

RESOLUTION NO. R-2648

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND DESIGNATING PEOPLES NATIONAL BANK OF WASHINGTON, KIRKLAND BRANCH, AS THE DEMAND DEPOSIT DEPOSITORY FOR THE CITY OF KIRKLAND FOR A TWO YEAR PERIOD COMMENCING OCTOBER 1, 1979, AND APPROVING AN AGREEMENT WITH SAID BANK FOR THE FURNISHING OF COMMERCIAL BANKING SERVICES.

WHEREAS, Section 35A.40.030 Revised Code of Washington provides in part:

"The legislative body of a code city at the end of each fiscal year, or at such other times as the legislative body may direct, shall designate one or more banks in the county where the code city is located as depository or depositories of the monies required to be kept by the code city treasurer or other officer performing the duties commonly performed by the treasurer of a code city . . ."

WHEREAS, the City of Kirkland did call for bid proposals for the furnishing of demand deposit account and other commercial banking services required by the City of Kirkland, all in accordance with the call for bids and the specifications therefor published July 10, 1979, and

WHEREAS, pursuant to said call, proposals were received and opened in public on August 2, 1979, and

WHEREAS, the proposal submitted by Peoples National Bank of Washington was thereafter on August 6, 1979, accepted by the City Council of the City of Kirkland as the lowest and best offer,


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Kirkland as follows:

Section 1. The Kirkland City Council does hereby designate the Peoples National Bank of Washington, Kirkland Branch, to be the demand deposit depository for the City of Kirkland for a period of two years commencing October 1, 1979.

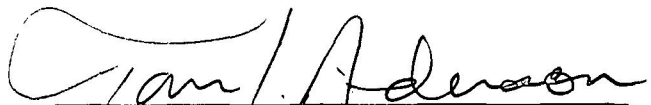
Section 2. The mayor is hereby authorized and directed to sign on behalf of the City of Kirkland that certain agreement for commercial banking services between the City of

Kirkland and Peoples National Bank of Washington, Kirkland Branch, a copy of which is attached hereto and by this reference incorporated herein.

PASSED by a majority vote of the Kirkland City Council in regular meeting on the 20th day of August, 1979.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Director of Administration & Finance  
(ex officio City Clerk)

AGREEMENT

This Agreement made and entered into the day and year below written, by and between the City of Kirkland, a non-charter code city, organized under the law of the State of Washington, hereinafter referred to as "City", and Peoples National Bank of Washington, a national bank acting through its Kirkland branch, located in Kirkland, Washington, hereinafter referred to as "Bank".

WITNESSETH:

WHEREAS, Section 35A.40.030, Revised Code of Washington, provides in part:

"The legislative body of a code city at the end of each fiscal year, or at such other times as the legislative body may direct, shall designate one or more banks in the county where the code city is located, as depository or depositories of the monies required to be kept by the code city treasurer, or other officer performing the duties commonly performed by the treasurer of the code city ...", and

WHEREAS, the City of Kirkland did call for bid proposals for the furnishing of demand deposit account and other commercial banking services required by the City of Kirkland, all in accordance with the call for bids and the specifications therefor, published July 10, 1979, and

WHEREAS, pursuant to said call, proposals were received and opened in public on August 2, 1979, and

WHEREAS, the proposals submitted by Bank were thereafter on August 6, 1979, accepted by the City Council of the City of Kirkland as the lowest and best offer.

NOW, THEREFORE, it is agreed as follows:

1. City hereby designates the Peoples National Bank of Washington, Kirkland Branch, as its demand deposit depository for a two year period commencing October 1, 1979. City will maintain with Bank in the manner and under the conditions set forth in the specifications for furnishing demand deposit account, a minimum noninterest bearing deposit balance of not less than \$43,898.00 in collected funds.

2. Bank agrees to provide in accordance with the contract documents, all of the commercial bank services set forth in the specifications for furnishing demand deposit account for the term of this agreement, and any renewals thereof.

3. The contract documents referred to and by this reference incorporated herein are:

A. Call for bids for City of Kirkland demand deposit account as published July 10, 1979.

B. Specifications for furnishing demand deposit account for the City of Kirkland referred to in said call for bids.

C. The proposal for City's demand deposit account submitted by Bank over the signature of Roger W. Long, Manager of Kirkland Branch, dated August 2, 1979.

D. Resolution No. R- 2648, a Resolution of the City Council of the City of Kirkland designating Bank as its demand depository and approving this contract.

