

**RESOLUTION NO. R-19-62**


**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO EXHIBIT A OF THE DEPOSITORY AND BANKING SERVICES AGREEMENT BETWEEN THE CITY OF GLADSTONE, MISSOURI, AND COMMERCE BANK.**

**WHEREAS;** the City and Commerce Bank have reviewed the services provided and the fees charged for services as set forth in Exhibit A of the Agreement and determined that it is necessary to update the services and fees stated in Exhibit A to reflect changes in services offered by Commerce and utilized by the City.


**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:**

**THAT,** the City Manager of the City of Gladstone, Missouri is hereby authorized to negotiate and execute an amendment to Exhibit A of the Depository and Banking Services Agreement between the City of Gladstone and Commerce Bank.

**INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 11TH DAY OF NOVEMBER, 2019.**

  
\_\_\_\_\_  
Mayor Carol J. Suter

Attest:

  
\_\_\_\_\_  
Ruth E. Bocchino, City Clerk



## *Request for Council Action*

RES ☒ # R-19-62

BILL ☐ # City Clerk Only

ORD # City Clerk Only

Date: 11/6/2019

Department: Finance

Meeting Date Requested: 11/11/2019

Public Hearing: Yes ☐ Date: [Click here to enter a date.](#)

Subject: Banking Contract Amendment

Background: The partnership between the City of Gladstone and Commerce Bank began in 2006. Consultants were hired to provide technical expertise in RFP development and to facilitate the bidding process to find a partner that would best suit the City's needs. Since that time, city staff and staff from Commerce Bank have had regular meetings, at least yearly, to discuss the needs of both parties in the areas of security, convenience, professional education, product mix, and procedure. An amendment to the agreement was executed in 2016 to merge the multiple agreements with Commerce into one contract, along with a minimal pricing adjustment. Since the last contract amendment, the relationship between staff and Commerce has grown with the introduction of brokered CD's, paying a higher yield than collateralized CD's, and the use of a rewards program earning the City almost \$10,000 per year. With the dynamic changes in technology, security, and interest rates, the cost of doing business has increased since 2016. A second amendment to the contract has been proposed by Commerce Bank that would essentially lock in the same 2016 pricing until 2021 with minor changes. The changes would increase the estimated banking fees from an average of \$33,500 to \$35,300 or an increase of \$1,800 per year. Commerce is also proposing a decrease of interest paid on the operating account. The decrease in interest income from Commerce can be mitigated by investing idle cash with MOSIP or purchasing additional CD's. Staff is recommending the approval of the banking contract amendment.

Budget Discussion: Funds are budgeted in the amount of \$ 33,500 from the General Fund. Ongoing costs are estimated to be \$ 35,300 annually. Previous years' funding was \$33,500

Public/Board/Staff Input: Amendment and resolution to follow

Provide Original Contracts, Leases, Agreements, etc. to: City Clerk and Vendor

Dominic Accurso  
Department Director/Administrator

PC  
City Attorney

SW  
City Manager



Northland Business Banking  
1 Liberty Bell Circle Suite 200, LB-2  
Liberty, MO 64068

November 4, 2019

Mr. Dominic Accurso  
Director of Finance  
City of Gladstone, Missouri  
7010 N Holmes St  
Gladstone, MO 64118

Dominic,

Based on your recent approval to continue banking services with Commerce Bank, this letter confirms a two (2) year extension of banking services between Commerce Bank and the City of Gladstone, with an additional one (1) year renewal at the agreement of both parties. Commerce Bank agrees to honor the pricing reflected in our RFP response with the changes as reflected below.

Below is information and details regarding the changes for each department:

**Treasury Services:**

- The pricing for The City of Gladstone's treasury services will remain in effect until the end of the contract period, September 1, 2021, with the addition of charging for the repo sweep maintenance fee of \$150.00 per month.
- The treasury services agreements currently in effect with the City of Gladstone does not require updates other than signatures by both parties on this letter.

**Capital Markets Services:**

- Commerce Bank will provide a repo sweep at 80% of IOER (Index on Excess Reserves as published by the St. Louis Federal Reserve - <https://fred.stlouisfed.org/series/IOER> )

City of Gladstone, Missouri  
By: [Signature] 11/19/19  
Signature Date

Director of Finance  
Title

Commerce Bank  
By: [Signature] 12-9-19  
Signature Date

Commerce Bank Commodity Bank  
Title of Bank Officer President