



Legislation Text

File #: O-421-19, Version: 1

Banking Services
Department of Finance - Treasury
Sullivan Nicholls (x1636)/Bryan Benner (x1194)
Revised

Authorizing the Mayor to enter into a three-year contract for banking services; further authorizing the expenditures; and declaring an emergency.

SUMMARY & BACKGROUND:

Toledo Municipal Code Section 192.17 sets forth the procedures for designating a Central Depository and a Secondary Custodian for banking and custodial services. This is required to be done every three (3) years. The City's current banking services contracts expires September 30, 2019. A Request for Proposal (RFP) was duly advertised. Proposals were received from four institutions and subsequently evaluated by the Department of Finance in accordance with established procedures for professional service contracts.

The four banks that submitted RFP were all responsive and were able to provide the financial services requested by the city. Concerning the cost, fees and interest earned on daily balances, Fifth Third Bank proposed the lowest total annual fees and charges at approximately \$59,000. The other proposals annual costs ranged from \$64,800 to \$80,000. The Banking Services RFP asked for a variable interest rate earned on daily balances and Fifth Third Bank offered a rate based upon the nightly Federal Funds rate minus 0.65% (65 basis points) on all bank accounts.

After review of the banking services RFP, it is recommended that the city contract with Fifth Third Bank as Central Depository and the State of Ohio Treasurer Ohio Pooled Collateral System (OPCS) as Secondary Custodian.

The fiscal impact of this ordinance is as follows:

- The total amount of funds requested: estimated fees are \$59,000 annually, though charges will vary based on the city's balances with the bank and the federal funds rate
- The expenditure budget line item: 1001-14200-1132003STDSTD, 6078-31000-4000524STDSTD, 6060-31000-4000511STDSTD, 6070-31000-4000508STDSTD, and 607A-31000-4000552STDSTD
- New revenue generated (operational revenue, grants, if any): estimated \$125,000 per year in interest earnings
- Revenue budget line item (if any): 1001-14200-1132003STDSTD, 6078-31000-4000524STDSTD, 6060-31000-4000511STDSTD, 6070-31000-4000508STDSTD, and 607A-31000-4000552STDSTD
- Are funds budgeted in the current fiscal year (yes/no)?: yes, this was included in the approved 2019 budget
- Is this a capital project (yes/no)? no
- If yes, is it new or existing (new/existing)? existing
- What section of the City's Strategic Plan does this support:

- Excellence in Basic Services (yes/no) yes
- Quality Community Investment (Livable City, Development) (yes/no) no
- Workplace Culture & Customer Service (yes/no) no
- Environment (yes/no) no

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That the mayor is authorized to enter into necessary contracts with Fifth Third Bank (Northwestern Ohio) for Central Depository services and State of Ohio Treasurer the Ohio Pooled Collateral System (OPCS) for Secondary Custodial services for a three-year period beginning October 1, 2019. Said contracts shall contain such terms and conditions deemed proper and requisite according to the Director of Law and the Mayor.

SECTION 2. That the Director of Finance is authorized to expend funds and draw his warrant against the following Account Codes: 1001-14200-1132003STDSTD, 6078-31000-4000524STDSTD, 6060-31000-4000511STDSTD, 6070-31000-4000508STDSTD, and 607A-31000-4000552STDSTD, in payment of the above obligations authorized upon presentation of the proper voucher or vouchers.

SECTION 3. That this Ordinance is declared to be an emergency measure necessary for the immediate preservation of the public peace, safety, health, and property of the City, and for the further reason that this Ordinance must be immediately effective in order to meet the requirements of the Toledo Municipal Code, Section 192.17. Therefore, this Ordinance shall be in full force and effect from and immediately upon its passage, or at the earliest time permitted by law.

Vote on emergency clause: yeas 12, nays 0.

Passed: September 17, 2019, as an emergency measure: yeas 12, nays 0.

Attest:

Gerald E. Dendinger
Clerk of Council

Matt Cherry
President of Council

Approved:

September 17, 2019
Wade Kapszukiewicz
Mayor