

Municipality of Kingston

Request for Proposal for Banking Services

1. Purpose

The Municipality of Kingston is requesting proposals for banking and financial services; to include a borrowing of a general obligation bond or note and for general government banking services.

Borrowing: The borrowing is for the specific purpose of funding the Municipality's Pension Funds. The Municipality maintains three (3) Pension Funds. The aggregate liabilities across all funds are approximately \$6,703,681.00. The Municipality of Kingston receives an annual distribution of State Pension Aid in the amount of approximately \$520,000.00. The Municipality seeks to borrow the maximum possible amount, for a term of 20 or 25 years, that can be financed by one-time annual debt service payments in the amount of \$520,000.00.

Governmental Banking Service System: The Municipality operates on the cash basis of accounting and maintains individual, interest bearing checking accounts for all of the government's operating funds. The average daily balance of all accounts is approximately \$1,600,000.00. The Municipality is seeking minimum banking costs, maximum interest earnings, and diverse deposit and transaction capabilities.

2. Proposal Instructions and Qualifications

Proposal Format: In order to evaluate each bank's ability to meet the borrowing and banking service needs of the Municipality, each proposal must include a response to each item in the RFP. Preference will be given to the bank that provides the best combined borrowing and banking service needs. The Municipality will reserve the right to select the best borrowing and banking proposals even if that requires an award of the borrowing and banking services to different institutions. In an effort to foster efficiencies and reliable services, the Municipality may give priority to those banks fulfilling the full requirements of the RFP within the corporate community limits.

3. Submission Requirements:

Proposals are to be submitted in person or by mail to Paul Keating, Municipal Administrator. The mailing address is as follows: Kingston Municipal Building, 500 Wyoming Avenue, Kingston, PA 18704-3681. **The deadline for submission is November 23, 2016 at 4:30pm.**

4. Selection Criteria:

Preferential evaluation of the RFPs will be made on the following objectives:

- a. The Municipality is able to pay \$520,000.00 annually for debt service on the borrowing. Given the annual payment, what is the maximum amount of principal that can be borrowed for terms of 20 and 25 years respectively (paid one-time annually)?
- b. What are the rates of interest, cost of issuance, fees, insurance, etc.? Clearly disclose any and all fees. Clearly disclose the net maximum borrowing after any and all fees.
- c. Are you quoting a bond or general obligation note? Clearly disclose what you are quoting and an explanation for the same.
- d. How much time is needed by your institution to close the borrowing from date of notice by the Municipality?
- e. The governmental banking system or service needs will be selected on fee structure, interest earnings, wire transfer services and limits / fees for the same, ACH services and limits / fees for the same, checks and deposit slips and fees for the same, transaction limitations, internet banking, wireless statements, efficiencies, enhanced services, and locality.
- f. The Municipality has a payroll clearance account. The Municipality's payroll is processed by a third-party. List any special payroll or banking services that your bank will offer to the Municipality and its employees.

5. Municipality's Accounts and Balances as of October 31, 2016

General Fund – \$1,175,031.44

Bond Capital Fund - \$651,716.16 *the account will be exhausted by 12/31/2017

Liquid Fuels Account - \$201,887.57

Sewer Escrow Account - \$193,744.21

Community Development Account – 118,052.56

Shade Tree Escrow Account - \$21,314.26

Kingston Pool Account - \$18,784.05

Park Place Association Account - \$11,174.64

Fire Escrow Account - \$10,887.63

Recreation Center Account - \$5,922.51

Self-Insurance Account - \$1,000.69

Appropriated Capital Investment Account - \$255.02

Disaster Account - \$116.02

6. Collateralization of Deposits

The bank must agree to obtain and maintain acceptable collateral sufficient to cover all deposits and balances above the FDIC insured limit of \$250,000.00. The proposal will describe the bank's safekeeping method for collateralization. The bank must maintain compliance with Act 72.

7. Other Services or Additional Information

Please list any other special offers or services not listed in this RFP. Please provide any additional information that you feel is relevant to the RFP.

The Municipality reserves the right to accept or reject any and all proposals. The Municipality intends to award the RFP by December 15, 2016.