4. At all times during the life of this agreement, Bank shall maintain at its sole expense, any and all licenses, franchises, permits, and/or other requirements for its continued operation as a commercial bank within the State of Washington and to further maintain its qualification as a depository for public funds under the requirements of



RCW Chapter 39.58.

A breach of this Section 4 shall immediately and forthwith terminate this agreement and all City funds shall be forthwith paid over to City, provided however, that such termination shall not relieve Bank of any liability or duty then owing to City and accruing out of this agreement.

5. In accordance with the contract documents, Bank agrees to provide the following additional services (designated therein as alternatives) in accordance with Bank's bid proposal and the provisions of this Section:

(a) Utility bills; Payments for City of Kirkland utility services (water, sewer, garbage) shall be accepted by Bank only when payment is tendered for the full amount showing due on the payor's utility statement. All persons with questions or complaints regarding service or who tender partial payments, shall be directed to the Kirkland City Hall.

When payments are accepted by Bank, the receipt portion of the utility statement shall be stamped "paid - date received" and returned to the payor. The payment portion of the statement and the funds tendered shall be daily reconciled and balanced and the statements shall be picked up by the City of Kirkland at the Bank's Kirkland Branch for proper utility account processing. Funds received in payment may, at the option of the City, be credited by direct deposit into the appropriate City account or delivered to City along with the statements.

Bank may accept utility bill payments at any of its branches within or adjacent to the City of Kirkland as a customer convenience, but the responsibility as between City and Bank for receiving, reconciling, accounting and delivery to City shall be the sole responsibility of the Bank's Kirkland Branch.

(b) Loans to City: Bank agrees that for the time specified in the contract documents, any proposals for general obligation loans in the form of interest bearing warrants made by the City will be considered by the Bank. If within the limits of sound banking practices such proposals are acceptable, Bank shall make such loans at the interest rate specified in Bank's bid proposal. Such loans shall

be within the debt limitation authority of the City Council at the time such loan is made and shall include a pledge of the City's general credit notwithstanding the specific revenues or a specific fund may be identified as the primary source for repayment. Nothing herein shall be construed to limit or prohibit the City from borrowing from other sources or other entities, nor in any other manner limiting the right of the City to borrow funds.

(c) Direct Deposit Payroll: At such time as the City may request, Bank shall institute and provide a direct deposit payroll system for all permanent City employees, which system shall permit each permanent City employee to select the Bank into which his wage payment or salary is to be deposited. At such time as a direct deposit payroll system may be established, the amount of the minimum deposit account balance as provided for in Section 1 of this agreement, shall be reduced to not less than \$33,897.00.

6. The City reserves the right to cancel this agreement at any time for nonperformance, inadequate or poor performance of services or furnishing of reports or any other breach of this agreement. Notice of such cancellation in writing shall be given by City to Bank at its Kirkland Branch. Such notice shall set forth the termination date which may be 90 days or less from the date of giving notice.

7. This agreement shall terminate September 30, 1981, unless notice of renewal is given in writing to Bank by City prior to said termination date. Renewal shall be for a period of one year only and may be so renewed no more than twice without concurrence of Bank.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 20th day of August, 1979, at Kirkland, Washington.

CITY OF KIRKLAND

by

Mayor

ATTEST:

Tam J. Peterson  
Director of Administration & Finance  
(ex officio City Clerk)

PEOPLES NATIONAL BANK OF WASHINGTON

*Roger W. Long*  
by \_\_\_\_\_  
Kirkland Branch Manager

NOTICE OF CALL FOR BIDS  
FOR

CITY OF KIRKLAND DEMAND DEPOSIT ACCOUNT

NOTICE IS HEREBY GIVEN THAT, sealed bids will be received in the office of the Director of Administration and Finance, in the City Hall of the City of Kirkland, until 10:00 A.M. on the 2nd day of August, 1979, at which time and place said bids will be publicly opened and declared for furnishing the Demand Deposit Account for the City of Kirkland in accordance with specification file in the office of the Director of Administration and Finance. Refer to said specification for further particulars.

Copies of said specification may be obtained at the office of the Director of Administration and Finance, 210 Main Street, Kirkland, Washington, 98033.

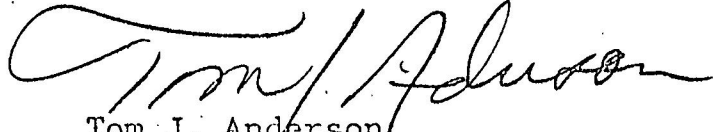
The City of Kirkland proposes to enter into a contract for a period two (2) years, beginning October 1, 1979, with two (2) one-year renewal options, subject to the discretion of the City of Kirkland.

