Banking on New Mexico’s Five-Year Financial Model Supports the City of Santa Fe’s Findings that a Public Bank Can Lower the City’s Debt

(For Immediate Release, Santa Fe) Banking on New Mexico (BoNM) today officially released its Five-Year Model Supporting a Public Bank for Santa Fe, which the grass roots organization has had in development for the past several months. (A PDF of the Five-Year Model accompanies this release.)

The five-year financial model, created by Banking on New Mexico’s Brass Tacks Team, working both with officials from the City and national Public Banking experts, proposes a Public Bank as a debt reduction, budget easing, income generating strategy for the City.

The City of Santa Fe released its Public Bank Feasibility Study Wednesday, January 13th, which found that the City’s Administration should continue to pursue its initiative to create a public bank. Banking on New Mexico’s Five-Year Model supports that finding, suggesting, among other benefits, it would be possible to reduce the debt service burden confronting the City by refinancing some of the bond debt through the new public bank.

With the help of the City Finance Department, BoNM’s Brass Tacks Team identified loans and bonds available for refinancing during a five-year proposed start-up period. The BTT also included a small amount of hypothetical community partnership lending in their five-year model. The model restructured four existing loans and six bonds with two goals in mind: a) to lower the City’s Debt Service (principal, interest and fees associated with the loans and bonds) and b) to lower the City’s projected debt. The Brass Tacks Team’s model supports the exceptional and comprehensive work completed in the City’s Feasibility Study, continuing the community discussion initiated by that economic study.

The model indicates that should a Public Bank for Santa Fe “open for business” on July 1, 2017 with a loan portfolio of $45.5 million in loans to the City, plus a small amount of partnership lending, in its first year of operation the bank could help Santa Fe reduce its annual debt service costs by $1 million, while making a small profit of $.5 million. The model also projects that in five years the bank could reduce the City’s annual debt service costs by $1.3 million and reduce total City debt by $4.8 million.
Core members of the Brass Tacks Team of Banking on New Mexico include Nichoe Lichen, Elizabeth Dwyer and Dan Metzger.

**Nichoe Lichen**, a board member of the national Public Banking Institute and a founding member of *WeArePeopleHere*, has, during her 40 years living and working in Santa Fe, taken leadership roles in helping: restore the Santa Fe River to a protected river corridor, the establishment of El Camino Real River Park and the protection of the Old Pecos Trail as an historic and non-commercialized entrance into Santa Fe. Through her work in the NAACP she has demonstrated a long-term commitment to civil rights, economic justice and multi-cultural appreciation. It is this commitment to social and economic justice that led her to learn about public banking and other democratic economy models. It is her belief that public banking can help fund a more just, resilient, local economy in New Mexico.

**Elizabeth Dwyer** is the veteran of a 30-year career in local government in St. Louis, MO and Albuquerque, NM. In St. Louis County, she worked both with the St. Louis County Local Development Company and as manager of the Federal HUD Community Development Block Grant Program. She was the Housing Planner for the City of Albuquerque and also worked with the Affordable Housing Committee and HUD Neighborhood Stabilization Program. For the first ten years of her career, after completing a Master’s Degree in Counseling, she practiced in Social Service Agencies and was awarded a CORO Fellowship in Public Affairs.

**Dan Metzger** (BA, MSc, PhD) is a retired physicist and engineering manager. After teaching physics at The Ohio State University he became a staff member at the Los Alamos National Laboratory and later held management positions in physics and engineering there. Upon retirement he consulted privately in engineering management. After retiring again, he volunteered for several years as the IT guy at Youth Shelters and Family Services. In recent years, Dan has studied the operations of a fiat monetary system, which most countries have, but few understand. His interest in the banking system stems from the important role banks play in the macro-economy. In recent months, he has supported efforts to establish a public bank in Santa Fe as a member of the Brass Tacks Team.

**Banking on New Mexico** was organized in 2012 by the Santa Fe grassroots organization *WeArePeopleHere!,* led by journalist, attorney, author and social activist, the late Craig Barnes. Banking on New Mexico works to extend the foundational democratic values of *WeArePeopleHere! --- And to promote economic justice at the local level by putting the peoples’ money to work here at home, where it can be an engine for reducing debt and growing revenue for our community.