



# Baldwin County Commission

## Legislation Text

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**File #:** 19-1571, **Version:** 1

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**Meeting Type:** BCC Regular Meeting  
**Meeting Date:** 7/2/2019  
**Item Status:** New  
**From:** Donna G. Bryars, Interim Clerk/Treasurer  
**Submitted by:** Makayla Shiver, Jr Staff Accountant

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### **ITEM TITLE**

Banking Services Award

### **STAFF RECOMMENDATION**

Take the following actions related to banking services:

- 1) Award the Baldwin County Commission basic banking services to Hancock Bank for period of July 2, 2019 to July 2, 2022, at an interest rate tied to the 90-day treasury bill plus 0.10%; and the Commission's Earnings Credit Rate (ECR) a floating rate indexed to the Fed Funds Rate minus 0.50%. As of June 1, 2019 the Fed Funds Rate is 2.50%, therefore, the current rate would be 2.00%; and
- 2) Award the Baldwin County Merchant Services to Hancock Bank for a period of July 2, 2019 to July 2, 2022, with a discount rate of 0.0% and transaction fee of \$0.10.; and
- 3) Award the Baldwin County Commission banking services for idle funds up to \$20M for a period of July 2, 2019 to July 2, 2022, to The First Bank of Baldwin County with the interest rate set at the 3-month Daily Treasury Yield Curve Rate Index (The Index) Plus 0.13% (The Margin), floating. (Interest Rate as of 06/03/2019 would be The Index of 2.31% + The Margin of 0.13% = 2.44%).

### **BACKGROUND INFORMATION**

**Previous Commission action/date:** 04/05/2016

#### **Background:**

April 4, 2016 Meeting:

- 1) Awarded the Baldwin County Commission Basic Banking Services to Hancock Bank for the period of June 1, 2016 to May 31, 2019, with two (2) 12-month options, at an interest rate tied to the 90-day treasury bill plus 0.12% with a floor of 0.63% and the Commission will pay the bank services fee; and

2) Awarded the Baldwin County Commission Merchant Services to Hancock Bank for the period of June 1, 2016 to May 31, 2019, with two (2) 12-month options, at a cost plus price with a discount rate of 0.0% and transaction fee of \$0.10; and

3) Awarded the Baldwin County Commission Lockbox Services to Hancock Bank for the period of June 1, 2016 to May 31, 2019, with two (2) 12-month options, and the Commission will pay the bank services fees.

A Banking Services Request For Proposal (RFP) for Commission demand deposits has been sent to all in-county banks for the last 27 years. The RFP requests a rate of return tied to Prime or alternative index on all Commission bank accounts for a three-year period, and the RFP requests that the bank perform various services for the Commission. The Commission's current banking services arrangement is set to expire August 31, 2019.

#### Summary of Schedule

- Friday, March 15, 2019: RFP released to bank/institutions
- Wednesday, March 27, 2019: Last day to present written questions for RFP
- Wednesday, March 27, 2019: Banking institutions submit demo for online cash management system
- Friday, April 5 2019: 2:00 PM, RFP Due
- Friday, April 5, 2019: 2:30 PM, opening of RFP responses
- Tuesday, April 9, 2019: Recommendation to Baldwin County Commission
- Tuesday, April 16, 2019: Contract Awarded during regular meeting

#### **FINANCIAL IMPACT**

**Total cost of recommendation:** N/A

**Budget line item(s) to be used:** N/A

**If this is not a budgeted expenditure, does the recommendation create a need for funding?**  
N/A

#### **LEGAL IMPACT**

**Is legal review necessary for this staff recommendation and related documents?**  
N/A

**Reviewed/approved by:** N/A

**Additional comments:** N/A

**ADVERTISING REQUIREMENTS**

**Is advertising required for this recommendation?** N/A

**If the proof of publication affidavit is not attached, list the reason:** N/A

**FOLLOW UP IMPLEMENTATION**

**For time-sensitive follow up, select deadline date for follow up:** N/A

**Individual(s) responsible for follow up:** Finance and Accounting Department

**Action required (list contact persons/addresses if documents are to be mailed or emailed):**  
N/A

**Additional instructions/notes:** N/A