

RESOLUTION NO. 36-2011

Offered by: All of Council

**A RESOLUTION TO DESIGNATE PUBLIC DEPOSITORIES, TO AUTHORIZE THE MAYOR AND DIRECTOR OF FINANCE TO ENTER INTO AGREEMENTS FOR THE DEPOSIT OF VILLAGE FUNDS**

**WHEREAS, notice as provided by law for the award of deposits of public money of the Village has been made and applications for the award of such deposits were received.**

**NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, State of Ohio:**

**SECTION 1. The Charter One Bank; Dollar Bank; FirstMerit Bank, N.A.; JP Morgan Chase Bank, N.A.; Huntington National Bank; PNC Bank, N.A.; and U.S. Bank may become the depositories for the monies of the Village of Richfield, Ohio for the period of five (5) years to July 5, 2016, upon duly executing and delivery to the Director of Finance proper sureties and securities and the acceptance of the same shall be evidenced by written memoranda to be executed by Mayor and Director of Finance with each such depository.**

**SECTION 2. This Resolution shall take effect and be in force from and after the earliest period allowed by law.**

Passed: June 21, 2011

Barbara Bashara  
President of Council

ATTEST:

William J. Hayes  
Mayor

Carolyn E. Sullivan  
Clerk of Council

Dated: 6/21/11

**TO: Village Council  
Mayor Mike Lyons  
Bill Hanna**

**CC: Carolyn Sullivan**

**FROM: Sandy Turk, Finance Director**

**RE: Resolution to Designate Public Depositories for 5-17-11 Council Meeting**

**Date: May 12, 2011**

<b>ACTION BEING REQUESTED</b>	<b>TYPE OF REQUEST</b>
<b>Approval</b>	<b>Authorizing Resolution</b>

The Finance Department requests that the attached 2011 Resolution designating public depositories and authorizing the Mayor and Director of Finance to enter into agreements for the deposit of Village funds.

Resolution 23-2011, adopted May 3, 2011, estimated the Village had a maximum of \$12 million of active monies and invited applications for depositories of said funds. Applications for depositories will be accepted until noon on May 16, 2011. To-date applications have been received from Charter One, Dollar Bank, FirstMerit Bank, JP Morgan Chase Bank, Huntington National Bank, PNC Bank, N.A. and U.S. Bank. Dollar Bank is a new addition to the Village's current list of financial institutions. The new agreements will extend for a five year period thru July 5, 2016.

Interest rates have remained relatively low and we are working with the banks to minimize service charges. All depositories must comply with Ohio Revised Code 135. Depositories are required to designate a qualified trustee (Federal Reserve Bank or Bank of New York) and must pledge with them securities that equate to 105% of the total amount of all (State and subdivisions) public deposits including the portion of the deposits covered by the FDIC (federal deposit insurance). All entities have read our investment policy and have acknowledged receipt and understanding of its contents.

Second reading of the resolution will take place June 7<sup>th</sup> and the third reading and approval of the resolution will take place on June 21<sup>st</sup>.

Please let me know if you have any questions.

Attachment



## MEMORANDUM OF AGREEMENT FOR DEPOSIT OF PUBLIC FUNDS

This Agreement is made on the 21st day of June, 2011 by and between RBS Citizens, N.A., doing business as Charter One, Cleveland, Ohio, ("Bank" or "Charter One") and the Village of Richfield ("Depositor"), State of Ohio.

Depositor hereby designates Bank as its public depository of Depositor's active, interim and/or inactive deposits for the period beginning July 6, 2011 and ending July 5, 2016 both inclusive, in the total amount of Twelve Million Dollars (\$12,000,000.00).

Bank hereby agrees:

- (a) to receive for deposit, during the period of designation subject to the Bank's rules and regulations from time to time in effect for commercial accounts, any funds of Depositor and to deposit said funds designated as active deposits into the account(s) designated by Depositor and agreed to by Bank pending payment thereof to Depositor on Depositor's order;
- (b) to receive for deposit during the period of designation, any interim or inactive funds of Depositor pursuant to Chapter 135 of the Ohio Revised Code and according to the terms of Bank's application regarding interim and inactive deposits, which Bank shall evidence such deposits by Bank's Certificates of Deposit on Bank's books and records, bearing interest at such rates as may be agreed upon by Bank and Depositor, having the maturities prescribed by law;
- (c) to furnish to the Depositor a monthly statement during any time that the Bank holds any active or interim deposits, showing activity and balance of funds on deposit in any account for which such a statement is customarily issued;
- (d) in order to secure the performance of its obligations hereunder and under its application or applications, to pledge and deposit with a designated trustee, at the option of the Bank, eligible securities in accordance with the provisions of Chapter 135 of the Ohio Revised Code; and
- (e) to comply with the provisions of Chapter 135 of the Ohio Revised Code and all amendments of supplements thereto.

