

NOTICE AND CALL OF WORK SESSION AND MEETING

Governmental Body: **City Council**
Date of Meeting: **April 8, 2019**
Time of Meeting: **6:00 p.m.**
Place of Meeting: **Fuller Hall Sampson Room**

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for said meeting is as follows:

WORK SESSION

1. Roll Call
2. Approval of Agenda
3. Pledge of Allegiance
4. Council Work Session with Callahan Municipal Consultants in connection with the City Manager Recruitment Search Process.
5. Adjourn Work Session

PUBLIC MEETING

1. Roll Call
2. Approval of Agenda
3. **COUNCIL MEMORANDUM**: Motion to reject proposals on Banking Services and authorize the Finance Director to re-bid to provide for the City of Webster City's banking/investment needs. **RFP**
4. Motion on Request from Local Initiative for Transformation WC, Inc. (LIFTWC) for funding.

and any other matters that may come before the Council.

5. Adjourn Public meeting

This notice is given at the direction of the City Council pursuant to Chapter 21 Code of Iowa and the local rules of the City of Webster City, Iowa.

Signature: Karyl K. Bonjour
Title: City Clerk
CITY OF WEBSTER CITY



MEMO

TO: Mayor and City Council

FROM: Dodie Wolfgram, Finance Director

DATE: April 3, 2019

RE: Reject Banking Proposals and Send out New Banking Proposals

SUMMARY: I am asking Council to reject the banking proposals that were due on March 26, 2019 and to authorize sending a new RFP to Availa Bank, First State Bank, People's Credit Union and WCF Financial Bank to provide the City's banking/investment needs.

PRIOR COUNCIL ACTION/BACKGROUND/DISCUSSION: Requests for Proposals were sent to Availa Bank, First State Bank, People's Credit Union and WCF Financial Bank on March 5, 2019 with a due date of March 26, 2019. All four financial institutions submitted a proposal.

During the process of comparing the proposals I found that I needed to receive more information to make a good recommendation of where to place the City's checking account and/or money market. In order to make a fair comparison of all bids I feel that I need to clarify what our needs are and what I would like to see in a proposal.

I have attached the updated proposal showing the changes made. The original proposal may have given the indication that we wanted to keep the large money market and checking account. I want to see all of our options including purchasing additional CD's with part of our current money market balance.

FINANCIAL IMPLICATIONS: Choose the financial institution(s) to receive the best return.

RECOMMENDATION: I recommend rejecting the 4 bids that were submitted on or before March 26, 2019 and sending an updated RFP to the four financial institutions in Webster City.

ALTERNATIVES: Making a decision with the proposals received or staying with our current bank for checking and money market.

CITY MANAGER'S RECOMMENDATION: To ensure the City can make an objective/fair decision, I also recommend the City reject the bids that were submitted.



City of Webster City
400 Second Street
PO Box 217
Webster City, IA 50595

p: (515) 832-9141
f: (515) 832-6686
webstercity.com

April 9, 2019

Availa Bank
First State Bank
People's Credit Union
WCF Financial Bank

Dear :

The City of Webster City is seeking banking proposals to meet the current Investment Policy which states bids will be solicited every 5 years. Proposals are to be in a sealed envelope addressed to my attention. The proposal can be hand delivered to the Utility Office located in the Municipal Building at 400 2nd Street or mailed to P.O. Box 217. The tentative timeline:

Bids Due: **Friday, April 19, 2019**
Opening of Bids: **Week of April 22, 2019**
City Council to receive recommendation: **Monday, May 6, 2019**
Target Date for new agreement to begin: **June 1, 2019**

The bank agreement awarded from the proposals submitted will be for a term of 5 years. New proposals will not be solicited within this 5-year term unless the terms of the agreement change such as fees, interest rate, minimum/maximum balances.

As of **March 31, 2019**, the City has **\$14,122,852.51** in cash split between the checking account and an interest-bearing account through First State Bank. Our total was \$14,923,707.23 at June 30, 2017 and \$12,229,914.05 at June 30, 2018. The Insured Cash Sweep Money Market Deposit Account is structured to automatically sweep to or from our checking in increments of \$500,000 if the balance does not meet the account parameters.

We have an additional \$10,000,000 invested in CD's through Availa Bank and WCF Financial Bank that will come due between May-November of 2019. Our plan at this time would be to purchase or renew the CD's when due.

Daily deposits of cash and checks are taken to the bank with a duplicate deposit ticket retained by City staff. During calendar year 2018 the city averaged 314 debits and 105 credits per month.

The City currently uses Xpress Bill Pay for customers to pay online. We normally receive daily deposits from Chase Paymentech for the credit/debit

card transactions. The City currently has direct withdrawal from customer accounts to pay their utility bill on the due date as well as payroll direct deposit. The utility payments are on the 10th and 20th of each month and payroll is bi-weekly with payment being deposited into employee's accounts on Thursday morning.

In 2018 the average file amount for ACH utility bill collection was \$91,792 and the number of transactions ranging from 286-401. The average payroll file was \$104,486 and the number of transactions ranged from 112-137.

Please provide us with all options you have to offer, keeping in mind that the City will want to receive the best return possible. We want proposals with a single bank having all of the \$14,000,000 cash as well as only having \$4,000,000 - \$6,000,000 in cash between money market and checking.

If you wish to bid only on a money market please indicate the interest on the account, minimum balance and the process including cost of moving money to another bank.

We would also like to receive bids on purchasing \$8,000,000 in CD's. We would like them staggered from 3-12 months. Please show our options according to interest rate.

- Insurance on City Funds
- Monthly Service Charges on all proposed accounts
- Interest rate on checking
- Debit/Credit Transactions Policy and Fees – please state any limits on the number of transactions and the fees for additional transactions
- Minimum or Maximum checking account balance requirements to include the penalty for non-compliance. If parameters are given how are they monitored (City's obligation to check daily, bank software gives alert to City, separate sweep account set up for automatic sweeps, etc.)
- Additional account options for compliance if a minimum/maximum balance is required. Type of account – interest rate – any guarantee on interest rate – any costs to the City to establish or maintain the account

- **First State Bank** – include process and fees to close the current ICS account along with any option the city would have to keep it if the checking account moved to another bank or transfer to another financial institution
- **ACH** - Process the City would use to have direct deposit payroll and direct withdrawal on utility billing as well as other entities electronically depositing into our account – include all fees such as any setup fees, equipment or software to purchase, file and transaction fees, etc.
- **Monthly statement options** - paper, electronic – how long assessible if online – capability of viewing and printing cancelled checks as well as length of time this would be accessible
- **How is access given for online banking?**
- **Describe your procedures for handling non-sufficient fund checks or ACH payments deposited into our account including all fees**
- **Describe your procedures for stop payment transactions including fees**
- **Capability of a person or company directly debiting our account – at this time we allow our purchased power bill to be directly debited from our account with the vendor initiating the transaction.**

The City's Investment Policy has been included for your review to ensure that the plan proposed complies with our policy as well as the Iowa Code Chapter 12B and 12C.

Please include any additional information that you feel would help in the decision process.

Please direct any questions regarding the proposal via e-mail to dodie@webstercity.com so that I can share the question and answer with all of the potential bidders.

The proposals need to be in a sealed envelope and submitted to my attention at 400 2nd Street, P.O. Box 217, Webster City, IA 50595 no later than Friday, April 19, 2019.

Sincerely,

CITY OF WEBSTER CITY

**Dodie Wolfgram
Finance Director**