

City of Lawton

Proposal
for
The City of Lawton

Submitted by
Brian Henry
President IBC Bank Lawton

July 1, 2016

50 IBC BANK

Executive Summary

Providing Innovative Treasury Management Solutions for the City of Lawton.

IBC Bank is pleased to have the opportunity to present this proposal of treasury management services to the City of Lawton. IBC Bank is committed to continuing its partnership with the City of Lawton to serve in a consultative capacity to assist in establishing any new services needed to manage your daily cash flow. In addition, by partnering with clients like the City of Lawton, we look at opportunities to explore new ideas for creating solutions that will bring further enhancements to your internal operations to maximize efficiencies. Some of the services highlighted in this proposal for your review include depository services, ACH origination services, Internet Banking and other services designed to meet the needs of the City of Lawton.

Our clients deserve the best in service quality, delivery and reliability. IBC Bank's Commercial Banking professionals are equipped to resolve service related issues quickly and efficiently. IBC Bank and its team of professionals are committed to providing the quality of service that the City of Lawton deserves. This is demonstrated through the expertise of our people, our statewide presence, our financial strength, and our commitment to meeting the financial needs of our communities.

Commercial Banking Group

IBC Bank's Commercial Banking and Retail Banking groups bring a wealth of knowledge, experience and expertise with over 20 years in average experience of providing commercial and retail banking services to the business community. We provide banking the old fashioned way – a one on one relationship between the City of Lawton and a knowledgeable, professional banker.

We are also proud of our associates in our Commercial Treasury Management division who bring over six years of experience in product development, marketing, strategic planning and business consulting.

IBC Bank's team of professionals possess a strong and diverse background in banking and other financial services industries including, commercial lending, investments, financial planning, insurance and bankcard processing. Many of IBC Bank's professionals are actively involved in civic and community organizations and serve on various non-profit boards.

The City of Lawton's Relationship Team:

Brian Henry, Lawton President

Brian has over 25 years of banking experience.

Herschel Hibbard, Vice President, Manager of Corporate Treasury Management

Herschel has over 6 years of banking experience in Treasury Management sales and product development, and retail banking services.

Deborah Cunningham, Administrative Assistant Commercial Lending

Deborah has over 37 years of banking experience in bank operations.

Service Solutions - Commercial Accounts

IBC Bank's commercial demand deposit and Public Fund accounts feature end of the month statements, an image of cleared checks and access to daily account activity via our IBCLink Internet Banking system

A statement of the City of Lawton's checking account(s) will be provided either daily, weekly, or monthly with images of transactions or items. Statements detail all activity for each business day of the month.

**SPECIFICATIONS FOR
CITY OF LAWTON BANKING SERVICE**

GENERAL INFORMATION:

The City of Lawton is soliciting proposals for a primary banking relationship with a bank that operates within the City limits. The City intends to enter into a contract for services for a period of one year, beginning September 1, 2016, with the right to extend for an additional four years. This agreement may be canceled by mutual agreement with ninety (90) days written notice by either party. Due to Statutes prohibiting obligation of City funds in excess of one year, it will be necessary for the City Council to approve this banking agreement annually.

The bank is required to comply with all depository laws and regulations as set forth in all applicable State and Federal laws and statutes.

Investment activities of the City are not related to the appointment of a bank to provide banking services. The bank must provide the City with the means to conduct its investment activity, including but not limited to, providing wire and safekeeping services if requested.

GENERAL REQUIREMENTS:

Unless specifically agreed to by the City in advance or by acceptance of a fee schedule during the bid process, all banking services to the City of Lawton will be without service charges. Any compensation for service requirements not specifically agreed to by the City of Lawton will be in the form of compensating balances. Compensating balances must be proposed in the form of an average daily checking account collected balance. Collected balance is defined to be the deposits in the process of collection, less amount of checks on hand or in process by the bank. All accounts must be secured in accordance with Oklahoma State Statutes and Federal Deposit Insurance Corporation's policies on collateral pledge agreements, which will be approximately twenty five million dollars.

SERVICES REQUIRED:

1. Check processing.

- A. Daily account statements on approximately 3 major accounts to include return of canceled checks if possible, and if not possible, clearly readable check and deposit images. Daily statements are to be received within three working days.

Daily account statements can be provided. IBC also makes available balance and history information via our Internet Banking System, *IBCLink*.

- B. Monthly statements on approximately 12 accounts to be given to the City no later than three working days from the end of the month.

