

**REQUEST FOR PROPOSALS
For
Banking Services
Vernon Hills Park District**

**Proposals due
Thursday, May 30, 2024
5:00 pm**

**Vernon Hills Park District
635 North Aspen Drive
Vernon Hills, Illinois 60061**

THE RESPONSIBILITY FOR SUBMITTING A RESPONSE TO THIS RFP TO THE VERNON HILLS PARK DISTRICT ON OR BEFORE THE STATED TIME AND DATE WILL BE SOLELY AND STRICTLY THE RESPONSIBILITY OF THE RESPONDENT.

○ **INTRODUCTION**

The Vernon Hills Park District (“Park District”) is inviting qualified commercial banking institutions (“Bank”) to submit proposals for comprehensive banking services for the Park District. The initial new banking services agreement will be for three years from the date of implementation, with the Park District reserving the right to cancel the agreement upon 90 days written notice, as well as to extend the contract for an additional three years at the end of the initial three-year period. All costs will remain fixed for the first three years of the contract. The District reserves the right to reject a proposed price increase and terminate the agreement. The Park District’s objective is to maximize interest earned, eliminate banking costs, work with an institution with a capacity to provide numerous secured electronic banking services, establish excellent customer service ability and to offer the benefit of a marketing partnership in exchange for financial and other considerations.

○ **PROPOSAL INSTRUCTIONS AND QUALIFICATIONS**

- Minimum Qualifications - To assure a close working relationship and partnership the District will give priority to those banks with full service capabilities located in close proximity to the Park District’s Sullivan Community Center at 635 N. Aspen Drive and the Lakeview Fitness Center at 700 Lakeview Parkway, Vernon Hills, IL.
- Proposal Submission Instructions - Responses to this RFP should address the criteria specified and must be submitted no later than 5:00 pm on Thursday May 30, 2024. Any proposal received after the submittal deadline will be returned unopened. Applicants assume all costs associated with submission of the proposal. A corporate official legally authorized to bind the Bank must sign the proposal. The Park District reserves the right to extend the dates for proposal submission as well as the length of the inquiry period.

Three copies of the proposal must be submitted in a sealed envelope to the following address:

Jessica Mitchell
Superintendent of Finance & Human Resources
Vernon Hills Park District
635 North Aspen Drive
Vernon Hills, Illinois 60061

Or emailed in a PDF format to: jessicam@vhparkdistrict.org

- Schedule:
 - i. April 30, 2024: Distribution of Request for Proposal

- ii. May 30, 2024: Proposals must be in the possession of the Vernon Hills Park District by noon on this date.
 - iii. June 26, 2024: Recommendation of award to the District's Board of Commissioners
 - iv. October 2024: Implementation date for this banking agreement if approved by the Board of Commissioners
- Selection Criteria - Evaluation of proposals will be made on the basis of the following objectives, but not limited to:
- i. Totality of completing proposal with respect to the submission of the requested information and documentation;
 - ii. Ability to enter into a Collateral Agreement;
 - iii. Ability to meet current and projected service requirements;
 - iv. Ability to provide numerous electronic banking services;
 - v. Ability of the banking institution to provide convenient branch locations for the District to conduct business;
 - vi. Best rate of interest paid on accounts;
 - vii. Best aggregate banking service cost;
 - viii. Ability to provide implementation support, training and ongoing relationship management and customer service;
 - ix. Safety and creditworthiness of bank;
 - x. Community involvement and partnership financial support for events.

When the District has tentatively selected the successful proposer, a conference may be requested to formulate plans in greater detail, to clarify any unclear items, and to otherwise complete negotiations prior to the formal award. At any time during the conference(s), the District may choose to modify the choice of the selected Proposer, if there is just cause and the District determines that such a change would be in the best interest of the District.

○ **TERMS AND CONDITIONS**

- The District reserves the right to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the Proposer whose proposal complies with all the requirements set forth in this RFP, and whose proposal in the opinion of the District, is the best proposal taking into consideration all aspects of the Proposer's response, including the total net cost to the District. Exceptions to any specification must be noted and will be costed in the final analysis of the proposal. Exception costs will be added or subtracted from the submitted proposal to arrive at a net cost to the District

○ **REQUIRED FINANCIAL INSTITUTION INFORMATION**

- In order for a response to be considered and evaluated by the District, the Proposer must meet the following requirements:
 - i. Audited financial statements for the most recent two fiscal years.
 - ii. A statement regarding any recent or foreseen mergers or acquisitions.
 - iii. Provide three client references of similar size and/or municipal accounts which the Proposer has served over the past two years and is currently serving.
 - iv. Services provided by the Bank through the use of outside contract service providers or joint ventures.
 - v. The name of a designated account executive with outline of work history, as well as an alternate.
 - vi. A comprehensive description of Bank's fraud and on-line services security protection.
 - vii. Customer service policy to return emails and phone calls. Be insured by the Federal Deposit Insurance Corporation (FDIC) and provide FDIC call reports
 - viii. Provide collateralization of District deposits in compliance with the District's Investment Policy
 - ix. Provide the most recent investment rating report from a nationally recognized rating agency
 - x. Community Reinvestment Act rating
 - xi. Submit a proposal according to the requirements, terms, and conditions set forth in this RFP

○ **SCOPE OF BANKING SERVICES**

- Account Structure – The District maintains its financial records on a fund basis of accounting in conformance with generally accepted accounting principles. In conjunction with this type of accounting, the District utilizes a corporate commingled cash concentration account which commingles monies into a single account with entitlement to the various portions of cash reflected in the Fund's general ledger accounts. However, separate bank accounts are established for segregated activities.

