

City of Philadelphia



(Bill No. 170330)

AN ORDINANCE

Authorizing the City Treasurer, on behalf of the City, to enter into a professional services agreement with Citizens Bank of Pennsylvania for provision of payroll banking services to the City, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Office of the City Treasurer, on behalf of the City, is hereby authorized to enter into a professional services agreement (the “Provider Agreement”) with Citizens Bank of Pennsylvania (“Citizens Bank”), substantially in the form set forth in Exhibit A, pursuant to which Citizens Bank shall provide payroll banking services to the City, under certain terms and conditions.

SECTION 2. The City Solicitor shall include in said Provider Agreement such terms and conditions as he may deem necessary to protect the interests of the City.

SECTION 3. In accordance with Section 19-201(8)(c)(ii) of The Philadelphia Code, Citizens Bank’s updated fair lending plan is attached to this Ordinance as Exhibit B.

SECTION 4. The Chief Clerk shall keep on file Exhibits A and B and shall make them available for inspection by the public during regular office hours.

EXHIBIT A

Contract Number _____

Citizens Bank of Pennsylvania
City of Philadelphia
City Treasurer's Office

PROVIDER AGREEMENT

(General Consultant Services)

THIS PROVIDER AGREEMENT is made as of the ____ day of _____ 2017, by and between The City of Philadelphia (the "City"), by and through the City Treasurer's Office (the "Department"), and Citizens Bank of Pennsylvania ("Provider"), a commercial bank holding company headquartered at 1 Citizens Plaza, Providence, Rhode Island 02903.

BACKGROUND

The City and Provider desire that Provider render general consultant services to the City in accordance with the provisions of this Provider Agreement, the City of Philadelphia Professional Services Contract General Consultant Services General Provisions, as revised August, 2014 (the "General Provisions") and all of the other documents and exhibits which together constitute the Contract Documents as defined in the General Provisions. A copy of the General Provisions is attached hereto and incorporated herein by reference.

In consideration of the mutual obligations set forth herein, and intending to be legally bound, the City and Provider covenant and agree as follows:

ARTICLE I: GENERAL TERMS

1.1 **Incorporation of Background.**

The Background is incorporated by reference herein.

1.2 **Definitions.**

Capitalized terms shall have the meanings set forth in the General Provisions.

ARTICLE II: TERM**2.1. Initial Term.**

The term of this Contract shall commence on July 1, 2017, and shall terminate on June 30, 2018, unless terminated earlier in accordance with the terms of the Contract.

2.2. Additional Term(s).

This Contract may be amended by the City, in its sole discretion, in accordance with Section 2.2 (Additional Terms) of the General Provisions, provided, however, that no amendment renewing this Contract for an Additional Term shall be executed without such amendment being approved by ordinance of City Council. The terms and conditions applicable during the Initial Term shall be applicable during any Additional Term.

2.3. Transition Term.

In the event that a provider of payroll banking services other than the Provider is selected to provide payroll banking services at the end of the Initial Term or any Additional Term, this Contract may be amended to add an additional term (the "Transition Term") of no more than six (6) months in order for an orderly transfer of the services to occur. Any amendment agreement renewing this Contract for a Transition Term shall only be executed after approval by ordinance of City Council. The terms and conditions applicable during the Initial Term and any Additional Term(s) shall be applicable during the Transition Term.

ARTICLE III: SERVICES AND MATERIALS**3.1. Services and Materials.**

Provider shall perform the Services and provide the Materials described in the Exhibit listed below, which is attached hereto and incorporated herein by reference:

Exhibit PA- 1 : Scope of Services

ARTICLE IV: COMPENSATION4.1 **Amount.**

As compensation for the Services and Materials rendered and provided, the City covenants and agrees to pay to Provider in accordance with the following Exhibit, which is subject to all limitations on the allowability of cost items imposed by the City of Philadelphia Contract Cost Principles and Guidelines:

Exhibit PA- 1 : Scope of Services4.2 **Manner of Payment.**

Payment made to Provider shall be derived from the earnings allowance on the investable funds held in the analysis relationship summary and shall be deducted by the Provider on a monthly basis from the prior position carried forward, or such other account as City and Provider shall agree.

ARTICLE V: MISCELLANEOUS PROVISIONS5.1 **Notice.**

Any notice required or permitted to be given under the Contract shall be given in writing and shall be personally delivered by hand with receipt obtained, by a national overnight express carrier (such as Federal Express), by facsimile, or sent by registered or certified United States mail, return receipt requested, addressed as follows:

IF TO THE CITY:

Attn.: Keola Harrington
Assistant City Treasurer
City Treasurer's Office
Room 640, Municipal Services Building
1401 JFK Boulevard
Philadelphia, PA 19102
Phone No.: (215) 686-3823

IF TO PROVIDER:

Attn.: Kim Little
Cash Manager
Government Banking
900 Elm Street
Mailstop: NE-1680
Manchester, NH 03101
Phone No.: (603) 634-7121
Fax No.: (888) 760-4840
Kim.Little@CitizensBank.com

Attn.: Andrew Sacco, Jr.
Relationship Manager
Government Banking
209 Church Street
Mailstop: CT-719
New Haven, CT 06510
Phone No.: (203) 821-3083
Fax No.: (888) 760-4840
Andrew.Sacco@CitizensBank.com

5.2 **Section 5.2 intentionally deleted.**

5.3 **Interpretation; Order of Precedence.**

In the event of a conflict or inconsistency between the terms of this Provider Agreement and any term, condition, or provision contained in any Exhibit hereto, or any attachment to such Exhibit (including, without limitation, any proposal of Provider), the terms of this Provider Agreement shall control.

