



City of Grand Island

Tuesday, March 13, 2018

Council Session

Item I-1

#2018-71 - Consideration of Approving Contract with Cornerstone Bank for Banking Services

Staff Contact: William Clingman, Interim Finance Director

Council Agenda Memo

From: William Clingman, Interim Finance Director

Meeting: March 13, 2018

Subject: Consideration of Approving Contract with Cornerstone Bank for Banking Services

Presenter(s): William Clingman, Interim Finance Director

Background

On December 29, 2017 the City advertised an RFP for Banking Services. On January 25, 2018 this RFP closed and 7 banks submitted proposals. Staff from the Finance Department reviewed all submitted bids and then selected Cornerstone Bank because of the evaluation process.

Discussion

The City of Grand Island has utilized our current bank for at least the last decade and because it has not been formally evaluated for such a long time, an RFP was issued for banking services. These two primary drivers led to the selection of Cornerstone Bank. The estimated impact of the change to Cornerstone bank will be at least a net gain of \$700,000 on an annual basis to the total City of Grand Island cash balance; however, based on our current balance as of early March 2018, the net impact would be closer to \$950,000.

A secondary result of this change in banks will be the elimination of lockbox services for utility related payments. This is because of two primary reasons. First, the Finance Department for the last several months evaluated the benefit of lockbox services for utility payments. It was determined that we currently have staff to process these payments in house and that by bringing them in house we will eliminate some of the errors in payment processing that have been attributed to the City's use of the lockbox services. Second, Cornerstone Bank does not offer lockbox services, nor do they have plans to offer them. The elimination of the lockbox will not be immediate, but will be phased out over the next several months.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the City Council approve the resolution to establish banking services with Cornerstone Bank.

Sample Motion

Move to approve the resolution.



Stacy Nonhof, Purchasing Agent

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Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
BANKING SERVICES**

RFP DUE DATE: January 25, 2018 at 4:00 p.m.
DEPARTMENT: Finance
PUBLICATION DATE: December 29, 2017
NO. POTENTIAL BIDDERS: 10

SUMMARY OF PROPOSALS RECEIVED

UMB Bank
Kansas City, MO

Wells Fargo
Denver, CO

Equitable Bank
Grand Island, NE

Cornerstone Bank
York, NE

Five Points Bank
Grand Island, NE

Great Western Bank
Grand Island, NE

Union Bank & Trust
Lincoln, NE

cc: Marlan Ferguson, City Administrator
Stacy Nonhof, Purchasing Agent

Rena Jimenez, Finance Director
William Clingman, Assist. Finance Director

P2029

RESOLUTION 2018-71

WHEREAS, the Finance department advertised a Request for Proposals (RFP) for Banking Services in December of 2017; and

WHEREAS, the RFP closed on January 25, 2018; and

WHEREAS, a committee reviewed all proposals that were received; and

WHEREAS, Cornerstone Bank was selected to provide the primary banking services to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the agreements with Cornerstone Bank for banking and deposit services is approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 13, 2018

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 14, 2018	☐ City Attorney