While the District does not commit to keeping a specific bank balance, those accounts that maintain a balance shall earn a competitive rate of interest. Alternatively, if there is the ability to reduce the District's cost for banking services through an offsetting interest earnings on its deposits, please describe how that would work.

- Collateralization of Account Balances – Total bank deposits in excess of the FDIC coverage must be collateralized at all times. Pledged securities in the name of the Park District will be deposited at a third-party institution. Quality of investment instruments must follow the State of Illinois Public Funds Investment Act (30 ILCS 235/2). Pledged security statements will be furnished to the District on a monthly basis. The ratio of the fair market value of collateral to the amount of funds secured will be reviewed regularly and it is the responsibility of the

Proposer to ensure adequate collateral is pledged. Any exception to this requirement such as a Federal Home Loan Bank Letter of Credit must be detailed in Exhibit B.

- Availability of Funds – Deposits will be made periodically during the business day to a designated cashier or location mutually agreed upon by the District and the awarded bank. The District will be given credit as collected funds, all items which are cleared by Proposer’s bank on the same day the deposit is made. The Proposer will also credit the District’s accounts for incoming wire transfer on the day received regardless of the time of receipt during the day. All Proposers are required to attach a copy of current “availability schedule” to the proposal.

Items deposited which clear at institutions located within the Chicago Federal Reserve Region will be considered collected funds within one business day, at a minimum. All other items deposited will be given credit as collected funds within two business days, as a minimum.

Deposit discrepancies must be brought to the attention of the District’s Finance Department on the same day the discrepancy is found. This must be communicated via email to the email addresses specified by the District with follow-up in writing for any debits/credits made to correct the error.

All returned checks due to insufficient funds will be automatically redeposited a second time. If the check is returned a second time, the bank will notify the District by debiting the account, returning the check to the District and providing written notification the same day as the account is debited. No fee shall be charged by the bank for automatically re-depositing the first time.

- Online Banking Services – The District requires the successful Proposer to include online banking services. A description of the Bank’s online services available should be included in Exhibit A-1. The software should be internet based and with security measures in place to ensure protection of the District’s assets. At a minimum the District expects to use online banking services for the following:
 - i. Daily Balance Reporting (ledger, available and collected);
 - ii. Detailed debit and credit postings (cleared checks, deposits, chargebacks, ACH and wire transfers in and out, interest payments, etc.) with the ability to export data into Microsoft Excel spreadsheet format to assist the District account reconciliation process;
 - iii. Initiation of ACH debit and credit transactions via NACHA format to match District software (currently BS&A Software)
 - iv. Initiation of wire transfers and creation of saved templates for recurring/repetitive wires;
 - v. Initiation of internal account to account transfers;
 - vi. Electronic Funds Transfers (EFT)
 - vii. Tax and employee benefit payments;
 - viii. Positive Pay;
 - ix. Placement of stop payment orders; and

- x. Access to monthly statements;
- xi. Access to scanned images of cleared checks, check deposits and other bank documents;
- xii. Ability to generate user-friendly reports and bank statements.

The Proposer must have capabilities to interface with BS&A Software Payable software and ability to work directly with BS&A Software for set-up, updates, and troubleshooting.

- Security – Security for online banking services is of paramount importance to protect the District’s assets. Proposers must specify their website’s encryption strength. In addition, the bank’s security features should include password, and two-factor authentication before access to the District’s accounts can be achieved. The security features should also provide for a District Administrator who can set up various District employees with differing levels of security access to the various accounts.
- Fraud Prevention and Positive Pay – Please provide a brief description of your Bank’s capabilities and services offered to this end in Exhibit A-1. The District also seeks to implement ACH debit “blocks” and other filtering capabilities for preventing unauthorized debits from the District bank accounts. Please include these and any other fraud prevention services the Proposer recommends and the associated costs.
- ACH – The Proposer must be both a “sending” and “receiving” bank on the Automated Clearing House system to accommodate NACHA file processing for payroll direct deposit payments, vendor payments, and collection program for fitness center memberships and other recurring program fees.

The Proposer must be able to process the payroll direct deposit program, electronic collection of membership dues, or future revenue collection systems, through NACHA. Please include the specific requirements needed to accomplish the proposal. If the Proposer is unable to accept program information in a NACHA format, please specify in the proposal the format the banking institution can accept and how this will affect the timing of the debit/credits to the District’s accounts. Any costs associated with a format other than NACHA must be absorbed by the banking institution.

- Wire Transfers –
 - i. Incoming: The District intends to consider all wire transfers received by the bank prior to the end of the business day as “available for investment” by the District, regardless of the time of actual receipt by the Bank. Should a wire transfer not be received by the bank, as specified above, then the wire transfer will be traced from origin to destination to ascertain the party responsible for delaying the transfer.
 - ii. Outgoing: The awarded bank agrees to execute any wire transfer order within two (2) hours after notification by the Finance Department

through the bank's website. Wire transfers ordered and not received by the destination party by 5:00 p.m. will be traced by the bank from origin to destination to ascertain the party responsible for delaying the transfer.

