



CITY COUNCIL ACTION REPORT

August 23, 2011

TO: John Szerlag, City Manager

FROM: Susan A. Leirstein, Purchasing Director
Sandra L. Kasperek, City Treasurer
Keith Francis, Interim Controller
Lisa Burnham, Senior Accountant

SUBJECT: Contract Extension – Banking Services

Background

- On July 19, 1999, Troy City Council approved a three-year contract to Fifth Third Bank (formerly Old Kent Bank) for banking services with an option to renew the contract for three (3) additional years (Resolution #99-349-E-2c). On May 6, 2002, the option was exercised for an additional three (3) year period (Resolution # 2002-05-288-E-2) under the same prices, terms, and conditions expiring September 30, 2005. On June 20, 2005 Troy City Council approved a three-year contract with Fifth Third Bank for banking services (Resolution #2005-06-304-F-3). On July 21, 2008, banking services with Fifth Third Bank were approved for another three period by Troy City Council (Resolution #2008-07-241-Item F-5)
- Fifth Third Bank has offered to extend the contract for an additional two-year period beginning October 1, 2011, expiring October 1, 2013 under the same prices, terms, and conditions along with a significant 50% reduction in the pass-through FDIC insurance assessment fee charged to all non-interest bearing deposit account balances. At this point in time, the FDIC assessment fee alone accounts for one-third to one-half the monthly fees (see Appendix Z attached). The proposed discount will provide an annual savings of approximately \$31,146.00, based on current banking activity.
- Fifth Third Bank was the recommended bidder as the result of a request for proposal process. Their estimated total cost of banking services was substantially less than the other banks, which in turn required a substantially lower monthly compensating balance.

August 23, 2011

To: John Szerlag, City Manager
Re: Contract Extension – Banking Services

Background: continued

- Although pricing is just one factor in the selection process, the proposal submitted by Fifth Third Bank is significant in that mergers and acquisitions in the banking industry have generally resulted in higher fees for consumers and businesses.
- The current implementation of the New World Systems financial management platform is allowing efficiency improvements through integration with Fifth Third Bank. Some payments are being made to vendors electronically saving supplies and staff time.
- The City of Troy currently enjoys a good business relationship with Fifth Third Bank to uphold fiscal integrity and maintain high levels of service in a cost-effective manner. There has been an on-going joint effort between the City of Troy and Fifth Third Bank personnel to integrate appropriate technology, implement proper security procedures, create reporting structures, execute feedback mechanisms, and provide end-user training to achieve optimal performance.
- Fifth Third Bank constructed a new branch on Rochester Road in 2006. Currently, Fifth Third Bank is investing in the future of Troy by building a new state-of-the-art branch at its Big Beaver location.
- Fifth Third ranked #326 on Fortune 500's annual listing of the largest U.S. corporations based on revenues, profits, assets, stockholders' equity, market value, earnings per share and total return to investors. Fifth Third Bancorp was named the seventh strongest bank in the world by Bloomberg Markets magazine. Fifth Third was the highest ranking of only three U.S. banks to make the top 20.

Recommendation

- Staff recommends that City Council approve the contract extension with Fifth Third Bank under the proposed pricing, terms and conditions for an additional two-year period expiring October 1, 2013.

Financial Considerations

- Costs for banking services are an offset to interest earnings and not a direct charge paid from a City account.

FDIC Pass-Through Assessment Charges with 50% Reduction

APPENDIX Z

	Current FDIC ASSESSMENT	Current Total Monthly Fees	FDIC Fee as % of Total Fees
Jul-10	3,840.72	12,111.57	31.71%
Aug-10	6,895.08	18,848.64	36.58%
Sep-10	8,492.76	15,180.93	55.94%
Oct-10	6,596.76	11,415.76	57.79%
Nov-10	5,750.40	11,253.56	51.10%
Dec-10	5,454.96	17,588.25	31.01%
Jan-11	5,255.52	13,076.68	40.19%
Feb-11	5,674.92	10,894.59	52.09%
Mar-11	4,812.84	10,973.99	43.86%
Apr-11	3,772.08	8,050.55	46.85%
May-11	3,213.93	8,329.38	38.59%
Jun-11	2,533.68	8,261.72	30.67%
Total 2010-2011	\$62,293.65	\$145,985.62	42.67%

	PROPOSED FDIC ASSESSMENT 50% MONTHLY SAVINGS FOR 2 YEAR TERM	Total Monthly Fees with 50% reduction in FDIC Assessment Fee	PROPOSED FDIC Fee as % of Total
Jul-10	1,920.36	10,191.21	18.84%
Aug-10	3,447.54	15,401.10	22.39%
Sep-10	4,246.38	10,934.55	38.83%
Oct-10	3,298.38	8,117.38	40.63%
Nov-10	2,875.20	8,378.36	34.32%
Dec-10	2,727.48	14,860.77	18.35%
Jan-11	2,627.76	10,448.92	25.15%
Feb-11	2,837.46	8,057.13	35.22%
Mar-11	2,406.42	8,567.57	28.09%
Apr-11	1,886.04	6,164.51	30.60%
May-11	1,606.97	6,722.42	23.90%
Jun-11	1,266.84	6,994.88	18.11%
PROPOSED Total for 2011-12 (using 2010-11 data)	\$31,146.83	\$114,838.80	27.12%



Aron M. Kominars
Vice President and Managing Director
Public Funds Banking
1000 Town Center, Suite 1400
Southfield, MI 48075
Tel: 248-603-0528
Fax: 248-603-0144

August 22, 2011

Ms. Susan Leirstein
Purchasing Manager
City of Troy
500 W. Big Beaver Road
Troy, Michigan 48084

Re: City of Troy Banking Contract Extension

Dear Ms. Leirstein:

I would like to thank you for the banking relationship Fifth Third Bank (formerly Old Kent Bank) has had with the City of Troy.

As pertaining to RFP-99-01, we Fifth Third Bank would like to extend to the City a renewal extension for an additional two-year period beginning October 1, 2011, expiring October 1, 2013.

Fifth Third Bank is offering a reduction in the FDIC assessment charged to the City of Troy's DDA balances held at Fifth Third Bank. FDIC coverage provides the City with FDIC insurance for all non-interest bearing DDA balances. This is a pass-through cost charged by FDIC to Fifth Third Bank that is assessed to the Bank's customers. Currently, the charge is .012% per dollar covered under the FDIC program. I am proposing a 50% reduction of the FDIC assessment to .06% per dollar. In May 2011, a FDIC charge was assessed for \$3,213.96. With the outlined reduction, the fee would be reduced by 50% or \$1,606.98.

In addition to the reduction in FDIC, Fifth Third Bank is offering all other pricing, terms and conditions remain in place.

As stated in the previous contract, the City or the Bank reserves the right to terminate the contract providing one hundred and twenty (120) days written notice to that of either party with intent to terminate.

We are excited about our commitment in the City. In fact, we are tearing down our Fifth Third Branch on Big Beaver Road and building a new state-of-the-art Branch at the same location.

The City of Troy is a wonderful place to work, live and conduct business. Again, I would like to thank you for your previous business and look forward to a continued mutually rewarding relationship. Should you have any questions or concerns, please feel free to call me at 248.603.0528.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aron Kominars', with a long, sweeping underline.

Aron Kominars
Vice President
1000 Town Center
Southfield, Michigan 48075

CC: Ms. Sandra Kasperek
City Treasurer

E. Big Beaver to 1980 E. Big Beaver, Troy, MI 48083, Oakland County; and **AUTHORIZES** the Mayor and City Clerk to execute the document, a copy of which shall be **ATTACHED** to the original Minutes of this meeting.

F-10 Public Hearing for the Purpose of Receiving Public Input on the City of Royal Oak Hospital Financing Authority Utilizing Tax-Exempt Bonds

Resolution #2008-07-239-F-10

WHEREAS, William Beaumont Hospital is anticipating a financing through the City of Royal Oak Hospital Financing Authority utilizing tax-exempt bonds;

WHEREAS, The Internal Revenue Code of 1986, as amended (the "Code"), requires a public hearing before authorizing the issuance of bonds by a hospital authority in all jurisdictions benefitting from the issuance; and

WHEREAS, A portion of the proceeds of the bonds will be used to construct, acquire, renovate, equip, rehabilitate and/or improve hospital facilities in the city of Troy as well as to refund bonds, the proceeds of which were used to construct an addition to William Beaumont Hospital – Troy;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **SCHEDULES** a public hearing for Monday, August 11, 2008 at 7:30 PM in Council Chambers of Troy City Hall, 500 W. Big Beaver, Troy, MI 48084 for the purpose of receiving public input on the City of Royal Oak Hospital Financing Authority issuing tax-exempt bonds for William Beaumont Hospital.

