

Public Bank Task Force
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January 17, 2018

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Approval of Agenda	<i>The Chair recommended approval of minutes to follow #6 on the Agenda.</i> <i>Mr. Fluetsch moved to approve the agenda as amended, second by Mr. Hibben, motion carried by unanimous voice vote.</i>	Page 1
Approval of Minutes Ms. Lucero: Ms. Martin sent an addendum and transcribed the piece for the constituent who inquired. Chair clarified that there was one particular constituent inquired about how his testimony was documented. Ms. Martin has now gone back to the tape and to YouTube to get the accurate presentation.	Minutes will be deferred for November 20, 2017 until the Task Force can review the added addendum. An addendum has been presented to the City Clerk's Office incorporating the transcription related to one particular constituent. Mr. Fleutsch moved to approve the minutes of December 20, 2017 as presented, second by Mr. Hibben, motion carried by unanimous voice vote.	Page (12)
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New Business, including the upcoming report to the City Finance Committee on January 22, 2018 and the process needed for developing the Task Force final report to the City Council.	<i>Informational</i>	Page 10 - 12
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Public Bank Task Force
Tuesday, January 17, 2018
5:00 pm – 6:00 pm
Southside Public Library

MINUTES

1. Call to Order

Chair David Buchholtz called the Public Bank Task Force to order at 5:00 pm at the Southside Library, Santa Fe, NM. Roll call reflects a quorum.

2. Roll Call

Present

David Buchholtz, Chair
Brad Fluetsch for Adam Johnson, Finance Director
Randolph Hibben
Darla Brewer
Judy Cormier
Elaine Sullivan
Robert Mang

Not Present:

Kelly Huddleston
J. Wayne Miller, Resigned

Others Present:

Fran Lucero, Stenographer
Audience Participants

3. APPROVAL OF AGENDA

The Chair recommended approval of minutes to follow #6 on the Agenda.

Mr. Fluetsch moved to approve the agenda as amended, second by Mr. Hibben, motion carried by unanimous voice vote.

4. REPORT FROM SUB-COMMITTEE (Judy Cormier and Brad Fluetsch)

Judy Cormier: One of the recommendations that we discussed in the past was since we had a feasibility study we would walk through the various areas that one needs to consider when moving towards the concept of a Public Bank. It seemed logical to go through the Feasibility Study since it has already been done and addressed, what is remaining and therefore of the remaining amount, does it

translate in to the function of a Public Bank, does it translate in to other things? This is not a decision, this was just an analysis of the feasibility study.

The methodology that Ms. Cormier and Mr. Fleutsch used was going through each of the recommendations and asked, has this been addressed? If it has, what has been done. Ms. Cormier will speak to the HOW and Mr. Fleutsch will speak to the WHY. They went through each of the recommendations, was it done, is it in place, if not in place yet, is there a resource that exists and needs to be considered and if there isn't will it lead in to more discussions. This was strictly an analysis. Since we all turned to the Feasibility Study we wanted to use it as our Compass and move on. Questions: No

Ms. Cormier presented a 3-page matrix broken up in to Recommendations, Action Taken and Comments. (Exhibit A)

Mr. Fleutsch: The first issue that the Feasibility Study brought up was the City's Collateral Policy. Initially the city required any deposit in a Bank, checking account certificates of deposit, savings accounts; anything in excess of the FDIC or Credit Union insured levels had to be collateralized at 102%. New Mexico State Statute allows for substantially less collateral requirements if the bank has been approved by the State Treasurer's Office. In statute the State Treasurer's office has an extensive list of ratings and how they evaluate a bank. Right now there are about fifty-seven banks that are rated by the State Treasurer's office. It has to do with capital ratios, liquidity ratios, various other measures on the stability and solidity of the bank. If a bank is rated A by the State Treasurer's office, statute only requires 2% collateral match. If we put in \$100 the bank would only have to collateralize \$50 of it and they can go out and lend the other \$50. At 102% and you gave them \$100 deposit, they had to take \$102 and collateralize that deposit. This frees up capital for the bank to lend. If the bank is rated B, it is 75% collateral, rated C it is 102% and if they are rated D it is 120% collateral, that isn't a very strong bank. The City of Santa Fe incorporated that schedule in to the Investment Policy; we have adopted the New Mexico Statute so as their A Rated bank they only have to collateralize the city's deposits at 50%, not 102%. The collateral policy issue brought up in the Feasibility Study has been completely addressed in the new Investment Policy.

