

CITY OF MERRIAM, KANSAS

**REQUEST FOR PROPOSALS
FOR BANKING SERVICES**

October 10, 2008



9000 W. 62nd Terrace
Merriam, KS 66202-2815

CITY OF MERRIAM, KANSAS
REQUEST FOR PROPOSALS FOR CITY BANKING SERVICES

TABLE OF CONTENTS

I.	GENERAL BACKGROUND	3
II.	MINIMUM QUALIFICATIONS	3
III.	SCOPE OF SERVICES REQUESTED	4
IV.	REQUIRED BANKING SERVICES	4
V.	OPTIONAL BANKING SERVICES	7
VI.	OTHER VALUE ADDED BANKING SERVICES	9
VII.	PROPOSAL SUBMISSION PROCESS & DEADLINES	9
VIII.	PROPOSAL REQUIREMENTS	10
IX.	DISCUSSION AND QUESTION CONFERENCE	12
X.	EVALUATION OF PROPOSALS	12
XI.	PROPOSAL SCHEDULE	13
XII.	CONTRACT REQUIREMENTS	13
	EXHIBIT A - APPLICATION TO ACT AS A DEPOSITORY	18
	EXHIBIT B - REQUIRED SERVICES	19
	EXHIBIT C - OPTIONAL SERVICES	25
	EXHIBIT D - OTHER VALUE ADDED SERVICES	26
	ATTACHMENTS	
	CITY INVESTMENT POLICY	27

REQUEST FOR PROPOSAL FOR BANKING SERVICES CITY OF MERRIAM, KANSAS

I. GENERAL BACKGROUND

The City of Merriam, Kansas (the City) is soliciting proposals for banking services from banks that are eligible to be a depository for City funds pursuant to K.S.A. 9-1401, et. seq., as amended. This Request for Proposals (RFP) covers general banking services. The term will be four years, from January 1, 2009, through December 31, 2012, with a one-year renewal option.

The City encourages all eligible and qualified bank representatives to examine this RFP carefully. Qualified banks are requested to submit proposals to provide banking services as defined in this RFP. The City desires the selected bank to be a leader and an innovator in the development and execution of financial products and services, and expects these services to be of the highest quality. This RFP, including the exhibits, is available in electronic format by contacting Cindy Ehart at (913)322-5504 or by e-mail at cindy@merriam.org. This RFP and all attached documents are also available for viewing on the City's website at www.merriam.org.

II. MINIMUM QUALIFICATIONS

This section lists the minimum qualifications and criteria for a bank's proposal to be eligible for consideration and evaluation. Specific responses to each requirement must be provided in the accompanying response forms. For a proposal to this RFP to be considered and evaluated a bank must:

- Be insured by the Federal Deposit Insurance Corporation (FDIC).
- Be eligible to be a depository of City funds pursuant to K.S.A. 9-1401, et.seq., as amended, with a full service branch in or near Merriam. All responding banks must complete Exhibit A.
- Be an on-line cash and securities member of the Federal Reserve.
- Be able to provide 100% collateralization of all City deposits with collateral in compliance with the City Investment Policy.
- Provide a copy of a recent investment rating report provided by a nationally recognized rating agency.
- Have the capacity of providing all "Required Services" internally. The City prefers that the responding bank provide services without the use of joint ventures, consortiums or contract service providers because of control issues. The City will determine the acceptability of any arrangements with the objective of the RFP being the "total solution."
- Maintain a financial institution bond, Form 24 or equivalent, with a limit of not less than \$3,000,000, banker's professional liability in the amount of \$2,000,000 per occurrence/annual aggregate and valuable paper coverage.

III. SCOPE OF SERVICES

Details of the services to be provided to the City are separated into three categories.

Required Banking Services

These services are listed in Section IV and in Exhibit B and must be provided by the selected bank.

Optional Banking Services

These services are listed in Section V and in Exhibit C, and the City may desire to use them depending on the availability and price of the services offered. However, the City may award a contract for these services to a separate bank(s) besides the main depository that is awarded the contract for required services in Section IV above. Proposals are not required to address any optional services in order to be considered an acceptable proposal.

Other Value Added Banking Services

These are services not otherwise identified in this RFP that the proposing bank may offer to the City. Please submit your proposal on Exhibit D for any additional services that you wish the City to consider. Include all necessary attachments and discussion materials to clarify the services being offered.

IV. REQUIRED BANKING SERVICES

All proposals must include the following services, which will be required in the City's Banking Services agreement. Proposing Banks must submit a completed Exhibit B with the proposal.

Account Structure

The City will need the following bank accounts. The City requires a monthly statement on each account via electronic access.

Operating Account

The majority of the City's operations will flow through this account, including the deposit of revenues, and disbursement of accounts payable and payroll payments. The City will require this to be an interest bearing checking account. The City will send and receive wire transfers and ACH transfers, write checks and make deposits to this account. The City's payroll provider initiates the direct deposit (via ACH) of employee paychecks and the ACH payment of Federal and State taxes through this account. Incoming wire transfers for deposits of tax payments from the County and State as well as for investment transactions are also received. Outgoing wire transfers for payment of insurance premiums and other bills as well as for investment transactions may be processed.

The following chart describes the frequency of various activities that will be processed in this account. Exhibit B contains information regarding the volume of checks, deposits, wires, etc.

Item	Frequency
Accounts Payable Checks	Daily
Payroll	Bi-weekly; The City's payroll is 90% direct deposit and 10% checks.
Deposits	Daily
Investment Purchases	As needed
Investment Maturities	As needed

Flexible Benefits Account

The City desires an interest bearing checking account for the City's Section 125 plan. The City uses a third-party servicing agent to write checks from this account to pay benefits to City employees and to facilitate payments to vendors. At each biweekly payroll, withholdings from employee's paychecks are transferred from the General Operating Account to this account. The servicing agent writes checks or initiates direct deposits from this account to reimburse employees for qualified Section 125 expenses.

Sunshine Account

The City desires an interest bearing checking account for the City's Sunshine Fund. This account receives voluntary payroll deductions from employees. The funds in this account are then used to pay for certain retirement or going-away gifts and party expenses, etc.

