



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** July 22, 2024

SUBJECT: Consider awarding RFP 24-006 and authorizing the City Manager to execute a Depository and Electronic Lockbox Banking agreement for Banking Services to J.P. Morgan Chase Bank, N.A. for a term of three years.

PRESENTER: Jay Patel, Director of Finance

SUMMARY:

The City Council is being asked to approve a contract with J.P. Morgan Chase Bank, N.A. (Chase) for Depository and Electronic Lockbox Banking services. This contract will continue the existing contractual arrangement for depository banking services and establish a new contract for electronic lockbox service. Frost Bank is the current lockbox bank institution, which is now on a month-to-month basis.

GENERAL DESCRIPTION:

Meeder Public Funds, Inc. is an SEC registered investment advisor who provides professional investment advisory and administrative services exclusively to state and local public entities and has served the City as its investment advisor since September 2021. While Meeder Public Funds is the investment advisor, the City utilizes a large banking institution to provide investment custody services for its long-term investment reserve portfolio.

In December 2023, the Department of Finance prepared and issued RFP 24-006 for Banking Services to include depository, safekeeping and electronic lockbox services. An evaluation committee utilized the services of Meeder Public Funds to evaluate all of the bank responses to ensure a complete and thorough review was done based on service level, product offerings, and cost of services.

A total of two submissions for depository and electronic lockbox services were received. Both were evaluated and the committee recommended Chase as the depository bank as well as electronic lockbox bank for utility billing payments. Chase demonstrated strong reporting capabilities as well as twice the frequency of collections for electronic lockbox services. For depository services, the cost of providing services is lower than the other option while also providing for higher interest earnings with Chase Bank.

RECOMMENDATION:

Award RFP 24-006 and authorize the City Manager to execute a Depository and



Electronic Lockbox Banking agreement for Banking Services to J.P. Morgan Chase Bank, N.A. for a term of three years.