

TERM OF COMMISSION: June Session of the May Adjourned Term

PLACE OF MEETING: Boone County Government Center Commission Chambers

PRESENT WERE: District I Commissioner Karen M. Miller
District II Commissioner Skip Elkin
Deputy County Clerk Brian Wright

Commissioner Miller called the meeting to order at 11:33am.

Commissioner Miller noted that Commissioner Stamper would not be present today.

Wendy S. Noren, Boone County Clerk, stated the following:

In absence of the Presiding Commissioner, I, Wendy S. Noren hereby appoint District I Commissioner Karen M. Miller as presiding officer of the County Commission this 7th day of June, 2001.

Subject: Award of Depository Bid

Wendy S. Noren, Boone County Clerk and Kay Murray, Boone County Treasurer were present on behalf of this item.

Commissioner Miller stated that the Depository Bid would award services for the next two years, with a possible two-year renewal.

Wendy Noren stated that she sent each of the Commissioners a copy of the narrative (Methodology & Recommendations) of the bid. She stated that she also prepared a copy of the spreadsheets she used for the narrative for review by the Commission today. She noted that she has made copies of the Methodology & Recommendations and the Summary Analysis available for any member of the public or media to review. She noted that had a few copies of the Detailed Account Analysis she could provide to any interested persons.

Ms. Noren stated that she utilized the pre-established cost and the in-coming service criteria as the County has in its last several depository bids cycles. She stated that in the Detailed Account Analysis list, it lists what the County provided in the bid documents to the institutions (such as what the County would be using for criteria, including: checks cleared, deposit items, average collected balances, Master Card/Visa transaction business accounts and numbers). She noted that a sheet listing stop payments and payrolls were also included.

Ms. Noren stated that there were essentially two pieces to the bid: Cost for Depository Services and the Income the County would receive on its investments. She stated that the County will tie the investments (purchase agreements) to the Treasury Bill Rate. She noted that the analysis is based on last weeks Treasury Bill sale. She further noted that rate was 3.065%.

Ms. Noren stated that under the current agreement the County is able to have its deposits credited to the ledger until 7pm. She stated that several banks notified her office that they would be unable to perform this action. She noted that rather than rejecting these bids based on this criteria, the County would use an earnings adjustment of the investment income for those banks that could not meet the 7:00 deposit time. She further noted that the Collector and the Treasurer's office use the 7:00 deposit time heavily, especially during tax season.

Ms. Noren stated that the County currently receives its cleared checks with its bank statement on paper copies. She stated that several of the bidders do not have this option. She noted that instead, the bank provides a CD-ROM image of the cleared checks (with software included to read the checks).

Ms. Noren stated her concern for this type of imaging system, noting the County's record retention requirements. She stated that in the County's own experience with imaging, the County's record retention requirements will exceed the timing on this bid by seven years. She noted that in ten years, the County may not have computers that will have operating systems that can utilize the available software by the end of this contract.

Ms. Noren stated that with some of the CD-ROM programs have an image capture charge per item (three or four cents) for any other format, other than cancelled checks. She stated that the exact prices for the image capture charge were listed in the Summary Analysis.

Ms. Noren stated that in the Summary Analysis, each bid is summarized by account (cost and earnings). She stated that various other services were also summarized, including MasterCard, account and wire transfers, stop-payments, security safe-keeping, safety deposit box, payroll, ACH processing. She noted that the circuit clerk's office would need weekly bank statements.

Ms. Noren stated that one service the Treasurer's office uses frequently is the on-line banking services. She stated that the County also requested the bidders submit proposals for their electronic/on-line banking. She noted that all the services were very similar. She further noted that the cost for the programs varied widely.

Ms. Noren stated that in the Summary, a table listing Costs and Earnings (based on the interest rate, including the earnings adjustment) was included for each institution. She stated that in terms of cost, First National Bank provided the best proposal (\$52,018 approximately, up to \$73,000). She noted that Commerce Bank had a competitive bid. She further noted that the CD-ROM and earnings adjustment items were what cost Commerce Bank the best cost.