Each bid shall be accompanied by a certified check or bank draft, payable to the City of Kirkland, in the sum of \$1,000, as guarantee that the bidder, if awarded a contract, will execute and deliver said contract to the City, within ten (10) days after such contract is tendered to him.

The City Council of the City of Kirkland reserves the right to reject any and all bids, to waive any informality in the bidding, and to

make the award as deemed to the best interest of the City.

Dated at Kirkland, Washington this 2nd day of July, 1979.



Tom J. Anderson  
Director of Administration  
and Finance  
CITY OF KIRKLAND

Date of Publication: July 10, 1979

SPECIFICATIONS FOR FURNISHING DEMAND DEPOSIT ACCOUNT

FOR THE CITY OF KIRKLAND

The successful bidder will be required to provide the City of Kirkland with a Demand Deposit Account for a two-year period beginning October 1, 1979, with two one-year renewal options at the discretion of the City.

1. DEMAND DEPOSIT ACCOUNT

The City is advertising for a Demand Account with the major local banks. All cash transactions for the City will be handled through this account.

EXHIBIT A, attached, represents an analysis of activities in the General Bank Account for the period January 1, 1978 through April 30, 1979.

The exhibit shows total monthly deposits, number of deposit days, average cash balance and the number of various transactions plus total warrants issued.

The City makes at least one deposit to the General Account each business day. The principal deposit volume relates to payments of water, sewer and garbage utility bills. These accounts are billed on a single statement and paid primarily by checks.

The City issues approximately 6,400 payroll and claims warrants per year. These warrants are received and held by the bank without being charged to the City account.

Once a week the bank will notify the City Treasurer the amount held in warrants and the City Treasurer will write a Treasurer's check on the City account to redeem the warrants. The average monthly outstanding warrant balance was \$230,071 during the period shown on Exhibit.

The minimum account balance, as indicated on the bid forms, will be deposited in a non-interest bearing Certificate of Deposit on the day the account is activated. The required balance in the account is to cover the cost of services rendered by the bank. By maintaining such a balance to cover all costs associated with the account, the City will be free to invest all receipts and cash balances on a daily basis.

2. NIGHT DEPOSITORY SERVICE

The City will require a night deposit service including bags for deposit of City money collected after normal banking hours.

3. COIN COUNTING SERVICE

The City of Kirkland receives a large quantity of coins from the swimming pool program during the months of June through September which require a coin counting service.

4. INVESTMENT COUNCEL

The bank will be required to provide the City with assistance in developing and operating a complete investment program with securities being purchased directly through the bank. The program will be developed upon the basis that all available funds will be invested at the highest rate of return commensurate with safety and liquidity. The City's investment program involves periodic purchases of direct U.S. Treasury Obligations, Federal Agency Securities, Certificates of Deposit, and Daily Re-purchase Agreements. However, the City reserves the right to obtain competitive bids on investments purchased. The City does not take actual delivery of securities as they are held in safe keeping by the bank. The bank will be required to comply with all State and Federal Laws regarding the safe keeping of the City securities.

5. BID DEPOSIT

Each bid will be accompanied by a certified check or bank draft payable to the City of Kirkland in the amount of \$1,000 to guarantee that the bidder, if awarded the contract, will execute and deliver said contract to the City within ten (10) days after such contract is tendered to him.

6. FINANCIAL RESPONSIBILITY

Each bid must be accompanied by the bank's latest Financial Report. This will assist the City in determining the bidders capacity to fulfill the terms or conditions set forth in the specification. Along with the Financial Report each bank will be required to show proof that they can comply with RCW 39.58.130.

7. OTHER SERVICES REQUIRED

(a) Banking Documents

Provide all checks, warrants and deposit slips printed to the City's specifications.

(b) Safe Deposit Box

Provide the City with adequate safe deposit facilities.

(c) Traveler's Checks

Provide Traveler's Checks and Cashier's Checks as required by the City.

(d) Escrow Service

The City is required to put in escrow all retainage monies from large construction projects. The successful bidder will provide all expertise and forms for establishing and maintaining these escrow accounts.

(e) Miscellaneous Services

Provide all other services not stated above that would normally be provided to the banks regular accounts, such as direct wire service payments, bill payer service, and lock box service.

8. GENERAL LIMITATIONS

(a) The City of Kirkland Based Banks

It is necessary that there be close and frequent communication, coordination, and cooperation between the City and the bank selected. With this requirement and from the standpoint of sufficient use of time and personnel of both parties bidding will be limited to those banking institutions maintaining branch offices within the city limits of the City of Kirkland, Washington.

