

# Santa Fe Public Bank Task Force Final Report to the Santa Fe City Council

April 17, 2018



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# Public Bank Task Force Report

## EXECUTIVE SUMMARY

In August 2017, in accord with City Council Resolution 2017-32, Mayor Javier Gonzales appointed a Santa Fe Public Bank Task Force to advise the Governing Body as to the pros and cons of chartering such a bank.

In consultation with numerous banking and legal resources, regulatory officials and city finance department staff, the Task Force investigated legal, regulatory, governance and capitalization questions related to obtaining a public bank charter. With public input, it also examined what benefits and risks such a public bank might offer, including what financial needs Santa Fe has that cannot by law be addressed by the City's Finance Department. The work of the Task Force led it to the following four conclusions:

- 1) The City Finance Department has made considerable progress within the department toward completing the recommendations of the Public Bank Feasibility Study issued in January 2016.
- 2) The current legal and regulatory requirements are not conducive to the creation of a State-chartered Public Bank and would require amending existing legal and regulatory requirements through legislation to allow for development of a Public Bank.
- 3) If limited to the City of Santa Fe's financial assets, the possible benefits that a Public Bank might generate are at best marginal and at worst would carry risk of non-viability because of the relatively small scale of the City's financial means, especially when weighed against the considerable costs of creating the bank.
- 4) The Task Force briefly looked beyond the scope of its enabling resolution at the potential role a Public Bank could fill that the City's Finance Department cannot, because the latter is restricted from financing the private sector.
  - a. While, by itself, a Public Bank cannot finance the magnitude of the City's infrastructure investments needed, it could have a valuable role as a financial source to leverage private and philanthropic investment toward Santa Fe's economic development needs.
  - b. It also could enable the retention and expansion of Santa Fe's community banks, credit unions and CDFI's that loan their depositors' money locally.

Based on these conclusions, by complete consensus, the Public Bank Task Force offers to the Governing Body the following three recommendations:

- 1) The City of Santa Fe Finance Department continue to develop its financial strategic and operating improvements.
- 2) Instead of a standalone Santa Fe Public Bank, the Governing Body move forward, in participation with appropriate legislative and executive officials at the State level, to investigate and, if deemed appropriate, develop a statewide Public Bank in which Santa Fe would participate.
- 3) The Governing Body establish a standing committee to evaluate, enhance and coordinate a collaborative financial network in Santa Fe, for the purpose of leveraging public, private and philanthropic capital toward effectively addressing our community's critical needs. The Committee would be composed of leaders from the philanthropic and private financial sectors and representatives from the City Council's Finance Committee, with participation from the City's Economic Development and Finance Departments in an ex officio capacity. In addition, the Committee would provide a Public Communication Forum to the Committee regarding public needs.

# INTRODUCTION

## HOW THE TASK FORCE CAME ABOUT

In the aftermath of the worldwide economic downturn and related public discourse about the cause and effect of that financial crisis, interested residents of Santa Fe started an initiative to research establishment of a municipal bank to be owned by the City of Santa Fe. Since the Great Recession, the interest and enthusiasm about public banking have increased across the nation. At the same time, some members of the public and segments of the banking community have expressed skepticism about public banking.

In addition to New Mexico, other cities and states that are researching public banking and have active feasibility studies and related legislation in motion include: Los Angeles, Santa Cruz, Oakland, San Francisco, Boulder, Philadelphia, Portland, Seattle, Washington State, New Jersey and Michigan. For more information about these initiatives see [Appendix A](#)

Over time, this local dialogue included a Public Bank Symposium organized by *We are People Here!* and the Public Banking institute, held in Santa Fe in September 2014. The following month the Santa Fe City Council authorized a study to explore the feasibility of a public bank. That study by Ms. Katherine L. Updike, managing partner of Building Solutions LLC, and Christopher Erickson, Arrowhead Center, New Mexico State University, was completed in January, 2016 (See [Appendix B](#)). Simultaneous with the Public Bank Feasibility Study, the Brass Tacks Team, an ad-hoc citizen group with an interest in financial, legal and regulatory requirements for establishing a small public bank, developed a Five-Year Model to demonstrate a public bank's potential by refinancing existing public debt and funding small infrastructure projects.