5.4 **Section 5.4 intentionally deleted.**

5.5 **Acknowledgement of the General Provisions.**

Provider specifically acknowledges that Provider has read and understands the terms and conditions contained in the General Provisions and acknowledges that by executing this Provider Agreement, Provider shall be legally bound by all of the terms of this Contract, including, but not limited to, those set forth in the General Provisions.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by all of the Contract Documents, have caused the Contract to be executed by their respective duly authorized officers as of the date in the heading of this Provider Agreement.

APPROVED AS TO FORM
SOZI PEDRO TULANTE, CITY SOLICITOR

Per _____
Peter Kim
Deputy City Solicitor

THE CITY OF PHILADELPHIA

Through: City Treasurer's Office

By: _____
Rasheia R. Johnson, City Treasurer

CORPORATE SEAL:

CITIZENS BANK OF PENNSYLVANIA

By: _____

Title: _____
President or Vice-President

Attest: _____

Title: _____
(Ass't) Secretary or (Ass't) Treasurer

EXHIBIT PA-1

SCOPE OF SERVICES

Citizens Bank Payroll Banking Services Proposal Section 5: Proposed Scope of Work

City of Philadelphia Request for Proposal (RFP) Section II: Scope of Services

Citizens Bank Payroll Banking Services Proposal Appendix 2: Pricing Pro Forma



5. PROPOSED SCOPE OF WORK

Provide a proposed scope of work, including a cost proposal and project timetable (schedule), in accordance with Section II, "Scope of Work," of this RFP.

Citizens Bank fully understands and is able to comply with the requirements as outlined in Section II. Scope of Work in the City's Request for Proposal for Payroll Banking Services. Please refer to Appendix 2 – Pricing Pro Forma for proposed pricing and Appendix 3 – Implementation Schedule for proposed project timetable.

II. Scope of Work**A. Project Details**

The City of Philadelphia is soliciting proposals to provide controlled disbursement banking services for accounts related to employee payroll disbursements. The bank account structure related to employee payroll services is to have two controlled disbursement accounts that allow for payments to be made via check, ACH and Wire payments. These two accounts are also expected to ZBA into a Master account that can be swept to a Money Market Account or invested as the City so chooses.

The City employs a total of 29,800 full-time, part-time and seasonal employees. The City encourages the use of direct deposit, but it is not mandatory. Approximately 88% of City employees are on direct deposit. There are two pay cycles with individual employees paid on a bi-weekly basis. There are approximately 3,700 employees that receive physical checks. Payee Positive Pay services with full account reconciliation services are currently used on all check disbursements. For those employees of the City receiving a paper check as compensation, the City expects its Payroll Banking Services provider to cash employee payroll checks at no charge to the employee.

The City intends to fund the payroll account on the same day as the payroll date. The largest payroll cycle is approximately \$58 million. The proposed bank account services and new payroll solutions must comply with the legal requirements of both the Commonwealth of Pennsylvania and the City of Philadelphia.

The City of Philadelphia is committed to ensuring that the institution(s) selected for payroll banking services of City funds provides banking services in a fair and unbiased manner to the citizens of Philadelphia. The City believes that the broad based lending practices of all financial institutions conducting business in Philadelphia may potentially add to the quality of life of its' citizens and support the Philadelphia region's viability and competitiveness.

The Applicant's proposed scope of work should address each objective specifically and describe in detail how the Applicant will achieve the objective, or how the Applicant will enable the Department to achieve the objective.

This *Section II, Scope of Work* states requirements for the project, including the services and the tangible work products to be delivered, and the tasks the Department has identified as necessary to meet those requirements. The Department reserves the right, however, to modify specific requirements, based on changed circumstances (such as a change in business or technical environments), the proposal selection process, and contract negotiations with the Applicant(s) selected for negotiations, and to do so with or without issuing a revised RFP. The Applicant must provide in its proposal a detailed proposed scope of work showing how it will meet the project requirements stated in this Section II.

B. Services and Tangible Work Products

The Department requires at least the services and tangible work products listed below, including the specific tasks and work activities described. Applicant's proposed scope of work should state

in detail how it will carry out each task, including the personnel/job titles responsible for completing the task. For each service specified, the Applicant should propose criteria to determine when the tasks comprising the service are satisfactorily completed. Applicants may propose additional or revised tasks and activities, but should explain why each is necessary to achieve the project objectives.

