

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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HELD AT: Remote Hearing (Virtual Room 3)

B E F O R E: Daniel Dromm
CHAIRPERSON

COUNCIL MEMBERS:
Adrienne Adams
Alicka Ampry-Samuel
Diana Ayala
Selvena Brooks-Powers
Robert Cornegy, Jr.
Lauri Cumbo
Darma Diaz
Oswald Feliz
Vanessa Gibson
Barry Grodenchik
Karen Koslowitz
Farah Louis
Steven Matteo
Francisco Moya
Keith Powers
Helen Rosenthal
Jimmy Van Bramer

A P P E A R A N C E S (CONTINUED)

Jeff Shear, Deputy Commissioner of
Treasury and Payment Services
Department of Finance

Mary Christine Jackson, Assistant
Commissioner
Department of Finance

Andy Morrison, Associate Director
New Economy Project

Jamie Weissberg
Association for Neighborhood and Housing
Development

Christopher Fasano

Jamel Henderson
New York Community for Change

Ivan Young
Senator Sanders' Office

Jodie Leidecker, Organizer
Coopers Square Committee

Tousif Ahsan
NYPERG [sp?]

Linda Levy
Lower East Side People's Federal Credit
Union

Gregory Jost
Banana Kelly Community Improvement
Association

Ben Fuller Googins, Program and Planning
Director
Carol Garden Association

Scott Trumbull, Co-director
The Working World

John Paraskevopoulos
Democratic Socialists of America

1 COMMITTEE ON FINANCE

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2 SERGEANT-AT-ARMS: Cloud is started.

3 SERGEANT-AT-ARMS: Sergeant Leonardo, can
4 you start your recording, please?

5 SERGEANT-AT-ARMS: Cloud is rolling.

6 SERGEANT-AT-ARMS: Thank you. Good morning
7 and welcome to today's remote New York City Council
8 hearing of the Committee on Finance. At this time,
9 would Council staff please turn on their video.
10 Please place electronic devices on vibrate or silent.
11 If you wish to submit testimony, you may do so at
12 testimony@Council.cNYC.gov. That is
13 testimony@Council.NYC.gov. Thank you. Chair, we are
14 ready to begin.

15 CHAIRPERSON DROMM: Thank you and good
16 morning to everyone for attending today's virtual
17 hearing. I am Council member Daniel Dromm and I'm
18 the Chair of the Finance Committee. I have been
19 joined by my colleagues. I don't have the list yet,
20 but I am going to look. Minority leader Matteo,
21 Council member Moya, Council member Kozlowitz,
22 Council member Levine, Council member and Chair
23 Cornegy, Council member Ampry-Samuel, Council member
24 Ayala, Brooks-Powers, Council member Dharma Diaz,
25 Council member Gibson, Grodenchik, Levine, Moya,

2 Powers, and Rosenthal. And if I get others, I will
3 make that announcement as well. Today's hearing will
4 focus on four pieces of legislation. Intro number
5 2099, sponsored by Council member Levine would
6 require the Department of Finance to a report on the
7 cities use of depository financial services.
8 Proposed intro number 2100 A also sponsored by
9 Council member Levine, would require the Office of
10 Management and Budget to report on the city's use of
11 nondepository financial services. Intro number 2164,
12 sponsored by Council member Rosenthal, would require
13 the banking commission to provide additional notice
14 and road guard to public meetings and Reso number
15 1600, sponsored by Council member Cornegy, would
16 support the passage a pending state legislation that
17 would authorize the establishment of public banks in
18 New York. Last fiscal year, more than \$106 billion
19 passed through the city's coffers. The revenues came
20 from taxes, state and federal sources, and municipal
21 bond sales, but we didn't spend all these funds as
22 quickly as they came in. Instead, much of that cash
23 was first diverted into a network of bank accounts
24 and short-term investments until such time as it was
25 needed to satisfy liabilities like payroll or

2 contracts or capital expenses. Today's hearing will
3 explore the city's existing role as a customer of
4 financial services and ask whether that could or
5 should change. The goal of these bills and this
6 hearing is not to question the integrity of the
7 city's treasury function or the representatives who
8 work hard to make the city a return on its revenue.
9 Rather, the issue is one of transparency and
10 oversight. By hearing these bills today, I hope we
11 can learn more about what kind of deal the city gets
12 on its deposits and non-pension investments and with
13 its financial service partners. There is a rival
14 model advanced not only by advocates, but also by
15 some of our esteemed partners in Albany. They
16 advocate that the city and/or the state should have
17 the authority to charter one more public banks that
18 should receive the city or the states revenues and
19 land out excess cash in furtherance of social goals
20 and at a profit. Over 100 years ago, the legislature
21 of North Dakota chartered such a public bank. In the
22 years since, that bank has made loans to local banks
23 to help expand their reach and thereby expand banking
24 access at better terms. Two employers who, as a
25 result, have been able to expand their payrolls and

2 to students who have been able to borrow for college
3 at subsidized rates. They were able to do this all
4 while transferring more than 1 billion in profits
5 back to the state general fund. I don't presume to
6 know whether that model could be adapted from the
7 high Prairie to New York City, but to even have that
8 conversation, we first need to know more about our
9 current practices. Before we hear from the
10 administration, I am going to invite the sponsors of
11 the four bills to make remarks and now I would like
12 to turn it over to Council member Mark Levine.

13 COUNCIL MEMBER LEVINE: Thank you so much,
14 Chair Dromm. Thank you for continuing to use your
15 role as Chair of the Finance Committee to advance
16 progressive economic policy as you have done now for
17 these three and a half years and thank you for
18 fitting in this hearing in the midst of what is the
19 busiest season for that Finance Committee and for you
20 and your staff. It's a really big deal that this is
21 happening now and I am just so grateful for your
22 leadership and making it possible. The profound
23 inequality revealed and exacerbated by this pandemic
24 simply cannot be ignored. Returning to the status
25 quo is not an option. We need bold new tools now to

2 battle inequality to advance racial justice and
3 environmental justice and building a public bank in
4 New York City is exactly the kind of bold plan we
5 need. It would tap the potential of billions of
6 dollars our city has on deposit right now at
7 commercial banks. This is the public's money and it
8 should and could be invested in our communities. In
9 green energy, and worker co-ops, and affordable
10 housing, and community development credit unions.
11 Instead, today, this money, our money, is sitting at
12 institutions that finance fossil fuel extraction,
13 private prisons, weapon manufacturers, and other
14 harmful industries. Bad behavior in banking is
15 nothing new. From redlining to the foreclosure
16 crisis to high-interest payday loans, mainstream
17 financial institutions have long exacerbated racial
18 inequality. They continued this bad behavior even
19 during the pandemic. For example, making it
20 difficult for small businesses to access PPP loans
21 were charging exorbitant overdraft fees to low income
22 New Yorkers at the moment of great economic pain.
23 Public banking offers a better way. It would let us
24 put some of the city government deposits in it and
25 stick to and that is accountable only to us, to the

2 people of New York City. And, today, we are taking a
3 giant step forward towards this goal with the first-
4 ever city Council hearing on this topic. I want to
5 say a quick word about the two bills that I am
6 pleased to be sponsoring: Intro 2199 which would
7 require the city's Department of Finance to submit a
8 quarterly report with the average daily balance is,
9 interest rates, and fees for each of the cities
10 depository accounts, and Intro 2100, which would
11 require the city's Office of Management and Budget to
12 produce a quarterly report on accounts at
13 nondepository institutions, including money market
14 accounts and bond issues with reports on balances,
15 returns, fees, and a variety of other costs. We need
16 this information. The public should have this
17 information so that we understand where our money is
18 and what it is costing us. We must seize this moment
19 to act boldly to tackle profound inequality
20 exacerbated by this pandemic. He returned to the
21 status quo is not an option. The time is now to
22 create a banking institution that would do what Wall
23 Street hasn't and won't: invest the public money to
24 advance economic, racial, and environmental justice
25 in New York City. And I, again, want to thank you,

2 Chair Dromm, for bringing this legislation forward to
3 a hearing and for fitting this into this busy
4 calendar. We are grateful for your leadership and I
5 am so excited for this important conversation today.
6 Back to you, Mr. Chair. Thank you.

7 CHAIRPERSON DROMM: Thank you, Chair--
8 Levine. And thank you for your very kind words. We
9 will now hear from Council member Cornegy.

10 COUNCIL MEMBER CORNEGY: Good morning.

11 CHAIRPERSON DROMM: Good morning.

12 COUNCIL MEMBER CORNEGY: First of all,
13 I am just really excited to be a part of this
14 conversation and to be a [inaudible 00:09:04] in
15 partnership with some of the most forward thinking
16 Council members, including the Finance Chair around
17 issues that are germane, especially to marginalized
18 communities like the one that I represent. We can
19 never get to a place of social justice and equity
20 without addressing banking and without addressing the
21 inequity as it relates to our financial institutions.
22 So, thank you, Chair Dromm in the Finance Committee,
23 for hearing that important legislation today. I want
24 to speak briefly in support of the resolution I
25 sponsor, Resolution 1600. A public bank would be a

2 powerful tool in service of the people of our city.
3 Our profits over people mindset has all sorts of
4 damaging consequences from environmental degradation
5 and indifference to the well-being of vulnerable
6 communities to redlining and underinvestment in the
7 genius of our communities. A profits over people
8 mindset Mrs. so much that we ought to value. That is
9 why the public minded vision a New York City public
10 bank would offer is so important. Our colleagues in
11 the state legislature need to know that in founding
12 the public bank, our city has the opportunity to put
13 a multibillion dollar voice behind our value.
14 Valuing MWBE's and small businesses. Valuing our
15 immigrant communities. Valuing Community Land Trusts
16 and worker co-ops. Valuing community development,
17 financial institutions. Valuing the renewable energy
18 and environmentally conscious construction and
19 valuing so much more. Resolution 1600 and the
20 legislation we consider today is one step on the road
21 towards making a New York City public bank an
22 absolute reality. I look forward to the testimony we
23 will hear today and the partnerships we continue to
24 forge to center disempowering vision of public
25 banking. I want to close by expressing my profound

2 gratitude to all those whose efforts got us this far
3 and I believe our collective efforts will get us over
4 the finish line. Thanks to Council member Levine and
5 all colleagues on the Council who see the importance
6 of these steps towards a New York City public bank.
7 I also want to express my gratitude for the years of
8 hard work of all the advocates and community
9 residents engaged in this issue. Thank you, again,
10 Counsel member Dromm, like my colleagues said for
11 fitting this and making it a priority, especially in
12 this season. Thank you.

