE
ALL BIDDERS WERE ENKIND TO
ATTEND.

THAT IS HELD FOR THE PURPOSE OF
GIVING POTENTIAL BIDDERS AN
OVERVIEW OF THE PROCUREMENT
PROCESS AS IT IS EXPECTED TO
UNFOLD TO PROVIDE DETAIL ON ANY
ITEMS OF NOTE, PARTICULARLY THE
ITEMS THAT MAY HAVE CHANGED
SINCE THE PREVIOUS PROCUREMENT
TO ANSWER ANY QUESTIONS BY
KIDDER MIGHT HAVE.

I AM PLEASED TO NOTE WE RECEIVED
RECORD NUMBER OF BIDDERS AT THE
CONFERENCE WHICH SEEMED TO BE
INDICATION OF STRONG INTEREST IN
THIS PARTICULAR PROCUREMENT.

THIS INDICATION OF INTEREST WAS
FURTHER CONFIRMED IN THE CITY'S
RECEIPT OF NON-PROPOSALS.

AFTER DISQUALIFICATION OF ONE
FOR TECHNICAL REASONS EVALUATION
TEAM SET ABOUT TO SCORE

REMAINING PROPOSALS AGAINST SIX CATEGORIES.

ONE, SCOPE OF SERVICES.

TWO, MANAGEMENT CAPABILITY.

THREE, QUALITY CONTROL.

FOUR, DISASTER BUSINESS RECOVERY.

FIVE, REFERENCES.

AND SIX, BUT CERTAINLY NOT LEAST THE COST.

BASED ON THAT EVALUATION WE FOUND THREE FIRMS TO BE GROUPED IN TOP RANGE.

THESE THREE FIRMS REPRESENTED THOSE WHICH WE WOULD BE COMFORTABLE GIVING THE CONTRACTS TO.

AFTER OPENING THE CALLS PROPOSALS COMPARING THOSE AGAINST TECHNICAL SCORES IT WAS DETERMINED THAT CITIZENS BANK WOULD BE THE WINNER OF THE NEXT CONTRACT.

CITIZENS FEE SCHEDULE WHILE ALREADY LOW CAME IN EVEN SLIGHTLY BETTER THAN CURRENT COST STRUCTURE ENFORCE.

AND I'LL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MIGHT HAVE ABOUT PROCUREMENT IN JUST A BIT. THE CONTRACT BEFORE SAW VERY SIMILAR TO CONTRACTS YOU'VE SEEN IN YEARS PAST.

PRIMARY CHANGE, HOWEVER, IS THE WAY THE EARNINGS CELL RATE IS CALCULATED.

WITH COMPENSATING BALANCE AGREEMENTS, RATHER THAN APPROPRIATING THEN PAYING HARD DOLLARS FOR BANK SERVICES WHICH CAN BE NOTORIOUSLY DIFFICULT TO ESTIMATE, THE CITY LEAVES AMOUNTS ON DEPOSIT IN THOSE ACCOUNTS.

WE DO NOT EARN INTEREST ON THOSE AMOUNTS WE DO EARN CREDITS THAT ARE USED TO PAY FORT FEES.

IN PRIOR YEARS THE EARNINGS CREDIT RATE, WAS AGREED TO AT THE OUTSET OF THE CONTRACT AND WAS LEFT FIXED OVER THE LIFE OF THE CONTRACT REGARDLESS OF WHAT THE MARKET HAS DONE.

AS PART OF THIS CONTRACT,

HOWEVER, THE CITY HAD DICTATED THAT THE ECR WOULD BE FLOATING RATE AGAINST 13-WEEK T-BILL ENSURING THAT ALL TIMES THE CITY IS AT THE VERY LEAST RECEIVING A MARKET RATE ON ITS DEPOSITS RATHER THAN SETTING THAT RATE AT THE OUT SET AND HOPING THE MARKET MOVES IN OUR FAVOR. THE ADDITIONAL BENEFIT OF THIS STRUCTURE THAT ALL RESPONSES WERE PUT ON LEVEL PLAYING FIELD WITH ONLY ONE SET OF NUMBERS TO BID RATHER THAN TWO SO THAT WE MIGHT BETTER BE ABLE TO DRIVE DOWN COST OF ACTUAL SERVICE RATHER THAN ALSO FOCUSING ON THE ECR.