Requirements include:

1. General - The bank must:
 - a. Meet, at a minimum, the requirements incorporated in the provisions in Section 19-201 of the Philadelphia Code relating to City depositories.
 - b. According to section 19-201 of the Philadelphia Code, to hold City deposits you must be an authorized depository. If you are not an authorized depository, submit a letter to the City Treasurer indicating interest. In the letter include that you have read Section 19-201 of the Philadelphia Code and that your firm will meet all of the requirements in the provisions in Section 19-201. Also indicate the following:
 - i. applicant has been established for a minimum of five (5) years
 - ii. applicant has been profitable for the last two (2) years
 - iii. applicant has a minimum of one hundred million (\$100,000,000) dollars in assets.
 - c. Be capable of managing the average cash flow requirements of the City,
 - d. Be capable of providing electronic banking services to the City, and
 - e. Be able to secure collateral in the amounts necessary to legally cover investments and deposits.
2. Operational - The selected proposer will be expected to:
 - a. Establish one or more demand deposit accounts,
 - b. Provide payee positive pay services,
 - c. Provide online positive pay exception item review and correction,
 - d. Provide online stop payment services,
 - e. Provide CD-ROM or alternative electronic archival of cleared checks (images of front and back),
 - f. Provide online access to cashed check images,
 - g. Accept and send ACH transactions,
 - h. Provide ACH debit blocking services,
 - i. Receive the City's payroll files via FTP transmission,
 - j. Generate an e-mail confirmation to the City that includes control totals (number of transactions and dollar amounts) of the file and also notes the file status.
 - k. Other basic banking needs and services
3. Investments -- The bank must provide an earnings credit rate, overnight investment service (sweep) and/or interest bearing account for excess cash balances in the parent ZBA

Account. The bank must collateralize all collected balances, in excess of balances insured by the FDIC, as required by Section 19-201 of the Philadelphia City Code.

4. Reporting – The bank must:
 - a. Provide online reporting services for balances and transaction information (daily reporting of ledger balance, available balance and summary and details of credits/debits posted),
 - b. Allow over 100 employees with different levels of authorization to access the bank's online reporting system,
 - c. Provide full account reconciliation services for disbursements,
 - d. Provide monthly activity statements and reports for all accounts by the 5th day of the following month, and
 - e. Provide a detailed monthly account analysis statement.

C. Hours and Location of Work

The CTO expects to have access to the relationship manager and customer service team during regular business hours.

D. Monitoring; Security

By submission of a proposal in response to this RFP, the Applicant agrees that it will comply with all contract monitoring and evaluation activities undertaken by the City of Philadelphia, and with all security policies and requirements of the City.

The Applicant is expected to meet, at a minimum, semi-annually with key personnel at the CTO to discuss the relationship, enhancements, and potential issues.

E. Reporting Requirements

The successful Applicant shall report to the City of Philadelphia on a regular basis regarding the status of the project and its progress in providing the contracted services and/or products. At a minimum, the successful Applicant shall submit a monthly invoice detailing the services and/or products provided, the goals/tasks accomplished, and the associated costs. If hourly rates are charged, the invoice must also detail the number of hours, the hourly rate, and the individual who performed the service.

F. Cost Proposal

Applicants must provide a detailed cost proposal, with a line-item breakdown of the costs for specific services and work products proposed. The proposed price must include all costs that will be charged to the City for the services this should include all costs related to; project management; development; testing; implementation; maintenance; training; and all other work proposed. Any contract resulting from this RFP will provide for a not-to-exceed amount in the compensation section of the contract.

