



REQUEST FOR CITY COUNCIL ACTION

Meeting Date: November 2, 2020:

ORIGINATING DEPARTMENT: Finance Department	PRESENTED BY Aimee Tihonovich
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ITEM: Acceptance of Collegiate Peaks Banking proposal

BACKGROUND:

In an effort to ensure that the City is receiving the banking and purchasing card services that best meets their needs, an RFP was issued with the assistance of Ehlers, Inc (Investment advisors). The City received proposals from 3 banks and these proposals were studied by the Finance Committee at their October 20 meeting.

The Finance Committee recommends that the proposal submitted by Collegiate Peaks Bank be accepted.

FISCAL NOTE:

The cost for required services is expected to be \$159 per month (\$1,908 annually).

The Purchasing Card program provides a 1% cash back and has potential to generate \$2,000 to \$3,000 in income annually which is expected to offset the banking fees.

STAFF RECOMMENDATION:

Staff recommends that council approve the attached acceptance letter and list of authorized signers.

SUGGESTED MOTIONS:

A councilperson should make a motion to "combine and approve the items on the consent agenda," followed by a second and then a voice call.

Attachment

1. Banking Services RFP Evaluation & Recommendation
2. Acceptance letter to be signed by Mayor Wood



Banking Services RFP Evaluation & Recommendation

City of Salida, Colorado

10.20.2020



RFP List of Respondents

- Bank of the West
- Collegiate Peaks Bank
- Community Banks of Colorado



Evaluation Criteria

- Respondent's financial strength
- Banking platform quality & level of services
- Proposed relationship team
- Public sector experience & references
- Cost of services
- Distance to branch & community involvement



Evaluation Criterion: Financial Strength

- Recommended finalists:
 - ✓ 1 large regional bank
 - **Bank of the West**
 - ✓ 2 large community banks
 - **Collegiate Peaks Bank** (parent company = Glacier Bancorp)
 - **Community Banks of Colorado** (division of NBH Bank)
- Finalists deemed well-capitalized with good ratings from nationally recognized rating agency or IDC Financial Publishing
- Finalists offer full-collateralization of funds or equivalent products (e.g. ICS sweeps for FDIC insured balances)



Evaluation Criteria: Quality of Services & Relationship Team

- All respondents maintain local presence & active within the community
- Bank of the West offers extensive experience with public entities (3,700+ accounts)
- Collegiate Peaks & Community Banks of Colorado provided 3 references each
- Bank of the West did not list references
- All finalists offer all required services detailed in the RFP



Evaluation Summary: Bank of the West

- Provides most advantageous cost benefit
 - ✓ Estimated monthly costs for services - \$62
- Will waive first three months fees & settle fees quarterly
- Purchasing Card:
 - ✓ \$30 annual fee per card when total annual spend (beginning year 2) is \$240,000 or less
 - ✓ Rewards program: 1 point for each \$1 spent with \$85 once-per-year fee to redeem points (no redemption = no fee) Cash rebate starts at \$1MM spend
 - ✓ Offers Fraud Guard, includes \$100,000 liability per employee if card misused
- Did not provide references requested



Evaluation Summary: Collegiate Peaks Bank

- Offers second-best cost value - \$159/month for required services
- Will provide free scanner for Remote Deposit & RemitPlus Express to scan coupons/documents
- Purchasing Card product is new, offers 1% cash back
 - ✓ Potential \$2,000 - \$3,000 per year, could fully-offset monthly bank service fees
- Owns Purchasing Card portfolio – not outsourced
 - ✓ Flexibility on underwriting, service & rewards
- Does not provide employee fraud coverage
- Provided 3 appropriate references



Evaluation Summary: Community Banks of Colorado

- Cost for required services = \$464/month
- Will provide free scanner for Remote Deposit services
- CommUNITY Card for annual spend <\$250,000
- Purchasing Card for annual spend >\$250,000
 - ✓ \$100,000 liability per employee coverage if card is misused
- Uses ICS Sweep to ensure FDIC coverage on balances
- Provided 3 appropriate references



Recommendation Considerations

- All respondents:
 - ✓ Offer the products & services required to fulfill the City's banking needs
 - ✓ Have extensive experience in service public entities
 - ✓ Highlight community involvement as a strong corporate commitment & activity
- Respondents' product offerings are fairly similar



Evaluation Summary: Overall Comparison

City of Salida

Bank Name	Asset Size	Rating	Nearest Location	Monthly Fees	Monthly Earnings	Setup Costs	Monthly Bottom Line Cost
Bank of the West	\$100 Billion	A3/A Moody's/S&P	0.4 Miles	\$358 - Bank \$750/yr P-Card*	\$296 @ 0.36% ECR	\$0	(\$62) First 3 months waived
Collegiate Peaks Bank	\$16.9 Billion	IDC Financial Publishing rating of 300 (top score)	2.2 Miles	\$570	\$411 @ 0.50% ECR	\$0	(\$159)
Community Banks of Colorado	\$5.8 Billion	A- Fitch	2.4 Miles	\$809	\$222 @ 0.30% ECR	\$0	(\$587)
* Starting in second year and is waived if yearly volume exceeds \$240,000							



RFP Score Assessment

City of Salida

RFP Score Assessment

Financial Institution	10 Points	10 points	10 Points	30 Points	15 Points	20 Points	5 Points	Total Points	Monthly Bottom Line Cost/Benefit	Annualized Fees
	Strength and Stability	Comprehensiveness of Services	Relationship Team	Service Charges	Enhancements	Public Sector Experience	Other (P Card)			
Collegiate Peaks Bank	10	9	10	27	15	20	4	95	(\$159)	(\$1,908)
Bank of the West	9	9	3	30	12	15	4	82	(\$62)	(\$744)
Community Banks of Colorado	9	9	7	21	12	18	4	80	(\$587)	(\$7,044)
High Country Bank	0	0	0	0	0	0	0	DNP		
Pueblo Bank & Trust	0	0	0	0	0	0	0	DNP		



Final Recommendation

- Ehlers recommends the City of Salida select

Collegiate Peaks Bank

for banking services based on the following reasons:

- ✓ **High Level of Technology & Product Offerings to best support the City, including unique fraud prevention tools**
- ✓ **High Level of Engagement, Responsiveness, and Customer Service throughout the process, including high praise from references**
- ✓ **Appropriately priced banking fees which can also be largely offset by above average Earnings Credit and Cash Back from the use of their P-Card program**



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Thank you for the opportunity to serve the City of