AS FAR AS TOTAL EXPECTED ANNUAL COST OF THE CONTRACT, IT IS AS I MENTIONED DIFFICULT TO SAY BUT WE ESTIMATED TO BE AT 2D MILLION ANNUALLY CURRENTLY.

IT'S IMPORTANT TO NOTE, HOWEVER, THAT ALL BUT 300,000 OF THAT IS MADE UP OF CREDIT CARD MERCHANT CHARGES FOR PARKING METERS AND THE MOBILE APP WHICH ARE SIMPLY PASSED THROUGH BY THE BANK RATHER THAN RETAINED.

ADDITIONALLY EXPECT SOME OF THOSE FEES TO GO AWAY OVER THE COURSE OF THIS YEAR AS ADDITIONAL MERCHANT CHARGES WILL BE PASSED ALONG RATHER THAN ABSORBED.

IT IS IMPORTANT TO NOTE THAT AMOUNTS REQUIRED TO BE HELD IN THESE COMPENSATING BALANCE ACCOUNTS WILL GO SIGNIFICANTLY LESS OVER THE NEXT THREE YEARS. THAN IN YEARS PAST DUE TO CHANGES THAT HAVE BEEN RECENTLY MADE TO THE WAY THE CITY PROCESSES CREDIT CARD TRANSACTIONS.

THE RESULT WILL BE SIGNIFICANTLY MORE ASSETS HELD IN INTEREST BEARING DEPOSIT ACCOUNTS GENERATING SIGNIFICANTLY MORE IN INVESTMENT EARNS FOR CITY OPERATIONS.

IN CLOSING I WILL SAY WHILE CITY ENJOYED FAIRLY LENGTHY, POSITIVE

WORKING RIGHTS SHIP WITH
CITIZENS AS STILL NEWISH MEMBER
OF THE CITY HALL TEAM I CAN
ATTEST TO THE FACT THAT THEIR
RESPONSE TO THIS RFP WAS VERY
WELL PUT TOGETHER ONE THAT
DEMONSTRATED THAT THEY WERE
NORTH ONLY THE BANK BEST POE
SINGED TO CONTINUE PROVIDING THE
CONTEMPLATED SERVICES, BUT ALSO
ONE ABLE TO DO IT AT THE LOWEST.
THIS IS COUPLED WITH THE BANK
DEEP INVOLVEMENT IN THE CITY AS
FURTHER ILLUSTRATED IN THE
CITY'S DEPOSIT REPORT, BANK IQ
PUTS TOGETHER WHICH WE HAVE
INDICATION BY THE WAY MAYBE ONE
OF THE BEST OF ITS KIND IN THE
COUNTRY.

THAT REPORT INDICATES
OUTSTANDING RATING IN THEIR
DELIVERY SYSTEMS AVAILABLE TO
ALL AND TO INDIVIDUALS OF ALL
GEOGRAPHIES AND INCOME LEVELS
BUT SUBSTANTIAL MAJORITY OF THE
DOLLAR VALUE TRANSACTIONS WAS
FOCUSED ON AFFORDABLE HOUSING.
AN EXCELLENT LENDING ACTIVITY
WHICH INDICATE GOOD DISTRIBUTION
MORTGAGE LOANS TO LOW MODERATE
INCOME GEOGRAPHIES AND BORROWERS
AS WELL AS GOODS, SMALL BUSINESS
LENDING.

WITH THAT I AM HAPPY TO ANSWER
ANY QUESTIONS YOU MIGHT HAVE.
>> THANK YOU.

WE'VE BEEN JOINED BY MY FRIEND
FROM JAMAICA PLAIN COUNCILOR
MATT O'MALLEY AS WELL.
YOU MENTIONED HOW THE BID CAME
IN A LITTLE LOWER THAN THE
CURRENT CONTRACT.

