



Duane McKinney

Purchasing Coordinator

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March 20, 2017

Dear Prospective Service Provider:

The County of Racine invites qualified banking institutions to submit a proposal to provide Banking Services as described in the attached specifications. Racine County is located at 730 Wisconsin Avenue, Racine, WI. Sealed proposals are due on or before 2:00 p.m., Wednesday, April 26, 2017. Late proposals will not be accepted. Responses must be in a sealed envelope/container and show the firm's name and address as well as the proposal name/number on the cover as instructed. Your response must be manually signed and dated and include all requested information. Any questions regarding this Request for Proposal must be submitted in writing and directed to:

Duane McKinney, Purchasing Coordinator

Racine County

Facsimile: 262-636-3763

Duane.McKinney@racinecounty.com

No other Racine County employee or representative is authorized to provide information or interpret any portion of this solicitation. No contact with any Racine County employee or elected official should be made during this process unless authorized by the Racine County Purchasing Division.

Sincerely,

Duane McKinney

Duane McKinney

Purchasing Coordinator

Encl: Proposal Package

REQUEST FOR PROPOSAL

BANKING SERVICES

Dated: March 24, 2017

Proposal Number 17-TR-001

Proposals Due:

APRIL 26, 2017

02:00 P.M. CST



Specifications Prepared By:

Racine County Finance Department

730 Wisconsin Avenue

Racine WI 53403

Telephone: (262) 636-3700 Fax: (262) 636-3763

1. INTRODUCTION

GENERAL INFORMATION

Racine County is located on the western shore of Lake Michigan in southeastern Wisconsin, approximately 65 miles north of Chicago, Illinois, and 25 miles south of Milwaukee, Wisconsin. The county covers an area of 576 square miles and consists of two cities, seven villages and eight towns. Racine County is the 6th smallest county in Wisconsin by size, at 333.1 square miles. With a population determined by the 2010 census to be 195,480 people, Racine County is the 5th most populous county in Wisconsin and has the 8th highest population density at 246.2 people per square mile.

OBJECTIVE

The County of Racine intends to select one or more (if necessary) Banking institutions to provide the required services. The County's goal is to obtain the required banking services in the most efficient and cost effective manner possible.

SCHEDULE OF PROPOSAL

Issue RFP	3/24/17
Written Questions Due	4/13/17
Responses to Questions/Addenda	4/19/17
Proposals Due	4/26/17
Interviews (if necessary)	5/1/17
Notice to Proposers	5/2/17
Finance/Human Resources Committee Approval	5/3/17
County Board Approval	5/23/17
Contract Effective	10/1/17

The above schedule is for informational purposes only and is in no way binding upon Racine County.

PROPOSER'S QUESTIONS

Proposers are reminded to carefully examine the Request for Proposal (RFP) and specifications upon receipt. At the time of opening, each proposer will be presumed to have read and to be thoroughly familiar with the contract documents, including all addenda (if any). Failure or omission of any proposer to examine any form, instrument, or document shall in no way relieve any proposer from an obligation in respect to his/her proposal.

Proposers should make a written request to Duane McKinney, Purchasing Coordinator, for interpretation or correction of any of the printed material. Questions must be received no later than Thursday, April 13, 2017 at 5:00 p.m. local time. Questions received after this date and time will not be answered.

E-mail: Duane.McKinney@racinecounty.com

Facsimile: (262) 636-3763

Answers to properly submitted questions will be posted to the Racine County Website (www.racinecounty.com) in the form of an addendum by Wednesday, April 19, 2017. The addendum will include a list of the questions asked and Racine County's responses to them.

PREPARATION OF PROPOSAL

Careful attention must be paid to all requested items contained in this Request for Proposal. Please read the entire package before bidding.

Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond what is sufficient to provide a complete, accurate, and reliable presentation. For ease of review, the proposals must follow the outline in Section III of this request for proposal.

Each response should be clearly numbered and the full question listed. Each page of the proposal must be sequentially numbered.

METHOD OF PROPOSAL

Proposers shall submit proposals with all information as requested in Section VI. PROPOSAL REQUIREMENTS. Proposals written in pencil or missing information may be rejected. Erasures or corrections of mistakes on the Proposal will be initialed or signed by the proposer. Failure to meet any requirements listed in this document may be cause for disqualification of the proposal.

PROPRIETARY INFORMATION

Any information held to be proprietary by a banking institution must be plainly marked as such and may not include pricing.

INCURRED COSTS

Racine County is not liable for any costs incurred in replying to this RFP.

SUBMISSION OF PROPOSALS

Proposals, five (5) complete physical originals and two (2) electronic copies (USB drive), will be accepted until 2:00 p.m. April 26, 2017. Proposals received after the above date and time or at any other location will not be considered. The County is under no obligation to return proposals.

It is the sole responsibility of the submitting firm to see that its proposal is received before the submission deadline. Any proposal received after the scheduled deadline for receipt of proposals will be rejected. No corrected or resubmitted proposals will be accepted

after the proposal submission deadline. **No faxed copies of the proposal will be accepted.** All proposals should be submitted to the following address:

Attn: Purchasing Coordinator
Racine County Court House 4th Floor
730 Wisconsin Avenue
Racine, WI 53403

On the lower left-hand corner of the sealed envelope/package write:

"BANKING SERVICES, DUE APRIL 26, 2017"

ADDENDA

Any changes made as a result of written requests will be issued via proposal addenda and, if necessary, an extension will be made to the proposal opening date. Addenda will be posted on the Racine County Website (www.racinecounty.com) under Bids/Proposals. Proposers are responsible for checking this website for any future addenda prior to the opening date. All addenda must be signed and returned with your proposal. Proposers who do not return the addenda may have their proposals rejected. If you are unable to access the internet, contact Racine County Purchasing at 262-636-3700 for a hard copy.

WITHDRAWAL OF PROPOSALS

Proposals may be withdrawn by written, electronic or facsimile request received by Purchasing prior to time and date fixed for proposal opening. Negligence on the part of the proposer in preparing the proposal confers no right for withdrawal of the proposal after it has been opened. Withdrawn proposals will be returned unopened prior to the time and date set for opening.

AMENDMENTS TO PROPOSALS

Each proposer will be allowed a period of forty-eight(48) hours after the time and date set for receipt of proposals to notify the County in writing of a material mistake in the proposal. Failure to notify the County in this manner and within the time limit specified above will constitute a waiver by the proposer of all rights and remedies relative to a material mistake. Formal proposal amendments thereto, or requests for withdrawal of proposals received by Racine' County after time specified for opening will not be considered.

LATE PROPOSALS

Late proposals will not be accepted and will be returned unopened.

PROPOSALS BINDING

90 DAYS unless otherwise specified, all formal proposals submitted shall be binding for ninety 90

calendar days following opening.

PUBLIC INFORMATION

All submitted proposals become the property of Racine County and information included therein or attached thereto shall become public record after recommendation for endorsement of contract is made. Racine County will work with proposers to meet their confidentiality requirements, provided that they are within reason. All proposer confidential material must have each page clearly marked as confidential. Wisconsin "Open Records Laws" apply.

2.TERMS AND CONDITIONS

CONTRACT

These terms and conditions shall be incorporated into and made a part of all Professional Services contracts entered into between Racine County (hereinafter "the County") and the consultant/contractor/provider (hereinafter "the Banking Institution"); references to both the County and the Banking Institution are hereinafter "the parties." These terms and conditions shall take precedence and supersede any other terms and conditions which are not consistent with these terms and conditions.

Submission of a proposal shall constitute acknowledgment and acceptance of all the terms and conditions contained in this request for proposal. The Banking Institution chosen will be required to enter into a formal contract with the County. Any agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied by or approved by the County. The County reserves the right to reject or modify any agreement that does not conform to the request for proposal and any County requirements for agreements and contracts.