In April 2017, the Santa Fe City Council adopted Resolution 2017-32 (see [Appendix C](#)) which 1) requested the Finance Department staff to provide to the City Council an assessment of the current financial management practices as they pertain to the findings of the feasibility study and 2) created a Public Bank Task Force to provide the council with the information needed to make an informed decision about the pros and cons of submitting an application for a New Mexico bank charter for a Public Bank of Santa Fe. The Mayor of Santa Fe was charged with appointing the members of the Task Force, subject to council approval.

In June 2017, the Finance Department submitted its report on the assessment of current management practices. (See [Appendix D](#))

Also in June, 2017 The Mayor appointed, and the council approved the following members of the Task Force:

- David P. Buchholtz, Chair: A director of the law firm of Rodey, Dickerson, Sloan, Sloan, Akin & Robb, an attorney with expertise in banking and public finance
- J. Wayne Miller: Vice President of commercial real estate with Washington Federal Bank (*Mr. Miller resigned from the Task Force in November for health reasons.*)
- Randolph Hibben: A retired community banker and former chairman and CEO of Lake Forrest Bank & Trust Co. in Illinois
- Darla Brewer: With over 20 years of experience as a regulator of banks, insurance companies, and securities and investment firms. As a Certified Fraud Examiner, she is currently the Senior Forensic Auditor for the New Mexico Securities Division.
- Kelly Huddleston: An attorney and founder of the New Mexico Consumer Protection Law Center and Huddleston Law LLC.
- Judy A. Cormier: A retired chief compliance officer/director of TD Bank, NA, and most recently with American Express
- Elaine Sullivan: Founding member of *We Are People Here*, and the president of its initiative, Banking On New Mexico
- Robert Mang: A real estate development consultant and co-founder of the Regenesi Group
- Adam Johnson: Finance Director of the City. Mr. Johnson's role was delegated to Bradley Fluetsch, the City's Cash and Investment officer.

## PERCEPTIONS OF WHAT IS A “PUBLIC BANK”?

A Public Bank is a financial institution owned by a governmental entity that performs financial services.

Wikipedia definition: A public bank is a bank, a financial institution, in which a state or public actors are the owners. It is a company under state control. Public or 'state-owned' banks proliferated globally in the late 19th and early 20th centuries as vital agents of industrialisation in capitalist and socialist countries alike; as late as 2012, state banks still owned and controlled up to 25 per cent of total global banking assets.

One public bank exists in the U.S. at this time. Input from five years of meetings in Santa Fe and the work of this task force, along with the work of numerous other cities and states in the U.S., suggests the following: the perceived purpose of a Public Bank is to maximize the financial and human potential of the community. Local investing of economic resources can address critical, locally identified priorities in ways current financial entities are not able to accomplish. Instead of public funds leaving the community, the Public Bank would aim to expand economic vibrancy for small businesses and entrepreneurs, with predictable job creation, through collaborative partnering with local private financial institutions. This partnering can enable these institutions to keep more of the community's public dollars local, strengthen their capacity for lending, and help defray the cost of regulatory requirements currently so burdensome to community banks and credit unions. More local investing of public dollars, with accompanying transparency, can decrease vulnerability to fraudulent practices of global banks. This enhanced local economic self-reliance is likely to address income inequities.

Perceived benefits of a Public Bank could also include improved portfolio management, using internal funds to finance infrastructure, lowering the cost of borrowing, and keeping more of the public funds invested in Santa Fe.