IS THAT -- DID I HEAR THAT?

>> COST STRUCTURE JUST A LITTLE
BIT BETTER.

TO BE HONEST IT WAS ALREADY
PRETTY LOW SO IT WAS TOUGH TO GO
MUCH LOWER.

BUT WE DID SEE ABSOLUTELY MORE
FAVORABLE TERMS.

>> AND YOU ARE ESTIMATING ABOUT
\$2 MILLION, THE CONTRACT COSTS
TO ADMINISTER.

>> \$2 MILLION ALTOGETHER AND BIG

PORTION THAT HAVE IS AS I MENTIONED IS THE CREDIT CARD FEES THAT ARE PASSED ALONG THOSE COME IN TO US, THEY ARE NOT CHARGED BY THE BANK, THEY ARE CHARGED BY THE MERCHANTS WE USE THAT EARN EARNING TO PAY THOSE OFF.

THEN OTHER SET OF FEES THE 300,000 IS TRULY CITIZENS BANKING CHARGES US TO. COST OF TRANSFERS AND PAYMENTS OUT AND THINGS LIKE THAT.

>> RIGHT.

WHAT ARE THE SERVICES THAT THEY PROVIDE BESIDES PAYROLL?

>> SURE.

>> THEY ARE OUR PAYROLL VENDOR.

>> THEY MANAGE THE PAYROLL ACCOUNT, ALL ACCOUNTS.

SO, OF COURSE WE RUN PAYROLL OPERATIONS THROUGH CITY INTERNAL SYSTEMS AS FAR AS AMOUNTS GOING OUT THOSE ARE COMING FROM CITIZENS ACCOUNTS.

IF YOU'RE CURIOUS ABOUT OTHER TYPES OF ACCOUNTS AND SERVICES THEY OFFER, I'M GOING TO TURN IT OVER TO RICH WHO HAS BEEN DOING THIS FOR A NUMBER OF YEARS NOW. HE CAN DETAIL FEW OF THOSE.

>> THANK YOU.

>> IN ADDITION TO THE PAYROLL SERVICES THEY ALSO PROVIDE SERVICES WITH RESPECT TO OUR DIRECT DEPOSIT ACCOUNTS.

THEY PROVIDE FUNCTIONALITY TO ACH THOSE PAYMENTS TO EMPLOYEES. AS WELL AS TO THE CITY'S VENDORS THAT DO BUSINESS WITH THE CITY ALONG WITH OUR RETIREES.

THEY ALSO PROVIDE DEA ACCOUNTS WHICH ARE CHECKING ACCOUNTS SO THAT WE CAN ISSUE CHECKS AT SMALLER LEVEL AS WELL AS WE SEE FUNDS.

THEY PROVIDE WIRE SERVICES. THEY PROVIDE REPORTING SERVICES FOR ACH CREDITS.

THEY DO BANK -- PROVIDE BANK RECONCILIATION FOR ALL OF OUR ACCOUNTS.

>> OKAY.

OUR INTERNAL AUDITING COMMITTEE,

IS THAT PART OF THEIR AUDIT AS WELL?

WHAT THEY LOOK AT THE PAYROLL FUNCTION AND THE SERVICES FROM CITIZENS?

>> AS PART OF THE CITY'S PROCESS IN WHICH PROCESSES PAYROLL. ONCE THAT HAS BEEN AUDITED INTERNALLY THEN ONLY THEN CITIZENS CAN CARRY FORWARD.

>> HOW MUCH MONEY DO YOU THINK IS HELD IN THE PAYROLL ACCOUNT AT ANY ONE TIME, OBVIOUSLY IT'S COMING IN AND GOING AND HOW DOES THAT KIND OF LOOK?

>> WITH RESPECT TO THE DIRECT DEPOSIT ACCOUNT, MAYBE AT MOST \$20,000, THAT SPECIFICALLY BECAUSE OF REJECTS. MAYBE A BANK ACCOUNT MIGHT HAVE BEEN CLOSED OR MAYBE THE NUMBER FOR THAT BANK WAS INCORRECTLY TRANSPOSED OF A NUMBER IT KICKS BACK.

