

CITY OF SEDRO-WOOLLEY

Request for Proposal – Banking Services Contract Questions and Answers

Thank you for your interest in our Request for Banking Proposals. The following information is provided in response to submitted questions. This listing will be updated as new questions are submitted.

* * * * *

Q: Under “Collected Balance Reporting” you ask for a daily reporting of your collected balance and “details related to electronic deposits”. Can you provide us with a copy of what you receive now or provide a clarification on the level of detail you are expecting to see on electronic deposits?

A: The City currently does not receive such a report, however desires to receive this information in a timely manner. Occasionally monies are electronically deposited into a City account without our knowledge until receipt of the bank statement the following month. The City wishes to be advised of the amount of each electronic deposit, the date of the deposit, the name of the payer and any comments or explanations included.

* * * * *

Q: A request is made for an annual statement showing comparative data by month. Can you provide a copy of what you receive now or an example of the level of detail you are expecting?

A: Currently the City does not receive such a report; however would find such a report very useful. The same level of detail as provided on the monthly report would be appropriate.

* * * * *

Q: The City is requesting that VISA discount be included in monthly analysis charges and that gross charge amounts be deposited. Is this to assist the City in being able to reconcile and reflect full receipt of payment from community members? We do not directly provide Merchant Services and would need to work with our partner to determine what it will take to meet your request. Is this request what you would consider a “deal breaker”?

A: The City wishes the gross charge amounts be deposited and the merchant fee charged on a monthly basis primarily to assist in customer account recordkeeping, as well

as the ease of reconciliation of the City's daily deposits shown in the cash receipting module of the accounting system as compared to the bank report..

This would not be considered a "deal breaker". Of course we would prefer this service be provided in the manner requested. Financial institutions ability to meet requirements is one component in our selection process.

* * * * *

Q: Would the City's daylight Overdraft/ wiring of funds ever exceed the available in the Line of Credit.

A: The City anticipates it will not exceed the available amount of the Line of Credit.

* * * * *

Q: Is this a process the City is currently using?

A: Currently the City does not have a formal Line of Credit. We do not anticipate frequent use of a Line of Credit; however wish to have one available in case of unforeseen cash flow timing issues.

* * * * *

Q: Would the City be willing to accept a CD Rom for canceled check/warrants.

A: Yes. The Washington State Auditor's office has stated that we may accept cancelled checks/warrants in electronic format. Both front and back of each check/warrant must be shown. The quality must be such that a City staff member can easily view for possible processing errors, forgery, etc.

* * * * *

Q: Is the city currently using Safekeeping or is this a must for a bank to provide to be considered in the running.

A: The City would prefer to have one entity provide all requested services; however would remain with our current safekeeping provider if it is in the City's best interest to do so.

* * * * *

Q: Can you provide us with current bank statements, account analysis and merchant services statements.

A: Yes, upon request we will provide one month's statements.

* * * * *

Q: Will you make available other institutions questions?

A: Yes. The answers to these questions as well as those from other financial institutions will be compiled on the City website in a question and answer format so that all potential proposers have access to the same information.

* * * * *

Q. Are we able to get this RFP in a Word document?

A. Yes, upon request we will provide the RFP in Word format.

* * * * *

Q. Do you want our response inputted throughout the body of the RFP or just starting on page 18 (Exhibit A)? If we just start on page 18 (Exhibit A), we are concerned that we do not address all of your points in the body of the RFP.

A . We would prefer that the bulk of your proposal be on Exhibit A, Proposal Form. Feel free to attach as many exhibits and continuation pages as you deem appropriate.

* * * * *

Q. On page 9, Section 5, you mention a Sweep Account for claims. Is this a ZBA or an Investment Sweep account?

A. The City's current Sweep Account is a zero balance account.

* * * * *

Q. What internal operating system(s) does the City use? What types of files can be imported/exported from the system(s)?

A. The City's accounting software is Application Software Products, Inc. (ASP) which allows for the importation/exportation of Nacha files.

* * * * *

Q. How many merchant service locations do you currently use and what is the annual volume at each location?

A. The City has just one location which is the Finance Department at City Hall.

* * * * *

Q. What type of credit card terminals does the City currently use at each location?

A. We use with a VeriFone Omni 3350 V570 retail terminal which is provided by our current banking services provider.

* * * * *

Q. Who is the City's current bank provider and are there any particular areas that are causing the City problems or concerns?

A. Bank of America currently provides banking services to the City of Sedro-Woolley.

* * * * *

Q. What is the anticipated size of note/bond transactions the City is contemplating for interim financing?

A. The City does not have a need for interim financing in the immediate future; however there may be a need during the period of this banking services agreement. The most recent was a maximum of \$3.8 million interim financing for the construction of our City Hall in accordance with our long-term bond arrangement with the United States Department of Agriculture. It is anticipated that future interim financing would not exceed this amount, with a \$1 - \$2 million range being more probable.

* * * * *

Q. Do you intend to sell the bonds/notes thru negotiated or competitive sales? Will the bond/note issues be via public offerings or private placements?

A. In the past the City has used an underwriter for the issuance of bonds and follows their advice regarding current market conditions and the most favorable manner of selling the bonds.

* * * * *

Q. What is the City's debt rating?

A. The City of Sedro-Woolley is very proud of its bond ratings. On 4/21/08 Standard & Poor's raised its rating of the City's sewer revenue bonds from an "A-" to an "A+". On 12/1/08 Standard & Poor's affirmed the City's General Obligation rating at "A+". Both of these are underlying rating (SPUR).

* * * * *

Q. How many ACH Payroll credits do you do within a transmission?

A. The City pays its employees two times a month with approximately 113 ACH items per pay period.

* * * * *

Q. In regards to wiring non-sufficient funds/daylight overdraft. This is a risk to the bank and has costs associated with it. If the bank agrees to this is the City willing to absorb the associated costs. Is the City open to an alternative solution?

A. The City is open to discuss alternative solutions with top proposers.

* * * * *

Q. Annual Analysis statement.. What exactly is the City looking to be included in this report? Is all the items listed in account analysis?

A. The City would expect an annual account analysis statement to include the summation of the previous 12 months statements. If the monthly analysis statement also includes year to date totals, that would be sufficient.

* * * * *

Q. Does the City expect to approve warrants in advance, before the bank processes them for payment?

A. The City could either approve its warrants in advance of processing by the bank or have a specific amount of time to approve/disapprove warrants after they are returned to the City.

* * * * *

Q. The RFP indicated that the City's credit card volume was about 350 transactions for a total of \$120,000 on an annualized basis. That would be an average ticket size of about \$342.00. Does that sound accurate? Are those primarily utility payments? Or is their another major payment category included?

A. The City has only recently been accepting credit card payments. As a result, this past year we have had some citizens make large payments on their past due utility accounts using their credit cards which rather distorts averages. The vast majority of credit card payments are on utility accounts. A normal monthly utility charge would be approximately \$75.00. Occasionally we have building, planning, engineering permits paid by credit card, but not often.