(b) Waiver of Any Informality

The City of Kirkland reserves the right to waive any informalities in the Specifications and Bid Forms providing the change is compatible with the Treasury Cash Management Program and banking procedures of the City.



(c) Right to Reject

The City reserves the right, at any stage of the proceedings, to accept or reject any or all bids or any part of any bid and to return deposits accompanying said bids.

(d) Right of Cancellation

The City reserves the right to cancel any contract awarded pursuant hereto at any time for non-performance, inadequate or poor performance or service, reports, etc., subject to notice being filed with the Bank by the City of Kirkland. Such notice may be ninety (90) days or less.

(e) Legal Requirements

The bank will be required to comply with all depository regulations and requirements as set forth in the City Code and all applicable State or Federal Laws.

(f) Estimated Quantities

It is understood that the balances and quantities specified herein are estimated quantities based upon past experience. The City reserves the right to increase or decrease transaction volumes in accordance with actual needs.

(g) Effective Date of Contract

The effective date of contract to be awarded in accordance with these Specifications, Notice Inviting Bids and Bid Form shall be October 1, 1979.

(h) Additional Clarification

For additional information or clarification of the contents or intent of these specifications, contact:

Tom J. Anderson, Director of Administration  
and Finance  
CITY OF KIRKLAND  
210 Main Street  
Kirkland, WA 98033

(i) Pre-bid Conference

A pre-bid conference to review specifications with potential bidders will be held on Monday, July 16th, 1979 at 10:00 AM at Kirkland City Hall, Council Chambers. Attendance is mandatory. No bids will be accepted from persons not attending the meeting.

(j) Award

Award to the successful bidder will be made on August 6, 1979.

9. ALTERNATES

The following will be alternates to the basic bid:

(a) Utility Bills

The bank will be required to provide drop off service for utility bills. The service will include: stamping bills with "Paid" and "Date Received". The bills and cash will then be reconciled before giving it to the City representative. For this service the bidder will indicate the amount of additional demand money needed.

(b) Tax Anticipated Loans

From time to time the City finds they are in need of additional funds which they borrow from various banks in the form of interest bearing warrants for the specific period of time. These loans are backed up by the anticipated revenue of the General Fund.

The bidder will indicate what interest rate he will charge the City. This rate will stay constant for a one-year period and will be re-negotiated annually thereafter.

(c) Direct Deposit Payroll

The employees of the City have in the past expressed an interest in having their salary directly deposited.

The bidder will indicate what dollar amount he would charge the City for each individual deposit.

EXHIBIT "A"

	<u>Monthly Deposits</u>	<u>Deposit Days</u>	<u>Month End Cash Balance</u>	<u>Number Items Deposited</u>	<u>Treasurer Checks Written</u>	<u>Number of Warrants Written</u>	<u>Total Amount of Warrants Written</u>	<u>Outstanding Warrant Balance</u>
January '78	\$ 589,316	21	\$ 598,650	3,000	20	292	\$ 555,028	\$ 154,896
February	2,205,763	18	616,406	1,898	10	463	538,867	334,727
March	313,159	23	544,328	2,865	12	575	476,682	125,449
April	411,733	20	419,351	2,071	19	518	447,503	129,719
May	842,341	22	727,916	2,770	16	514	457,776	105,308
June	1,222,200	22	469,629	3,090	27	661	648,247	159,796
July	534,194	20	493,030	2,362	27	587	493,077	120,098
August	2,602,212	23	526,239	2,685	30	573	826,178	586,485
September	596,588	20	142,407	2,868	30	568	501,237	123,787
October	904,063	22	324,802	4,138	18	521	501,446	118,685
November	2,135,092	19	893,665	2,949	8	532	1,008,557	642,260
December	1,501,011	20	769,572	2,540	18	706	939,545	346,411
January '79	804,675	22	457,192	3,049	15	330	911,871	216,236
February	811,375	18	501,833	2,057	12	487	648,344	208,209
March	1,235,582	22	263,956	2,950	27	630	630,534	179,961
April	1,903,719	21	708,963	2,991	19	544	608,604	129,454
Average Monthly Total	\$ 1,163,314	21	\$ 528,621	2,768	19	531	\$ 637,094	\$ 230,071

CITY OF KIRKLAND

OFFICIAL BID FORM

PROPOSAL FOR CITY'S DEMAND DEPOSIT ACCOUNT

City of Kirkland  
Kirkland, Washington

Gentlemen:

The undersigned, a banking corporation, association or individual banker doing business within the City of Kirkland, Washington, submits the following bid for the privilege of acting as City Depository for the City of Kirkland, Washington, for the ensuing two-year period with two (2) one-year renewal options, subject to the discretion of the City and acting in accordance with the laws of the State of Washington and Code of the City of Kirkland, Washington, as per specifications and exhibits attached.