- Transfers Between Accounts – On a regular basis, the District will make transfers between its various accounts. Transfers will be done electronically by the District. Credit for any transfers must be given on the same day that the transfer is made, no matter what time of day the transfer occurs.
- Overdraft - The District does not issue checks for which funds are not available (i.e. overdrafts). In the extreme event that this occurs, the District requires that the bank notify the District staff of the situation rather than fail to honor the check. District staff ensures that funds are transferred to the bank immediately to cover overdrafts.
- Other Banking Services and Conditions –
 - i. All returned checks due to insufficient funds will be automatically returned to the District. The cost, if any, for this item should be included in the Cost Proposal Form, Exhibit A.
 - ii. All debit and credit memos required to adjust errors caused by the bank will not be counted as chargeable items to the District. All deposit errors must be accompanied by a copy of the particular deposit slip. All bank errors must be corrected within five (5) business days of notification by the District.
- Fees – All costs will remain fixed for the first three years of the contract. Price adjustments may be made for the fourth through fifth years of the contract, but may not exceed the lesser of 4% or the rate of inflation for the Chicago metropolitan region to be determined using the Consumer Price Index as of December of the previous year.

The Park District aims to not pay fees for banking services and is seeking a no fee structure. Submittal should define, in detail, fees if any, and/or how they will be offset with interest earnings/compensating balances.

Any and all charges for banking services shall be reported on a monthly account analysis statement rather than being debited directly against District deposits. The monthly account analysis report shall be delivered to the District within 10 business days of the last day of each month and shall contain a detailed itemization of charges by types and volume. The net debit or credit in the account will continue to accumulate in the analysis account from month to month throughout the life of the contract. The Bank and the District shall monitor this balance on a periodic basis and adjust its compensating balance up or down with the objective of arriving at a net balance due to or from the District of zero. Upon termination of this agreement, any remaining balance in the analysis account shall be paid to the Bank (if a debit balance) or to the District (if a credit balance).

- Compensating Balances and Monthly Account Analysis – The District is considering paying for banking services it receives through a compensating balance arrangement in the general account. A non-interest-bearing account entitled specifically titled shall be established for the purposes of being a general deposit and distribution account as well as to offset monthly banking services costs. Deposits held in this account shall accrue a monthly earnings credit. The Proposer must show the computation of the earnings credit.
- Statement and Advice Frequency – Monthly bank statements must be available electronically within two business days from the end of the month or statement closing date. The Proposer will provide written documentation (debit/credit advices) included with the monthly account statements for all account adjustments made during the month.

A monthly account analysis statement, if applicable, will be completed and delivered to the District within ten (10) business days after the end of the month, electronic delivery is sufficient.

- Designated Account Executive – The District requests that the proposing banks provide the names of a designated account executive, as well as an alternate. The designated account executive(s) must have independent authority to make timely decisions in the normal course of business.
- Community Reinvestment Act – It is important to the District that the awarded Proposer demonstrates its commitment to provide banking services to the community and that the Bank’s rating under the Community Reinvestment Act (CRA) is a measure of this commitment.

All Proposers are required to submit their latest CRA rating as it relates to the Vernon Hills community with their proposals. All Proposers are required to furnish their Bank’s community involvement and investment program. The District will use this rating and any supporting documentation in the evaluation process (Exhibit C). Please also provide examples of how you are a community partner.

- Ancillary Services – Banks may propose one or more ancillary or non-core services, as identified in this section. Descriptions and costs associated with proposed ancillary services should be segregated from the cost proposal for core services and should be provided in Exhibit A-1.
- Credit Card / Purchasing Card – Currently, the District provides a purchasing card for specified staff members to use for District-related purchases and pays the balance in full each month. Currently, the District has twenty-four p-card users, with credit limits ranging from \$2,000 to \$110,000. In calendar 2022 our total spend was \$1,126,645. Between October 2022 and September 2023 our total spend was \$1,243,400. The District will not pay an annual or other fee for these cards and prefers banks that offer a rebate on purchase amounts beginning with the first dollar spent. Proposers should provide a description of its p-card

program, including opportunity for consortium, if applicable. Please describe benefits, rebate schedule, indicate the rebate formula offered, the cost to implement and description of the website and online management software. The option to bank with your institution for p-cards must be optional and will be considered based on these factors and largely on rebate rate. Proposer must share if a consortium would be available and apply to the District for pcard use and the details regarding the consortium.

- Investment/Trust – The District is willing to entertain proposals for investment and trust services. Please share banking investment capabilities for short and long-term excess cash deposits. A copy of the Districts Investment Policy is included.
- Other services – If the Proposer believes there are other services that may be beneficial to the District, the Proposer should provide a description of the service and the associated costs.

○ **PARK DISTRICT FINANCIAL OPERATIONS**

The Park District has one main operating account for disbursements (checks and preauthorized debits) and deposits (daily and preauthorized credits), one investment account for transfers to and from the main operating account, one flexible spending account, and various CD investments for longer term returns.

- Depository account: Both regular deposits (55 – 70 monthly) and merchant CC deposits (65 -90 monthly) are made daily to the operating account.
- Payroll account: biweekly payroll consisting of an ACH file with approximately 150 ACH transactions. During the busier summer season this grows to a biweekly payroll consisting of an ACH file with approximately 250 ACH transactions.
- Payables clearing: there are approximately 75 - 110 checks processed monthly, current monthly average is 106.
- The standard proposal form indicates an estimate of the number of transactions for the year. This number is the District's best estimate of the average volume, and the District in no way guarantees these as a minimum or maximum volume.