On-Line Access to Treasury Information

Describe in detail your on-line communications capabilities for balance inquiry including immediate and delayed clearing balances, item image retrieval, wire and ACH transfer initiation, stale dated check management, stop pay management and any other on-line information that would be available to the City. In addition, please describe the training available and appropriate controls regarding the City accounts using on-line access. Finally, indicate the hardware/system requirements necessary to run the workstation.

Availability of Funds Deposited

The City desires to know the collected funds availability schedule for its deposits. These deposits include checks, money orders, cash, ACH credits and wires from local, regional, and out of state banks. The City requires updates as the schedule changes. Also describe the latest daily deposit time for fastest availability on deposits.

Payee Positive Pay and Automated Account Reconciliation

The City requires the use of a payee positive pay account reconciliation and fraud prevention program on the Operating Account. As checks are disbursed, the City will provide the bank with a

computer readable record file detailing the check number, date and dollar amount of each item. Only those items reported by the City will be allowed to clear the account. The bank shall provide the City with a daily list of exception items for payment approval or rejection. The City requires that the exception items not be paid as the automatic default. Please include information regarding the requirements for the electronic file, such as format, etc.

At the end of each month the account reconciliation consists of outstanding items. The City requires information be provided electronically to reconcile its accounts. The electronic file shall be in the standard comma delimited format for interfacing with the City's financial system. Information is expected to be received within three business days of month-end. Responding banks should describe their systems and how stale dated checks will be handled. The City desires that the payee positive pay program be integrated with the bank teller operations to maximize controls. In the response, please describe the status of the on-line teller access. Also, please include information on the current or future ability to read the "payable to" line on the check as an additional positive match for check payment or rejection.

Cancelled Check Safekeeping

Please describe your cancelled check safekeeping to include image recovery for processed checks. The City desires monthly check image information to be on CD Rom for easy storage and research. The CD Rom shall include images of both the front and the back of checks.

ACH Blocks and Filters

The City requires the ability to place ACH filters and blocks on all accounts to minimize the potential of fraudulent withdrawals. Please describe your program and all costs associated with implementing filters and blocks.

Collateral

Pursuant to K.S.A. 9-1402, and amendments thereto, the bank is required to collateralize City deposits. The City Investment Policy requires that pledged securities have a market value equal to at least 100% of the amount of the total deposits of public funds, including accrued interest earned. Under the City's investment policy, acceptable collateral includes:

- A. Direct obligations of, or obligations insured as to principal and interest by, the United States Government or any agency thereof, and obligations and securities of United States sponsored corporations, which under federal law may be accepted as security for public funds.
- B. Bonds of the State of Kansas, General Obligation bonds of any Kansas municipality, General Obligation temporary notes of any Kansas municipality; any of which are rated "Aa" or better by Moody's Investors Service or by Standard and Poor's Corporation.

Other Required Information

Daylight Overdrafts

Please provide details on any daylight overdraft issues that may concern your bank. It is possible that in managing the external investment program of the City that payment for an investment purchase may occur before the receipt of funds from an investment sold or matured or from other sources. This could cause an occasional daylight overdraft that will be resolved before the end of the banking day.

Designated Account Liaison

The City will require the selected bank to designate a senior officer as a liaison. This officer must be capable of coordination of all City activities with the bank and be able to resolve any problems or issues that may arise. Biographical information must be included of all key bank personnel that will be assigned to service the City.

Record Retention

The bank should maintain records for the City for the term of seven years after the completion of the contract.

Disaster and Back-up Plans

Describe your bank disaster and back-up plans and capabilities. The City must have access to cash, securities, and information at all times.

V. OPTIONAL BANKING SERVICES

The City requests the proposing banks offer any optional services or make any recommendations it believes would enhance the cash management capabilities of the City. All proposing banks are encouraged to make suggestions or add additional information not requested in this proposal. Banks are encouraged to describe factors that distinguish their institution from potential competitors. However, all respondents must submit a proposal on all required services in the proposal format provided.

Optional services should be summarized on an attached Exhibit C but can be accompanied and supported by other material. The City may elect to use some or all of the optional services but not necessarily with the primary operating bank. The City may elect not to award a contract for any or all of the optional services to any bank.

Credit Cards

The City accepts Master Card, Visa, and Discover as forms of payment for various City services. Please discuss how your bank would provide credit card services, including all fees, and set-up charges. Please include a copy of your credit card merchant agreement.

The Financial Institution will be expected to provide the following needed Electronic Card Payment Services.

- Fast authorization and settlement for all major credit, private label and purchasing cards
- Reliable transaction processing
- One-to-one service relationships
- Flexible settlement and reporting options
- Facilitation of equipment deployment and repair
- Merchant customer service and terminal support
- Secure transaction processing for merchant and customer protection
- Competitive, low discount rates based on average MasterCard and Visa sales(s) volume
- Electronic credit card deposits into any business checking account
- Low equipment prices
- Availability and service of a local credit card center

The following table contains general data regarding the City’s merchant card program.

Program Measure	Value
Number of Locations Accepting Credit Cards	4
Number of Credit Card Machines	4
Number of tickets 12/07 – 8/08	2,844
Average Ticket Price 12/07 -8/08	\$111
Annual Dollar Volume	\$315,000

ATM Machines

The City currently offers an ATM machine in the lobby of City Hall to facilitate payment of court fines and other fees. The machine is replenished on a monthly basis due to light usage. Please provide information with regard to this service.

Courier Services

The City deposits cash and checks daily. At the present time the City has courier service to pick up the daily deposit from City Hall and deliver it to the bank. Please describe if your bank provides a service to include pick-up and subsequent deposit times for best funds availability, and define the costs. The City is evaluating whether to have its own contract with a courier service or to have the bank make arrangements for delivery and would like the opinion of the responding banks.

VI. OTHER VALUE ADDED BANKING SERVICES

Please describe any other banking services that your bank would be willing to offer by summarizing and including attachments for review by the City using Exhibit D.

VII. PROPOSAL SUBMISSION PROCESS AND DEADLINES

All sealed proposals from interested banks must be received on or before 5:00 pm. on November 3, 2008, and addressed to:

City Clerk
Banking Services RFP
9000 W. 62nd Terrace
Merriam, Kansas 66202.

