

APPENDIX J

Minutes of Task Force Presentation to City Finance Committee

6. PRESENTATION

A) PUBLIC BANK TASK FORCE UPDATE ON FINDINGS TO DATE AS REQUIRED BY THE RESOLUTION

Mr. Johnson stated that the members of the Task Force are present. Mr. Buchholtz, the chairman, will make the presentation to the Finance Committee as directed in the Resolution. His presentation is in your meeting packet.

Mr. Buchholtz introduced himself as an attorney at the Rodey Law Firm whose practice is in governmental finance matters. He had the honor to be chosen as Chair of the Public Bank Task Force. The Resolution says that we are to give you a report on where the Task Force stands. The truth is that our work is almost completed. We are ready to report today on the work we have done. The Task Force was very well put together by the Council and the Mayor. He is very impressed with the quality of all the members and their expertise. He is pleased to work with all of them. Early on there was a question if the Open Meetings Act applied to the Task Force. As a matter of caution we decided we were subject to the Open Meetings Act and held our meetings accordingly. We have had public meetings every 3 weeks. 50 people came to our public comment meeting in November and we have had 15 to 20 people at every other meeting. We also discovered that in order to do our work we needed to break ourselves into subcommittees. Looking at the resolution presented to us we divided into 4 subcommittees. They are legal, regulatory, governance and capitalization. He would like to review briefly the work those subcommittees did. The materials regarding the subcommittees from our meeting in November are in your packet. He reviewed the materials.

Mr. Buchholtz said this is a pro bono Task Force and all of the members did a very good job. That is reflected in the materials you have before you, this report and will be reflected in the final report which will be coming shortly.

Mr. Buchholtz stated that an interesting question we posed and one that is more of a head scratcher is what exactly is a public bank. What is a public bank supposed to do and what do the citizens of Santa Fe expect. We determined that there were 2 really different aspects of a public bank. One might be a bank that might serve the City and potentially other governments in this area as their bank. We discussed this at length with Adam. The Finance Department delivered to you, in a report done in June, that they have been working on making the best use of their funds and whether or not a bank might be necessary is a question they can speak to. In his own experience they have taken significant steps forward in the way they deal with the market and other financial institutions. The other sense of a bank, something we called the idealistic bank or we called the Jimmy Stewart bank, is the idea that the citizens may have that they are not well served by the current private sector banking community, particularly by the larger banks. He is not speaking to the smaller banks or credit unions. The distance between larger banks, Wall Street banks and international banks and what people expect in banking services can be vast. They have a vision, albeit idealistically, that if there was a public bank it would be more friendly, more understanding, have lower fees, loans would be more available and interest rates would be higher. Those are legitimate concerns that need to be addressed, but if they can be addressed by having a public bank in the City is not the same question and the answer may be we need to respect the views of the citizens and there may be a role, maybe an important role, for the City to take in meeting those needs of the community. Whether or not we are able to or have the resources to set up a public bank is something for you policy makers to