Monthly accounts statements can be provided. Information is also available via *IBCLink*.

- C. Statements must provide collected balances, detail of adjustments and costs, detail of debits and credits.

Statements provide collected balances, details of adjustments, costs, and detail of debits and credits.

- D. The requirement for daily account statements can be changed to monthly statements, if in the opinion of the City an accurate CD Rom or equivalent media device is provided to clear checks, and account access to bank statements and transactions by internet is available.

This information is provided through IBC Link. These services would be at no cost to the City.

2. Automated Clearing House (ACH).

Utility payments and direct payroll deposits will be provided electronically.

ACH is available via our secure *IBCLink*. ACH debits for utility payments and credits for direct deposit can be sent via our website.

3. Savings Bonds.

Issuance of U.S. Savings Bonds to City employees participating in payroll savings deductions plan. (Approximately 30 participants)

Savings Bonds are no longer offered through financial institutions.

4. Cashiers Checks.

Provide cashier checks as needed. (Approximately 12 annually)

Available.

5. Safe deposit box.

Provide one safe deposit box if requested. (At present there is no requirement)

Available.

6. Wire transfer service.

6. Wire transfer service.

The bank will provide wire transfer services. Wire service credits and debits notices will be provided the day following transaction.

Wire Transfer Services are available via our *IBCLink* or directly from Deborah Cunningham. Wire debits and credits can be received via Fax or viewed via *IBCLink*.

7. Collateral pledge agreements.

The bank will pledge collateral, as required by Oklahoma State Statutes, sufficient to cover all accounts not insured by F.D.I.C.

Agreed.

8. Checks and deposit slips.

The bank must provide all checks and deposit slips for all City accounts. All products must be compatible with existing City equipment.

Agreed.

9. Night depository.

Locking bags and keys are required. (Approximately 5)

Available.

10. Packaged coins and currency.

The bank must provide approximately 3,000 rolls of coins annually and 2 to 6 packages of \$1, \$5, and \$10 bills daily.

Available.

11. Stop payment and returned checks.

The bank will automatically present returned items a second time. Stop payments of City issued checks will be provided at no charge.

IBC will automatically present return items a second time. Stop payments are available via phone or *IBCLink*. Stop Payments of City issued checks will be provided at no charge.

12. Automatic investment of general sundry funds.

All collected balances will be invested and interest returned to the City on a daily basis at a rate to be specified in the proposal. The City's accounting office will be notified daily of the prior day's interest. Accounts other than general sundry funds will draw interest at a rate to be specified in the proposal.

IBC currently returns interest to the City on a monthly basis and would propose that to remain the same with the new contract as it meets the business needs if the finance department. Interest will be returned to the City on a monthly basis. IBC offers a Public Funds account, which pays the 91 day Treasury Bill auction rate plus .05%.

Other interest bearing accounts are available.

13. Internet banking services.

The City will be provided the ability to access account balances and transaction information via an internet connection. The system should provide the ability to initiate wire transactions, transmit ACH direct payroll deposits, access utility billing files for origination, electronically place stop payments on checks, and transfer funds within City accounts.

IBCLink is an internet based system. Information reporting, Wires, ACH, Stop Payments, and Account Transfer are available.

14. Credit Card:

The bank will make available, without annual fees, a City of Lawton credit card to be used for a limited number of purchases and expenses. This card would not be a debit cards, and the City would make payment from itemized statements. There will be a need for approximately six cards.

This service is not being utilized, but is available through IBC Bank with no annual fee.

OPTIONAL SERVICES:

The City wishes proposals on the availability of these services. The availability and cost of these items will be a factor in the choice of the City's banking facilities.

15. Any other Services.

The bank should specify any other services that may be available or provided to the City. Include a brief description and the anticipated fees or costs.

PRODEDURES FOR PROPOSAL:

Appendix A is the proposal form that must be fully completed to qualify as a valid proposal. If there is no cost enter "none". If not offering the services enter "no proposal".

Proposals must be received by two o'clock p.m. July 5, 2016 at the office of the City Clerk, 103 SW 4th St., Lawton, OK- 73501.

The City reserves the right to reject any and all bids.

**APPENDIX A
PROPOSAL FOR BANKING SERVICES FOR CITY OF LAWTON**

Items 1-11, 13 and 14 from the specifications will be provided at no cost to the City of Lawton: Agreed, at no cost.