CONTRACT TERM

The selected institution/s shall be designated as the County's depository for a four-year term commencing October 1, 2017, and terminating on December 31, 2021, with the option to renew for three additional two-year periods, not to exceed a total of ten years. Banking service fees and interest earnings for the optional renewal period(s) will be based on fees and interest rates proposed, plus an increase (or decrease) agreed upon by the parties prior to the beginning of the optional renewal period.

CONTRACT EXECUTION

In the event that the Banking Institution to whom the services are awarded does not execute a contract within 60 days after the award of the proposal, the County may award the contract to the next most qualified Banking Institution or call for new proposals and proceed to act

accordingly. The County shall assume no cost by the Banking Institutions in preparation of new proposals.

CANCELLATION OF CONTRACT

The depository contract shall provide that the County reserves the right to cancel any agreement at any time upon one hundred twenty (120) days prior written notice of its intent to terminate any agreement. The designated depository shall provide the County at least one hundred twenty (120) days prior written notice of its intent to terminate any agreement. If the designated depository exercises the right to terminate the contract early, they may not submit proposals for a period of 5 years.

This contract may be canceled without penalty or obligation of any kind, except as may otherwise be specifically set forth as an exception to this clause, by Racine County by, for or on behalf of itself or its agencies, departments, officers, agents or employees immediately upon written notice to all parties that sufficient funds have not been budgeted by the County Board of Supervisors to pay for the obligations under this agreement for the next budget year.

ACTIVITY LEVELS

The County does not guarantee that the activity levels as indicated in this proposal will continue during the contract period. Where activity levels are given, the Banking Institution, by its proposal, guarantees the per-item cost over the contract term.

PERFORMANCE

Banking Institution shall perform all services under the contract in the highest professional manner pursuant to the standards within the industry.

INDEMNIFICATION

To the fullest extent permitted by law, Banking Institution shall indemnify and hold harmless the County and its officers, agents and employees from any and all claims, damages to person or property, lawsuits or liability (including but not limited to reasonable fees and charges of consultants, architects, attorneys, and other professionals, and reasonable court costs) resulting from the negligent acts, errors or omissions of the Banking Institution or any of the Banking Institution's agents or employees in the performance of services under this contract.

To the fullest extent permitted by law, the County shall indemnify and hold harmless the Banking Institution and its officers, agents and employees from any and all claims, damages to person or property, lawsuits or liability (including but not limited to reasonable fees and charges of consultants, architects, attorneys, and other professionals, and reasonable court costs)

resulting from the negligent acts, errors or omissions of Racine County or any of the County's agents, or employees in the performance of services under this contract.

INSURANCE

Banking Institution will maintain insurance coverage for Workers' Compensation, General Liability, and Automobile Liability and will provide certificates of insurance to the County upon request.

INTELLECTUAL PROPERTY

Any documents or work product produced pursuant to the contract shall become the property of the County and shall be under the control of the County. Banking Institutions shall be allowed to retain copies of said documents and work product.

OWNERSHIP RIGHTS

Any of the County's documents that are provided to the Banking Institution to assist the Banking Institution in the performance of work shall be returned to the County upon demand by the County or at the conclusion of the project, whichever comes first.

ASSIGNMENT

Banking Institution shall not assign, sublet, subcontract or transfer any of the services or interest under the contract without the prior written consent of the County.

STATUTORY COMPLIANCE

The Banking Institution shall comply with all federal, state, local laws and regulations and requirements.

CHOICE OF LAW

The laws of the State of Wisconsin shall govern the construction, interpretation and determination of the rights and duties of the parties under this contract.

INDEPENDENT CONTRACTOR

The Banking Institution shall be considered an independent contractor and not an employee of the County. The County agrees that the Banking Institution shall have sole control of the method, hours, work and time and manner of performance of this contract unless specifically stated. The County takes no responsibility for the selection, dismissal, supervision, direction or performance of Banking Institution's employees. Nothing contained in this contract shall create a contractual relationship with or cause of action in favor of a third party against either the County or the Banking Institution. The Banking Institution's services under this contract are being performed solely for the County's benefit, and no other entity shall have any claim against the Banking Institution because of this

contract or the performance or nonperformance of services provided hereunder.

ACCESS

The County shall make all provisions for the Banking Institution and Banking Institution's agents and employees to enter upon public and private property as required for the Banking Institution to perform services under this contract.

NON-DISCRIMINATION

The selected banking institution shall insure that no otherwise qualified person shall be excluded from employment, be denied benefits of employment or otherwise be subject to discrimination in employment in any manner or term of employment on the basis of age, race, religion, color, sex, national origin or ancestry, handicap [as defined in Section 504 and the Americans with Disabilities Act (ADA)], physical condition, developmental disability [as defined in s. 5105(5)], arrest or conviction record (in keeping with s. 1 1 1.32), sexual orientation, marital status, or military participation.

AFFIRMATIVE ACTION

Racine County is committed to fulfilling its role as an Affirmative Action/Equal Opportunity Employer. We request your vigorous support of our Affirmative Action efforts. Our relationship with your agency is based upon your willingness to accept and comply with Executive Order 11246, as amended, and other federal laws requiring equal employment opportunity without regard to race, religion, color, national origin, sex, disability or veteran status. By signing the Certification of Vendor page, you indicate your acceptance and compliance.

3. SCOPE OF BANKING SERVICES

OVERVIEW OF OPERATING SYSTEMS

The Treasurer will deposit to and the Bank will maintain all balances in one account called the "Master Depository Account" (MDA). The County will require additional accounts designated for specific disbursements that will be used to operate as "Disbursing Accounts" (DAs) that are tied to the MDA and will carry a zero balance. An amount sufficient to pay all items presented for payment will be transferred from the MDA into the respective DA on a daily balance.

The Clerk of Courts currently has one (1) MDA that will operate in the same manner as the Treasurer's account. The Clerk of Courts shall have the ability to add DAs or "Sweep Accounts" (SAS) as needed.

4. REQUIRED SERVICES

Tax Collection - The County will require the utilization of the branches of their main bank as alternative collection locations for property tax payments for second installment. If the Banking institution selected does not offer tax collection, Racine County Treasurer is allowed to contract with a Banking Institution for this need. Please indicate the details of how the bank would provide such services, including hours of operation, locations, how payment information would be transmitted to the County for updating of the property tax database, etc. Also indicate the cost for providing this service (currently, provided at no cost).

Transition/Implementation Plan - Describe the overall plan your bank would coordinate to ensure a smooth transition from the current provider. The bank must also provide training to our personnel for the operation and use of the bank's services and automated systems for all areas of service.

Positive Pay - The County will submit an electronic file of accounts payable check data and payroll check data to the bank on the date that checks are issued. These files will be submitted in a format suitable for use by the bank. On a daily basis, cleared checks should match against the submitted files and any exceptions reported by electronic means to the County for approval prior to payment. The banking institution should indicate the format(s) it can accept and the process for handling positive pay files.

ACH Fraud Filter - A fraud filter or ACH transactions should be established for all accounts. This filter will limit the ability of outside parties to execute ACH debits against these account unless the County grants specific permission for them to do so.

Remote Deposit - The County currently uses remote deposit capture services as authorized under the Check 21 legislation using substitute check images. Proposers should highlight their experience with remote deposit capture, flexibility in working with third-party vendors and provide cost proposals for the following options:

- A. County utilizes scanning equipment, data interfaces and software provided by the banking institution.
- B. County utilizes its own scanning equipment, data interfaces and software provided by a third-party vendor.

Respondents should indicate what level of service is available to the County and the cost.