Mr. Hibben asked; what is Wells Fargo rated?

Mr. Fleutsch answered; it is an A Bank. You can go to the State Treasurer's office website and look at the list.

Liquidity: It was brought up in the Feasibility Study that the City had too much short term cash and in doing so, (Mr. Fleutsch showed the yield curve, the overnight deposits, short-term and 30-year), the longer you invest the money the more interest you earn. The idea was that the city has all of its money here, and therefore it was foregoing all this interest income it could earn out here. In the

rewrite of the Investment Policy we changed how the city looks at its investments. It use to look at just the yield in its investments and ignored the capital changes, so as interest rates go up the value of the bond debt, there may be bond ETF or Mutual Bonds, they go down and if you have been investing in it and you see short term rates go up as they have, you've seen a decline in the value of your bond fund. The city, when it rewrote the policy, changed its investment perspective from yield to total return, we want to look at the interest component and the capital component. How is your investment changing in market value? In my opinion, it is a better perspective because it incorporates all of the risk that your Portfolio takes. We have still maintained the Government Finance Officers Associations hierarchy, preservation of principal, safety, liquidity and return in that order. One of the things is that we may have more liquidity today then we had when they wrote the feasibility study. Primary reason that we have more liquidity today is because it is not just investing the money properly, it is as we see interest rates rising, which the 2-year Treasury has gone from 1.3% in September to 2.03% today. There has been a substantial increase in interest rates in the last 90-days. As those interest rates went up, the value of the city's bond holdings have gone down and that is called interest rate risk. The city has a large liquidity component right now is to avoid interest rate risk. We expect interest rates to rise. The Federal Reserve is not done. It is not that we fix the liquidity, we have applied a different approach to investing the funds and when interest rates go up, we expect interest rates to stabilize or start falling again, and that is when we would be moving farther out the yield curve to these higher rates. We can't go past 5-years. We are not going to invest in 10, 20 or 30 years; we won't go past 5 years per policy.

Chair Bucholtz: When you say you have applied a different approach does that mean you are more invested in short term because you have less risk in a shorter term?

Mr. Fleutsch: Yes. At this point in time we are trying to avoid interest rate risk. We have also improved from Passbook Savings Accounts that were earning a quarter of 1%, we moved the funds out of savings and in to what are called money market funds. We used both Government Only Money Market Funds and also used Prime Money Market Funds. Prime Money Market Funds include commercial paper, short term corporate notes, and government notes and pays about 30 basis points more than a Government Money Market Fund. As the Feds raise interest rates, those money market funds also earn more income. The funds are better invested today because of the Policy. We found an interesting quirk in New Mexico Law that city's over 65,000 can invest in Prime Money Market Funds but cities in the state that aren't 65,000 population can't. We took advantage of that, the city's population in 2010 was 67,000. We have moved from 25 basis points on our short-term liquidity, today we are earning 150 basis points or 1.5%. We substantially increased the earnings.

Improved Cash: In the Feasibility Study it was suggested that the reason why the City had so much money in cash and short term investments was because they didn't do a very good job cash flow forecasting. We did not know what was going to come in a few several months. Mr. Fleutsch said, in his point that was never the problem. The person managing the money probably shouldn't have been, they should have hired a Money Manager, and stated he is a Money Manager.

