



## **Request for Proposal for Banking Services**

**City of Fort Mitchell  
2355 Dixie Highway  
Fort Mitchell, Kentucky 41017**

The City of Fort Mitchell, Kentucky (City) is soliciting proposals from qualified financial institutions to provide a full range of banking services for four (4) years with the City having the option of extending the contract for two (2) additional years. The initial bid award shall cover a four-year period, January 1, 2023 through December 31, 2027, extendable upon mutual agreement through December 31, 2029.

**Please submit two (2) copies of sealed proposals and one electronic pdf copy on thumb drive to the requirements and specifications contained herein and attached hereto, at the above office no later than 11:00 a.m., local prevailing time, on Wednesday, November 3, 2022 and then publicly opened.**

The proposal package includes the banking and investment services requested for any participating depository. All banks should indicate their response to the requested services and sign the proposal. **Please refer all questions to Amy Guenther, City Clerk/Treasurer at [aguenther@fortmitchell.co](mailto:aguenther@fortmitchell.co) or (859) 331-1212.**

Any proposal received after the announced time and date of opening, whether by mail or otherwise, will not be considered and will be returned unopened. Faxed proposals will not be accepted. **The outside of the sealed envelope should state, BANK PROPOSAL.**

All proposals shall be evaluated based on the extent of services offered as required by the Request for Proposal (RFP). The right is reserved by the City to reject any or all proposals submitted, to negotiate for modifications, and to select the proposal that appears to be in the best interest of the City. The City may request clarification and/or presentation from those banks submitting the most comprehensive proposal.

Banks proposing are expected to fully inform themselves as to the requirements of the RFP. Any proposals not containing all material information requested herein may be rejected at the City's sole discretion. However, the City reserves the right to request that

any proposer clarify any information submitted. The submission of the proposal represents the proposer's acceptance of the terms and conditions as set forth in this Request for Proposal.

The City is not responsible for any expenses incurred in preparing and submitting a proposal or taking any action in the selection process, or for the cost of any services performed by any financial institution prior to the execution of a contract with the City.

The City reserves the right to reject any and all proposals, in whole or in part, with or without cause, to waive any informalities and technicalities, and to award the contract on such terms it deems to be in the best interests of the City.

Under no circumstances should any prospective proposer or anyone acting for or on behalf of a prospective proposer, seek to influence or gain the support of any member of the City Council or the City's staff favorable to the interest of any prospective proposer. Likewise, contact with City Council or City staff against the interests of other prospective proposers is prohibited. Any such activities may result in the exclusion of the prospective proposer from consideration by the City.

### **General Information**

The City has 1 (one) interest bearing checking, and 2 (two) small checking accounts (health reimbursement account and section 125 flexible spending account). Property taxes, insurance premium taxes and life squad service fees payments are mailed to a P.O. box and picked up by the bank and processed in the lockbox. In the past fiscal year the average cash balance was approximately \$9,765,000. In 2021 the average collected balance ranges from \$7,700,000 to \$14,720,000. The highest balance will be in October and November when property taxes are collected. The City writes approximately 112 checks per month. Daily deposits are made into the General Fund checking account and the lockbox account. Checks are written weekly out of the general checking account with rare transfers between the other accounts. Two new additional bank accounts will need to be opened for federal grants. The approximate total activity will be 20 checks or transfers in each of these grant accounts. The estimated monthly account volumes are included on the attached Schedules A .

Currently, the City's lockbox is at the same bank as the checking accounts. However, nothing in the contract shall be construed to imply a restriction of the City's right and ability to keep or open separate bank accounts, lockbox account(s) or investment account(s) with another financial institution when it is in the best interests of the City to do so.

### **Minimum Qualifications**

The City has a fiduciary responsibility to its citizens to protect all public funds. It is therefore limiting the eligibility for submitting proposals to full service banks that are insured by the Federal Depository Insurance Corporation (FDIC) and are chartered to do business in the State of Kentucky. Kentucky Revised Statutes provides that banks must pledge to the government certain acceptable types of securities having a total par value equal to 100% of the highest account balances which the City may have on deposit at any time, reduced by the amount of FDIC insurance. All collateral will be held by the

Federal Reserve Bank or an independent third party and pledged to the City of Fort Mitchell, Kentucky. This bank pledge shall be in written form that, at a minimum, complies with the U.S. Code Title 12, Section 1823 and KRS 41.240. Depositories, banking services, pledged collateral and investment services provided to the City of Fort Mitchell must be in compliance with all federal and state laws, as well as, the City's investment policy.

### **Selection Criteria**

It is the City's desire to select the bank that will provide the best overall value on a long term relationship rather than simply selecting the "low bidder". Accordingly, the following factors will be considered in order to select the most qualified bank to serve our banking needs. However, the City may consider other criteria it deems relevant with respect to the award of the banking service contract.

- Ability of bank representatives to provide the type and quality of services requested in this proposal.
- Any services available from the proposer, which exceed proposal requirements
- Cost of services
- Investment earnings
- Clarity, simplicity and understandability of the Bank's statements and fee schedule
- Transaction closing time and the best availability schedule for deposited items
- Quality of written proposal
- Quality of references
- Proximity and physical convenience of the bank service centers
- Availability and commitment of implementing new technologies
- Financial strength
- Location of the lockbox
- Compliance with record retention statutes

### **Required Banking Services**

The successful bank will provide usual and customary banking services to the City. The following is representative but not necessarily an all-inclusive list of services to be provided.

