

Action

Item C

Regular Meeting 09/09/99

TO: Juvenile Welfare Board Members

FROM: James E. Mills, Executive Director *JEM*
Lisa Sahulka, Director of Programs & Finance *LS*
Sue Walterick, Finance Director *SW*

Requested Action

The Board is requested to contract with a banking institution, First Union, which is designated by the State of Florida as a qualified depository of public funds, to provide banking services for the Juvenile Welfare Board beginning October 1, 1999 for a period not to exceed three years. (September 30, 2002)

Options

- 1. Approve the request.
- 2. Deny the request.
- 3. Any other action the Board deems appropriate.

Recommended Action

Designate First Union as the Banking Depository for JWB funds beginning October 1, 1999 for a period of up to three (3) years. (September 30, 2002)

Source of JWB Funds

JWB Administration Budget, Finance

Fiscal Impact

Any banking service charges will be accommodated in the Finance Budget. Estimated interest revenue has been budgeted.

Narrative

- On June 20, 1999, a Request for Proposal for Banking and Investment Services was issued in accordance with JWB policy. Six institutions submitted responses for JWB consideration on July 16, 1999. They include the following:

AmSouth Bank	First Union National Bank	Huntington Bank
Nations Bank	SouthTrust Bank	SunTrust Bank

- Selection criteria for evaluating proposals included: 1) legal and other qualifications; 2) completeness of proposal; 3) financial strength; and 4) services provided.

A summary of the proposals is as follows:

<u>BANK</u>	<u>Items Submitted</u>	<u>REPO Derivation</u>	<u>Investment Derivation</u>	<u>Avg.Mthly. Charge</u>	<u>Compensating Balance</u>
AmSouth	Y*	Fed.Fnds minus.50 to .90	Tier MMA up to 4.6%	\$425.04	\$ 130,326
First Union	Y	Fed.Fnds-.25	Tier MMA up to 4.9%	489.58	146,750
Huntington	Y	Fed.FndsMkt.Movement**	Comm.Paper 4.71%	454.82	128,259
Nations	Y*	Fed.Fnds-.20	NatFndRes 4.86%	393.11	132,545
SouthTrust	Y*	Tier**	MMA;Tbills 4.9%	314.73	131,626
SunTrust	Y*	Fed.Fnds-.10	Gov.Disc.Notes 4.7%	241.60	70,238

Y*=Submitted on second request

**=Detailed basis points not provided

- All proposals were then compared based upon projected monthly service costs, highest earning rates, and required compensating balance to JWB. A chart has been attached which reflects our conclusions. Staff applied the rates specified in the proposals and then ranked the proposals. The top three institutions in contention at this point were First Union, Nations, and SouthTrust.
- Staff then applied a model based on the highest amount that could have been invested this year. After close review of the three proposals, staff decided that First Union offered the best composite package for JWB. They also offer software which allows for easy transfer of dollars for investment. First Union's response was complete, comprehensive and competitive with the Florida State Pool. (All proposers were informed that JWB wanted increased flexibility of moving dollars to the State Investment Pool as needed.) First Union has been able to offer more banking services to municipal units than any other bank in Florida. They will offer JWB a diverse account strategy to provide daily liquidity; a user friendly Cash Management technology for account maintenance and direct deposit of payroll and accounts payable; and a package of banking services for JWB employees. They also demonstrated a commitment to total quality and Y2K Compliance.

BANK ANALYSIS CHART

BANK	May	Compensating	Avg. Monthly	Amount for	Amount for	Investment	REPO	INTEREST	DISABILITY	INTEREST	RANK	
	Avg. Balance	Balances	Charge									Net
AmSouth	20,177,806.00	(130,326.00)	(425.04)	20,047,054.96	17,000,000.00	3,047,054.96	65,166.67	11,426.46	76,593.12	\$ 955.14	77,548.26	6
					Tier MMA 4.6%	4.50%				4.35%		
First Union	20,177,806.00	(146,750.00)	(489.58)	20,030,566.42	17,000,000.00	3,030,566.42	69,416.67	11,389.88	80,806.55	\$ 1,031.99	81,838.54	1
					Tier MMA 4.9%	4.51%				4.70%		
Huntington	20,177,806.00	(128,259.00)	(454.82)	20,049,092.18	17,000,000.00	3,049,092.18	66,725.00	10,798.87	77,523.87	\$ 935.38	78,459.25	5
					Comm.Ppr 4.71%	4.25%				4.26%		
Nations	20,177,806.00	(132,545.00)	(393.11)	20,044,867.89	17,000,000.00	3,044,867.89	68,850.00	11,748.12	80,598.12	\$ 988.08	81,586.19	2
					NatFndRes4.86%	4.63%				4.50%		
SouthTrus	20,177,806.00	(102,102.00)	(314.73)	20,075,389.27	17,000,000.00	3,075,389.27	69,416.67	10,635.72	80,052.39	\$ 755.33	80,807.72	3
					MMA 4.9%	Tier 4.15%				3.44%		
SunTrust	20,177,806.00	(70,238.00)	(241.60)	20,107,326.40	17,000,000.00	3,107,326.40	66,583.33	11,859.63	78,442.96	\$ 961.73	79,404.69	4
					USAgDiscNt4.7%	4.58%				4.38%		

Highest Amount This
Year that could have
been invested

First Union	24,433,194.00	(146,750.00)	(489.58)	24,285,954.42	20,000,000.00	4,285,954.42	85,000.00	16,108.05	101,108.05	\$ 1,031.99	102,140.04	1
					Tier MMA 5.1%	4.51%				4.70%		
is	24,433,194.00	(132,545.00)	(393.11)	24,300,255.89	20,000,000.00	4,300,255.89	81,000.00	16,591.82	97,591.82	\$ 988.08	98,579.90	2
					NatFndRes4.86%	4.63%				4.50%		
SouthTrus	24,433,194.00	(102,102.00)	(314.73)	24,330,777.27	20,000,000.00	4,330,777.27	81,666.67	14,977.27	96,643.94	\$ 755.33	97,399.27	3
					MMA 4.9%	Tier 4.15%				3.44%		

First Union Tier MMA increases to higher rate; REPO rate guaranteed at Fed.Fnd-.25 no matter the balance in the account

Nations Nations Money Mkt Fund does not increase to higher rate; REPO rate guaranteed at Fed.Fnd-.15 basis points no matter the balance

SouthTrust Money Mkt Fund rate fixed; REPO rate tiers but not to any advantage when account balance is low