External Bond Funding: It was brought up in the Feasibility Study that the city would issue bonds and we would issue bonds paying a coupon of 5% and we are earning 25 basis points. There is a difference of 4.75%, we are paying out but we are only earning a little bit and we did not spend the bond proceeds timely. Per Statute IRS we have to spend 85% of the bond proceeds within 3-years. We, in many of those cases have not spent the bond proceeds in a 3-year timeframe. To address that issue, the city adopted a 5-year CIP (Capital Improvement Plan); right now many of you probably know we are working on issuing \$10 million - \$12 million dollar gas tax bond. They have already started spending those bond proceeds today; they started spending them back in October. I believe Zia Road is an example of what they have been spending the money on. Right now the city has much more of a pro-active stance, the CIP looks out 5 years and says, "these are the Capital Improvement Projects we need." This is the priority the governing body has developed. If the city does go out and issue a bond, we already know what we are going to spend it on and people are developing plans on how to implement spending those bond proceeds. The goal of the city now with the 5-year plan, when we do issue new debt, it isn't going to sit around in the accounts for 5 or 7 years paying interest on it when we are only earning a little bit of interest. We are going to spend money on the projects that we are going to spend the money on.

Those four points were the primary issues the Feasibility Study pointed out to the city and to the public. Those are the four primary things that the city has addressed. They also adopted a new Debt Management Policy that includes things such as Pay Go, you pay as you go instead of doing capital. We also incorporated an internal loan program. If it is a small project that is going to pay itself back, say if we issued a 5-year Bond and it was only \$1 million dollars, we are going to look and see if we can fund it ourselves internally and not issue the bond or get the loan.

Chair Bucholtz: In regards to the use of Bond proceeds, taking the example of pending transactions with the gas tax, you said that the bonds are not issued yet but you are already spending the proceeds, are you allowed to do that because you have passed a Resolution that says you can reimburse yourselves when the proceeds come. Where does that spending come from to begin with? You are borrowing, using monies from a different account and then reimbursing that account, so there is enough liquidity to do that?

Mr. Fleutsch: In many projects; the city has everything in a fund. We have a Paving the Street Fund, a fund balance that hasn't been spent yet; it has been collected in taxes, whether it is the gas tax, GRT or something. There is money that we can spend now and reimburse that fund with bond proceeds once the bonds are sold.

Chair Bucholtz: Presumably if there is enough of that, you issue shorter term Bonds keeping your interest rate down because you will know you have already expended proceeds and have money.

Mr. Fleutsch: In this case, we sized the Bond and said, the gas tax revenues are about \$1.5 or \$1.6 million a year, we want to use \$1.3 million a year of those gas tax proceeds, how much can we issue in debt today and \$1.3 million is the amount of the debt service. That is how we size the Bond.

Mr. Fleutsch: That pretty much takes care of the main issues with the City Finance Department and it really coincides with the memo of June 5th from Finance Director Adam Johnson to the governing body. If you have any questions on what the city did, this memo is a great resource addressing the issues and feasibility study.

The rest of the Feasibility Study didn't deal so much with the city government specifically but the overall financial services and banking services. In this small business lending; the city can't really lend money to small businesses. The Economic Development Department is a little different, they have different means. There is the anti-donation clause, we can't make loans to small businesses. What we can do and we incorporated it in to our new Debt Management Policy, is a way to facilitate private entities to borrow money. I will use the Industrial Revenue Bond as an example, a private entity, St. John's University came to the city and said they needed to build a dormitory. The city said we have this Industrial Revenue Bond, the city will act as a conduit for St. Johns University and St. Johns borrows the money, the city is the conduit so there is benefit to St. Johns because; actually Thornburg on Ridgetop Road is a better example, the city funded that with an industrial revenue bond. Thornburg borrowed the money through the city, conduit financing, Thornburg gets the benefit because the city owns the building until the note is paid off and in that case they don't have to pay property tax to the state, the county, the school district, the community college or the city. Thornburg does make a payment in lieu of taxes to the school district. It doesn't cover quite what they're tax rate would be it is better than nothing. By incorporating public improvement district, business improvement district if a group of businesses got together and say, "we are willing to commit a certain amount of tax or revenue", we can do a business improvement district to improve infrastructure in that business district within that geographical area. The businesses within that geographical industry have agreed to pay money whether it is a tax or a fee, and then the city can bond that incremental revenue so they can go out and develop their district. There is also a

tax incremental and the Chair can provide a better description. It is a way for us to facilitate, not the city lending money but private entities borrowing money where they might not be able to otherwise. The same debt increments apply to the real estate lending.

