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# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Katano Kasaine  
Director of Finance

**SUBJECT:** Public Bank Feasibility Study  
Supplemental Report

**DATE:** June 26, 2017

City Administrator Approval

*Christine O'Neil for SBC*

Date:

*7/6/17*

## RECOMMENDATION

Adopt A Resolution (1) Amending The City Of Oakland's Fiscal Year (FY) 2016-17 Midcycle Budget (Which Was Adopted Pursuant To Resolution No. 86250 C.M.S. On June 21, 2016) To Appropriate One Hundred Thousand Dollars (\$100,000), From The Fiscal Year 2016-17 General Purpose Fund (1010) Balance For A Contract To Complete A Feasibility Study On Public Banking In Oakland, And (2) Authorizing The City Administrator Or Her Designee To Negotiate A Scope Of Work, Terms And Execute A Contract With Global Investment Company In An Amount Not To Exceed One Hundred Thousand Dollars (\$100,000).

## REASON FOR SUPPLEMENTAL

At the June 20, 2017 City Council meeting staff was directed to return to City Council with information about the cannabis industry and other neighboring cities' willingness to contribute funds to the feasibility study for a multi-jurisdiction public bank.

## ANALYSIS AND POLICY ALTERNATIVES

Staff reached out to neighboring cities and inquired if they are willing to participate and contribute funding to complete the feasibility study. Staff received the following responses:

1. **City and County of San Francisco** is open to participating and may be willing to commit some funding; however, that would require a more detail and thorough discussion with the Office of the Treasurer and Tax Collector on the funding amount and scope of services provided by the feasibility study before they can move forward.
2. **City of Santa Rosa** indicates that they do not have the resources at this time to participate or contribute funding towards the public bank matter. They are focused on other higher priorities such as homelessness and housing in the City of Santa Rosa.
3. **City of Berkeley** approved a resolution on June 27, 2017 supporting the efforts of the City of Oakland in creating a public bank. They are open to exploring the idea of sharing in the cost, however, they will need a proposal of the required contribution

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amount towards the feasibility study PRIOR to the study completion, they will then take it through the necessary process.

4. **City of Emeryville** provided the following statement: "The City of Emeryville is interested in participating in the study to learn more about how public banking can potentially benefit our community. That initial information will help us to determine the next steps including potential contribution."
5. **City of Richmond** indicates that their adopted Resolution 56-17 only agreed to consider a financial contribution to a business plan for a regional public bank pending a positive outcome of the feasibility study paid for by Oakland. Since the City just adopted a balanced budget, they don't believe that they are in a position to contribute to the regional feasibility study.

At this time, staff has not received any definitive commitments regarding either the cities or the cannabis industry's willingness to contribute funds to complete a feasibility study on the public bank.

#### **FISCAL IMPACT**

**If City Council chooses not to adopt the resolution, there is no fiscal impact.**

On June 29, 2017, the City Council approved the Fiscal Year 2017-2019 Budget, which includes \$75,000 for the public bank feasibility study, not \$100,000 as outlined in the scope of work.

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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff **does not** recommend that the City Council adopt a resolution (1) amending the City of Oakland's Fiscal Year (FY) 2016-17 Midcycle Budget (which was adopted pursuant to Resolution No. 86250 C.M.S. on June 21, 2016) to appropriate one hundred thousand dollars (\$100,000), from the Fiscal Year 2016-17 General Purpose Fund (1010) Balance for a contract to complete a feasibility study on Public Banking In Oakland, and (2) authorizing the City Administrator or her designee to negotiate a scope of work, terms and execute a contract with Global Investment Company in an amount not to exceed one hundred thousand dollars (\$100,000).

For questions regarding this report, please contact Katano Kasaine, Director of Finance, at (510) 238-2989.

Respectfully submitted,



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