**Perspective of Government:** A public bank would be the depository for public dollars collected by the local government. A Public Bank mission statement would explicitly direct the use of these public dollars, toward investment in the well-being of its residents. There would be no intent to compete with local financial institutions. Instead it would partner with local community banks and credit unions on loans that would enhance the community's economic vitality. Professional bankers managing the Public Bank would be in regular contact with state government officials while maintaining independence from political interests in day-to-day banking operations.



North Dakota has the only currently existing example of a public bank in the United States. All State funds, including educational funds, penal funds, county and municipal funds, are deposited into the Bank of North Dakota (BND). Today the BND funds infrastructure for the State through the General Fund, as well as specializing in student loans, mortgage loans and economic stimulus loans. Working for the common good, the bank leverages the capacity of community banks by participating in business and farm loans, reducing risk while supporting small community banks and credit unions to thrive. For more information about the Bank of North Dakota, see [Appendix E](#)

By contrast, New Mexico has in fact developed a number of programs consistent with the operations of a state bank, but they are scattered about several agencies with no centralized coordination or centralized directory for public awareness.

The State of New Mexico conducts banking type practices through several different means. The State Investment Council through the State Investment Officer, directs investments of over 15 billion dollars comprising the State Severance Tax Permanent Fund and the Land Grant Permanent Fund. The State Treasurer manages the State's short term investments in its general fund and other dedicated, or special funds and offers short term investment opportunities to local governments. The New Mexico Finance Authority operates as a bond bank for local government infrastructure programs and manages a number of programs, including the Smart Money initiative and the New Mexico New Markets Tax Credits program to encourage small business growth. The State Board of Finance oversees state capital finance programs and manages an emergency loan fund for local government unexpected cash flow needs. The New Mexico Mortgage Finance Authority operates a variety of single and multi-family lending programs. The New Mexico Educational Assistance Foundation raises capital for student loans. The New Mexico Hospital Equipment Loan Council oversees funding for hospital infrastructure finance needs.

**Perspective of People:** Some members of the public have expressed a perception that they would have access to a variety of banking services. However, that has never been part of the business model most vigorously researched, either in New Mexico or in other communities in the U.S. studying public banking. The Bank of North Dakota has a very small number of individuals' bank accounts, but this is not their primary mission.

Others perceive that the public bank could eventually serve as the City's fiscal agent, finance its long-term debt to fund its substantial infrastructure needs with its own money and generate a profit to re-invest in the community.

Some members of the public perceive that creation of a public bank would enable this institution to provide cash management and investment services for the government more effectively than city staff.

Five years of research in Santa Fe and work in other cities and states over a longer period of time suggest that a city-owned, state-chartered bank would have the potential to contribute to a community in the following ways:

- A form of relationship lending with community banks could be revived with more emphasis on real information about borrowers and borrowing requests than is often available with impersonal computer underwriting algorithms.
- The Public Bank would have a mission statement explicitly declaring that public dollars would be invested in local priorities
- The Public Bank would operate at a profit but would differ from commercial banks in that maximization of profits would not be its primary purpose. The primary purpose would be to serve the residents of the community in which the public dollars were generated. Interest earned from the bank's investing would grow the capital of the public bank which would have increasing benefit to local taxpayers.
- The Public Bank would have a degree of transparency to the public in operations and reporting, as required by regulatory compliance, and not currently possible in working with multi-state and global banks.
- The Public Bank could partner with other local financial institutions to increase the capital available for community projects and support of small businesses. Long-term goals could include following the model of the Bank of North Dakota, which partners so successfully with community banks and credit unions to address the student debt crisis experienced across our nation. In North Dakota, approximately 16 local banks and credit unions exist per 100,000 population, compared to approximately 5 such financial institutions per 100,000 population elsewhere in the U.S.