Availability Schedule - The level of available funds will be determined on the following schedule:

- a. Items drawn on depository, wire transfers, ACH deposits, cash: SAME DAY
- b. Items drawn on local institutions: NEXT DAY
- c. Other items: FEDERAL RESERVE AVAILABILITY SCHEDULE

The above schedules shall be the maximum clearing schedule. If the bank can offer faster clearing services, they should be outlined in the proposal. If the Bank is using an availability schedule other than the Federal Reserve Schedule, a copy must be attached to the proposal.

It is expected that deposits will be accepted as late as 4:30 p.m. for same day account credit of those items immediately available. If a later same day credit-deadline is available, this should be indicated in the proposal.

Resource Personnel - The Banking Institution shall provide a management level personal contact plus an alternate to be available to address problems and concerns. Additionally, the Banking Institution shall identify personnel in its operations department by function that are available to answer questions pertaining to transactions which require more detailed explanations. The County shall be notified of personnel changes within 30 days.

Account Review - The Banking Institution shall have appropriate personnel review all of the County's accounts at least semi-annually and shall communicate any observations or trends to the Treasurer. In addition, the Banking Institution will keep the Treasurer informed of any new banking industry services.

Auditor Requests - The Banking Institution shall comply with all requests from designated County auditors for information, records and reports relating to any and all County transactions and accounts.

Master Depository Account (MDA) - Initially the Banking Institution shall establish two(2) MDAs that will serve as main activity accounts. One account shall be designated for the County Treasurer's general use and one shall be designated for the Central Court's use. On a daily basis, these accounts will provide for deposits, wire transfers, automated clearing house (ACH) and/or electronic fund transfers (EFT) debits and credits, overnight investments and funding of disbursing accounts.

Disbursing Account(DA) - Initially, the Banking Institution shall establish two DAs that will be tied to the County's general use MDA. The County shall reserve the right to cause additional DAs to be established as needed. These DAs will be established as zero balance accounts to be funded on a daily basis from the appropriate MDA.

Sweep Accounts(SA) - The County shall reserve the right to establish SAS as needed.

Overnight Fund Investment - The Banking Institution shall provide appropriate overnight investment options for excess cash balances. Excess cash balances are to be defined to enable the County to minimize idle cash in the two (2) MDAs.

Social Security Direct Deposit - Racine County receives social security direct deposits for residents at Ridgewood Care Center (RCC) and for the children in automatic home placement through our Human Services Department(HSD). There are approximately *15-20 deposits for RCC and 65 deposits for HSD monthly.

Banking Institutions shall respond to the following questions in their proposal

- A) Is your organization capable of providing the record formats required by the Social Security Administration?
- B) What are the methods currently available for providing the required information?
- C) Indicate the amount of time between when SSA deposit is made and the receipt of the information to the County?

Direct Deposit of Employee Payroll Checks - The County operates on a bi-weekly payroll schedule for approximately 830 employees, in addition to 21 County Board Supervisors and offers direct deposit to county employees. Direct deposit is mandated among Racine County employees. Payroll software creates a bi-weekly NACHA file which is transmitted by a secure website. There were approximately 26 files sent in 2016 with approximately 894 items in each file.

Explain the Banking Institution's ability to provide the direct deposit service with the capability of

transferring funds from your institution to other financial institutions and at what cost.

Internet Banking - The Banking Institution shall provide daily, on-line secure, real-time access to all accounts. This access should offer the capability to view account balances, transaction summaries and transaction detail including debits, credits, wires, rate of interest paid and amount of interest earned.

The Banking Institution shall provide secure on-line wire transfer, on-line account transfers, on-line front and back images of all checks, on-line void check information, on-line stop payments, ACH origination, ACH automatic withdrawals from taxpayers checking/savings accounts for property tax and retiree insurance payments, positive pay file processing tied to disbursing accounts, on-line deposit details including copies of checks deposited and images of the deposit slips and desktop deposit capabilities. If additional technical requirements are necessary on the part of the County to accomplish this, please provide specifications. Necessary software and hardware shall be provided by selected bank. Security features must be offered.

The Banking Institution shall include a full description of these features in its Proposal.

Deposit Slips - The Banking Institution shall provide deposit slips for all depository accounts.

Daylight Overdraft - The Banking Institution shall allow temporary overdrafts to be covered within the same banking day.

Bags and Night Drop Service - The Banking Institution shall provide secured depository bags to the County and provide night depository services as needed.

Currency and Coin - On a daily basis, Racine County deposits unstrapped currency and unrolled coin. Weekly, The County does cash buys of rolled coin and strapped currency.

Other Optional Services - The Banking Institution may list any other services that they offer and feel may be of interest to the County, but are not included in this request for proposal.

Armored Courier - Currently, the financial institution provides armored courier service from the Court House to the Bank.

REQUIRED ACCOUNT MAINTENANCE

Daily Services - The Banking Institution shall notify in writing the appropriate county office if encoding errors and corrections occur as well as any deposit corrections. Errors and corrections of significant amounts also require prompt notification by telephone.

Monthly Services - The Banking Institution shall produce reconciled statements for all accounts after activity for the last business day of the month is posted for transmission no later than five business days after the month-end. The reports shall be accompanied by an optical image print out of all deposits, debit and credit memos and cleared checks in fine-sort numerical order. Late delivery of required reports will cause the reports to be provided at no cost. Repeated late delivery may lead to cancellation of the contract. The Banking Institution shall supply copies of front and back of original checks upon request at no cost to the County.

Monthly Reports - The Banking Institution shall provide reports that identify cleared checks, missing checks, deposits with date and amount, and miscellaneous debits and credits with detail.

Account Analysis - The Banking Institution shall provide detailed monthly account analyses for all accounts.

Record Retention - The Banking Institution shall provide and update software needed to search, retrieve and reprint checks as required under Wisconsin State Statute 59.52(4).

COMPENSATION

The Banking Institution shall prepare on a monthly basis a billing for services rendered. The billing should be in a format which permits reconciliation (using similar terms, format, etc.) to the proposal form (Exhibit A) in the Request for Proposal. Compensation shall be provided in the form of direct fees to be deducted from the Master Control Account on a monthly basis.

As mentioned previously, fees for any new services that were not listed on the PROPOSAL FORM must be agreed to in writing between the County and the Banking Institution prior to commencement of such services.

INTEREST EARNINGS

The Banking Institution is required to specify a rate of interest payable on all invested funds for the following options:

1. Fixed rate on all invested balances.
2. Variable rate to be adjusted on the first day of each month on all invested balances based on the Weekly Federal Funds Rate as published by the Federal Reserve System plus or minus a designated basis point spread.

The County shall select the option deemed in its best interest over the contract period.

BANKING INSTITUTION REQUIREMENTS

All Banking Institutions are subject to the following conditions:

1. Designated Depository - The Banking Institution shall be a qualified depository for public funds pursuant to Wisconsin State Statutes Chapter 34.
2. Location - The Banking Institution is required to maintain business operations in Racine County in order to accommodate local deposits. A map of locations should be provided including branch addresses.
3. Investment Policy - The Banking Institution shall adhere to the County of Racine investment objectives, stressing in descending order of importance: safety, liquidity and yield. See EXHIBIT D for Racine County's investment policy. Furthermore, all investments must adhere to Wisconsin State Statute 66.0603. The County reserves the right to amend its investment policy at any time.
4. Safekeeping - The Banking Institution acting as a depository for the County must enter into a "depository agreement" to pledge collateral to secure all County funds with U.S. Government issued securities in an amount equal to 100% of the County's available balance on a daily basis. All securities serving as collateral shall be specifically pledged to the County (not as part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank, or through another financial institution. The custodian may not be owned or controlled by the Banking Institution or its holding company unless it is a separately operated

trust institution. The custodian shall send statements of pledged collateral to the County Treasurer's Office on a monthly basis.

