



# City of Beaumont

## Response to Request for Proposals for Banking and Merchant Services

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July 22, 2022

# Agenda

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- Introductions
- Beaumont's Focused Initiatives
- Wells Fargo in your Community and the Government Sector
  - A Message from our Division Executive: Kathleen McClure-Wight
- Improving your Integration
- Implementation Timelines
- Review of Current Services
- Analysis Review and Sweep Options
- The Future of your Payables and Receivables
- CEO Online Demo
- Q&A

# Introductions to your Local Government Team

## Relationship Banking



**Jamie O'Connell**  
Relationship Manager  
jamie.Oconnell@wellsfargo.com

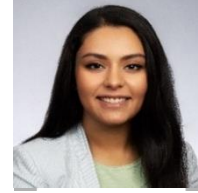


**Anna Gonzales**  
Relationship Associate  
anna.l.gonzales@wellsfargo.com



**Kathleen McClure-Wight**  
Division Executive  
kathleen.s.mcclure-wight@wellsfargo.com

## Treasury Management



**Gurleen Pannu**  
Treasury Management Consultant  
gurleen.pannu@wellsfargo.com



**Jessie Volz**  
Treasury Management Analyst  
jessie.volz@wellsfargo.com



**Todd Reed**  
Merchant Services Product  
Consultant  
todd.reed2@wellsfargo.com

## City of Beaumont wants

High levels of customer service with single points of contact

Improved integration with its systems

Clear and fair charging structure

A full-service and easy-to-use configurable online portal with ease of access to banking data and transactions

## Wells Fargo will deliver

1

A dedicated relationship team that specializes in the government sector

2

A thorough Business Process Review to access automation strategies specific to the City's systems

3

Multiple ways to access activity, fees, statements, and notices

4

A single sign-on portal that delivers commercial services at your fingertips

# Wells Fargo in your community | Beaumont, CA

## Our people



- 41 team members live here
- 54 team members work here

## Our locations



- 2 banking locations, including 1 in LMI\* communities
- 5 ATMs, 2 in LMI communities

## Our community



## Charitable contributions<sup>1</sup>

Foundation giving	Total grants	\$ amount
Human services	1	5,250



<sup>1</sup>Community Impact and CRA reflects 2020 data

<sup>2</sup>Some community development activity cannot be tracked at the city level

<sup>3</sup>Community development activity is subject to change as updates are received

\*LMI = low to moderate income

Our people and location information as of June 2022

# Wells Fargo in your community | Beaumont, CA

## Home mortgage lending in your community<sup>1</sup>

	Total loans	\$ amount
Home purchases	32	8,128,221
LMI borrower	13	2,777,045
Home improvement	0	0
Home equity	0	0
Home refinance	71	16,639,065
LMI borrower	15	2,997,667

## Community lending<sup>1,2,3</sup>

- 136 mortgage loans extending \$30.8 million in credit
  - Of that, 3 were in LMI communities, providing \$520,000 in credit and 29 mortgage loans were made to LMI borrowers, providing \$5.9 million in credit
- 80 small business loans extending \$4.3 million in credit
  - Of that, 17 were in LMI communities, providing \$1.3 million in credit

<sup>4</sup>Community Impact and CRA reflects 2020 data

<sup>5</sup>Mortgage includes home purchase, home improvement, home refinance, other purpose, NA and originated and purchased loans.

<sup>6</sup>Totals include low, moderate, middle, upper and unclassified income levels.



## Credit ratings

Wells Fargo continues to be among highest credit rated U.S. banks

Bank	Moody's	S&P	Fitch
Wells Fargo Bank, NA	Aa1(cr)	A+	AA-
JP Morgan Chase Bank	Aa1(cr)	A+	AA
Bank of America	Aa2(cr)	A+	AA-
US Bank	Aa2(cr)	AA-	AA-
Citibank	Aa3(cr)	A+	A+

(cr) – Reflects Moody's Counterparty Risk Assessment

Source: Bloomberg as of January 21, 2021

## FDIC deposit market share

Deposit share	Rank #	Total deposits (\$000)
20.67%	3	201,365

Source: FDIC Deposit Market Share Report as of June 30, 2021

# We're committed to the government sector

## Your priorities

- Reducing costs and improving operational efficiency
- Providing excellent service to taxpayers
- Preventing impostor fraud and data breaches
- Financing infrastructure projects to keep up with changing landscape and maintenance backlogs
- Optimizing overall debt profile for low interest rate environment
- Maximizing investment returns and managing pension liabilities