THEN WE WOULD DO RESEARCH THEN REISSUE THE CHECK TO THE EMPLOYEE OR TO THE CUSTOMER. THE PAPER CHECKS PAYROLL, THEY USUALLY RUNS ABOUT MAYBE A MILLION DOLLARS. OF UNCASHED CHECKS.

>> CAN YOU REVEAL THE THREE CONTEND WAS, CITIZENS WAS OBVIOUSLY ONE.

WHO WERE THE OTHER TWO?

>> HAPPY TO.

IT WAS BANK OF AMERICA AND IS SANTENDER.

>> TWO OTHER MULTI-NATIONAL BANK.

>> IF YOU LIKE I CAN LIST OUT THE OTHER BANKS THAT ACTUALLY DID RESPOND.

WE HAD BANK OF AMERICA CENTURY BANK, CITIZENS, JPMORGAN, PEOPLES UNITED, TD, WEBSTER BANK, AND PASSPORT, WHICH IS NOT NECESSARILY TRADITIONAL BANK BUT MORE OF SERVICE PROVIDER THEY JUST WANTED A PIECE OF THE BUSINESS RATHER THAN THE ENTIRE CONTRACT.

>> LASTLY BEFORE I RECOGNIZE MY COLLEAGUES, COMMUNITY

REINVESTMENT ACT, THEY ARE
SUBJECTED TO SOME KIND OF
SCORING AND HOW DO THEY MEASURE
UP TO SOME OF THE OTHER
APPLICANTS, I GUESS, ARE WE
HOLDING THEM ACCOUNTABLE I
GUESS?

>> WE DO.

THAT IS PART OF THE SERVICE,
BANK IQ HELPS PROVIDE TO US
THOSE -- THAT INFORMATION LINK
DEPOSIT BANKING REPORT, CITIZENS
RECEIVES SATISFACTORY RATING
THAT THAT IS GENERALLY ABOUT TWO
YEARS OLD.

BUT WITHIN THAT SATISFACTORY
RATING YOU HAVE IT SPLIT BETWEEN
SERVICE TEST, YOU HAVE
INVESTMENT TEST THEN LENDING
TEST.

AS PART OF THAT, THEY EITHER
GENERALLY RECEIVE HIGH
OUTSTANDING OR OUTSTANDING MARKS
ON THAT.

THAT IS SOMETHING WE LOOK AT.

>> GREAT.

THAT ANALYZED ON A BASIS OF
GETTING LOANS OR PROVIDING LOANS
TO LOW INCOME, DIFFERENT ZIP
CODES MAYBE?

>> A NUMBER OF DIFFERENT THING.
WE ANALYZE IT ON THE -- IT'S --
INCLUDES QUINCY, SOME OF GREATER
BOSTON SO IT'S ANALYZING THAT
DATA IN PARTICULAR.

IF YOU LIKE MORE DETAIL I CAN
CERTAINLY GET OUR BANK IQ FOLKS
UP.

BUT THAT IS REALLY WHAT THEY'RE
LOOKING AT, THEY'RE LOOKING NOT
JUST LENDING ACTIVITIES MAKING
SURE THAT YOU HAVE ENOUGH
BRANCHES IN AREAS THAT ACTUALLY
NEED THE SERVICE.

THAT'S SOMETHING WE LOOK AT.
WE'RE NOT ABLE TO DEPOSIT WITH
BANKS THAT DON'T HAVE A
SATISFACTORY CRA RATING THAT IS
SOMETHING THAT WE ALWAYS LOOK
AT.

>> GREAT.

COIL FLYNN.

COUNCILOR FLYNN.

>> THANK YOU, THANK YOU TO DREW

AND TO RICH.

I KNOW YOU HIGHLIGHTED DREW THE CRITERIA YOU USE TO SELECT WINNING APPLICANT.

BUT ACTUALLY ONE OF THE CRITERIA IS THAT THE COMMUNITY ENGAGEMENT ASPECT, IF SO, WHAT ARE YOU LOOKING FOR THERE?