Depositor hereby agrees:

- (a) to be subject to the rules and regulations governing the accounts in which the Depositor's active and interim deposits are deposited;
- (b) to provide Bank the names and signatures of those persons authorized to execute drafts on, and make withdrawals for, the account(s) and to provide documentation evidencing such authority as the Bank may request; and
- (c) that Bank may designate, at its option, the manner in which the active and interim deposits of Depositor will be secured in accordance with Chapter 135 of the Ohio Revised Code and all amendments thereto.

The Bank agrees under this Agreement to secure its obligation as a Public Depository of Depositors, active, interim and/or inactive deposits by depositing with safekeeping trustee, Federal Reserve Bank and/or Bank of New York, eligible securities in the amount and in the manner required by the Ohio Uniform Depository Act (ORC 135.18 and/or 135.181). Charter One's pool of pledged securities is maintained at a minimum of 105% of public deposits, which does not exceed 30% of Banks deposits. This commitment for coverage is applicable to amounts in excess of FDIC insurance. Depositor authorizes Bank, on a continuing basis during the term of designation, to substitute securities pledged with such trustee without prior notice to the Depositor, provided that the securities being deposited be eligible securities having current market value equal to or greater than the current value of the securities for which they are to be substituted.

\_\_\_\_\_  
Village of Richfield

A handwritten signature in black ink, appearing to read "Dale A. Guthman", written over a horizontal line.

Dale A. Guthman  
Vice President  
Charter One

**MEMORANDUM OF AGREEMENT FOR DEPOSIT OF PUBLIC FUNDS**

This agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between Dollar Bank ("Bank") and the Village of Richfield, ("Depositor").

**Section 1.** Depositor hereby designates Bank as its public depository for Depositor's active and interim deposits during the period beginning July 5, 2011 to and including July 5, 2016.

**Section 2.** Bank hereby agrees:

- (a) to receive for deposit, during the period of designation, any funds of Depositor and to deposit said funds designated as active deposits into the accounts designated by Depositor and agreed to by Bank; and
- (b) to receive for deposit, during the period of designation, any interim funds of depositor pursuant to the terms and Bank's application regarding interim deposits, and to evidence such interim deposits of Certificates of Deposit having the maturities prescribed by law; and to limit said depositor's deposits to \$12,000,000.00. The bank further agrees to limit total State of Ohio Public Funds Deposits to no more than \$500 million; and
- (c) to furnish to the Depositor a monthly statement during any time that the Bank holds any active or interim deposits, showing the activity and balance of funds on deposit in any account for which such a statement is customarily issues; and
- (d) in order to secure the performance of its obligations hereunder and under its application or applications, to pledge and deposit with a designated trustee, at the option of the Bank, a pool of eligible securities in accordance with the provisions of Chapter 135.181 of the Ohio Revised Code; and
- (e) to comply with the provisions of Chapter 135 of the Ohio revised Code and all amendments or supplement thereto.

**Section 3.** Depositor hereby agrees:

- (a) to be subject to the rules and regulations governing the accounts in which the Depositor's active and interim deposits are deposited; and
- (b) to provide the Bank the names and signatures of those people authorized to execute drafts on and make withdrawals from the account(s) and to provide documentation evidencing such authority as the Bank may request; and
- (c) that the Bank may designate, at its option, the manner in which the active and interim deposits of Depositor will be secured in accordance with Chapter 135 of the Ohio Revised Code and all amendments thereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first written above.

Village of Richfield  
(Depositor)

Dollar Bank  
(Bank)

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

By: James P. McKay

Its: \_\_\_\_\_

Its: Vice President

**FirstMerit Bank, N.A.**  
106 South Main Street, Akron, OH 44308-1444  
1.800.644.6962



**DEPOSITORY AGREEMENT FOR ACTIVE,  
INTERIM AND/OR INACTIVE PUBLIC FUNDS**

Agreement made as of the \_\_\_\_\_ day of \_\_\_\_\_ 2011, between FirstMerit Bank, N.A. ("Bank") and Village of Richfield ("Depositor"). Depositor hereby confirms that it has designated Bank as a public depository of its active, interim and/or inactive deposits for the period of designation from July 5, 2011 to July 5, 2016.