○ **PARTNERSHIP**

In exchange for financial and other considerations, the successful Proposer will receive on-site, facility, participatory and marketing related benefits designed to provide recognition within the Vernon Hills community. As a partner of the Vernon Hills Park District, the successful bank will enjoy an implied endorsement from the Park District with additional benefits that will be further outlined with awarded bank, based on value provided in proposal.

This is a unique opportunity to reach a target audience and engage residents through interactive, family oriented special events, programs and Park District facilities, broadening your brand in the community.

The Bank must provide the Park District with a specific sponsorship dollar amount payable to the District annually in exchange for marketing and promotional opportunities per each listed event or annual lump sum.

○ **PROPOSAL**

- Explanation of Proposal Form- Use of the Proposal Form is required of all Proposers. No proposal will be considered without amounts being placed on these forms. If the Bank is unable to meet or exceed the requirements specified, then the phrase “No Proposal” Should be entered for that particular item.
- Execution of Proposal- Proposals shall be signed by an authorized officer or Manager of the Proposer. If the Proposer is a corporation, the proposal shall bear the name of the corporation, and be signed by the president and secretary of the corporation, the proposal must be accompanied by an affidavit authorizing such officer(s) to bind the corporation.
- Monthly Service Charge Calculations - The awarded Bank will prepare a monthly account analysis for services rendered. The analysis should be able to be reconciled (using similar terms, formats, etc.) to the proposal form (Exhibit A) in this Request for Proposal.

It is the intention of the District that all per item charges remain fixed. If increases occur the District request a six (6) month notice of any increase in fees. However, the District recognizes that an adjustment in a per item charge may be necessary based on price changes by the Federal Reserve System. The six (6) month notice of adjustments in per item charges will be waived if the following conditions are met:

- i. The per-item charge (or portion thereof) will change only for corresponding adjustments in the Federal Reserve System’s Fee Schedules, on or after the effective date of the adjustments.
 - ii. Changes in the Federal Reserve Fee Schedules must be final, and not proposed.
 - iii. Awarded Proposer will provide the Superintendent of Finance and HR a copy of the Federal Reserve System’s notification supporting the adjustment, with the monthly account analysis statement.
- Sample Account Analysis Statement – The Proposer is required to submit a sample account analysis statement utilizing the District’s historical data provided on the Cost Proposal Form. If there are additional items for which costs will be charged, a line for each of the items must be presented on the sample statement, along with the cost proposal for each item. If the item volume is not known, the extended cost does not need to be provided.
 - Incurred Costs- The District will not be liable in any way for any costs incurred by the Proposer in replying to this Request for Proposal.

The District reserves the right to eliminate any individual service contained in the Proposal, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be performed in an alternative manner.

○ **SUMMARY**

All Banks are requested to complete the form “Proposal for Banking Services,” attach the requested forms, reports and Exhibits and return the package to the District in accordance with the instructions detailed in this Request for Proposal. If there are any additional fees for any services not itemized on the cost proposals that may occur, the Bank must list them. If not included, the District assumes there is no charge.

The Bank may include any additional information that is relevant.

The Vernon Hills Park District intends to enter into a formal Banking Services Contract with the awarded Proposer that will incorporate all provisions of the Request for Proposal. Additional terms and conditions will not be included in the contract unless mutually agreed to by both parties.

It is the intention of the District to notify all proposers on selected bank by June, 2024 with an approximate implementation date of October, 2024.

**PROPOSAL FOR BANKING SERVICES
VERNON HILLS PARK DISTRICT**

Proposal Submitted By:

Bank Name _____ Contact Name _____

Address _____

Phone _____ Email _____

This Proposal contains all the information requested in the Request for Proposal, including the following exhibits:

- Exhibit A: Banking Services Proposal Form
- Exhibit A-1: Additional Information Requested
- Exhibit A-2: Calculation Supporting “Balance Required to Support \$1.00 of services”
- Exhibit B: Exceptions to the Proposal
- Exhibit C: Community Reinvestment Act Information
- Exhibit D: Signed Certification Form
- Exhibit E: Sample Banking Services Agreement
- Exhibit F: Sample District General Checking Account Activity

References

Bank’s Availability Schedule

Bank’s Audited Financial Statements and Call reports for the previous two years (one set)

Bank’s EFT Transfer and ACH Agreement

Bank’s Collateralization Agreement

Any other agreements that will be required to be executed

Signature

Title

Typed Name

Date

Please submit 3 copies of your proposal, in its entirety.

**VERNON HILLS PARK DISTRICT
Banking Service Proposal Form
Exhibit A**

- Please indicate with an “*” in the “Items Subject to Mandates” column those items the Proposer feels could be affected by federal mandates during the contract term.
- Volume discount prices may be indicated, if applicable.
- Please attach a sample monthly account analysis statement.
- Please add any miscellaneous charges that are not listed.

