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3 **Resolution for Establishing a Seattle City Bank**
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5 **WHEREAS** banks on the national level have not been adequately regulated to prevent future
6 risky lending and investments; and
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8 **WHEREAS** there have been many bank failures which have negatively impacted the citizens of
9 Washington State; and
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11 **WHEREAS** despite record low interest rates, banks are lending less than ever; and
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13 **WHEREAS** the City of Seattle, because of current regulations, may only place its tax monies in
14 a bank large enough to collateralize its assets, and is therefore obliged to use large banks, many
15 of which have been held civilly liable for fraud; and
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17 **WHEREAS** the Federal Reserve, FDIC and Comptroller of the Currency, beginning in January
18 2015, have downgraded the rating of municipal bonds (while upgrading the rating of riskier
19 corporate bonds), which is likely to cause a significant increase in interest costs to the city¹; and
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21 **WHEREAS** since the crash of 2008 Washington State and the City of Seattle have had to cut
22 public programs, negatively impacting Seattle citizens; and
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24 **WHEREAS** a publicly owned Seattle First Public Bank would act as a banker's bank and
25 participate in commercial loans, thereby expanding commercial credit in the city and the state;
26 and
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28 **WHEREAS** a Seattle First Public Bank would allow the City to self-fund capital projects, keep
29 money local, subsidize student loans and absorb debt capacity; and
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31 **WHEREAS**, once established, a Seattle First Public Bank would not only foster economic
32 development but would pay its own operating costs, with any profits generated given as
33 dividends to the city; and
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35 **WHEREAS** a Seattle First Public Bank would open up revenue options other than taxation; and
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37 **WHEREAS** a Seattle First Public Bank would partner with community banks and credit unions,
38 providing a direct boost to these institutions by participation in secondary markets;
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40 **THEREFORE BE IT RESOLVED** that the 11th Legislative Democrats support the
41 establishment of a Seattle First Public Bank; and
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43 **THEREFORE BE IT FINALLY RESOLVED** that the 11th Legislative Democrats send
44 copies of this resolution to Mayor Murray and members of the Seattle City Council.
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46 Submitted to the 11th Legislative District Democrats meeting of October 22, 2014 by
47 Cindy Cole (Public Banking Coalition) and Martha Koester, Democratic PCO, Sylvan
48 Precinct

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50 Disposition:

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53 **¹Preparing To Asset-strip Local Government? The Fed’s Bizarre New Rules**

54 [http://ellenbrown.com/2014/09/08/preparing-to-asset-strip-local-government-the-](http://ellenbrown.com/2014/09/08/preparing-to-asset-strip-local-government-the-feds-bizarre-new-rules/)
55 [feds-bizarre-new-rules/](http://ellenbrown.com/2014/09/08/preparing-to-asset-strip-local-government-the-feds-bizarre-new-rules/)

56 “Municipal bonds, long considered safe liquid investments, have been eliminated from
57 the list of high-quality liquid collateral assets (HQLA). That means banks that are the
58 largest holders of munis are liable to start dumping them in favor of the Treasuries and
59 corporate bonds that do satisfy the requirement.”

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