

**VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
OCTOBER 27, 2009 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
Banking Services Agreement 2010-2013	Resolution Ordinance ✓ Motion Discussion Only	Judy Buttny Finance Director

SYNOPSIS

A motion is requested to authorize an agreement with Charter One Bank for banking services and lockbox operations in an estimated amount of \$21,000 per year.

STRATEGIC PLAN ALIGNMENT

The Five Year plan and Goals for 2008-2013 identified *Exceptional Municipal Organization*. A supporting objective of this goal is *Financially Sustainable Village Government*.

FISCAL IMPACT

Based on current activity levels, the proposed agreement for banking services and lockbox operations would result in a total cost of \$21,000 for the Village in FY10. The proposed FY10 budget includes \$10,500 in the General Fund and \$10,500 in the Water Fund for these services. The proposed agreement represents an approximate savings of \$3,000 for the Village in FY10 when compared to FY09 costs for these services.

RECOMMENDATION

Approval on the November 3, 2009 active agenda.

BACKGROUND

This agreement has an initial term of three years with two one year renewals. An RFP for banking, lockbox and other proposed services was developed in August 2009 and was sent to fourteen banks with a presence in Downers Grove and was placed on the internet for general viewing. The RFP requested separate proposals for banking, lockbox and other proposed services. The Village received responses from six banks. Five banks, including JP Morgan Chase, U S Bank, Hinsdale (Community), Charter One and Fifth Third provided complete responses. National City responded with credit card processing only.

The selection criteria used for all the responses included the following:

- Complete response to all required response items on the standard forms provided;
- Ability to meet current and projected service requirements over the term of the banking agreement (any past experiences with the bank will be taken into consideration);
- Ability to provide numerous electronic banking services;
- Best earnings credit rate (ECR) on required compensating balance;
- Best rate of interest paid on accounts;
- Best availability schedule for deposit items; and;
- Aggregate banking service cost, per identified activity and corresponding compensating balance.

Of the five proposals, Charter One equaled or bettered the other four (4) institutions on all the criteria except the rate of interest paid on accounts. This difference in interest rate was considered as not material being within .10% (10 basis points) of the other institutions. Additionally Charter One's lockbox is in Lisle which may help speed collections.

Banks have different pricing structures and making comparisons among them is challenging. Staff prepared an RFP that requested pricing on the most common transactions processed by the Village, which is estimated to capture 95% of the costs. The following table summarizes the comparables requested in the RFP between the five (5) proposing institutions on a yearly basis.

Bidder	Depository Services	Lockbox Services
Charter One*	\$10,441	\$ 9,444
U S Bank	\$12,881	\$24,080
Community Bank	\$14,200	\$19,383
Fifth Third	\$17,933	\$11,606
J P Morgan Chase	\$22,470	\$24,132

* Recommended Vendor

The agreement would be effective January 1, 2010 and we will work with our current banking institution on the transition.

ATTACHMENTS

Contract form

IV. PROPOSAL/CONTRACT FORM

*****THIS PROPOSAL, WHEN ACCEPTED AND SIGNED BY AN AUTHORIZED SIGNATORY OF THE VILLAGE OF DOWNERS GROVE, SHALL BECOME A CONTRACT BINDING UPON BOTH PARTIES.**

Entire Block Must Be Completed When A Submitted Bid Is To Be Considered For Award

PROPOSER:

RBS Citizens N.A. d/b/a Charter One Bank Date: September 10, 2009
Company Name

1048 West Ogden Avenue
Street Address of Company

Downers Grove, IL 60515
City, State, Zip

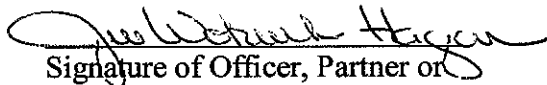
815-464-0946
Business Phone

815-469-6020
Fax

Jill.L.Wokurka-Hagan@charteronebank.com
Email Address

Jill Wokurka-Hagan
Contact Name (Print)

1-800-877-CHARTER
24-Hour Telephone



Signature of Officer, Partner or
Sole Proprietor
Jill Wokurka-Hagan, VP. Government Banking
Print Name & Title

ATTEST: If a Corporation



Signature of Corporation Secretary

VILLAGE OF DOWNERS GROVE:

Authorized Signature

Title

Date

ATTEST:

Signature of Village Clerk

Date

In compliance with the specifications, the above-signed offers and agrees, if this Proposal is accepted within 90 calendar days from the date of opening, to furnish any or all of the services upon which prices are quoted, at the price set opposite each item, delivered at the designated point within the time specified above.

CAMPAIGN DISCLOSURE CERTIFICATE

Any contractor, proposer, bidder or vendor who responds by submitting a bid or proposal to the Village of Downers Grove shall be required to submit with its bid submission, an executed Campaign Disclosure Certificate, attached hereto.

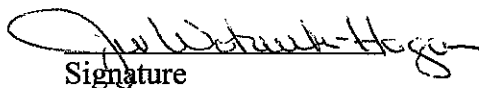
The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the bid documents, contractor/proposer/bidder/vendor agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

Bidder/vendor has not contributed to any elected Village position within the last five (5) years.


Signature

Jill Wokurka-Hagan
Print Name

Bidder/vendor has contributed a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:

Name of Contributor: _____
(company or individual)

To whom contribution was made: _____

Year contribution made: _____ Amount: \$ _____

Signature

Print Name