13 CHAIRPERSON DROMM: Thank you, Council
14 member Cornegy. And thank you, again, also for your
15 kind words. So, today we are joined by
16 representatives of the Department of Finance, it
17 Deputy Commissioner Jeff Shear, and assistant
18 commissioner Mary Christine Jackman who serves as the
19 cities treasurer. Before we hear their testimony, I
20 will turn it over to our committee counsel for some
21 procedural announcements and then to swear in the
22 witnesses.

23 COMMITTEE COUNSEL: Good morning,
24 everybody. And thank you, Chair Dromm. My name is
25 Rebecca Chiasson and I am counsel to the New York

2 City Council's Committee on Finance. Before we begin
3 with testimony from the administration, I want to
4 remind everyone that you will be on mute until you
5 are recognized to speak at which time you will be on
6 muted by the zoom host. If you mute yourself after
7 you have been on muted, you will need to be on muted
8 again by the host. Please be aware that there could
9 be a delay in muting and un-muting, so please be
10 patient. I will be calling on panelists to testify,
11 so please listen for your name to be called. We will
12 begin with testimony from the administration which
13 will be followed by testimony from members of the
14 public. During the hearing, if Council members would
15 like to ask a question, please use the zoom raise
16 hand function and you will be called on. We will be
17 limiting Council member questions to five minutes,
18 including responses. I will now administer the
19 affirmation to the administration witnesses and you
20 will be called on to so affirm at the end. Do you
21 affirm that your testimony will be truthful to the
22 best of your knowledge, information, and belief?
23 Deputy Commissioner Shear?

24 DEPUTY COMMISSIONER SHEAR: I do.

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2 COMMITTEE COUNSEL: Assistant

3 Commissioner Jackman?

4 ASSISTANT COMMISSIONER JACKMAN: I do.

5 COMMITTEE COUNSEL: Thank you. Deputy

6 Commissioner Shear, you may begin your testimony when

7 ready.

8 DEPUTY COMMISSIONER SHEAR: Thank you.

9 Good morning, Chair Dromm and members of the finance

10 committee. My name is Jeffrey Shear and I am the

11 deputy commissioner for treasury and payment services

12 at the New York City Department of finance. I am

13 joined today by my colleague, Mary Christine Jackman

14 the city's treasurer. We are here to discuss the

15 package of legislation in relation to the city's

16 treasury and DOF's role with the New York City

17 Banking Commission. DOF ensures that city deposits

18 are protected and designated, financially secure

19 banks, promotes competition among banks and

20 endeavoring to provide financial services to the city

21 in order to reduce costs and monitors the billing and

22 administration of the bank accounts. Much of this

23 work is done via the New York City Banking Commission

24 which designates banks for city deposits and makes

25 recommendations on the interest rates to be charged

2 for property taxes. This testimony will cover the
3 two pieces of legislation which the Department of
4 Finance would work with you on. Introduction 2164
5 and Introduction 2099. The Office of Management and
6 Budget has submitted written testimony for
7 Introduction 2100 A. Introduction 2099, which was
8 introduced by Council member Levine would require the
9 Commissioner to make quarterly reports regarding the
10 departments the Council of deposit, disaggregated by
11 account, and re-aggregated by bank or trust company.
12 As the bill is written, the department offers its
13 support as long as a few changes are made such as
14 providing adequate time for implementation and
15 excluding the city's smallest accounts from
16 reporting. Overall, this bill is something that we
17 look forward to working with you and the
18 administration on later in the process. Introduction
19 2164, which was introduced by Council member
20 Rosenthal, would require New York City Banking
21 Commission to provide notice of public meetings and
22 the city record and on its website no less than 30
23 days before the date of a public meeting. It also
24 would require that the notice be electronically
25 transmitted to the Office of the Speaker of the

2 Council, each Council member, and the Chairs of all
3 community boards no later than the date the notice is
4 published. As is the case with the previous bill, we
5 support the spirit of the bill with the reduction of
6 the notice period and or adding a provision to
7 address emergency cancellations. In the interest of
8 public transparency, that Banking Commission complies
9 with the New York State Open Meetings Law provides
10 that notice of meetings to the Speaker's Office in
11 the city record and on the Banking Commission website
12 14 days in advance and provides a live video stream
13 for all of its meetings. However, we believe that
14 the 30 day notice period could prove problematic in
15 the event that a meeting needs to be unexpectedly
16 rescheduled since the Banking Commission is legally
17 obligated to meet certain deadlines such as the May
18 13th deadline to make property tax interest rate
19 recommendations to the city Council and the biannual
20 May 31st deadline for bank designation. I want to
21 thank Chair Dromm and members of the committee for
22 taking the time to listen to our testimony and I am
23 here along with Ms. Jackman to answer any questions
24 that you may have regarding the legislation.

2 CHAIRPERSON DROMM: Okay. Thank you
3 very much and I am going to go now to questions that
4 I have and then we will turn it over to the sponsors
5 and then to other Council member questions. So, my
6 first one is in relation to Intro 2099 and, for the
7 benefit of those listening, can you please describe
8 the functions of the treasury division and DOF's role
9 in managing the city's cash?

10 DEPUTY COMMISSIONER SHEAR: So, I'm going
11 to let the city's treasurer, Mary Christine Jackman,
12 review all of the functions of the treasury division.

13 ASSISTANT COMMISSIONER JACKMAN: Good
14 morning. The treasury division is responsible for
15 every penny into and out of the city. We have a
16 section that is devoted to the cash management that
17 make sure that all of the money is accounted for and
18 recorded and then properly invested. We have a
19 division that is called Banking Services which is the
20 group that is doing the reporting for Intro 2099 and
21 they are responsible for all of the RFPs for Banking
22 Services. The responsible for all of the
23 relationships, they are responsible for all of the
24 bank day today bank operations and making sure that
25 the correct signatories are on each account, that the

2 correct services are on each account, and that all
3 accounts are still need and necessary and then, we
4 are responsible also for court assets. So, our core
5 assets division is taking care of trust accounts and
6 bail money and then we have another division that
7 does strictly analysis for like the budget and things
8 like that.

9 CHAIRPERSON DROMM: Thank you. And can
10 you tell us how many staff were in the treasury
11 division and what are their titles and are there any
12 vacancies?

13 ASSISTANT COMMISSIONER JACKMAN: In the
14 treasury, there is currently 27 employees. There are
15 many different titles. We have a director of cash
16 management and he has three people reporting to him.
17 We have the director report assets and she has a
18 number of people reporting to her, and then we have
19 the Bank Analysis division and there is a director
20 and two people in that division. And then, in the
21 Banking Services division, there should be a director
22 and for reports.

23 CHAIRPERSON DROMM: Okay. Thank you.
24 We have been joined by Council members Cumbo and
25 Louis, as well. You mentioned that you have RFPs.

2 Can you describe the types of RFPs that are issued by
3 you?

4 ASSISTANT COMMISSIONER JACKMAN: Oh, of
5 course. Right now, we are completing the central
6 treasury RFP which is for services for deposits and
7 investments in custody and other of the general
8 larger banking needs. Then we will be issuing a new
9 RFP in a few months for banking services which
10 includes many of the things that most people would
11 think of and that it is like the school accounts. It
12 is other agency accounts for programs or accounts for
13 grants. There is also a section of accounts for
14 escrow accounts because the city is responsible for a
15 lot of money that doesn't technically belong to the
16 city, but we are the guardians of it. So, there's
17 all of those accounts that will be under the banking
18 services RFP. Then there will be another RFP for
19 miscellaneous banking services that covers absolutely
20 everything else that wasn't covered by the previous
21 to RFPs and those are the three major RFPs that we
22 do. We also have like an RFP for transportation of
23 cash because we have some localities that that cash
24 needs to be transported safely. We have a couple of
25 RFPs that we issue for other ancillary financial

2 needs, but that ensures that we are getting the best
3 and the lowest price for the city.

4 CHAIRPERSON DROMM: And you mentioned
5 schools. Do you mean individual school budget
6 accounts and or PTA?

7 ASSISTANT COMMISSIONER JACKMAN: The city
8 tax ID should only be on official school accounts and
9 right now, as you know, there are 1604 different
10 schools. So, we have bank accounts for each one of
11 those schools and a number of the schools have
12 additional accounts for other needs that they have,
13 so, the city's tax ID is on the official accounts.

14 CHAIRPERSON DROMM: Okay. And can you
15 tell us the costs for the RFPs?

16 ASSISTANT COMMISSIONER JACKMAN: It
17 depends on what is bid. When we go out for an RFP,
18 we put out a list of the services that are needed and
19 then the banks that respond provide their pricing and
20 there is a range of pricing depending on the
21 institution that response.

22 CHAIRPERSON DROMM: Can you provide us
23 with that information after the hearing?

24

25

2 ASSISTANT COMMISSIONER JACKMAN: I will
3 see what we have available from purchasing, yes.
4 That--

5 DEPUTY COMMISSIONER SHEAR: We certainly
6 can provide all three current contracts to the
7 committee after the hearing.

8 ASSISTANT COMMISSIONER JACKMAN: Yes.

9 CHAIRPERSON DROMM: Okay. Thank you.
10 Do you know how many depository bank accounts the
11 city currently has and can you describe their
12 different purposes?

13 ASSISTANT COMMISSIONER JACKMAN: Sure.
14 Right now we have over 4000 accounts, but a number of
15 those are escrow accounts, so the actual working city
16 bank accounts, we have about-- give or take because
17 we are always in the process of opening and closing
18 accounts. We have 3176 as of March 31st. The
19 purposes--

20 CHAIRPERSON DROMM: Did you--

21 ASSISTANT COMMISSIONER JACKMAN: I'm
22 sorry?

23 CHAIRPERSON DROMM: No. Go ahead. I'm
24 sorry.

2 ASSISTANT COMMISSIONER JACKMAN: No. It's
3 okay. I was just going to say the purposes are--
4 you know, the happy purposes our revenue collection.
5 We like those accounts. But there is also accounts
6 necessary for liability disbursements and vendor
7 payments. There are special-purpose accounts that
8 depend on like grants or special programs that we
9 have where the money needs to be segregated. We
10 have, as I said, the escrow accounts. We have court
11 cases. We have payroll accounts. We have agency
12 accounts which are specific to their programs and
13 their needs and then we have the BDD accounts which
14 is the banking development districts.