5. Financial Information – Financial statements for the past two years, including appropriate notes to the financial statements and an unqualified auditor's opinion, may be requested during evaluation. Banking Institutions may submit statements with proposals but they are not required at this time.

5. PROPOSAL REQUIREMENTS

Submitted proposals must be in strict compliance with the RFP. Failure to comply with all of the RFP may result in disqualification.

Proposal Format

In order for the committee to adequately compare proposals and evaluate them uniformly and objectively, firms must submit their proposal in the following format:

1. Certification of Vendor– The primary proposal must have an original signature in blue ink on Certification of Vendor page. Bound copies of the proposal shall also have a Certification of Vendor page on top as page one but may be copies. The proposal must be signed and dated by an official allowed to bind the Banking Institution in legal matters.

2. Scope of Banking Services – Provide detailed information on the Banking Institution's ability to provide the services as listed:

- Required Services
- Required Account Maintenance
- Compensation o Interest Earnings
- Future Banking Services

3. Banking Institution Requirements – Provide detailed information whether the Banking Institution meets the conditions listed.

4. Proposal Form – The Proposal Form must be completed in its entirety.

- All lines on this form must be completed.

- If the provider cannot meet a service, then the term "No Proposal" should be entered on the line item representing that service.
- If the Proposer will not charge for a service, then the term "No Cost" should be entered on the line item representing that service.
- If there is no per item cost to a particular service, but an annual fee, then the term "N/A" should be entered on the "unit Price" line and the annual fee should be entered on the "annual Charges" line.
- Additional fees not listed on the Proposal Form shall be detailed on company letterhead and inserted immediately following Exhibit A-I.

5. Check Off List – For convenience, a "Check-Off" list is attached. A check mark is required next to each item as verification the Banking Institution will comply with the requirements for each item as specified in the Request for Proposal. The Banking Institution may comment on these items with additional information detailed on company letterhead and inserted immediately following the check off list.

6. References – Provide a list of three (3) relevant client references (prefer public sector), including contact name and telephone number for each.

7. Alternate Proposals – Banking Institutions may submit alternate proposals to this Request for Proposal: Alternate proposals shall be evaluated using the evaluation process described in the next section.

8. Deposit Processing

- Provide a map or table showing the location of the bank's branches and ATMs located within Racine County.
- Please provide the address and distance of the closest branch to Racine County Court House 730 Wisconsin Avenue, Racine WI 53403.
- For deposits collected and transported by armored car, what bank location do you propose

for the County's armored car to deposit funds for processing?

d. Can a unique deposit identification number be used on deposit tickets to identify the deposit location for reconciliation purposes? Can the bank identify deposit tickets on summary reports?

e. What is the ledger cutoff time for deposits?

f. What type of deposit bags does the bank allow/require? Does the bank provide these bags? Does the bank charge a fee for these bags? Are there any restrictions on deposit bags provided by the customer?

g. Does the bank accept loose and/or rolled coin for deposit at branch locations?

h. How are deposits credited? Are items immediately verified? If provisional credit is given, when does verification take place? If the bank corrects a deposit, how will the County be informed of this change?

i. Are deliveries of change and currency orders available via the armored courier service? If so, explain timelines and procedures for placing change and currency order requests. If not, please explain procedures for acquiring change and currency.

9. Remote Deposit Capture (RDC)

a. Describe the bank's ability to process checks by RDC?

b. What equipment would the bank recommend? What is the price for this equipment?

c. Can the County continue to use the two terminals (Digital Check Teller Scan TS230) it already owns?

d. Can checks be automatically endorsed with the bank's RDC service?

e. What services charges can be eliminated or avoided with the use of RDC technology?

f. Describe the pros and cons for using RDC technology, including additional notification requirements for the County's customers and document handling procedures.

10. Returned Item Processing

a. Can returned items be automatically redeposited? If so, how many times?

- b. Does the bank offer any options that may increase the collection of NSF checks?
- c. Can the bank provide a detailed return item transmission to the County? Can this report identify the payer's name, depositing location, deposit date, and the type of item being returned?
- d. Can the bank provide online access to electronic images (back and front) of returned items to the County? How soon after an item is returned can these images be accessed?

11. Availability of Deposits

- a. How does the bank determine and calculate availability of deposited items?
- b. Does the bank give immediate availability for on-us items?
- c. Does the bank calculate availability by item or formula?
- d. Provide a copy of the availability schedules the bank proposes to use for the County. Is this the best schedule offered to any customer? If not, quantify the difference and explain how the County may obtain the bank's best availability schedule. Describe the extra charge, if any, for obtaining the bank's best availability schedule.
- e. Provide a copy of the availability schedule the bank proposes for items deposited through the retail lockbox.

12. Deposit Slips / Check Stock

- a. Name the primary vendor that the bank uses or recommends to provide check stock and deposit slips.
- b. Can check stock and deposit slips be ordered through the bank and included on the account analysis statement? Is there any mark-up to the cost?
- c. Will the bank assist in placing orders to ensure deposits tickets are properly coded to ensure properly depositing?

13. Positive Pay

- a. Does the bank offer Positive Pay and Payee Positive Pay?
- b. How would the County transmit check issuance information to the bank?

- c. What is the deadline for the transmission of check issuance files to the bank?
- d. How frequently can transmission files be uploaded to the bank for the issuance of additional checks, and/or recently voided items? Is there a limit to the number of files per day?
- e. Does the bank offer the ability to manually enter one-time check disbursements issued during the day? Please describe.
- f. How will the County be notified of rejected items? What time will the County receive the information on rejected items? How much time will the County have to review discrepancies and notify the bank to accept or reject?
- g. Will stale-dated checks be reported as exception items?
- h. Is Positive Pay required for all demand deposit accounts, even on accounts with no check writing functionality?
- i. Is Teller Positive Pay available? How long does it take for check issuance information to be available to tellers?

14. Stop Payments

- a. How are stop payments orders placed? Can stop payments be placed online?
- b. Are stop payment requests effective immediately? If not, how long does it take for a stop payment request to be effective?
- c. How long will the stop payment remain in effect? Are there different term options?
- d. Can stop payments be automatically renewed? If so, for how long? Is there an associated fee for each renewal?

15. ACH Processing

- a. What ACH file transmission options are available?
- b. What are the transmission deadlines for ACH files? When does the bank need the file from the County and when are funds debited from the County's accounts?
- c. How are returned and rejected ACH transactions handled? What information does the bank provide to assist in identifying returned and rejected ACH transmissions? When is this information available?

- d. Is your bank planning to opt-in and participate in processing same-day ACH debits?
- e. Describe the financial institution's ability to block unauthorized ACH debits?
- f. If the bank provides ACH debit blocking, what level of filtering can be applied?
- g. Does the bank offer ACH Positive Pay (ability to make pay / no pay decisions on unidentified ACH transactions)?
- h. Does the bank offer Universal Payment Identification Codes (ability to mask visible account numbers to reduce the risk of unauthorized direct debits)?

16. Wire Processing

- a. Describe the process of initiating wire transfers.
- b. If wire transfers can be initiated online, describe the system's security features. Can varying degrees of authorization be set on (i.e. multiple authorizers, maximum dollar amounts, etc.)?
- c. Does the bank offer its customers dual control release options (secondary approval levels) for electronically initiated transfers? If so, describe.
- d. What is the cut-off time for same-day wire transfers?