1. Bank services to be provided without charge:

- a. Customary Demand Deposit Account services.
- b. Receive and hold all City warrants.
- c. Provide all checks, warrants and deposit slips printed to the City's specifications.
- d. Provide the City with adequate safe deposit facilities.
- e. Provide Traveler's Checks and Cashier's Checks as may be required by the City.
- f. Provide night depository service.
- h. Provide investment counsel.
- i. Provide escrow services.
- j. Misc. normal services not included above.

Minimum account balance for services provided \$ 43,898.00  
(Collected Funds)

ALTERNATE I

Provide utility drop off service.

Additional minimum account balance for utility drop-off \$ -0-

ALTERNATE II

Tax anticipated loans.

Yearly interest rate to be charged the City        \*        %

\*One Half of Peoples National Bank Prime rate with a minimum rate of 4.0%

ALTERNATE III

Direct Deposit Payroll

Additional cost per individual deposit \$ -0-

Dated this 2nd day of August, 1979.

Peoples National Bank of Washington

By Roger W. Long  
Roger W. Long

Title Branch Manager

PLEASE ATTACH A COPY OF THE BANK'S MOST RECENT STATEMENT OF FINANCIAL CONDITION.

# PEOPLES NATIONAL BANK

PEOPLES NATIONAL BANK OF WASHINGTON • KIRKLAND OFFICE, 177 CENTRAL WAY, KIRKLAND, WA 98033

August 1, 1979

Mr. Tom Anderson  
Director of Administration & Finance  
City of Kirkland 210 Main St.  
Kirkland, Wa. 98033

Dear Mr. Anderson,

Thank you for permitting Peoples Bank to submit this proposal to provide the City of Kirkland with a Demand Deposit account for a two year period beginning October 1, 1979 and with two one year renewal options at the discretion of the City.

Peoples Bank agrees to abide by the specifications for furnishing Demand Deposit account for the City of Kirkland which was published July 10, 1979 and as discussed at the pre-bid conference held on Monday, July 16, 1979.

The following comments and explanation is considered appropriate for certain numbered paragraphs of the specifications:

2. Night depository bags and service will be provided. Night depositories are located in each of our branches with the most convenient one located in a well lighted position at our Kirkland Branch. If preferred, the night depository in another of our branches could be selected.
3. Our Kirkland Branch has a coin counting machine and is fully capable of providing coin counting service.
4. Peoples Bank will be pleased to provide investment counsel not only with regard to City funds but also for individuals or groups of City employees. All securities will be safe kept as required by the laws of the State and the Federal Government.
5. A certified check in the amount of \$1,000 made payable to the City of Kirkland is included as our guarantee of performance.
6. A copy of our 1978 Annual Financial Report and our June 30, 1979 Quarterly Report is attached. In addition a copy of our June 30, 1979 Public Depository Liability Report is included.
7.
  - (a) checks, warrants and deposit slips will provided.
  - (b) Safe deposit facilities will be provided as required.
  - (c) Travelers checks and cashiers checks will be provided.
  - (d) A complete escrow service will be provided.

(E) The following are some of the additional services that are available:

- 1) Wire transfer of funds
- 2) Bill paying service utilizing the Automated Clearing House
- 3) Lock-box service
- 4) Account reconciliation
- 5) Corporate Visa cards for City officials.

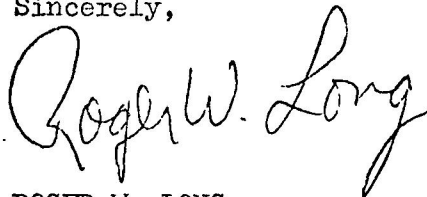
8. Peoples Bank is conveniently located, in easy walking distance, at 177 Central Way, Kirkland.

An alternate collected funds balance requirement predicated upon the City using a direct deposit payroll system for all permanent City employees would reduce the compensating balance requirement to \$33,897.00. Under this concept each employee would select the bank in which his salary would be deposited.

Peoples Bank is confident that we have the capability and flexibility to provide the City of Kirkland with the best possible banking service.

Thank you again for allowing us to submit this proposal.

Sincerely,



ROGER W. LONG  
Branch Manager

RWL/cw

Enclosures