

STAFF REPORT

DATE: February 7, 2017

TO: City Council

FROM: Kelly Stachowicz, Assistant City Manager
Kelly Fletcher, Finance Administrator

SUBJECT: **City of Davis Banking Services**

Recommendation

Direct staff to draft a Request for Proposal for banking services for the City of Davis. The proposal shall, at a minimum, require the following:

1. Banking Entity must have a local branch within the Davis City limits and availability Monday through Friday.
2. Banking Entity must provide a list of all current required banking services and associated costs.
3. Banking Entity must provide a list of future, alternative banking services offered and associated costs.
4. Banking Entity must show it can comply with compensatory requirements for public deposits.

Fiscal Impact

Current fees for banking services generate an average annual expense of \$21,500 for standard services plus approximately \$9,500 for investment safekeeping services. Funding for this service is covered within the FY2016/17 adopted budget, and is generally charged back, on a prorated basis to all City funds, based on cash balances within the fund.

Council Goal(s)

Goal 1 – Ensure Fiscal Resilience – the provision of banking, treasury and cash-management services are a core function in the management of the City’s financial assets. In addition, access to credit at attractive rates and terms is an important component of cost-effective delivery of major capital projects.

Background and Analysis

The City of Davis has relationships with multiple financial institutions to provide banking services, investments, lines of credit and loans, and merchant services. The City has a fiduciary responsibility to handle the public’s money according to state and federal laws and local policies. The City is responsible for over \$124 million across accounts and may move several million dollars on any given day. This staff report focuses on the banking services needed and utilized by the City.

Core Banking Services Required

Core banking are services typically provided by a single depository bank, and include those services that a government agency may deem as integral to supporting its daily cash management operations.

For the City of Davis, core services include, but are not limited to:

- Accounts that are accessible via a branch within the Davis city limits
- Accounts that are interest-bearing with overnight investment sweep.
- Electronic Services: Balance and transaction-reporting services, stop payments, electronic fund transfers (EFT), digitized storage of paid checks and statements, stale date check management, access to safekeeping/custodial information.
- Security features: Positive pay services, bank account reconciliation services, and Automated Clearing House (ACH) blocking/filtering capabilities.
- Cash management services: lockbox services, credit card receipt merchant services and safekeeping custody arrangements.

Current Banking Services

The City of Davis engages multiple entities for various types of banking services. Services include checking, depository, daily banking, merchant services (credit card clearing for Utility Bill payments), payroll tax deposit, investment safekeeping (clearinghouse for investment transactions) and Water Revenue Bonds. All of these are currently maintained by Wells Fargo Bank, N.A.

Other banking entities currently providing additional financial services to the City of Davis are:

- Union Bank (Trustee) – Mace Ranch Community Facilities District #1, Mace Ranch Community Facilities District #2, and Cannery Community Facilities District
- River City Bank - \$1 million Certificate of Deposit (CD)
- Local Agency Investment Fund (LAIF) – Investment depository service
- California Asset Management Program (CAMP) – Investment depository service
- State of California Revolving Loan Fund – Wastewater Treatment Plant Loan, Local Water Pipeline Loan and Streetlight LED Conversion Loan
- State of California Infrastructure Loan – Cal I-Bank - Water Storage Tank
- US Bank (Trustee) - 2003 Public Finance Authority Bond, 2009 Public Facilities Financing Authority Bonds, and University Research Park Assessment District
- California Department of General Service/US Bank – Cal Cards (Credit Cards for City purchases)
- ETS – Credit Card clearing for Parks & Community Services classes & reservations

Previous Banking Services Request for Proposal

In 2010, the City of Davis initiated a Request for Proposals (RFP) for banking services. The former RFP is attached for reference. (Attachment 1). This RFP was issued to all of the banking institutions with branches located within the city limits.

The RFP outlined a series of required services as well as a list of optional services, some of which the City now utilizes, and others which the City may wish to utilize in the future. The RFP asked for a description of the bank's approach to providing these services and their fees and methods of compensation for doing so. Information regarding each bank's financial condition, related experience and commitment to the local community was also requested. The maintenance of a branch office in Davis was a requirement.