## WORK OF THE TASK FORCE

The Task Force began its work in August 2017, and held regular open meetings every three weeks from that time until February 2018. In order to accomplish its purposes, duties and responsibilities as charged by the City Council the Task Force broke itself into the following four sub-committees:

Legal: Huddleston, Johnson, Buchholtz  
Regulatory: Cormier, Hibben, Buchholtz  
Governance: Sullivan, Brewer, Buchholtz  
Capitalization: Mang, Miller, Buchholtz

The subcommittees met over the period August through November, interviewing interested parties and formulating presentations relating to their respective assignments.

The Legal subcommittee, working with the City Attorney's office, received an assessment of the legal issues relating to the formation of a public bank and the pursuit of a New Mexico Charter from the Santa Fe law firm of Virtue and Najaar. Many of the issues raised would need to be clarified through state legislation (see [Appendix F](#)).

The Regulatory subcommittee met with a working group of the Financial Institutions Division of the New Mexico Regulation and licensing department (see [Appendix G](#)), as well as members of the Santa Fe banking community and other local and national experts, and investigated various regulations and procedures relating to acquiring a charter. As stated in the Chaiken and Virtue report, which included the Financial Institutions Division (FID) memo:

“If it is determined to proceed with an application for a State bank charter, we suggest that it may be advisable for the City to consider entering into discussions with FID to explore the FID's legal position on the Anti-Donation Clause and other legal issues and to determine what other preliminary steps need to be taken to start the process of applying to FID for a bank charter before there is a significant additional expenditure of City funds and resources (the application forms themselves state that hundreds of hours are required to create the necessary business plan and complete the required State and federal applications). If after discussion with FID, significant legal issues remain, the City may want to explore additional ways to resolve those legal issues including: (1) requesting an Attorney General's opinions; (2) proposing legislation; or (3) test litigation which may involve filing a declaratory judgment action.”

Current regulations and state municipal statutes to a large degree do not directly address the working of a public bank and would have to be amended specifically in order to accommodate and appropriately regulate a public bank.

The Governance subcommittee met with local and regional political and business leaders in order to come up with a proposal on how the management and leadership of a public bank might be structured. It was determined that critically important to effective governance would be the creation of a “firewall” to protect bank management and its board of directors from political influence. Recommended for oversight of bank management are both a bank board of directors and a citizen advisory board.

The Capitalization subcommittee met regularly with the staff of the city’s finance department, and undertook a careful review of the city’s financial information in order to assess the availability of funds legally sufficient to capitalize a local Public Bank. In order to found a Public Bank, the City requires unencumbered liquid assets to provide for the initial capital and the opening deposit. At present, the City lacks sufficient excess liquidity in its General Fund to capitalize a Public Bank. Without sufficient liquidity, the City, subject to regulatory and legal requirements and possibly including a voter referendum, could potentially raise sufficient funds through the sale of bonds to capitalize a Public Bank. To provide perspective, a hypothetical \$100mm Public Bank implies initial capital of \$10mm and \$90mm of lendable deposits and other liabilities. Without greater details on costs and potential income, leading to a credible assessment of viability and return – as a business plan would provide – it was not possible to assess the likelihood of raising sufficient capital.

Each subcommittee prepared and delivered reports of their findings, which can be found in the [Appendix H](#).

The work of the subcommittees was largely completed in November 2017. At that point the Task Force hosted a public meeting, in accordance with the City Council Resolution, devoted to engaging the community at large and assessing the sense of those participating regarding, among other things, the city’s needs from a public bank, the affordability and likelihood of success of a public bank, and the risks involved in establishing a public bank (Minutes in [Appendix I](#)). It should be noted that the public was invited to each Task Force meeting, and all public attending the meetings were invited to speak in the last 15 minutes of each meeting.

In January 2018, the Task force submitted an interim report to the finance committee of the City Council (Minutes in [Appendix J](#)), and began its preparations of this final report.

As the work of the Task Force reached its completion, an additional subcommittee of Sullivan, Mang, Fluetsch and Buchholtz was charged with developing this final report of the Task Force, to be approved by all members of the Task Force.