## Our abilities

- Customized account structure to maximize systematic, operational, and monitoring controls
- Technology efficiencies to free up resources for customized taxpayer-friendly solutions
- Operational products to help mitigate fraud risks and protect public funds
- Products to enhance cash flow information including previous day and intraday reporting, controlled disbursement, and lockbox services

79 government  
relationship  
managers\*

5,500  
government  
relationships\*

\$29 billion  
in deposits

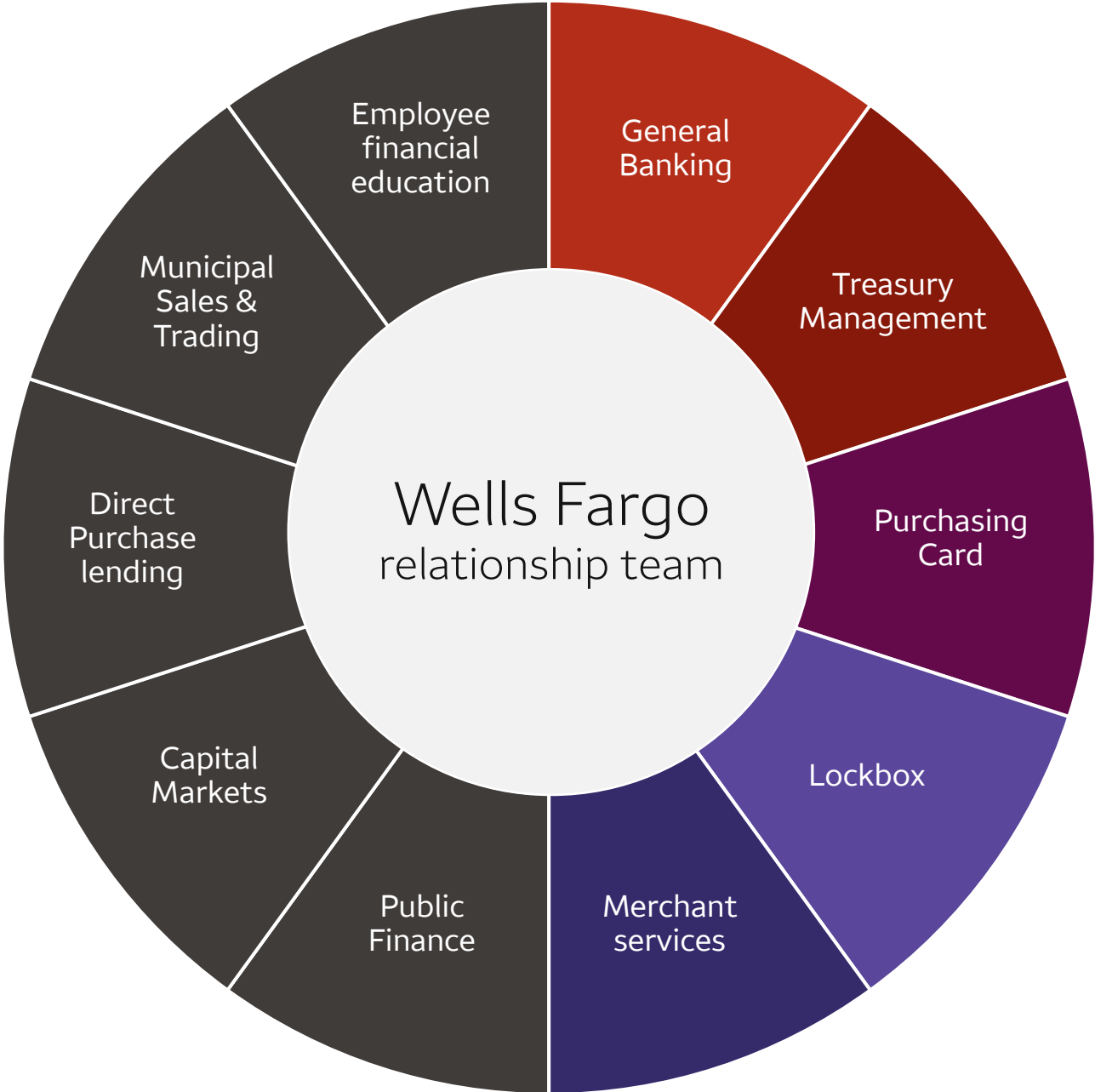
\$22.5 billion in  
commitments\*

CRA  
overall rating of  
outstanding†

\* Internal Wells Fargo analytics

† Community Reinvestment Act Performance Evaluation, Office of the Comptroller of the Currency, February 4, 2019

