

AGENDA BILL APPROVAL FORM

Agenda Subject: Resolution No. 4304		Date: January 28, 2008
Department: Finance	Attachments: Resolution No. 4304 and Exhibit "A"	Budget Impact:
Administrative Recommendation: City Council adopt Resolution No. 4304		
Background Summary: Resolution No. 4304 authorizes the Mayor and the City Clerk of Auburn to enter into a contract extension for banking services with Key Bank National Association for the City's banking needs. The City will be going through a competitive selection process for future banking services. In the interim Key Bank will be providing banking services for the City's needs. N0204-1 F1.6		
Reviewed by Council & Committees: <input type="checkbox"/> Arts Commission COUNCIL COMMITTEES: <input type="checkbox"/> Airport <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Hearing Examiner <input checked="" type="checkbox"/> Municipal Serv. <input type="checkbox"/> Human Services <input type="checkbox"/> Planning & CD <input type="checkbox"/> Park Board <input type="checkbox"/> Public Works <input type="checkbox"/> Planning Comm. <input type="checkbox"/> Other _____		Reviewed by Departments & Divisions: <input type="checkbox"/> Building <input type="checkbox"/> M&O <input type="checkbox"/> Cemetery <input type="checkbox"/> Mayor <input type="checkbox"/> Finance <input type="checkbox"/> Parks <input type="checkbox"/> Fire <input type="checkbox"/> Planning <input type="checkbox"/> Legal <input type="checkbox"/> Police <input type="checkbox"/> Public Works <input type="checkbox"/> Human Resources <input type="checkbox"/> Information Services
Action: Committee Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No Council Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No Call for Public Hearing ___/___/___ Referred to _____ Until ___/___/___ Tabled _____ Until ___/___/___		
Councilmember: Backus		Staff: Coleman
Meeting Date: February 4, 2008		Item Number: VIII.B.4

RESOLUTION NO. 4304

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE A CONTRACT EXTENSION WITH KEY BANK NATIONAL ASSOCIATION

WHEREAS, the City of Auburn is in need of ongoing banking services;
and

WHEREAS, the City will be going through a competitive selection process for future banking services; and

WHEREAS, the Finance Director has determined that Key Bank National Association has made a proposal to the City to provide ongoing banking services during the interim period of time, which includes the deposit of certain City funds, checking, short term borrowing and other services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON, HEREBY RESOLVES as follows:

Section 1. That the Mayor and the City Clerk are authorized to execute an agreement in substantial conformity with the Agreement attached hereto, marked as Exhibit "A" and incorporated herein by this reference.

Section 2. That the Mayor is authorized to implement such administrative procedures as may be necessary to carry out the directives of this legislation.

Section 3. That this Resolution shall take effect and be in full force upon passage and signatures hereon.

Dated and Signed this _____ day of _____, 2008.


CITY OF AUBURN

PETER B. LEWIS
MAYOR

ATTEST:

Danielle E. Daskam,
City Clerk

APPROVED AS TO FORM:



Daniel B. Heid,
City Attorney

General Banking Services Contract



City of Auburn

25 West Main Street
Auburn, WA 98001-4998

BANKING SERVICES AGREEMENT

1. CONTRACTING PARTIES

This AGREEMENT is entered into by and between City of Auburn, hereinafter referred to as the "City," and KeyBank National Association, fully qualified under the terms and conditions outlined by the Washington Public Deposit Protection Commission and licensed to conduct business in the state of Washington, and hereinafter referred to as the "Bank".

2. HEREBY WITNESSETH

The City, acting by and through the Finance Department, issued a Request for Proposal (RFP), dated in August of 1997, for the purpose of obtaining proposals for providing banking services for the City of Auburn's Banking Services. KeyBank responded with a proposal dated August 27, 1997 (the "Proposal"). The RFP and the Proposal are attached hereto and incorporated by reference herein, are together with this document and its other attachments, referred to below as the "Agreement".

The City hereby awards to KeyBank National Association, the Agreement for banking services, hereinafter referred to as the "Service", as described in the RFP for the City of Auburn Banking Services and in the Proposal, attached hereto at the prices stated therein and subsequently modified and attached hereto.

3. ADDITIONAL SERVICES

- a. The Bank agrees to bid on credit services that are requested by the City and appropriate for the Bank's portfolio.
- b. Third-party fees and charges are not to be considered any part of this Agreement and are the responsibility of the City. The Bank will not become involved in the negotiation for, payment for, or procurement of third-party services including, but not limited to:
 - Check, warrant, or deposit slip printing;
 - Lockable or disposable deposit bags or other banking supplies;
 - Safekeeping services – fees and charges;
 - Merchant services– fees and charges; and
 - Corporate bankcard– fees and charges.
- c. Relative to the servicing of its accounts and products, the City is encouraged to contact members of the City's KeyTeam which includes a Client Manager for day-to-day requests. Corporate Client Services ("CCS") at 800-821-2829 may also be utilized for routine requests. The relationship manager ("RM") will be available to you to mobilize the full depth and breadth of the Bank's capabilities to formulate innovative financial solutions that are consistent with the City's objectives. The City's RM is currently identified as:

