



AGENDA ITEM # 18

AGENDA ITEM EXECUTIVE SUMMARY

Village Board Meeting

February 28, 2022

Item Title: Banking Services Agreement

Staff Contact: Tom Dahl, Finance Director

VILLAGE BOARD ACTION

Consider staff's recommendation to renew the Banking Services Agreement with Associated Bank.

Executive Summary:

After Finance staff conducted an RFP for banking services in 2015, the Village Board adopted a resolution authorizing the Village Administrator to execute a Banking Services Agreement with Associated Bank on January 25, 2016. The agreement was for three years with an automatic three-year extension that was confirmed on April 1, 2019. Associated Bank has requested another three-year extension of the agreement and staff's recommendation is to extend the agreement. Finance staff has been extremely pleased with Associated Bank's performance and the services they provide which include the following:

- 1) A main depository, accounts payable and payroll account for the Village along with a checking account for the Foreign Fire Fund.
- 2) Positive Pay protection for all three Village accounts.
- 3) ACH fraud protection for ACH withdrawals from the Village accounts.
- 4) Counting of the coins and bills received at the commuter train station payboxes.
- 5) Lockbox services for water bill and miscellaneous bill payments to the Village.
- 6) Purchasing cards for select Village employees
- 7) Merchant processing for the credit card payments received at Village Hall.
- 8) Remote deposit of checks received.

Due to the agreement currently in place, the Village pays no fees to the Bank since any fees are offset by our deposits. In fact, the Village continues to earn interest in this extremely low interest rate environment due to the 0.20% escalator in the agreement.

The positive pay feature was much needed after several attempts by thieves to cash altered Village accounts payable checks. The Village suffered no losses due to the positive pay protection offered by Associated Bank and neither did the bank.

Associated Bank has been very accommodating towards the Village's needs and offers new services that they feel would benefit the Village. Staff's recommendation to the Village Board is to grant an additional three-year extension with further direction to conduct an RFQ in the year prior to this agreement expiring.

Implications:

Is this item budgeted? The Village pays no banking fees unless the Village's deposits fall below a monthly calculated threshold. If this were to happen there are sufficient funds budgeted to cover the amount.

Any other implications to be considered? The Village could issue another RFQ if the Board was not comfortable with renewing the current agreement.

Attachments:

A letter from Associated Bank confirming the extension of the Banking Services Agreement for three more years.



February, 15, 2022

Tom Dahl
Finance Director
Village of Roselle
31 S. Prospect Street
Roselle, IL 60172

Tom,

Please allow this letter to confirm the agreement ("Agreement") between Associated Bank, N.A. ("Bank") and the Village of Roselle ("Village") contained in the Request for Proposal ("RFP") dated November 13th, 2015 is being extended for the agreed upon three year term, April 1, 2022 to March 31, 2025. It is also agreed upon that the Village and the Bank have the right to extend this contract for a period of another three years.

1. Bank shall continue perform the depository services outlined in the RFP for a period of three (3) years. The Village and Bank shall each have an unconditional right to terminate the Agreement upon 14 days' notice from either party. The third term of the Agreement shall be from April 1, 2022 to March 31, 2025.
2. Bank shall meet the Operational requirements set forth in the RFP dated November 13th, 2015, to the extent not inconsistent with the terms herein.
3. An interest earnings credit ("Earnings Credit") shall be applied to monthly Bank fees and shall offset Bank's fees ("Earnings Credit"). Such Earnings Credit will be credited to the Village's account between the 13th and 16th of the following month. The Earnings Credit rate shall be the Target Federal Funds Rate plus .20%. Accordingly, this rate will fluctuate with the Target Federal Funds Rate.
4. Any funds on deposit which are not used in the calculation of the Earnings Credit shall earn interest at the Target Federal Funds Rate. Accordingly, this rate will fluctuate with the Target Federal Funds Rate. This will give the Village the opportunity to earn a higher rate of interest in a rising rate environment.
5. Fees for Treasury Management services will follow the attached service rate schedule.

Village of Roselle

Tom Dahl
Finance Director

Associated Bank

A handwritten signature in cursive script, appearing to read "Carl Abrahamson".

Carl Abrahamson
Sr. V.P. Government Banking

Associated Bank Service Rates for the Village of Roselle

4-1-2022 to 3-31-2025

Uncollected Funds Charge	prime +4%
Deposit Assessment	0.1050
Maintenance Charge	
1-10 Accounts	8.0000
Deposit	0.4000
Posted Credit	0.4000
Posted Debit	0.1500
Check Block Base Fee	45.0000
Zero Balance Account Fee	10.0000
Paper Statement Fee	4.0000
Acct Analysis Online Stmt	
Acct Analysis Online Stmt	5.0000
Acct Analysis Online Stmt	No Charge
Cash Deposited	0.0010
Item Deposited - On-Us	0.0300
Item Deposited - Tier I	0.0300
Item Deposited - Tier II	0.0300
Item Deposited - Tier III	0.0300
Return Item - Reclear	3.0000
Return Item - Regular	3.0000
Return Item Special Instr	35.0000
PosPay - Paid - Item	0.0500
Payee PosPay Base	19.0000
Payee PosPay Item	0.0150
Check Paid	0.1200
ACH Rcvd - Credit	0.1000
ACH Rcvd - Debit	0.1000
ACH Credit Origination	
First 5,000 Items	0.0300
Next 5,000 Items	0.1400
> 10,000 Items	0.1000
ACH Debit Origination	
First 5,000 Items	0.0300
Next 5,000 Items	0.1400
> 10,000 Items	0.1000
ACH Orig - File Proc Fee	2.0000
ACH - Return Item	3.0000
ACH Filter - Base Fee	10.0000

ACH Filter Email Message	5.0000
ACH Stmt-Base Fee	30.0000
ACH Stmt-per Email	0.2200
ACH Stmt-per Addenda	0.0500
Incoming Wire - Domestic	15.0000
Online Wire - Domestic	12.0000
AC Commercial Service	45.0000
AC Commercial Account Fee	
First account	0.0000
Each Addl Account	4.0000
AC Commercial Trans Count	0.0800
AC Alert - Message Fee	
First 40	0.0000
> 40	0.0600
AC PosPay Service	30.0000
AC PosPay Suspect Item	3.5000
AC PosPay Issued Item	no charge
AC PosPay Files Uploaded	no charge
AC Wire Service	7.0000
AC Comm ACH Orig Service	30.0000
AC Comm ACH Orig Acct	no charge
Lockbox Deposit	3.0000
Lbx Base Fee	150.0000
Lbx Item Processed	0.4500
Lbx Data Entry Keystrokes	0.0140
Lbx Document Image Capture	0.1000
Lbx OCR Data Capture	0.2500
Lbx Image Web Base Fee	75.0000
Lbx Archive Item - 7 yr	0.0300
Lbx Online Decision Base	50.0000
Lbx Decisioning Item	0.2500
Lbx DataTrans Out - Base	175.0000
Lbx DataTrans Out - File	12.0000
Lbx PO Box Fee	10.0000
RD Standard Base Fee	30.0000
RD Deposit	0.4000
RD Item Deposited	
> 1000 items	0.0300