



City Of
BOONVILLE

City of Boonville

City Council Work Session Agenda

August 19, 2024

6:30 PM

City Council Chambers

525 E. Spring Street

Boonville MO 65233

I. Work Session Topics

- A. Depository bank bid discussion**

NOTICE: The City of Boonville will comply with the Americans with Disabilities Act (ADA). Individuals who require an accommodation due to disability to attend this meeting should contact our office at (660) 882-2332 or Relay Missouri, 1-800-735-2966 TTY at least 48 hours in advance.



Date: August 14, 2024
To: Mayor and City Council
From: Kate Fjell, City Administrator
Re: Depository Bank Bids

We have decided to plan a short work session to discuss our options for the bank depository bids now that we have completed our comparison, due diligence and fact finding. There have been several items that have made this challenging. I will try to detail them in this memo as well as provide additional context in the work session for our discussion. Brad will also be providing a legal framework for this conversation as well with his own memo.

1. State Statutes

The state statutes guiding the bidding and selection for depository accounts are detailed in two sections of state statute, chapter 110, and chapter 95. Both statutes are VERY specific when it comes to soliciting, opening and the process of selecting a bank. These statutes also dictate how often municipalities and other political subdivisions must bid out these services. As I mentioned in my last memo, the City should have done the bidding last year, however we did not know that the bids had to be advertised in July, so we missed our window to do the bids. We put it on our calendar for this July. On a parallel track, the 2024 state legislature takes up reforming Chapter 95, related to depository bid requirements. This proposed legislation, which broadens a municipalities authority and discretion as it relates to bidding depository accounts (as well as eliminating the specific process and timing of bidding) passes will take effect August 28, 2024. Currently, our application is falling into a "middle ground" of the outgoing repealed laws and newly enacted laws.

2. Apples to Apples Comparison for consideration

For current staff, we have only peripherally been involved in bank bidding in the past and frankly have had to do quite a bit of educating ourselves to make us ready to adequately analyze the bids we received. We are trying to get an "apples to apples" comparison for you all, so that you are prepared to make the best financial decision for the citizens and City.

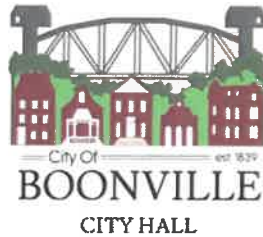
3. Internal Work at City

As detailed at the last meeting, we are very busy with several other significant internal projects here at the City, including our migration from Incode to BS&A, the Lagers and also open enrollment health care for 2025. We are a small staff and balancing all these projects is stretching us thin.

4. External Factors

During our research and information gathering, we have recognized that politics impacts Fed Funds Rates, T-Bill rates, etc. The impending presidential election and inflation are external factors which cloud economic forecasting.

During the work session, I would like to discuss these factors in relation to the bids received to determine the most responsible path forward for the City regarding the depository bids.



City Administrator Kate Fjell
Boonville City Council

RE: Requests for Proposal; Bank depository bids

To whom it may concern:

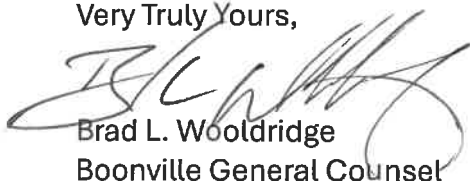
I am receipt of and reviewed the memo provided by Boonville City Administrator Kate Fjell regarding the current bank depository bids and the scheduled work session for next Monday, August 19, 2024.

I concur with the points made in Paragraphs 2, 3 and 4 of the memo, but my primary focus is with Paragraph 1 of the memo. When the City presented the RFP, the requests were based on the current law. However, effective August 28, 2024, that law will be repealed and replaced with Section 110.075 RSMo. Thus, if the City were to make a recommendation based on the current bids, and a first reading was introduced at the September 3, 2024 council meeting, we would be moving forward based on a then-repealed state statute. As Ms. Fjell's memo states, the new statute specifically addresses and revises the ways in which municipalities can/must proceed with bids for bank depositories.

Legally, it would be in the best interest of the City to follow the new law that will take effect August 28. However, the bids that were submitted by our local financial institutions were done so based on the soon-to-be repealed statute (in accordance with the City's RFP at the time it was released). Thus, to ensure that the City is adhering to current law, and in fairness to the financial institutions that submitted bids, my legal recommendation would be to reject all of the current bids, resubmit a RFP in one year (which is permitted by the new law), and make a future effective date of January 1, 2026 for implementation of a new depository (if the City chooses to change location).

Given the future administrative constraints City Hall will endure (Lagers, open enrollment, software upgrades, etc.) and the legal concerns of moving forward pursuant to a law that will soon be repealed, rejecting all of the current bids and revisiting this matter in one year is the safest and most legally sound choice for the City.

Very Truly Yours,



Brad L. Wooldridge
Boonville General Counsel