# Everything under one roof





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# Business Process Review

Gaining insight and identifying potential risks  
in your processes

Observe, analyze, and consult

Focused on what matters  
most to you

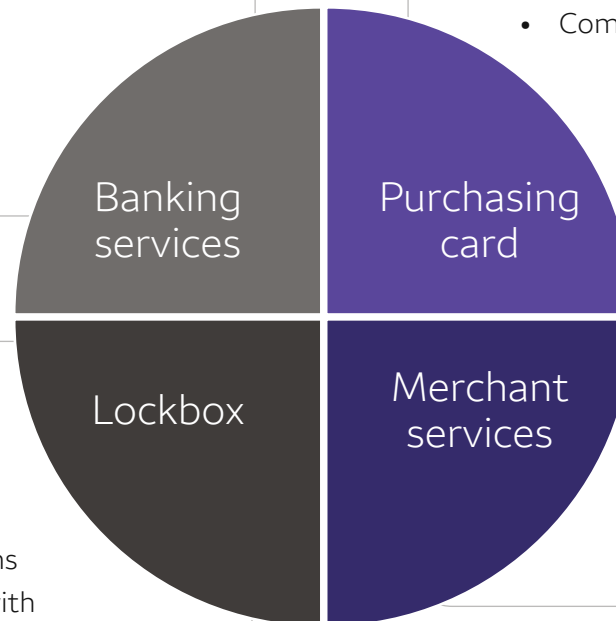
Proven results benchmarked  
to your industry



# Executive summary

- 35K transition allowance to be used in first 12 mo.
- Locked pricing for a three year term
- ECR offered at 70bps- a managed rate and variable based on market conditions and bank discretion
- What services you're utilizing today
  - Remote Deposit
  - Lockbox
  - Cash Vault
  - Returned item with re-deposit instructions
  - Positive pay with Payee Validation
  - ACH Fraud Filter
  - ACH services
  - Wire transfers
  - Reports
  - Merchant Services

- Beaumont has 51 cards issued today with CalCard; approx. \$150,000 in annual spend.
- Our Commercial Card program is an all-in-one expense reporting platform
- We provide a complimentary vendor analysis to identify vendors that can be paid electronically.
- Issue both Visa and Mastercard, whichever the City prefers
  - Virtual card and vendor outreach is available with Payment Manager
  - Platform linked to CEO for real-time card maintenance
  - Dual controls, delegated approvers for cardholders
  - Receipt images loaded to transactions via site or mobile device
  - Commercial card is subject to credit approval and vendor analysis



- Wells Fargo offers in-house wholetail and wholesale lockbox processing
- Both Wholetail and Wholesale processing is available
- First class priority zip code offered to Beaumont payments
- Reporting options available to staff to reconcile daily transactions
- Coupon testing and file transmission can process concurrently with other services implemented.

- Credit Card processing available with Wells Fargo Merchant Services
- Approx \$6.2MM in annual processing today
- Wells Fargo Merchant Services can also enhance your online payments with easy to pay utility billing.

# Implementation and timelines

# How your relationship team will handle the onboarding process:

## Jamie O'Connell

Relationship Manager

- Primary contact and escalation point
- Finalize contract, terms, and requirements
- Oversees implementation and ongoing service
- Provide regular relationship reviews, credit and future needs

## Gurleen Pannu

Treasury Management Consultant

- Understands your business, current processes, and future goals
- Determine the right services and solutions
- Designs your new solutions
- Offers new ideas as technology advances