## TASK FORCE EVALUATION

Given the benefits of what a public bank might achieve for Santa Fe versus the daunting legal and regulatory obstacles that were identified during the subcommittees' work, the Task Force proceeded to evaluate costs and benefits. In attempting to do so, it was concluded that a business plan was needed to accurately determine all costs. Creating a business plan was beyond the capacity of the task force in time and financial resources.

The regulatory sub-committee reviewed the FID application and the De Novo Bank Procedure, (see [Appendix K](#)) which closely follows the requirements in the Application for A Commercial Charter and Federal Deposit Insurance. FDIC insurance is currently required in order to receive a New Mexico Bank Charter. The FDIC application states that a minimum of 250 hours will be required to complete the application. The Task Force concluded that an application for charter and FDIC insurance would be premature, given the legal and regulatory challenges that must first be addressed. A comprehensive business plan would be crafted based on required legal and regulatory changes, not current banking law. In a memo, a public banking attorney from the firm of Davis Polk & Wardwell LLP, NY, NY, accurately summarized the challenge: "A commercial banking charter for a public bank is like fitting a square peg in a round hole."

After reviewing both FID and De Novo applications, the subcommittee and the Task Force determined that it had neither the resources nor time to complete applications or the comprehensive, five-year business plan required by both agencies.

In the absence of a detailed business plan to inform the question about the bank's potential viability or non-viability – its benefits and risks – members of the task force could only speculate as to how to bring perspective to this core question. For example, what would be a realistic estimate of the bank's overhead? The answer to this question was critical to determining whether the bank could be viable – a financial benefit or burden to the City.

Some on the task force believe that, because the bank would not have to service multiple customers and incur marketing expenses, it could operate with a very low overhead – especially if, as with the Bank of North Dakota – it could rely on local community banks to provide due diligence on most loans. However, the Public Bank would still have responsibilities for audit and vendor oversight of all outsourced activities. This would require the appropriate funding and staffing as well.

Others, pointing to extensive regulatory requirements that over-burden small banks nationwide and the City's service requirements that only very large banks have been able to provide, posit that those costs would overwhelm a bank this small.

Applying basic banking metrics to a Public Bank, we can estimate key components of its operation. For example, BND reports overhead at .42% of average assets for 2016. Many banks operate at 1.00% or more. Therefore, a bank with \$100mm in assets would expend between \$420,000 and \$1,000,000+ in annual overhead expense. Without working through a business plan, a credible overhead estimate is purely speculative. Based on different business models that carried different assumptions of what would be expected of the bank, annual operations estimates differed widely, ranging from a few hundred-thousand dollars per year to over a million dollars. In addition, estimated startup expenses for acquiring and adapting sophisticated banking technologies that would offer the possibility of reducing ongoing staff expense, were widely variant.

Further, without sophisticated operational infrastructure, on an appropriate scale, the bank could not be expected to serve as the City's Fiscal Agent, capable of processing the City's deposits (cash, credit card, debit card, check, PayPal), payments (checks, wires or ACH) or provide custodial services. Neither its balance sheet nor infrastructure would be adequate due to the scale of its resources. The banking deposits required to support these services would be unavailable to the Public Bank if limited to City deposits.

Three other questions that cannot be answered without a carefully worked through business plan include:

- What would be the nature and volume of loans the bank would make?
  - Would these loans benefit the City and how would they affect cash flow – short term borrowing vs. long term loans?
- Without a business plan that demonstrates viability and potential returns, what is the likelihood of raising the needed capital through a voter approved revenue bond or investment by City enterprise funds?

In addition to the cost of putting together a credible business plan to inform such operational and performance questions, the Task Force as a whole began to realize other substantial start-up costs: in staff time and engaging outside professionals to clarify and customize legal and regulatory guidelines that would allow a public bank to come into existence in New Mexico. Those costs would likely overwhelm the marginal benefit that could optimistically be realized because of the relatively small size of a Santa Fe public bank.

