



# staff report

TO: Honorable Mayor and Members of the City Council

ATTENTION: Jeffrey L. Stewart, City Manager

FROM: Tae G. Rhee, Finance Director/City Treasurer

SUBJECT: Consideration and possible action to authorize the City Manager to execute Amendment No. 3 to Agreement File No. 271.1, in a form approved by the City Attorney, with Bank of the West for banking and investment services.

DATE: September 26, 2016

## **EXECUTIVE SUMMARY**

The City executed Agreement File No. 271.1 with Bank of the West for banking and investment services as of September 1, 2003, and subsequently extended the term every two to three years with the latest amendment effective from September 1, 2014, to August 31, 2016. This Amendment No. 3 proposes to extend the term for three additional years with substantially the same unit pricing, but a higher earnings credit rate (“ECR”) of 0.55% (currently 0.40%).

## **RECOMMENDATION TO THE CITY COUNCIL:**

- 1) Authorize the City Manager to execute Amendment No. 3 to AFN 271.1, in a form approved by the City Attorney; or
- 2) Alternatively, discuss and take other action related to this item.

## **FISCAL IMPACT**

Based on the prior 12-month activity, the annual bank service charges, including pass-through armor car services, are estimated at \$20,000. With the proposed higher ECR of 0.55%, the net annual cost to the City is estimated at \$3,000 based on the anticipated earnings credit of approximately \$17,000. The net bank fees are charged to the account no. 33000 in various Funds.

The Bank of the West had competed and been awarded banking contracts in 2015 by the Cities of Cypress, La Mirada, Yorba Linda, Sierra Madre, and South Pasadena. Ms. Malisa Day, Vice President and Senior Government Relationship Manager, communicated that the Bank of the West’s proposed fees for Bellflower are comparable to these five cities.

## **ATTACHMENT**

Amendment No. 3 to Agreement File No. 271.1 ..... 2

**AMENDMENT NO. 3 TO  
AGREEMENT FILE NO. 271.1 BETWEEN  
BANK OF THE WEST AND CITY OF BELLFLOWER  
REGARDING BANKING AND INVESTMENT SERVICES AGREEMENT**

**THIS AMENDMENT** No. 3 to Agreement File No. 271.1 (“Amendment No. 3”) is made and entered into this 22<sup>th</sup> day of August 2016, by and between Bank of the West (“Bank”), a California corporation, and the City of Bellflower (“City” or “Customer”), a municipal corporation, individually as a “party” and collectively as “the parties.”

1. Term

“The term is extended from September 1, 2016, to August 31, 2019.”

2. ARTICLE VIII, Paragraph 3 (Prices) of the Agreement is amended to read:

“3. Prices. Prices for services rendered hereunder are those quoted by Bank pursuant to the Bank Fee Schedule attached as Exhibit A to Amendment No. 3, which is incorporated by reference, to this Agreement and those prices shall apply from September 1, 2016, through August 31, 2019. Any services in addition to those described in the Bank Fee Schedule which Bank agrees to provide to Customer will be at standard prices offered to other governmental agencies or any other lower prices as may be agreed to by the Parties at the time.”

3. This Amendment may be executed in any number or counterparts, each of which will be an original, but all of which together constitutes one instrument executed on the same date.

4. Except as modified by this Amendment, all other terms and conditions of Agreement File No. 271.1 remain the same.

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment the day and year first hereinabove written.

**CITY OF BELLFLOWER**

**BANK OF THE WEST**

\_\_\_\_\_  
Jeffrey L. Stewart, City Manager

\_\_\_\_\_  
Leticia Jimenez,  
Vice President/Branch Manager

**ATTEST:**

\_\_\_\_\_  
Mayra Ochiqui, City Clerk

\_\_\_\_\_  
Malisa Day, Vice President/Senior  
Government Relationship Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Karl H. Berger, City Attorney



**BANK OF THE WEST**

Monthly Service Fees & Balance Requirements  
for  
**City of Bellflower - Contract Pricing**

Effective: **August-16**

**Balance Computation and Account Position**

Current Period Earnings Credit @ 0.5500%  
= (Current Rate + 35 bps)