The city, moving down the matrix, Angel Capital (private investment for public improvement – return on capital not objective). I believe the last year or the year before the governing body created the Verde Fund and what was included in the comment was that the Verde Fund’s mission is three-fold, reduce systemic poverty, achieve carbon neutrality, and empower Santa Fe’s workforce. Angel funds, probably not the right answer, venture capital funds probably not the right answer, it is the Verde Fund to help on the items mentioned. It is in Angel Capital but it is not really Angel Capital.

Impact Investing: Again, the Verde Fund. How are we going to impact the city? Carbon neutrality is a big issue in the city and by using the Verde Fund for that it can impact that specific goal.

Mr. Hibben: How is the Verde Fund, funded?

Mr. Fleutsch: I looked in to that and I am not sure, I think it is out of pocket. An endowment has not been created, I believe the city annually appropriates an amount of money to be invested into these projects. I don’t know what the pay back schedule is either, if these funds have to be paid back.

Ms. Cormier: Is it not private investment that funds some of this?

Mr. Fleutsch: It is municipal funds. I read the story, they funded two projects and the two recipients of the Verde Fund for last year, and they committed almost the same money or more. So they said, we will spend \$500,000 and the city will put up \$300,000 and we will achieve one of these three goals.

Small Consumer Loans: This isn’t something that is within our debt policy or our investment policy. That is not something the city can do, make small consumer loans.

Other Considerations: We revised the Debt Policy, we looked at the city debt capacity, we sat down with our municipal advisor and our Bond Counsel and Sr. Finance Staff and we said, state law says you can issue this much in general obligation bonds. What is that limit, how much can we borrow, what is the impact to the community? General obligation bonds must be approved by the public. When the voters – vote – it tells them exactly what those proceeds are going to spent on and it automatically raises your property taxes the following year until the note is paid off. We looked at our GRT debt, how much can the city really borrow? If you are interested, we have about \$135 million in debt capacity in our general obligation bond. We have \$23 million outstanding currently, we

can borrow an additional \$135 million. That would be to address some of the CIP projects that the city has looked at. On the GRT debt or other expected revenues; because of our bond covenants we have about \$60 million to \$80 million dollars in capacity on GRT. That would not affect the public as you are already paying GRT, we would be committing that source of revenue to pay bonds instead of programs.

Lastly, Public Education and Literacy: Talking with Economic Development, the idea is to build a Network and Resource Guide, there is already quite a bit of assistance and a network for individuals. We met with the Santa Fe Community Foundation and they have programs for single moms with children, they have programs for long-term unemployed. It is not so much just a debt, it is more of a holistic approach. There is WESST and they focus a lot on businesses, helping small businesses work on their balance sheets how do they appear better for credit. I believe last week in the paper, WESST said they did their biggest loan ever. There are also of sources of capital out there, small businesses, a lot of help for individuals. In talking with Matt Brown, Director for Economic Development – in telling him about this, he said that there is someone out there actually doing this already. Nobody knows about them. That needs to be better published for both individuals and for small businesses. There are resources out there. We need to have a more pro-active resource where people can go out and find them and advertise so people can learn about it.

There are new interesting fund raising mechanisms within the internet. Ms. Cormier and Mr. Fleutsch were talking about that. These alternative investments other than banks are actually a reaction to the 2008 economic great recession. Banks got in to trouble and they couldn't lend and all of a sudden the internet; and I like to use Rocket Mortgage as an alternative to either a bank, you don't have to go to a bank anymore to get your mortgage. You can go to any number of private mortgage companies or Rocket Mortgage. The market itself has reacted to the Banks moving back from their lending. There are alternate sources for people to borrow money. The market place is going to develop those programs. If there is a need and somebody can make money at it that need will be met eventually.