15 CHAIRPERSON DROMM: So, do the agencies
16 have direct access to the accounts or are they
17 managed by DOF?

18 ASSISTANT COMMISSIONER JACKMAN: DOF helps
19 make sure that they get the best pricing on their
20 accounts, although they are free to go to any
21 designated bank, if it is appropriate. But they
22 usually come through DOF because we have the
23 expertise and we can help them make sure that the
24 right safeguards are in place on their accounts.

2 CHAIRPERSON DROMM: And how do you put
3 those controls on the accounts to ensure that they
4 are used for the proper purposes?

5 ASSISTANT COMMISSIONER JACKMAN: We set
6 them up with the banks so that the specific
7 safeguards are all on the accounts and that we have a
8 process where we make sure that not just anyone is a
9 signatory on an account. Depending on their function
10 in their need to be part of the signatory process.

11 CHAIRPERSON DROMM: In general, what is
12 the range of amounts that are held in each of the
13 cities accounts and do you know how much is being
14 held in each account right now?

15 ASSISTANT COMMISSIONER JACKMAN: I know as
16 of last night, yes. I can give you the numbers that
17 have been thoroughly checked. Our March 31 and we
18 had as much as zero in some accounts because those
19 are sweep accounts and all of the money is taken out
20 every night. So, those accounts have zero. Then the
21 highest account on March 31st was \$196 million and
22 that was one account. Now, keep in mind that the
23 money is constantly moving through these accounts and
24 so that is a point in time. So, as of March, there

2 was 1.5 billion in all of these accounts across the
3 city. As of last night, there was 1.2 billion.

4 CHAIRPERSON DROMM: Okay. Thank you.
5 Sorry for my dogs barking.

6 ASSISTANT COMMISSIONER JACKMAN: All good.

7 CHAIRPERSON DROMM: The city's cash
8 flow was currently handled on two separate tracks.
9 DLF manages cash to the depository services and the
10 comptrollers Bureau of Asset Management is
11 responsible for managing investments in cash
12 equivalents. What is the logic both in holding some
13 of our money in cash and sell him in cash equivalent
14 investments?

15 ASSISTANT COMMISSIONER JACKMAN: Biologic
16 in that is to try and have the money work to the
17 fullest advantage of the city. The investments, of
18 course, because they are for set time periods, they
19 earn higher rates of interest. That cash in the
20 accounts usually isn't staying there very long. It
21 is usually moving through for another purpose and so,
22 that money, lower returns and lower interest on those
23 accounts is because the money is highly liquid.

2 CHAIRPERSON DROMM: Bank can you just
3 describe the logic for having the two different
4 functions handled by two separate offices?

5 ASSISTANT COMMISSIONER JACKMAN: That
6 predates me and I think that goes back quite a ways,
7 but I will research it further that that is just how
8 New York City chooses to handle it.

9 CHAIRPERSON DROMM: So, do you
10 coordinate with the comptroller's office while you
11 are--

12 ASSISTANT COMMISSIONER JACKMAN:
13 Constantly.

14 CHAIRPERSON DROMM: separately handling
15 these two functions?

16 ASSISTANT COMMISSIONER JACKMAN:
17 Constantly. We are in constant contact with
18 them. We are constantly telling them what we see as
19 our forecasted outflows and then we advise them as to
20 where they should be putting the money when we are
21 going to need it next so that they can invest for the
22 longest time period possible while still having the
23 money available. And we are in constant contact with
24 them about needs because things change. You know, a
25 grant more money comes in sooner than expected or

2 money has to go out sooner than expected. So, we are
3 in constant daily-- multiple times during the day we
4 are in contact with the comptroller's office.

5 CHAIRPERSON DROMM: Okay. Thank you.

6 Now, in regard to the Reso 1600 sponsored by Council
7 member Cornegy, do you have an opinion on how well
8 New Yorkers are served by the existing banking
9 institutions and arrangements?

10 ASSISTANT COMMISSIONER JACKMAN: I think
11 that the entire group is working as hard as we can to
12 make sure that the citizens of New York are served
13 well.

14 CHAIRPERSON DROMM: Okay. Let me go
15 down to my next question. Are you aware of what the
16 administration has evaluated the state legislature
17 public bank proposals or any other public bank
18 proposals?

19 DEPUTY COMMISSIONER SHEAR: So, we, the
20 Department of Finance has not fully evaluated the
21 proposal. Our opinion, at a high level is that we
22 are going to do for to the state legislature
23 regarding the establishment of public banks. We do
24 feel it is very important in considering the
25 establishment of a public bank that consideration be

2 given for protecting the large initial investment
3 needed to capitalize a new bank.

4 CHAIRPERSON DROMM: Deputy

5 Commissioner, can you speak to some of the pros and
6 cons of a public bank?

7 DEPUTY COMMISSIONER SHEAR: Well, I think
8 that you and Council member Levine have spoken very
9 eloquently about some of the pros for having a public
10 bank and we do not dispute that. We do feel that
11 establishing a public bank is a very complex task to
12 do and that it can be challenging for a public bank
13 to balance the need to protect the public funds that
14 establish the bank, capitalize it, versus the
15 important public goals to provide better, cheaper
16 services from the banking community. So, there is a
17 tension that they are and we think there has to be a
18 lot of important work done to ensure that, if such a
19 bank is created, that the public funds are protected.

20 CHAIRPERSON DROMM: Okay. Thank you.

21 I am sure we are going to hear more about that later
22 on, as well. Now, in regard to Council member
23 Rosenthal's legislation, can you describe the process
24 of how the banking commission currently makes notices
25 of its public hearings and what are the existing

2 legal requirements that govern your public noticing
3 process? I know you said you had concerns about the
4 May date and the 30 days issue. So, can you just
5 talk a little bit more about that?

6 DEPUTY COMMISSIONER SHEAR: Yes. So, I
7 will start to and then Treas. Jackman will provide
8 details. So, we do follow the state's open meeting
9 law and that requires 72 hours' notice. We exceed
10 that requirement by providing 14 days advanced notice
11 and we do currently publish in the city record and we
12 do currently and informed the Council Speaker of the
13 meetings. The two meetings that are required are the
14 ones for our recommending to the city Council,
15 interest rates charged on delinquent property tax
16 payments. At that same meeting, we also recommend
17 the early payment discount rate for property taxes
18 and, by the New York City administrative code, we are
19 required to make that recommendation to the Council
20 no later than May 13 every year. The other meeting
21 that is required is every other year the Banking
22 Commission makes its designation of which banks can
23 hold deposits from city agencies. We are currently
24 in a year where that is occurring, so we have
25 received applications from banks and we are

2 processing them and the Banking Commission must make
3 its designations by the end of May. So, in those two
4 examples, in particular, we want to make sure that,
5 if something happens, if one of the three banking
6 commission members for whatever reason can't make a
7 meeting, that we don't have to push out the meeting
8 30 days and then be in conflict with legal
9 requirements, especially a legal requirement where we
10 have to report to the Council as we take counsel
11 requirements very seriously. Mary Christine, Treas.
12 Jackman, is there anything that you would like to add
13 that I may have omitted?

14 ASSISTANT COMMISSIONER JACKMAN: Well, I
15 think it is important to know that we have always
16 done at least 14 days' notice, that we do publish in
17 the city records, that we do notify Council as soon
18 as possible and that to the word gets out and then we
19 stream every single meeting now. So, I think that we
20 are definitely with the spirit of it. It's just hard
21 to get the comptroller's office, the Mayor's Office,
22 and the Finance Office to have time available would
23 you are talking about deadlines. So, we definitely
24 have to meet the 513 deadline and we definitely have
25 to meet the 531 deadline. So, if anything were to

2 happen in there and if the pandemic has taught us
3 anything, but it has taught us that things happen.
4 The 30 days is really problematic. So, that is the
5 only reason why we are asking for a little bit more
6 consideration on that.

7 CHAIRPERSON DROMM: Okay. Thank you.

8 DEPUTY COMMISSIONER SHEAR: I'm sure that
9 that is something that we can work out with the
10 Council. We want to be flexible and, again, we
11 support the underlying spirit of the bill.

12 CHAIRPERSON DROMM: Right. I
13 understand. Yep. How many times a year does the
14 Banking Commission meet? And are they typically held
15 like the same time every year or is it quarterly?
16 How does that work?

17 DEPUTY COMMISSIONER SHEAR: So, there
18 are-- Usually, there's one or two meetings a year,
19 depending on whether there is a year where we are
20 designating banks. So, this year is a year with two
21 meetings. Some years there is only one meeting for
22 the property interest rate recommendations. It is
23 possible that, if there is a pressing need, that the
24 Banking Commission could have a special meeting.
25 Those do not occur frequently, but occasionally.

2 CHAIRPERSON DROMM: Okay. Now, I know
3 you mentioned some of the business that was addressed
4 at the meetings. Is there any other business that is
5 discussed and is there any type of business that is
6 conducted outside of the public process?

7 DEPUTY COMMISSIONER SHEAR: So, the other
8 business I can think of is the BDD program. The
9 Banking Development District Program. So, deposits
10 made by the city. That is usually done through
11 Banking Commission Meetings. I can't think of
12 anything else that comes to mind for the moment. I
13 defer to treasurer Jackman if there is other business
14 in the commission. I am not aware of any business
15 that the Banking Commission does that is not part of
16 the public meeting process.

17 ASSISTANT COMMISSIONER JACKMAN: It is my
18 understanding that there is nothing done outside of
19 the public meeting process. Everything is handled
20 with public meetings.