F-1b Address of "F" Items Removed for Discussion by City Council and/or the Public

F-2 Approval of City Council Minutes

Resolution #2008-07-240
Moved by Howrylak
Seconded by Broomfield

RESOLVED, That Troy City Council hereby **APPROVES** the Minutes of the 5:00 PM Special City Council Meeting of July 7, 2008 and the 7:30 PM Regular City Council Meeting of July 7, 2008 as amended.

Yes: All-7

MOTION CARRIED

F-5 Contract Extension – Banking Services

Resolution #2008-07-241
Moved by Beltramini
Seconded by Kerwin

WHEREAS, On July 19, 1999, City Council approved a three (3) year contract to provide Banking Services with an option to renew the contract for an additional three (3) year period to Fifth Third Bank (formerly Old Kent Bank), the most qualified and lowest bidder as a result of a request for proposal process (Resolution #99-349-E-2c), and on May 6, 2002, exercised the renewal option for an additional three years under the same prices, terms and conditions expiring September 30, 2005 (Resolution #2002-05-288-E2), and on June 20, 2005, the contract was extended for a three-year period expiring October 1, 2008, with fee reductions in Controlled Disbursement Accounts from \$100.00 to \$50.00 per account per month and deposit fees from \$.60 cents to \$.50 cents per deposit (Resolution #2005-06-304-F3);

WHEREAS, Fifth Third Bank has offered to extend their contract for three years under the same prices, terms and conditions currently in place; and

WHEREAS, The City has successfully implemented lock box and procurement card services to enhance payment collection and improve efficiencies of purchasing procedures;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **APPROVES** a three-year contract to provide Banking Services with Fifth Third Bank under the same pricing, terms, and conditions expiring October 1, 2011.

Yes: Broomfield, Eisenbacher, Fleming, Kerwin, Schilling, Beltramini

No: Howrylak

MOTION CARRIED

MEMORANDUMS AND FUTURE COUNCIL AGENDA ITEMS:

G-1 Announcement of Public Hearings: None Submitted

G-2 Memorandums:

- a. Proposed New Liquor License Ordinance – August 11, 2008
Noted and Filed

COUNCIL REFERRALS:

H-1 No Council Referrals Advanced

COUNCIL COMMENTS:

I-1 Council Comments:

Council Member Beltramini referred to a newspaper article about Oakland County greening their fleet and believes this is another example of how another governmental entity is getting press coverage about something that the City of Troy has been doing for years. Council Member Beltramini explained that Fleet Maintenance has been purchasing hybrid vehicles for at least three years and has been using synthetic fuels in all city vehicles long before she became a council member. Council Member Beltramini appreciates the type of foresight the City of Troy's cutting edge staff demonstrates.



CITY COUNCIL ACTION REPORT

July 10, 2008

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Administration
Susan A. Leirstein, Purchasing Director
James A. Nash, Financial Services Director
Sandra L. Kasperek, City Treasurer

SUBJECT: Contract Extension – Banking Services

Background

- On July 19, 1999, Troy City Council approved a three-year contract to Fifth Third Bank (formerly Old Kent Bank) for banking services with an option to renew the contract for three (3) additional years (Resolution #99-349-E-2c). On May 6, 2002 the option was exercised for an additional three (3) year period (Resolution # 2002-05-288-E-2) under the same prices, terms, and conditions expiring September 30, 2005. On June 20, 2005 Troy City Council approved a three-year contract to Fifth Third Bank for banking services (Resolution #2005-06-304-F-3).
- Fifth Third Bank has offered to extend the contract for an additional three-year period beginning October 1, 2008, expiring October 1, 2011 under the same prices, terms, and conditions.
- Fifth Third Bank was the recommended bidder as the result of a request for proposal process. Their estimated total cost of banking services was substantially less than the other banks, which in turn required a substantially lower monthly compensating balance.
- The current implementation of the New World Systems financial management platform is allowing efficiency improvements through integration with Fifth Third Bank. Some payments are already being made to vendors electronically saving supplies and staff time.

July 10, 2008

To: Phillip L. Nelson, City Manager
Re: Contract Extension – Banking Services

Background: continued

- The City of Troy currently enjoys a good business relationship with Fifth Third Bank to uphold fiscal integrity and maintain high levels of service in a cost-effective manner. Since the last contract award, the Bank has constructed a new branch on Rochester Road.
- Although pricing is just one factor in the selection process, the proposal submitted by Fifth Third Bank is significant in that mergers and acquisitions in the banking industry have generally resulted in higher fees for consumers and businesses.

Financial Considerations

- Costs for banking services are an offset to interest earnings and not a direct charge paid from a City account

Legal Considerations

- There are no legal considerations associated with this item.

Policy Considerations

- Adoption will satisfy Goal II.

Options

- Staff recommends that City Council approve the contract extension with Fifth Third Bank under the same pricing, terms and conditions in place for the additional three-year period expiring October 1, 2011.

Prepared by: James A. Nash, Financial Services Director

G:/Regular Business – Contract Extension – Banking Services 07.08.doc



Aron M. Kominars
Vice President and Managing Director
Public Funds Banking
1000 Town Center, Suite 1400
Southfield, MI 48075
Tel: 248-603-0528
Fax: 248-603-0144

May 12, 2008

Ms. Susan Leirstein
Purchasing Director
City of Troy
500 W. Big Beaver Road
Troy, Michigan 48084

Re: City of Troy Banking Contract Extension

Dear Ms. Leirstein:

I would like to thank you for the banking relationship Fifth Third Bank (formerly Old Kent Bank) has had with the City of Troy.

As pertaining to RFP-99-01, we Fifth Third Bank would like to extend to the City a renewal extension for an additional three-year period beginning October 1, 2008, expiring October 1, 2011.

Fifth Third Bank is offering that all pricing, terms and conditions remain in place for the additional three-year period expiring on October 1, 2011. As stated in the previous contract, the City or the Bank reserves the right to terminate the contract providing one hundred and twenty (120) days written notice to that of either party with intent to terminate.

We are excited about our growth in the City. The City of Troy is a wonderful place to work, live and conduct business.

Again, I would like to thank you for your previous business and look forward to a continued mutually rewarding relationship.

Should you have any questions or concerns, please feel free to call me at 248.603.0528.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aron Kominars', written over a light blue background.

Aron Kominars

CC: Mr. John Lamerato
Assistant City Manager

REGULAR BUSINESS:

F-1 Appointments to Boards and Committees: a) Mayoral Appointments: No Appointments b) City Council Appointments: Personnel Board

(b) City Council Appointments

Resolution #2005-06-302
Moved by Beltramini
Seconded by Eisenbacher

RESOLVED, That the following persons are hereby **APPOINTED BY THE CITY COUNCIL** to serve on the Boards and Committees as indicated:

Personnel Board

Appointed by Council (5) - 3 years

Deborah L. Baughman

Term Expires 04/30/08

Yes: All-6
No: None
Absent: Lambert

F-2 City of Troy Retiree Health Care Benefits Plan and Trust

Resolution #2005-06-303
Moved by Beltramini
Seconded by Stine

Resolved, That the City of Troy City Council **ADOPT** the Retiree Health Care Plan and Trust as amended and a copy of the Plan and Trust shall be **ATTACHED** to the original Minutes of this meeting.

Yes: All-6
No: None
Absent: Lambert

F-3 Bid Waiver - Contract Extension - Banking Services

Resolution #2005-06-304
Moved by Stine
Seconded by Broomfield



WHEREAS, On July 19, 1999, City Council approved a three (3) year contract to provide Banking Services with an option to renew the contract for an additional three (3) year period to Fifth Third Bank (formerly Old Kent Bank), the most qualified and lowest bidder as a result of a request for proposal process (Resolution #99-349-E-2c), and on May 6, 2002, exercised the

renewal option for an additional three years under the same prices, terms and conditions expiring September 30, 2005 (Resolution #2002-05-288-E2);

WHEREAS, Fifth Third Bank has offered to extend their contract for three years under the same prices, terms and conditions with a reduction in the monthly maintenance charges for Controlled Disbursement Accounts and deposit fees;

WHEREAS, The City has successfully implemented lock box and procurement card services to enhance payment collection and improve efficiencies of purchasing procedures.

