

**DEPOSITORY BID AND  
BANKING SERVICES PROPOSAL  
FOR**



**December 13, 2018**  
(Rebid – January 31, 2019)

*PROPOSED BY*



# CITY OF HATTIESBURG

## BID PROPOSAL FORM FOR THE SELECTION OF QUALIFIED DEPOSITORIES

**NAME OF  
DEPOSITORY**

**FIRST BANK**

TERM OF BID:	Two (2) years; beginning fiscal year 2019 and ending fiscal year end 2020
RATE OPTION 1:	Fixed Rate for bid period @ <b>1.75%</b>
RATE OPTION 2:	Variable Rate for bid period will be equal to the Federal Funds Target, minus 25-basis points. Current Federal Funds Target Rate is <b>2.25%</b>

As security for the deposits of the **CITY OF HATTIESBURG**, the undersigned financial institution will use the Promontory ICS (Insured Cash Deposit) to provide full FDIC insurance for the entire amount on deposit.

If needed, First Bank shall pledge collateral as provided in Section 27-105-05 in an amount equal to 105% of the maximum sum to be placed on deposit at any one time exclusive of that portion of accounts insured by the Federal Deposit Insurance Corporation, as required by Section 27-105-315.

The undersigned financial institution offers the following services or materials at no charge to the depositor. Specify service charges (fees), if any:

Checks:	First order paid by bank; subsequent orders at bank's cost
Deposit Books:	First order paid by bank; subsequent orders at bank's cost
Monthly Service Charge:	NO CHARGE
Account Maintenance:	NO CHARGE
Deposits:	NO CHARGE
Deposited Items:	NO CHARGE
Checks Paid:	NO CHARGE
Electronic Transfers:	NO CHARGE
Returns Items:	NO CHARGE
Other/Additional Services:	
Direct Deposit of Payroll	NO CHARGE
Positive Pay	NO CHARGE
Remote Deposit Capture	NO CHARGE
Merchant Services	Credit/Debit Card Acceptance; fees passed to cardholder

The City of Hattiesburg reserves the right to reject any and all bids.

## **CITY OF HATTIESBURG**

### **Public Depositories Requirements & Available Options**

1. Depository must meet the qualifications outlined in Sections 37-7-333, 27-105-305 and 27-105-315 of the Mississippi Code of 1972, Annotated, as amended, as well as any and all other sections of the Mississippi Code relating to Depositories. (NOTE: The Mississippi Code may be accessed at the Secretary of State's website: <http://www.sos.state.ms.us>)

*First Bank is a certified depository for the State of Mississippi. Please see included certificate at the end of proposal.*

2. All depository accounts must be accessible to appointed and authorized CITY OF HATTIESBURG personnel on-line (i.e., via Internet) on a daily basis, if requested.

*First Bank will make account data accessible to all authorized City of Hattiesburg personnel. However, agreements will need to be signed to provide this information to the City.*

3. On-line access should include a daily account statement as well as access to all of the related detail transactions including, but not limited to, copies of cancelled/cleared checks, deposit slips/tickets, detail deposit items, third party checks rejected for insufficient funds (NSF checks) and return settlement information for rejected ACH transactions. Transaction detail for cancelled checks must include the check numbers.

*First Bank can provide this information to online access users chosen by the City of Hattiesburg. Unfortunately, return information data is not currently compatible with our online platform. This applies to both paper and electronic returns. However, transaction detail does include check numbers, and sufficient data for electronic payments.*

4. A "Positive Pay", or a similar disbursement verification process, is available & recommended.

*First Bank can provide this service, should the City deem it necessary.*

5. Appointed and authorized City of Hattiesburg personnel must have the ability to perform, at a minimum, cash transfers, payroll-related ACH transactions (i.e., direct deposits for employee wages), and stop-pay orders on-line.

*First Bank can accommodate this request should the City require it. However, we will require ACH verification processes (dual control).*



6. Credit / Debit card processing (Merchant Services) is available should the City determine it necessary during the bid period, or if the City is currently offering such method of payment. Conversion can be phased-in over a two-month period of time.

*We can provide these services for a fee (which will be passed on to the individual cardholder), as City of Hattiesburg is currently accepting said method of payment. This is achieved by assessing a convenience fee at the point of sale, and thus, your cost will be paid by the cardholder, not the City. The equipment required is not leased from our provider; it is purchased. We will work with the City to assess the number of actual credit card terminals that will be needed upon being awarded this service. However, we think that the actual amount of new hardware that will be needed will be very limited.*

7. The proposal should include a listing of the cost to replace, or provide, various items including, but not limited to, check stock, deposit slips, and bank bags.