## Anna Gonzales

Relationship Associate

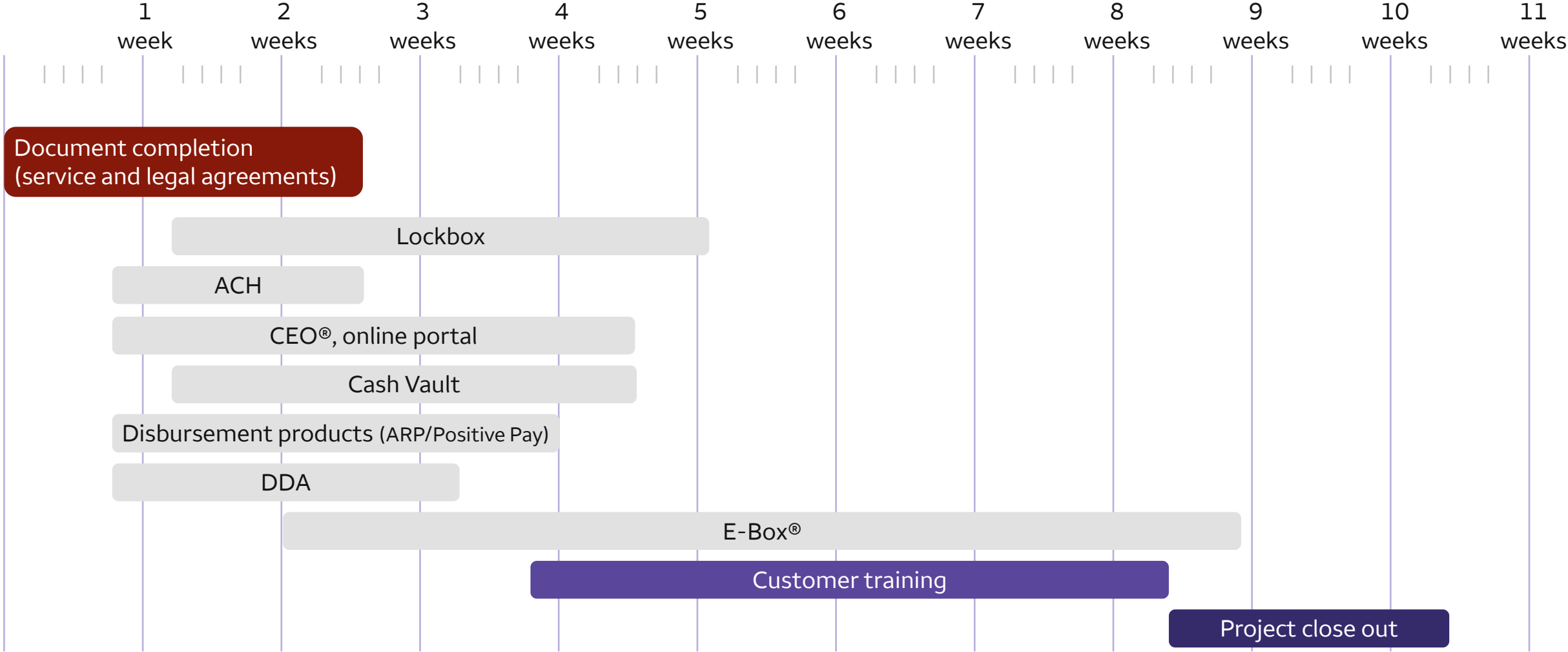
- Handles the new account process and documents submitted for electronic signatures
- Assists with all service requests related to maintenance and signer changes
- Covers Jamie O'Connell when she is in customer meetings and out of the office
- Submits research requests and any items that require further review

## Jessie Volz

Treasury Management Sales Analyst

- Gathers required information for treasury services that are requested
- Submits request to implementation team for implementation of treasury services
- Manages progress of implementation process
- Assists with treasury pricing questions

# Sample project timeline



**Legend**

- Pre-implementation planning
- Product implementations
- Training
- Project close out/monitoring

Timelines represent standard SLA windows given full customer resource engagement (business and IT) and standard file formats

# Smart Safe and Armored Pickup

# SafeVantage<sup>®</sup> service: Smart safe deposit processing

## Day 1

- Store employees place deposit into safes
- Safes validate the total amount deposited
- At close of business, safes provide a printout of each deposit, along with the daily total

## Day 2

- Cash deposit information sent daily from safe to Wells Fargo for credit
- Customer receives credit for deposit
  - **Standard Credit:** Deposits are posted the evening of Day 2
  - **Premium Intraday Credit:** Deposits are posted on Day 2 by 8:00 a.m. local time - Intraday deposit reporting is also available on Day 2
- Cash deposit information available on vendor web-based reporting