NOW, THEREFORE, BE IT RESOLVED, That a three-year contract to provide Banking Services is hereby **APPROVED** with Fifth Third Bank under the same pricing, terms, and conditions expiring October 1, 2008, with fee reductions in Controlled Disbursement Accounts from \$100.00 to \$50.00 per account per month and deposit fees from \$.60 cents to \$.50 cents per deposit.

Yes: All-6
 No: None
 Absent: Lambert

F-4 Sale of Rochester Road Remnant Parcel #20, PIN# 20-23-352-035, 037 Section 23, Part of Lots 86 Through 91, and Vacated Alley of Supervisor's Plat of Beaver Run

Resolution #2005-06-305

Moved by Broomfield

Seconded by Beltramini

WHEREAS, The City Council may from time to time determine that the sale of certain parcels will best serve the public interest;

WHEREAS, The City Council may determine the public interest will best be served without obtaining sealed bids for the sale of remnant parcels.

NOW THEREFORE BE IT RESOLVED, That the Troy City Council finds that "the public interest will best be served without obtaining a sealed bid in accordance with *Resolution 85-254 Policy Governing Disposal (Sales) of Excess Right-of-Way* and approve the sale of the remnant parcel, described in Attachment A attached hereto, to Buscemi's Party Shoppe for \$36,000.00 as outlined in the Offer to Purchase with conditions, plus closing costs; and

BE IT FURTHER RESOLVED, That closing will take place when all conditions have been met; and

BE IT FURTHER RESOLVED, That the Mayor and City Clerk are **AUTHORIZED TO EXECUTE** the agreement to Purchase and the Warranty Deed, on behalf of the City; and

BE IT FINALLY RESOLVED, That the City Clerk is hereby **DIRECTED TO RECORD** said documents, including all attachments, at the Oakland County Register of Deeds, a copy of which shall be **ATTACHED** to and made part of the original Minutes of this meeting.

Yes: Schilling, Beltramini, Broomfield, Eisenbacher, Stine

May 25, 2005

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager/ Finance and Administration
James Nash, Financial Services Director
Sandra Kasperek, City Treasurer
Jeanette Bennett, Director of Purchasing

SUBJECT: **Agenda Item:** Bid Waiver - Contract Extension – Banking Services

RECOMMENDATION

On July 19, 1999, Troy City Council approved a three-year contract to Fifth Third Bank (formerly Old Kent Bank) for banking services with an option to renew the contract for three (3) additional years (Resolution #99-349-E-2c). On May 6, 2002 the option was exercised for an additional three (3) year period (Resolution # 2002-05-288-E-2) under the same prices, terms, and conditions expiring September 30, 2005.

City management recommends the contract be extended with Fifth Third Bank for banking services expiring October 1, 2008. Fifth Third Bank has offered to extend the contract under the same prices, terms, and conditions with a fee reduction in two areas. They have offered to reduce the monthly maintenance charge for Controlled Disbursement Accounts 50% from \$100.00 per account per month to \$50.00 per account per month. Secondly, they have offered a 16.6% reduction in the deposit fee from \$.60 per deposit to \$.50 per deposit.

Also, the original resolution granted approval to negotiate with Fifth Third Bank to provide additional banking services, as the City was ready to implement them. Since the beginning of the contract, we have added lock box services and a procurement card program. The implementation of the Procurement Card Program was approved by City Council on August 6, 2001 [Resolution #2001-08-404(a)].

BACKGROUND

The recommendation to extend the contract with Fifth Third Bank is made for the following reasons:

- Fifth Third Bank (formerly Old Kent Bank) was the recommended bidder as the result of a request for proposal process. The estimated total cost of banking services was substantially less than the other banks, which in turn required a substantially lower monthly compensating balance.

Both factors were in the City's best interests in 1999, and since the same prices, terms, and conditions are being proposed to be extended from that time, would continue to be in the City's best interests.

To: John Szerlag, City Manager
Re: Bid Waiver – Contract Extension – Banking Services
Page 2 of 2

BACKGROUND - continued

- Staff recommends extending the contract with Fifth Third since several banking products have been implemented to enhance payment collections. A partial list of these products include lock box collection for tax and water payments, auto-debit program for water bills and recreation fees, and credit card services for recreation fees (i.e. educational and fitness programs, golf course fees, etc). All of these products require the joint effort of staff from both the City of Troy and Fifth Third Bank in the process of integrating appropriate technology, implementing security procedures, creating and printing forms, training end-users to work with features of new software packages, developing reporting procedures, and maintaining feedback for optimal performance.

Changing banking services at this time would divert staff time to a very complex task of discontinuing current services and procedures, establishing new services at a new banking institution, implementing new software, and educating all users. Furthermore, not only would the payment collection products be affected, but also the products used for internal purposes such as payroll, accounts receivable, accounts payable, investing etc. Clearly, a change of this magnitude would impact the services we offer our customers and employees.

- The implementation of the Procurement Card Program is relatively new (approved Aug 2001) and required training all participants to learn on-line account reconciliation.

New banking services would require the City to implement a new card program and require all cardholders to be retrained in the use of new software and processes, which increases the opportunity for errors as cardholders would need to become familiar with another reporting system.

MARKET SURVEY

The City of Troy currently enjoys a good business relationship with Fifth Third Bank to uphold fiscal integrity and maintain high levels of service in a cost-effective manner.

Although pricing is just one factor in the selection process, the proposal submitted by Fifth Third was substantially lower than the other banks submitting proposals at the time of the last RFP and still holds true based on a recent informal survey.

BUDGET

Costs for banking services are an offset to interest earnings and not a direct charge paid from a City account.

May 13, 2005

Ms. Jeanette Bennett
Purchasing Director
City of Troy
500 W. Big Beaver Road
Troy, Michigan 48084

Re: City of Troy Banking Contract Extension

Dear Ms. Bennett

I would like to thank you for the banking relationship Fifth Third Bank (formerly Old Kent Bank) has had with the City of Troy.

As pertaining to RFP-99-01, we Fifth Third Bank would like to extend to the City a renewal extension for an additional three-year period beginning October 1, 2005, expiring October 1, 2008.

Fifth Third Bank is offering that all pricing and terms and conditions remain in place for the additional three-year period expiring on October 1, 2008. In addition, we are offering to the City fee reductions in two categories. I would like to offer a 50 % reduction in the monthly maintenance charge for your Controlled Disbursement Accounts. The current charge is \$100.00 per account per month and our proposal is to reduce the charge to \$50.00 per account per month. In addition, we are offering a 16.6% reduction in the deposit fee. The current charge is 60 cents per deposit and we are offering 50 cents per deposit.

As stated in the previous contract, the City or the Bank reserves the right to terminate the contract providing one hundred and twenty (120) days written notice to that of either party with intent to terminate.

We are excited about our growth in the City with the recent signing of the lease for our new branch on Rochester and Bishop Roads. The City of Troy is a wonderful place to work, live and conduct business.

Again, I would like to thank you for your previous business and look forward to a continued mutually rewarding relationship.

Should you have any questions or concerns, please feel free to call me at 248.458.5817.

Sincerely,



Aron Kominars
Vice President
2280 West Big Beaver Road
Troy, Michigan 48084

CC: Mr. John Lamerato
Assistant City Manager

E-2 Standard Purchasing Resolution 3: Exercise Renewal Option – Banking Services

Resolution #2002-05-288-E-2

NOTE

WHEREAS, On July 19, 1999, a three-year contract with an option to renew for three additional years to provide banking services was awarded to Fifth Third Bank (formerly Old Kent Bank) (Resolution #99-349-E-2c); and

WHEREAS, Fifth Third Bank has agreed to exercise the option to renew the contract for an additional three years under the same prices, terms, and conditions.

NOW, THEREFORE, BE IT RESOLVED, That the option to renew the contract is hereby exercise with Fifth Third Bank to provide Banking Services, under the same contract prices, terms, and conditions for three years expiring September 30, 2005.