**Service Charge Detail**

Service	Bank of the West Price
<b><u>General Deposit Services</u></b>	
Account Maintenance	10.00000
FDIC Insurance Assessment	0.08000
Checks Paid	0.06000
Checks Paid	0.06000
Deposits (paper)	0.85000
Interest Paid	0.00000
Branch - Checks Deposited On-Us Items	0.04000
Branch - Checks Deposited Local Clearing	0.06000
Electronic ACH Credits Received	0.07000
Electronic ACH Debits Received	0.07000
Deposited Item Returned	2.00
Deposited Item Recleared	1.00
Armored Car Service	657.33
Incoming Wire	7.00
Printed Check Charges	Cost
<b>General Services Sub Total</b>	
<b><u>WebDirect Online Banking</u></b>	
<b>Proposed Online Info Reporting</b>	
Monthly Maintenance - Includes 5 accounts	75.0000
Additional Mo. Maint. 6+ accounts	15.0000
Previous Detail Items - 1-500 Included	0.0000
Detail Items - 500-1,000	0.1500
Extended Storage - 180 Days (per account)	40.0000
Extended Storage - 1 Year (per account)	80.0000
<b>Current Online Info Reporting</b>	
Current Day Monthly Maintenance	Included
Current Day Balance items 1 - 500	0.0000
Current Day Detail Items 1 - 500	0.0000
Current Day Detail Items 500 - 1000	0.1500
Special Reports - Analysis Statement	\$1.00
Special Reports - Deposit Statement	\$1.00
Check Images viewed	0.1000
Stop Payments (6 mo.)	6.0000
Stop Payments (12 mo.)	4.0000
Stop Payment Cancellation	5.0000

Service	Bank of the West Price
<b>Wire Transfer</b>	
Monthly Maintenance	20.0000
Domestic Fed Wires	7.0000
Account (Book)Transfers	1.0000
Book Wire - LAIF Transfers	1.0000
Incoming Wire Transfers	7.0000
<b>ACH Services</b>	
Monthly Maintenance	25.0000
Per Transaction 1-1,000	0.1000
Per Transaction 1,000 +	0.1700
Returned Item	3.0000
<b>WebDirect Online Sub Total</b>	
<b>Image Express</b>	
Online Access (7 year archive)	50.0000
CD Rom	10.0000
Per Item	0.0500
<b>Image Express Sub Total</b>	
<b>Zero Balance Accounting</b>	
Concentration account fee	10.0000
Subsidiary accounts	8.0000
<b>ZBA Sub Total</b>	
<b>Stand Alone Positive Pay</b>	
Data Transmission per issue	0.0500
Void Cancel	0.9000
Monthly Maintenance	15.0000
Exception Item	0.7500
<b>Full ReconciliationSub Total</b>	
<b>ACH Debit Block / Filter</b>	
Monthly Maintenance (1-5 accounts)	5.0000
Monthly Maintenance (6 - 10 accounts)	5.0000
Debit Filter Recurring	2.0000
<b>ACH Debit Block / Filter Sub Total</b>	
<b>Cash Vault</b>	
Deposits	0.85000
Adjustments	3.00000
Currency Deposited per dollar	
Standard per \$100	0.09500
Non-Standard	1.40000
Coin Deposited	
Non-Standard - Partial/Mixed	3.00000
Subject to Count	10.00000
Deposit Receipts and Adjustment Notices	
Electronic	1.00000
Mail	2.00000
Adjustment Receipt - Faxes	3.50000
Returned Duplicate Deposit Slip	No Charge
<b>Total Cash Vault SubTotal</b>	
<b>Branch Cash Services</b>	
Currency Deposited per dollar	0.00125
Coin Deposited	Waived
Coing Deposited Rolls	0.10000
<b>Total Branch Cash SubTotal</b>	

Service	Bank of the West Price
<b>Electronic Deposit Service</b>	
Monthly Company Maint. - 1 location/DDA	50.0000
Additional Location/DDA Fee 2-10	10.0000
Deposits Processed	0.7500
Checks Deposited	0.0400
<b>Electronic Deposit Sub Total</b>	
<b>TOTAL SERVICE CHARGES</b>	