## Day 3

Wells Fargo information reporting is available

- BAI files and Treasury Information Reporting (TIR) options available
- Reporting contains different descriptions for
  - Currency
  - Manual drop
  - Change order deposits

## Beyond

- Armored carrier pickup
- Delivery to a cash vault
- Any adjustments are sent within 48 hours of receipt at the vault – Significant drop in adjustment volume is expected



Lockbox

# Wholesale lockbox

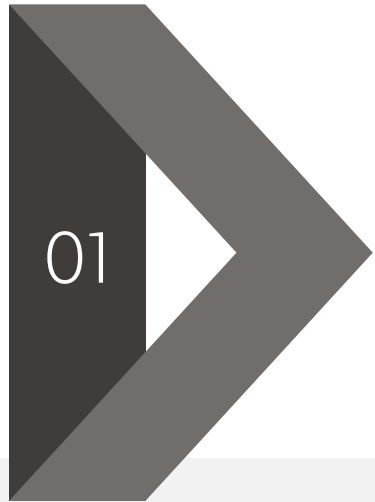
How it works

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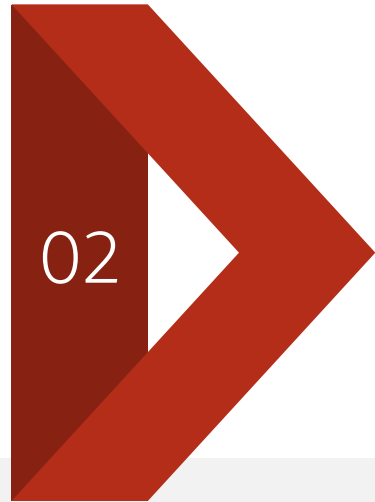


# Virtual Lockbox

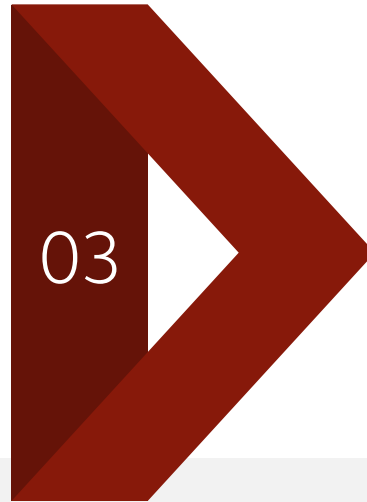
# Virtual lockbox: How it works



**Receive**  
and scan checks  
and remittances



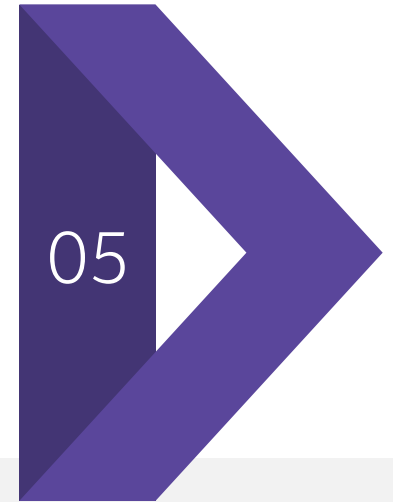
**Review**  
and submit  
deposit



**Payment data**  
integrated  
with lockbox  
business rules



**Receive**  
accounts  
receivable  
transmission



**Access**  
images  
and data

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# Analysis Accounts (Fee Structure and ECR)

# Summary of Services Included



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Balances of \$17MM at current ECR of .70%

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1 Account

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Lockbox Volumes for items on bid sheet

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Cash Vault estimate of \$25,000 in currency

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Desktop Deposit for paper checks

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Positive Pay w/ Payee Validation (40 checks)

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Full Account Reconciliation Report

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ACH Future Dated Items- 1 ACH ID

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ACH Fraud Filter

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Incoming/Outgoing wire transfers

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Intraday & Previous Day Reports

# Sample Analysis Comparison

- Wells Fargo Bank

City of Beaumont		Pricing as of June 2022
ANALYSIS SUMMARY		
Average Positive Collected Balance		\$ 17,000,000.00
Reserve Requirement @ 0.00%		\$ 0.00
Investable Balance Available for Services		\$ 17,000,000.00
Monthly Analyzed Charges		\$ 5,372.59
Earnings Allowance @ 0.70%		\$ 9,780.82
Net Monthly Analyzed Charges (EXCESS)		\$ 4,408.23
*Monthly Fee Based Charges		\$ 0.00
Total Monthly Analyzed Charges		\$ 0.00
*Charges not offset by balances		