17. Statements & Documents

- a. How soon after the cut-off date are the following items ready?
- b. Describe the process of locating a cancelled check on CD-ROMs. What type of indexing capabilities is available and used to identify the CD-ROM with the desired check image?
- c. Are electronic images stored on the bank's online reporting system? If so, how does the bank charge for these service (per item viewed / per item loaded)? Is there a difference in price for deposited items versus disbursement items?
- d. How long are electronic images for deposited and disbursement items stored on the reporting system and available for customer access?
- e. What technology would you recommend the County use for archiving historical data (i.e.

receive both CD-ROMs and online access, CD-ROMs only, online access only)?

f. Please describe how reconciliation data is transmitted to the County?

18. Balance Reporting

a. Describe the reports that will be available to the County through the bank's balance reporting system. Include sample reports.

b. How will the County access the reporting system?

c. Are there any limits on the number of the County users that could have access to the bank's online website? What levels of authorization (i.e. accounts viewed, transaction capabilities, etc.) can be permitted or turned off for individual users?

d. What current day reporting is available through the reporting system (i.e. beginning and ending ledger balances, collected balances, available balances, and float assignment)?

e. Are there differences in information available for current day and previous day reporting? If yes, please describe.

f. Does the bank's deposit reporting system report electronic transactions (e.g. ACH, wire) as well as paper documents?

g. What time is previous day information available?

h. What file formats can data be downloaded?

i. Can electronic reports be customized? Is there an additional charge?

j. How many business days of balance history are stored on the reporting system for previous day reporting? If there are differences in information available for current day and previous day reporting, how many business days of balance history are stored on the reporting system for current day reporting?

19. Overnight Investment / Investment Sweep

a. What short-term investment vehicle(s) does the bank propose to use for the overnight investment or sweep of the County's demand deposit accounts? Does a reserve requirement apply to the proposed option?

- b. Provide investment return history on a monthly basis for the three-year period from February 2013 through March 2016.
- c. If a sweep is proposed, what time of day is the sweep deadline? Is it end-of-day or next-day sweep?
- d. What applicable fee (if any) applies for funds swept into this investment vehicle? How is the fee calculated?
- e. If funds are considered public deposits, are balances collateralized? If so, will the bank provide a collateral report periodically to the County? Please provide a sample.
- f. If the bank is proposing a money market mutual fund, provide a copy of the current prospectus and, if multiple classes are offered, identify the class of shares, including ticker symbol or CUSIP that is being proposed.

20. Earnings Credit Rates

- a. Does the County have the option of compensating the bank on either a fee or balance basis? Is the price the same for either option? If not, what is the difference?
- b. How is your bank's earnings credit determined, adjusted, and applied? Please include in the explanation the impact of the bank's reserve requirement, the formula for converting service charges to balance requirements.
- c. Provide rate history on a monthly basis for the three-year period from July 2007 through June 2010.
- d. What time frame does your bank use when reviewing balances for deficiency or excess (e.g. rolling 12 month average, calendar quarter, calendar year, etc.)?

21. Account Analysis Statements

- a. Please provide a sample analysis statement. How soon after month-end is the analysis statement mailed? Are Association for Financial Professionals ("AFP") Service Codes be included on the analysis statement?
- b. Will the bank pass on FDIC or FICO charges to the County? If so, what is the current charge for an entire year on a \$1,000,000 balance? How is this charge computed?

22. End-of-Day Overdrafts

- a. What are the fees and interest charges associated with overdrafts? How are these charges calculated?
- b. Is there a fee per check or per occurrence when there is an overdraft?
- c. Is there a daily cap on fees?

23. Daylight Overdrafts

- a. Describe the bank's policies concerning daylight balance overdrafts. Indicate whether this is applied to each individual account or across all accounts of a client relationship.
- b. Does the bank establish an intra-day limit per account or per customer? How flexible can the bank be in setting a limit appropriate for the County?
- c. Is wire transfer processing stopped when the intra-day limit is reached? Explain procedures.
- d. If the bank incurs a daylight overdraft charge from the Fed, will it pass this charge on to its customers? If so, how (e.g. intra-day loan, daylight overdraft facility fees)? How is the charge allocated among customers?

24. Employee Banking

- a. Will the bank cash the County's payroll checks without charge to either the County or check payee? If not, what is the charge? Is a check cashing agreement required? If yes, include a copy.
- b. Describe in detail the package of employee banking services that you propose to provide to the County's employees.
- c. Does the employee have to enroll for direct deposit of payroll to receive these benefits?
- d. Provide copies of any marketing literature you would provide to new or existing employees about your services?
- e. Would your bank be interested in providing seminars or participating in events to promote your bank's services.

25. Merchant Card

- a. Describe the bank's bankcard and debit card processing capabilities. Does the bank act as its own processor or does it use the services

of a third-party processor? If a third-party processor is used, for how long has the bank had a relationship with this institution?

a. Provide information on the daily volume processed by the processor for all clients.

c. Is the proposed merchant card processing system fully Payment Card Industry Data Security Standard (PCI DSS) compliant?

d. How is the applicable interchange fee determined for each transaction? By how much does the bank's fee exceed Visa/MasterCard's stated interchange assessment?

e. Can the processing system accommodate Internet and telephone transactions? If yes, provide the following additional information.

1. Does the bank/processor have its own secure payment gateway or does it use a third party secure payment gateway? If a third-party is used, provide information on that service provider.

2. Describe the system's capabilities and outline the measures employed to protect sensitive information.

3. What additional fees are associated with telephone and on-line transactions? May these fees be passed on to the customer? Describe any limitations or requirements related to the payment of fees by the customer?

f. What authorization methods does the bank support and which does the bank recommend? List and describe alternatives.

g. What are the procedures to reverse an incorrect authorization?

h. When will funds be available to the County if settlement is made to another financial institution?

i. Are settlement amounts listed separately on the bank statement or will they appear as one lump sum? Will the bank break out settlement amounts by merchant location.

j. Will you provide a designated contact person or a department to help the County manage chargebacks?

k. Describe the bank's on-line capabilities to review merchant card transactions. Is transaction information available by terminal or merchant identification number?

1. How many County employees will the bank permit to access this on-line reporting system with a unique log on identification? Is there a charge for additional users?
- m. Provide sample reports of merchant card activity.
- n. What differentiates your bank's service from that of other providers?

NEW SERVICES & IDEAS

1. Describe any new services or ideas that will enhance the County's utilization of banking services.
2. Please provide any additional information that your bank believes to be pertinent but not specifically requested elsewhere in the RFP.

REFERENCES

1. Provide at least three references (public agency references, if possible), including client name, contact person, address, phone number, services provided, and the length of time your bank has worked for the entity.

SAMPLE CONTRACT

1. Provide a sample of the proposed contract for your bank's services. Please also provide samples of **all** other documents which will need to be signed/entered into related to the provision of the services requested in this RFP including any documents referenced or incorporated into the contracts/agreements.
2. Would you be willing to agree to sign a contract amendment that incorporates the County's Request for Proposal and your firm's proposal response as part of the overall contract?

EVALUATION

Proposals shall be reviewed by an advisory committee. The evaluation and selection shall be in accordance with the criteria stated below and shall be based on the information called for in this RFP and in oral presentations (if requested). In determining the recommendation of contract, Racine County will consider the scope of the work

involved, competency of the Banking Institution, the Banking Institution's ability to render satisfactory service, the cost of services required/offered and past performance.

The committee will evaluate the proposals and recommend the highest ranked proposal to the Finance & Human Resources Committee for endorsement of contract. The banking services contract will receive final approval by the Racine County Board.

EVALUATION CRITERIA

Proposals will be evaluated in accordance with the criteria listed below.