**ACTIVE DEPOSITS**

Bank agrees to accept Active deposits of \$25,000,000.00 during the period of designation subject to the Bank's posted rules and regulations from time to time in effect for commercial accounts. Bank agrees that the sums deposited to the credit of Depositor's Active commercial accounts may be drawn against and paid by check executed by such authorized person(s). Bank must be notified in writing if designated person(s) change.

**INTERIM AND/OR INACTIVE DEPOSITS**

Whenever any Interim and/or Inactive deposits of Depositor are awarded to and accepted by the Bank pursuant to Chapter 135. of the Ohio Revised Code, the Interim and/or Inactive moneys shall be evidenced by an interest bearing account or certificate of deposit at rates agreed upon by Bank and Depositor.

The total amount thus awarded under this agreement is \$25,000,000.00, which does not exceed the limitations set forth under Chapter 135 of the Ohio Revised Code, or thirty percent (30%) of the Bank's total assets.

Bank agrees to secure its obligation under this Agreement and its other obligations as a public depository of Depositor's Active, Interim, and/or Inactive deposits by depositing with the Federal Reserve Bank of Cleveland as safekeeping trustee, eligible securities in the amount and in the manner required. Depositor hereby authorizes Bank on a continuing basis during the term of designation to substitute securities for those then deposited with such trustee, provided only that the securities being deposited be eligible securities having a current market value equal to or greater than the current market value of the securities for which they are to be substituted. Each such substitution may be made without prior notice to or the approval of Depositor.

Bank may charge all applicable fees assessable against depository accounts pursuant to its fee schedule currently in force or as hereafter amended.

**VILLAGE OF RICHFIELD**

**FirstMerit Bank, N.A.**

Official: \_\_\_\_\_

By: Jack I. Bolender, Jr.

Title: \_\_\_\_\_

Jack I. Bolender, Jr.  
Title: Senior Vice President

**MEMORANDUM OF AGREEMENT  
FOR DEPOSIT OF PUBLIC FUNDS**

This memorandum evidences that the Village of Richfield have accepted the application of JPMorgan Chase Bank, N.A. to become an eligible depository of the Active, Interim, and Inactive Funds, where appropriate, of the Village of Richfield for the period of Five years, commencing on July 6, 2011 ending July 5, 2016.

JPMorgan Chase Bank, N.A. is a national banking association organized and existing under the laws of the United States and the State of Ohio. JPMorgan Chase Bank, N.A. has capital funds as defined by Section 135.01 (C) of the Ohio Revised Code of One Hundred Seven Billion, Four Hundred Twenty Million Dollars (\$107,420,000,000).

JPMorgan Chase Bank, N.A. agrees:

1. To accept for deposit up to a maximum sum of unlimited dollars at any one time during this period of designation in any combination of Active, Interim or Inactive Funds. This amount is not in excess of 30% of the bank's total assets of \$1,631,621,000,000.
2. To hold said deposits subject to all terms and conditions set forth in the Ohio Uniform Depository Act, Ohio Revised Code Chapter 135.
3. To furnish a monthly statement showing the activity and balance on deposit for any active funds account.
4. To pledge and deposit with designated trustees, eligible securities as defined in Chapter 135 of the Ohio Revised Code.
5. To comply in all respects with any laws, rules or regulations with respect to Public Deposits.

Village of Richfield agree:

1. To comply with all rules and regulations governing the deposit accounts into which the funds subject to this agreement are deposited.
2. To provide the bank the names and signatures of those persons authorized to execute drafts on and to make withdrawals from the accounts, and to provide such documentation establishing this authority as the bank may request.

Date: \_\_\_\_\_

Date: May 9, 2011

Village of Richfield

JPMorgan Chase Bank, N.A.

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

By: Mary Ann Sason  
Mary Ann Sason  
Assistant Vice President  
Middle Market Banking

**MEMORANDUM OF AGREEMENT FOR DEPOSIT OF PUBLIC FUNDS**

This Agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between **PNC Bank, National Association**, a banking corporation under the laws of the United States, located and doing business within the State of Ohio ("Bank"), and the **Village of Richfield** ("Depositor").