One original proposal plus three copies, including one electronic version of the completed exhibits on CD ROM, shall be submitted. Proposals received after the date and time above shall not be considered and shall be returned unopened providing the entity submitting the proposal is identified on the proposal envelope. The City reserves the right to reject any or all proposals and to waive any minor informality, technicality or irregularity in any proposal.

Proposals will be time-stamped upon receipt and held in a secure place until the established due date. Proposals will not be opened publicly, but will be opened in the presence of two or more City officials. A record of proposals will be established, which will include for all proposals: the name of the entity submitting the proposal, a description sufficient to identify the services offered, the names of the City officials present and the date and time the proposals were opened. As a public entity, the City is subject to making records available for public disclosure as required by law. As a result, while the City will attempt to maintain the confidentiality of material marked proprietary, it cannot guarantee that such information will not be made public.

All proposals and related reference information submitted in response to this RFP will become the property of the City and will not be returned. Each entity submitting a proposal waives any right of confidentiality as to the proposal documents. If an entity submitting a proposal considers certain material in the proposal proprietary information, it shall clearly designate those portions of the proposal it wishes to remain confidential. As a public entity, the City is subject to making records available for public disclosure. The City will attempt to maintain the confidentiality of material marked proprietary; however, it cannot guarantee that information will not be made public.

- The City reserves the right to (1) accept or reject any and all proposals and to waive any technicalities or irregularities involving any proposal and to cancel the RFP process at any time prior to entering into a formal contract for banking services, (2) not award a contract for any or all of the banking services that are the subject of this RFP process, (3) award contracts for banking services to separate banks, (4) negotiate contract terms acceptable to the City with the successful bank(s), (5) disregard all nonconforming, non-responsive or conditional proposals and (6) reject the response of any bank which does not submit a proposal to the City's satisfaction.

- During the evaluation process, the City reserves the right to request additional information or clarifications from those banks submitting proposals and to allow corrections of errors and/or omissions.
- Submission of a proposal indicates acceptance by the company submitting the proposal of the terms, conditions and specifications contained in this RFP and to include the contract requirements set forth herein.
- The City will not pay for any information herein requested, nor is it liable for any costs incurred by those banks submitting proposals. The City reserves the right to select the proposal that will best meet the needs of the City. Proposals that do not meet the stated requirements will be considered in non-compliance and will be disqualified unless the City waives such non-compliance.
- No proposal may be withdrawn for a period of thirty (30) days from the date set for the opening thereof.
- By submission of a proposal, each entity submitting a proposal certifies that:
 - A. It has not paid nor agreed to pay any person, other than a bona fide employee, a fee or a brokerage fee resulting from the award of the contract.
 - B. The City may, by written notice to the entity submitting the proposal, reject the RFP or cancel any award under this RFP if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise were offered or given to any representative of the City with a view toward securing an order or other favorable treatment with respect to this RFP or the entity submitting the proposal participated in collusion with another entity to restrain or eliminate competition.
 - C. The contents of this RFP and any clarifications distributed or issued by the City shall become part of the contractual obligation and incorporated by reference into the ensuing contracts as the City deems appropriate.

Those entities whose proposals meet the requirements of this RFP may be interviewed.

VIII. PROPOSAL REQUIREMENTS

- A. Proposals must include all required services as set forth in Section IV herein.
- B. Proposals must be submitted in the format provided in this RFP, including the use of appropriate exhibits.
- C. An individual having full authority to execute the proposal and to execute any resulting contract for services must sign each proposal, including Exhibit A.
- D. The following bank profile data is required in each proposal:

- The year 2007 financial statements or most recent 12-month ending period must be included. If the bank is owned by a holding company, submit financial statements for both the bank and the holding company.
 - Identification of the three largest owners of the bank.
 - Description of how the City would rank relative to other customers of the bank in relationship to size and complexity of service.
- E. Each proposal shall include resumes of key management and staff members that would be assigned to the account.
- F. Each proposal shall include an organizational chart depicting the various departments, including contacts that would be involved in the City relationship.
- G. Each proposal shall provide information regarding the proposing entity's community involvement within the City of Merriam.
- H. Each proposal shall include a list of names, addresses, phone numbers and e-mail addresses for five customers of similar size and complexity to the City's requirements, including the name of a contact person.
- I. Each proposal shall address the method of compensation to include the following:

The City requires that a monthly account analysis be presented within ten days from cut-off date. The account analysis must show at a minimum the following information:

- Account number
- Period covered
- Average ledger balance
- Average collected balance
- Services rendered to include type of service and quantity
- Per unit charge for each service per the banking agreement
- Extended charges of each type of service provided
- Total monthly charges of all services provided

The banks making proposals should address the payment for services in their response, describing costs associated with the alternative payment methods. It is important to describe the earnings allowance on compensating balances and the earnings credit computation methodology. It is expected that if the City elects to pay for services with balances, any surplus earnings above expenses would revert to the City annually.

All charges shall be in conformity with those specified in the Banking Services Quotation Form Exhibit B, C, and D.

- J. Each proposal shall include the statement and contract drafts required by Section XII of this RFP.

IX. DISCUSSION AND QUESTION CONFERENCE

The City has scheduled a discussion and question conference in order to ensure that responses meet the RFP requirements to include contract requirements. Attendance is optional. The conference will be held with all entities simultaneously on Friday, October 24, 2008, at 2:00 pm at City Hall in Council Chambers. All previously submitted requests for information and questions will be answered at that time. All requests for information and questions regarding this RFP must be forwarded in writing (may be sent by facsimile) no later than 1:00 pm on Thursday, October 23, 2008 to:

Cindy Ehart
Finance Director
City of Merriam
9000 W. 62nd Terrace
Merriam, KS 66202
E-mail cindy@merriam.org
Fax 913-322-5505

Responses to questions will be provided to entities requesting responses and to all known proposers.

X. EVALUATION OF PROPOSALS

Proposals will be evaluated by a City staff committee utilizing the criteria set forth below. The City staff committee will make a recommendation to the Finance and Administration Committee, who will in turn make a recommendation to the entire Governing Body. All proposals submitted will be the primary document upon which each proposal will be evaluated. All proposals will first be screened to determine minimum institution qualifications as outlined in this RFP. Proposals that do not meet these minimum requirements will automatically be rejected and shall not undergo further evaluation.