The City received a total of seven proposals from the following institutions: Bank of America, Chase Bank, First Northern Bank, RiverCity Bank, Union Bank, US Bank and Wells Fargo Bank. After a thorough review of the proposals, with an emphasis on ability to provide basic banking services, fee structures for banking services, related experience in providing like services to public sector agencies within California and the region, as well as the ability to access short-term credit with favorable terms, staff recommended that the City enter into a corporate account agreement with Wells Fargo Bank, N.A. for the provision of banking services.

The City Council reviewed and approved this proposal on November 9, 2010, authorizing the City Manager and/or City Treasurer to Negotiate and Sign Banking Services Agreement with Wells Fargo Bank, N.A. for the provision on banking services. The agreement was for a term of three years, with the option of up to two annual one-year extensions, thereafter. The full transition to Wells Fargo Bank was completed in July 2011, therefore the full term of the agreement for three years with two extensions has been completed and the timing is appropriate for a new RFP process.

Concerns with Wells Fargo

Members of the Davis community have brought to the City Council concerns about the City's relationship with Wells Fargo, given Wells Fargo's unethical banking practices (i.e. opening unauthorized accounts) and their involvement in the Dakota Pipeline venture.

Davis is not alone in reviewing its relationship with Wells Fargo; other jurisdictions across the state and country have had or are having conversations about doing the same. A sampling of the actions includes the following:

- The Seattle City Council will vote in February to determine whether to divest \$3 billion in city funds from Wells Fargo.
- The State of California Treasurer froze, for at least one year, a series of long-standing business arrangements with the bank.
- Santa Cruz County voted to bar the bank from new business with the County for a year.
- Los Angeles took an action in October to add customer protections to its requirements when it releases an RFP for future financial services.
- Philadelphia and Minneapolis are both exploring whether to sever ties with Wells Fargo.

Next Steps

In order to secure a new vendor for banking services, the City must release an RFP and engage in a process to determine a suitable successor to our current vendor. Such a process, while able to

being immediately, involves several steps and takes several months to move to completion, as outlined below:

- February – mid-March – Develop and finalize RFP
- Mid-March – Release RFP.
- May – Proposals due. Review process
- June/July – Vendor negotiations. Recommendation to Council. Contract approved late July or early September (dependent on Council recess)
- September-December – Vendor transition, as needed.

Staff has been working with our investment advisors PFM Asset Management, to review our current banking services rendered by Wells Fargo Bank and the associated fees for services.

The PFM memo dated February 2, 2017 (Attachment 2), states the following: “compared to the price levels we have seen other similar sized institutions receive, the City is receiving competitive pricing with unit prices below average on many items. The City is unlikely to see a cost savings through a competitive RFP process. Wells Fargo is waiving multiple services for the benefit of the City including an automated sweep, positive pay monthly base, and ARP transmission per item.”

Although this analysis from PFM is affirmation that the City’s current cost for banking services is competitive, staff continues to be supportive of engaging in a RFP process based on the length of service and contract expiration terms with Wells Fargo, as well as overall best business practices to periodically bid for these services to ensure equal opportunity to other entities and continued competitive pricing. The City Council may also wish to include other provisions about banking practices as part of the RFP requirements.

As part of the RFP, in addition to the actual services the bank needs to provide, staff would also recommend including wording to require respondents to adhere to ethical and socially responsible practices. Once the RFP process is complete, staff will return to the City Council with a recommendation for provision of banking services.

Attachments:

Attachment 1: 2010 Banking Services RFP

Attachment 2: PFM Banking Analysis Memo, February 2, 2017

April 21, 2010

**REQUEST FOR PROPOSAL (RFP)
FOR BANKING SERVICES**

SECTION I.

INTRODUCTION

The City of Davis invites qualified banks to submit proposals for the provision of basic banking services as described in these specifications. Written proposals must be received by 5:00 p.m. on Friday, May 21, 2010 at the City Managers Office - ATTN: City Treasurer, 23 Russell Boulevard, Suite 3, Davis, California, 95616.

The City of Davis is a California General Law city incorporated in 1917 and operates under the Council/Manager form of government. The city provides services to its citizens in the areas of public safety; community planning and development; water, waste water and sanitation utilities; transportation, recreation, cultural and social assistance. In addition, the City Council of the City of Davis exercises oversight control over the following legally separate entities: The Redevelopment Agency of the City of Davis, City of Davis Public Facilities Financing Authority, Mello-Roos Community Facilities District 1991-2 and Davis is a member of the Woodland-Davis Clean Water Agency JPA. City staff, therefore, provide financial and treasury management for the resources of these organizations.