1. Provide cash management and investment services that will maximize net investment income (Investment earnings less bank and investment charges). This will include investment of the daily balance in the City's general checking account. The investment rate of the accounts shall be tied to the Federal Funds Rate. A detailed explanation of how the earnings is calculated and if there are any balances that do not earn interest (ie. compensating, target, reserve, etc.)
2. Provide a detailed listing of all fees in the format provided in Schedule A.
3. Provide lock box services to process property tax deposits. The majority of these deposits will be made October through November. The estimated number of

transactions is attached in Schedule A. The City requires the ability to import lockbox information to the City's property tax software, Pontem Software by Resource Information Associates Inc. in a csv file. Also, the City must be able to view all checks, postmark date and any documentation that accompanies the checks online.

4. Provide lock box services to process insurance premium taxes. The City uploads deposit csv files electronically into the City's accounting system, Sage 50. The City must be able to view all checks, postmark date and any documentation that accompanies the checks online.
5. Provide lock box services to process ambulance/EMS service fees. The City and the City's Ambulance/EMS billing company must be able to view all checks, postmark date and any documentation that accompanies the ambulance/EMS checks online. The billing company should not be able to see the property taxes or insurance premium tax information.
6. Insurance Premium Tax Annual Reconciliations are due by March 31<sup>st</sup> each year to the lockbox address. These Annual Reconciliations are required to be retained by Kentucky retention statute for five years. The bank can maintain the electronic file for five years or not scan the annual returns and deliver them to the City to store for the five year period.
7. Ability to upload the banking information into the City's Sage 50 accounting system for account reconciliation purposes.
8. The bank should address any new technologies, safeguards and efficiencies that the City could implement.
9. Provide access to monthly bank statements ending on the last day of each month disclosing the account balance, all cleared checks in numeric order, deposits, interest earned and bank charges available to the Finance Department within five days of the end of each month. A monthly account analysis is also required detailing calculated fees per transaction or any balances not earning interest to compensate for fees.
10. Provide images of all cancelled checks.
11. Provide the City with the length of time that the City will have access to electronic records including bank statements, cancelled checks and deposit slips and any retention or access fees, so that the City can comply with the State retention guidelines of retaining banking records for three years.
12. Coordinate banking services with the City's payroll service (Paycor impounds payroll taxes and payroll) and provides direct deposit for employee payroll.

13. The City receives credit card payments both at the office and on-line for fees and taxes through Convenient Payments, LLC. These deposits will need to be made into the general checking account.
14. Allow for secure ACH payments and transfers from the City's bank account to vendors and from customers to the City's bank account.
15. Experience in providing banking services to other local governments. Each proposer should include three (3) references of customers who have used services similar to those included in this request. Please provide name, address, telephone number, and a contact person for each reference.
16. Provide an account executive to be assigned to the account to coordinate the account services and expedite the solution of any problem. Stipulate the name and a brief biography of the account executive to be assigned to the City's account.
17. Provide the City with the most current audited financial statement, any regulatory reports on financial condition and SAS 70 report for internal controls which demonstrates the bank's liquidity, asset quality, profitability and financial strength.
18. Provide a description of how the bank will safeguard the City's deposits and financial information, as well as provide details of the bank's disaster recovery plan.
19. Describe any and all services or protocols utilized by the bank that may assist with fraud protections, including, without limitations, spot checking of signatures to match authorized signers on checks, credit card fraud detection, checking on dual signing of checks over preset amounts, or other services in this regard.

Please refer all questions to Amy Guenther, City Clerk/Treasurer at [aguenther@fortmitchell.co](mailto:aguenther@fortmitchell.co) or (859) 331-1212.

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**City of Fort Mitchell**

Bank: \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Phone \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_



City of Fort Mitchell  
 Schedule A  
 Banking Proposals-Bank Earnings Rates and Fees Detail  
 October 2022

Name of Bank (Fill In) \_\_\_\_\_

Descriptions	Estimated Annual Activity	Banks Proposed Rate/Fee	Comments (Indicate if Price is per item, per month or per year)	Annual Revenue & Fees
<b>Nearest Location</b>				
<b>Other Checking Accounts (HRA, FSA, and 2 Grant Accounts)</b>				
Other Income				
Maintenance Fees				
Other Fees				
<b>Property Tax Lockbox Fees Detail</b>				
<b>Standard Services</b>				
Account Maintenance	12			
Data Transmission	12			
Per Deposit	86			
Per Deposited Item	987			
<b>Imaging Services</b>				
Monthly Maintenance	12			
Unprocessed Items-Items w/Out Check	107			
Per Remittance/Copy	987			
Phone/Fax/Email/Scans	0			
Courier for Payments	60			
Per Page Scan Fee or Image	3310			
PO Box Rental				
<b>Subtotal Prior to Discount</b>				
<b>50% Discount</b>				
<b>Total Expenses After Discount</b>				
Location				
Retention				
Standard Reporting w/ Data File				
Download Into Accounting System			Yes	
Download Into Pontem			Yes	
<b>IPT and EMS Lockbox Detail</b>				
<b>Depository Services</b>				
Account Maintenance	12			
Per Deposit	272			
Per Deposited Item	1386			
ACH Additions	12			
Returned Checks	4			
Statement Fee	12			
<b>Imaging Services</b>				
Monthly Maintenance	12		Per Month	
Unprocessed Items (Items w/ No Chks)	810		Per Item	
Per Remittance/Copy (Items w/ Chks)	1386		Per Item	
Per Page Scan Fee (Every Page)	7069		Per Item	
One Time Set Up Fee				
PO Box Rental Fee				
Fee Subtotal				
50% Discount				
<b>Total Expenses</b>				
Location				