Citizens Bank
Pricing Pro Forma

City of Philadelphia Appendix G

AFP CODE	GENERAL SERVICE DESCRIPTION	UNIT	AVERAGE MONTHLY	SERVICE CHARGES
		PRICE	VOLUME	
00 0230	RECOUPMENT/FDIC FEE-per/\$1,000 balance	0.1400	9,000.00	1,260.00
	BALANCE AND COMPENSATION			1,260.00
01 0101	CONT DISB CREDITS POSTED	0.02	50.00	1.00
01 0021	ZERO BALANCE MONTHLY BASE	10.00	2.00	20.00
01 0310	DDA STATEMENT-PAPER	6.00	1.00	6.00
01 0100	DEBITS POSTED	0.02	180.00	3.60
	GENERAL ACCOUNT SERVICES			30.60
10 0000	BRANCH/STORE/NIGHT DROP DEPOSIT	2.00	1.00	2.00
10 0223	DEPOSITED CHECKS	0.12	5.00	0.60
10 0410	ONLINE RETN ITEM SUBSCRIPTION PER ACCT	0.00	5.00	0.00
10 0414	ONLINE RETURN ITEM SERVICE MTHLY BASE	0.00	5.00	0.00
	DEPOSITORY SERVICES			2.60
15 0723	POSITIVE PAY EXCEPTION - ONLINE IMAGE	0.50	5.00	2.50
15 0129	POSITIVE PAY EXCEPTION CHECKS RETND	0.50	5.00	2.50
15 0410	STOP PAYMENT - ONLINE	3.00	20.00	60.00
15 1352	ONLINE IMAGE VIEW < 90 DAYS - ITEM	0.05	7.00	0.35
15 1352	ONLINE IMAGE VIEW > 90 DAYS - ITEM	0.05	1.00	0.05
15 0030	POSITIVE PAY MONTHLY BASE	0.00	1.00	0.00
15 0310	POS PAY CHECKS WITH NO ISSUE RECORD	0.10	1.00	0.10
15 1350	IMAGE PAID CHECK MONTHLY BASE	20.00	1.00	20.00
15 0000	CONT DISB ACCT MAINT	85.00	1.00	85.00
15 0110	CONT DISB CHECKS PAID	0.00	20,000.00	0.00
15 0700	CEO CONT DISB SUBSCRIPTION BASE	20.00	1.00	20.00
15 1353	IMAGE PAID CHECK PER CD	0.00	1.00	0.00
15 0400	ONLINE SEARCH	0.00	28.00	0.00
15 0122	PAYEE VALIDATION STANDARD-ITEM	0.02	20,500.00	410.00
15 0500	CHK CASHED FOR NONACCT HOLDER	0.02	2,000.00	40.00
15 0220	CONT DISB CASHED CHECK-FLOAT FEE	0.02	5,500.00	110.00
15 1399	IMAGE PAID CHECK PER ITEM	0.02	34,250.00	685.00
15 0300	MICR REJECTS>1% THRU 2%	0.00	200.00	0.00
15 0310	ARP ITEM PAID NO ISSUE INFO-ITEM	0.00	1.00	0.00
15 0412	STOP PAYMENT - AUTO RENEWAL	3.00	100.00	300.00
	PAPER DISBURSEMENT SERVICES			1,735.50
20 0200	ARP REGISTER INPUT - ITEM	0.00	100.00	0.00
20 0010	ARP MONTHLY BASE - FULL	20.00	1.00	20.00
20 0201	ARP FULL RECON-ITEM	0.02	13,200.00	264.00
20 0301	ARP OUTPUT - TRANSMISSION	5.00	1.00	5.00
20 0310	ARP OPTIONAL REPORTS	5.00	3.00	15.00
20 0329	ARP PAPER STATEMENT/REPORT DELIVERY	2.00	1.00	2.00
20 0310	ARP PAPER STMT/REPORT MONTHLY BASE	5.00	1.00	5.00
20 9999	ARP AGED ISSUE RECORDS ON FILE-ITEM	0.03	5,800.00	174.00
20 0100	OUTGOING TRANSMISSION - PER ITEM	0.00	34,250.00	0.00
20 0399	POSITIVE PAY EXCEPTIONS - ITEM	0.05	14.00	0.70
20 0305	ONLINE ARP STMT & RPTS MONTHLY BASE	2.00	14.00	28.00
	PAPER DISBURSEMENT RECON SERVICES			513.70
25 0703	ACH SUBSCRIPTION - ACCOUNT	0.00	2.00	0.00
25 0703	ACH SUBSCRIPTION - ITEM	0.00	12.00	0.00
25 0201	ELECTRONIC CREDITS POSTED	0.01	50.00	0.50
25 0400	ACH RETURN SUBSCRIPTION-ACCOUNT	10.00	1.00	10.00
25 0400	ACH RETURN SUBSCRIPTION - ITEM	0.75	55.00	41.25
25 0000	ACH MONTHLY BASE	5.00	1.00	5.00
25 0102	ACH ONE DAY ITEM	0.20	1.00	0.20
25 0102	ACH TWO DAY ITEM	0.01	65,000.00	650.00
25 0120	ACH ORIGINATED-ADDENDA REC	0.02	4,600.00	92.00
25 0202	ACH RECEIVED ITEM	0.02	55.00	1.10
25 0302	ACH RETURN ITEM-ELECTRONIC	0.75	1.00	0.75
25 0302	ACH RETURN ADMIN -ELECTRONIC	5.00	25.00	125.00
25 0500	ACH PAYMENTS ONLINE BATCH RELEASE	3.00	5.00	15.00
25 0501	ACH TRANSMISSION CHARGE	8.00	6.00	48.00

