Call to Order
Roll Call

ORAL COMMUNICATIONS

SCHEDULED MATTERS

1. Approval of Minutes of June 12, 2007 and July 16, 2007

2. Review of Banking RFPs for Depository Services

3. Review of Business Licenses Collection for Porterville College Swap Meet

ADJOURNMENT

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Deputy City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.
Call to Order at 2:17 p.m.
Roll Call
Committee Members: Pete McCracken, Chair
                    Charles Webber, Member
                    Maria Bemis, Member
                    Julia Lew, Member
                    John Longley, Member

Staff Members:      Georgia Hawley, Secretary
                    John Lollis, Acting Deputy City Manager
                    Maria Bemis, Chief Financial Officer
                    Susan Perkins, Purchasing Agent

ORAL COMMUNICATIONS
    None

SCHEDULED MATTERS

1. APPROVAL OF FEBRUARY 28, 2007, AND MARCH 15, 2007 MINUTES

    The Committee approved the minutes without objections.

2. REVIEW OF BANKING RFPS FOR DEPOSITORY SERVICES

    The Committee reviewed the three responsive RFPs from Bank of the Sierra, Citizens
    Business Bank, and Union Bank of California. John Longley questioned why, if Union Bank
    provides some of the requested services, weren’t they providing them now to the City. The
    Committee discussed credit card processing, and Mrs. Bemis stated that it would have to set up
    with the payment center and then it could be done on a wireless basis.

    The Chairman asked how quickly the City’s bank could set up if an RFP was approved. Mrs. Bemis
    stated that it would be a few days after they faxed out the form to the centers. She stated that
    they posted the accounts daily when they receive the statement from the Bank.

    Mr. Lollis explained about establishing trustee accounts and insuring investments. He stated that
    the ACH aspect and merchant services were aspects of the proposal. He suggested going back to
    the City’s merchant services and have them solve our problem and provide what the City needs.
Mr. Longley inquired about the limitation of 250 transactions a day on bank cards, and Mr. Lollis stated that technically that was a violation to limit such accounts, like VISA or MasterCard.

The Committee discussed passing through the fee for merchant cards by charging 2% more and then giving cash a discount. Mr. Lollis then presented the staff’s observations in the banking proposal’s memo.

Mr. Longley asked if all the banks could be asked to give a bottom line accounting on the City’s March transactions. The banks could fill out the spread sheet that Union Bank did so they could compare equally.

Mr. Lollis stated that the Finance staff felt that, all things being equal, Union Bank was the best option, but that was not their determination to make.

Mrs. Lew stated that it was a recommendation, and Chairman McCracken asked if staff felt that the others would come close. Mr. Lollis stated that it would come out in a monthly analysis.

Mr. Longley stated that they would make the determination based on what was best for the City. He stated that they would make findings.

Mrs. Lew stated that they would take into account the monthly interest rate. She stated that if they required the banks to provide them with information and they didn’t, then there were unresponsive.

Mr. Lollis stated that if the Committee wants, they could bring in representatives of the banks.

Mr. Longley stated that if the Bank of the Sierra was non-responsive, then could they be considered.

Mrs. Lew stated that they could qualify that there was either no fee, or they would not provide the fee, and then they were non-responsive. Chairman McCracken asked if they would have interviews, and Mrs. Lew stated that if they did, all the questions must be the same.

Chairman McCracken asked Mr. Lollis and Mrs. Bemis, irrespective of the credit cards, what was their recommendation.

Mr. Lollis stated that it was valid to get a bottom line accounting, and Mrs. Bemis stated that she would do a work up with the Union Bank spread sheet.

John Longley stated that they should ask Bank of the Sierra if they have a fee, and if they not, then the RFP was non-responsive.

Mr. Webber clarified that the City processed about 4,000 checks a month.
Chairman McCracken asked if the Committee needed to do the reconciliation, but Mr. Longley stated that it was just a matter of due diligence.

The Committee concurred that they would review the new documentation and go for the best bottom line. Mr. Lollis stated that the Finance staff would document and to a report to the Committee. He stated that if there was a problem they would meet again.

Mr. Lollis stated that if the recommendation was other than Union Bank, as it appears now, the Committee would get back together. Mr. Lollis thanked Maria Bemis and Susan Perkins for putting this together for the Committee to review.

Mrs. Bemis inquired as to what they should do about merchant card services.

Mr. Longley stated that they could go back to Union Bank and have them help the City with the problem.

Mr. Lollis stated that there would be merit to having the third party tied to the depository.

ADJOURNMENT
The Committee adjourned at 3:10 p.m.

Georgia Hawley, Secretary
Seal

Pete McCracken, Chairman
Call to Order at 2:05 p.m.

Roll Call: Committee Members: Pete McCracken, Chair
Charles Webber, Member
Maria Bemis, Member
Julia Lew, Member
John Longley, Member

Staff Members: Georgia Hawley, Secretary
John Lollis, Acting Deputy City Manager

ORAL COMMUNICATIONS
None

SCHEDULED MATTER

1. REVIEW OF BANKING RFPS FOR DEPOSITORY SERVICES

John Lollis stated that at the last Audit Committee meeting it was decided that staff would request clarifying detail from the three Banking Institutions which had submitted an RFP, and if the bottom line analyses didn’t change, then Union Bank of California would be the Committee’s recommendation to the City Council. Mr. Lollis stated that they went to Bank of the Sierra, Citizens Business Bank and Union Bank of California to verify their proposals and charges for City banking services. The Committee then reviewed the listing of fees and charges from the three institutions. It was stated that Bank of the Sierra did not provide certain figures, and the numbers they provided were less than the proposal they submitted in the first place. He stated that it seemed like negotiating after the fact.

Julia Lew stated that they could do that technically, but it could create a problem in the future. She stated that it helped that none of the Banks had received the RFP results and the results were still confidential.

John Longley stated that he would be interested in getting a certification from Bank of the Sierra that they were providing everything that Union Bank was providing.

Mr. Lollis stated that Bank of the Sierra would not guarantee their fees at all, whereas Union Bank stated that they would stand by their fees for five years. Mr. Longley asked for Mrs. Bemis’ recommendation.
Maria Bemis stated that she was concerned about Bank of the Sierra not complying and giving the City the terms of the fees, which the analysis would have given the City, if they had completed it.

Mr. Longley made a motion that they proceed with Union Bank of California and disqualify the counter proposal from Bank of the Sierra based on the situation described by Ms. Bemis.

Chairman McCracken stated that he also had a problem with Bank of the Sierra not completing the information, and Mrs. Lew clarified that they did not say how they calculated the numbers.

Mr. Longley stated that he made the motion because he gave great weight to Mrs. Bemis’ recommendation. He stated that the couple of hundred dollars a year savings could not offset the cost of the change over, and the lack of information was a problem. He stated that he was a major proponent of the Bank of the Sierra, and supported them locally. He stated that he wished that they had given the City a detailed proposal that was the best, because he would have supported them for approval.

Mrs. Bemis stated that she didn’t understand the proposal because using their figures, the figures came up higher than listed.

ACTION

MOVED by Committee Member Longley, SECONDED by Committee Member Lew that the Audit Committee proceed with Union Bank of California and disqualify the counter proposal from Bank of the Sierra based on the situation described by Ms. Bemis.

AYES: Webber, Bemis, Longley, Lew, McCracken
NOES: None
ABSENT: None

Mr. Longley stated that they would put this recommendation on the next regular City Council agenda.

ADJOURNMENT

The Committee adjourned at 2:23 p.m.

Georgia Hawley, Secretary

Seal

Pete McCracken, Chairman