- Citibank

CITY OF BEAUMONT  
550 E 6TH ST  
BEAUMONT CA 92223

Statement Period  
Apr. 1 - Apr. 30, 2022

Relationship Manager  
US SERVICE CENTER  
1-877-528-0990  
Page 1 of 2

## CitiBusiness® ACCOUNT ANALYSIS

Average collected balances	\$35,936,204.10
Balances eligible for Earnings Credit	\$35,936,204.10
Balances Required to Offset Service Charge	\$73,373,571.81
Earnings Credit allowance at 0.20000%	\$5,907.32
Total Charges for Services	\$12,062.07
Net Service Charge	\$6,154.75





























- \* Volumes used by Wells Fargo were provided by City of Beaumont's Bid Sheet



# Sweep and Investment

# Money Market Fund Rate Report

## Stagecoach Sweep as of 7-21-22

Fund	Daily factor	1-day (%)	7-day current (%)	7-day current		Fact sheet	Summary prospectus	Prospectus	Annual report
				pre-waiver (%)	7-day effective (%)				
Government Money Market Fund - Select	0.000040694	1.49	1.46	1.32	1.47				
Government Money Market Fund - I	0.000038503	1.41	1.38	1.28	1.39				
Government Money Market Fund - Admin	0.000035226	1.29	1.26	1.16	1.26				
Treasury Plus Money Market Fund - I	0.000037938	1.38	1.35	1.33	1.36				
Treasury Plus Money Market Fund - Svc	0.000031428	1.15	1.11	1.04	1.11				
Treasury Plus Money Market Fund - A	0.000027408	1.00	0.96	0.94	0.96				
100% Treasury Money Market Fund - Svc	0.000029505	1.08	0.98	0.96	0.98				

[Money Market Fund Rate Report - Allspring Global Investments](#)- Link to Investment options



# The Future of your Payables

# Who we are – leading our peers and the market

The WellsOne® Commercial Card program received the Highest Authorization Approval Rate award as part of Visa's Global Service Quality Awards

- Recognizes commitment to **service** through high authorization approval rates while helping to control risk
- Exemplify strong partnership through excellence in innovation, operational efficiency, and cardholder satisfaction