Ms. Cormier: If I may add and as I stated, this was an analysis of the Feasibility Study, this was not a conclusion as to whether or not there should be a Private Bank, it was to look at what have we done, what is left to do. As Mr. Fleutsch said, one of the things that was obvious is there may be a lot of avenues out there that the public just is not aware of. There needs to be a better job of identifying where the avenues are so that if someone is looking for assistance, whether or not it already exists they need a dashboard, one place to look; I have this need what is out there that can help me today. One of the biggest take away's of doing this analysis is the public resource to identify some of these avenues that people do not understand just sitting there. Not that it is a pro or a con for a Public Bank, I wanted to do a reality check on the Feasibility Study.

The Chair asked if this would bring some cooperative efforts between the Finance Department and Economic Development group.

Mr. Fleutsch: Matt Brown was very excited about this comment, he is the new Director of Economic Development and he has been with the city probably 6 months or less. He is an attorney and I believe you will see a lot of good things coming out of the Economic Development Department. We are both working in separate areas, this is like an intersection for both Finance and Economic Development and we both see the need.

Ms. Cormier: Is Mr. Brown taking the lead on this?

Mr. Fleutsch: Apparently something is already doing this and Mr. Brown found the resource so we are going to develop and work in that area.

Ms. Cormier: It is probably a little premature to know what it is going to look like.

Mr. Fleutsch: There is recognition. I told him of this need and he said that we have this solution. We will put that need and solution together.

Chair expressed his thanks. He believes this is a good summary of an extended way of what the Department has done. I do think it is an important follow up for city staff and administration knows that in connection with the work that we do, although not directly related to the question of how we do a Public Bank or do we do a Public Bank, it is important information. I want it to be readily available to the citizens and to be understandable for the citizens. It is a large part of the legal practice that I have, I go through my checklist, so it is something that I do all the time for my clients. It is not something that the small businesses or the person in need of financial assistance and choices would know where to go.

Ms. Sullivan: There is some information on interest rates and you have shared some of it before. This is the hard part for me, this very important information and I could almost forget that this is a Public Bank Task Force.

Ms. Cormier: This is why I prefaced when we started that this is not the solution, at least for me in our discussions, we talked about the Feasibility Study and it is a very large document. To hang our hats on a Feasibility Study that was a summary of what was addressed and identified and not having it in a digestible form, we really felt like we were spinning our wheels talking about a Feasibility Study where the details were not there. That was the only purpose in this, Elaine, was to say this is where the Feasibility Study documented, this is where we are today, but this is not saying therefore, there is no need. It is really a point in time, maybe it was for my benefit and I apologize for making you all go through it just for me; I really wanted us as a Board and as the public to have a better understanding of

exactly what was said and what was done. Now the next step is, now what's next? That was the whole purpose of this was to be well rounded.

Ms. Sullivan: I may have somewhat misunderstood the assignment you were asked to do. I still, although some of us believe that the Feasibility Study was not focused on a Public Bank, nonetheless District Court does stop at the part that is related to the city and then there is a small piece about there being other resources out there and I agree that we need to make those known. Some of the Feasibility Study was about Public Banking.

Ms. Cormier: The Feasibility Study was, and there were some "what if's" like Go Fund Me Sites and things like that, that we couldn't address and this is why they are in the catch all at the end which is alternative investments. That is what is next and wanted to identify and that is all I recommended. Before we hang our hat on a Feasibility Study and then try to figure out what is next, why don't we visually see what was done and now we can move on to what is next, that is the whole purpose.

Mr. Fleutsch: I see the Feasibility Study as two pieces, there was the case for the need of a Public Bank which collateral, liquidity, cash, bond funding, business lending; that creates the need. The bulk of the Feasibility Study was the straw man argument on how the bank would work, what the bank would do, how would it generate its revenue. That we did not address in this, the straw man part of it. Let's look at the needs that were identified in it and address those and exclude the straw man.