Submitted proposals will be judged on the following evaluation criteria:

- Scope of proposed services.
- Cost of services and effectiveness of total services performed.
- Experience, expertise and qualifications of key bank personnel assigned to the City.
- Financial strength and stability of the bank.
- Value of any new products or services suggested.
- Quality level of services to be performed and proposed approach to cost control, service level monitoring and administration.
- Clarity, completeness and timeliness of information provided for evaluation by the City.
- Quality of any in-person interview with the City's selection committee.
- Responses to reference checks.

The City reserves the right to utilize other appropriate selection and evaluation criteria as it deems necessary.

XI. PROPOSAL SCHEDULE

- Distribution of Requests October 10, 2008
- Questions Regarding Proposal Due 1:00 pm October 23, 2008
- Discussion/Question Conference 2:00 pm, October 24, 2008
City Hall Council Chambers
- Proposals Due to City Clerk at 5:00 pm November 3, 2008
- Evaluation/Interview Period November 4 - 10, 2008
- Recommendation to/Review by the Finance Admin Committee November 10, 2008
- Governing Body Approval November 24, 2008
- Expected Implementation Date Dec 2008 – Jan 2009

XII. CONTRACT REQUIREMENTS

All banks submitting proposals in response to this RFP must include in their proposal drafts of contracts for those banking services included in each proposal.

- Security Agreement
- Pledge and Custodial Agreement
- Treasury Management Services Agreement
- Wire and ACH Transfer Agreement
- Other Agreements that the City will be required to execute

The award of any contract for banking services pursuant to this RFP process is contingent upon the bank(s) receiving the award and successfully negotiating a contract for those banking services with the City. In the event the selected bank(s) will not execute an agreement that satisfies the contract terms required by this Section or the City is unable to negotiate a contract it deems acceptable with the selected bank(s), the City may withdraw its award for banking services with the selected bank(s) without liability for incurred costs or expenses and award its banking services to the next most qualified bank, or the City may call for new proposals at its option.

The following contract terms must be included in all contracts for banking services. The City reserves the right to modify these contract terms by amendment, addition or deletion as it deems appropriate.

RIGHT OF CITY TO TERMINATE AGREEMENT

- 1. Termination for Cause.** Without in any manner limiting the right of the City to terminate this Agreement or declare the bank in default thereof for any reason set forth herein or in the Request for Proposal documents, if the work to be done under this contract shall be abandoned by bank; or if this Agreement shall be assigned by bank otherwise than as herein provided; or if the bank should be judged as bankrupt; or if a general assignment of its assets should be made for the benefit of its creditors; or if a receiver should be appointed for the bank or any of its property; or if at any time the City determines that the

performance of the work under this contract is being unnecessarily delayed, that the bank is violating any of the conditions or covenants of this Agreement, that it is executing the same in bad faith or otherwise not in accordance with the terms of said Agreement; then, in addition to other rights the City may choose to exercise, the City may, at its option, serve written notice upon the bank of the City's intention to terminate this Agreement, and, unless within ten (10) days after the serving of such notice upon the bank a satisfactory arrangement be made for the continuance thereof, this Agreement shall cease and terminate unless the City otherwise agrees to continue the Agreement. In the event of such termination, the City shall immediately serve notice thereof upon the bank, and the City may take over the work and prosecute same to completion by contract with another banking institution or otherwise and in such event the City may take possession of and utilize in completing the work any and all documents and other materials as may be necessary therefore. When bank's services have been so terminated, such termination shall not affect any rights or remedies of the City against bank then existing or which may later accrue. Similarly, any retention or payment of monies due bank shall not release bank from liability.

2. **Termination for Convenience.** City reserves the right, in its sole discretion and for its convenience and without cause or default on the part of the bank, to terminate this Agreement by providing sixty (60) days prior written notice of such termination to bank. Upon receipt of such notice from City, bank shall: (1) immediately cease all work or (2) meet with City and, subject to City's approval, determine what work shall be required of bank in order to bring the Project to a reasonable termination in accordance with the request of the City. If City shall terminate for its convenience as herein provided, City shall compensate bank for all work completed to date of termination. Compensation shall not include anticipatory profit or consequential damages, neither of which will be allowed. Any termination of the Agreement for alleged default by bank that is ultimately determined to be unjustified shall automatically be deemed a termination for convenience of the City.

INDEMNITY

1. Definitions

For purposes of indemnification requirements, the following terms shall have the meanings set forth below:

- a. The "bank" means and includes bank, all of its employees, agents and assignees, and all of its affiliates and subsidiaries, its subcontractors and/or assignees and their respective servants, agents and employees; and
- b. "Loss" means any and all loss, damage, liability or expense of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney's fees and the cost of defense).

2. Indemnity

For purposes of this Agreement, bank hereby agrees to indemnify, defend and hold harmless the City, its employees and agents from any and all "Loss" where "Loss" is caused or incurred or alleged to be caused or incurred in whole or in part as a result of the negligence or other actionable fault of the bank. It is agreed as a specific element of consideration of this Agreement that this indemnity shall apply notwithstanding the joint, concurring or contributory or comparative fault or negligence of the City or any third party and, further notwithstanding any theory of law including, but not limited to, a characterization of the City's or any third party's joint, concurring or contributory or comparative fault or negligence as either passive or active in nature; provided, however, that the bank's obligation hereunder shall not include amounts attributable to the fault or negligence of the City. Nothing in this section shall be deemed to impose liability on the bank to indemnify the City for loss when the City's negligence or other actionable fault is the sole cause of loss.

INSURANCE

During the performance of this contract, the bank agrees to maintain for the duration of the contract insurance coverage of the types and minimum liability as set forth below. Before entering into a contract, the successful bank shall furnish to the City a Certificate of Insurance verifying such coverage and identifying the City as a loss payee on the valuable papers coverage. The certificate holder on the Certificate of Insurance shall be as follows:

City of Merriam, Kansas
C/o City Clerk
9000 W. 62nd Terrace
Merriam, KS 66202

Prior to any material change or cancellation, the City will be given thirty (30) days advanced written notice by registered mail to the stated address of the certificate holder.

A. Banker's Professional Liability

\$2,000,000 per occurrence and as an annual aggregate.