*Deposit Slips will be charged to City of Hattiesburg at cost to First Bank. If you desire our bank to provide check stock, then we will need to know exact specifications of your existing stock, and we will pass that charge onto you at cost, as well. Charges for bank bags, both locking and regular, will be supplied free of charge. First Bank will supply the initial order of both deposit tickets and checks.*

8. The proposal must indicate the earnings rate for deposited funds.

*First Bank is proposing two rate options: a fixed rate option for the bid period and a variable rate option. The rates offered during the bid period for City of Hattiesburg are as follows:*

**1) Fixed Rate Option:      2-Year Bid Rate      Fixed @ 1.75%**

**2) Variable Rate Option:      2-Year Bid Rate      Federal Funds Target Rate -0.25%**

**Federal Funds Target Rate as of 12/7/18 = 2.25%**  
**Minus 25-Basis Points (0.25%) = -0.25%**  
**Rate Paid to the City = 2.00%**

**TRANSACTION AND RELATED FEES FOR  
DEPOSITORY/DISBURSEMENT ACCOUNTS**  
*(Estimated Volumes for Illustrative Purposes)*

Description	Monthly Volume	Unit Cost	Line Item Charge
Account Maintenance	31	\$ 15.00	\$ 465.00
Deposits/credits	500	\$ 0.25	\$ 125.00
Checks/debits	2500	\$ 0.15	\$ 375.00
Assessment Fee Per \$1000	75000	<b>NO CHARGE</b>	\$ -
Cash Deposit Verified Per \$100	50	<b>NO CHARGE</b>	\$ -
Items Deposited On-Us	50	\$ 0.05	\$ 2.50
Items Deposited Government	100	\$ 0.10	\$ 10.00
Items Deposited Local	3000	\$ 0.10	\$ 300.00
ACH Received Debit	1000	\$ 0.10	\$ 100.00
ACH Received Credit	1000	\$ 0.10	\$ 100.00
ACH Return Item Debit/credit	10	\$ 5.00	\$ 50.00
OLB - ACH Module Per Item	1000	\$ 0.10	\$ 100.00
OLB - Positive Pay - Primary Account	1	\$ 150.00	\$ 150.00
Positive Pay - Additional Accounts	9	\$ 50.00	\$ 450.00
OLB - Base	1	\$ 19.95	\$ 19.95
OLB - Stop Payment Module	1	\$ 35.00	\$ 35.00
OLB - ACH Module	1	\$ 25.00	\$ 25.00
OLB - Additional Accounts	26	\$ 5.00	\$ 100.00
RDC - Remote Deposit Capture	1.00	\$ 49.95	\$ 49.95 .
		<b>Calculated TOTAL:</b>	<b>\$ 2,487.40 .</b>

**TOTAL CHARGE TO THE CITY**

**NO CHARGE**

# STATE OF MISSISSIPPI

## Office of the State Treasurer



Having complied with all the requirements of law, and having placed approved securities with the State Treasurer of Mississippi First Bank is hereby appointed a

### STATE DEPOSITORY

for a term of one year ending the **thirtieth (30th)** day of **November, 2019**, and is hereby authorized and empowered to receive and disburse, according to law, any and all State Funds, there offered for demand deposits and for investment in Time Certificates of Deposit or other authorized securities, but shall not have on deposit at any time an amount exceeding that authorized by Section 27-105-9, Mississippi Code (1972) as amended, or other applicable law or regulation unless otherwise ordered by the State Treasurer.

In witness whereof, the State Treasurer has ordered this Commission issued and has duly signed and affixed the Seal of the Office of the Treasurer of the State of Mississippi thereto on this the **first** day of **December, 2018**.

A handwritten signature in cursive script, reading "Lynn Fitch".

Lynn Fitch

Treasurer of the State of Mississippi





*Lynn Fitch*  
STATE TREASURER

To: Mississippi Public Fund Depositories

From: Paula Nielsen, CFA,  
Chief Investment Officer

Date: January 26, 2018

Re: ICS Program

In recent weeks, the Office of the State Treasurer has received several inquiries about the ICS (Insured Cash Sweep) program, offered by Promontory Interfinancial Network (PIN). This memorandum is meant to provide guidance for the use of this program, as well as PIN's CDARS (Certificate of Deposit Account Registry Service) program, by public fund depositories under Mississippi statute.

Since 2007, local governmental entities and their depositories have been able to use programs like these for collateralizing public funds. In 2012, the Legislature amended the relevant statute, Miss. Code Ann. § 27-105-315, to authorize it only so long as the accounts utilized are "interest-bearing."

While CDARS is limited to Certificates of Deposit and therefore always meets this requirement, ICS utilizes money market accounts as well as demand deposit accounts, which may not be interest-bearing. Thus, the use of ICS is permitted under State law as long as your institution is utilizing the available interest-bearing accounts.

If you have any questions concerning ICS or CDARS, please contact me at 601-359-3536, [Paula.Nielsen@treasury.ms.gov](mailto:Paula.Nielsen@treasury.ms.gov); or Donna Eargle at 601-359-2172, [Donna.Eargle@treasury.ms.gov](mailto:Donna.Eargle@treasury.ms.gov).