



**Item:** City of Great Falls Request for Proposals – Depository and Banking Services  
**From:** Fiscal Services Department  
**Presented By:** Fiscal Services Director Melissa Kinzler  
**Action Requested:** City Commission to consider awarding depository and banking services contract

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (accept/reject) a proposal from US Bank for depository and banking services contract for a period of three (3) years and optional two (2) two-year renewals, totaling seven (7) years and authorize the city manager to execute the necessary contracts.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

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**Staff Recommendation:** The evaluation committee recommends US Bank.

**Background:** A Request for Proposals for Depository and Banking Services was mailed to five banks on October 18, 2013. The RFP was advertised in the Great Falls Tribune on October 23 and November 21, 2013 as well as on the City’s web site. A pre-bid conference was held on Wednesday October 30, 2013 with two banks attending. The RFP submittal due date was November 22, 2013. Three responses to the RFP were received from: First Interstate Bank, US Bank, and Wells Fargo.

The last time the City issued a RFP for Depository and Banking Services was January 2004. At that time First Interstate Bank was retained as the City’s primary depository and banking services provider. First Interstate Bank has been our provider since 1994.

Evaluation and Selection Process

An evaluation committee comprised of Commissioner Bob Kelly, Deputy City Manager Jennifer Reichelt, Fiscal Services Director Melissa Kinzler, Fiscal Services Admin Assistant Krista Artis, and Staff Accountant Cheryl Lucas was chosen to review the RFP’s received.

Conclusion

The evaluation committee has selected US Bank for the City's Depository and Banking Services provider. The recommendation is based on technology services offered, customer service references, lower transaction costs, all transition costs are projected to be covered by their implementation incentive, and the enhanced earnings credit rate offered.

**Alternatives:** The City could stay with First Interstate Bank under the contract currently in place.

**Attachments/Exhibits:** 1) Professional Services Agreement  
2) US Bank Official Proposal Form/Service Cost Section

## **PROFESSIONAL SERVICES AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the **CITY OF GREAT FALLS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 5021, Great Falls, Montana 59403-5021, hereinafter referred to as “City,” and U.S. Bank, 302 North Last Chance Gulch, Helena 59601, hereinafter referred to as “Consultant.”

In consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto agree as follows:

1. **Purpose:** City agrees to hire Consultant as an independent contractor to perform for City services described in the Scope of Services attached hereto as Exhibit “A” and by this reference made a part hereof.
2. **Effective Date:** This Agreement is effective upon the date of its execution and will terminate on the \_ \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. The parties may extend this agreement in writing prior to its termination.
3. **Scope of Work:** Consultant will perform the work and provide the services in accordance with the requirements of the Scope of Services.
4. **Payment:** City agrees to pay Consultant for services performed pursuant to the Scope of Services. Any alteration or deviation from the described work that involves extra costs will be performed by Consultant after written request by the City, and will become an extra charge over and above the contract amount. The parties must agree upon any extra charges in writing.
5. **Independent Contractor Status:** The parties agree that Consultant is an independent contractor for purposes of this Agreement and is not to be considered an employee of the City for any purpose. Consultant is not subject to the terms and provisions of the City’s personnel policies handbook and may not be considered a City employee for workers’ compensation or any other purpose. Consultant is not authorized to represent the City or otherwise bind the City in any dealings between Consultant and any third parties.

To the extent applicable to Consultant, Consultant shall comply with the applicable requirements of the Workers’ Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71, MCA. Consultant shall maintain workers’ compensation coverage for all members and employees of Consultant’s business, except for those members who are exempted by law.

Consultant shall furnish the City with copies showing one of the following: (1) a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or (2) proof of exemption from workers' compensation granted by law for independent contractors.

**6. Indemnity and Insurance:**

For the professional services rendered, to the fullest extent permitted by law and to the extent not caused, in whole or in part, by the actions or inactions of the City or its agents, Consultant agrees to indemnify and hold the City harmless against claims, demands, suits, damages, losses, and expenses, including reasonable defense attorney fees, to the extent caused by the negligence or willful misconduct of the Consultant or Consultant's agents or employees.

For this purpose, Consultant shall provide City with proof of Consultant's liability insurance issued by a reliable company or companies for personal injury and property damage in amounts not less than as follows:

- Workers' Compensation - statutory
- Employers' Liability - \$1,000,000 per occurrence; \$2,000,000 annual aggregate
- Commercial General Liability - \$1,000,000 per occurrence; \$2,000,000 annual aggregate
- Company Owned Automobile Liability - \$1,000,000 property damage/bodily injury; \$2,000,000 annual aggregate
- Professional Liability - \$1,000,000 per claim; \$2,000,000 annual aggregate

The City shall be included or named as an additional or named insured on the Commercial General and Company Owned Automobile Liability policies. The insurance must be in a form suitable to City.