>> WE DID WORK THAT IN.

EVERY BANK'S COMMUNITY INVOLVEMENT IS DIFFERENT. SOME BANKS HAVE HEAVIER COMMUNITY INVOLVEMENT BECAUSE THEY HAVE LARGER ASSETS AND ABILITY TO DO A LITTLE BIT MORE. SOME BANKS THAT MAY NOT HAVE SIGNIFICANT ASSETS, ARE STILL DOING LOT WITH VOLUNTEER HOURS, IT'S A QUESTION THAT WE ASK OF ALL THE BANKS.

IT'S A QUESTION THAT WE GET RESPONSES FROM AND WE LOOK AT THAT AS PART OF THE SCORING PROCESS.

AND THAT WOULD BE LOOPED INTO THE OVERALL FINAL SCORE.

>> WHAT DOES CITIZENS BANK BRING TO THE TABLE AS IT RELATES TO INVESTING IN THE NEIGHBORHOOD, ESPECIALLY INVESTING IN NEIGHBORHOODS THAT DESPERATELY NEED IT?

>> IS THAT SOMETHING THAT WOULD BE CAUGHT SPECIFICALLY IN THE REPORT?

I'D LOVE TO POINT YOU TO SOMETHING SPECIFICALLY THAT YOU CAN LOOK AT IF THAT IS THE CASE. CITIZENS -- PART OF THEIR INVOLVEMENT IN THE COMMUNITY COMES DIRECTOR FROM BEING A SIGNIFICANT BANK HEAD QUARTERED CLOSE BY.

HEAD QUARTERED IN RHODE ISLAND. WITH SIGNIFICANT ASSETS IN BOSTON, SIGNIFICANT CITY ASSETS, YOU SEE THEM EVERYWHERE. THEY ARE INVOLVED IN LOT OF DIFFERENT COMMUNITY GROUPS AND VOLUNTEER EFFORTS.

BUT I DON'T HAVE SPECIFICS TO BE ABLE TO GIVE YOU RIGHT NOW, I DON'T WANT TO THROW SOMETHING OUT THERE NOT BE CERTAIN OF IT.

>> WOULD YOU HAVE LOOKED AT WHAT CITIZENS OUTREACH IS TO, SAY, FIRST TIME HOME BUYERS OR LOW INCOME RESIDENTS LOOKING TO BUY THEIR FIRST HOME WOULD THAT BE PART OF THE CRITERIA?

>> IF YOU CAN GIVE ME JUST A MOMENT I CAN LOOK AT THE RFP SEE EXACTLY HOW WE WORDED THAT.

>> IF YOU WANT TO CHECK AND GET BACK TO ME.

>> THAT WOULD BE GREAT. I CAN DO THAT.

AS I'VE MENTIONED THOSE ARE THE TYPES OF THINGS THAT WE GENERALLY SEE IN THE REPORT THAT WE'RE ALWAYS LOOKING AT.

WHEN WE GO OUT TO -- IT'S ACTUALLY A GOOD QUESTION WHEN WE GO OUT TO NUMBER OF THESE BANKS IF WE'RE ACCEPTING NEW DEPOSIT RELATIONSHIP, OUR PRACTICE IS TO GO OUT TO ONE OF THE LOCAL BRANCHES, SPEAK WITH THE LOCAL EMPLOYEES THERE, SPEAK WITH SENIOR MANAGEMENT.

BANK AND LOT OF THOSE QUESTIONS REVOLVE AROUND EXACTLY WHAT THEY'RE DOING IN THE COMMUNITY. IT'S NO DIFFERENT THAN WITH CITIZENS.

WE ALWAYS LIKE TO KEEP A FINGER ON THE PULSE OF WHAT THEY'RE DOING.

I CAN GET YOU MORE SPECIFICS ON THAT.

>> THAT WOULD BE GREAT.

THAN MY FINAL QUESTION IS, WHAT TYPE OF PLAN DO YOU HAVE AS RELATES TO SECURITY IN TERMS OF FRAUD, ABUSE, PEOPLE TRYING TO MANIPULATE THE SYSTEM FROM THE OUTSIDE, TAKING ADVANTAGE OF THE TECHNOLOGY TO ENTER YOUR COMPUTER SYSTEM.

