

**SPECIAL COMMITTEE ON ESTABLISHING A MANCHESTER
PUBLIC BANK**

August 16, 2016

5:00 p.m.

Chairman Herbert called the meeting to order.

The Clerk called the roll.

Present: Aldermen Herbert, Ludwig, O'Neil, Cavanaugh

Absent: Alderman Barry

3. [Discussion regarding a bank funding proposal prepared by the Public Banking Institute.](#)

Chairman Herbert stated the reason I called this meeting is I got a \$1,000 quote from the Public Banking Institute. They would take the CAFR and put together a proposal identifying what funds would be applicable to forming the reserves for forming a bank. They do it all the time. They have been doing it all across the country for people. The reason I want to do it is without that we don't have a discussion. Until somebody has nailed down which line items in the CAFR are applicable for bank financing we don't have anything we can do and discuss. I would like to have somebody make a motion to ask the BMA to approve \$1,000 in funding for a PBI analysis of the CAFR so we can get a report on the details of where the money would come from and why.

Alderman O'Neil asked did they indicate how many of these they may have done?

Chairman Herbert answered there is a list. They have done like 15 or 20. Santa Fe is a city and Oakland is a city. Philly has done it and they have a couple of

counties they are doing it for. It has become sort of a hot topic. It is very controversial of course because private banks are very nervous about having public banks exist. Nonetheless we don't have anything to talk about until we get a report from a professional.

Alderman O'Neil asked what year CAFR are they going to use?

Chairman Herbert answered the one I am looking at which is year ended June 30, 2015. That is the last one we got.

Alderman O'Neil asked and they only need one year?

Chairman Herbert replied yes. They take that year as a snapshot and say this is where we are coming from. I think the CAFR itself is a fairly formal presentation. The categories aren't really going to change. The numbers in them may change. I have difficulty because I see the money and I know where I would go after it but I need to have somebody who is a professional accountant look at it. I tried this with our own City accountants. I asked them if they have ever done a public bank and they said no. It is expertise that you can't get just anywhere. I thought that \$1,000 given the fact that we are talking about a physical space that occupies about \$17 million a year in our operational budget it is probably a good idea to at least know if we have a...they may come back and say you are not there yet so that his cheap.

Alderman Cavanaugh asked so this will just give us information and then we can vote it down or vote it up. This just gives us more information to decide.

Chairman Herbert responded right. There are multiple questions that follow this analysis. Some of them are political and some are just dollars and cents but we don't know exactly what those issues are going to be until we get a report.

On motion of Alderman O'Neil, duly seconded by Alderman Cavanaugh, it was voted to recommend that the City spend \$1,000 for a Public Banking Institute report on the possibility of instituting a public bank in Manchester.

Alderman O'Neil asked will the Finance Officer be identifying a funding source?

Matthew Normand, City Clerk, answered that is up to this committee. The motion at this time is to go to the board seeking \$1,000 and the board would ultimately have to ask the Finance Officer where the funding could come from or make a motion to take it out of contingency or whatever the will of the board is.

Alderman O'Neil asked so you are recommending that we just send it to the board?

City Clerk Normand replied yes seeking the funding and somebody will have to ask that question when it comes up at the September 20 meeting. If this committee wants to make a recommendation, they could do that.

There being no further business, on motion of Alderman Ludwig, duly seconded by Alderman O'Neil, it was voted to adjourn.

A True Record. Attest.



Clerk of Committee