**Citizens Bank
Pricing Pro Forma**

City of Philadelphia Appendix G

AFP CODE	GENERAL SERVICE DESCRIPTION	UNIT PRICE	AVERAGE MONTHLY VOLUME	SERVICE CHARGES
25 0620	ACH DELETE - ITEM	3.00	5.00	15.00
25 0642	ACH REVERSAL - ITEM	3.00	5.00	15.00
25 1010	ACH SPECIAL INVESTIGATION	5.00	3.00	15.00
25 1050	ACH FRAUD FILTER STOP MTHLYBASE	20.00	1.00	20.00
25 1052	ACH FRAUD FILTER STOP - ITEM	0.06	2.00	0.12
25 1070	ACH NOC-INFO REPT ADVIC	1.50	5.00	7.50
25 0302	ACH NOC - INFO REPORTING ADVICE	1.50	8.00	12.00
	GENERAL ACH SERVICES			1,073.42
35 0402	WIRE DETAIL RPT SUBSCRIPTION-ACCT	0.00	1.00	0.00
35 0402	WIRE DETAIL RPT SUBSCRIPTION-ITEM	3.00	200.00	600.00
35 0300	WIRE IN - DOMESTIC	3.00	3.00	9.00
35 0104	WIRE OUT - DOMESTIC	4.00	110.00	440.00
35 0124	WIRE BOOK TRANSFER	0.02	25.00	0.50
35 9999	OUTGOING WIRE RETURNED	2.00	1.00	2.00
	WIRE & OTHER FUNDS TRANSFER SERVICE			1,051.50
40 0003	DESKTOP DEPOSIT MONTHLY BASE	0.00	2.00	0.00
40 0224	CONT DISB SUBSCRIPTION-ITEM	0.03	12,900.00	387.00
40 0000	PREVIOUS DAY SUBSCRIPTION MTHLYBASE	30.00	3.00	90.00
40 0001	PREVIOUS DAY ITEM LOADED	0.00	20,000.00	0.00
40 0003	INTRADAY SUBSCRIPTION MTHLYBASE	20.00	3.00	60.00
40 0800	ELECTRONIC WINDOW EXTEND STOR 120 ²	0.00	41,000.00	0.00
40 0052	ARP STMTS & RPTS (CSV/EXCEL) BASE	5.00	2.00	10.00
40 0272	ARP STMTS & RPTS (CSV/EXCEL) / ITEM ¹	0.003	112,000.00	336.00
	INFORMATION SERVICES			883.00
Additional Services				
40 9999	PREVIOUS DAY EXTENDED	5.00	1.00	5.00
40 9999	HARD TOKEN - A LA CARTE	4.00	10.00	40.00
35 9999	WIRE MODULE	1.00	20.00	20.00
40 9999	RETURN DEPOSITED ITEM MODULE	25.00	1.00	25.00
40 9999	IMAGES - RDI	0.03	5.00	0.15
40 9999	IMAGES - PAID CHECK	0.02	14,500.00	290.00
40 9999	IMAGES MODULE	12.00	1.00	12.00
40 9999	STOP PAYMENT MODULE	10.00	1.00	10.00
40 9999	E-STATEMENTS	2.00	2.00	4.00
<p><i>* PLEASE PROVIDE AN ADDITIONAL SERVICES THAT WOULD BE INCLUDED ON A MONTHLY BASIS IN THE ANALYSIS STATEMENT THAT ARE NOT INCLUDED ABOVE BY ADDING IN ROWS AND HIGHLIGHTING THE ADDITION</i></p> <p><i>**PLEASE DETAIL ALL OTHER FEES THAT WILL NOT BE INCLUDED ON A MONTHLY BASIS. THIS SHOULD INCLUDE A SCHEDULE OF NON-ANALYZED FEES CHARGED BY THE INSTITUTION, AS WELL AS, ANY FEES FOR IMPLEMENTING SERVICES AND ADDITIONAL ONE-TIME FEES</i></p> <p><i>***PLEASE PROVIDE A EARNINGS CREDIT RATE APPLICABLE FOR THE RELATIONSHIP OR THE HARD DOLLAR INTEREST RATE EARNED ON DAILY BALANCES.</i></p>				
*Additional Services				
Additional Services are highlighted in yellow.				
**Other Fees				
No additional non-analyzed, implementation, or one-time fees will be charged.				
***Earnings Credit Rate				
Citizens Bank is pleased to offer the City an earnings credit rate of 0.75%.				
Pricing Footnotes				
<p>¹The Cost for Outgoing Transmission - Per Item AFP Code 20 0100 is included in the charge for ARP Stmtns & Rpts.</p> <p>²Citizens will provide a Previous Day Extended Module in lieu of a specific charge for Electronic Window Extend Stor.</p>				

EXHIBIT B

COMMUNITY DEVELOPMENT PLAN 2017**HISTORY AND BACKGROUND**

Citizens Bank entered the Philadelphia market in December 2001 with a corporate reputation as a bank committed to serving the needs of the communities where it conducts business.

Citizens Long-Term Community Development Plan for the City of Philadelphia will continue to demonstrate the bank's commitment to economic development initiatives for low to moderate income families and individuals and minority small businesses by building on the success of its key community programs. The plan reflects the population of residents and small businesses in Philadelphia's low to moderate income census neighborhoods.

Since Citizens Bank entered the Philadelphia marketplace in 2001, the bank continues to make steady progress in making loans to low and moderate income consumers and small businesses.

The bank's CRA lending results are directly linked to its Community Development programs. While our community initiatives have been successful in meeting the needs of low and moderate income individuals, families and small businesses, Citizens Bank recognizes that there is opportunity to address the needs of low and moderate income and minority communities through the provision of flexible and innovative products and services.

OBJECTIVE

Our CRA strategic plan focuses on providing Community Development support to low and moderate income neighborhoods and individuals. Support targets the following five areas:

1. Small Business Technical Support/ Commercial Corridor Development
2. Homeownership/Affordable Housing
3. Financial Education
4. Community Development
5. Workforce Development

STRATEGIES

Strategies include:

- Community Partnerships
- Internal Colleague Engagement

TACTICS

- Continue periodic management team reviews to measure performance against program objectives, rebalancing resources and focus as needed.
- Utilize bank resources and employees across lines of business to implement the plan in low and moderate income neighborhoods and with low to moderate income individuals.
- Develop performance objectives by business line to address lending, investment and service gaps.