B. Banker's Blanket Bond

Coverage must be provided on Banker's Blanket Bond Standard Form 24 with a minimum limit of \$3,000,000 per loss under Insuring Agreements A-Fidelity, B-On Premises and C-In Transit. A minimum limit of \$2,000,000 shall be provided under Insuring Agreement E-Securities. Computer Crime coverage, in an amount not less than \$2,000,000, is to be provided either by endorsement to the Banker's Blanket Bond or by separate bond. If courier/messenger service is to be utilized for pickup and

delivery of receipts, this service must also be covered under the Banker's Blanket Bond.

C. Valuable Paper Coverage

It shall be the responsibility of the awarded bank to carry open-peril coverage to replace or reproduce physical securities which are held as collateral.

D. Workers' Compensation and Employer's Liability

1. Workers' Compensation statutory (includes all states endorsement).
2. Employer's Liability - \$100,000 each occurrence.

COMPLIANCE WITH EQUAL OPPORTUNITY LAWS, REGULATIONS, RULES AND LAWS

The bank agrees that:

1. The bank shall observe the provisions of the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and shall not discriminate against any person in the performance of work under the present Agreement because of race, religion, color, sex, national origin, ancestry, age, or disability;
2. In all solicitations or advertisements for employees the bank shall include the phrase "equal opportunity employer" or a similar phrase to be approved by the Kansas Human Rights Commission ("Commission");
3. If the bank fails to comply with the manner in which the bank reports to the Commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the Bank shall be deemed to have breached the present Agreement, and it may be canceled, terminated or suspended, in whole or in part, by the City;
4. If the bank is found guilty of a violation of the Kansas Act Against Discrimination under a decision or order of the Commission which has become final, the bank shall be deemed to have breached the present Agreement, and it may be canceled, terminated or suspended, in whole or in part, by the City; and
5. The bank shall include the provisions of paragraphs 1. through 4. above in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

The bank further agrees that the bank shall abide by the Kansas Age Discrimination In Employment Act (K.S.A. 44-1111 et seq.) and the applicable provision of the Americans With Disabilities Act (42 U.S.C. 1201 et seq.) as well as all other federal, state and local laws,

ordinances and regulations applicable to this project and shall furnish any certification required by any federal, state or local laws, ordinances and regulations applicable to this project.

**EXHIBIT B
CITY OF MERRIAM BANKING SERVICES
CONSOLIDATED BID FORM
REQUIRED BANKING SERVICES**

<i>Financial Information:</i>			
<i>As of Quarter End Date:</i>			
<i>FDIC Insurance Coverage:</i>	<i>Yes</i>	<i>No</i>	
<i>CRA Rating:</i>			
<i>Total Assets:</i>			
<i>Total Equity:</i>			
<u>Ratio-Equity divided by the assets in % form:</u>			
<u>Current Net Profit(Loss) for Quarter:</u>			
<u>Profit(Loss) as a percent of Total Assets:</u>			
<u>Profit(Loss) as a percent of Equity:</u>			
<u>Total Deposits:</u>			
<u>Total Time Deposits of \$100,000 or more:</u>			
<u>Total Loans:</u>			
<u>Total Loans 90 Days or More Past Due:</u>			
<u>Total Troubled Debt:</u>			
<u>Total Troubled Debt that has been Renegotiated:</u>			
<u>Allowances for Losses on Non Real Estate Loans:</u>			
<u>Capital Ratio (three most recent years):</u>			
<u>Risk Based Capital Ratio (three most recent years):</u>			
<u>Enclose a copy of the most recent audited financial statement</u>			

BANK DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
General Operating Account			
Ledger Debits	167		
Ledger Credits	964		
ACH Credit	855		
ACH Debit	1,103		
Checks Paid	4,425		
Stop Payments	7		
Positive Pay Exceptions	7		
Deposited Items	6,553		
Deposited Items Re-cleared	29		
Deposited Items Returned	22		
Coin/Currency Deposits	\$358,114		
Incoming wire	2		
Outgoing wire	4		
Internet initiated outgoing wire	78		
Internet Detail Items	8,074		
Internet Banking	Daily		
On-line ACH, Wire, Book Transfers	Daily		
Current Day Balance Info	Daily		
Prior Day Balance Info	Daily		
Download Exportable Account Info	Monthly		
ACH Debit Filter	Daily		
Positive Pay	Daily		
Monthly Statements/Account Maintenance	12		
Account Monitoring/Balance Reporting	Daily		
<i>On an attachment, itemize and describe any other fees that would be associated with this account.</i>			

BANK DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
Section 125 Account			
Ledger Debits	0		
Ledger Credits	26		
ACH Credit	0		
ACH Debit	183		
Checks Paid	0		
Stop Payments	0		
Deposited Items	0		
Incoming wire	0		
Outgoing wire	0		
Internet initiated outgoing wire	0		
Internet Banking	Daily		
On-line ACH, Wire, Book Transfers	Daily		
Current Day Balance Info	Daily		
Prior Day Balance Info	Daily		
Download Exportable Account Info	Monthly		
Monthly Statements/Account Maintenance	12		
Account Monitoring/Balance Reporting	Daily		
<i>On an attachment, itemize and describe any other fees that would be associated with this account.</i>			

BANK DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
Sunshine Account			
Ledger Debits	0		
Ledger Credits	254		
ACH Credit	0		
ACH Debit	0		
Checks Paid	7		
Stop Payments	0		
Deposited Items	0		
Incoming wire	0		
Outgoing wire	0		
Internet initiated outgoing wire	0		
Internet Banking	Daily		
On-line ACH, Wire, Book Transfers	Daily		
Current Day Balance Info	Daily		
Prior Day Balance Info	Daily		
Download Exportable Account Info	Monthly		
Monthly Statements/Account Maintenance	12		
Account Monitoring/Balance			

Reporting	Daily		
<i>On an attachment, itemize and describe any other fees that would be associated with this account.</i>			

SUBTOTAL BANK DEPOSITORY SERVICES	-----	-----	
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SUPPLIES	CHARGE PER ITEM
<i>Banking Services</i>	
Locked Bags	
Endorsement Stamps - Self Inking	
Deposit Slips (two part)	

Interest Calculation: The financial institution will pay the City interest on the daily collected balance in the City's account at the rate named below. The rate may be a fixed or variable rate. Such rate may be tied to the 91-day T-bill rate. If the rate is tied to the 91 day T-bill rate, state the number of basis points above or below the T-bill rate stated. If some other index is used, state the index and provide a one year history of how the index compared to the 91-day T-bill rate.