The city has 394 regular full time employees and may employ as many as 300 additional part time seasonal workers. Approximately 85% of our employees are paid by direct deposit and 15% are paid by check. For the 2009-10 fiscal year, the city adopted an operating budget of approximately \$112.7 million and a total budget, including debt service and capital improvement expenditures, of approximately \$154.5 million.

The city currently maintains three accounts and conducts its banking business with the local branch of a major national bank and has developed a continuing and satisfactory relationship. The city has had a long-term relationship with this bank, however in keeping with our fiduciary responsibilities; a determination was made to solicit proposals from area banks, including the city's current bank, to ensure that the city receives the best available, most cost effective services. Current accounts, with a brief description, are as follows:

- Main account used for all ACH or wire transfers; purchase and sale of investments; and deposit of City funds.
- Payroll (ZBA account) used for disbursement of payroll by check and direct deposit issued

every other week.

- Vendor (ZBA account) used for general City disbursements by check.

This request for proposals provides detailed information regarding the services required by the city and how a proposal should be submitted. In lieu of a pre-proposal conference, the city invites respondents to submit inquiries via e-mail. Please submit inquiries to smccrory@cityofdavis.org by May 3, 2010. Responses to inquiries will be provided to all institutions on the City's bid list for this RFP by May 10, 2010

SECTION II.

SCOPE OF SERVICES

General Requirement

The City of Davis maintains a socially responsible investment policy. A proposing firm must, therefore, be prepared to state that it does not practice or support directly or indirectly through its actions discrimination on the basis of race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.

Each proposing bank must be a federally or State of California chartered banking institution and must maintain a full-service branch within the corporate limits of the City of Davis.

The bank selected to perform the city's banking services shall maintain a capital structure equal to or greater than the average amount that the city carries in its account during the term of the agreement.

The city may request the bank selected provide a periodic report describing their Community Reinvestment Act compliance and their activities in this regard. In response to this RFP, provide the Bank's CRA rating and describe in detail, specific projects and community involvement activity in the Davis area. If the Bank does not have a CRA rating, please explain.

Required Services

The city requires a core group of basic banking services that any proposing firm must be capable of supplying. Except for non-substantial deviations or acceptable alternatives, all services listed in this section are mandatory. These services are:

- Maintenance of a single demand deposit account for the city's General Account and the ability to accommodate additional accounts if required by the city.
- Daily bank statements for the account available to the city within five (5) working days, listing all checks and amounts cleared, sorted by check number, date check cleared, date and amount of deposits, as well as a summary of beginning cash balance, deposits/credits, checks/debits, and ending cash balance for the day. Bank statements

will be collected by the city at the local branch. It is requested that the proposal include an example of the standard statement issued by the proposing firm.

- Daily cash balance report for transactions as of the close of the previous business day via telephone or web application by 9:00 a.m. providing the following information for each account maintained by the city: Cash balance, collected balance, number and amount of debits, number and amount of credits.
- Proposing banks should have the capacity to retain cancelled checks, provide copies of, or access to, the checks at the city's request and return a computer tape list of the checks cleared. On a monthly basis, provide an account analysis report of each account in use by the city, providing the following information: average daily cash balance, average daily float, average daily collected balance, earnings allowance, overdraft charges, transaction volumes and prices. It is requested that the proposal include an example of any existing reports currently issued by the firm.
- Ability to accept direct deposits to the city's account from the State of California for various subvention payments and guarantee immediate credit for such deposits.
- Ability to accept credit card payment transactions for deposit to the city's account.
- Ability to accept Letter of Credit payments from the U. S. Treasury for various federal grant programs and guarantee immediate credit for such deposits.
- Guarantee immediate credit on all wire transfers and U. S. Treasury checks upon receipt. The proposal should indicate if this is to be handled through a correspondent bank.
- Permit same-day use by wire transfer or investment of funds coming into the city's account by wire, state or federal transfer prior to actual bank credit. Interest penalties would be assessed on the transfer at day's end if the incoming funds did not arrive.
- Honor all payroll checks presented by the payee at any of the firm's branch locations.
- Assure proper fraud protection services, such as positive pay processing and city signature authorization verification for paid items.
- Accept and process Federal and State Income Tax (FIT & SIT) deposits.
- All other standard banking documents and materials not specifically referenced in the RFP will be provided to the city at no cost. This includes, but is not limited to: deposit slips, stop payment or other banking forms, coin wrappers, and deposit bags.
- Safekeeping services for any negotiable investments purchased by the city from the selected firm.