Proposer Bank Name: _____

Bank Services	Proposed Volume	Unit Price	Total Price
DISB Checks Paid			
Electronic Debits Transactions			
Commercial Deposits			
Checks Paid			
Composite Group			
Check Returned Item or Chargeback			
Unencoded Items Deposited			
Monthly Maintenance			
Paper Item Admin Fee			
Wire Incoming Structured			
ACH Credit Received			
ACH Debit Received			
ACH Addenda Received			
ACH Notification of Change			
ACH Direct Send Originated CR			
ACH Direct Send Originated DR			
ACH Online Monthly Fee			
ACH Credit Originated			
ACH Debit Originated			
ACH File Processed			
ACH Addenda Originated			
ACH Return/NOC RPT Via Web			
Deposit Administration Fee			
Zero Balance Parent Account			
Account Inquiries			
Electronic Credits			
Zero Balance Sub Account			
Banking Center Deposited Cash			
Banking Center Cash Order			

Bank Services	Proposed Volume	Unit Price	Total Price
Banking Center Order Coin Roll			
Banking Center Order Notes Loose			
Check Clearing Returns Paper Representamen			
Check Clearing Returns Management Module			
Check Clearing Returned Items per Image			
Disbursements ARP Positive Pay Check Management			
Info Reporting AMP Prior Day Reporting Online Stop Payment			
Portal Online Wire Module			
Portal Online ACH Module			
Portal Online Prior Day Base			
Portal Online Prior Day Account			
Portal Prior Day Detail			
Portal Online Stop Payment Base Fee			
Portal Online Intraday Base			
Portal Online Intraday Per Account			
Portal Online Intra Day Detail			
Corporate MMDA Sweep			
Online Wire Outbound Domestic			
Banking Center Night Drop Usage			
FDIC Assessment Fee			
Zero Balance Account Debit Transactions			
Zero Balance Account Credit Transaction			
Wire Transfers			
Incoming			
Outgoing			
Monthly Fee			
Notifications (email) of wire transfer			
Transfer Between Accounts			
Notification (Email) of incoming ACH			
Positive Pay			
Issue Item Fee			
Return Checks			
Current Processing			
Stop Payments			

Bank Services	Proposed Volume	Unit Price	Total Price
On-line check/deposit archiving			
PC Banking Software			
Online Banking			
Token Fee			
Please list all other charges applicable			
Monthly Compensating Balance			
Total Proposed Cost			
Average Monthly Amount			
Balance Required to Support \$1.00 of Service			
Required Monthly Compensating Balance			
Earnings Credit Rate			
Ancillary Services			
Interest Rate on Deposit Accounts			
Credit Cards/ Purchasing Cards			
On-Site Deposit Program			
Safe Deposit Box Rental			
Other			

**VERNON HILLS PARK DISTRICT
BANKING SERVICES PROPOSAL FORM
EXHIBIT A-1**

1. Clearly describe the scope of the required banking services to be provided as listed in the RFP (Scope of Banking Services Section). Include a discussion of the Bank's approach to be used for compliance with the RFP.
2. Is your Bank insured by the FDIC? _____ Yes _____ No
3. Did you include a copy of your audited financial statement and FDIC Call Reports from the past two years in your submission? _____ Yes _____ No
4. What is the location of the Bank/Branch that would be servicing the District?
5. Is your Bank an online cash and securities member of the Federal Reserve?
_____ Yes _____ No
6. Will your Bank be able to provide the required collateral? ___ Yes ___ No
7. Have you attached a copy of your most recent investment rating report by a nationally recognized rating agency? _____ Yes _____ No
8. Will your Bank be providing 100% of the services proposed in the RFP? If not, please indicate what you are not able to provide.
9. Please explain how your proposed archiving system would work.
10. Provide a description of the Proposer's positive pay program. Confirm the ability to validate the payee name in the positive pay program.
11. Ancillary Services - Provide a detailed description and associated costs for each service:
12. Provide a detailed description of the Proposer's online banking services. Include common features and functionality along with security features which will ensure protection of District assets. Please include costs associated.
13. Provide a detailed description of the Proposer's PC based banking software products available. Please include common features and functionality along with security features which will ensure protection of District assets, as well as any costs associated.
14. Is the Proposer's online banking compatible with BS&A software?

15. Do you offer different levels of access for Online Banking? Yes No
16. Should the District elect to open interest-bearing accounts, what interest rate would be earned?
17. What are your banks current CD rates and terms?
18. What is your interest rate for Money Market Fund?
19. What is your interest rate for Regular Checking Account?
20. What is your minimum balance required?
21. Will funds be credited and available on the day that funds are received?
 Yes No If No, when will funds be credited and available?
22. Will your bank provide for night deposits? Yes No
Please indicate the fee, if any.
23. Will your bank provide locked money bags for purposes of making night deposits? Yes No
24. Will your bank provide deposit slips? Yes No
Please indicate the fee, if any.
25. Will your bank accept loose coins? Yes No
Please indicate the fee, if any.
26. Does your bank have the capabilities to serve as a sending/receiving bank for electronic payroll direct deposit to other banks and credit unions based upon employee selection? Yes No
Please indicate the fee, if any.
27. Is your bank capable of producing the monthly statements described in the Request for Proposal within the time lines requested? Yes No
If no, please list the area(s) where you anticipate having problems.
28. Will your bank provide for the wire transfer of District funds to other banks, institutions, and companies? Yes No
29. Will your bank charge for incoming wires? Yes No
30. Does your bank have a p-card consortium? Yes No