E-3 Request from C. A. MUER CORPORATION: (a) To Transfer Stock Through Merger in 2001 Class C Licensed Business, Located at 5498 Crooks, Troy, by Adding LSRI HOLDINGS, INC. as New Stockholder Through Issuance of 1,000 Shares of Stock from the Corporation, and by Dropping Anthony Adams, et al, Through Transfer of Their 1,166,066 Shares of Stock Back to the Corporation [MLCC REQ ID# 151240]; (b) Approval of Agreement**(a) License Transfer**

Resolution #2002-05-288-E-3a

RESOLVED, That the request from C.A. Muer Corporation, to transfer stock in 2001 Class C licensed business, located at 5498 Crooks, Troy, by adding LSRI Holdings, Inc. as new stockholder, and dropping Anthony Adams, et al, be considered for approval. It is the consensus of this legislative body that the application be recommended for issuance.

(b) Agreement

Resolution #2002-05-288-E-3b

WHEREAS, The City Council of the City of Troy deems it necessary to enter agreements with applicants for liquor licenses for the purpose of providing civil remedies to the City of Troy in the event licensees fail to adhere to Troy Codes and Ordinances.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Troy hereby approves an agreement with C. A. Muer Corporation., which shall become effective upon approval of the request to transfer stock to LSRI Holdings, Inc., and dropping Anthony Adams, et al; and the Mayor and City Clerk are authorized to execute the document, a copy of which shall be attached to the original Minutes of this meeting.

April 26, 2002

TO: The Honorable Mayor and City Council

FROM: John Szerlag, City Manager
John M. Lamerato, Assistant City Manager/ Finance and Administration
James Nash, Financial Services Director
Jeanette Bennett, Purchasing Director 

Subject: Standard Purchasing Resolution 3: Exercise Renewal Option –
Banking Services

RECOMMENDATION

On July 19, 1999, the Troy City Council approved a three-year contract to Fifth Third Bank (formerly Old Kent Bank) for banking services with an option to renew the contract for three (3) additional years (Resolution 99-349-E-2c). Fifth Third Bank has agreed to extend their contract under the same prices, terms, and conditions. The Finance Division has been satisfied with the performance of Fifth Third Bank during the past three years and recommends exercising the option to renew the contract for three additional years to expire September 30, 2005.

ADDITIONAL INFORMATION

The recommended bidder was selected as a result of a request for proposal process. The original resolution granted approval to negotiate with Fifth Third Bank to provide additional banking services, as the City was ready to implement them. Since the beginning of the contract, we have added lock box services and a procurement card program. The implementation of the Procurement Card Program was approved by City Council on August 6, 2001 [Resolution #2001-08-404(a)].

MARKET SURVEY

A market survey was not deemed necessary since the bank was selected as a result of a request for proposal process. Pricing is just one factor in the selection process, although their pricing was substantially lower than the other banks submitting proposals.

BUDGET

Costs for banking services are an offset to interest earnings and not a direct charge paid from a City account.



January 14, 2002

Ms. Jeanette Bennett
Purchasing Director
City of Troy
500 W. Big Beaver Rd.
Troy, MI 4804

Re: City of Troy Contract Extension

Dear Ms. Bennett:

We would like to thank you for the banking relationship Fifth Third Bank (previously Old Kent Bank) has had with the City of Troy for almost three years now.

As pertaining to RFP-99-01, we Fifth Third Bank (previously Old Kent) would like to extend to the City a renewal for an additional three year contract period beginning October 1, 2002, expiring three calendar years later in the year 2005.

October 1 of 1999 was the implementation date of all accounts and products set up at Old Kent Bank now Fifth Third Bank. The award date by the City of Troy Council was July 19, 1999. Fifth Third (previously Old Kent Bank) agrees that all pricing and terms and conditions remain the same for an additional three year period thru the month of October 2005.

The City or the Bank reserves the right to terminate the contract providing one hundred and twenty (120) days written notice to that of either party with intent to terminate.

Again, we thank you and look forward to a mutual rewarding relationship.

Sincerely,

Dan Viant
Vice President

cc: Mr. John Lamerato
Assistant City Manager

Accepted on this 6 day of May 2002

Resolution #2002-05-288-E-2
Approved May 6, 2002
Attached

Title Asst. City Manager/ Finance &
City of Troy Administratio
500 W. Big Beaver Rd.
Troy, MI 48064

CONSENT AGENDA – CONTINUED

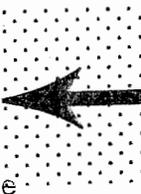
Bid Awards – Continued

E-2

(c) Banking Services

Resolution #99-349-E-2c

RESOLVED, that a three year contract to provide Banking Services with an option to renew the contract for three additional years is hereby approved to Old Kent Bank at an estimated annual cost of \$ 18,995.75, which could be covered by maintaining an estimated monthly compensating balance of \$ 414,186.00, contingent upon contractor submission of properly executed proposal and contract documents, including bonds, insurance certificates and all other specified requirements. In addition, Optional Banking Services contained in the Request for Proposal may be negotiated at the time the City is ready to implement those services.



Award of Office Supply Contract

E-3

Resolution #99-349-E-3

WHEREAS, a "piggy back" addendum with Los Angeles County and the National Cooperative Purchasing Alliance (NACo) allows the Tri-County Purchasing Cooperative of which the City of Troy is a member to participate in the contract for Office Supplies competitively bid and awarded to Office Depot, the best value bidder; and

WHEREAS, the NACo program is a highly visible \$40 Million-plus contract with over 2,500 participating government agencies which enjoys the best pricing, inventory commitment, and service from one of the nations' largest office supply dealers; and

NOW, THEREFORE, BE IT RESOLVED, that the "piggy back" addendum is hereby approved to Office Depot which will allow the City of Troy to participate in the contract for Office Supplies as part of the Tri-County Purchasing Cooperative at an estimated total of \$125,000 per year expiring April 1, 2001 at the following discount structure:

Catalog of 4,000 frequently ordered items Discounts up to 61% off manufacturer's list price

Additional discounts as follows:

- | | |
|---|---|
| A) 105 High Usage | Items Average of 70% off Suggested List Price |
| B) Office Furniture | 44% off Manufacturer's Suggested List Price |
| C) Electronic Equipment/Business Machines | Retail Superstore Pricing |
| D) Miscellaneous Items | 35% off Manufacturer's Suggested List Price |
| E) Wholesale Items | 20% off Manufacturer's Suggested List Price |

Program Incentives:

- | | |
|----------------------------|----------------------|
| Electronic ordering system | |
| 40% of Total Transactions | 0.5% of Annual Sales |
| 80% of Total Transactions | 1.0% of Annual Sales |

F-6 Bid Waiver – Exhibition Tents for Troy Daze Festival

Resolution #2001-08-403
Moved by Pallotta
Seconded by Kaszubski

WHEREAS, A market analysis has been conducted to rent exhibition tents for the Troy Daze Festival; and

WHEREAS, It has been determined by all participants that the festival needs to improve traffic flow and relieve congestion in the walkway areas; and

WHEREAS, The Parks and Recreation Department and Troy Daze Committee members have changed the sizing requirements of the tents in an effort to reconfigure and improve the layout of the Troy Daze Festival;

NOW, THEREFORE, BE IT RESOLVED, That formal bidding procedures are hereby waived and a contract to provide exhibition tents for the 2001 Troy Daze Festival is hereby awarded to Special Events Rental at an estimated total cost of \$12,240.00.

Yes: All-7

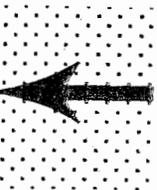
F-7 Approval of a Procurement Card Program and Accompanying Bank Resolution from Fifth Third Bank

(a) Resolution A

Resolution #2001-08-404(a)
Moved by Pallotta
Seconded by Kaszubski

RESOLVED, That a Purchasing Card Program is hereby approved with the City of Troy's bank service provider, Old Kent Bank soon to be Fifth Third Bank in compliance with the provisions of Public Act 266 of 1995.

Yes: All-7



TO: Honorable Mayor and City Council

FROM: James C. Bacon, Jr., City Manager *B*
John M. Lamerato, Assistant City Manager-Finance & Administration *J*

RE: Banking Services

DATE: July 13, 1999

We have completed our extensive review of the banking service proposals received from Bank One, Comerica, Michigan National, National City, Old Kent and Standard Federal Bank. These banks were pre-selected by City Council.

We have attached the bid tabulation to give you an idea of the type of required and optional services we are seeking. In addition to the bid tabulation, we have also compiled a fact sheet that lists other elements that were taken into consideration in the selection process.