OPPORTUNITIES AND BENEFITS

1. City Neighborhoods/Residents:

- Supports neighborhood stabilization and revitalization.
- Provides access to capital for residents, businesses and community organizations.
- Enhance the neighborhood-based economy through programs that support affordable housing, small business development, job creation and retention, financial education and foreclosure mitigation.

2. Citizens Bank:

- Emphasizes the bank's commitment to customers and community.
- Demonstrate Citizens' commitment to Philadelphia and working with community partners to produce a positive impact.

MONITORING, GOVERNANCE AND TRACKING

- Citizens Bank's local management team along with executive leadership will continue to evaluate results against established performance objectives on a monthly basis.

PROGRAM DETAILS**1.) SMALL BUSINESS TECHNICAL SUPPORT/ COMMERCIAL CORRIDOR DEVELOPMENT****Objectives**

- Sustain/increase viability of small businesses in targeted low and moderate income neighborhoods.
- Provide localized small business consultation sessions in targeted commercial corridors.
- Provide access to credit to small businesses and non-profits in targeted neighborhoods and commercial corridors through products such as SBA lending as well the promotion of our other small business products.
- Partner with the Commerce Department, CDCs and other intermediaries to support the city's revitalization of neighborhood commercial corridors and the re-establishment of these sites as central locations in communities.

Strategies

- Partner with Finanta, The Enterprise Center, Entrepreneur Works and other community development financial institutions (CDFI's) and small business organizations to deliver Business Technical Assistance.
- Utilize the Citizens branch network and employees to provide Business Technical Assistance in collaboration with the Philadelphia Association of Community Development Corporations, designated commercial corridor managers and other small business focused organizations.

Tactics

- 1. Partner with Entrepreneur Works, The Enterprise Center, Finanta and other CDFIs to provide on location consulting**
 - Provide on location workshops on entrepreneurship topics in conjunction with CDFIs
 - Provide on-site business consulting to existing businesses in neighborhoods utilizing our branch network.

2. Utilize Citizens Bank employees and resources to support objectives

- Match colleagues to business associations and other neighborhood business Centers of Influence to provide neighborhood contacts for banking advice and solutions.
- Conduct small business lunch and learns with CDFIs and small business technical organizations to increase their knowledge of the banks products and services.

3. Strengthen Citizens Bank's partnership with Philadelphia Industrial Development Corporation's small business programs

- Work with the Philadelphia Industrial Development Corporation (PIDC) to assist small businesses in becoming financially strong and commercially successful to the point they can obtain credit from banks independent of special programs or initiatives.

2.) HOME OWNERSHIP /AFFORDABLE HOUSING**Objective**

- Provide low to moderate income homebuyers with the education and information necessary for them to obtain a mortgage.
- Continue to partner with organizations that support affordable housing initiatives and promote homeownership.
- Provide products and services to meet the needs of low to moderate income homebuyers.

Strategies

- Create awareness of bank loan products
- Collaborate with Retail, Consumer and Mortgage areas of the Bank to meet performance objectives.
- Partner and deliver with non-profit organizations to leverage housing counseling programs and the bank's expertise in assisting low and moderate income individuals realize the dream of home ownership.
- Continue Citizens Bank's practice of integrating home ownership and financial education with an emphasis on economic self sufficiency.

Tactics**1. Create awareness of bank loan products**

- Continuing education of mortgage loan officers and retail colleagues to ensure expertise in CRA products to effectively service low to moderate income individuals.
- Host mortgage lunch and learn sessions for housing counseling organizations like Urban League of Philadelphia, Esperanza, Finanta, Philadelphia Chinatown Development Corporation and Southwest CDC to discuss bank products and services and generate awareness amongst their diverse constituent base.
- Communicate the introduction of new products and product changes to consumers, housing organizations and realtors via community outreach, marketing and branch brochures.
 - Destination Home Mortgage
 - Fannie Mae Home Ready
 - PFHA
 - VA
 - Soft Second Mortgage Programs

2. Make available home improvement loans, specifically the Mini PHIL, the Citizens EZ Home Improvement Loan and Citizens Energy Efficiency Loan Products

- Meet with Citizens Bank regional managers, branch colleagues and mortgage loan officers to ensure knowledge of CRA home improvement products.
- Communicate products to consumers, realtors and housing organizations.

3. Regular interaction with state and local governments, RDA, housing agencies, and trade and realty organizations for lending and outreach opportunities

- Continue partnership with the Urban Affairs Coalition and the Mini Phil Program
- Continue partnership with LISC and PACDC for Affordable Housing initiatives
- Continue participation in the City of Philadelphia Housing Advisory Board
- Continued participation in various boards.

4. **Participate in homebuyer fairs, workshops and seminars that target a diverse potential consumer base**
 - Clarifi
 - Southwest CDC
 - Esperanza
 - Philadelphia Chinatown Development Corporation
 - Mt. Airy USA
 - Urban League of Philadelphia
 - Other fairs and seminars as identified

5. **Conduct periodic review of products and programs to ensure positive impact in low to moderate income communities**
 - Perform ongoing market review of mortgage products that includes feedback from housing counseling agency partners.