Beyond the need for a business plan to determine potential viability, the Task Force asked the question: "What could a public bank provide that the City's Finance Department cannot?" The broad answer was that a chartered public bank could provide loans to local businesses in the

interests of furthering economic development in Santa Fe, whereas the City's Finance Department is prohibited from doing so.

This led to a broader discussion about how to invest in and enhance the financial community well-being of Santa Fe. More specifically, the Task Force considered the Santa Fe community's financial needs, including loans for affordable workforce housing, solar loans for homeowners, loans for business new or existing that would create new local jobs and lower our 48% Countywide trade deficit (see [Appendix L](#)).

This in turn raised the question: Beyond the financial risks, why aren't Santa Fe's banks providing such finance? While a useful answer requires empirical study, anecdotal discussion of the question ranged from observations that most small business loans are too small for private banks to administer to the critical observation that long-term, fixed rate loans don't fit the business model of most banks where a secondary market doesn't exist.

By way of example, one large loan to a large corporation located anywhere may yield a significantly greater return to the bank than doing diligence and administering multiple small loans, even if they aggregate to the same amount of money loaned.

It was further observed that locally owned banks, commonly known as "community banks," are traditionally providers of local loans to small businesses. But, for a variety of reasons, community banks are a diminishing breed – with the exception of North Dakota where the ratio of community banks to state population is more than three times that in other states. This is attributed to the symbiotic working relationship the Public Bank of North Dakota has with community banks in that state.

The preceding discussions opened up more questions that go beyond the scope of the task force's work, but which it believes should be investigated:

- To what extent are Santa Fe residents' deposits in Santa Fe's banks leaving the city to be invested in other communities around the world?
- How do we keep local dollars invested in Santa Fe?
- Would a Public Bank in New Mexico provide an incentive to the creation of more community banks?

## **SANTA FE'S FINANCING NEEDS AND ECONOMIC DEVELOPMENT OPPORTUNITIES**

During these discussions and questions, the task force became aware of significant public financial needs in the public interest that go beyond the scope of what either the City of Santa Fe or a Public Bank would have the resources to address. A short list of needs, including opportunities for economic development, might include:

- Affordable workforce housing for public employees (city, county, state and public schools) who work in Santa Fe, but cannot afford to reside here. In addition to the commute times and expense for the employee to travel to Santa Fe daily from Albuquerque, Rio Rancho or Espanola, Santa Fe businesses do not have the benefit of the income that comes from providing goods and services to local residents, not to mention the loss of GRT revenue to the City.
- Accelerating the discharge of the City's infrastructure backlog. The City reports that there is in excess of \$250,000,000 in deferred infrastructure needs. Accelerating the effort will require additional financing for local construction and engineering companies to expand their operations, leading to more jobs and revenue for the City.
- Making Santa Fe carbon neutral by 2040. The City of Santa Fe has officially established this target, that includes considerably more solar electrical generation, retrofitting homes for greater energy efficiency, purchasing electric vehicles and charging station infrastructure. Finance for City improvements of its buildings, electrical use, vehicles (buses and car fleet) and charging stations, as well as loans to individual home and car owners to do likewise, is necessary to achieve this worthy goal. The additional economic and GRT revenue generation coming from this effort is also significant.
- Growing and making the City's multi-modal transit system more effective in order to support higher density affordable housing along transit corridors and reduce traffic congestion. Again, this will require financing and offers economic development opportunities.
- Small business expansion to reverse Santa Fe's severe imbalance of trade through import replacement strategies.

The Task Force took the liberty of suggesting an approach to these financing needs and economic development opportunities in Recommendation 3, below.



## CONCLUSIONS

Each of these questions and deliberations led the Public Banking Task Force to offer some conclusions and recommendations for the City to consider as a path forward.