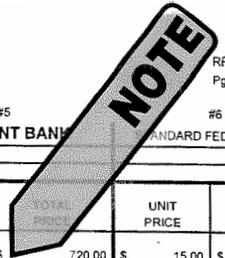
It is our recommendation that Old Kent Bank provide banking services for the City of Troy for a three-year period, with the option to renew for an additional three-year period upon mutual consent. The estimated annual cost for required banking services is \$18,995.75, which could be covered by maintaining an estimated monthly compensating balance of \$ 414,186.00. In addition to the required banking services, we are also seeking approval to negotiate with Old Kent Bank to provide any optional services contained in the request for proposal at such time the City is ready to implement them.

We are presently using Old Kent Bank as Trustee and Transfer Agent for the TDDA Parking Structure bonds and have been very pleased with their performance to date. We also have several certificates of deposit with Old Kent Bank.

NOTE: If approved by Council, this proposal shall be awarded to the recommended bidder contingent upon submission of proper contract and proposal documents, including insurance certificates and all specified requirements.

6 Request for Proposals Sent
6 Request for Proposals Received
0 No Bids

E-20



INSTITUTION NAME:	ESTIMATED ANNUAL VOLUME	#1 MICHIGAN NATIONAL		#2 NBD BANK, A BANK ONE COMPANY		#3 COMERICA		#4 NATIONAL CITY BANK		#5 OLD KENT BANK		#6 STANDARD FEDERAL BANK		
		UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	
REQUIRED BANKING SERVICES:														
SERVICE DESCRIPTION														
ACCOUNT MAINTENANCE FEES:														
CURRENT CHECKING ACCOUNT (6)	72	\$ 22.00	\$ 1,584.00	(5) \$ 17.00	\$ 1,020.00	\$ 15.00	\$ 1,260.00	\$ 11.00	\$ 792.00	\$ 10.00	\$ 720.00	\$ 15.00	\$ 1,080.00	
CONTROL DISBURSEMENT (1)	12	\$ 180.00	\$ 2,160.00	(1) \$ 50.00	\$ 600.00	NOT PROPOSED		\$ 50.00	\$ 600.00	\$ 100.00	\$ 1,200.00	\$ 100.00	\$ 1,200.00	
OTHER FEES (Identify and Detail)				NOTE: GENERAL ACCT IS		NOTE: BASED ON (7) DEMAND ACCTS				N/C	N/C			
SWEEP ACCT MONTHLY BASE FEE	72			RECOMMENDED AS AN ARP		\$ 50.00 \$ 3,600.00						\$ 15.00	\$ 180.00	
SWEEP FEE - GENERAL ACCT	12			ACCOUNT AND PRICED		(ASSUMES \$25M TARGET BAL)						\$ 15.00	\$ 180.00	
SAFEKEEPING ACCT - MTNCE	12			AS FOLLOWS:										
SWEEP ACCT FUNDING TRANSFERS	1440					\$ 0.50	\$ 720.00							
ZERO BAL MONTHLY BASE FEE	24					\$ 15.00	\$ 360.00							
ZERO BAL FUNDING TRANSFERS	480					\$ 0.35	\$ 168.00							
ZBA								\$ 10.00						
CONTROLLED DISBURSEMENT				CASHNET REPORTING--				\$ 50.00						
MONTHLY PRODUCT CHARGE	12			\$ 60.00	\$ 720.00									
TERMINAL OUTPUT PER ACCESS	252			\$ 1.60	\$ 403.20									
TERMINAL OUTPUT PER FIELD	756			\$ 0.12	\$ 90.72									
MONTHLY PRODUCT CHARGE	12			CONTROLLED DISBURSEMENT RPT--										
TERMINAL OUTPUT PER DAY	252			\$ 30.00	\$ 360.00									
TERMINAL OUTPUT PER ACCOUNT	504			\$ 1.60	\$ 403.20									
				\$ 0.12	\$ 60.48									
MISCELLANEOUS DEBITS	252			\$ 0.45	\$ 113.40									
MISCELLANEOUS CREDITS	252			\$ 0.80	\$ 201.60									
CHECKS PAID:														
CONTROLLED DISBURSEMENT	12,000	\$ 0.21	\$ 2,520.00	\$ 0.18	\$ 2,160.00	SEE ZERO BAL ACCT BELOW		\$ 0.165	\$ 1,980.00	\$ 0.10	\$ 1,200.00	\$ 0.15	\$ 1,800.00	
PAYROLL	19,000	\$ 0.16	\$ 3,040.00	\$ 0.18	\$ 3,420.00	\$ 0.19	\$ 3,610.00	\$ 0.18	\$ 3,420.00	\$ 0.09	\$ 1,710.00	\$ 0.15	\$ 2,850.00	
OTHER FEES (Identify and Detail)														
1500 T&A / 1500 GENERAL CHECKS	3,000			\$ 0.18	\$ 540.00									
PAYABLE CHECKS (ON ZBA ACCT)	12,000					\$ 0.19	\$ 2,280.00							
CHECK RENDERING FEE								\$ 0.03						
POSITIVE PAY(0-5,000 MNTHLY ITEMS)	12							\$ 67.50	\$ 810.00					
UNCOLLECTED FEE - PER DAY												\$ 25.00		
OVERDRAFT FEE - PER ITEM												\$ 25.00		
ITEMS DEPOSITED:														
CURRENT CHECKING ACCOUNT	1,600	\$ 1.15	\$ 1,840.00	\$ 1.15	\$ 1,840.00	0.09	\$ 144.00	\$ 0.80	\$ 1,280.00	\$ 0.60	\$ 960.00	\$ 0.09	\$ 144.00	
CHECKS DEPOSITED	150,000	\$ 0.085	\$ 12,750.00	\$ 0.105	\$ 15,750.00	0.09	\$ 13,500.00	\$ 0.075	\$ 11,250.00	\$ 0.02	\$ 3,000.00	\$ 0.09	\$ 13,500.00	
DEPOSIT ITEMS RETURNED	150	\$ 4.00	\$ 600.00	\$ 4.50	\$ 675.00	5.25	\$ 787.50	\$ 4.00	\$ 600.00	\$ 2.00	\$ 300.00	\$ 4.50	\$ 675.00	
OTHER FEES (Identify and Detail)														
REDEPOSITED ITEMS	108	\$ 2.00	\$ 216.00									\$ 1.25	\$ 135.00	
FDIC ASSESSMENT														
CHECK ENCODING														
DEPOSITS												\$ 0.80		
MISC CREDITS												\$ 0.80		
MISC DEBITS												\$ 0.22		
ACCOUNT RECONCILEMENT FEES:														
MONTHLY MAINTENANCE	24	\$ 30.00	\$ 720.00	\$ 50.00	\$ 1,200.00	(2) ACCOUNTS:	\$ 100.00	\$ 2,400.00	\$ 30.00	\$ 720.00	\$ 65.00	\$ 1,560.00	\$ 70.00	\$ 1,680.00
RECONCILED CHECKS PAID	31,000	\$ 0.06	\$ 1,860.00	N/C			\$ 0.03	\$ 930.00	\$ 0.05	\$ 1,550.00	\$ 0.09	\$ 2,790.00	\$ 0.025	\$ 775.00
OTHER FEES (Identify and Detail)														
Data Transmission - Paid Items File - 1st Acct	12			\$ 40.00	\$ 480.00	SEE ARP SCHEDULE IN								
Data Transmission - Paid Items - Add'l Accts	12			\$ 6.00	\$ 72.00	EXHIBIT'S SEC (6)								
DATA TRANSMISSION	24							\$ 5.00	\$ 120.00					