3.) FINANCIAL EDUCATION

Objectives

- Provide resources, tools, and tips for low to moderate income individuals and families to make informed financial decisions and help gain financial confidence.

Strategies

- Provide financial education workshops.
- IDA Program Partnership
- Vita Site Assistance

Tactics

1. **Provide Financial Education workshops and support**
 - Identify and train bank employees to conduct financial education workshops.
 - Work with community organizations to deliver financial education classes.
 - Assist community organizations in maintaining current financial education information for their constituents.

- Provide banking services to consumers and businesses as their needs are identified.
- Lead the delivery of financial education workshops with the School District of Philadelphia that includes youth and parent workshops.
- Maintain existing IDA Program partnership with the United Way and Philadelphia Housing Authority to help low and moderate income consumers save to buy a home, fund education or a start-up business.
- Provide resource support and volunteers for Vita Sites during tax season.

4.) COMMUNITY DEVELOPMENT

Objective

- Partner with the Commerce Department, PACDC, CDCs, LISC and other intermediaries to support the revitalization of neighborhood commercial corridors.
- Provide financing and/or investment in qualified Community Development projects.

Strategies

- Identify and partner with organizations that have demonstrated success with community economic development initiatives.
- Support the City Commerce Department, Commercial Corridor Outreach Initiatives and the Philadelphia Promise Zone.

Tactics

- 1. Partner with organizations that have demonstrated successes with community economic development initiatives**
 - Support the Greater Philadelphia Chamber of Commerce Road Map for Growth which is a multi-year initiative to promote economic growth and job creation in the City of Philadelphia.
 - Partner with organizations like Esperanza, PACDC, LISC and Universal Companies that have a successful track record with spearheading community development initiatives.

- Identify and call on developers of community development projects that utilize tax credit incentives.
- Network with non profit organizations to assess lending opportunities for projects that impact LMI individuals and neighborhoods including: affordable housing, economic development and job creation and neighborhood revitalization/stabilization.

2. Work with the City Commerce Department to improve viability of Commercial Corridors

- Work to leverage program funds and other community economic development resources.
- Work with Community Development intermediaries to increase development opportunities.

5.) WORKFORCE DEVELOPMENT

Objective

- Support organizations, intermediaries and non-profits that are promoting workforce development initiatives in low to moderate income communities.

Strategies

- Identify organizations that have demonstrated successes with community workforce development initiatives.

Tactics

1. Maintain partnership with the Free Library of Philadelphia on a series of job fairs at library branches across the city. The program offers access to workforce development events that enable more job seekers to access employment opportunity databases and work with career specialists on resume writing, online applications and interview tips.
2. Provide technical support and potential investment funding to partner organizations such as Philadelphia Works, Philadelphia OIC, University City District and Philadelphia Youth Network to support job creation and skills building initiatives.

- 3. **Disparities in Lending: Attach a long term strategic plan to address disparities in the Bank’s or Financial Institution’s lending and investment activities that may be indicated in the 2015 annual study commissioned by the Treasurer of the City of Philadelphia.**

All depositories are required to respond per Chapter 19-200 as referenced:

“Each depository shall also provide the City with a long term strategic plan to address disparities in its lending and investment activities. The strategic plan shall address how the depository will match or exceed peer lending performance in targeting capital access and credit needs disclosed in disparity studies commissioned by the City.”

Review the specific findings pertaining to your bank in Section 6 of the 2015 annual study and include an appropriate response in your annual long term strategic plan. Comment on all of the items in all tables in Section 6 of the study and the subsequent narrative where your company performed lower than either “All Depositories” or "All Lenders" or both.

Label this document “Appendix II – Long Term Strategic Plan”

If disparities are not indicated in the study, then a strategic plan on programs, lending, and branching patterns should be submitted. Label this document “Appendix II – Long Term Strategic Plan”.

D. COMMUNITY REINVESTMENT GOALS

Financial institution’s annual Community Reinvestment Goals should include information on the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.

- 1. **Provide an overview of the financial institution’s annual Community Reinvestment Goals.**

Citizens Bank uses a comprehensive approach to developing its annual CRA goals. Goals are reviewed against performance on a monthly basis and quarterly meetings held with a CRA State Market Leadership Team.

2. **Provide the number of small business loans, home mortgages, home improvement loans, and community development investments to be made within low and moderate-income neighborhoods within the City of Philadelphia.**

Type	2016 Goals	2016 Results	2017 Goals
Small Business Loans	180	144	144
Home Mortgages	134	108	126
Home Improvement Loans	110	85	85
Community Development Investments	69	65	65

If applicable, explain why previous year results did not meet the stated goal.

Overall home mortgages and community development investments are in line with prior year results. We continue to utilize our partnerships with housing and business organizations to increase awareness of our mortgage and small business products.