Optional Services

These are services that the city may desire to use depending on availability, quality and price offered. Optional services may be offered to the city for free or at the cost specified by the proposing firm. Proposals are not required to address any of these optional services in order to be considered an acceptable bid. However, final selection of the successful bank may be based on the ability of the firm to provide these services for free or at an acceptable price. These optional services are:

- Armored car service to pick up the city's daily deposit at one location at the city Administrative Offices, 23 Russell Blvd. The pick-up shall be made no earlier than 11:00 a. m. to allow sufficient time for the preparation of the deposit and no later than is required to ensure proper credit to the city's account on that day.
- Statement reconciliation services. The city currently uses partial statement reconciliation services for its accounts. The bidding firm may wish to propose providing reconciliation services to the city. If a bank desires to offer this service, the proposal should describe the service in detail and specify the cost, if any, for the service.
- On-line access to the city's account through a bidder or city supplied terminal or personal computer via web. The Required Services specifications envision the manual, hard copy or verbal transmission of transactions and account information between the city and its bank. A bank may wish to propose the use of electronic media to allow city staff direct access to the bank's computer system for transaction or balance inquiries and/or the initiation of transactions. If a bank desires to offer this service, the proposal should describe the service in detail and specify the cost, if any, for the service. Security features and training of city staff should be part of the service description.
- Payment of interest on collected balances in the city's account in excess of what is required to support services. The investment fund in which these excess balances are held must meet all state and city requirements for permitted investments. If a bank desires to offer this service, the proposal should describe the service and the method or formula used to establish interest rates and earnings.
- Processing of credit card payment transactions for deposit to the city's account. The city currently accepts credit cards for limited payment of fees, charges and other collections; at point of collection, mail and through secure web processes and is considering expanding the type of fees eligible for credit card payment. If a bank desires to offer enhanced credit card payment processing services, the proposal should describe the services offered and specify costs and discount rates applied.
- Electronic direct payroll deposit and/or payment transfer. Currently the city writes checks for all vendor payments and both direct deposit/checks for employee payroll. The

proposing firm may wish to offer electronic funds transfer services to the city. If a bank desires to offer this service, the proposal should describe the service in detail and specify the cost, if any, for the service.

- Ability to provide city with financing assistance on a short or long term basis for various needs, primarily, but not limited to, water or wastewater projects. Example may include offering a short-term line of credit to serve as “bridge financing” for major capital projects.
- Provision of targeted financing assistance for projects with economic development implications for the city. In furtherance of its economic development or General Plan goals, the city, upon occasion, encounters a project of community benefit that is unworkable without special financing assistance. A bank may wish to propose a mechanism for working with the city to provide that special financing assistance. Loans at favorable rates or terms may be offered to credit-worthy businesses or non-profit groups referred by the city. Other creative mechanisms for making financing available for projects of community benefit may be proposed.

Additional Services

There may be additional services not otherwise specified in this Request For Proposals that a proposing firm may desire to offer to the city. Additional services may be offered to the city for free or at the cost specified by the bidder. Proposals are not required to address any additional services to be considered an acceptable bid. However, the desirability and price of any additional services offered may be a factor in the final selection of the successful bidder.

SECTION III.

COMPENSATION FOR BANKING SERVICES

The proposal should include a detailed and specific listing of the charges to be assessed for each service that will be offered by the bank to the city. It is the city's intention that the charges be incorporated into a banking services agreement and that they will be effective for the duration of the agreement. If a bank wishes to propose that charges may be revised during the term of the agreement, such an option should not propose revisions any more frequently than annually, that they be agreed to in writing by the city and that they be related to changes in some verifiable index or measure, such as the Consumer Price Index or Fed Fund rates.

