



**CITY of NOVI CITY COUNCIL**

**Agenda Item E  
January 28, 2013**

**SUBJECT:** Approval to exercise the second option for one year contract for banking services with Fifth Third Bank, ending on December 31, 2013, at an estimated annual cost of \$22,500.00.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL:**

<b>EXPENDITURE REQUIRED</b>	<b>\$ 22,500.00</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 22,500.00</b>
<b>APPROPRIATION REQUIRED</b>	<b>\$ N/A</b>
<b>LINE ITEM NUMBER</b>	<b>101-253.00-802.100</b>

**BACKGROUND INFORMATION:**

In January 2009, after reviewing three qualified proposals from three banking institutions, the City of Novi awarded a three year contract with two one-year renewal options to Fifth Third Bank to handle the City of Novi banking needs including but not limited to deposits, disbursements, Automatic Clearing House payments, wire transfers, check imaging etc.

In January 2012 the City entered into an additional agreement with Fifth Third Bank to handle the city's credit card transactions, deposits, refunds etc., for the various Financial applications with the help of a third vendor, Point & Pay, facilitating the credit card transactions.

Finance/Treasury staff have been very satisfied with the exceptional services provided by Fifth Third Bank and recommends the extension of the contract under the proposed terms.

**RECOMMENDED ACTION:** Approval to exercise the second option for one year contract for banking services with Fifth Third Bank, ending December 31, 2013, at an estimated annual cost of \$22,500.00

	1	2	Y	N
<b>Mayor Gatt</b>				
<b>Mayor Pro Tem Staudt</b>				
<b>Council Member Casey</b>				
<b>Council Member Fischer</b>				

	1	2	Y	N
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Wrobel</b>				



Aron M. Kominars  
Vice President and Managing Director  
Public Funds Banking  
1000 Town Center, Suite 1400  
Southfield, MI 48075  
Tel: 248-603-0528  
Fax: 248-603-0144

January 28, 2013

Mr. Nevrus Nazarko  
Finance Director  
City of Novi  
45175 W. Ten Mile Road  
Novi, MI 48375-3027

Re: City of Novi Banking Services Contract

Dear Nevrus:

I would like to again thank you for the banking relationship with Fifth Third Bank.

As pertaining to our existing contract, we Fifth Third Bank would like to extend to the City of Novi a one-year renewal expiring on December 31, 2013.

Fifth Third Bank agrees to extend this contract with the attached fee schedule. You will note that we did not raise fees. This fee structure will be in place for the contract period. All other terms and conditions will continue as stated in the original contact. I have also attached our Treasury Management Pricing Amendment for your signature.

The City or Fifth Third reserves the right to terminate the contract providing one hundred and twenty (120) days written notice to that of either party with the intent to terminate the aforementioned contract.

Again, I thank you and look forward to a continued mutually rewarding relationship.

Sincerely,

Aron Kominars  
Vice President and Team Lead  
Public Funds Group  
248.603.0528  
248.603.0144 fax

Accepted:

City of Novi

Accepted:

Fifth Third Bank

**Fifth Third Bank**

**Pricing Amendment**

This Pricing Amendment (“*Amendment*”) is an amendment to the Master Treasury Management Agreement (the “*Master Agreement*”) currently in effect between the “Customer” identified on the Signature Page below (“*you*”) and Fifth Third Bank (“*we*” or “*us*”). All terms not otherwise defined in this Pricing Amendment have the meaning provided in the Master Agreement.

1. **Account Fees.** This Pricing Amendment establishes the Account Fees for the Services we provide you pursuant to the Master Agreement or otherwise. The Fee Schedule attached to this Amendment shall govern for the term commencing on the “*Effective Date*” specified below and ending on the “*Expiration Date*” specified below. ***This Amendment is not valid unless the Fee Schedule is attached at the time of signing this Amendment.*** As of the Expiration Date, the Account Fees shall adjust to the then rates offered by us to customers with similar credit and relationship characteristics unless you and we have otherwise expressly agreed in writing.

2. **Effect.** This Amendment amends the Master Agreement solely for purposes of establishing the Account Fees for you during the Term. All provisions of the Master Agreement not inconsistent with this Amendment remain unchanged and in full force and effect, and are ratified and confirmed. In the case of any conflict between the provisions in the Master Agreement and this Amendment, the provisions of this Amendment shall prevail.

3. **Miscellaneous.** We represent and warrant to each other that this Amendment has been authorized by all necessary corporate or other entity action, and that the person signing this Amendment on our behalf is duly authorized to do so. This Amendment evidences the entire agreement and understanding between us respect to the subject matter of this Amendment and supersedes all prior agreements and discussions between us with respect to that subject matter.

EXECUTED THIS \_\_\_\_\_.