General Operating Account:	
<u>Fixed %:</u>	_____ %
<u>Variable:</u> Tied to T-bill rate	_____ Basis Points Above
Tied to T-bill rate	_____ Basis Points Below
<u>Other Index*</u>	_____ % Rate Only *State index to be used
Section 125 Account:	
<u>Fixed %:</u>	_____ %
<u>Variable:</u> Tied to T-bill rate	_____ Basis Points Above
Tied to T-bill rate	_____ Basis Points Below
<u>Other Index*</u>	_____ % Rate Only *State index to be used
Sunshine Account:	
<u>Fixed %:</u>	
<u>Variable:</u> Tied to T-bill rate	_____ Basis Points Above
Tied to T-bill rate	_____ Basis Points Below
<u>Other Index*</u>	_____ % Rate Only *State index to be used

City of Merriam

2007 Balances by Month	Average Collected Balances		
	Operating	Sec. 125	Sunshine
January	\$ 1,237,230.03	\$ 15,527.81	\$ 1,913.23
February	2,535,552.29	11,646.40	1,863.31
March	3,471,177.78	12,635.66	1,568.24
April	3,366,180.59	13,409.12	1,680.46
May	3,190,190.63	13,733.06	1,797.02
June	3,004,020.80	14,104.25	1,885.17
July	4,016,830.63	13,900.99	1,942.86
August	3,549,619.07	12,608.44	2,058.50
September	3,730,870.88	11,990.59	2,079.58
October	3,503,170.70	12,104.70	1,956.03
November	1,560,698.84	13,995.72	1,877.84
December	3,169,800.25	13,671.34	1,558.30
Average	\$ 3,027,945.21	\$ 13,277.34	\$ 1,848.38

**EXHIBIT C
CITY OF MERRIAM BANKING SERVICES
CONSOLIDATED BID FORM
OPTIONAL BANKING SERVICES**

CREDIT CARD PAYMENT SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL CHARGE
Sales volume	\$315,000	-----	-----
Number of transactions	2,844	-----	-----
<i>Transaction Fee</i>			
Discount Rate	\$315,000	%	
Transaction Fee	2,844		
<i>Other Fees</i>			
Statement Fees	12		
Maintenance fee on equipment (monthly)	12		
Authorization Fees	---		
Deposit Fees	---		
Adjustment Fees	---		
Chargeback Fees	---		
SUBTOTAL CREDIT CARD PAYMENT SERVICES	-----	-----	

ONE TIME CHARGES	CHARGE PER ITEM
Point of Sale Terminal	
Printer	

EXHIBIT D
CITY OF MERRIAM BANKING SERVICES
CONSOLIDATED BID FORM
OTHER VALUE ADDED SERVICES

Use Exhibit D to submit your proposal for other services not specified by this RFP.

CITY OF MERRIAM
CITY COUNCIL POLICY MANUAL

POLICY NO. 121

INVESTMENTS OF CITY FUNDS

- 1.01** It is the policy of the City of Merriam, Kansas to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all Kansas statutes, the City Administrative Code, and all related City Ordinances and Resolutions governing the investment of public funds.
- 1.02** This policy applies to all City of Merriam, Kansas funds, except for debt service accounts held by fiscal agents for bond ordinances.
- 1.03**
- a. Investment shall be made with judgment and care--under circumstances which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
 - b. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price charges provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
 - c. The “prudent person” concept discourages speculative transactions; it attaches primary significance to the preservation of capital and secondary importance to the generation of income and capital gains. The “prudent person” is expected to be a reasonably well-informed person, not a professional investor or market maker, who is obligated to act responsibly.
- 1.04** The primary objectives, in priority order, of the City of Merriam, Kansas investment activities shall be:
- 1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the City of Merriam, Kansas shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. **Liquidity:** The City of Merriam, Kansas's investment portfolio will remain sufficiently liquid to enable the City of Merriam, Kansas to meet all operating requirements which might be reasonably anticipated.
3. **Return on Investment:** The City of Merriam, Kansas' investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City of Merriam, Kansas' cash flow characteristics.

- 1.05 a.** Management responsibility for the investment program is hereby delegated to the Finance Director, who shall establish procedures for the operation of the investment program, consistent with this investment policy. Procedures should include: safekeeping agreements, wire transfer agreements, collateral/depository agreements and banking service contracts.
- b. Agreements shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of investment officials.
- c. Oversight of the City's Investment Program will be vested in:
1. The City Investment Committee, composed of the Mayor, Chairperson of the Finance and Administration Committee, City Treasurer, City Administrator, and Finance Director who will meet on a quarterly basis. The purpose of the Investment Committee is to provide general guidance for city investments. Topics reviewed at Investment Committee meetings include: economic outlook, portfolio diversification and maturity structure, potential risks to the City of Merriam's fund, authorized depositories, brokers and dealers, and the target rate of return on the investment portfolio. A summary report of these meetings will be forwarded to the Mayor and Finance and Administration Committee Chair.
 2. The Investment Committee will review the performance of the City's Investment Portfolio on a quarterly basis as to its value and rate of return. The Committee will review reports of an independent accounting or reporting service to determine the value of the City's Portfolio in keeping with FASB-123, or the latest "Mark to Market" Standards of either the Financial Accounting Standards Board (FASB) or the Governmental Accounting Standards Board (GASB). The Committee will use the most recently published 3-month and 2-year Treasury Bill rates as the benchmarks for assessing the adequacy of the City's current rate of return.
- 1.06** Safety of principal is of the highest priority and can be accomplished by limiting two types of risk: 1) **credit risk**, and 2) **interest rate risk**. **Credit risk** is the risk of loss associated with the failure

of a security issuer or backer. **Interest rate risk** is the risk that the value of the investments will decline due to an increase in the general level of interest rates.

a. **Acceptable Investments for all operating funds:**

All investments purchased under this policy shall be governed by KSA 12-1675, et.seq, and all amendments thereto. Investments shall be limited to a maximum of two years unless the City's investment policy is approved by the State of Kansas Pooled Money Investment Board (PMIB), in which case investments could be made for up to four years. **The investments outlined in items #4 through #8 may be utilized only if the investments outlined in item #2 are not available to the City at interest rates equal to or greater than the public fund investment rate.** Below is a summary of acceptable investments for idle funds under current law.