For payment of these charges, the City of Davis may elect direct payment of the fees, may elect to maintain a compensating balance in the city's account or a combination of both. The selection of the method of compensation will be entirely at the city's discretion. If the method of payment affects the amount of the service charges this fact should be clearly indicated in the proposal.

Direct Payment of Fees

With this method of compensation, the city will pay on a regular recurring basis, established charges for the services actually received. These charges will be invoiced to the city. The city will either return payment to the bank or direct that the total charges be deducted from the city's account. The choice will be at the city's discretion. The proposal should specify whether such billings will be on a monthly, quarterly or some other periodic cycle and the terms of payment including any late charges for failure to meet those terms.

This option may be combined with a "sweep" account. The city will pay for services rendered, and the city's account will receive or be charged interest at current rates for any debit or credit balance. The city will provide the bank with any required legal authorization to enter into such an arrangement.

Compensating Balances

With this method of compensation, the city will maintain an agreed upon minimum balance in its account with the selected bank. The bank's ability to generate a return on that balance will be the source of its compensation for the services provided. Either a fixed minimum balance that must be maintained during the term of the banking services agreement or some shorter period may be proposed or a variable balance that will be dependent upon the city's transaction volumes, the bank's unit charges for services and a specific rate of return. A bank may wish to make a proposal under both options.

If a fixed balance is proposed, a specific amount or a specific calculation method should be outlined. It must be stated whether it is to apply to the ledger or collected balance of the account. If this minimum balance is to be effective for less than the term of the banking services agreement, how long it will be effective and how any revision will be calculated must also be stated.

For a variable balance, a specific formula must be proposed that uses independently verifiable rates or indexes and indicates the period of time over which account activity will be analyzed for the balance calculation. This formula will not be changed during the term of the banking services agreement without the city's concurrence. The proposal should indicate whether an actual city account balance below or above the required compensating balance will be carried over to be applied in the calculation of the succeeding period's compensating balance, how this will be done and for how many periods it may be allowed to occur.

Alternative Compensation Method

The city will be open to consideration of an alternative to or a variation of the options outlined above for compensating for the banking services provided. If a bidder wishes to propose an alternative or variation, a description of the proposal should be included providing enough detail to permit its evaluation against the direct payment and compensating balance methods of service

payment.

SECTION IV.

PROPOSALS

Terms and Conditions

- Five (5) copies of the proposal document shall be enclosed in an envelope which shall be sealed and addressed to:

Banking Services Proposal
City of Davis
City Managers Office (Finance)
23 Russell Boulevard, Suite 3
Davis, CA 95616

ATTENTION: City Treasurer

- Proposals must be received by 5:00 p.m., Friday, May 21, 2010. It is the bidder's responsibility to make appropriate delivery arrangements to ensure their proposal is received at the city offices by this time.
- All questions or requests for information submitted in writing will receive a written response from the city. All prospective banks will receive copies of all such correspondence. Telephone communications with city staff are not encouraged, but will be permitted in the interest of a timely response. However, it is an explicit provision of this RFP that any oral communication is not binding on the city's proposal process or the award of bid.
- Each proposal shall meet all of the specifications provided in this RFP. If a bid is provided for an individual banking service requirement, it is assumed that the bid meets or exceeds the requirements as stated. The bidder may offer an alternative service, which must be described in detail. Any non-substantial deviations may be considered provided that the bank submits a full description and justification for the proposed deviation. The final determination regarding any proposed deviation or alternative will be made by the city.
- The city reserves the right to retain all proposals for examination and comparison. The city reserves the right to waive non-substantial irregularities in any bid, to reject any or all proposals; and to reject one part of a proposal and accept the other, except to the extent that bids are qualified by specific limitations by the proposing firm.
- Proposers may withdraw their proposals, without prejudice, prior to the time specified for

the proposal closing, by submitting a written request to the city's Treasurer for its withdrawal. No proposal received after the closing date, or at any place other than the place stated in this Request For Proposal will be considered.