21 CHAIRPERSON DROMM: Okay. Thank you.
22 I am going to turn it over now to Council member
23 Levine who has questions and I do see that we have
24 also been joined by State Senator Sanders and also by

2 Council member Jimmy Van Bramer. Council member
3 Levine?

4 COUNCIL MEMBER LEVINE: Thank you so much,
5 Mr. Chair. Thank you for that excellent line of
6 questioning. I neglected to thank some of the staff
7 in my opening statement who have worked so hard to
8 make this hearing possible in the midst of their
9 busiest time of year. They would normally be working
10 round-the-clock just on the budget stuff, but I am
11 really grateful to Rebecca Chasten and know what
12 Brick and also on your staff, Mr. Chair, Robin
13 Forrest who has been incredibly active and helpful in
14 all this. And, similarly, I am grateful that the
15 Department of Finance is here today in the midst of a
16 busy season. So, thank you, Deputy Commissioner
17 Shear and Treasurer Jackman. I heard you cite a
18 number for the amount that we have on deposit at
19 commercial banks, but I am not sure if that was all
20 inclusive of some of the money that we have in non-
21 depository institutions and I understand that some of
22 them might be run through OMB. But can you give us a
23 sense of the totality of money that we have at both
24 depository and nondepository institutions?

2 ASSISTANT COMMISSIONER JACKMAN: Yes,
3 Council member. The money on deposit, as I said,
4 last night was 1.2 billion.

5 COUNCIL MEMBER LEVINE: Thank you. Sorry.
6 Mute issue there. Okay. So, and how much of that is
7 in depository institutions?

8 ASSISTANT COMMISSIONER JACKMAN: The 1.2
9 billion is in the depository institutions.

10 COUNCIL MEMBER LEVINE: But what about
11 money in money market funds and other types of
12 instruments?

13 ASSISTANT COMMISSIONER JACKMAN: I don't
14 believe we have anything in money market funds, but
15 that would be the investment piece.

16 COUNCIL MEMBER LEVINE: And how much does
17 this vary over the course of a year? What would be
18 the high water mark of it?

19 ASSISTANT COMMISSIONER JACKMAN: Well, the
20 money is always in motion, so I would think that
21 somewhere we might be a little bit north of the 1.5
22 billion that we hit on 31 March, but I would expect
23 that most of the time we would be under that.

24 COUNCIL MEMBER LEVINE: Right. Understood.
25 What kind of fees are we incurring with these

2 institutions? What is the total annual outlay for
3 banking fees?

4 ASSISTANT COMMISSIONER JACKMAN: May I
5 please come back to you with the correct number for
6 that? I can ballpark it, but I would like to give
7 you the correct number.

8 COUNCIL MEMBER LEVINE: Certainly. But
9 this is extremely important information because--

10 ASSISTANT COMMISSIONER JACKMAN: Yes.
11 Understood. Understood.

12 COUNCIL MEMBER LEVINE: And, similarly, can
13 you give us the total interest earned collectively
14 over the course of a year?

15 ASSISTANT COMMISSIONER JACKMAN: All
16 right. I will get that figure for you.

17 COUNCIL MEMBER LEVINE: Okay.

18 ASSISTANT COMMISSIONER JACKMAN: And,
19 remember, that number is going to vary, too, with the
20 interest rates in the economy. You know?

21 COUNCIL MEMBER LEVINE: Understood. But
22 you could give us the most recent year, if that is
23 available.

24 ASSISTANT COMMISSIONER JACKMAN: Yes.

2 COUNCIL MEMBER LEVINE: Does the city
3 concern itself at all with the broader business
4 practice is of the banks or we are depositing money?
5 Does it concern ourselves with the kinds of projects
6 that they are lending to and investing in whether it
7 be fossil fuels or other types of investments that
8 are inconsistent with our goals as a city?

9 ASSISTANT COMMISSIONER JACKMAN: Council
10 member, I would say that the fact that we decided not
11 to use Wells Fargo services for the last time.
12 Exemplifies the fact that we put the city's values
13 into our actions.

14 COUNCIL MEMBER LEVINE: And that was based
15 on their low CRA rating, correct?

16 ASSISTANT COMMISSIONER JACKMAN: Correct.

17 COUNCIL MEMBER LEVINE: Are you considering
18 re-engaging with Wells Fargo now?

19 ASSISTANT COMMISSIONER JACKMAN: Well,
20 they have applied to become a designated bank again.
21 Yes. For the next time period.

22 COUNCIL MEMBER LEVINE: Okay. And given
23 that I believe there CRA rating has increased. I'm
24 not certain about that.

2 ASSISTANT COMMISSIONER JACKMAN: It has.
3 It has tremendously increased. Yes.

4 COUNCIL MEMBER LEVINE: What about their
5 investment in fossil fuels?

6 ASSISTANT COMMISSIONER JACKMAN: I don't
7 know about that.

8 COUNCIL MEMBER LEVINE: So, is not a factor
9 at all that you consider?

10 ASSISTANT COMMISSIONER JACKMAN: The
11 Banking Commission has a number of different factors
12 that are considered. I don't know that fossil fuels
13 are specifically considered.

14 COUNCIL MEMBER LEVINE: And their other
15 sectors, as well, whether it is weapons
16 manufacturers, private prisons lending to and
17 investing in. Do you know if any of that is
18 considered by the Banking Commission?

19 ASSISTANT COMMISSIONER JACKMAN: I would
20 think that that is considered in the overall
21 understanding of the banks activity in the community.

22 COUNCIL MEMBER LEVINE: The CRA rating is
23 an important tool. It doesn't take account in the
24 considerations like the ones I just mentioned and,
25 furthermore, a bank CRA rating is a national status

2 that it receives not based on its work in New York
3 City, etc. and it says nothing about the extent to
4 which a bank is investing in things like MWBE's,
5 affordable housing, worker co-ops, green technology,
6 etc., and our city. I know you are aware of that. I
7 just wanted to state that so the public understands
8 that the CRA rating is a fairly crude measure of the
9 extent to which a bank is acting consistent with the
10 values and interests of the city. And I am sure you
11 are aware of that. I want to understand exactly the
12 city's position on the two bills that I am pleased to
13 sponsor today. 2099 and 2100. And I believe that
14 you commented-- or forgive me. It might've been
15 you, Deputy Commissioner Shear-- on 2099 and have
16 deferred comment to 2102 OMB. Do I have that
17 correct?

18 DEPUTY COMMISSIONER SHEAR: That is
19 correct.

20 COUNCIL MEMBER LEVINE: And I did
21 appreciate what sounded like a broadly supportive
22 statement to 2099, so I want to acknowledge that and
23 thank you for that. And it sounded like your
24 concerns were twofold. One, on the recording time
25 period and, secondly, on a wish to exclude some of

2 the smaller institutions. Could you expand on that
3 second point while I and, I guess, how you would
4 determine what the dividing line would be there?

5 DEPUTY COMMISSIONER SHEAR: Yes. So, our
6 concern is, excluding the escrow accounts, there are
7 roughly 3200-- 3176, to be exact-- depository
8 accounts across all city agencies. That is a lot of
9 accounts to report on and the cost stay in the
10 interest rates vary and, as treasurer Jackman
11 indicated before, while we have three major
12 contracts, city agencies and schools may elect to
13 open accounts at banks that are not part of those
14 three contracts, so doing a report on all 3200 would
15 be onerous and some of those accounts are small or
16 have very little activity, so we would like to work
17 with you and the Council on establishing some type of
18 threshold. One variable that we are looking at is
19 the account balance. So, when we look at those
20 accounts, we find that, if you take those accounts
21 that have balance is in excess of \$100,000 represent
22 eight percent or about 260 of the bank accounts and
23 yet they represent over 98 percent of the deposits.
24 So, we think reporting on 260 accounts which,
25 frankly, be any easier report for the Council and the

2 public to go throughout and certainly would be less
3 burdensome on us and our staff to produce.

4 COUNCIL MEMBER LEVINE: And all appreciate
5 that. But I will say this. Some of the smaller
6 institutions are those that actually may be doing
7 more mission driven work in our city, whether they
8 are smaller black-owned banks or other minority owned
9 banks were even-- I should ask whether we have any
10 money on deposit at wonderful institutions like
11 community development credit unions which are lending
12 in a way that is consistent with some of the values
13 that are laid out before. So, I guess, could you
14 describe the extent to which we have banking
15 relationships with some of those smaller, mission
16 driven institutions?

17 DEPUTY COMMISSIONER SHEAR: Yeah. So, I
18 am going to let treasurer Jackman address that, but I
19 do want to point out that the criteria we are looking
20 at isn't a threshold on the institution level, but on
21 the account level so that smaller banks that are
22 handling larger accounts would still be included in
23 the reporting.

24

25

2 COUNCIL MEMBER LEVINE: Right. Although,
3 there is probably a great correlation there. We can
4 look at it, but--

5 DEPUTY COMMISSIONER SHEAR: Understood.

6 COUNCIL MEMBER LEVINE: Right.

7 DEPUTY COMMISSIONER SHEAR: We just want
8 to be clear that were not saying, oh, we would
9 automatically exclude smaller banking institutions
10 and our reporting. That is not our intent.

11 COUNCIL MEMBER LEVINE: Understood. And,
12 treasurer Jackman, were you going away and on--

13 ASSISTANT COMMISSIONER JACKMAN: No. No.
14 I was going to weigh in on that that we were
15 excluding any institution. We were simply going to
16 use a threshold that, above a certain threshold, we
17 would be reporting to you because, above the
18 threshold, you know, using a certain threshold like
19 as Deputy Commissioner Shear said, we would be
20 reporting on over 98 percent of all of the money,
21 which I think is more useful than having all of the
22 detail with a little accounts that only have much
23 lower balances.

24 COUNCIL MEMBER LEVINE: Okay. I didn't
25 your comment, as I mentioned earlier, on Intro 2100

2 and I believe that you are deferring to OMB. And
3 they may have submitted written testimony, which I
4 didn't actually see. Forgive me. But, can either of
5 you describe OMB's position on Intro 2100? Or the
6 administration position more broadly?

7 DEPUTY COMMISSIONER SHEAR: Yes. So, the
8 OMB testimony indicates that OMB supports the spirit
9 of that bill. They indicate that much of the
10 information is publicly available. They do want to
11 work with the Council. They're concerned about the
12 reporting requirements be too burdensome, and they
13 are suggesting that the reporting be done annually
14 rather than quarterly.

15 COUNCIL MEMBER LEVINE: And are they
16 actually not-- Do they not have a leader here ready
17 to testify? OMB?

18 DEPUTY COMMISSIONER SHEAR: OMB is not
19 here to testify. That is why they submitted written
20 testimony to the Council Finance Committee this
21 morning.

