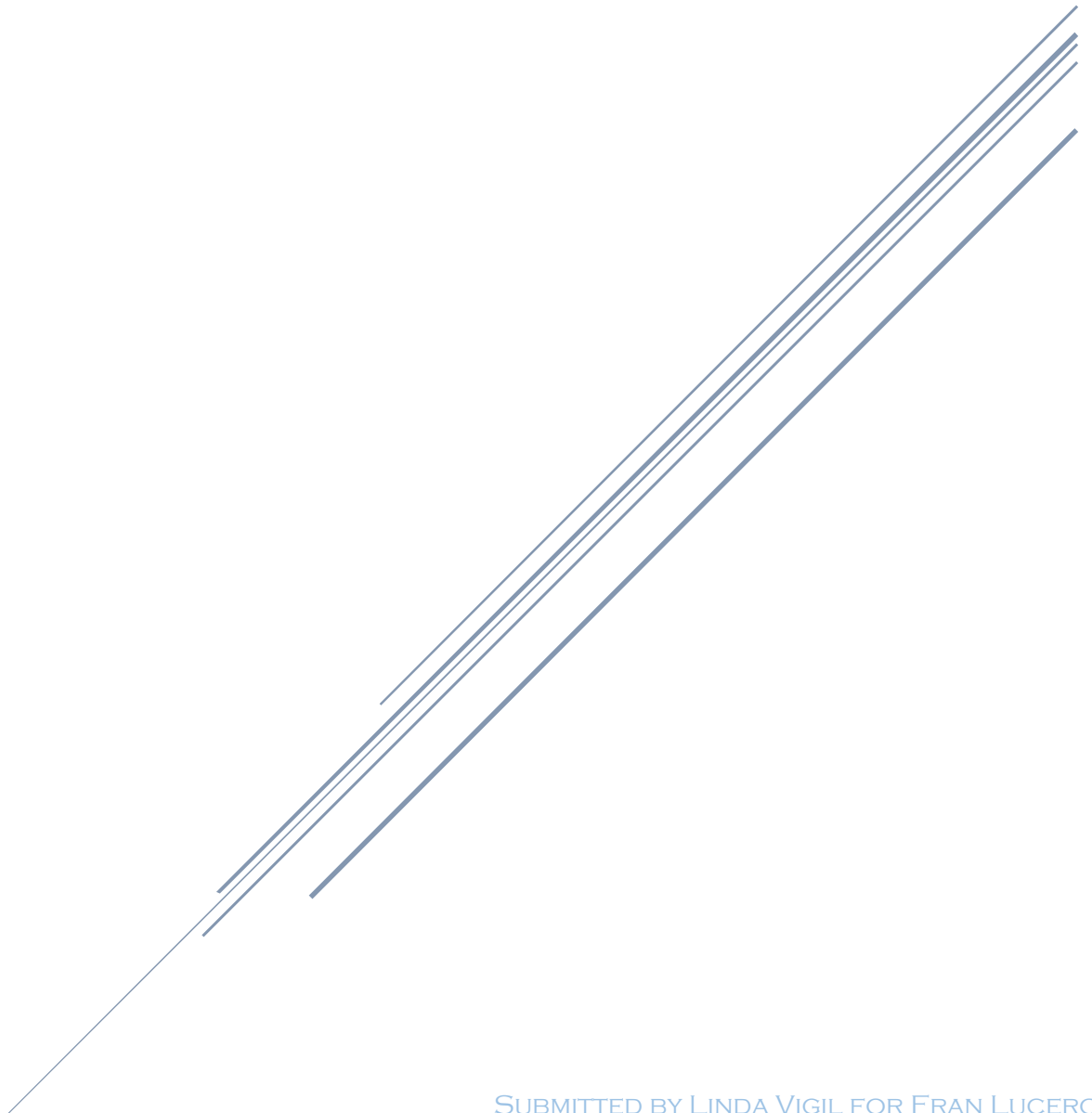


PUBLIC BANK TASK FORCE

MEETING MINUTES – MARCH 7, 2018



SUBMITTED BY LINDA VIGIL FOR FRAN LUCERO

Public Bank Task Force MEETING
Southside Library
 6599 Jaguar Drive
 March 7, 2018
 4:30 p.m. - 6:30 p.m.