**7. Professional Service:** Consultant agrees that all services and work performed hereunder will be accomplished in a professional manner.

**8. Compliance with Laws:** Consultant agrees to comply with all federal, state and local laws, ordinances, rules and regulations that are applicable to Consultant, including (if applicable to Consultant) the safety rules, codes, and provisions of the Montana Safety Act in Title 50, Chapter 71, MCA. As applicable, Consultant agrees to purchase a City safety inspection certificate or special business license.

9. **Nondiscrimination:** Consultant agrees that all hiring by Consultant of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

10. **Default and Termination:** If either party fails to comply with any material condition of this Agreement at the time or in the manner provided for, the other party, at its option, may terminate this Agreement and be released from all obligations if the default is not cured within ninety (90) days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or mailed to the parties at the addresses set forth in the first paragraph of this Agreement.

11. **Modification and Assignability:** This document contains the entire agreement between the parties and no statements, promises or inducements made by either party or agents of either party, which are not contained in this written Agreement, may be considered valid or binding. This Agreement may not be enlarged, modified or altered except by written agreement signed by both parties hereto. The Consultant may not subcontract or assign Consultant's rights, including the right to compensation or duties arising hereunder, without the prior written consent of City, which consent shall not be unreasonably refused. Any subcontractor or assignee will be bound by all of the terms and conditions of this Agreement.

12. **Ownership and Publication of Materials:** All reports, information, data, and other materials prepared by the Consultant pursuant to this Agreement are the property of the City. The City has the exclusive and unrestricted authority to release, publish or otherwise use, in whole or part, information relating thereto. Any re-use without written verification or adaptation by the Consultant for the specific purpose intended will be at the City's sole risk and without liability or legal exposure to the Consultant. No material produced in whole or in part under this Agreement may be copyrighted or patented in the United States or in any other country without the prior written approval of the City.

13. **Liaison:** City's designated liaison with Consultant is Melissa Kinzler and Consultant's designated liaison with City is Kim Spiroff.

14. **Applicability:** This Agreement and any extensions hereof shall be governed and construed in accordance with the laws of the State of Montana.

15. **Other Agreements:** This Agreement is subject to the provisions of the U.S. Bank Services Terms and Conditions (as the same may be modified from time to time, the "Terms & Conditions") and U.S. Bank's Deposit Account Agreement (as the same may be modified from


time to time, the "DAA"), the terms of both the Terms and Conditions and the DAA are incorporated herein by reference. To the extent the terms of this Agreement contradict the terms set forth in the Terms & Conditions or the DAA, the terms of this Agreement shall govern.

**IN WITNESS WHEREOF**, the parties hereto have executed this instrument the day and year first above written.

**CITY OF GREAT FALLS, MONTANA**

**U.S. BANK**  
**CONSULTANT (Type Name Above)**

By \_\_\_\_\_  
**Gregory T. Doyon, City Manager**

By  \_\_\_\_\_  
**Print Name: Kim Spiroff**  
**Print Title: Vice President & Relationship**  
**Manager**

**ATTEST:**

**(Seal of the City)**

\_\_\_\_\_  
**Lisa Kunz, City Clerk**

**APPROVED AS TO FORM**

By \_\_\_\_\_  
**Sara R. Sexe, City Attorney**



## Section 3 – Attachment A Proposal and Cost

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### ATTACHMENT A

#### OFFICIAL PROPOSAL FORM/SERVICE COST SECTION

Name of Bank: U.S. Bank

Address: 302 North Last Chance Gulch, Helena, MT 59601 Contact Name: Kim Spiroff

Contact Phone: (406) 447-5251 Contact Email: kimberly.spiroff@usbank.com

Website/URL: http://www.usbank.com

Bank locations: Main Office in Great Falls: 511 Central Ave. West, Great Falls, MT 59404

Branches in Great Falls: Four Branches

If there are any services you provide that are not specified in the proposal and you would like to include them as discount items, please list them along with the charge per item (on a monthly basis) at the end of the form. If a banking service cannot be met, then the term “No Proposal” must be entered.

If the space in this form is inadequate, please feel free to submit attachments identifying the subject matter by the category in bold print and the subcategory you are addressing.