22 COUNCIL MEMBER LEVINE: It's just a very
23 vague statement and I would like to explore it
24 further and it is a reminder that we do have money in
25 money market accounts and bond issues and other

2 places that are not depository institutions, but all
3 the same considerations apply. The city needs to
4 know are we getting a good deal? Could we do better
5 with that money elsewhere? Could we do better if it
6 was in a public bank, for example? So, there are
7 already a lot of relevant questions and, you know, we
8 are all sensitive to reporting burdens, but there is
9 a real imperative for the public to understand
10 because the stakes are so high and, you know, it
11 shouldn't take a foil request for the city or
12 advocates to learn some basic questions about the
13 fees we are paying and the interest we need when,
14 again, it is the public's money. So, I regret that
15 OMB is not here to speak further on that, but we feel
16 pretty strongly that the public needs to know and
17 that regular reporting would actually be a win-win
18 for everybody's interest.

19 DEPUTY COMMISSIONER SHEAR: Yes. Council
20 member? There is one more note that I want to add on
21 the OMB testimony. So, they also indicated that the
22 city does not utilize certain financial instruments
23 outlined in the legislation such as nonpension
24 investment pools or credit default swaps and the one
25 issue that the Department of Finance has is that that

2 legislation specifically references lockbox bank
3 accounts, but those accounts would be covered by
4 Intro 2199 because the lockbox operations are
5 associated with depository bank accounts. So, 2099
6 would cover those accounts.

7 COUNCIL MEMBER LEVINE: Okay. Well, duly
8 noted. And I have extended way more than the
9 allotted time and I'm grateful to the Chair for his
10 flexibility on that and I know we have other members
11 are waiting to ask questions, so I am going to pause
12 now and I will turn it back to you Chair or, perhaps,
13 committee counsel Chasten, to cue the next Council.
14 Thank you, again, for--

15 CHAIRPERSON DROMM: Just before you go
16 back, Council member Levine, we will follow up with
17 OMB about the questions that you asked and--

18 COUNCIL MEMBER LEVINE: Thank you.

19 CHAIRPERSON DROMM: get back to you on
20 that, as well.

21 COUNCIL MEMBER LEVINE: Thank you, Chair.
22 I appreciate that.

23 COMMITTEE COUNSEL: Chair Dromm, I
24 don't see any Council members that have raised their
25 hands at this time, but if any Council member want to

2 ask questions, please use the zoom raise hand
3 function and you'll be called on. Seeing none,
4 Chair, if you would like, we can move on to the
5 public portion of the testimony.

6 CHAIRPERSON DROMM: Yes. And if I
7 could just ask finance to stay, we do have Senator
8 Sanders who is the sponsor of the legislation in
9 Albany and I would like to have him give his
10 testimony.

11 COMMITTEE COUNSEL: Okay. So, we will
12 now hear testimony from the public. I would like to
13 remind everyone that, unlike our typical Council
14 hearings, we will be calling on individuals one by
15 one to testify. So, please wait for the sergeant-at-
16 arms to announce that you may begin your testimony
17 before beginning and you will have three minutes to
18 present your testimony. So, first, we will hear from
19 State Senator James Sanders followed by Dey del Rio.

20 SERGEANT-AT-ARMS: Starting time.

21 COMMITTEE COUNSEL: It looks like the
22 Sen. needs a few moments, so we can move on to Dey
23 del Rio followed by Jamie Weissberg and we will come
24 back when he is available.

25 SERGEANT-AT-ARMS: Starting time.

2 ANDY MORRISON: Hi. So, I'm Andy
3 Morrison and I am testifying instead of my colleague,
4 Dey, at A new Economy Project. So, thank you very
5 much. Good morning, Chair Dromm and members of the
6 committee. Again, I am Andy Morrison. I am
7 associate director at A new Economy Project and we
8 really thank you for the opportunity to testify today
9 and enthusiastic support of Intros 2099, 2100, 2164,
10 and Resolution 1600. Together, these bills represent
11 the first key steps towards formation of a Democratic
12 financial institution that can ensure that New York
13 City's public money is used for the public good to
14 advance racial equity and adjust recovery. We work
15 at New Economy Project, with community groups to
16 build an economy that works for all based on
17 principles of racial justice, cooperation, democracy,
18 equity and ecological sustainability and we can be
19 and coordinate Public Bank NYC which is a coalition
20 of more than 40 organizations from across the city
21 that are working to create a public bank chartered it
22 mission driven to invest in block, brown, and
23 immigrant and other historically redlined New York
24 City neighborhoods. We applaud the Council for
25 taking this major step forward to make public banking

2 a reality. New York City. These bills will let a
3 critical groundwork for the creation of what would be
4 the first municipal public bank in the country right
5 here in New York City and we all know that Covid 19
6 has laid bare deep inequities at the core of so many
7 of our institutions. Public banking is key to adjust
8 recovery. Research from around the world has shown
9 that countries that have public banks have been more
10 resilient in the face of the economic devastation
11 wrought by the Covid 19 pandemic and we really see
12 public banking as a critical opportunity to divest
13 public money from banks that harm people,
14 communities, and the planet and invest in racial
15 justice and they just recovery. It is no secret that
16 Wall Street banks have systematically redlined and
17 otherwise harmed New York City neighborhoods of
18 color. To name just one example, according to recent
19 research we did, New York City's designated banks
20 that we have been discussing today have exacted more
21 than \$5 billion in predatory overdraft fees in 2020
22 is the Covid 19 pandemic devastated our city. That
23 is \$5 billion out of primarily low income communities
24 and communities of color around the country and here
25 in our city and J.P. Morgan Chase, which we

2 understand hold more city deposits than any other
3 bank, is actually the worst offender, siphoning a
4 billion and they half dollars in 2020 from folks
5 struggling. It is also the world's largest funder of
6 fossil fuels and one important note we want to make
7 about our analysis is that, in order to find out
8 which banks have city deposits and in order to find
9 out which ones have the largest share of city
10 deposits, we had to put in a foil request and it was
11 extremely difficult to get adequate information from
12 the city. In fact, it took months. And--

13 SERGEANT-AT-ARMS: Time expired.

14 ANDY MORRISON: That underscores the
15 need for Intros 2099 and 2100, so let's make this
16 happen. The public bank can help transform our
17 economy and advance racial justice and adjust
18 recovery. Thank you so much for the time today and
19 thank you for putting forth this really powerful
20 package of bills.

21 COMMITTEE COUNSEL: Thank you. We will
22 now hear from Jamie Weissberg followed by Christopher
23 Fasano.

24 SERGEANT-AT-ARMS: Starting time.

2 JAMIE WEISSBERG: Hi. Good afternoon.

3 Thank you, Chair Dromm, Council member Levine, and

4 all of the Council members who are on the committee

5 and joining today. I am speaking in support of all

6 the introductions and Resolution today. On behalf of

7 the Association for Neighborhood and Housing

8 Development. We are a nonprofit member organization

9 made up of over 80 neighborhood affordable housing,

10 equitable housing, equitable, economic development

11 organizations throughout New York City. A core piece

12 of our work is actually holding banks accountable for

13 their responsibilities under the Community

14 Reinvestment Act which is one of the major Civil

15 rights Acts in response to discrimination and

16 Redlining and it has leveraged tens of billions of

17 dollars in the city, but even with the CRA and our

18 other hard-earned civil rights banking laws,

19 discrimination redlining and harmful practices

20 persist such as the overdraft fees that have already

21 been mentioned, ATM maintenance fees. Branches are

22 closing left and right in the communities that we are

23 working in, black and brown communities. Barely 10

24 percent of all home purchase loans went to black

25 borrowers in 2019 before the pandemic, which is a

2 fraction of the population and we are often paying
3 attention to the banks that are financing bad acting
4 landlords that are harassing and displacing tenants.
5 So, with tens of billions of dollars going through
6 and into commercial banks each year, regardless of
7 the CRA record because, even with all of this, 95
8 percent of banks pass their CRA exams. The deputy
9 should have a higher standard for banks in which they
10 do business. We have tried over the years to do this
11 and with some pushback, so we think that having a
12 public bank, public dollars should go towards the
13 public good is really what it comes down to, to
14 benefit our communities. And the public bank would
15 do this by lending directly or through mission driven
16 entities. It would be harder to use our public
17 dollars to support deep affordable housing, equitable
18 banking, small business loans, the things that we
19 need to recover from this pandemic. And unlike
20 [inaudible 00:59:06] regulated banks, this would be
21 the core mission of the public bank, so it wouldn't
22 be done alongside other activities that are, at best,
23 you know, less beneficial and, at worst, harmful. We
24 actually think it could raise the bar for banks in
25 the city because it will provide models for other

2 banks to adopt and opportunities to strengthen these
3 institutions. These mission driven institutions like
4 CDFI's and credit unions that are going to invest in
5 mission driven developers, and deep permanent
6 affordable housing supporting good quality jobs and
7 all the things that we are working to do here in New
8 York City. And I will tell you that I've tried to
9 pick apart the deposits and the fees and I have done
10 a lot of research on this topic and I am happy to
11 share it and it is still confusing and took hours and
12 I am sure I am missing pieces. So, these
13 transparency bills are really critical to understand
14 what is happening in our city. So, I really urge you
15 to pass these which will lay the groundwork for a
16 public bank and also to support the resolution that
17 supports the New York Public Banking Act.