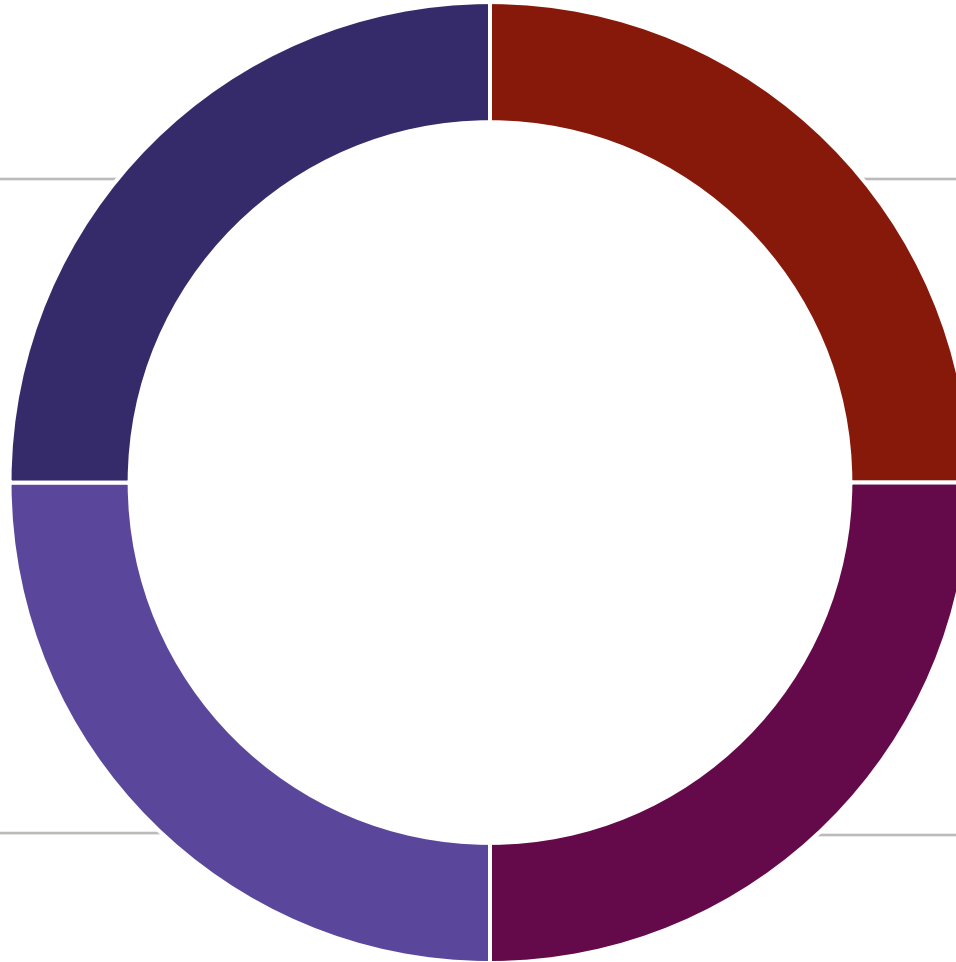


# Payment Manager<sup>®</sup> value

Leveraging your current technology investment

## Increase

your security  
and control



## Optimize

your ERP investment  
and AP processing

## Reduce

your processing costs  
and manual data entry

## Improve

your working capital  
and cash forecasting

# The Future of your Receivables

# Bill pay challenges- EBOX

- Mailed check payments **increases** delivery time and **delays** settlement
- Payments received with incorrect or incomplete billing data cause **posting delays** and **decrease** customer satisfaction
- Receiving multiple input files from different bill service providers creates **logistical** challenges
- Manual returns process is **time-consuming**

It takes  
about  
**6 days**,  
which is



**50%**

more time to initiate, mail, deliver, and post a paper check through online bill pay than by leveraging the electronic process\*



# Wells Fargo Merchant Services Proforma

<b>Summary for April 2022 card payment processing</b> This analysis is based on the following information: Merchant Category Code 4900 ( UTILITIES-ELECTRIC,GAS,WATER ) 80% Business-To-Consumer Cards 100% Keyed Transactions WFMS Pricing Option: Interchange +		<b>Monthly fees</b>	<b>Effective rate</b>	<b>Estimated monthly difference</b> <b>\$ 811.63</b>
	Current processor costs	\$ 6,987.96	1.78%	
	WFMS processing cost	\$ 6,176.33	1.57%	

April 2022 CITY OF BEAUMONT - ONLINE SEWER		Rate	Per-item fee	# Items	Amount	Surcharges	Fees due
Visa		Total Visa volume>>		2793	\$ 288,188.42	-	\$ -
Regulated Debit (AVS)	0.05%	\$ 0.22	1,706	\$ 160,798.00	\$ -	\$ 455.72	
E-Commerce (Basic) Debit (AVS)	1.65%	\$ 0.15	369	\$ 38,177.65	\$ -	\$ 685.28	
Product 1 (CNP) Signature Preferred/Infinite (SQ) (AVS)	2.40%	\$ 0.10	259	\$ 26,293.40	\$ -	\$ 656.94	
Product 1 (CNP) Signature/Infinite (SNQ) (AVS)	1.95%	\$ 0.10	246	\$ 22,412.40	\$ -	\$ 461.64	
Regulated Commercial Debit (AVS)	0.05%	\$ 0.22	73	\$ 14,758.32	\$ -	\$ 23.44	
Business Tier 5 - Product 1 (CNP) (AVS)	3.00%	\$ 0.10	34	\$ 8,933.19	\$ -	\$ 271.40	
Business Tier 4 - Product 1 (CNP) (AVS)	2.95%	\$ 0.10	7	\$ 3,857.10	\$ -	\$ 114.48	
Product 1 (CNP) Credit (AVS)	1.80%	\$ 0.10	32	\$ 3,206.24	\$ -	\$ 60.91	
Commercial Card CNP - Purchasing (AVS)	2.70%	\$ 0.10	17	\$ 2,580.16	\$ -	\$ 71.36	
E-Commerce (Basic) PP Debit (AVS)	1.75%	\$ 0.20	20	\$ 2,001.06	\$ -	\$ 39.02	
Business Tier 3 - Product 1 (CNP) (AVS)	2.85%	\$ 0.10	20	\$ 1,784.80	\$ -	\$ 52.87	
Commercial Card CNP - Business Debit (AVS)	2.45%	\$ 0.10	1	\$ 1,651.66	\$ -	\$ 40.57	
Business Tier 2 - Product 1 (CNP) (AVS)	2.80%	\$ 0.10	8	\$ 1,574.51	\$ -	\$ 44.89	
Intl Regulated Debit (AVS)	0.05%	\$ 0.22	1	\$ 159.93	\$ -	\$ 0.30	
<b>Total Visa interchange rates &amp; fees</b>				<b>2793</b>	<b>\$ 288,188.42</b>		<b>\$ 2,978.82</b>