INSTITUTION NAME:		#1	#2	#3	#4	#5	#6
		MICHIGAN NATIONAL	NBD BANK, A BANK ONE COMPANY	COMERICA	NATIONAL CITY BANK	OLD KENT BANK	STANDARD FEDERAL BANK
CREDIT CARDS FOR PURCHASES:		NOT AN ISSUER OF CREDIT CARDS. CITY CAN OPEN A CHECKING ACCT LINKED TO DEBIT CARDS.		NO PROPOSED FEES		NO PROPOSAL	
ANNUAL FEES	1		N/C		\$ 25.00		\$ 50.00
INTEREST RATE			PRIME + 2%	SEE OPTIONAL SERVICES	18%		13.75%
GRACE PERIOD: NUMBER OF DAYS			25 DAYS	SEC (7) FOR A DESCRIPTION OF COMERICA'S PROCUREMENT CARD PROGRAM.	25 DAYS		25 DAYS
OTHER FEES:						\$ 25.00	
LATE PAYMENT						\$ 25.00	
OVERLIMIT FEE						\$ 0.50	
MINIMUM FINANCE CHG							
PAYMENT BY CREDIT/DEBIT CARDS.		TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE
SETUP CHARGES (One Time Only)		0	0	N/C	\$ 350.00	\$ 50.00	N/C
MONTHLY MAINTENANCE	12	\$ 1.50	\$ 18.00	\$ 10.00	\$ 120.00	\$ 5.00	\$ 60.00
OTHER FEES BASED ON RFP:							
AMEX: PER AUTHORIZATION		\$ 0.15	OPTION 1: TIERED PRICING RATE		\$ 0.20		\$ 0.15
DISCOVER: PER AUTHORIZATION		\$ 0.15	1.98% QUALIFIED		\$ 0.20		\$ 0.15
VISA PER ITEM FEE		\$ 0.05	2.63% MID QUALIFIED		\$ 0.20	\$ 0.08	N/C
MASTERCARD PER ITEM FEE		\$ 0.10	3.03% NON QUALIFIED		\$ 0.20	\$ 0.08	N/C
FIXED PROCESSING RATE: Visa/MC		1.75%	-OR-		EST EFFECTIVE RATE 60% SWIPE	1.81%	
DEBIT CARD			OPTION 2: CARD NOT PRESENT RATE		1.97%	\$ 0.30	
PROPOSED DISCOUNT RATES:			2.49% USING AVS*		EST EFFECTIVE RATE 80% SWIPE		
COMM CTR. GOLF COURSE, AQ CTR					1.90%		
TAX COLLECTIONS			*AVS = Address Verification Service				
NOTE: BOTH RATES ASSUME CARD IS PRESENT FOR SWIPE AT POINT OF SALE.							
PAYROLL SERVICES IN ACCORDANCE WITH PROVISIONS ESTABLISHED IN THE ATTACHED 'BANKING SERVICES REQUIREMENTS', PAGES 17 & 18							
MONTHLY MAINTENANCE	12	\$ 25.00	\$ 300.00	\$ 40.00	\$ 480.00	NO APPLICABLE FEES	\$ 10.00
ORIGINATED ITEMS	4,680	\$ 0.085	\$ 397.80				\$ 120.00
ACH DATA TRANSMISSIONS *	48	\$ 5.00	\$ 240.00				
ACH RETURN PAPER *	60	\$ 2.50	\$ 150.00				
ACH NOC PAPER *	144	\$ 2.50	\$ 360.00				
*NOTE: Three above services were pulled from current account analysis statement.							
DDP UPLOAD INPUT	26	\$ 4.50	\$ 117.00				
PER CREDIT AMOUNT	12,480	\$ 0.12	\$ 1,497.60				
SOFTWARE (ONE TIME)						\$ 150.00	
PC/ACH LOGON						\$ 0.50	
PC/ACH FILE DOWNLOAD FOR						\$ 2.00	
DEBIT/CREDIT						\$ 0.10	
TRANSMISSION PER ITEM							\$ 25.00
EMPLOYEE US SAVINGS BOND PROGRAM IN ACCORDANCE WITH THE PROVISIONS ESTABLISHED IN THE ATTACHED 'BANKING SERVICES REQUIREMENTS' PAGE 21							
SAVINGS BONDS MTHLY FILE DEL CHG	12	NO CHARGE	NO CHARGE	\$ 75.00	\$ 900.00	N/A	\$ -
		Add'l info found under, Banking Services Requirements, II.					N/C
		Required Services, H. U.S. Savings Bond Program					NC
TOTAL-		\$ 33,125.50	\$ 36,917.20	\$ 37,524.50	\$ 28,116.00	\$ 18,995.75	\$ 31,009.00
EARNINGS CREDIT RATE (MAR 1999)		4.46%	4.45%	4.35%	4.48%	4.50%	4.53%
FACTOR RATE		3.345%	3.4015	3.325	3.4244	3.8219%	3.4626
REQUIRED MONTHLY COMPENSATING BALANCE		\$ 825,257	\$ 904,434	\$ 940,464	\$ 684,207	\$ 414,166	\$ 746,284
FACTOR RATE FORMULA		(ECR/12)*.90	(ECR*31/365)*.90	(ECR*31/365)*.90	(ECR*31/365)*.90	(ECR/365)*31	(ECR*31/365)*.90

NOTE: THE HIGHER THE FACTOR RATE, THE LOWER THE COMPENSATING BALANCE.

INSTITUTION NAME:		#1	#2	#3	#4	#5	#6						
		MICHIGAN NATIONAL	NBD BANK, A BANK ONE COMPANY	COMERICA	NATIONAL CITY BANK	OLD KENT BANK	STANDARD FEDERAL BANK						
ACCOUNT RECONCILEMENT FEES: (Cont'd)		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE			
POSITIVE PAY - INCL W/FULL RECON													
PAID NOT ISSUED FEE								N/C		N/C			
VOIDED ITEM FEE								\$ 2.50					
PAID ITEMS FEE - PER ITEM ISSUED 31,000								\$ 0.03					
PAID ITEMS - PER TRANSMISSION 1										\$ 0.025	\$ 775.00		
										\$ 20.00	\$ 20.00		
PERSONAL COMPUTER EXPENSES:		TOTAL PRICE TOTAL PRICE		TOTAL PRICE TOTAL PRICE		TOTAL PRICE TOTAL PRICE		TOTAL PRICE TOTAL PRICE		TOTAL PRICE TOTAL PRICE			
SOFTWARE AND SETUP (One Time Only)		N/C	0	N/C	-	LAN	\$ 500.00		\$ 295.00	N/C	\$ -	CASHPRO+	WAIVED
OTHER FEES (Identify and Detail)													
MONTHLY MAINTENANCE 12		\$ 55.00	\$ 660.00	\$ 12.00	\$ 144.00	\$ 100.00	\$ 1,200.00			\$ 95.00	\$ 1,140.00	\$ 50.00	\$ 600.00
PER FIELD CHARGE 1440		\$ 0.25	\$ 360.00			SEE SCHEDULE IN EXHIBITS				NOTE: For the first (4) Accounts:			
MONTHLY ACTIVITY FEE 12						SECTION (6) FOR ADDL FEES		\$ 70.00	\$ 840.00	each Add'l Account - N/C -			
ITEMS IN EXCESS OF 400:										NOTE: Includes (5) Accounts, 750 Credit and/or Debit Transactions, and 60.00 ACH Transactions.			
CHECKS 30,600										\$ 0.05	\$ 1,530.00		
DEPOSITS 1,600										\$ 0.05	\$ 80.00		
WIRES 100										\$ 0.05	\$ 5.00		
STOP PAYMENTS 15										\$ 0.05	\$ 0.75		
MTHLY PRIOR DAY RPT MODULE 12												\$ 35.00	\$ 420.00
MTHLY PRIOR DAY RPT PER ACCT												\$ 15.00	
PRIOR DAY REPORT - PER ITEM												\$ 0.05	
SAFEKEEPING FEES:													
FEDERAL RESERVE BANK (per Item)		\$ 25.00		N/C	\$ -	N/C	\$ -	\$ 18.00	/ISSUE/YEAR	N/C	\$ -	N/C	\$ -
DEPOSITORY TRUST (per Item)		\$ 25.00		N/C	\$ -	N/C	\$ -	\$ 18.00	/ISSUE/YEAR	N/C	\$ -	N/C	\$ -
NEW YORK CORRESPONDENT (per Item)		\$ 75.00		N/C	\$ -	N/C	\$ -	\$ 18.00	/ISSUE/YEAR	N/C	\$ -	N/C	\$ -
INTEREST BEARING ACCOUNT PROPOSAL: BASIS FOR DETERMINING RATE													
RESPONSES:		SEE REQUIRED SERVICES		AS OF 4/29/99 THE GOV'L OPERATING MONEY MARKET		SEE SECTION (4)		MUNICIPAL INVESTMENT FUND:		REFER TO BAL AND INTEREST		BECAUSE INT BEARING DDA ACCTS PAY < OUR EARNINGS CREDIT RATE, WE DO NOT RECOMMEND AN INT BEARING	
		SECTION OR		FUND IS 4.59% (SEE SECTION 11 FOR HISTORICAL RATE INFORMATION)		V. COMPENSATION		Portfolio priced daily and averaged at month-end to pay interest.		RATE CALCULATION SECTION		ACCT. WE RECOMMEND THE SWEEP TO REPO ACCT WHICH IS INT BEARING	
WIRE TRANSFERS:		ESTIMATED ANNUAL VOLUME		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE		UNIT PRICE TOTAL PRICE	
INCOMING 50		N/C	0	N/C	0	\$ 8.00	\$ 400.00	\$ 8.00	\$ 400.00	N/C	\$ -	\$ 5.00	\$ 250.00
OUTGOING 50		N/C	0	N/C	0	\$ 12.00	\$ 600.00	\$ 10.50	\$ 525.00	\$ 7.00	\$ 350.00	\$ 6.00	\$ 300.00
OTHER FEES:		NOTE: N/C WHEN INITIATED BY OUR PUBLIC FUNDS DEPT		NOTE: N/C WHEN INITIATED FROM POOL INVESTMENT ACCTS									
INCOMING WIRE NOTICE VIA FAX 50													
ON-LINE SERVICE MODULE FEE 12						\$ 1.40	\$ 70.00						
STOP PAYMENTS 15		\$ 25.00	\$ 375.00	\$ 25.00	\$ 375.00	\$ 25.00	\$ 375.00	\$ 25.00	\$ 375.00	\$ 6.00	\$ 90.00	\$ 25.00	\$ 300.00
AUTOMATED CLEARING HOUSE (ACH):												\$ 13.00	\$ 195.00
MONTHLY MAINTENANCE 12		\$ 25.00	\$ 300.00	\$ 45.00	\$ 540.00	N/C	\$ -	\$ -	\$ -	\$ 10.00	\$ 120.00		
ORIGINATED ITEMS 30,000		\$ 0.085	\$ 2,550.00	\$ 0.12	\$ 3,600.00	\$ 0.08	\$ 2,400.00	\$ 0.06	\$ 1,800.00	\$ 0.07	\$ 2,100.00	\$ 0.12	\$ 3,600.00
OTHER FEES (Identify and Detail)													
EFT UPLOAD INPUT 12				\$ 4.50	\$ 54.00	\$	\$						
(Assume Monthly)													
DATA TRANSMISSION (MAX \$100/MO) 12						\$ 100.00	\$ 1,200.00						
REJECTS/RETURNED ITEMS												\$ 25.00	
NOTICE OF CHANGE												\$ 7.50	
REVERSALS/DELETIONS												\$ 1.00	
REDEPOSITS												\$ 15.00	
												\$ 0.20	