18 CHAIRPERSON DROMM: Thank you, Jamie
19 and we have been joined by Council member Adams.
20 Good to see you, Jamie.

21 JAMIE WEISSBERG: You, too. Thank you,
22 Council member.

23 COMMITTEE COUNSEL: Thank you. We will
24 now hear from Christopher Fasano followed by Jamel
25 Henderson.

2 SERGEANT-AT-ARMS: Starting time.

3 CHRISTOPHER FASANO: Good afternoon,
4 Chair Dromm, and members of the committee. My name
5 is Christopher Fasano. I'm in your staff attorney
6 at Mobilization for Justice, a nonprofit civil legal
7 service provider. I am also a member of the Legal
8 Services Staff Association, local 2320 and UAW Region
9 9A. Organization for Justice, the Legal Services
10 Staff Association, and UAW Region 9A are proud
11 members of the Public Bank Coalition. I would like
12 to thank the committee for the opportunity to testify
13 in support of the three intros under consideration
14 today. Each is important in its own right, providing
15 much needed transparency to the city banks. But,
16 together, they do much more. They lay the groundwork
17 for a public bank that will democratize municipal
18 finance. What animates this movement is simple.
19 Public revenue should remain in the public domain.
20 The public should decide how the public money is
21 invested, not Wall Street. And those investments
22 must always serve the public. I would like to talk
23 briefly about what a public bank would be to
24 Mobilization for Justice, my union, and the New
25 Yorkers we serve. Every day we grapple with the

2 housing crisis, representing tenant stated eviction
3 proceedings and homeowners facing foreclosure. The
4 solution is structural. The city needs more
5 permanently affordable housing. A public bank could
6 achieve this in a variety of ways. It could invest
7 in social housing for low and middle income
8 households, it could help to or originated refinance
9 affordable home loans, particularly in historically
10 redlined districts, and could take a successful model
11 like the Community Restoration Fund which is the
12 city's use temple I defaulted home loans and then
13 modify them on affordable turn and expanded
14 dramatically. My clients are also the 11.2 percent
15 of New Yorkers who go on banked and the 21.8 percent
16 who go under banked. They fall victim to predatory
17 financial instruments just because they lack basic
18 banking services. Most recently, they had to track
19 down paper stimulus checks which the IRS and to 26
20 million households over the past two months and they
21 will likely have to do the same when the IRS advances
22 the Child Tax Credit later this year. Whether it is
23 the United States Post SAVING System which opened
24 accounts for immigrants 100 years ago or the German
25 Public Banks which did the same for refugees and

2 asylum these five years ago, only public entities
3 like public banks can guarantee basic financial
4 services for all members of the public. Thank you
5 for your time and your attention to this vital
6 matter. We look forward to working with you and
7 create a public bank here in New York City.

8 COMMITTEE COUNSEL: Thank you. Before
9 we move on to the next member of the public, we would
10 like to recognize Council member Brooks-Powers would
11 like to ask a question. Council member Brooks-Powers
12 are you there? Okay. Let's move on to Jamel
13 Henderson while we try to connect with the Council
14 member. Oh, one moment.

15 CHAIRPERSON DROMM: I think Council
16 member Levine also has a question. His hand is
17 raised.

18 JAMEL HENDERSON: Hello. Good afternoon.
19 Can you all hear me?

20 COMMITTEE COUNSEL: Hold on. Council
21 member Levine?

22 COUNCIL MEMBER LEVINE: Actually, I'd love
23 for Mr. Henderson to speak and then I will follow him
24 after this just my question. Thank you.

2 JAMEL HENDERSON: All right. Good
3 afternoon. Or, well, good morning still. Happy
4 Wednesday to you all. It is great to see some
5 familiar faces and I am honored to be in this space
6 to talk to you about something that is very
7 important. My name is Jamel Henderson. I am a proud
8 four-time graduate of the City University of New York
9 and I am honored to be space representing an amazing
10 organization called New York Communities for Change.
11 What we are here to do is to represent the
12 organization and I am honored to represent them in
13 saying that we fully support Introductions 2199,
14 2100, and 2164, as well as Resolution 1600. I want
15 to put it in different context because I submitted my
16 testimony, but I want to give realistic perspectives
17 and this is something that we should consider as to
18 why it is important that we should support public
19 banks. First of all, many New Yorkers who are hard-
20 working individuals like myself who look like me are
21 still having challenges financially and when you have
22 banks charging us money that we don't have or that
23 could be used for something essential, especially in
24 this moment right now, there is a big problem.
25 Currently right now, I am pretty sure there is some

2 corporate Wall Street executive or CEO bank executive
3 that is talking about how they can make more money
4 off of the backs of our communities. There are real
5 estate developers talking to these commercial banks
6 to try to figure out how they can make more money off
7 of us. None of us know where our overdraft fee money
8 is going. None of us know why we are being charged
9 monthly fees and none of us know why we are going
10 through that evening more tedious process of trying
11 to get a loan or mortgage just to support our
12 everyday lives. A public bank will be of, by, and
13 for the people. The city of New York is always
14 saying that we like to lead the way. Well, here is
15 an opportunity right now to do that. This is an open
16 and shut case. I am an educator. I am in a doctoral
17 program right now and one of the things we talk about
18 is issuing a problem statement. You have heard the
19 problem statement. Now it is time to implement and
20 see what happens and I implore this Council to fully
21 support these bills and let's get the people that
22 look like me, that look like you, the opportunity to
23 have transparency and outweighed where their money is
24 going, to have investments that's going to directly
25 impact our communities and take our money out of

2 investments that are harming our planet, that is
3 harming our housing issues, as well as our financial
4 and economic issues. The moment to make the change
5 is now and I look forward to being on this
6 battlefield with all of you. Thank you so much.

7 COMMITTEE COUNSEL: Council member
8 Levine?

9 COUNCIL MEMBER LEVINE: Thank you so much.
10 Thank you, Mr. Henderson, for that incredibly
11 powerful testimony. This whole panel, such important
12 remarks. And thank you for what you've done is
13 advocates, as a movement to advance this really
14 inspiring policy. I wanted to ask a question which I
15 know Andy could answer and maybe others, as well
16 about just how hard it has been to get accurate
17 information on the nature of our business
18 relationship with these banks terms of the fees and
19 the interest structure and why you believe we need to
20 really achieve transparency through legislation. So,
21 I don't know if, unique, you want to talk about that
22 question. And, by the way, you are listed as Dey del
23 Rio also from New Economy Project. But maybe you
24 would like to just weigh in on this point.

2 ANDY MORRISON: Sure. Thank you,
3 Council member, thank you, Council member Levine for
4 your tremendous leadership on public banking in New
5 York City. Yeah. We foiled-- you know, submitted a
6 Freedom of Information Law request. Actually, I
7 think we've done a couple of them now to the
8 Department of Finance to understand-- I think I
9 would put it like this. If you have a bank account
10 and you get a monthly statement and it lays out did
11 you get charged any fees, did you have a savings
12 account that incurred interest? Did you have, you
13 know, what kind of transactions? What is the
14 balance? What's the monthly balance? That's the
15 kind of information we thought would be available.
16 It's definitely not, as far as we can tell, available
17 anywhere publicly. Even when we submitted a Freedom
18 of Information request, it took a long time. It
19 took, I think, months, actually, to finally get some
20 semblance of information and even after we got
21 information back, we didn't get all the information
22 that we were looking for and, you know, we, of
23 course, understand there are many, many, many
24 accounts and we, of course, understand that there is
25 a lot of record keeping, but we are talking about

2 billions and billions and billions of dollars that
3 are being placed in some of the most powerful
4 corporations on earth that have been abysmal track
5 record on many things that the city has goals to
6 achieve. So, it just seems completely inconsistent
7 that, for example, we are using Chase with the city
8 is trying to tackle climate change and Chase is the
9 worst funder of fossil fuels on planet Earth. And
10 that is just one example. We could go on for really
11 the entire duration of this testimony talking about
12 the things that are inconsistent with respect to the
13 big banks that hold the overwhelming majority of our
14 deposits. But that was our experience with the
15 Freedom of Information Law requests and we just want
16 to see basic transparency. We think the public has a
17 right to know about this information.

18 COUNCIL MEMBER LEVINE: And that's
19 incredibly important context and I think you just
20 laid out the rationale for why we need a legislative
21 solution here so there are no FOIL requests needed.
22 The public can see it. And you offered a great
23 analogy. You get a bank statement with this
24 information as a private individual. There's no
25 reason the public shouldn't know this about our

2 money, the tax payer money, and where it's deposited.
3 So, thank you, again, to this panel for this great
4 work. Back to you, Mr. Chair.

5 CHAIRPERSON DROMM: Back to counsel.

6 COMMITTEE COUNSEL: Council member
7 Brook-Powers, would you like to ask your questions?

8 COUNCIL MEMBER BROOKS-POWERS: Thank you
9 so much for that. In regards to the public bank,
10 that is. That is because-- and I apologize. And
11 that is because there is a definite need to see
12 support for MWBE's that need access to capital. And
13 so, I just wanted to speak out in support of the
14 public bill-- excuse me. The public bank, as well.
15 I'm sorry about that. It's nap time. Thank you.

16 COMMITTEE COUNSEL: Thank you, Council
17 member. Now we have Ivan Young from Senator Sanders'
18 office followed by Jodie Leidecker.

19 SERGEANT-AT-ARMS: Starting time.

20 IVAN YOUNG: Good afternoon. My name is
21 Ivan Young. I am here listening on behalf of Senator
22 Sanders you actually had to be pulled into session at
23 the moment. But I am just listening to the testimony
24 and I would like to thank everybody for support for
25 his public bank bill and please feel free to reach

2 out to my office if you have any questions about the
3 bill. But thank you.

4 COMMITTEE COUNSEL: Thank you. We will
5 now hear from Jodie Leidecker followed by Tousif
6 Ahsan.

7 SERGEANT-AT-ARMS: Starting time.

8 JODIE LEIDECKER: Good morning, Chair
9 Dromm and members of the committee. My name is Jodie
10 Leidecker, organizer at Coopers Square Committee and
11 thank you for the opportunity to testify today in
12 support of Intros 2099, 2100, 2164, and Resolution
13 1600. Cooper Square Committee has worked with many
14 tenants in the lower East side who have been subject
15 to banks unchecked lending. When banks loan money to
16 bad acting landlords who by buildings with a large
17 percentage of rent regulated apartments, tenants can
18 be pressured into giving up their homes. Tactics
19 include harassment, repeated buyout offers, or
20 intense construction as harassment. Tenants may be
21 exposed to dangerous and illegal work, lead test, or
22 other practices that make their lives so difficult it
23 drives them from their homes. In addition, landlord
24 sometimes withhold repairs or allow other unsafe and
25 unhealthy conditions like garbage accumulation, past

2 or mold. When banks do not thoroughly vet and hold
3 borrowers accountable, they can fund the displacement
4 of New Yorkers, gentrifying neighborhoods, and
5 displacing countless working-class individuals and
6 families of color. So, the city of New York's
7 revenue is placed in deposit with large commercial
8 banks that finance speculative real estate, but
9 public banking will help us wrest control of public
10 money from Wall Street banks and help us invest in
11 historically redlined communities. So, Intros 2199
12 and 2100 will shine a light on New York City's
13 financial relationships with these commercial banks
14 and Intro 2164 would require New York City banking
15 Commission to provide meaningful notice of its public
16 meetings and reported its determinations of which
17 financial institutions are eligible to hold the
18 cities deposits. We urge the Council to pass, in
19 addition to Resolution 1600 which urges the governor
20 and the legislature to enact the New York Public
21 Banking Act. A public bank could support
22 nonspeculative housing models such as community land
23 trusts and mutual housing such as the Cooper Square
24 Community Land Trust and mutual housing Association
25 which is the city's oldest CLT. These models promote

2 community controlled development and per minute
3 housing affordability. And can help stem
4 gentrification and basement. So, we strongly urge
5 the New York City Council to pass Intros 2099, 2100,
6 and 2164 and Resolution 1600 and to continue working
7 with our organization and others to establish a
8 municipal public bank as a matter of racial,
9 economic, and environmental justice. Thank you,
10 again, for the opportunity to testify.