# Sample WFMS statements

## FEES

Amount charged to authorize, process and settle card transactions, along with transaction-based and/or fixed amounts charged for specific card processing services.

### TRANSACTION FEES

	Type	Amount
<b>MASTERCARD</b>		
MC-XXXXX	Interchange charges	-\$0.00

Mastercard	Card type	Rate	Per-item fee	ICF applies
Regulated Debit w/Fraud Adj (AVS)	Consumer Credit	0.00%	\$0.75 ▲	
Corporate Data Rate I Corp/Purch/Fleet (Large Market) (AVS)	World Card	0.00%	\$0.75 ▲	
World-Elite Utility (AVS)	World Elite	0.00%	\$0.75	
World Utility (AVS)	Enhanced	0.00%	\$0.75 ▲	
Enhanced Utility (AVS)	High Value	0.00%	\$0.75	
Utility World Elite Business (AVS)	All Business Products	0.00%	\$1.50	
Utility Debit (AVS)	Non-Regulated Consumer Debit	0.00%	\$0.65	
High Value Utility (AVS)	Non-Regulated Consumer Prepaid	0.00%	\$0.65	
Utility (AVS)	Regulated Consumer Debit / Prepaid	0.05%	\$0.21	
Utility Business (AVS)	Regulated Consumer Debit / Prepaid w/ Fraud Adjustment	0.05%	\$0.22	
Utility World Business (AVS)				
Utility Debit - Prepaid (AVS)				
Business Level 5 Utilities (AVS)				

▲ = Rate or fee increase

# Interchange for all four Brands

- Payment Networks Qualification Matrix: <https://www.wellsfargo.com/biz/interchangeplus>
- Payment Networks Pass-Through Fees: <https://www.wellsfargo.com/biz/merchantpassthroughfees>
- PIN Debit Networks Fee Schedule (if applicable): [PIN Debit Networks Fee Schedule \(wellsfargomedia.com\)](#)
- Merchant Statement Fee Description Glossary: [Merchant Interchange Fee Glossary \(wellsfargomedia.com\)](#)
- All merchant accounts have an MCC (merchant category code) – Utility is 4900. When you search for 4900 some of the results will see “eligible” and others “ineligible”
  - Eligible means the rates apply to that MCC
  - Ineligible means the rates does not appl to that MCC

# Service fees overview

- WFPG merchants in select Government and Education MCCs are eligible to charge service fees
  - Select Government MCCs: 9311,9222, 9399, 9211
  - Higher Education MCCs: 8220,8211,8244,8249
- Can be charged on tax, non-tax, and education payments to offset transactional costs for both the principal and service fee transaction



- Principal amount and fee are processed as two separate transactions
- Can be collected by Wells Fargo Merchant Services (WFMS)
- The cardholder descriptor for the fee is displayed as “WF4xxxxxxxxx\*Srvce Fee”

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Speak to BPR: experienced relationship and implementation teams- get most of what you paid

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A single sign on portal that delivers commercial services at your fingertips



Stand by for  
demo



# Appendix

# Reference

Wells Fargo customer	Contact	Phone
City of Hemet	Lorena Rocha/Tiffany Barnett	951-765-2387

- \* Transitioned from Citibank about 11 months ago
- \* Currently implementing Merchant Services and Sweep Option
- \* Services used today: ACH, Cash Vault, Desktop Deposit, Wires, Previous Day Report



# Q & A for Beaumont

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Treasury  
Management

Thank you