

Responses to Questions for Banking RFP

Pg 9, Item 3 – How many wires are sent on a monthly basis?

This may fluctuate, however, on average it is two.

Pg 9, Item 4 (b) – Are you currently receiving your physical cancelled checks returned in numerical order?

We are receiving either the physical check or a scanned image of the check. We would like them sent in numerical order, however, occasionally they are not sent to us in numerical order.

Pg 10, Item 9 – Investments – you mentioned adhering to the City of Liberty Lake’s formal investment policy. May we get a copy of your investment policy?

Please see attached document. This is also available on our website under Resolutions.

Pg 11, Item 10 – Line of Credit: Are you looking for an actual Line of Credit that would be borrowed against and paid at a future date? Or are you looking for overdraft protection to a maximum amount of \$375,000.00 which would be covered the next day?

We would like overdraft protection to a maximum amount of \$375,000.

Pg 11, Item 12 – Depository Credit Card Transactions:

You currently take credit cards online, and Spokane Web is the company that services your website.

1. Who provides your shopping cart? We do not have a shopping cart. Customers can only purchase one item at a time.
2. Who provides your gateway? Virtual Merchant is our gateway.

You requested that you would like the merchant discount to go against the monthly analysis.

1. Does your current bank allow you to use your analysis interest credits to pay for your credit card processing fees? No.

Can you provide a list of all the departments that currently take credit cards and what departments you are considering adding credit card processing.

Currently our golf course accepts credit cards for face to face transactions. The City accepts credit cards online through the city website for recreation programs and golf lessons.

In the future, we would possibly like to expand the credit card payment option to our planning and building services department for payment of building permits, as well as other planning and building fees.

Pg 12, Item 14(e) – Are you currently receiving monetary compensation for excess service charge credits?

No.

CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON

RESOLUTION NO. 02-046

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY LAKE,
WASHINGTON, ADOPTING A POLICY FOR INVESTMENT OF CITY FUNDS.**

WHEREAS, the City Council of the City of Liberty Lake desires to have city funds invested in secure depositories and realize maximize returns on these investments, and

WHEREAS, the City Council of the City of Liberty Lake desires to develop an investment policy to guide the investment of city funds to meet these objectives, and

WHEREAS, the City Clerk/Treasurer in conjunction with the City Council Finance Committee has developed a policy for investment of the City funds, and

WHEREAS, the City of Liberty Lake's investment policy has been written in accordance with the Municipal Treasurer's Association Model and the State of Washington Auditing Standards Policy.

NOW, THEREFORE, be it Resolved by the City Council of the City of Liberty Lake, Washington as follows:

Section 1. Investment Policy Adopted. The policy for investment of City funds set forth in the document entitled "City of Liberty Lake Investment Policy" which is attached hereto as Exhibit "A" and incorporated herein by this reference is hereby adopted as official policy for investment of City Funds.

Section 2. Effective Date. This Resolution shall become effective immediately upon passage by the Liberty Lake City Council.

Adopted this 18th day of June, 2002.

APPROVED:


Steve Peterson, Mayor
City of Liberty Lake

ATTEST:


City Clerk, Arlene Fisher

APPROVED AS TO FORM


City Attorney, Stanley Schwartz

CITY OF LIBERTY LAKE

INVESTMENT POLICY

EXHIBIT "A"

CITY OF LIBERTY LAKE INVESTMENT POLICY

POLICY

The investment policies and procedures of the Investment Officer as defined in Section 4.0 for the City of Liberty Lake are based upon Federal, State and Local law and prudent money management. The primary goals of these policies are:

1. To assure compliance with all Federal, State and local laws governing the investment of monies under the control of the Investment Officer.
2. To protect the monies entrusted to the City.
3. To generate the maximum amount of investment income within the parameters of this Investment Policy and the guidelines for suitable investments.

All participants in the City's investment process shall act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The implementation of this policy is subject to the following guidelines.

GUIDELINES

1.0 SCOPE:

This investment policy applies to the investment of available assets of all City funds under the direct management of the Investment Officer and are listed below:

- The General Fund
- Special Revenue Funds
- Capital Project Funds
- Trust and Agency Funds
- Any new fund created unless specifically exempted.

All investments of the City of Liberty Lake must be made in compliance with Federal and State law and in accordance with applicable legal interpretations. Investment of any tax-exempt borrowing proceeds and of any debt service funds must comply with the 1986 Tax Reform Act if the Act applies to the debt issued.

2.0 PRUDENCE:

Investments shall be made with judgment and industry standard of care, under circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own

affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investments officials shall be the prudent person standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3.0 OBJECTIVE:

Funds of the City will be invested in accordance with the current version of the Revised Code of Washington (RCW), the BARS manual, these policies and written administrative procedures.

The primary objectives, in order of priority, of the City of Liberty Lake investment activities are as follows:

3.1 Safety: Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

3.2 Liquidity: The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements that might be reasonably anticipated.

3.3 Return on Investment: The City's investments will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

4.0 DELEGATION OF AUTHORITY

The Investment Committee will be composed of the Mayor, Finance Committee, and City Administrator. The City Clerk/Treasurer is the Investment Officer of the City of Liberty Lake.

The Investment Officer is authorized to invest excess city funds in the following investment vehicles.

1. The Washington State Local Government Investment Pool (LGIP).
2. Savings accounts or certificates of deposit issued by the city's official depository (US Bank).

Other investments as specified in section 7.0 will be approved by the Investment Committee.

5.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

6.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

No public deposit shall be made except in a **qualified public depository** as provided in Chapter 39.58 RCW.

7.0 AUTHORIZED INVESTMENTS

The City of Liberty Lake is empowered to invest in certain types of securities as detailed in RCW 35A.40.050 and RCW 35.39.030. Among the authorized investments are:

- 7.1 Nonnegotiable certificates of deposit and other collateralized evidence of deposits with qualified public depositories.
- 7.2 United States bonds and certificates of indebtedness.
- 7.3 Bonds or warrants of the State of Washington.
- 7.4 State of Washington Local Government Investment Pool.
- 7.5 Its own bonds or warrants of a local improvement district which are with the protection of the local improvement guaranty fund law.

8.0 SAFEKEEPING AND CUSTODY

To protect against potential fraud, embezzlement, or losses caused by collapse of individual securities dealers, all investment securities purchased by the City shall be held by the City or in safekeeping by the City's custodian bank or a third party bank trust department, acting as agent for the City under the terms of a custody or trustee agreement executed by the bank and by the City. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument, rate, maturity, and other pertinent information.

All securities transactions conducted by the custodian on behalf of the City are to be on a delivery-versus-payment (DVP) only basis.

Investment officials shall be bonded to protect the City against loss due to possible embezzlement and malfeasance.

9.0 REPORTING

The City Clerk/Treasurer shall submit a monthly report of investment holdings to the Mayor and the Finance Committee

10.0 INVESTMENT POLICY ADOPTION

The City's investment policy shall be adopted by a resolution of the City Council.