Item:

1. Check processing, paragraphs A, B, and C
2. ACH
3. Savings bonds
4. Cashier checks
5. Safe deposit box
6. Wire transfer service
7. Collateral pledge on balances
8. Checks and deposit slips
9. Night depository
10. Rolled coins and packaged currency
11. Stop payment and insufficient deposit returns
12. Internet banking services
13. Credit card

The following services require completion:

**Item 1, paragraph D. Provision of CD Rom or equivalent media to clear checks:
Type, frequency and cost of provision:**

IBC Bank will continue to provide images through IBC Link. These services would be a no cost to the City.

Item 12. Automatic investment of general sundry funds and interest on other accounts:

State the rate to be paid to City of Lawton.

The Bank will pledge collateral, as required by Oklahoma State Statutes, sufficient to cover all account balances not covered by the F.D.I.C. at no cost to the City. The rate shall be the 91 day Treasury Bill plus .05%.

Item 15. Other services:

State any other services and their attendant fees that your bank would offer to the City of Lawton:

NA

Name of Financial Institution:

International Bank of Commerce

The undersigned acknowledges that they have read and understand the provisions set forth in the specifications for City of Lawton banking services and agrees that they can furnish the specified services at the quoted prices.

Signature of Authorized official:

Mr. T. Hey

Title of official: Lawton President

Date: July 1, 2016

Office address: 6425 NW Cache Road
Lawton, OK, 73501

Telephone number: 580-250-2280



7/1/16

Please accept IBC Bank's proposal for banking services for the City of Lawton. It has certainly been our pleasure to provide banking services for over 34 years to the City of Lawton, with the last 12 years being under the IBC Bank name. We certainly believe we have formed a great working relationship with all staff involved.

You will find in our bid proposal that we have agreed to all the terms and conditions of the RFP. We have submitted our interest rate proposal using the 91 day Treasury Bill auction rate, plus .05%. This rate would be adjusted on a monthly basis.

Please note that we have two individuals that are highly skilled and understand the City of Lawton's needs, as they have been servicing the accounts for the past 12 years. Deborah Cunningham, who is my assistant, and Herschel "Trae" Hibbard, who is our Treasury Management Manager, are available to your staff to assist with any issues that may arise in the daily processing of your transactions.

We look forward to continuing our partnership with your staff with the daily banking needs of the City of Lawton. If we can answer any questions please don't hesitate to contact me at the number listed below.

Sincerely,

A handwritten signature in black ink that reads "Brian T. Henry".

Brian T Henry
President

IBC Bank -- Lawton
6425 NW Cache Rd
Lawton, Ok. 73505
580.250.2280 - telephone
580.351.2427 - fax
brianhenry@ibc.com - email

Bank Information

About IBC Bank

IBC Bank continues its 50 year tradition of excellence by being a source for meeting the financial needs of our communities. IBC Oklahoma is a division of International Bancshares Corporation (NASDAQ: IBOC), a \$11.8 billion multi-bank financial holding company headquartered in Laredo, Texas, with 207 facilities and more than 320 ATMs, serving 88 communities in Oklahoma and Texas. IBC Oklahoma has served the sooner state since 2004 and locations in Oklahoma City, Tulsa, Lawton, Duncan, and the Dallas Metroplex.

Led by President and CEO Bill Schonacher, IBC Oklahoma is equipped with seasoned banking veterans who bring a deep understanding of commercial lending, business services, and retail banking to the Oklahoma business marketplace. IBC offers an array of both credit and non-credit services and is poised to assist Oklahoma businesses meet their unique financial goals. In addition to building partnerships with our commercial customers, we would like to become your community bank of choice. IBC encourages civic engagement, community involvement, and servant leadership, upholding the IBC Bank "We Do More" philosophy.

Statement of Confidentiality

This proposal contains detailed information about the capabilities of IBC Bank. IBC Bank is delivering this proposal of treasury management and other financial services with the express understanding that the City of Lawton will hold this information in strict confidence. The information contained in this proposal is considered proprietary and confidential and cannot be copied, reproduced, or disclosed without prior consent from IBC Bank.

Service Pricing

IBC Bank agrees to waive service fees for the City of Lawton, provided the stated balances remain on deposit with IBC.

Service Solutions – Investments

With IBC Bank's Public Funds accounts, the City of Lawton earns interest on balances. The rate is the 91 day Treasury Bill auction rate plus .05%.

IBC Bank will pledge collateral, as required by Oklahoma State Statutes.