3. **Provide the actual number and dollar amounts of small business loans, home mortgages, home improvement loans, community development investments, consumer loans, and other commercial loans made in neighborhoods within the City of Philadelphia.**

Calendar Year 2016

Number of Loans by Income

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	29	79	103	113	324
Home Improvement	29	56	34	8	127
Small Business Loans	41	103	110	178	432
Community Development	3	4	0	2	9
Consumer Loans	N/A	N/A	N/A	N/A	N/A
Other Commercial Loans	0	0	0	0	0
Total:	102	242	247	301	892
How many business loans were originated?	41	103	110	178	432

Value of Loans (\$) by Income

Type	Low	Mod	Mid	Upp	Total
Residential Mortgage	7,224	15,713	22,483	40,397	85,817
Home Improvement	222	9,433	831	23,524	34,010
Small Business Loans	3,536	7,028	5,598	13,676	29,838
Community Development	18,415	17,210	0	5,300	40,925
Consumer Loans	N/A	N/A	N/A	N/A	N/A
Other Commercial Loans	0	0	0	0	0
Total:	29,397	49,384	28,912	82,897	190,590
% of Consumer Loans made through Credit Cards	N/A	N/A	N/A	N/A	N/A

4. **Provide information on other types of community development investments made in neighborhoods within the City of Philadelphia (for example: Grants, Education, Public or related Commercial Development).**

Citizens Bank's strong commitment to servicing the critical needs of the neighborhoods where the Bank conducts business is reflected in its community development investments and charitable contributions. Citizens Helping Citizens is the bank's comprehensive community engagement effort that leverages the strengths of the company and the skills of its colleagues to enhance the communities where it does business.

In 2016, Citizens Bank contributed \$14 million to support community activities and events across its footprint. Citizens Bank colleagues contributed more than 89,000 volunteer hours and executives provided leadership by serving on community boards and championing efforts to raise awareness and funds for key causes. Funding priorities for 2016 consisted of program support in four specific areas that fortify the economic vitality of our neighborhoods: fighting hunger; providing shelter; teaching money management and strengthening communities. Signature initiatives include:

Champions in Action – Since 2004, Citizens has awarded more than \$1.16 million to 42 organizations in the Greater Philadelphia area through Champions in Action, a unique initiative designed to provide financial, volunteer, and promotional support for nonprofit organizations that are addressing the needs and social challenges of our diverse neighborhoods. In Philadelphia, we've partnered with NBC10/Telemundo62 and Philadelphia Media Network on the program. In 2016, two \$35,000 awards were made to The Workforce Institute and Interim House.

Citizens Helping Citizens Manage Money – In 2016, Citizens Bank awarded \$225,000 to 9 nonprofits in Pennsylvania, New Jersey and Delaware as part of the Citizens Helping Citizens Manage Money initiative. Citizens' multi-faceted financial education program leverages the financial planning expertise of its bankers and its partnerships with local nonprofits focused on financial education. These organizations received a contribution in recognition of and to further support their commitments to teaching youth and adults about financial literacy and the importance of managing money effectively.

Phans Feeding Families – Citizens Bank has partnered with The Philadelphia Phillies in the Phans Feeding Families program since 2010. This initiative raises money and collects food to feed the nearly one million people in the Delaware Valley that are at risk of hunger. In 2016, Citizens Bank donated \$40,000 to the cause, with proceeds benefiting Philabundance, the region's largest hunger relief organization. The partnership resulted in 37,534 meals donated to those in need and a 121% increase in YOY donations.

Other contributions were made to the Free Library of Philadelphia Foundation Neighborhood Job Fairs, the Urban Affairs Coalition FAN Clubs, Philadelphia Youth Network Work Ready Program, University City District's West Philadelphia Skills Initiative, The American Red Cross of Eastern PA and the Philadelphia Fire Department's No More Fire Deaths Task Force, and the Project Home Adult Learning and Workforce Development. Citizens Bank also provides funding to The African American Museum in Philadelphia to support subsidized admission throughout the Martin Luther King, Jr. Day weekend.

In June 2003, Citizens Bank and the Phillies announced a 25-year partnership that included naming rights to the team's new, world-class ballpark and a broad-based, innovative media package. Since Citizens Bank Park opened in 2004, Citizens Bank has worked with the Phillies to expand and enhance community outreach, including:

1. Citizens Bank developed the Helping Hand Glove donation program for children who play in the Phillies Jr. RBI League. Each year more than 6,000 inner city children under the age of 12 participate in a program that teaches them about baseball, sportsmanship and teamwork. Since developing the program, Citizens Bank has purchased, collected and donated more than 10,000 baseball gloves to children who play in the Phillies Jr. RBI League.
2. Since 2004, Citizens Bank has donated 1,500 game tickets each year to community groups throughout Greater Philadelphia.

5. **Briefly describe any lending outreach programs geared toward minorities, low-income persons, immigrants, or women. This description should include the targeted community, the type of product (i.e. commercial, home lending, unsecured consumer) and any program outcomes.**

See attachments that describe products targeted to low and moderate income individuals, families and neighborhoods.

City of Philadelphia

BILL NO. 170330 continued

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City of Philadelphia

BILL NO. 170330 continued

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on May 11, 2017. The Bill was Signed by the Mayor on May 17, 2017.



Michael A. Decker
Chief Clerk of the City Council