- The bank to whom award is made shall execute a written contract with the city within thirty (30) calendar days after Notice of the award has been sent by mail to the address provided in the bank's proposal.
- If the bank to whom the award is made fails to enter into the contract, the award will be annulled, and an award will be made to the next best proposer as determined by the city; and that bank shall fulfill every stipulation as if it were the party to whom the first award was made.
- The successful bank shall not assign, transfer, convey or otherwise dispose of the contract, or right, title of interest, or power to execute such a contract to any person, firm or corporation without previous consent in writing by the City Council of the City of Davis.
- In the performance of the terms of this RFP, the proposer agrees that it will not engage in nor permit such subcontractors as it may employ to engage in discrimination in the employment of persons because of any such person's race, religion, color, creed, national or ethnic origin, age, sex, sexual preference, or physical disability.
- Causes for termination of the agreement may include the following: failure to promptly and faithfully provide the services required in this RFP; violation of any law governing any municipal depositaries; failure to cooperate upon receiving any reasonable request for information or service; and improper actions of the institution's officers or employees which, in the opinion of the city, would adversely affect its interest or endanger the safety or liquidity of municipal funds.

Content

The city does not prescribe a standard format for banking services proposals and does not require the completion of a submission package of forms. Any format a proposing bank feels would be appropriate and effective in presenting their firm, their understanding of the services requested and their ability to provide them will be acceptable provided the following information, more fully described elsewhere in this RFP, is covered:

- *Detailed discussion of the bank's approach to each of the Required Services.
- *Detailed description of any Optional or Additional Services the bank may wish to offer.
- *One or more Compensation Proposals for the city's consideration.

Examples or sample formats of reports, forms, statements and computer screens referred to in the proposal would be helpful.

Exhibit IV-A is the actual 2009 volume of various banking transactions made by the city. It is believed to be a reliable reflection of the city's banking activities. However, the actual number of transactions in the future may vary, and no guarantees are provided by the city regarding minimum or maximum volumes.

Proposals must also include:

- *The name, phone number and address of the contact person who will represent the bank when additional information is needed.
- *A list of references.
- *Copies of the bank's annual financial reports for the past three (3) years.
- *The bank's Community Reinvestment Act (CRA) rating.

Other information concerning the qualifications of the bidder may also be included with the proposal, such as:

- *Firm's philosophy regarding its relationship with the client.
- *Experience of the firm in providing services to major commercial or governmental accounts.
- *Identification of staff capabilities along with resumes of key personnel who will be working with the City of Davis at the branch level.
- *Other information the bidder believes to be appropriate.

SECTION V.

PROPOSAL EVALUATION AND SELECTION

Proposals will be evaluated by city staff including the city's Treasurer, and others familiar with the city's banking services and needs. The proposals may be reviewed by individuals not on city staff but knowledgeable about municipal banking services, such as a current or former Treasurer in another local government entity or a banking industry executive not associated with a bidding institution. The selection of the successful bank will be based on the following criteria:

- Understanding of the scope of services required.
- Quality and responsiveness of the proposal.
- Financial strength and capacity of the bidding institution.
- Ability of the firm to meet service requirements.
- Related experience of the bidding institution and references.
- Commitment to the community of Davis.
- Availability and price of services (required, optional and additional).

The award of the contract will not be based solely on the lowest fees or compensating balances proposed, but on a combination of all of the above factors.

Based on an evaluation of the proposals received using the above criteria, it is anticipated that the top candidates will be scheduled for follow-up interviews. Final recommendation will then be submitted to the City Council for approval of the contract.

Provided in Exhibit V-A is the proposed timetable for the evaluation and selection process. As indicated in this schedule, it is anticipated that a recommendation will be provided to the City Council at their June 15, 2010 meeting.

SECTION VI.

BID LIST

Bank of America

Chase Bank

First Northern Bank

Premier West Bank

River City Bank

Travis Credit Union

U.S. Bank

USE Credit Union

Union Bank of California

Wells Fargo Bank

Yolo Federal Credit Union

EXHIBIT IV-ABANKING TRANSACTION VOLUME
2009 ACTUALDeposits

Number of Deposits, Annual Total	237
Number of Checks Deposited, Annual Total	65,159
Average Deposit Amount	\$488,750
Currency/Coin Deposited, Annual Total	\$653,750
Average Monthly Credit Card Deposits	\$463.313

Returned Items - Annual Totals

Number of Items Returned and Redeposited	108
Number of Items Returned and Charged Back	74