Term of this Amendment: From \_\_\_\_\_ (“*Effective Date*”) to  
\_\_\_\_\_ (“*Expiration Date*”)

**FIFTH THIRD BANK** \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Print name: \_\_\_\_\_

Print title: \_\_\_\_\_

Print title: \_\_\_\_\_

**FEE SCHEDULE**  
(Attached)

This Amendment is NOT valid unless the Account Fee information is attached



**City of Novi - Fee Schedule**  
**Effective through December 31, 2013**

<u>Service Description</u>	<u>Price</u>
<b>Account Services</b>	
<b>Standard</b>	
CCA Checks Paid/Other Debits	\$0.100
Disb CCA Checks Paid	\$0.100
Check Paid MICR Reject & Repair	\$0.350
Chk Deposit Items Rejected	\$0.100
Chk Deposit Adjustment	\$8.000
Chk Excessive Deposit Rejects	\$0.035
Composite Group	\$0.000
Stop Payment	\$12.000
Chk Returned Item or Chargeback	\$3.000
Chk Unencoded Items Deposited	\$0.100
Monthly Maintenance	\$12.500
Chk Paper Check Admin Fee	\$0.010
Wire Incoming Structured	\$8.000
Wire Incoming Non-Structured	\$8.000
ACH Credit Received	\$0.050
ACH Debit Received	\$0.050
ACH Addenda Received	\$0.050
Deposit Administration Fee	\$0.1121
Official Check Issued	\$10.0000
<b>Packaged Deposit Services</b>	
Electronic Debits Transactions	\$0.100
Commercial Deposits	\$0.650
<b>ZBA</b>	
ZBA Parent Account	\$20.000
ZBA Sub-Account	\$20.000
<b>ACH</b>	
<b>ACH Standard</b>	
ACH Returned Transaction	\$6.250
ACH Notification of Change	\$6.250
<b>ACH Originated - Online</b>	
Online ACH Monthly Fee	\$25.000
ACH Credit Originated	\$0.050
ACH Debit Originated	\$0.050
ACH Addenda Originated	\$0.050
ACH File Processed	\$0.000
<b>Reporting Services</b>	
ACH Return/Noc Rpt Via Web	\$0.000

11/30/2012



**City of Novi - Fee Schedule**  
**Effective through December 31, 2013**

<u>Service Description</u>	<u>Price</u>
<b>Cashiering</b>	
<i>Branch</i>	
Bkg Cntr Deposited Cash	\$0.001
Bkg Cntr Order	\$2.750
Bkg Cntr Order Coin Roll	\$0.125
Bkg Cntr Order Notes Strap	\$2.500
Bkg Cntr Order Notes Loose	\$0.120
Bkg Cntr Deposit Coin Roll	\$0.000
Bkg Cntr Deposit Strap	\$0.000
<b>Cashiering</b>	
<i>Branch</i>	
Bkg Cntr Deposit Notes Loose	\$0.000
Bkg Cntr Deposit Adjustment	\$8.000
<i>Internal Vault</i>	
Cash Vault Monthly Base Charge	\$0.000
Cash Vault Deposit Notes Std	\$0.007
Cash Vault Deposit Coin Loose	\$2.163
Cash Vault Deposit Currency	\$0.001
Cash Vault Deposit	\$2.800
<b>Check Clearing</b>	
<i>Returns - Standard</i>	
Paper Representation	\$3.000
Returned Item Special Instructions	\$1.000
Returned Items Data Capture	\$0.100
<b>Disbursements</b>	
<i>ARP/Positive Pay</i>	
ARP Monthly Base Charge	\$25.000
ARP Outstanding Balance Reporting	\$0.010
ARP Checks Paid	\$0.010
ARP Checks Issued	\$0.010
ARP Online Issue Mgmt Base Charge	\$25.250
ARP Data Entry	\$0.050
ARP Paid Item Transmission	\$0.010
ARP Issue Cancel	\$0.500
Positive Pay Monthly Base Charge	\$20.000
Bank Maintained Positive Pay Excep	\$0.039
<b>Image Services</b>	
<i>Paid Check Imaging</i>	
Check Imaging Per Account	\$2.500
Check Imaging Per Item	\$0.030

11/30/2012



**City of Novi - Fee Schedule**  
**Effective through December 31, 2013**

<u>Service Description</u>	<u>Price</u>
<b>Info Reporting</b>	
<b>AMP - Prior Day Reporting</b>	
Online AMP Prior Reporting	\$40.000
Online AMP Prior Day Account	\$10.000
Online AMP Prior Day Account	\$18.500
Online AMP Prior Day Detail	\$0.060
<b>AMP - Intra Day Reporting</b>	
Online AMP Intraday Base	\$5.000
Online AMP Intra Day Detail	\$0.060
Online AMP Current Day Per Acct	\$15.000
Online AMP Current Day Reporting	\$0.060
<b>Miscellaneous</b>	
<b>Legacy</b>	
ARP Check Finesort	\$0.060
ARP Issue Cancel	\$0.500
Paper Deposit Statement	\$0.000
<b>Portal</b>	
<b>AMP</b>	
Online AMP ACH Module	\$5.000
Online AMP Wire Module	\$10.000
<b>Wire</b>	
<b>Online Wire</b>	
Online AMP Wire Outbound Domestic	\$15.000
<b>Repetitive Storage</b>	
Wire Transfer Repetitive Storage	\$0.250
<b>Wire Advising</b>	
Wire Activity Statement	\$2.500

**Agreed by:**

**Fifth Third Bank**

**City of Novi**

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Name**

\_\_\_\_\_  
**Print Title**

\_\_\_\_\_  
**Print Title**

11/30/2012