WHAT TYPE OF I.T. SYSTEMS DO YOU HAVE?

>> I'M NOT GOING TO BE ABLE TO GIVE YOU A GREAT ANSWER ON THAT BECAUSE MOST OF THAT IS -- BECAUSE WE SIT WITHIN THE CITY NETWORK MOST OF THAT IS HANDLED WITH -- CONVERSATION THAT WE HAVE A LOT OF BECAUSE SOMETHING

THAT LOT OF FOLKS THINK ABOUT
RIGHT NOW WITH WHAT WE'VE SEEN
WITH ATLANTA AND CERTAIN OTHER
CITIES.

A LOT OF OUR SECURITY ALSO IS
PROVIDED BY CITIZENS AS WELL.
BECAUSE THEY HAVE THEIR OWN
SYSTEMS THAT'S ACTUALLY WHERE
THE MONEY SITS AS FAR AS OUR
KIND OF FINANCIAL SYSTEMS WITHIN
THE CITY TO MAKE SURE THAT AS
YOU SAID NOBODY GOES IN AND --
THERE'S NO WAY THEY CAN ENTER
THE ACCOUNTS.

BUT THEY COULD CONCEIVABLY GO IN
TRY TO MANIPULATE DATA THAT
SOMETHING WE'RE ALWAYS ON THE
LOOK OUT FOR.

BUT I WOULDN'T BE ABLE TO GIVE
YOU A GREAT ANSWER I'M NOT A
TECH GUY, UNFORTUNATELY.
THAT'S MORE OF QUESTION, I'D BE
HAPPY TO GET ANSWERS FOR YOU
FROM DUETT BUT I'D HAVE TO
CONSULT WITH THEM.

>> THANK YOU.

MY FINAL QUESTION I KNOW
COUNCILOR ESSAIBI-GEORGE HAS
WORKED ON THIS ISSUE BEFORE.
WHAT TYPE OF OUTREACH DO YOU
HAVE WORKING CLOSELY WITH THE
ELDERLY OR OTHER RESIDENTS TO
MAKE SURE THAT THEIR ACCOUNTS
MAY NOT BE MANIPULATED ALSO.
IS THAT MORE OF AN I.T. QUESTION
OR WHEN YOU SAY --

>> WHEN YOU SAY ACCOUNTS,
COUNCILOR, DO YOU MEAN LIKE
RETIREMENT?

>> YEAH.

ANY TYPE OF AN ACCOUNT, MAYBE
SOMEONE, SENIOR CITIZEN MIGHT
HAVE, I'M ALWAYS CONCERNED ABOUT
OUR SENIOR CITIZENS, SOMEONE
TRYING TO TAKE ADVANTAGE OF THEM
THROUGH MAYBE GETTING THEIR
PASSWORD OR GETTING THEIR
ACCOUNT NUMBER, EXPLOITING THEM
IN SOME CERTAIN WAY,
SOPHISTICATED WAY EVEN.

BUT WHAT ARE WE DOING IN TERMS
OF OUTREACH TO OUR ELDERLY TO
MAKE SURE THAT THIS TYPE OF
FRAUD DOESN'T OCCUR?

>> TREASURY AT ANY GIVEN TIME DEVELOPING NEW INITIATIVES. WE'VE COME AND TALKED TO YOU ABOUT A COUPLE OF THOSE. I THINK THERE IS A REALLY BIG OPPORTUNITY FOR THE CITY OF BOSTON OR FOR TREASURY DEPARTMENT SPECIFICALLY TO ENGAGE IN FINANCIAL EDUCATION AND KIND OF BE LOOKING OUT FOR THAT. OTHER CITY DEPARTMENTS THAT ARE MORE INVOLVED WITH THAT THAN TREASURY IS CURRENTLY JUST KIND OF TAKING ADVANTAGE OF FOLKS GENERALLY. BUT FROM A FINANCIAL PE PERSPECTIVE, TREASURY IS LOOKING FOR ALL SORTS OF DIFFERENT THINGS TO ENGAGE WITH THE COMMUNITY TO MAKE SURE ANYTHING MONEY RELATED WE'RE ABLE TO PROVIDE ASSISTANCE ON. WE'RE NOT DOING ANYTHING, WE DON'T HAVE ANY FORMAL PROGRAM ROLLED OUT YET BUT THERE MAY BE OTHER CITY DEPARTMENTS THAT MIGHT.