Checks Written - Annual Totals

Number of Checks Written:	
Payroll	3,503
Vendor Payment	12,944

Direct Deposits - Annual Totals

Number of Transmissions:	
Payroll	26

Wire Activity - Annual Totals

Number of Wire Transactions:	
Incoming	7
Outgoing	201

ACH Activity - Annual Totals

Number of Wire Transactions:	
Incoming	1,481
Outgoing	311

<u>Electronic Debits - Annual Totals</u>	912
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EXHIBIT V-A

TIMETABLE FOR PROPOSAL EVALUATION AND SELECTION

Release of Request For Proposal..... April 21, 2010
Proposal Closing Date May 21, 2010
Evaluation/Section Completed..... week of May 30, 2010
Anticipated City Council Award of Contract..... June 15, 2010



February 2, 2017

Memorandum

To: Kelly Stachowicz, Kelly Fletcher and Pamela Day
City of Davis

From: Monique Spyke, Managing Director
PFM Asset Management LLC

Re: City of Davis – Banking Analysis

PFM Asset Management LLC reviewed City of Davis’s December 2016 Account Analysis Statement for Wells Fargo. The City pays approximately \$21,500 per year (excluding FDIC fees). This would be considered a modest relationship by Wells Fargo.

Compared to the price levels we have seen other similar sized institutions receive, the City is receiving competitive pricing with unit prices below average on many items. The City is unlikely to see a cost savings through a competitive RFP process. Wells Fargo is waiving multiple services for the benefit of the City including an automated sweep, positive pay monthly base, and ARP transmission per item.

Pricing Comparison – PFM’s Database of Bank Pricing.

The table below compares the City’s current per-unit cost for selected banking services to (1) other institutions paying less than \$50,000 in annual bank fees; (2) all pricing in our database of bank pricing; and (3) all Wells Fargo pricing in our database.

Service	Unit Price	Number of Units	Compared to		
			Institutions Paying Less Than \$50,000	Compared to All Banks' Prices	Compared to Wells Fargo's Prices
Account Maintenance	\$ 8.0000	3	Below Average	Below Average	Below Average
Banking Center Deposit	\$ 0.0012	767	Minimum	Minimum	Minimum
Checks Paid	\$ 0.0500	661	Below Average	Below Average	Below Average
Returns - Chargeback	\$ 1.0000	3	Below Average	Below Average	Below Average
Returns - Reclear	\$ 1.0000	2	Below Average	Below Average	Below Average
ACH Monthly Maintenance	\$ 25.0000	4	Below Average	Below Average	Below Average
ACH Consumer Credits	\$ 0.0638	3,551	Below Average	Below Average	Below Average
ACH Consumer Debits	\$ 0.0700	152	Below Average	Below Average	Average
Online Previous Day (Account)	\$ 35.0000	1	Above Average	Above Average	Above Average
Online Previous Day (Item)	\$ 0.0700	407	Above Average	Above Average	Above Average
ARP Partial Recon (Item)	\$ 0.0300	661	Below Average	Below Average	Below Average
ARP Partial Recon (Monthly)	\$ 40.0000	2	Below Average	Average	Average
ZBA Master Account	\$ 5.0000	2	Minimum	Below Average	Below Average
Incoming Domestic Wire	\$ 5.0000	2	Below Average	Below Average	Below Average
Stop Payments	\$ 5.0000	1	Below Average	Below Average	Below Average
Positive Pay Maintenance	\$ -	2	Minimum	Minimum	Minimum
Payee Positive Pay Item	\$ 0.0200	661	Below Average	Below Average	Average
ACH Debit Block Filter Maintenance	\$ -	1	Minimum	Minimum	Minimum
Outgoing Domestic Wire	\$ 6.0000	12	Below Average	Below Average	Below Average
Debits Posted	\$ 0.1000	108	Below Average	Below Average	Below Average
Credits Posted	\$ 0.1000	225	Below Average	Below Average	Below Average
ACH Notification of Change	\$ 2.0000	1	Below Average	Below Average	Above Average
Cash Deposits (fee per \$)	\$ 0.0016	32,801	Below Average	Below Average	Below Average
Account Recon Output Per Transmission	\$ 5.0000	2	Below Average	Below Average	Below Average
Checks Deposited- On US	\$ 0.0500	714	Below Average	Below Average	Below Average
Checks Deposited - Transit	\$ 0.0609	3,079	Below Average	Below Average	Below Average