Ms. Cormier: I think one of the intents of this summary was to identify what does exist if those recommendations were made and there are avenues there, my rhetorical question why are we using them. Why don't people know about them, are people feeling the need for something that may exist but they don't know about. That doesn't discount the argument for a Public Bank, but it does address if there are avenues is this a journey towards where we want to be? Does this journey include steps that are already there that we didn't know. It was a way to shape up the important information I kept hearing existed but we never had where to look at.

Chair Bucholtz: One more point noted that in his private practice not related to Public Banking they do pursue these opportunities for commercial developers. I have a presented called alphabet soup which is a litany of programs that are geared towards commercial use of government in regards to access to capital and it discusses PINS and TINS, IRB's, all those different kinds of tools. He is happy to share with the Public Bank Task Force members and have a discussion if helpful. It is about a 12-page piece with a very large set of Exhibits which are details of how different governments utilize bonds in different programs. The Chair would be happy to share with the Finance Department.

Questions deferred on this presentation at the end of meeting.

5. NEW BUSINESS – INCLUDING THE UPCOMING REPORT TO THE CITY FINANCE COMMITTEE ON JANUARY 22, 2018 AND THE PROCESS NEEDED FOR DEVELOPING THE TASK FORCE FINAL REPORT TO THE CITY COUNCIL

Next Steps: The Chair informed the committee and the audience that they will be appearing before the Finance Committee on January 22nd. The bullet point presentation and background materials provided at the public hearing were also provided and the Chair will be presenting. The Chair welcomes input today and welcomed the Task Force Members to attend. He talked about the points.

- Describe who the members of the Task Force are
- Decisions making on how we decided to meet regularly and what constraints we were under.
- The use of our sub-committee and sub-committee topics. The conclusions of what the sub-committee reached and were presented at the public meetings and the input that we have had from the public throughout this process, particularly at the Public meeting that we had.
- What our expectations are and how we will report our findings and make sure we are then doing what the Finance Committee and the City Council expected us to do.
- Hear question from them and bring back to this Task Force at its next meeting.
- Report from the Finance Committee on how they responded to the presentation.

How do we wind up our work?

Chair Bucholtz stated that originally he hoped that in his role as Chair, and he did exercise being a neutral Chairman as much as he could. What he envisioned was not writing the final report himself, but to write the report with the Facilitator. Unfortunately they have not succeeded in acquiring funding for the Facilitator. They have gone to a Plan B which is that they have had both Mr. Fleutsch, Ms. Sullivan and Mr. Mang write up their thoughts on what they think our final report might look like. What he will recommend is that he meet with Brad Fleutsch, Bob Mang and Elaine Sullivan and share those materials trying to come up with a final report on what we think would be acceptable to the governing body. In any event, we will have that report circulated to all of the Task Force members for comments. He stated that he is being very frank on the reason why he chose to do it this way, and hopes that there is a board consensus. He said he believe they would be fooling themselves if we didn't recognize that all of them come to this board with different experiences, different history and different expectations of what the role of this Task Force was supposed to report. He did not want the perception that says the result was rigged or that the choice of how the final report was prepared was somehow unbalanced in regard to how that activity occurred. I believe that does what I would like to present

in my role of being neutral working with those mentioned above. He cannot include everyone, if he tries to include everyone he would have open meeting issues, but does feel that once that sub-committee meets and has a paper presentation; and he does not envision this being a 3-page piece of paper. When it is done, it will be a relevant piece of paper that incorporates the work that came from the Task Force and comments and work that came from the sub-committees. We probably need at least 2 more meetings of this board before we complete our work. We should go to the Finance Committee tell them of our intentions and get their feedback, have the sub-committee present to the full board. We had 6 months to do our work, we are on course and as volunteers we did good work.

Ms. Cormier: Do you envision the report being a summary of what was done and what we perceive as the potential next steps would be based on what we know and don't know.

Chair: Ideally yes. I don't see it as a report saying that they should do a Public Bank or not have a Public Bank. I see it as a report that says, this was a really hard task for us, here are the things we have studied, you asked us to gather things for your consideration; Council it is your decision as the decision making body, here is our best evidence of things that you might consider as you make the decision. They don't get a recommendation or decision from us. What they get are the +- of what we studied; where the barriers are, where the opportunities are, a sense of where the public is based on the need and let them use that information for their decision.

