



Municipal Bank Feasibility Task Force

May 31, 2018, 3:00-5:00pm

City Hall, Room 305

Minutes

I. Call to Order

Tajel Shah called the meeting to order at 3:03pm

II. Meeting Attendees

Task Force Members Present: Ada Chan, James Clark, Marc Franson, Kate Hartley, Jim Lazarus, Lauren Leimbach, Ben Mangan, Nadia Sesay, Tajel Shah, Kat Taylor, Tim Schaefer,

Task Force Members Absent: John Avalos, Paulina Gonzalez, Sushil Jacob, Teddy Ky-Nam Miller, Steve Zuckerman.

III. Welcome & Agenda Review

Tajel Shah and Molly Cohen welcome Task Force members to the meeting and provided an overview of the items on the agenda.

IV. Update on Progress & Recap

Tajel Shah provided an update on progress since the last meeting and briefly discussed the material that was covered in the last three meetings. Molly Cohen reviewed a basic bank model, walking Task Force members through a bank's balance sheet and income statement and responded to members' questions.

V. Options for Capitalization, Deposits, Products and Services, and Bank Structure

Tajel Shah and Molly Cohen discussed various capitalization options for a municipal bank including the general fund, a bond, and philanthropy as well as types of deposits that could be placed into a municipal bank, such as government and private sector deposits. Task Force members debated various options for capitalization, noting concerns around using bonds or philanthropic dollars for capitalization and suggesting research into JOBS Act crowdfunding. They also discussed deposit opportunities, noting difficulties with state law and treasury



management for government money as well as hybrid approaches to insurance such as CDARS for private money. Lastly, Tajel Shah and Molly Cohen presented on various lines of business a municipal bank could pursue to achieve policy objectives, for example an alternative to payday lending for individuals who are un- and underbanked. Task Force members suggested a focus on issues a municipal bank can address efficiently, effectively and equitably.

VI. Public Comment

Members of the public provided their insight and feedback.

VII. Adjourn

The meeting was adjourned at 4:56pm.