INSTITUTION NAME:

		#1	#2	#3	#4	#5	#6
		MICHIGAN NATIONAL	NBD BANK, A BANK ONE COMPANY	COMERICA	NATIONAL CITY BANK	OLD KENT BANK	STANDARD FEDERAL BANK
ADDITIONAL FEES:				REFER TO EXHIBITS SECTION	SEE SECTION III, PG 4		
ADDITIONAL LIST ATTACHED AND IDENTIFIED AS --							
OPTIONAL SERVICES:							
SERVICE DESCRIPTION	ESTIMATED ANNUAL VOLUME	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
LOCK-BOX FEES:							
MONTHLY MAINTENANCE	12	\$ 100.00	\$ 1,200.00	\$ 100.00	\$ 1,200.00	\$90.00 (MIN)	\$ 960.00
PER ITEM CHARGES - PAYMENT STUBS	190,000	\$ 0.09	\$ 17,100.00	\$ 0.218	\$ 41,420.00		NO PROPOSAL
PER ITEM CHARGES - CHECKS	190,000	\$ 0.09	\$ 17,100.00	\$ 0.15	\$ 28,500.00	\$ 0.22	\$ 41,800.00
				\$ 0.08	\$ 15,200.00	0	0
		Price is tiered on monthly volume.*					
		TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE	TOTAL PRICE
SETUP CHARGES (One Time Only)		NO CHARGE	\$ 2,000.00	NO CHARGE		0	0
OTHER FEES (Identify and Detail)		* See Pricing Section for Add'l fees the City may incur.					
DATA TRANSMISSION	12	\$ 100.00	\$ 1,200.00	\$ 100.00	\$ 1,200.00		
DOCUMENT DELIVERY - Per Day (Est)	250	\$ 4.15	\$ 1,037.50				
MICROFICHE REPORT	12	\$ 75.00	\$ 900.00				
BOX RENTAL	12						
PICK UP	250					\$ 2.50	\$ 30.00
ADD'L DOCUMENTS - PER ITEM						\$ 20.00	\$ 5,000.00
SCANLINE REJECTS - PER ITEM							\$ 0.07
LOCK BOX DEPOSITS	250						\$ 0.12
							\$ 2.00
							\$ 500.00
ATM MACHINE, EACH INSTALLATION				NO CHARGE			
CRITERIA FOR PLACEMENT OF EQUIPMENT--		/INTERVAL	/INTERVAL	/INTERVAL	/INTERVAL	/INTERVAL	/INTERVAL
		Cost will vary on transaction volume.	Varies depending on volume.	1) High volume location	Building must have 24 hour access	Cost of installing a 2-outlet std	Refer to Exhibit Section #5 for
		The City will only be responsible for the utilities.	Refer to Section #14 for add'l info	2) Signage leading to location	if placed inside.	voltage dedicated electrical line terminating where the ATM will reside.	Review Purposes Only.
						Cost of electrical power needed for the operation of the ATM.	
TRUST DEPARTMENT FEES:				PRICING / INTERVAL			
BOND PAYING AGENT & REGISTRAR		\$300 /YR	\$275 /YR		\$ 400.00 TWICE YEARLY	VARIES	NO PROPOSAL
CUSTODIAL/SAFEKEEPING SERVICES		NO CHARGE					
NO CHARGE IF SECURITIES PURCHASED THROUGH MICHIGAN NATIONAL.							NOTE: Depends on the specific type of account: Transfer Agent, Paying Agent, Custodian, Trustee, Master Trustee, 401K, etc.
ESCROW FEES: ACCEPTANCE FEE			\$500: ONE TIME				
ESCROW FEES: ANNUAL FEE			\$500 /YR				
CUSTODY ACCOUNTS					\$ 40.00 PER SWAP		
CUSTODY ACCOUNTS					\$ 20.00 PER ASSET HELD		
PROCUREMENT CARD PROGRAM:		NO PROPOSAL				NO PROPOSAL	
ANNUAL FEES	4	Michigan National procurement card program is under development it is expected out late summer of 1999.	Refer to Section #16 for Detail Pricing.	\$ 20.00	\$ 80.00		\$ 45.00
INTEREST RATE				N/A	18%		0%
GRACE PERIOD: NUMBER OF DAYS				THREE	25 DAYS		5 DAYS
NOTE: PLEASE SEE QUESTIONNAIRE, PAGE B							
SET-UP FEE					REFER TO PROCUREMENT CARD PROPOSAL - SECTION VI -		\$ 200.00
LATE FEE							\$ 50.00
INTEREST ON LATE PAYMENT							19.8%
							NOTE: On-Line reporting fees not provided until specific service selected.