Ms. Cormier: What Brad and I did is similar to what you are discussing, showing that there is an opportunity for public education.

The Chair invited Ms. Sullivan to comment if this approach is satisfactory to her. Some of the questions raised in the last two meetings regarding if we had studied the detail, or hearing enough about the WHY as opposed to the HOW.

Ms. Sullivan: I think it is a good plan; that would be my headline. My guess is that we will be able in sub-committee form to can bring something to the full body that does represent all the voices here, that certainly is our intent. I think what will be most helpful to the city council and I hope they are delighted with what we bring to them will be a summary of what we learned. The things we learned that supported what we were guessing ahead of time and surprised of what things we've learned and something that is in the category of not recommendations; these are logical next steps, not recommendations. We need to assure there is clarity that these are not recommendations.

Mr. Fleutsch: A draft was provided where he lists what the Task Force has done starting with a summary of the Resolution and rather specifically what the Council asked this Task Force to answer. Mr. Fleutsch went through each of the items the Task Force was asked to answer and he gives the answer and in most of the cases there is no answer and we can't answer it. Mr. Fleutsch incorporated information

from the legal information provided from the Virtue & Najaar Law Firm, information from the Financial Institution divisions memo that their General Counsel, Kevin Graham wrote on what their issues would be and looked at the capitalization issue. The main thing that came out of both the Virtue and FID was the Business Plan. The Business plan required by the FDIC and FID is infinitely more comprehensive than what a volunteer Ad Hoc Task Force could ever answer. This is what my view is and the next steps forward.

Mr. Mang also prepared a document to recap his ideas. (Note: Document will be provided by e-mail).

The Chair would like for Mr. Mang and Ms. Sullivan study what Mr. Mang has prepared, and plan a sub-committee meeting after the Chair meets with the Finance Committee, set up a meeting shortly thereafter, roll up our sleeves and get our reaction together on what we would like moving forward. The Chair said his idea is that he would like for the report to be a little longer and tedious than some people might expect to create an actual record of our work. It will reflect the work that the committee did do and also have a fair place for the sense of what the committee members comments are included; discuss what the city has done in the last couple of years to address their issues, what would a public bank do for a city, what would a public bank do for an audience, identify where the legal barriers are, maybe touch on the negative and positive trying to do a local bank for a city of 67,000 people or whether it makes more sense for the state to be looking into this.

6. APPROVAL OF MINUTES

Ms. Lucero: Ms. Martin sent an addendum and transcribed the piece for the constituent who inquired. Chair clarified that there was one particular constituent inquired about how his testimony was documented. Ms. Martin has now gone back to the tape and to YouTube to get the accurate presentation.

Minutes will be deferred for November 20, 2017 until the Task Force can review the added addendum. An addendum has been presented to the City Clerk's Office incorporating the transcription related to one particular constituent.

Mr. Fleutsch moved to approve the minutes of December 20, 2017 as presented, second by Mr. Hibben, motion carried by unanimous voice vote.

7. PUBLIC COMMENT

No Comments

8. **Next Meeting: February 7, 2018 – 4:30 pm – requested to meet at the Railyard offices.**

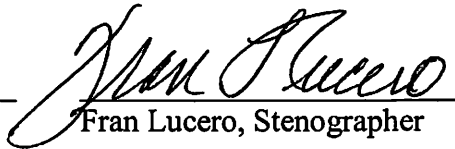
Mr. Fleutsch recommended that we meet sooner. The Chair said a decision will be made at next meeting date.

9. **ADJOURNMENT**

There being no further business to come before the Public Bank Task Force, Mr. Mang moved to adjourn at 6:00 pm, second by Mr. Fleutsch, motion carried by unanimous voice vote.

Signature Page:

Mr. David Buchholtz, Chair



Fran Lucero, Stenographer