31. Please provide details of p-card program including: fees, program benefits, rebate schedule, rebate rates, cost to implement, description of website, online management software, terms and conditions.
32. Can your bank provide change and currency? ___ Yes ___ No
33. What is the procedure for requesting change and currency orders?
34. Please include a copy of your Equal Employment Opportunity Policy, and Anti-Sexual Harassment Policy.
35. Please provide the Bank's Community Reinvestment Act (CRA) rating and furnish Bank's community involvement and investment program.
36. Please provide specific sponsorship dollar amount payable to the District annually in exchange for marketing and promotional opportunities outlined in RFP.
37. Does your bank offer Investment/Trust services? If so please explain how you think these services could benefit the Park District and list any fees involved. Please outline short-term and long-term excess cash deposits.
38. Should the District elect to receive a compensating credit for balances maintained, the Proposer is required to propose how the earnings credit rate will be calculated in order to determine the amount of money needed to support the services, which will be converted to a "Required Monthly Compensating Balance."
39. Please provide a description of reconciliation services.
40. Please provide the names of a designated account executive, as well as an alternate. Please include their length of service with the Bank. Please list all representatives from your Bank that will be providing support directly to our finance team.
41. The Park District employs several teens who are looking to open their first checking account to have their paychecks direct deposited. Would your Bank be willing to waive minimum balance requirements for new accounts for Park District employees? And/or offer any additional incentives? Please list any.
42. Are there any additional services that you offer that the District may be interested in for which we did not ask about?
43. Please provide a proposed schedule of implementation. Comment on the Bank's ability to meet the time-lines indicated in the RFP and present a schedule of when information to be provided by the District should be available. Include a recommended transition plan and details regarding training available to District staff members. Provide any recommended changes to the schedule that are required to enhance the timeliness and quality of the relationship.

44. Please provide three client references of similar size and or/municipal accounts which the Bank has served for the past two years and is currently serving. Provide a contact person and telephone number or email address for each customer.

 45. Please list the amount the Proposer will designate annually for the three-year agreement to support the Vernon Hills Park District events, as a sponsoring partner.
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VERNON HILLS PARK DISTRICT
Calculation Supporting Balance Required to Support \$1 of Services
Exhibit A-2

CALCULATION SUPPORTING
“BALANCE REQUIRED TO SUPPORT \$1.00 OF SERVICES”

$$\frac{365 \div \# \text{ of days in December}}{\text{Earnings Credit Rate}}$$

Notes:

List the instrument that will be used as the basis for the earnings credit rate here.

INFORMATION REGARDING THIS EXHIBIT

Should the District wish to utilize a compensating balance account with a monthly earnings allowance as described in the Request for Proposal, deviations from this method will be treated as exceptions, and should be listed on Exhibit A.

**VERNON HILLS PARK DISTRICT
Proposal Exception Form
Exhibit B**

The Bank wishes to take exception to the following items:

Page #	Item	Estimate Costs
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VERNON HILLS PARK DISTRICT
Community Reinvestment Act Information
Exhibit C

1. Provide the Illinois CRA report of last examination for the Bank's Corporate Headquarters including rating and the period of time the rating occurs.

2. Define the service area to which this rating applies.

3. Provide the Illinois CRA report of last examination for the branch(s) showing Vernon Hills as part of its geographic area.

VERNON HILLS PARK DISTRICT
Certification
Exhibit D

The undersigned, being an authorized representative of the Bank, hereby certifies that the Bank is not barred from submitting a proposal for this contract as a result of a violation of either Section 5/33E-3 or Section 5/33E-4 of Chapter 720 of the Illinois Compiled Statutes concerning bid rigging, rotating, kickbacks, bribery, and interference with public contracts.

The undersigned hereby also certifies that the Bank has adopted an anti-sexual harassment policy in accordance with the Illinois Human Rights Act, as amended. The undersigned hereby also certifies that the Bank shall comply with all local, state, and federal safety standards.

The undersigned hereby also certifies that the Bank is not delinquent in the payment of any tax administered by the State of Illinois Department of Revenue, unless the amount and/or liability is being properly contested in accordance with the procedures established by the appropriate revenue act.

The undersigned hereby also certifies that this proposal is genuine and not collusive or sham; that said Bank has not colluded, conspired, connived, or agreed, directly or indirectly, with any other Bank or person, to put in a sham proposal or to refrain from submitting a proposal; and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference with any person, to fix the proposed price elements of said proposal, or that of any other Bank, or to secure any advantage against any other Bank or any person interested in the proposed contract.

Dated at _____

This _____ day of _____, 2024.

By: _____
(Signature)

Its: _____
(Title)

_____, being duly sworn, deposes and says that he/she is the _____ of _____ and that the statement above is true and correct.

Subscribed and sworn before me this ____ day of _____, 2024

Notary public: _____

My commission expires: _____

BANKING SERVICES AGREEMENT
Exhibit E

This Agreement (“Agreement”) is made and entered into this ____ day of _____, 20____, between the Vernon Hills Park District, an Illinois Municipal Corporation, with main offices at 635 North Aspen Drive, Vernon Hills, IL 60061 (hereinafter referred to as the “District”) and (_____), with offices located at _____, and licensed to do business in the State of Illinois (hereinafter referred to as the “Bank”).

_____, having submitted a Proposal for Banking Services (“Proposal”) for providing certain banking services to the District in response to the specifications set forth within the Request for Proposal (“RFP”) for Banking Services issued by the District, and having been awarded a contract to provide this service, hereby accepts and agrees to comply with the specifications set forth within the Banking Services Proposal dated _____, 20____ and responded to on behalf of the Bank on _____, 20__ by _____. The parties, therefore, agree that the attached Cost Proposal(s), offered to and accepted by the District are by this reference incorporated here in and made a part hereof together with the Proposal and the RFP to which it is responsive, all of which collectively constitute the agreement and contract between the parties.

IN WITNESS WHEREOF, _____ has caused this Agreement to be executed in its name by a corporate officer and the District has caused same to be executed in its name by the President of the Board of Commissioners, and its corporate seal to be hereunto affixed and attested, all being thereunto duly authorized.