- 1a) The City Finance Department has made considerable progress within the department toward completing the recommendations of the Public Bank Feasibility Study. In that light, the Finance Department has advised the Task Force that it has substantially improved the investment performance of its portfolio, refinanced, defeased or paid off high cost debt. These actions substantially improved its debt position to the point where Fitch Ratings upgraded the City's subordinate lien credit rating from AA to AA+ in March 2017 while affirming its AA+ rating on General Obligation and Senior Lien debt.
- 1b) Additionally, as a result of a status review of the completed Feasibility Study's recommendations, conducted by Task Force members, it was determined that there is an opportunity for the development of a clear directory on the City's website of existing City-sponsored or philanthropic-sponsored financial opportunities for public projects. (See [Appendix M](#)).
- 2 ) The current legal and regulatory requirements are not conducive to the creation of a State-chartered Public Bank and would require amending existing legal and regulatory requirements through legislation to allow for development of a Public Bank.
- 3 ) If limited to the City of Santa Fe's financial assets, the possible benefits that a Public Bank might generate are at best marginal and at worst would carry risk of non-viability because of the relatively small scale of the City's financial means, especially when weighed against the following costs:
  - a. Developing a viable business plan,
  - b. Allocating professional time toward amending legal and regulatory restraints through legislation at the State level, and
  - c. Providing banking services the City requires.
- 4 ) The Task Force briefly looked beyond the scope of its enabling resolution at the potential role a public bank could fill that the City's Finance Department cannot, because the latter is restricted from financing the private sector.

- a. While, by itself, a public bank cannot finance the magnitude of the City's infrastructure investments needed, it could have a valuable role as a financial source to leverage private and philanthropic investment in Santa Fe's economic development needs.
- b. It also could enable the retention and expansion of Santa Fe's community banks, credit unions and CDFI's that loan their depositors' money locally.

# RECOMMENDATIONS

## THE SANTA FE PUBLIC BANK TASK FORCE RECOMMENDS TO THE MAYOR AND CITY COUNCIL:

- 1) That the City of Santa Fe Finance Department continue to develop its financial strategic and operating improvements in furtherance of the recommendations in the Feasibility Study [January 2016] and other improvements not identified in the Feasibility Study.
- 2) Instead of a standalone Santa Fe Public Bank, the Task Force strongly recommends that the governing body move forward, in participation with appropriate legislative and executive officials at the State level, to investigate and then, if deemed appropriate, develop a statewide public bank in which Santa Fe would participate. We believe this more appropriate statewide scale would justify work needed to amend the current legal and regulatory restrictions. We also think incurring business planning costs and examining capitalization requirements would be justified.
- 3) With reference to the section: Santa Fe's Financing Needs and Economic Development Opportunities (pp 14-15 above), the Task Force further recommends that the governing body establish a standing committee, with adequate operational and financial resources, to enhance and coordinate a collaborative financial network for the purpose of leveraging public, private and philanthropic capital toward effectively addressing our community's critical needs.

The Committee would be composed of leaders from the private, philanthropic financial sectors and representatives from the City Council's Finance Committee, with participation from the City's Economic Development and Finance Departments in an ex officio capacity.

In addition, the Committee would promote financial literacy, and develop and manage the financial research web directory referenced in Conclusion 1.b. It would also provide a Public communication forum to the Committee regarding community needs.

The Task Force realizes that a robust and well-defined process is required to effectively pursue Recommendations 2 and 3. Individual Task Force members may be happy to assist with this.

**Santa Fe Public Bank Task Force  
Final Report to Santa Fe City Council**

**April 17, 2018**

Respectfully submitted:

CITY OF SANTA FE PUBLIC BANK TASK FORCE

David P. Buchholtz, Chair

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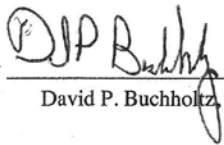
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By  \_\_\_\_\_  
David P. Buchholtz, Task Force Chair

Date 4/17/2018