

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT BOARD OF EDUCATION
AGENDA STATEMENT

No. 8c.

MEETING OF January 24, 2024

ITEM TITLE:

CONSENT CALENDAR:

Motion to approve a change in banking and treasury management services from Wells Fargo Bank to Northrim Bank

REVIEWED BY:

Superintendent
 Finance

SUBMITTED BY: Daniel Schuler, Business Manager 907 247 2116

APPROVED FOR SUBMITTAL: Michael Robbins, Superintendent

SUMMARY STATEMENT:

The School Board is being asked to make a change in banking and treasury services from Ketchikan Gateway Borough's current provider, Wells Fargo Bank, to Northrim Bank.

ISSUE: Board Policy 3400 and its underlying Administrative Regulation 3400 governs the management of district assets and bank accounts and requires Board approval in order to establish new bank accounts.

BACKGROUND:

Ketchikan Gateway Borough School District currently has its operating bank accounts and treasury management services with Wells Fargo Bank. The Ketchikan Gateway Borough recently moved its bank accounts and treasury management function from Wells Fargo to Northrim Bank. There have been times where having banking services at a different financial institution has caused some service delays that will be minimized with this change. Additionally, Northrim Bank is able to provide a higher return on the investment of liquid funds with a lower fee structure. It is anticipated that this switch could provide an additional \$50,000 to \$100,000 in reduced fees and investment earnings on an annual basis depending on the movement in the interest rate environment and the daily balances in our accounts.

RECOMMENDATION:

Approval of the change in banking and treasury management services for the KGBSD operational accounts from Wells Fargo Bank to Northrim Bank.

ATTACHMENTS:

- Northrim Bank Banking and Treasury Management Proposal and supporting documentation

FISCAL NOTE:

EXPENDITURE REQUIRED: Not Applicable AMOUNT BUDGETED: Not Applicable

RECOMMENDED ACTION: "I move that the Board of Education approve a change in banking and treasury management services from Wells Fargo Bank to Northrim Bank."



January 9, 2024

Ketchikan Gateway Borough School District
Attn: Daniel Schuler
333 Schoenbar Rd.
Ketchikan, AK 99901

RE: Northrim banking proposal summary

Mr. Schuler,

We appreciate the opportunity to present a proposal for banking services for Ketchikan Gateway Borough School District. As Alaska's community bank, Northrim Bank strives to meet the needs of the communities we serve. Organizations such as KGBSD are vital to the well-being of communities throughout Alaska and we would value working with you.

Our mission to be Alaska's most trusted financial institution guides us in everything we do. Northrim Bank has made significant investments in technology and systems to operate efficiently within our branch network, while delivering robust and secure business online banking services.

We will provide the following banking services to KGBSD:

- A dedicated relationship support team including the local Ketchikan branch staff, Treasury Management Services and a bank officer who has experience working with municipal entities across Alaska.
- Full service financial center located at 2491 Tongass Avenue.
- Full suite of Treasury Management services, including ACH payments, fraud prevention services, Account Reconciliation reporting, Zero Balance accounts, and additional services as requested.
- A Business Sweep account to generate interest earnings on District operating account balances.
- Triparty agreement to fully collateralize all District deposits above FDIC limit.

As part of your banking relationship with Northrim, our team will be in regular contact. We are available to ensure the District's banking needs are met, both now and into the future. We look forward to any questions or updates.

Kind regards,

Steve Manley
VP Commercial Loan Officer

Dana Cherry
VP Lending Branch Manager

Rena Dalman
AVP Treasury Management
Consultant

2491 Tongass Ave.
Ketchikan, Alaska 99901
Phone: (907) 225-4545 · (800) 478-2265
northrim.com





Prepared by Rena Dalman, Treasury Management Consultant
 October 25, 2023

BUSINESS SWEEP CHECKING

The Business Sweep Checking automatically transfers excess balances daily from your business checking accounts to a designated interest-bearing account. This account offers same-day access to funds allowing Ketchikan Gateway Borough School District to benefit from yield on operating cash, as well as, full liquidity of funds. We are recommending all daily collected balances sweep to the Business Sweep Checking account. The realized income would be greater than the assessed analysis service fees.

Estimated Monthly Deposit Interest Income Main Operating 4541 & 6709 Balance \$1,742,242		
Account	APY	Interest Income
Business Sweep Checking	3.20%	\$4,646

Estimated Monthly Deposit Interest Income Misc. Funding 4582 Balance \$1,249,074		
Account	APY	Interest Income
Business Sweep Checking	2.93%	\$3,050

Estimated Monthly Deposit Interest Income School Lunch 4574 Balance \$597,553		
Account	APY	Interest Income
Business Sweep Checking	2.93%	\$1,459

Business Sweep Rates Effective for September 2023	
BALANCE	APY
Less than \$250,000	0.90%
\$250,000 to \$499,999.99	2.13%
\$500,000 to \$1,499,999.99	2.93%
\$1,500,00 to \$4,999,999.99	3.20%
\$5,000,000 and greater	3.73%

Interest accrues daily and is paid monthly.
Balances less than \$250,000 is subject to rate/APY change at bank's discretion.
Balances between \$250,000 and \$499,999 based on 20-40% of the Effective Federal Funds rate (EFFR).
Balances between \$500,000 and \$1,499,999 based on 30-55% of the EFFR.
Balance between \$1,500,000 and \$4,999,999 based on 40-50% of the EFFR.
Balances equal to or greater than \$5,000,000 based on 50-70% of the EFF

P.O. Box 241489
 Anchorage, Alaska 99524-1489
 Phone: (907) 261-4611
 northrim.com