Kim Monson
Vice President and Senior Relationship Manager
KeyBank Public Sector
601 – 108th Avenue NE
P.O. Box 90027 (WA-31-18-0548)
Bellevue, WA 98009-9027
(425) 709-4541 -- voice
(425) 709-4547 -- fax

General Banking Services Contract

kim_s_monson@keybank.com - email

4. CONSIDERATION

In consideration whereof, the mutual promises made to each other, as hereinafter set forth, the parties further agree as follows:

Indemnification. The City shall defend indemnify and hold the Bank harmless from any and all liabilities, losses, damages, costs, and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel) which may be incurred by the Bank relating to or arising out of this Agreement or any Service Agreement(s) caused by the City's sole negligence, bad faith, or willful misconduct; provided, however, that the Bank shall have no right to be indemnified hereunder for its own negligence, bad faith, or willful misconduct as determined by a court of competent jurisdiction.

The Bank shall defend indemnify and hold the City harmless from any and all ACTUAL liabilities, losses, damages, costs, and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel) which may be incurred by the City relating to or arising out of this Agreement or any Service Agreement(s) DIRECTLY caused by the Bank's sole negligence, bad faith, or willful misconduct; provided, however, that the City shall have no right to be indemnified hereunder for its own negligence, bad faith, or willful misconduct as determined by a court of competent jurisdiction.

Limitation of Liability; Disclaimer of Warranties. Except to the extent required by law, the Bank's duties and liabilities will be limited to those set forth herein. The Bank's liability shall be limited to actual damages sustained by City and only to the extent such damages are a direct result of the Bank's willful misconduct. The liability of the Bank in all these instances shall not exceed the recovery of funds erroneously processed or not processed. The Bank shall not be liable for damages caused by any act or omission of any third party, whether or not such party was chosen by the Bank, or for any charges imposed by any third party. In no event shall the Bank be liable for special, incidental, punitive or consequential loss or damage of any kind including, but not limited to, lost profits (whether or not the Bank has been advised of the possibility of such loss or damage). Bank shall have no liability hereunder to any third party. The Bank shall be relieved of liability where the Bank performs any Service in accordance with any Service Agreement(s), and the Bank may rely on the accuracy of any information set forth in the Service Agreement(s).

BANK HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

City's Duty to Inspect. City must inspect all Service(s) performed and notify the Bank within fourteen (14) days after receipt of the material containing the error or of a report or statement reflecting the error. Except to the extent required by law, failure to notify the Bank of errors within this time will relieve the Bank of any and all liability.

Financial Condition and Credit Limits. The City agrees to provide financial statements (the quality of which to be defined by the Bank) for any time period requested by the Bank. In the event the Service(s) selected by City result in unacceptable credit exposures to the Bank or affect the amount of capital required or expected to be maintained by the Bank or its parent under any law, regulation, guideline, or request from any central bank or governmental authority; or if the City fails to provide the Bank with any credit, financial or other information the Bank may require from time to time, the Bank may, in its discretion, immediately cancel the Services contemplated herein, or limit City's transaction volume or dollar amount.

General Banking Services Contract

Any notice or demand which under this Agreement or applicable law must or may be given by the Bank, or City shall be in writing, properly addressed and, as an alternative to personal delivery, made by U.S. Mail,

if to the Bank, at:

KeyBank, National Association
Public Sector
Kim Monson
Mail Code: WA-31-18-0548
601-108th Avenue NE
P.O. Box 90027
Bellevue, WA 98009-9027

if to the City, at:

City of Auburn
Shelley Coleman
Finance Director
25 West Main
Auburn, WA 98001-4998

The City and the Bank agree that the Agreement is the complete and exclusive statement between the parties that supersedes all proposals or prior agreements, oral or written, and all other communications between the parties relating to the subject matter of this Agreement.

5. PAYMENT FOR SERVICES

The Bank will be compensated for services performed in accordance with the current pricing schedule. Prices for services not implemented at the time of the contract will be determined at the time the service is implemented.

Fees may be paid for through balances, directly, or a combination thereof.

Accounts with cash management services must be on account analysis. Accounts on account analysis will receive an Earnings Credit Allowance, which may be used to offset some or all of the monthly service charges.

The City will be on a semi-annual settlement period. If fees exceed the Earnings Credit Allowance for the period, the City will be invoiced for the difference.

Excess earnings credits will not be carried forward from one period to the next.

6. TERM

This Agreement shall become effective immediately upon execution by all parties and be in effect until October 31, 2008.

Either party may terminate this Agreement at any time upon 90-days written notice to the other party.

In Witness Whereof: The City and Bank have executed the Agreement as of the date and year written below.

APPROVED
City of Auburn, Washington

APPROVED
KeyBank National Association

Shelley Coleman

Kim Monson

Finance Director

Vice President

Date

Date