>> I'D LIKE TO GET SOME MORE INFORMATION ON THAT PROGRAM IF I MAY. I JUST WANT TO MAKE SURE THAT THAT PROGRAM, THAT WE'RE ALSO REACHING OUT TO OUR ELDERLY AND IN LANGUAGES OTHER THAN ENGLISH AS WELL, TO NON-ENGLISH SPEAKING RESIDENTS.

>> I'LL GET YOU INFORMATION ON THAT.

>> THANK YOU EVERYONE.

>> THANK YOU.

COUNCILOR, ESSAIBI-GEORGE.

>> THANK YOU BOTH FOR BEING HERE I APPRECIATE THAT EDUCATION BECAUSE I DON'T THINK I PARTICIPATED IN THE HEARING WHERE WE HAVE THIS TOPIC BEFORE. APPRECIATE THE EDUCATION YOUR THOUGHTFULNESS AND RESPONSES FOR YOUR PRESENTATION TO THE CHAIR'S QUESTION AND COUNCILOR FLYNN, I DON'T HAVE ANY.

>> THANK YOU.

>> COUNCILOR O'MALLEY?

>> SIMILARLY, MR. CHAIRMAN,
THANK YOU GENTLEMEN FOR YOUR
GREAT WORK.

I HAVE NO QUESTIONS AT THIS
TIME.

>> GREAT.

I'M DONE WITH MY QUESTIONS.
JUST SAY -- JUST ONE LAST THING.
IS IT SAFE TO ASSUME THAT SINCE
THEY PROVIDE PAYROLL SERVICES IN
THE CITY OF BOSTON'S PAYROLL IS
WHAT, 70% OF THE WHOLE BUDGET.
\$2 BILLION GO THROUGH THIS
PAYROLL PROCESS EVERY YEAR.
IS THAT FAIR TO SAY?

>> CORRECT.

>> THERE'S NOT MANY BANKS THAT
CAN ACTUALLY PROVIDE THAT KIND
OF SERVICE.
IS THAT FAIR TO SAY?

>> I WOULD SAY THAT THAT THAT
THAT'S FAIR.

WHEN WE FLOW THAT MUCH MONEY
THROUGH A PARTICULAR ACCOUNT,
THAT IS A LOT OF EXPOSURE FOR A
BANK AS WELL.

IT MAY BE THAT WHEN WE -- IF
IT'S BIG PAYROLL WEEK MAY BE \$80
MILLION, IT IMMEDIATELY COMES
OUT THEY ARE RESPONSIBLE FOR
DISTRIBUTING THAT IN ACCORDANCE
WITH THE LARGER FILES THAT WE
SEND THEM TELLING THEM EXACTLY
WHERE ALL THAT MONEY SHOULD GO.
IT TAKES A BIT OF A LIFT TO HAVE
AN OPERATION LIKE THAT.

I WOULD SAY THAT'S AN ACCURATE
STATEMENT.

AS A MATTER OF FACT, IF YOU'LL
NOTICE SOME OF THE RESPONDENTS
MOST OF THE RESPONSE DENTS
WANTED THAT BUSINESS ARE LARGER
BANKS.

THERE'S A REASON FOR THAT.

>> ABSOLUTELY.

>> GREAT.

THANKS FOR YOUR WORK.

THANKS FOR YOUR SERVICES.

WE WILL ADJOURN THIS HEARING.

REGARDING DOCKET 0804.

AND REPORTED OUT ON WEDNESDAY.

THIS HEARING IS ADJOURNED.

>> THANKS VERY MUCH.