Item		Page
CALL TO ORDER	David Buchholtz, Chair called the meeting to order at 4:41 p.m. at the Water Division Conference Room.	1
ROLL CALL	A quorum was established with roll call.	1
APPROVAL OF THE AGENDA	Mr. Fluetsch moved to approve the agenda as presented with a second from Mr. Mang which passed by voice vote.	1
INPUT, ADDITIONS AND REVISIONS TO THE FINAL DRAFT REPORT	Discussion Only	1-5
UPDATE ON REPORT TO THE CITY COUNCIL	Discussion Only	5
PUBLIC COMMENT	Discussion Only	5
ADJOURN	All business for the Public Bank Task Force was concluded at 6: 35 p.m. the meeting was adjourned.	5
SIGNATURES		5

Public Bank Task Force MEETING
Southside Library
6599 Jaguar Drive
March 7, 2018
4:30 p.m. - 6:30 p.m.

1. CALL TO ORDER

David Buchholtz, Chair called the meeting to order at 4:41 p.m. at the Water Division Conference Room. A quorum was established with roll call.

2. ROLL CALL

PRESENT:

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

NOT PRESENT/EXCUSED:

Kelly Huddleston
J. Wayne Miller

OTHERS PRESENT:

Linda Vigil for Fran Lucero, Stenographer

3. APPROVAL OF THE AGENDA

MOTION: Mr. Fluetsch moved to approve the agenda as presented with a second from Mr. Mang which passed by voice vote.

Minutes were not placed on the agenda. Mr. Fluetsch stated he contacted the City Clerks, they were unable to locate the minutes and they could not be added to the agenda they will be approved at the next meeting.

4. INPUT, ADDITIONS AND REVISIONS TO THE FINAL DRAFT REPORT

Chair Buchholtz thanked the subcommittee who worked cooperatively and organized the draft. Chair Buchholtz would like for Ms. Sullivan to keep track of the member's notes and changes. They will more than likely need to meet again to review the draft.

Mr. Fluetsch stated per the City Attorney's Office the members of the public can see the draft it is a public record.

Chair Buchholtz would like to review by section to gather comments and changes.

Introduction-

It was decided each member could send a written correction to Ms. Sullivan explaining their background.

Mr. Fluetsch stated there was another name to add along with Ms. Katie Updike

Chair Buchholtz explained the historic background of the task force.

Ms. Cormier would like to see the footnotes or the appendix references be consistent throughout the entire document.

What is a Public Bank?-

Ms. Cormier discussed the perceptions. Are they suggested or perceived? Is it what they got from meeting with the public?

Mr. Fleutsch would like it to be cleared up for the public that it is a City owned bank. It is about better managing the City's money.

Chair Buchholtz stated that is what he has heard from the public.

Ms. Cormier would like to clarify the Relationship and who is lending, and with whom? Individuals or community?

Mr. Mang explained the community banks have been responsive to the individuals. In North Dakota the due diligence is done by the community banks. The non-relational banks are different.

Ms. Cormier asked if the relationship is tiered. Mr. Hibben states it is under perspective of Government and day to day banking operations.

Mr. Fluetsch sees the perception of the public that the bank could manage finances better than the City's Finance Department. Chair Buchholtz stated the purpose was to allow the Government to manage better than the current Mechanism.

Mr. Mang would like the language about becoming the fiscal agent be moved to the perspective of the public.

A discussion was held about interest rates and the information given from the five year plan.

Mr. Mang suggests moving the two sentences to the perspective of the people. Ms. Sullivan will move it and would like to add "it was desired by some people" because of the business model the core of the work did not know that was a possibility.

Mr. Fleutsch explained the feasibility study, it had phases. In the memo from June it addressed phase 1. In the feasibility study it addresses phase 3.

Ms. Cormier stated they could simply state "it was also desired that it could EVENTUALLY become the City's Fiscal Agent". That was agreed upon.

Ms. Sullivan states she has information that is in the report from the brass tacks. Mr. Fluetsch states the point was that the City could earn more on investments to borrow from itself.