1. Temporary Notes or No-Fund Warrants. Temporary notes or no fund warrants issued by the City.
2. Time Deposits, Open Accounts, Certificates of Deposit or Time Certificates of Deposit. Instruments issued by financial institutions which state that specified sums have been deposited for specific periods of time and at specified rates of interest. The certificates of deposit are required to be backed by acceptable collateral securities as dictated by State statute. Maximum maturities for such time deposits are limited to two (2) years unless the City's investment policy is approved by the PMIB, in which case the maturity may be up to four (4) years. **If an eligible (local) financial institution, as described by Kansas Statute K.S.A 12-1675, offers interest rates equal to or greater than the public fund investment rate, the City is obligated (if they elect to make the investment) to place it with that financial institution.**
3. Repurchase Agreements (Repo). The City may invest in contractual agreements between the City and commercial banks, state or federally chartered saving and loan associations, or federally chartered savings banks. The purchaser in a repo enters into a contractual agreement to purchase Treasury and government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices. Repo's are required to be backed by acceptable collateral securities as dictated by Kansas Statute K.S.A 12-1677b. If the City's investment policy is approved by the PMIB, a repo may be executed with a primary dealer. The City requires collateral to be at least 105% of the original purchase price.
4. United States Treasury. These obligations must mature within two (2) years from the date of purchase and are guaranteed as to principal by the United States Government per K.S.A 12-1677b. If the City's investment policy is approved by the PMIB, the maximum maturity may be for four (4) years.

5. Kansas Municipal Investment Pool Fund (MIP). A pool of investments consisting of Certificates of Deposit, U.S. Treasuries, U.S. Agencies, Commercial Paper, and Repurchase Agreements per K.S.A 12-1677b. The MIP is administered by the State of Kansas Pooled Money Investment Board.
6. Bank Trust Departments with commercial banks. Investments may be made with trust departments of commercial banks with offices located in Johnson County or with trust companies which have contracted to provide trust services under the provisions of K.S.A.9-2107, and amendments thereto. These accounts will be secured as provided for under K.S.A. 9-1402, and amendments thereto. Authorized investments in these pools will be subject to the same terms, conditions and limitations as are applicable to the Kansas Municipal Investment Pool.
7. U.S. Government Agency Securities. Indirect obligations of the federal government such as the Government National Mortgage Association, the Small Business Administration and other qualified agency securities. These securities are backed by the full faith and credit of the United States Government. The maximum maturity is four (4) years from the date of purchase. The City's investment policy must be approved by the PMIB prior to the purchase of these U.S. Government Securities.
8. U. S. Government Sponsored Corporation's Instruments. Obligations and securities of enterprises sponsored by the U.S. Government (such as Federal Farm Credit System, Federal Home Loan Mortgage Association, the Student Loan Marketing Association and other qualified government sponsored corporation's instruments) which under federal law may be accepted as security for public funds, except that such investments shall not be in mortgage-backed securities. **The City's investment policy must be approved by the PMIB prior to the purchase of these U.S. Government Agency Securities.**

- b. Acceptable Investments for Bond and Note Proceeds, Equipment Reserve Fund, Capital Improvement Funds:

Moneys credited to the municipal reserve fund or capital improvement funds from annually budgeted transfers may also be invested in accordance with the provisions of K.S.A. 10-131 (as provided by K.S.A. 12-1,117 and K.S.A. 12-1, 118).

Investments outlined by K.S.A. 10-131, et.seq. are not subject to the requirement that such funds be first offered to the financial institutions within the City. The investment options are as follows:

1. Investments authorized by K.S.A. 12-1675, et.seq. (as detailed under operating fund investments).

2. Direct obligations of the United States government or any agency thereof.
3. The City's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto.
4. Obligations of the Federal National Mortgage Association, Federal Home Loan Banks and Federal Home Loan Mortgage Corporation or other qualified obligations.
5. Repurchase agreements collateralized by direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or the Federal Home Mortgage Corporation.
6. Investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's Investors Service or Standard and Poor's Corporation.
7. Investments in shares or units of a money market fund or trust the portfolio of which is comprised entirely of securities in direct obligations of the U.S. government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.
8. Receipts evidencing ownership interests in securities or portions thereof in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.
9. Municipal bonds or other obligations issued by any municipality of the State of Kansas as defined in K. S. A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same.
10. Bonds of any municipality of the State of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, or securities in direct obligations of the United States government or any agency thereof or obligations of the Federal National Mortgage Association, Federal Home Loan Banks or Federal Home Loan Mortgage Corporation.
11. The Kansas Municipal Investment Pool established pursuant to K.S.A. 12-1677 a, and amendments thereto.

c. **Safekeeping of Securities:**

1. Safekeeping Agreement

Collateral will be registered in the City’s name. Joint custody receipts will be issued for all securities pledged to certificate of deposits, repurchase agreements, open accounts and other investments by depositing same with the Federal Reserve Bank of Kansas City, the Federal Home Loan Bank of Topeka, or a Kansas bank or trust company not affiliated with the financial institution pledging the securities and in accordance with KSA 9-1405, et.seq. (safekeeping agent(s)).

All security purchases which are eligible for delivery versus payment shall be settled in that manner. All securities shall be perfected in the name of City of Merriam and shall be delivered to the safekeeping agent(s).

i. Handling of Certificate of Deposit Collateral

The collateral for certificates of deposit in banks will be registered in the name of the City of Merriam, Kansas. Custodial receipts will be received and logged by the Administrative Office staff. Letters from custodial agent(s) assigning the collateral and fax transmittals will be acceptable for release of funds.

ii. Handling of Repurchase Agreement Securities

The securities for which repurchase agreements will be transacted will be limited to Treasury and government agency securities which are eligible to be delivered via the Federal Reserve's Fedwire book entry system. Securities will be delivered either to the City's designated Custodial Agent or to a third party custodian agreed upon by the City and the second party to the Repurchase Agreement. Funds and securities will be transferred on a delivery versus payment basis. Confirmations will be received and logged by the Administrative Office.

