



Baldwin County Commission

Legislation Text

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

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

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