Chair Buchholtz would like to see the report stay neutral.

Mr. Fluetsch would like to point out that the public perceptions are going to seem unrealistic. Chair Buchholtz would rather have it neutral. He would like the sentence to make the same point but with less inflammatory language.

Ms. Cormier states there is more room to change it.

Mr. Fluetsch would remove it all together, ideally it wouldn't add any value to the statement

Mr. Mang would like them to look at what the sections intends. It is to inform them what it is. That sentence informs them what it is.

Mr. Fluetsch explains it seems profit it is a motive.

Ms. Sullivan states the motive is to be sustainable.

It was decided to remove it and place it under the perspective of people.

Mr. Fluetsch stated North Dakota is the only example they have. Perhaps it should just be a Webster's definition or make it a short one sentence. Perhaps: a public bank is a financial institution owned by Government entity that performs financial activities.

It was decided to give it a new title and move the two sentences to the perception of the people.

Ms. Cormier would like to have the North Dakota bank in the first sentence and then go into perceptions.

Perception of Government-

Mr. Hibbens suggestion will go here.

Chair Buchholtz states they will have to meet once more, there is not enough time.

Perspective of People-

Mr. Fluetsch states at the November meeting there has been no mention of the negative thoughts.

Chair that is fair, it will need to be mentioned.

Mr. Hibbens states on page 5 he mentioned it. Ms. Cormier believes it is important to balance it. Chair suggests that Mr. Fluetsch work on a few sentences to insert in that section for the first paragraph of perception of the people.

Ms. Cormier would like them to explain the transparency. Ms. Brewer suggests a mention of regulation.

Work of the Task Force-

Chair Buchholtz states the first few paragraphs are factual and the legal subcommittee mentions the Virtue report which is available.

Mr. Hibben states for the regulatory subcommittee, he would like to make the last sentence of that paragraph bold.

Ms. Cormier would like to see "do not directly address the working of a working bank" before that as indicated by the reports and the state regulator, all agree.

Mr. Mang would like each subcommittee to provide a slide for each report.

The governance subcommittee would like to add bank management and board of directors to the first sentence.

The capitalization subcommittee stated the only change is that the state laws show how they can utilize City's funds.

Chair Buchholtz suggests before "sufficient" insert legally sufficient.

Mr. Fluetsch explained the difference between Government and Enterprise funds and the regulations that they have.

Chair Buchholtz would like to remove the sentence about the appendix

Chair Buchholtz states the next few paragraphs are factual about the public meeting. Mr. Hibbens explained the issues with the negative comments.

Task Force Evaluation-

Chair Buchholtz would like to have the members decide if they should have another meeting. Pick a time and place during the week of March 19, 2018 to complete work on this draft.

It was decided that Tuesday, March 20, 2018 in the afternoon would work. Mr. Fluetsch will secure a place.

Mr. Hibben briefly discussed the idea for the next meeting and the lack of the business plan. His point is in order write it they need statutory regulations and to understand them.

Chair Buchholtz stated if there were a clear sense that there were going to be resources they could work with them.

Mr. Hibben doesn't like the model and a bank with limits. Ms. Cormier states an oversight plan could identify the pitfalls.

Chair Buchholtz asked the subcommittees try to meet before the next meeting.

Mr. Fluetsch mentioned there will be a conference call involving other cities. Chair Buchholtz was to be on the call and report the task force work.

Chair Buchholtz stated the Task Force will have to be removed from the March 28, 2018 City Council Meeting.

5. UPDATE ON REPORT TO THE CITY COUNCIL

Due to a lack of time this was not discussed.

6. PUBLIC COMMENT

(No name given) The gentleman explained on page 7 comment on the business long term loans model should be changed to long term FIXED RATE loan. On page 16 where the North Dakota model is discussed it seems Santa Fe is out of place.

(No name given) The lady would like to clarify that the perception of the people is close to 80 % negative. There is a misunderstanding. The idea of listing would need to be in place in order for the City to apply for a bank.

7 ADJOURNMENT

All business for the Public Bank Task Force was concluded at 6: 35 p.m. the meeting was adjourned.

SIGNATURES

David Buchholtz, Chair

Linda Vigil, Stenographer