INSTITUTION NAME:		#1	#2	#3	#4	#5	#6
		MICHIGAN NATIONAL	NBD BANK, A BANK ONE COMPANY	COMERICA	NATIONAL CITY BANK	OLD KENT BANK	STANDARD FEDERAL BANK
OTHER FEES: ADDITIONAL SERVICES							
CD ROM IMAGING SERVICE (DebitView):							
SOFTWARE (One Time Charge)		\$ 100.00	\$ 250.00	\$ 200.00 /SETUP	\$ 400.00		
PER CD (Assume One Per Month)	12	\$ 40.00	\$ 480.00	\$ 17.50	\$ 210.00	\$ 20.00	\$ 240.00
PER IMAGE	32,500	\$ 0.02	\$ 650.00	\$ 0.04	\$ 1,300.00	\$ 0.02	\$ 650.00
IMAGE CAPTURE/STORAGE						\$.20/ITEM	
IMAGE RETRIEVAL						\$3.00/IMAGE	
ARP IMAGE MTNCE							\$ 50.00
RELATED ARP SERVICES:							
POSITIVE PAY SERVICE:			WORK W/REGISTER RECONCILIATION ACCT.		OTHER SERVICE PROPOSALS:	OTHER SERVICE PROPOSALS:	NOTE: CD-ROM AVAILABLE ON
DAILY FAX REPORT - PER MONTH		\$ 60.00			POSITIVE PAY P-1	POSITIVE PAY	CONTROLLED DISBURSEMENT
RETURNED CHECKS		\$ 10.00			LOCKBOX P-2	EMPLOYEE BANKING	ACCOUNT ONLY - MID SUMMER
ARP STOP PAYMENT/INQUIRY:					IMAGE PROCESSING P-3	KENT FUNDS	1999.
MONTHLY PRODUCT CHARGE		\$ 25.00				TREASURY PRODUCTS	
PER STOP PLACED		\$ 10.00					
ARP CHECK INQUIRY		\$ 0.25					
PHOTOCOPY REQUEST		\$ 4.00					
ADDITIONAL CASHNET REPORTING OPTIONS:							SWEEP SERVICE:
STATEMENT-TO-DATE REPORT							FOR ALL ACCOUNTS
MONTHLY PRODUCT CHARGE		\$ 40.00					UTILIZING THE SWEEP TO REPO
TERMINAL OUTPUT - PER ACCESS		\$ 1.60					SERVICE - \$150.00 MTHLY FEE
TERMINAL OUTPUT - PER TRANSACTION		\$ 0.12					FOR EA ACCT. WAIVED.
DEBIT/CREDIT DETAIL REPORT							PROVIDED \$250,000 AVE BAL
MONTHLY PRODUCT CHARGE		\$ 75.00					MAINTAINED IN REPO
TERMINAL OUTPUT - PER ACCESS		\$ 1.60					INVESTMENT ACCT.
TERMINAL OUTPUT - PER FIELD		\$ 0.12					
STANDARD REPORT PKG (PAPER REPORTS)				\$ 50.00			
LOCK BOX FEES:							
CORRESPONDENCE - PER ITEM				For Electronic Reporting Pkg			\$ 0.05
MICR CAPTURE - PER ITEM				& Other Fees, See Schedule in			\$ 0.02
CHECK ONLY PROCESSING - PER ITEM				Exhibits Section.			\$ 0.28
(INCL PHOTOCOPY OF CHECK)							
POSITIVE PAY:							
CHECK PAID - PER ITEM							\$ 0.025
CHECK ISSUED - PER ITEM							\$ 0.025
CASHPRO+ MODULE - PER ACCOUNT							\$ 25.00
INSURANCE: Can Meet	XX	BANKERS' BLANKET BOND	XX	XX	XX	XX	XX
Cannot Meet		IN LIEU OF INSURANCE					
TERMS:	BLANK	BLANK	BLANK	THREE YEARS	THREE YEARS	AGREES TO CITY STATED TERMS	
COMMENCEMENT DATE:	BLANK	BLANK	DATE OF AWARD;	JULY 1, 1999	BID PROPOSAL AWARD DATE	AGREES TO CITY'S TIMELINE	
Y2K COMPLIANT:	Y/N	YES	EXPIRING THREE YEARS LATER	YES	YES	YES	YES
DATE	DATE	JUNE 30, 1999	LETTER ATTACHED TO PROPOSAL	JUNE 30, 1999	JUNE 30, 1999	12/98	6/30/99
EXCEPTIONS:	BLANK	BLANK	REFER TO SECTION #3, PG. 10	LETTER ATTACHED TO PROPOSAL	LETTER ATTACHED TO PROPOSAL	NONE	BLANK
				BLANK			

ATTEST:
ESTER CORBIN
JEANETTE BENNETT
JOHN M LAMERATO

JEANETTE BENNETT
PURCHASING DIRECTOR

NOTE: BOLDFACE TYPE DENOTES LOWEST ACCEPTABLE BIDDER

G:\BANKING SERVICES

	#1 MICHIGAN NATIONAL	#2 NBD BANK, A BANK ONE COMPANY	#3 COMERICA	#4 NATIONAL CITY BANK	#5 OLD KENT BANK	#6 STANDARD FEDERAL BANK
OTHER SERVICE PROPOSALS: ADDITIONAL SHEET ATTACHED AND IDENTIFIED AS --						
ACCOUNT MAINTENANCE INFORMATION: SERVICE PROPOSED -- DAILY BALANCE REPORTING	8:00 AM NEXT BANKING	AVAILABLE BY 9:30 AM	6:30 AM DAILY	10:00 AM	10:00 AM	8:00 AM EST
DAILY STATEMENTS	CHECKING ACCOUNTS: 8:00 AM NEXT BANKING	RECOMMEND USE OF ON-LINE BALANCE REPORTING	6:30 AM DAILY	2:00 PM	PREVIOUS DAY DAILY BALANCES AND DETAILED INFO CAN BE OBTAINED UTILIZING OKB CONNECT +, WHICH IS UNDER "PERSONAL COMPUTER EXPENSES."	N/A
MONTHLY STATEMENTS	MAILED OUT BY THE 5TH OF EACH MONTH	TEN BUSINESS DAYS FOLLOWING THE LAST CALENDAR DAY OF THE MONTH	SEVEN BUSINESS DAYS	SEVEN BUSINESS DAYS	THREE BUSINESS DAYS	TEN BUSINESS DAYS
DEPOSITS ACCEPTED UNTIL THE CLOSE OF BUSINESS AT:	(LIST BRANCH & ADDRESS)					
	MICHIGAN NATIONAL ALL BRANCHES	SOMERSET BRANCH #121 2155 W BIG BEAVER TROY, MI	BRANCH #242 - CROOKS AT MAPLE 1495 CROOKS TROY, MI	BIG BEAVER/COOLIDGE 3001 W BIG BEAVER RD BIG BEAVER/ROCHESTER 725 E BIG BEAVER ROAD	TROY 2280 W BIG BEAVER RD	ALL SIX TROY LOCATIONS

MICHIGAN NATIONAL AGREES TO ACCEPT DEPOSITS MONTHLY UNTIL 2:30PM AT ANY OF OUR BRANCHES, FOR GOOD LEDGER CREDIT. FRI ALL DAY, AND SAT UNTIL 1:00PM THE DEPOSIT RECEIVES LEDGER CREDIT AS A FRI DEPOSIT.

CITY OF TROY
FACT SHEET
BANKING SERVICES
JULY 11, 1999

INSTITUTION	REQ. SERV. BANKING FEES	REQ. MO. COMP. BAL.	NO.# BRANCH LOC. - TROY	COMMUNITY REINVESTMENT ACT RATING	CREDIT/ DEBIT CARD DISCOUNT RATE	Y2K COMPLIANT	MOODY'S RATING	S&P RATING
OLD KENT	\$ 18,995.75	\$ 414,186.00	1	SATISFACTORY	1.81%	Y	A1	A
NATIONAL CITY	\$ 28,116.00	\$ 684,207.00	3	OUTSTANDING	1.90%	Y	A1	A
STANDARD FEDERAL	\$ 31,009.00	\$ 746,284.00	6	OUTSTANDING	1.89%	Y	Aa2	N/A
MICHIGAN NATIONAL	\$ 33,125.80	\$ 825,257.00	7	SATISFACTORY	1.75%	Y	Aa3	AA
BANK ONE	\$ 36,917.20	\$ 904,434.00	3	OUTSTANDING	1.98%	Y	Aa3	AA-
COMERICA	\$ 37,524.50	\$ 940,464.00	5	OUTSTANDING	1.81%	Y	A1	A

BIDDERS

Mailing Name	Address Line 1	Address Line 2	Address Line 3
Address Line 4	City	ST	Postal Code
ATTN GERALD T RITO, VP	COMERICA BANK DETROIT	MI	48275-3354
			500 WOODWARD AVE
			P O BOX 75000
ATTN ROBERT H DUSCHINSKE, VP	NATIONAL CITY BANK MICHIGAN/ BIRMINGHAM	MI	48009-6543
			1001 SOUTH WORTH
ATTN RONALD JESZKE P O BOX 9065	PUBLIC FUNDS DEPARTMENT FARMINGTON HILLS	MI	48333-9065
			MICHIGAN NATIONAL BANK
			27777 INKSTER RD
ATTN D'ARCY GONZALES, VP	NATIONAL BANK OF DETROIT WATERFORD	MI	48328-3304
			3245 ELIZABETH LAKE RD
ATTN PAMELA J HARDY, VP	STANDARD FEDERAL BANK TROY	MI	48084-3703
			2500 WEST BIG BEAVER RD
			P O BOX 3703
ATTN DAN VIANT, VP	OLD KENT BANK AND TRUST COMPANY TROY	MI	48084
			2290 W BIG BEAVER RD

RFP 99-01 BANKING SERVICES
 COMMODITY CODE: 946-25
 BANKING SERVICES