11 COMMITTEE COUNSEL: Thank you. We will
12 now hear from Tousif Ahsan followed by Linda Leavy.

13 SERGEANT-AT-ARMS: Starting time.

14 TOUSIF AHSAN: Hello, everyone. Good
15 afternoon, Council and all the staff members who have
16 made this possible. We really appreciate this event
17 in the opportunity to testify. My name is Tousif
18 Ahsan. I am here representing NYPERG which is a
19 statewide advocacy organization. We mainly organize
20 college students, mainly public college students
21 throughout the state and today I want to testify in
22 support of Intro 2099 and 2100 and the context of
23 this really being the first step towards creating a
24 public bank here in New York City. So, many of my
25 colleagues, we work together on the campaign and they

2 have really already belabor the point of needing to
3 make sure. New York City that the way that we
4 deposit our public money is still in line with our
5 values. I really appreciate Council member Levine's
6 questions earlier when asking the New York City
7 Banking Commission, you know, what are the
8 credentials? What are the priorities that we have in
9 terms of deciding, you know, who does and who doesn't
10 hold our public money. And it seemed like they
11 really, you know, had a challenging time talking
12 about things like, you know, how we invest with
13 regards to the climate crisis. And so, that is
14 something that I want to talk about today. Here in
15 New York City, we know that the climate crisis is
16 real, right? We have been impacted by it very
17 personally. If you are unfortunate enough to be in
18 New York City when hurricane Sandy hit, you know how
19 destructive it was. You know, we are still
20 recovering. In fact, it is something that costs and
21 it is costing the city billions of dollars and people
22 died from that hurricane, right? To use a more
23 recent example, for the past two summers, Con Edison
24 has failed to equitably provide energy in the face of
25 the climate crisis and a failing power grid. Over

2 the past two summers, we experienced blackouts that
3 were targeted in poor black and brown neighborhoods
4 in the city like Canarsie while wider, wealthier
5 neighborhoods were kept connected. This is a good
6 time to mentioned that the climate crisis is, in
7 fact, the racial justice issue, right? That it is
8 the poor people and people of color here in New York
9 City and all over the world that disproportionately
10 experience the negative impacts of the climate crisis
11 and that is something that we really have to keep in
12 mind when we are tackling this issue. And so, where
13 does a public bank come into a place? Well, right
14 now, we don't have any, you know, public institutions
15 that are an alternative to the Wall Street banks and
16 we know that these banks are actively investing in
17 fossil fuel industries, fueling the climate crisis.
18 My colleague before, Andy, mentioned that Chase is
19 the biggest bank here in New York City holding on
20 deposits, right? They are also the biggest funder of
21 fossil fuels among the Wall Street banks. Over the
22 past couple years, they have invested over \$268
23 billion in fossil fuels industries and they are, you
24 know, just the biggest culprit, but not the only one.
25 Four of our designated banks here in New York City

2 account for over 30 percent of fossil fuel
3 investments--

4 SERGEANT-AT-ARMS: Time expired.

5 TOUSIF AHSAN: over the last couple of
6 years-- I'm going to go ahead and wrap up. We
7 cannot continue to condone this kind of behavior and
8 we can't afford to have Wall Street investing our
9 money in the climate crisis. If we had a public
10 bank, not only could we take out money out of Wall
11 Street and out of fossil fuels, we could take that
12 money and put it into local, renewable energy
13 projects. We could invest in small businesses that
14 put solar panels on people's roofs. We can invest in
15 public transportation. We could create greener
16 spaces for climate resiliency without gentrifying our
17 neighborhoods, right, because it would be communities
18 that are most impacted that would be in charge of
19 these projects if we had a public bank. So, we
20 really urge city Council to pass Intros 2099 and
21 2100, understanding that this is really the first
22 step to creating a public bank which is something
23 that we desperately need if we're going to fight the
24 climate crisis and all these other issues that my

2 colleagues are going to be talking about today.

3 Thank you.

4 COMMITTEE COUNSEL: Thank you for your
5 testimony. We will now hear from Linda Levy followed
6 by Gregory Jost.

7 SERGEANT-AT-ARMS: Starting time.

8 LINDA LEVY: Good afternoon, Chair Dromm
9 and members of the committee. My name is Linda Levy
10 and I am speaking today on behalf of the lower east
11 side People's Federal Credit Union. I want to thank
12 you for the opportunity to testify in support of the
13 introductions 2099, 2100, 2164 and Resolution 1600.
14 As you have heard from many of my colleagues this
15 morning, these proposals will promote the vital
16 public transparency that we need to get about the
17 city's finances and its financial relationships so
18 that we can begin to really seriously take a look at
19 the creation of a municipal public bank. The Lower
20 East Side People's Federal Credit Union is a 35 year
21 old community development credit union that serves
22 low income people throughout the five boroughs. We
23 have branches in Manhattan on the lower East side and
24 East Harlem, as well as a branch on the North Shore
25 of Staten Island. The majority of our members are

2 low income, immigrants, and people of color. Since
3 receiving our charter in 1986, we have loaned over
4 \$120 million to our members. Last month alone, we
5 made \$11 million in PPP loans to the small business
6 entrepreneurs in our community. This is at the same
7 time that we were hearing from the larger banks like
8 Chase and Wall Street banks that the PPP loans were
9 just not something that they could really possibly
10 make to anyone other than their large business
11 customers. We strongly support the creation of a
12 public bank for New York City because we want to see
13 more community development financial institutions
14 like ours providing financial services throughout the
15 city. We have been working really, really hard for
16 35 years, but we have barely scratch the surface of
17 the need in the city and that is because, given the
18 nature of our business, our capacity is very, very
19 small. The public bank would be able to invest in
20 and support CDFI's so that they would increase their
21 capacity to serve every community. We have been
22 involved in working on trying to create a public bank
23 in New York City for many years now along with the
24 New Economy Project and I can tell you, for a fact,
25 that we are very, very aware of the complications

2 that take place in trying to establish a financial
3 institution of any kind, let alone a public bank.
4 And that is why these Introductions 2099, 2100, and
5 2164 are so critical for us to be able to lay the
6 groundwork for the creation of a public bank because,
7 without them, we don't even know where the money is
8 currently sitting, so we don't really know how we're
9 going to then be able to take that money and what
10 we'll be able to do with it. We want to make sure
11 that everything is handled in a safe and sound manner
12 and we know that this is a huge responsibility.
13 These bills would absolutely help us in figuring out
14 what we need to do to make sure that the public bank
15 would be a safe and sound financial institution
16 protecting--

17 SERGEANT-AT-ARMS: Time expired.

18 LINDA LEVY: And so, in summary, I will
19 just say that we really would hope that the Council
20 will pass these introductions and that the billions
21 of dollars that New York City deposits and Wall
22 Street banks will now go to serving the public good
23 as opposed to supporting the extractive economy that
24 the current banking institutions build. Thank you.

2 COMMITTEE COUNSEL: Thank you. We will
3 now hear from Gregory Jost followed by Ben Fuller
4 Googins.

5 SERGEANT-AT-ARMS: Starting time.

6 GREGORY JOST: Thank you and thanks,
7 Linda. I'll back you up 100 percent. Good
8 afternoon, Chair Dromm members of the committee.
9 Thank you, everyone who has spoken out in favor of
10 the legislation thus far. I feel like we are in a
11 great community of advocates here-- and
12 legislators-- who want to make this happen. My
13 name is Gregory Jost. I am a Banana Kelly Community
14 Improvement Association. I'm here to speak and to
15 testify in support of Intros 2099, 2100, 2164, as
16 well as Resolution 1600. Banana Kelly, if you don't
17 know, we are a grassroots community and housing
18 organization that has been fighting for community
19 ownership, housing, affordability, community well,
20 and power in the South Bronx for over 40 years. Our
21 work has been so necessary in part because, for
22 nearly a century, the banking industry, as a whole,
23 has failed the Bronx and other communities of color
24 across New York and the nation. Whether through
25 historic redlining and disinvestment that lead to the

2 fires and abandonment in the 70s, the financing of
3 speculative and predatory landlords in our
4 neighborhoods, the fueling of multiple foreclosure
5 crises, or the continued closing of branches that
6 have left open the door to a proliferation of fringe
7 financial services, Wall Street banks have profited
8 off of a system that has kept many of our residents
9 poor and this has meant we have to spend more and
10 more of our tax dollars on undoing their damage.
11 That's the extractive economy that my colleagues have
12 been talking about today. Meanwhile, the city of New
13 York has been backing these banks by placing tens of
14 billions of dollars on deposit with them. It's
15 ridiculous, isn't it? I mean, we are coming to our
16 senses here and I think, you know, we don't want to
17 be part of this same old tired model and public
18 banking offers this transformative, yet very
19 practical and tangible solution by enabling the
20 people to rest control of public money from some of
21 the largest and most harmful corporations on the
22 planet and, instead, create this publicly accountable
23 vehicle that could invest in our neighborhoods and
24 the infrastructure-- and I use the term
25 infrastructure very broadly, thinking about our

2 organizations, credit unions, the work that, you
3 know, all of us rely on that our neighborhoods rely
4 on and really advance a just recovery coming out of
5 this pandemic. I want to highlight also just that
6 one of our first national victories in the fight
7 against redlining, back in 1975 was the Home Mortgage
8 Disclosure Act which provided the data necessary to
9 show that bank redlining was pervasive and expansive
10 and, HMDA, as it's commonly known, lead directly to
11 the passage of the 1977 Community Reinvestment Act
12 which we know CRA has done tremendous good over the
13 past few decades, but we still-- you know, it's not
14 enough and our state and our neighborhoods show we
15 need more tools at our disposal to reverse these
16 decades and centuries--

17 SERGEANT-AT-ARMS: Time expired.

18 GREGORY JOST: So, in the spirit of
19 HMDA and disclosure, I urge the Council to pass these
20 resolutions, this legislation. We're working with
21 Linda and the Lower East Side People's Federal Credit
22 Union. I'm bringing a community development credit
23 union to the South Bronx because the banks are just
24 not doing it. They're not cutting it there, so we
25 need to invest in our different models that we've got

2 on the ground. We've got a lot of tools at our
3 disposal, so let's have the city back it up in this
4 really powerful way. So, I thank you or this time
5 and this opportunity to testify today and for your
6 continued supports, all of you members on this bill.
7 Thank you.