BUSINESS ONLINE BANKING

Business Online Banking

Payment investigation	\$75.00
Premium access (Multi-user setups), Business Edge accounts.....	\$5.00
Premium reporting	10.00
Loan payments and advances	\$3.00

Account Reconciliation (ACT REC)

Set up	\$50.00
Full service	\$40.00 per month
Partial service.....	\$20.00 monthly per account
Full service - per additional account	\$15.00
Partial service - per additional account.....	\$10.00
Per issued item	\$0.10 each

Automated Clearing House Origination (ACH)

Set up for each service	\$50.00 per originator
Per Additional Account	\$10.00
Tokens (First token is free.).....	\$50.00 each
Upload fee	\$10.00 per month
Notice of change	\$10.00 each
Electronic Tax Payment (EFTPS).....	\$10.00 per month
Deleted file.....	\$25.00 per request
Returned transaction	\$10.00 each
Extend ACH file cutoff	\$75.00
Zero to 100 items.....	\$35.00 per month
Over 100 items.....	\$0.15 each
Same-day ACH.....	\$1.50 per transaction
Custom Payments and Transfers (CPT)	\$10.00 monthly
CPT per item (First 10 transactions free.).....	\$3.00 each
CPT edits to linked accounts	\$10.00 per request
Advanced reporting	\$15.00

Bill Pay Service

Monthly (Includes 10 payments)	\$10.00
Per item	\$1.00
Expedited	\$30.00
Stop payment.....	\$32.00
NSF (Charged by service provider, in addition to any NSF fee charged by Northrim Bank.)	\$32.00 per item

Electronic Data Interchange (EDI)

Set up.....	\$50.00 per account
EDI reports	\$16.00 monthly

Wire Transfers

Outgoing domestic.....	\$20.00 each
Outgoing foreign, USD	\$40.00 each
Online wires - per account	\$5.00
Wire upload - per company	\$10.00

Positive Pay

Set up.....	\$50.00
First account	\$40.00 per month
Each additional account	\$5.00 per month
For ACH, first account	\$20.00 per month
Each additional ACH account	\$5.00 per month
Per ACH exception	\$0.10 each
Per issued item	\$0.10 each

Remote Deposit Capture

Set up.....	\$75.00
Set up Technical Assistance	\$300.00
Monthly - per location	\$35.00
Monthly - per account	\$5.00
Per item	\$0.08

Treasury Management Sweep

Treasury Management Sweep	\$125.00 per month
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MISCELLANEOUS ACCOUNT FEES

Business Debit Card

Out-of-network (Domestic ATM)	\$1.50 each
Out-of-network (International ATM)	\$5.00 each
Card special processing (Redirect and rush)	\$36.00
Card replacement	\$10.00
PIN reissue	\$5.00

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Non-Sufficient Available Funds (NSF)

Overdraft and Return Item (These fees apply to NSF items created by check, electronic withdrawal, ATM withdrawal or Point of Sale transactions. A fee is not assessed if payment of all items presented would result in an overdraft of \$5.00 or less. Items returned NSF are assessed a fee each time presented for payment.).....

Overdraft Protection

Transfer from checking or savings

Returned Deposited Items

For each item you deposit to your account that is returned to Northrim Bank due to NSF closed account, stop payment, etc.

For each item you deposit to your account, which is drawn off your account at another financial institution that is returned to Northrim Bank due to NSF, closed account, stop payment, etc.

Returned international item

Stop Payments

Single item or electronic

Checks

Print 4 personalized checks

Returned check order

Official check, Money Orders.....

Official check, Cashier's Checks

Special Statements

Duplicate.....

Special handling

Interim statement.....

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Coin Processing

Over \$200 or 20 rolls of coin \$0.15 per roll
Over \$500 \$25.00 + \$0.15 per roll

Miscellaneous Charges

Contractor bond CD set up \$10.00
Legal order processing (Levy or garnishment) \$100.00
Money Service Business Account \$75.00 per month
Zipper bag \$3.00 each

COMMERICAL PURCHASE CARD PROGRAM

Custom program set up \$175.00 per hour
Custom programming/development \$250.00 per hour
Manual reports \$175.00 each
Card special processing (Redirect and rush) \$36.00

Commercial Purchase Card Design Options

Adding business name to standard card \$1,125.00
Customized card stock \$1,500.00

Expense Management

Spend Clarity set up \$250.00
Spend Clarity \$50.00 per month
Expense management custom export set up \$500.00
Expense management monthly export Request quote

INTEGRATED PAYABLES

Setup fee - virtual card only \$0
Setup fee - add check to virtual card migration \$0
Setup fee for 1 payment type (check or ACH) using standard check or ACH template \$1,200.00
Setup fee - add check or ACH as a second payment type \$600.00
Setup fee - wires \$2,500.00

Monthly Fees

Integrated Payables fee \$75
Monthly minimum fee (Includes monthly fees, per items fees and misc. fees. Monthly minimum is waived if virtual card is in use.) \$350.00

Transaction Fees

Check print (First page) \$0.40
Continuation page \$0.15
Same-day print surcharge \$0.35
ACH payment info from customer file \$0.13
ACH from vendor enrollment (Check to ACH) \$0.50
Electronic continuation page (Overflow for presentment to vendor) \$0.08
Wire payment info from customer file \$3.75

Miscellaneous Fees

Manual check pulls - per item \$5.00
Manual check pulls - per file \$65.00
Custom programming \$150.00
Campaign fees - optional (Campaigns can be done by email or phone only) Included
Mailer - vendor created, inserted with check \$0.13
Mailer - client created, inserted with check \$0.05