Securities underlying a repurchase agreement must be maintained at the following levels, with respect to par value accrued interest:

	U. S. Treasury Securities	U. S. Agencies Securities
1 Year of Less	101%	101%
1 Year to 5 Years	102%	102%
Over 5 Years	103%	104%

2. Verification of Security

Verification of collateral and repurchase agreement securities will be part of the City's annual independent audit.

d. **Collateral Requirements:**

K.S.A. 9-1402, as adopted and amended, requires that all deposits, including those for investment of public funds, must be secured by collateral of the depository institutions. The depository institutions are authorized to use and the City is authorized to accept the following types of collateral as security for deposits:

1. The institution may provide a personal bond in double the amount of the deposits.
2. The institution may provide a corporate surety bond in an amount equal to the amount of the deposits.
3. The institution may pledge or assign for the City's benefit sufficient securities the market value of which is equal to 100% of the total deposits and may consist of:
 - i. Direct obligations of, or obligations insured by, the U.S. or any agency thereof;
 - ii. Obligations and securities of U.S. sponsored corporations, which under federal law may be accepted as security for public funds;
 - iii. Bonds of any Kansas municipality which have been refunded and are secured by U.S. obligations;
 - iv. Bonds of the State of Kansas which have a rating of "Aa" or better by Moody's Investors Service or by Standard and Poor's Corporation;
 - v. General obligation bonds of any Kansas municipality which have a rating of "Aa" or better by Moody's Investors Service or by Standard and Poor's Corporation;
 - vi. Revenue Bonds of any Kansas municipality if they meet approval by the state bank (or savings and loan) commissioner and which have a rating of;
 - vii. General Obligation temporary notes of any Kansas municipality which have a rating of "Aa" or better by Moody's Investors Service or by Standard and Poor's Corporation;
 - viii. No-fund warrants of any Kansas municipality;
 - ix. Certain Kansas municipality sponsored revenue bonds rated "Aa" or better by Moody's Investors Service or AA or better by Standard and Poor's Corporation;

x. Mortgage anticipation notes of certain not-for-profit corporations.

4. The Institutions may offer Federal Deposit Insurance Corporation (FDIC) or Savings Association Insurance Fund (SAIF) insurance protection up to a maximum of \$100,000 toward total collateral security on City deposits.

e. **Release of Collateral:**

At the time the investment is to be liquidated or when other collateral is substituted, the authorization to release the collateral will be telephoned to the safekeeping agent by the Finance Director or his/her designee.

f. **Monitoring Collateral/Security Adequacy for Deposits and Repurchase Agreements:**

The Finance Director or his/her designee will monitor adequacy of collateral and securitization each time investments mature or are purchased, but at least monthly. The City requires monthly reports with market values of pledged securities from all financial institutions with which the City has deposits and/or repurchase agreements.

g. **Investment Diversification:**

The City of Merriam, Kansas will diversify its investments by security type and institution. The following guidelines represent maximum limits established for diversification by instrument.

U.S. Obligations	100%
Certificates of Deposit	50%

A maximum limit of 25% for any one or more (as an aggregate total) of the following types:

State of Kansas Obligations

- Johnson County, Kansas Obligations
- Shawnee Mission School District Obligations
- City of Merriam, Kansas Obligations or Revenue Bonds

1.07 As stated in the Investment Policy, liquidity is second in priority in evaluating investment alternatives. As a function of this procedure, the City's demands for cash must be projected using reliable techniques and investment maturities must be continually evaluated to ensure that funds are available to meet all cash demands. To ensure adequate liquidity of City funds, investments of idle funds shall be structured within the limitations provided in this section.

a. **Maturities for Repurchase Agreements and Certificate of Deposits:**

Subject to the collateral and authorization requirements of K.S.A. 10-131, as now adopted or hereafter amended, the maximum maturity for certificate of deposits shall be four (4)

years. For repurchase agreements with a Kansas financial institution, the maturity shall not exceed two (2) years or such shorter period as may be prescribed by the State Treasurer. Repurchase agreements with primary government security dealers shall be less than 30 days.

b. **Security Marketability:**

Only U.S. government and agency obligations with active secondary markets will be purchased. Marketability shall be determined by the Finance Director.

1.08 The City of Merriam shall seek to optimize return on investments within the constraints of safety and liquidity. The investment portfolio of the City will be designed to attain a market-average rate of return throughout the budgetary and economic cycles, taking into account the City's investment risk constraints, state statutes, cash flow characteristics of the portfolio, and prudent investment principles. Progress on this objective will be reported to the Investment Committee and City Council Finance and Administration Committee on a quarterly basis at a minimum.

a. **Investments Maturity Management:**

When structuring the maturity composition of the investments, the Finance Officer shall evaluate current and expected interest rate yields. The longer the time remaining to maturity for a security, the greater the price fluctuation which will occur given a change in interest rate levels.

b. **Competitive Placement of Funds:**

It is in the interest of the City to solicit competitive rate quotations for all investment purchases, consistent with state statutes. The City will maintain a list of interested bidders. Financial institutions may call the Finance department to request to be added to the list. Financial institutions eligible to bid on the City's investments will consist of banks, trust companies, savings and loan associations, or savings banks with a main or branch office located in the City or Johnson County. Bids received from local financial institutions will be compared to the public funds investment rate. If a bid is greater than or equal to the public funds investment rate, the financial institution with the highest bid is awarded the investment. Financial institutions within the City will take precedence over the county financial institutions. If no bids from eligible financial institutions are greater than or equal to the public funds investment rate, bids from financial institutions offering investment instruments detailed under the investments for operating funds section 1.06 a. will be considered

1.09 The Ethical Code, as adopted in sections 2-104 through sections 2-109 of the City of Merriam Municipal Code shall apply and provide guidance. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their

ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Attorney and Finance Director any material financial interests in financial institutions that conduct business within this jurisdiction and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City of Merriam, Kansas' portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City of Merriam, Kansas, particularly with regard to the timing of purchases and sales.

- 1.10**
- a. The City of Merriam, Kansas' investment policy shall be adopted by the City Council of Merriam, Kansas.
 - b. The above policies shall remain in full force and effect until revoked by the City Council. If, after adoption of this policy, there is any conflict of this policy with Kansas' laws and/or statutes, the Kansas laws and/or statutes will dictate.

APPROVED BY THE GOVERING BODY ON December 18, 2006