Ms. Noren stated that in the Investments category of the summary, the County requested that the bidders submit proposals based on the T-Bill rate (stated as a basis point above or below the T-Bill rate). She stated that First National Bank provided the County with the best bid in this category. She noted that First National submitted a proposal having twelve points above the T-Bill rate. (A basis point is 1/100 of a percentage point. The T-Bill rate last week was 3.065. Therefore, First National Bank's rate was 3.725)

Ms. Noren stated that Commerce Bank was competitive in the Investments category. She stated that Commerce Bank also provided twelve basis points above the T-Bill rate. She noted that this rate would apply to the investment account only, adding that this is the Treasurer's main account. She further noted that five basis points above the T-Bill rate were provided for other accounts (Interest-bearing checking accounts, and other accounts that primarily serve the court services branch of the County).

Ms. Noren stated that the earnings adjustment was done with Commerce Bank, noting that the total was in excess of \$4,400. She stated that Firststar and Boone County Bank also bid the T-Bill rate that they would pay the County on its investments. She noted that both had to be computed using the earnings adjustments. She further noted that United Missouri Bank (UMB) also bid using the T-Bill rate, but added that it required a 10% reserve requirement with the Investment accounts. (The reserve requirement would not have interest applied to those funds.)

Ms. Noren stated that Bank of America bid a schedule of items. (Items over a million dollars, Bank of America would pay the County 100 basis points below the T-Bill rate. Smaller accounts would be 250 basis points below the T-Bill rate.)

Ms. Noren stated that she computed the net income, based on the various items, for each of the institutions. (Using the formula of Cost minus Projected Income equals the Net Income.) She stated that First National Bank would provide the best net income for the county. She noted that Commerce Bank had the second best bid.

Ms. Noren stated that Kay Murray reviewed the top two bidders, regarding the on-line banking. She stated that Commerce Bank provided virtually the same electronic service currently provided to the County by First National Bank. She noted that she and Ms. Murray did not see anything in the proposals that would justify going-off the price and income criteria the County had prepared.

Ms. Noren stated that she recommends award of Depository Services to First National Bank.

Kay Murray stated that she was pleased with the bidder turnout and participation for this item. She stated that the Depository bid is a good process for the County to go through.

Ms. Noren stated that six banks bid, noting that additional banks attended the pre-bid. She stated that the County, tax-payers, and members of the Community were well served by the amount of effort provided by the various financial institutions. She noted that difficulty of items like these, adding that these banks are also working with other public entities simultaneously.

Ms. Murray stated that all the bid were very competitive. She stated that she appreciated the amount of work done by each of the bidders with this item.

Commissioner Miller thanked Ms. Noren and Ms. Murray, on behalf of the Commission, for their efforts with this bid. She noted the amount of work and time the bid required. She further noted that the methodology used to determining the bid award was fair. She also wished to thank

the bidders for their participation.

Ms. Murray stated that she has received many calls from other counties, inquiring about the County's bidding process.

Commissioner Miller stated that Boone County could share its methodology with those other counties.

Commissioner Elkin moved to award the bid for depository services to First National Bank. The County Clerk and County Treasurer prepare with the County Attorney contract documents for approval by the County Commission.

Commissioner Miller seconded the motion.

There was no discussion or public comment.

The motion passed 2-0. **Order 260-2001**

Subject: Commissioner Reports

Commissioner Stamper

Commissioner Stamper was not present today.

Commissioner Miller

Commissioner Miller did not give reports today.

Commissioner Elkin

Commissioner Elkin did not give reports today.

There was no public comment.

The meeting adjourned at 11:50am.

Attest:

Don Stamper
Presiding Commissioner

Wendy S. Noren
Clerk of the County Commission

Karen M. Miller
District I Commissioner

Skip Elkin
District II Commissioner