Accepted this ____ day of _____, 20____

By _____ Position/Title

By _____ Position/Title

Print Company Name

VERNON HILLS PARK DISTRICT, ILLINOIS

Accepted this ____ day of _____, 2024

President, Board of Park Commissioners

Attest: _____
Secretary, Board of Park Commissioners

Vernon Hills Park District Investment Policy
Administrative Policy Manual: Investment Policy -Appendix B
Exhibit F

Adopted by the Vernon Hills Park Board of Commissioners on April, 1997, revised on August 1997, March 2003, and May 2020.

A. Governing Authority

1. **Legality:** The investment program shall be operated in conformance with governing legislation and other legal requirements.
2. **Scope:** This policy applies to the investment of all Vernon Hills Park District (the “District” of the “Park District”) funds, excluding the investment of employees' retirement funds. All financial assets shall be administered in accordance with the provisions of this policy.
3. **Pooling of Funds:** The District will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

B. Objectives: The purpose of this policy is to establish investment guidelines for Park District officials who are responsible for the safekeeping of public funds. The Park District’s funds must be invested in compliance with the requirements of the Public Funds Investment Act (30 ILCS 235/0.05 et seq.). The primary objectives of investment activities shall be safety, liquidity, and return:

1. **Safety:** Safety of principle is the foremost objective of the Investment Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

- The District will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:
- Limiting investments to the types of securities listed in this policy.

b. Interest Rate Risk

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity of the portfolio in accordance with this policy.

2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is

accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Return on Investment: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

C. Standards of Care

1. Prudence: The standard of prudence to be used by investment officials shall be the "uniform prudent investor act" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this 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 the liquidity and the sale of securities are carried out in accordance with the terms of this policy.
2. Ethics and Conflicts of Interest: Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business, in accordance with applicable laws. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.
3. Delegation of Authority: The Superintendent of Finance and HR/Treasurer is designated as the Investment Officer of the District ("Investment Officer") and is responsible for investment decisions and activities, under the supervision of the Executive Director and the overall guidance of the Board of Commissioners. The investment officer shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. At a minimum, procedures will include references to the following: safekeeping, payment, wire transfer agreements, and collateral/depository agreements.

- D. Financial Advisor/Money Manager: The Investment Officer under the direction of the Executive Director of the District may retain the services of a financial advisor or money manager to professionally administer the District's portfolio. Any professional investment advisor or money manager retained by the District must be a fiduciary, who has the power to manage, acquire or dispose of any assets of the District, and shall acknowledge in writing that he or she has read and understands the District's

Investment and Portfolio Policy and will adhere to all of the principles and standards set forth in the Policy and is one or more of the following: (1) registered as an investment advisor under the Federal Advisor Act, (2) registered as an investment advisor under the Illinois Security Law of 1953, (3) a bank as defined in the Federal Investment Act of 1940, or (4) an insurance company authorized to transact business in this State. Investment advisors, money managers and banks will be selected based on their size, professional expertise, fees and services. All investment agreements will be in writing and will be evaluated on at least a quarterly basis. All investment advisors, money managers and banks will be required to show proof of a financial institution bond or equivalent of the amount of the District's assets under management. The Investment Officer under the direction of the Executive Director shall determine the amount of the District's portfolio to be managed under this provision.

- E. **Monitoring and Adjusting the Portfolio:** The Investment Officer will routinely monitor the contents of the portfolio, its effectiveness in meeting the District's needs for safety, liquidity, rate of return, and diversification, and its general performance, as well as the available markets and the relative values of competing instruments, and will adjust the portfolio accordingly. All portfolio instruments shall be carried in the name of the District. The Investment Officer, the Executive Director, or their designee shall have the authority to transfer appropriate funds between only District accounts. Any transaction not between District accounts shall be deemed a disbursement and handled accordingly.
- F. **Internal Controls:** The Investment Officer shall establish a system of internal controls, and written operational procedures, which shall be reviewed at least annually by the District's independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, theft, employee error, and misrepresentation by third parties, unanticipated market change or imprudent actions by employees or others.
- G. **Suitable and Authorized Investments**
1. **Short-term Verses Long-term Portfolio Limitations** on instruments, diversification and maturity scheduling shall depend upon whether funds being invested are considered short-term or long-term funds. All funds shall be considered short-term except those reserved for capital projects (i.e., bond sales and installment contract proceeds) reversed for future years.
 2. **Short-term Portfolio Diversification:**
 - a. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
 - b. Bonds, notes debentures, or other similar obligations of the United States of America, its agencies, and its instrumentalities. The term "agencies of the United States of America" includes: (i) the federal land banks, federal intermediate credit banks, Fannie Mae, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.
 - c. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest bearing

times deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act. d. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in 1 or 2 of this section of this policy.

3. Interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the Park District or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the 4 highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions.
4. Investments may be made only in banks which are insured by the Federal Deposit Insurance Corporation. The Park District may invest any public funds in short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Financial Officer, the public funds so invested will be required for expenditure by the Park District. The District may invest any public funds in dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.
5. A Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act. The Park District may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advice regarding the investment of any public funds.
6. Purchase or invest in repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986, as now or hereafter amended or succeeded, subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered or inscribed in the name of the Park District, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. All investments must be denominated in U.S. dollars.