8 COMMITTEE COUNSEL: Thank you. We will
9 now hear from Ben Fuller Googins followed by Scott
10 Trumbull.

11 SERGEANT-AT-ARMS: Starting time.

12 BEN FULLER GOOGINS: Good afternoon,
13 Chair Dromm and members of the committee. It's
14 really exciting to be here at a historic hearing.
15 Thank you all for the organizing and advocacy to make
16 this possible. My name is Ben Fuller Googins. I'm
17 the program and planning director at the Carol
18 Gardens Association. I'm here to join the other
19 members of the Public Bank Coalition to testify in
20 support of Intros 2099, 2100, 2164, and Resolution
21 1600. Carol Gardens Association, we're an affordable
22 housing and economic development grassroots
23 organization that's been working in Brooklyn since
24 1971. We organize with tenants and domestic workers
25 across the city for permanent affordable housing,

2 cooperative economics and domestic worker rights and
3 I just wanted to share, from our experience, two core
4 areas of our work where we see a dramatic need for
5 the public banks, one that Council member Levine
6 mentioned in terms of worker co-ops and accessing
7 PPE. We currently support two worker cooperatives.
8 One is a childcare cooperative and then there's a
9 residential and commercial cleaning cooperative.
10 Both are owned by immigrant women and domestic
11 workers and, since the pandemic, they've lost over 90
12 percent of their work and unlike traditional
13 businesses, we have been able to access PPE. They
14 have been struggling and trying repeatedly to get
15 these much needed funds because these are people that
16 have all been excluded from government stimulus and
17 unemployment. So that is one area where we see a
18 public bank would be transformative in the lives to
19 supporting worker cooperatives and also immigrant
20 workers across the city. The secondary, as an
21 affordable housing provider in Red Hook and southwest
22 Brooklyn, we see the difficulties in accessing
23 financing in developing new affordable, permanent
24 housing. We are currently exploring a new project
25 that will develop over 300 units in Red Hook. This

2 is a community that drastically needs new affordable
3 and permanent housing. The waitlist to get financing
4 from HPD is over four years. The options of getting
5 financing through private, joint venture partners is
6 really burdensome for small, affordable housing
7 providers like us. So, a public bank would open up
8 possibilities for us and other organizations across
9 the city to develop much needed affordable housing.
10 So, we strongly urge the Council to pass Intro 2099,
11 2100, and 2164 along with Resolution 1600 and
12 appreciate all the work and support to make this
13 hearing happen. We look forward to passing these
14 Intros. Thank you.

15 COMMITTEE COUNSEL: Thank you. We will
16 now hear from Scott Trumbull followed by Jon
17 Paraskevopoulos.

18 SERGEANT-AT-ARMS: Starting time.

19 SCOTT TRUMBULL: All right. Thank you so
20 much for this opportunity to testify and thank you,
21 Chair Dromm and Council member Levine for your
22 leadership on this. My name is Scott Trumbull. I am
23 codirector at the Working World. We are a nonprofit
24 community development financial institution that
25 provides financing and technical assistance to worker

2 cooperatives or worker owned businesses here in New
3 York. We are also proud members of the Public Bank
4 NYC Coalition and then we are here today because we
5 want to express our support for Introductions 2099,
6 2100, 2164, as well as Resolution 1600. These bills
7 are so important not only because they would make
8 city finances more transparent, but also because they
9 would help pave the way for the creation of a
10 municipally owned public bank. I have actually
11 worked with some public banking institutions and
12 other countries and I can personally attest to the
13 fact that public banks are game changers for local
14 economies. They allow governments to fully divest
15 deposits from destructive industries such as fossil
16 fuels and speculative real estate and they also
17 facilitate meaningful investments into local economic
18 development, right? So, that means more investment
19 in affordable housing. It means more locally owned
20 and controlled renewable energy. And it also means
21 more support for worker cooperatives and small
22 businesses in historically redlined neighborhoods and
23 communities of color. In my role at the Working
24 World, you know, I've had the privilege to work with
25 dozens of worker cooperative businesses across New

2 York and, you know, these are businesses that are
3 really like pillars in their community. They are
4 owned by their employees. They create good paying
5 jobs. They democratize decision-making and they
6 allow workers to share in the process which, you
7 know, for many folks, can be a life-changing thing.
8 But they need real capital to grow. They needed
9 investments in their not getting it from Wall Street
10 banks. If we had municipally owned banks that could
11 partner with CDFI's like the Working World, it could
12 make a huge difference. We could drive more capital
13 into the cooperative economy, we could make sure that
14 local businesses fully recover from the pandemic, and
15 we could build real wealth and New York City
16 neighborhoods. But, did you do this, we first need
17 to better understand how New York City manages its
18 finances and we need a basic framework for how to
19 form and regulate the bank and that is exactly what
20 these bills help to do. So, we would like to urge
21 city Council to pass Intros 2199, 2100, and 2164, as
22 well as Resolution 1600. You know, these bills are a
23 really important step forward--

24 SERGEANT-AT-ARMS: Time expired.

2 SCOTT TRUMBULL: creating a more
3 equitable economy and advancing racial and economic
4 justice. Thanks so much.

5 COMMITTEE COUNSEL: Thank you. And we
6 will now hear from John Paraskevopoulos.

7 SERGEANT-AT-ARMS: Starting time.

8 JOHN PARASKEVOPOULOS: Good afternoon,
9 Chair Dromm and members of the committee. My name is
10 John Paraskevopoulos and I'm a member of the New York
11 City chapter of the Democratic Socialists of America
12 Detten [sp?] Finance working group. Thank you for
13 the opportunity to testify today in support of
14 introductions 2199, 2100, 2164, Resolution 1600.
15 These proposals promote vital public transparency
16 about the city's finances and financial relationships
17 and lay critical groundwork for the creation of a
18 municipal public bank. The New York City Democratic
19 Socialist of America is a member of the Public
20 Banking Coalition and an organization of volunteers
21 committed to supporting public policies that increase
22 democratic control over the economy, limit the
23 extraction of wealth from working class communities,
24 mitigate and rivers harm done to the ecosystem, and
25 create racial justice and a fair society for all. We

2 believe that the creation of a public bank of New
3 York City accomplishes each of these goals and that
4 the bills being discussed by this committee today are
5 a step in the right direction. Each year, the city
6 of New York collects tens of billions of dollars in
7 revenue from taxes and other sources to fund public
8 services. Currently, most of this money is placed on
9 deposit with large commercial banks responsible for
10 systematically just investing in New York's
11 communities of color, financing fossil fuel
12 industries around the globe, speculating on real
13 estate, and engaging in fraudulent and risky lending
14 activity. Interesting that money with these
15 financial institutions betrays New Yorkers by using
16 their tax dollars to support activities that they do
17 not support. There is no reason why this money
18 should not, instead, be kept on deposit with a
19 publicly owned bank that can use these resources to
20 invest in our community. A public bank is a
21 financial institution created by a public entity that
22 is owned by and accountable to the public. In this
23 respect, public banks are no different from public
24 libraries or public schools and are, and worldwide.
25 Public banks can serve as a powerful tool for local

2 governments to invest in important areas that are
3 neglected by the private banking industries such as
4 renewable energy, permanently affordable housing, and
5 worker owned businesses. Public banks can also
6 remedy the shortcomings of a private banking system
7 by prioritizing investments in neighborhoods redlined
8 by the private banking industry, offering banking
9 services to the un-banked and undocumented, and
10 reinvesting profits in the public coffers. Public
11 banks lower costs for government by eliminating the
12 fees associated with retaining private banks as bond
13 counsel or underwriters and by providing low-cost
14 financing to government projects. A public bank
15 would also provide useful competition to the private
16 banking sector which enjoys an unfair monopoly on the
17 provision of financial services in New York in spite
18 of its deeply checkered history of failing to comply
19 with financial regulations and fair lending practices
20 and chronic inability to invest meaningfully in the
21 goods and services New Yorkers need most. When New
22 Yorkers need affordable housing, private banks
23 finance luxury condominiums. When New Yorkers need
24 green jobs, private banks finance fossil fuels. When
25 New Yorkers need to stay in their homes, private

2 banks foreclose on their mortgages. For these
3 reasons and others, we strongly urge the New York
4 City Council to pass Introductions 2099, 2100, and
5 2164, as well as Resolution 1600. Thank you, again,
6 for the opportunity--

7 SERGEANT-AT-ARMS: Time expired.

8 JOHN PARASKEVOPOULOS: to testify today
9 and for giving this incredibly important issue to of
10 public hearing and consideration and I hope to work
11 together with each of you on this issue in the
12 future. So, thank you.

13 COMMITTEE COUNSEL: So, thank you.
14 This will conclude our public testimony unless if
15 there is anybody that we have inadvertently forgotten
16 to call on who is here and would like to testify.
17 Please use the zoom raise hand function now and we
18 will hear from you. And seeing nine, Chair Dromm, I
19 will turn it back over to you to close out the
20 hearing.

21 CHAIRPERSON DROMM: Well, thank you
22 very much to you, Rebecca, and to all of the
23 advocates for coming out today. I look forward to
24 continuing to work with you and Council member Levine
25 on this, as well, as well as the other sponsors,

1 COMMITTEE ON FINANCE

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2 Council members Cornegy and Rosenthal and I thank you
3 for coming today and, with that, this hearing is
4 adjourned at 12:47 in the morning. Or the afternoon,
5 I should say. Thank you to everyone.

6 COMMITTEE COUNSEL:

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date June 24, 2021