**Section 1.** Depositor hereby designates Bank as a public depository for Depositor's active, interim and inactive deposits during the period beginning **July 6, 2011**, to and including, **July 5, 2016**.

**Section 2.** Bank hereby agrees:

(a) to receive for deposit, during the period of designation any funds of Depositor and to deposit said funds into the account(s) designated by Depositor and agreed to by Bank; and

(b) to furnish to the Depositor a monthly statement during any time that the Bank holds any active, interim or inactive deposits, showing the activity and balance of funds on deposit in any account for which such a statement is customarily issued; and

(c) in order to secure the performance of its obligations hereunder, to pledge and deposit with a designated trustee, at the option of the Bank, a pool of eligible securities in accordance with the provisions of Chapter 135.181 of the Ohio Revised Code; and

(d) to comply with the provisions of Chapter 135 of the Ohio Revised Code and all amendments or supplements thereto.

**Section 3.** Depositor hereby agrees:

(a) to be subject to the rules governing the accounts in which the Depositor's active, interim and inactive deposits are deposited; and

(b) to provide Bank the names and signatures of those persons authorized to execute drafts on and make withdrawals from the account(s) and to provide documentation evidencing such authority as the Bank may request; and

(c) that Bank may designate, as its option, the manner in which the active, interim and inactive deposits of Depositor will be secured in accordance with Chapter 135 of the Ohio Revised Code and all amendments or supplements thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**Village of Richfield**  
(Depositor)

**PNC Bank, National Association**

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

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

Title: \_\_\_\_\_

Title: **Vice President** \_\_\_\_\_

This is an agreement between **U. S. Bank, N.A.**, a National bank located and doing business in **SUMMIT COUNTY** through an office located in **Brecksville, Ohio** and whereby the **VILLAGE OF RICHFIELD** accepts the bank's offer to serve as public depository during the period from **JULY 5, 2011** through **JULY 4, 2016** inclusive. Under this agreement the sub-division will appoint U S Bank, N.A. as its depositories and will deposit funds as enumerated below:

- A) **VILLAGE OF RICHFIELD** will deposit active funds and the bank will accept a maximum of **All Eligible Deposits** or any part thereof. For the service of making active funds accessible by demand, check, draft or other similar instrument, the bank may charge a reasonable fee as enumerated under Section 135.16 of the Ohio Revised Code.
- b) **VILLAGE OF RICHFIELD** will deposit and the bank will accept as interim/inactive deposits a maximum **All Eligible Deposits** or any part thereof. The bank will issue Certificates of Deposit during the period of designation in the amount desired. U S Bank, N.A., will bid competitive rates of the customer's interim deposits.

For interim deposits, the interest payable on Certificates of Deposit will be at the maturity thereof or at the time of withdrawal prior thereto. Also, for interim deposits, the interest rates are subject to change from time to time. If a deposit is renewed, it shall carry the then prevailing interest rate at that time on that type of deposit.

The total amount thus awarded under this agreement totals **All Eligible Deposits** which does not exceed the limitations set forth under Chapter 135 of thirty percent (30%) of total assets.

The bank will secure all public deposits at the bank's option under either Section 135.18 or Section 135.181, in an amount sufficient to meet the requirements of Chapter 135.

On the last business day of each month during the period that any funds awarded pursuant to this agreement are on deposit with the bank, the bank will furnish a statement showing the balance of such active moneys in its possession. The bank may charge a reasonable fee for providing monthly statements under this agreement.

The bank agrees that it will comply with all the requirements of the Ohio Revised Code, Chapter 135 and any amendments thereto. The bank also further agrees that it will abide by any state and federal laws, rules or regulations or any amendments thereunder. If any such laws, rules or regulations are changed or amended during the terms of the designation as public depository, and if the change of laws, rules or regulations will cause this agreement to become unlawful, at the bank's option, this agreement shall be limited so as not to extend beyond the date when such change becomes effective.

As part of this agreement, the depositor agrees to be subject to the rules which govern the account in which the depositors' funds are deposited. Also, the depositor agrees to provide the bank the names and signatures of those persons authorized to execute drafts on and to make withdrawals from the accounts, and to provide such documentation establishing these persons authority as the bank may request.


**VILLAGE OF RICHFIELD**

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

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

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

**U. S. Bank, N.A.**

  
Stephen A. Broerman  
Vice President