H. Collateral: The Park District shall require that funds on deposit or placed in investments in excess of insured limits be secured by a form of collateral in

accordance with applicable law. The District will accept any of the following assets as collateral:

1. U.S. Government Securities
2. Obligations of Federal Agencies
3. Obligations of the State of Illinois
4. General Obligation municipal bonds rated "A" or better issued by a governing body in the State of Illinois the amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of District funds on deposit at each financial institution. Pledged collateral shall be held by the Vernon Hills Park District, the Federal Reserve or kept in a safekeeping account by a third party and evidenced by a safekeeping agreement and receipt. Said collateral must be in the name of the Vernon Hills Park District.

I. Allocation of Investment Income All investment income earned, all interest paid upon such investment and all monies paid for their redemption and all monies received upon resale is to be credited to the fund(s) originally used to purchase them.

J. Selection of Investment Instructions the District shall invest any surplus funds for a specific maturity date that is required for either cash flow purposes or for conformance to maturity guidelines, in such instruments which would be most advantageous under prevailing market conditions. Records will be kept of all investments purchased or sold by the District as required by law.

K. Reporting Requirements The investment officer shall prepare an investment schedule monthly. This report will be provided to the Board of Commissioners. The schedule will indicate:

1. Listing of individual securities held at the end of the reporting period by fund;
2. Listing of the investments by maturity date;
3. Interest rate of each investment;
4. CD value;
5. Amortized book value of each investment;
6. Par value of each investment.

The market value of the investments shall be calculated at least annually.

L. Safekeeping and Custody

1. Institution Security With respect to bank accounts maintained at financial institutions, it shall be the policy that the Park District will not maintain funds on deposit in any financial institution that is not a member of the F.D.I.C. All institutions in which the District makes investments must be designated as approved depositories by the District's Board of Park Commissioners.
2. Internal Controls The investment officials are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Park District are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation

of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points:

- a. Best efforts will be made to separate responsibilities of transaction authority from accounting and recordkeeping;
- b. Custodial safekeeping;
- c. Avoidance of physical-delivery securities;
- d. Clear delegation of authority to subordinate staff members;
- e. Written confirmation of telephone transactions for investments and wire transfers;
- f. Development of a wire transfer agreement with the lead bank or third party custodian. Compliance should be assured through the Park District's annual independent audit.

M. Policy Considerations This policy shall be reviewed every five years. Any changes must be submitted by the investment officer and approved by the Board of Commissioners. The investment policy shall be formally approved and adopted by the Board of Commissioners of the Vernon Hills Park District

VERNON HILLS PARK DISTRICT
Sample General Checking Account Activity

This is a close representation of the last year which included major capital projects
Exhibit G

The District experiences fluctuations in any given month, season and year.

Withdrawals:

Payroll is every other week – this includes both direct deposits and paper checks

The following electronic Remittance take place after each payroll:

- Federal & State Payroll taxes
- IMRF
- Nationwide

Deposits

ACH membership are sent through on the 15th of every month

	<u>Mar-24</u>	
Bank Credits	58	\$ 1,454,301
Bank Debits	29	\$ 1,279,502
Checks Paid	54	\$ 174,799
Average Daily Balance		\$ 1,800,000
	<u>Feb-24</u>	
Bank Credits	53	\$ 1,163,922
Bank Debits	26	\$ 955,102
Checks Paid	87	\$ 208,819
Average Daily Balance		\$ 2,100,000
	<u>Jan-24</u>	
Bank Credits	58	\$ 1,802,693
Bank Debits	32	\$ 1,441,906
Checks Paid	81	\$ 360,787
Average Daily Balance		\$ 2,300,000
	<u>Dec-23</u>	
Bank Credits	56	\$ 2,166,120
Bank Debits	30	\$ 1,748,408
Checks Paid	75	\$ 417,712
Average Daily Balance		\$ 2,200,000
	<u>Nov-23</u>	
Bank Credits	70	\$ 5,349,712
Bank Debits	73	\$ 4,656,523
Checks Paid	102	\$ 693,189
Average Daily Balance		\$ 3,700,000

	<u>Oct-23</u>	
Bank Credits	62	\$ 5,588,927
Bank Debits	44	\$ 5,024,246
Checks Paid	93	\$ 564,681
Average Daily Balance		\$ 4,900,000

	<u>Sep-23</u>	
Bank Credits	53	\$ 4,012,512
Bank Debits	37	\$ 3,786,671
Checks Paid	30	\$ 225,841
Average Daily Balance		\$ 4,600,000

	<u>Aug-23</u>	
Bank Credits	98	\$ 2,539,988
Bank Debits	40	\$ 2,077,861
Checks Paid	143	\$ 462,126
Average Daily Balance		\$ 3,700,000

	<u>Jul-23</u>	
Bank Credits	67	\$ 2,463,110
Bank Debits	32	\$ 2,283,768
Checks Paid	59	\$ 179,342
Average Daily Balance		\$ 3,800,000

	<u>Jun-23</u>	
Bank Credits	61	\$ 5,203,803
Bank Debits	31	\$ 4,584,215
Checks Paid	129	\$ 1,519,589
Average Daily Balance		\$ 3,200,000

	<u>May-23</u>	
Bank Credits	57	\$ 2,328,725
Bank Debits	35	\$ 1,431,820
Checks Paid	126	\$ 646,905
Average Daily Balance		\$ 2,600,000

	<u>Apr-23</u>	
Bank Credits	48	\$ 7,282,026
Bank Debits	31	\$ 6,702,546
Checks Paid	48	\$ 437,749
Average Daily Balance		\$ 3,900,000