<p>Qualification of Bank – Ability to provide desired services (types of accounts, funds availability, wire transfer, direct deposit, statements, on-line banking access, check imaging services, currency and coin purchases, positive pay) qualify of references, serve other customers of similar size and scope, serve other governmental entities and familiar with permissible investments for governments, technological capabilities of bank, financial strength of bank (from ratings, performance reports, etc.) size of bank and ability to support County operations.</p>	<p>15%</p>
<p>Qualification of Staff – Experience and educational background of assigned staff, sufficient staff assigned to adequately serve County's needs, work with other governmental entities.</p>	<p>5%</p>
<p>Not to exceed cost:</p>	<p>80%</p>

Banking Institutions not involved in the final selection process will be notified in writing.

Award can be made to a Banking Institution without discussion of the proposal received. Therefore, Banking Institutions are cautioned that proposals should be submitted initially on the most favorable terms, from both a technical and cost standpoint.

AWARD

CONDITIONS OF AWARD

Racine County reserves the right to accept or reject any or all proposals, to waive any technicalities and to accept the proposal deemed most advantageous to Racine County. All Banking Institutions by submission of their respective proposals agree to abide by the rules, regulations, procedures and decisions of Racine County.

QUALIFYING BANKS

Prior to awarding of the proposal, the County may require submission of complete financial statements and details describing the Banking Institution's financial ability and experience in performance of similar work.

AWARD

An award will be made to the responsive, responsible Banking Institution that meets the requirements specified in this request for proposal and whose proposal scores the highest during evaluation. Net earnings to the County as calculated from the Proposal Form will be the major determining factor.

ATTACHMENTS

- Proposal Form
- Interest Earning Proposed
- Check-off List
- References
- Investment Policy

CERTIFICATION OF VENDOR

BANKING SERVICES

Proposal #17-TR-001

I fully understand the requirements of Racine County and certify on behalf of my company that we can meet the requirements stated above.

SIGNATURE:

PRINT/TYPE NAME:

TITLE:

COMPANY:

ADDRESS:

CITY, STATE, ZIP:

TELEPHONE#: _____

FAX#: _____

E-MAIL: _____

DATE: _____

PROPOSAL FORM

(Continued)

INTEREST EARNING PROPOSED

NOTE: All sections of this exhibit must be completed.

AVERAGE DAILY BALANCE

Investment Balance assuming \$3,000,000

Maximum allowed amount of Invested funds\$ _____

Interest Income _____ Interest Rate

A. Fixed Rate Option _____%

B. Variable Rate Options:

Federal Funds assumed _____% week Of _____spread
_____%

CHECK-OFF LIST
BANKING SERVICES Proposal
#17-TR-001

INSTRUCTIONS:

A check mark is required next to each item as verification that your banking institution will comply with the requirements for each item as specified in the request for proposal.

REQUIRED SERVICES

- 1. Fund Availability Schedule _____
- 2. Resource Personnel _____
- 3. Account Review _____
- 4. Auditor Requests _____
- 5. Master Depository Accounts (Minimum of 2)
 - Wire/ACH Transfer _____
 - Fund Investment _____
- 6. Disbursing Accounts (Minimum of 2)
 - Zero Balance/Control Disbursement _____
- 7. Sweep Accounts (as needed) _____
- 8. Overnight Fund Investment _____
- 9. Social Security Direct Deposit _____
- 10. Employee Payroll Direct Deposit _____
- 11. On-Line ACH Origination _____
- 12. On-Line Positive Pay Processing _____
- 13. On-Line Stop Payments Issued _____
- 14. On-Line Account Information _____
- 15. On-Line Wire Transfers _____
- 16. On-Line Account Transfers _____
- 17. On-Line Check Images _____
- 18. On-Line Void Check Information _____
- 19. Deposit Slips _____
- 20. Bonded Courier Service _____
- 21. Daylight Overdraft _____
- 22. Deposit Bags & Night Drop Services _____
- 23. Currency and Coin _____
- 24. Daily and/or Monthly Services
 - Reports _____
 - Reconciled Statements _____
 - Check Sort/Optical Image _____
 - Account Analysis _____
 - Record Retention _____
- 25. Compensating Balance and Fees _____
- 26. Interest Earning Calculation _____
- 27. Future Banking Services _____

QUALIFYING CONDITIONS

- 1. Designated Depository _____
- 2. Location within Racine County _____
- 3. Racine County Investment Policy _____
- 4. Safekeeping _____

OTHER CONSIDERATIONS

- 1. References _____
- 2. Data Recovery _____
- 3. Financial Statements _____

REFERENCES
BANKING SERVICES
Proposal #17-TR-001

County reserves the right to make contact with references listed below and to do selected site visits as deemed appropriate.

1) Banking Institution: _____

Contact Name: _____

Contract Period: _____

Phone Number: _____

Email Address: _____

2) Banking Institution: _____

Contact Name: _____

Contract Period: _____

Phone Number: _____

Email Address: _____

3) Banking Institution: _____

Contact Name: _____

Contract Period: _____

Phone Number: _____

Email Address: _____

RACINE COUNTY INVESTMENT POLICY

RACINE COUNTY ORDINANCE

ARTICLE VII. INVESTMENT OF FUNDS

1) Sec. 7-196. Statement of purpose.

(a) The purpose of the investment policy set out in this article is to establish guidelines for investments which are broad enough to allow the county treasurer to function properly within the parameters of responsibility and authority. It is also intended to be specific enough to establish a prudent set of basic procedures to assure that investment assets are adequately safeguarded. It assures that the fundamental principles concerning any investment program involving public moneys has four (4) basic ingredients: Legality, safety, liquidity, and yield.

(b) The goals of this investment policy are to insure that the county's investment portfolio is managed for maximum return, both long and short term, in a manner that is consistent with good cash management practices and the safety of principal.

(c) Specifically this investment policy shall offer the necessary guidelines to attain the following goals and objectives:

- 1) Legality of investment instruments.
- 2) Safety of funds invested.
- 3) Adequate liquidity through marketability.
- 4) Maximizing yield on all funds invested.
- 5) Full investment of all available funds.
- 6) Investments must be consistent with the county's cash flow needs so as to avoid penalty for early liquidation.

2) Investment guidelines.

(a) Purpose. To establish the county's cash investment objectives, delegation of authority, standards of prudence, reporting requirements, internal controls, eligible investments, selection process for investments, investment management and advisory firms, diversification and safekeeping requirements. This investment policy applies to all investment transactions and related activities of the county, except the investment of other post-employment benefits held for employees' retirement funds.

(b) Definitions.

- (1) Credit risk means the risk that all or part of the principal of, or interest due on, an investment will be lost due to the failure of the security issue or backer.

- (2) Interest rate risk means the risk that the market value of securities in the portfolio will fall due to changes in market interest rates.
 - (3) High grade means securities rated in the highest or second highest rating category assigned by Standard and Poor's Corporation, Moody's Investors Service, Inc., or some other nationally recognized rating agency.
 - (4) Reinvestment risk means the risk that cash flows from securities will be reinvested at a lower interest rate than the original investment.
 - (5) Investment officer means the officer or employee of the county to whom is delegated the county board's investment authority pursuant to W.S.A. § 59.62(1).
 - (6) Designee refers to a qualified individual appointed by the county executive.
 - (7) Finance committee refers to the Racine County Finance and Human Resource Committee.
 - (8) LGIP means the local government investment pools administered by the State of Wisconsin Investment Board.
- (c) Objectives. The primary objectives of county investment activities shall be the following in order of importance:
- (1) Safety of principal. To preserve capital in the overall portfolio, to protect investment principal, and to mitigate credit risk, interest rate risk, and reinvestment rate risk.
 - (i) Credit risk. The county will minimize credit risk by limiting investments to the safest types of securities, pre-qualifying financial institutions and investment advisors with which the county will do business, and diversifying the investment portfolio so that the impact of potential losses from any one (1) type of security or from any one (1) individual will be minimized.
 - (ii) Interest rate risk. The county will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing the county's operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. Investments should be in high grade, actively traded securities.
 - (iii) Reinvestment risk. The county will minimize reinvestment risk by carefully evaluating the use of callable securities within the overall portfolio.
 - (2) Liquidity. The investment portfolio shall remain sufficiently liquid to meet operating requirements which might be reasonably anticipated; and the portfolio shall be structured so that securities

mature concurrent with cash needs in order to meet anticipated operational demands.

- (3) Yield. To manage the investment portfolio to maximize return consistent with objectives in subsections (i) and (ii) and other risk limitation described in this policy. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:
 - (i) A security with declining credit may be sold early to minimize loss of principal.
 - (ii) A security swap may be entered into if it would improve the quality, yield, or target duration in the portfolio.
 - (iii) Liquidity needs of the portfolio require that the security be sold.
- (4) Legal restrictions. To manage the portfolio in conformity with all applicable federal, state, and local laws as well as Racine County's internal administrative procedures.
- (5) Other. To allow deviation from Racine County Investment Policy objectives when authorized by the county board, with recommendation from the finance committee.

(d) Standard of prudence.

- (1) The standard of prudence to be applied by the investment officer to management of the overall portfolio shall be the "prudent person rule" which can generally be stated in terms of the following broad principle: Investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, character 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.
- (2) The investment officer shall, in accordance with W.S.A., [ch. 34](#), this investment policy, and county procedures, exercise due diligence and ensure compliance with all regulations.
- (3) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict, or appear to conflict, with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Officers and employees shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

(e) Delegation of authority.

- (1) Pursuant to W.S.A., §§ 59.62 and 59.61(3), the county board delegates to the finance director the authority to act as the investment officer. The investment officer shall act in accordance with established written procedures and internal controls for the operation to oversee investment transactions conducted on behalf of the county. The investment officer may contract with one (1) or more investment advisors with prior approval of the finance committee and with sufficient funds available within the county budget.
- (2) The investment officer, or their designee appointed by the county executive, shall have the authority to direct the transfer of funds between accounts established for investments as prescribed in administrative procedures.
- (3) The investment officer, or their designee appointed by the county executive, shall have the authority to sign agreements and contracts related to investments on behalf of the county as prescribed in administrative procedures.
- (4) Pursuant to W.S.A., § 59.61(2), the county board delegates the responsibility for designating approved county financial depositories, broker/dealers, and investment advisors to the finance committee. The finance committee delegates the monitoring of these approved financial depositories, broker/dealers, and investment advisors to the investment officer. The investment officer shall bring forth any concerns or recommended changes of approved institutions and vendors to the finance committee as needed.
- (5) The county treasurer shall ensure timely transfer of appropriate funds in accordance with authorized investment transactions and pursuant to all county policies.
- (6) The county treasurer is responsible for maintaining adequate levels of cash in the county's operating account necessary for day-to-day cash flow. Any requirement for large or non-recurring disbursements of cash shall be reported by the county treasurer to the investment officer in order to provide sufficient notice of investment impact.
- (7) The county board authorizes any two (2) of either the county clerk, county executive, and/or investment officer to sign cash and investment authorization agreements and contracts with approved depositories.

(f) Reporting requirements.

- (1) The investment officer shall provide the finance committee with copies of a portfolio performance report on a quarterly basis or when a specific request is made. The report shall summarize the investment strategies employed; describe the portfolio in terms

of investment securities, maturity dates, risk characteristics; and will indicate any areas of policy concern and suggested or planned revision of investment strategies. Between reporting periods the investment officer shall notify the finance committee of any unusual investment activities or events. The report will provide an analysis of the status of the current investment portfolio and transactions made over the last quarter prepared in a manner that will allow the finance committee to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report shall include the following:

(i) A listing of individual securities held at the end of the reporting period;

(ii) Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over a one-year duration that are not intended to be held until maturity;

(iii) Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks;

(iv) Listing of investment by maturity date; and

(v) Percentage of the total portfolio which each type of investment represents.

(2) The investment officer, or their designee appointed by the county executive, shall be responsible for projecting cash flows for a minimum of five (5) years for use in evaluating investment options. The county treasurer shall provide to the investment officer, on a timely basis, all information necessary to maintain a current cash projection.

(3) The investment officer shall immediately report any/all investment issues or concerns to the county executive. The county executive shall report any significant investment issues or concerns to the finance committee, as appropriate.

(g) Internal controls.

(1) The finance director shall establish a system of internal controls which shall be reviewed by the county's independent auditor during the annual audit. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation by another party or imprudent actions by an employee or employees of the county. Adherence to these procedures will be monitored by the assistant finance director or designee appointed by the county executive.

(h) Eligible investments.

(1) Allowable investments. Subject to limitations as may be imposed by law, funds will only be invested in any of the following investments:

(i) U.S. Treasury obligations and government securities. Obligations of the United States of America, its agencies and instrumentalities, provided that the payment of the principal and interest is fully guaranteed by the issuer.

(ii) Certificates of deposit. Certificates of deposit and other evidences of deposit at credit unions, banks, savings banks, trust companies or savings and loan associations authorized to transact business in the State of Wisconsin which time deposits mature in not more than two (2) years. Any certificate of deposit invested over the Federal Deposit Insurance Corporation and State Deposit Guaranteed Fund insured amount of five hundred thousand dollars (\$500,000.00), whichever is less, are to be fully collateralized under the specific requirements set forth below at (j), safekeeping.

(iii) Municipal debt instruments. Municipal debt instruments of any county, city, drainage district, vocational college, village, town or school district of the State of Wisconsin, if the bond, note, or security is rated in one (1) of the two (2) highest rating categories assigned by Standard and Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency.

(iv) State of Wisconsin Investment Board's Local Government Investment Pool (LGIP).

(v) Repurchase agreements. Investment agreements pursuant to which a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank, or national bank in the state agrees to repay funds advanced to it by the issuer, plus interest. Repurchase agreements are to be secured by investment securities fully guaranteed by the U.S. government.

(vi) Operating bank account. Operating bank accounts provided deposits shall be limited to the lesser of five hundred thousand dollars (\$500,000.00) or amounts guaranteed by the Federal Deposit Insurance Corporation and the State Deposit Guarantee Fund unless overnight funds in excess are fully collateralized under the specific requirements set forth below at (j), safekeeping. Deposits with institutions outside of the State of Wisconsin are prohibited.

(vii) Money market funds. Open ended money market funds, restricted to investments permitted by W.S.A., § 66.0603(1m)(c), and limited to a maximum average maturity of one hundred twenty (120) days or less. This limit does not apply to the LGIP investments.

(viii) Corporate bonds. Minimum credit AA by at least one (1) nationally recognized rating agency at

purchase. Bonds downgraded should immediately be placed on watch list for further review. It is not necessary to immediately sell the security if it disadvantages the overall performance of the portfolio. No more than five (5) percent of the total portfolio to be invested in any one (1) issuer. No more than seventy (70) percent of the portfolio be invested in corporate bonds.

(ix) Foreign securities. Investments in securities issued by foreign entities should be denominated in U.S. dollars, and should meet the minimum credit quality. No more than twenty (20) percent of the total portfolio should be invested in foreign securities.

- (2) Eligible amounts. The investment officer shall ensure amounts on deposit do not exceed collateralized amounts guaranteed by the financial institution, consistent with this written policy.

(i) Prohibited investments. In addition to the limitations placed on investment types by state statutes, the following additional restrictions will apply to any investment made by the county:

- (1) County funds will not be invested in derivative type investments such as collateralized mortgage obligations, strips, floaters or other high risk investments except collateralized mortgage obligations made prior to the adoption of this policy, which may be held until maturity.
- (2) Leveraged investments. No investments shall be made in reverse repurchase agreements nor shall any investments be made with funds borrowed through the use of county investment assets as collateral.

(j) Safekeeping.

- (1) All investment institutions acting as a depository for the county must enter into a "depository agreement" requiring the depository to pledge collateral to secure amounts over and above guaranteed amounts. All securities serving as collateral shall be specifically pledged to the county (not as part of a pooled fund) and placed in a custodial account at a Federal Reserve Bank, a trust department of a commercial bank or through another financial institution. The custodian may not be owned or controlled by the depository institution or its holding company unless it is a separately operated trust institution. The custodian shall send statements of pledged collateral to the treasurer's office on a monthly basis.
- (2) Amounts in excess of Federal Deposit Insurance Corporation and State Deposit Guarantee Fund guaranteed amounts must be fully collateralized and held by a third party or fully insured by an insurance company with an A rating or better by A.M. Best. Acceptable collateral includes the following:

(i) Securities of the U.S. Treasury or U.S. Governmental Agency as defined by the Federal Reserve;

(ii) U.S. government guaranteed securities such as those issued through the Small Business Administration are acceptable as long as they are fully guaranteed;

(iii) Commercial paper which is the highest or second highest rating category assigned by Standard and Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency may be used to the extent that a collateralization level of one hundred twenty-five (125) percent is maintained;

(iv) General obligations of municipalities are acceptable to the extent that they are rated second highest or higher by Standard and Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency (i.e., AAA or AA classifications).

(3) Collateral held by a trust institution supporting Certificates of Deposit, Repurchase Agreements or other qualified investments consistent with this investment policy, and not identified in subsection (a) or (b), must meet the following requirements:

(i) Collateral must be equal to at least one hundred (100) percent of market value of the total amount invested plus interest to be earned at the time of investment. Collateral shall be marked to market on a monthly basis;

(ii) Acceptable collateral includes items identified in subsection (b);

(iii) A detailed statement listing a description of securities pledged and held in safekeeping must be provided on a monthly basis; and

(iv) Evidence of professional liability insurance and fidelity bonds.

(k) Investment parameters.

(1) Performance standards. The investment portfolio will be designed to obtain a market average rate of return taking into account the county's investment risk constraints and cash flow needs. Given the nature of the county's investment strategy, the basis used to determine whether market yields are being achieved shall be performance benchmarks recommended by the investment officer and approved by the finance committee.

(2) Maximum maturities. To the extent possible, the county will attempt to match its investments with anticipated cash flow requirements.

(i) Amendments. The provisions of this policy shall be reviewed on an annual basis by the investment officer and reported to the finance committee in a timely manner.

Recommendations for changes shall be submitted to the finance committee.

(Ord. No. 87-218S, pt. 1(5.071), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15; Ord. No. 2015-81, pt. 1, 12-1-15)

Sec. 7-197. Annual review.

This article shall be reviewed annually by the finance director and finance committee. Any recommended changes shall be approved by the finance committee and the necessary resolution to modify the existing ordinance shall be presented to the board of supervisors for its action.

(Ord. No. 87-218S, pt. 1(5.071), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-198. Administration.

The responsibility for the administration of this article shall rest with the finance director.

(Ord. No. 87-218S, pt. 1(5.071), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-199. Overall responsibility for cash management and investment.

Effective cash management involves controlling cash from the time it is received until it is disbursed. It requires the availability of accurate information on a timely basis. The county treasurer, with the cooperation of the finance director shall be delegated the day-to-day responsibility to determine cash availability and needs.

(Ord. No. 87-218S, pt. 1(5.072), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-200. Authority of Finance Director.

Pursuant to W.S.A., § 59. 62(1), the authority to invest and reinvest money of the county, to sell or exchange securities so purchased and to provide for the safekeeping of such securities is delegated to the finance director.

(Ord. No. 87-218S, pt. 1(5.072(1)), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-201. Investment.

(a) *General.* The finance director may purchase securities which are permissible investments from money in his/her custody which is not required for the immediate needs of the county as he/she deems wise and expedient, and to sell or exchange for other eligible securities and reinvest the proceeds of the securities so sold or exchanged. The investment activity of state public funds is governed by W.S.A., § 66.0603. Prior to making any investment, the finance director shall be responsible for ascertaining the cash flow needs of the county.

(b) *Permissible investments.* Permissible investments shall be limited to the following unless prior approval of the investment plan is granted by the finance committee:

(1) Time deposits, maturing in not more than one hundred eighty-two (182) days, in any bank, trust company or savings and loan association which is authorized to conduct business in this state.

(2) U.S. Treasury obligations (bills, notes and bonds) maturing in not more than one hundred eighty-two (182) days.

(3) Investments in the state investment pool.

Any other investment that is permissible under W.S.A., § 66.0603 must first be approved by the finance committee.

(c) *Duty to obtain information.* The finance director shall communicate with financial institutions and avail himself/herself of other financial information on current or pending market conditions in making his/her decision on rates and maturities as well as the securities to be purchased. In making all investment decisions, the finance director shall endeavor to obtain the highest rate of interest offered only in accordance with the other stated objectives of this article.

(Ord. No. 87-218S, pt. 1(5.072(2)), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-202. Redemption.

The finance director shall periodically redeem the securities in which county money has been invested so that the proceeds may be applied to the purposes for which the original purchase money was designated or placed in the county treasury.

(Ord. No. 87-218S, pt. 1(5.072(3)), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-203. Accounts, records, and reports.

(a) It shall be the responsibility of the finance director in concurrence with the county treasurer to establish sufficient records and accounts to:

(1) Detail each investment as to purchase date, cost, maturity date and yield.

(2) Provide any necessary internal controls.

(3) Keep any other records that may be required to accurately reflect all investment transactions.

(b) The finance director shall prepare a report on a quarterly basis to the finance committee on the status of county investments.

(c) The finance director as investment officer shall report quarterly to the finance committee the average daily investment and the average yield obtained on all funds so deposited. In addition, this report shall be made available to the full board of supervisors.

(Ord. No. 87-218S, pt. 1(5.072(4)), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)

Sec. 7-204. Collateralization of funds, selection of banks.

(a) The county, with the adoption of this investment policy, will allow the finance director to place funds in excess of five hundred thousand dollars (\$500,000.00) in any bank so named as a county depository without the effect of collateralization if standards established by the finance committee are maintained.

(b) The finance committee shall set the standards periodically when deemed appropriate.

(c) Each bank will be required to certify the requested ratios to the finance director. In addition the call report and income statement including all schedules must be transmitted quarterly to the finance director.

(d) Since it is the intent of this policy to insure the protection of funds deposited, any bank not adhering to the aforementioned standards will be restricted to five hundred thousand dollars (\$500,000.00) as maximum deposits. However, due to extenuating circumstances or an established policy within a bank it may not meet all of the required standards. If after a meeting with an officer from the bank, the finance director and the investment officer, it is established that the substandard does not affect the viability of the bank, deposits in excess of five hundred thousand dollars (\$500,000.00) shall be allowed. Such decision should be made in writing and copies forwarded to the finance committee.

(e) It is further presumed that investment in any savings and loan or credit union so listed will be limited to the maximum of five hundred thousand dollars (500,000.00). Deposits in the

local government investment pool will not be subjected to the listed standards and are to be exempt from collateralization of deposits.

(Ord. No. 87-218S, pt. 1(5.072(5)), 1-26-88; Ord. No. 2015-25S, pt. 1, 6-23-15)