**Sectional Table of Contents**

*DEPOSIT SERVICES:*.....23  
*CHECKING ACCOUNT:* .....27  
*COIN COUNTING AND DEPOSIT/PARKING METER COLLECTIONS:* .....27  
*RETURNED CHECK PROCESSING:* .....28  
*WIRE TRANSFER SERVICES:* .....28  
*AUTOMATED CLEARING HOUSE:* .....29  
*UTILITY BILL PAYMENTS:* .....29  
*INTERNET SERVICES:* .....30  
*COLLATERAL:*.....31  
*INFORMATION AND REPORTING:* .....32  
*PRINTING:* .....35  
*STANDARD SERVICES:* .....35  
*NEW SERVICES/UNBID SERVICES:*.....35  
*MISCELLANEOUS SERVICES:* .....36  
*ACCESS TO RECORDS AND COOPERATION:*.....36  
*RESOURCE PERSONNEL:* .....36  
*REFERENCES:* .....39  
*INVESTMENTS:* .....39  
*COMPENSATION:*.....40  
*USE OF UNCOLLECTED FUNDS:* .....41  
*REQUIRED FINANCIAL INFORMATION:*.....41  
*INVESTMENT IN THE COMMUNITY:*.....43  
*DISASTER / BUSINESS RECOVERY PLAN*.....45





**Deposit Services:**

DESCRIPTION	Average Units/Month	Cost Per Unit
Accounts Payable Checks	774	.05
Credits	404	.05
ACH DR & CR	405	.03
On us	1,252	.03
Clearing	2,165	.03
Transit	8,056	.03
ACH Return Items	12	2.00
Monthly Maintenance	1	5.00
Monthly Image Maintenance/Remote Deposit	1	25.00
On-line Fee (Internet Services)	1	10.00

U.S. Bank has provided the per item costs as requested. Please refer to the separate, sealed **Cost Proposal Document** submitted in conjunction with this proposal to view additional service charge line items that may apply for the requested services.

Identify bank cut-off time for same day clearing of items drawn on Great Falls banks.

U.S. Bank is pleased to offer the City of Great Falls our most aggressive funds availability schedule. The City will receive same day credit for on-us items when received by 3:00 p.m.. Please see the **Exhibits – Reference** section of this proposal to view our Funds Availability schedule for float assigned to items not drawn on US Bank.

Availability is assigned based on the availability schedule of the local depository site. U.S. Bank is able to identify all float associated with each deposit, regardless of deposit location, as is illustrated on the Previous Day report provided by U.S. Bank's information reporting products. An example of the report may be found in the **Exhibits – Sample Reports** section of this proposal.

Identify hours of operation of the location where deposits will be made and what time a final daily deposit will be accepted.

Below is the list of U.S. Bank branches listed in order of proximity to the City's office. Deposits received by the lobby or drive thru prior to 3:00 p.m. MT will receive same-day processing.

**1. Great Falls Office**

300 Central Ave  
Great Falls, MT 59401  
406-455-1077

**Lobby**

M-F 9:00 a.m. to 4:00 p.m.

**Drive Thru**

M-F 7:30 a.m. to 6:00 p.m.

**2. Great Falls - West Office**

511 Central Ave W  
Great Falls, MT 59404  
406-455-1112

**Lobby**

M-F 9:00 a.m. to 4:00 p.m.

**Drive Thru**

M-F 7:30 a.m. to 6:00 p.m.

**3. Great Falls Northwest Office**

900 3rd St NW  
Great Falls, MT 59404  
406-727-2506

**Lobby**

M-F 9:00 a.m. to 4:00 p.m.

**Drive Thru**

M-F 7:30 a.m. to 6:00 p.m.

**5. Great Falls 10th Ave Office**

1700 10th Ave S  
Great Falls, MT 59405  
406-453-2589

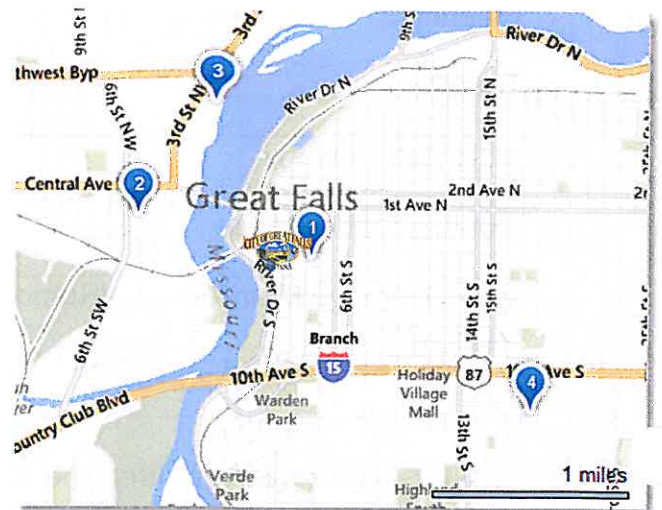
**Lobby**

M-F 9:00 a.m. to 4:00 p.m.

**Drive Thru**

M-F 7:30 a.m. to 6:00 p.m.

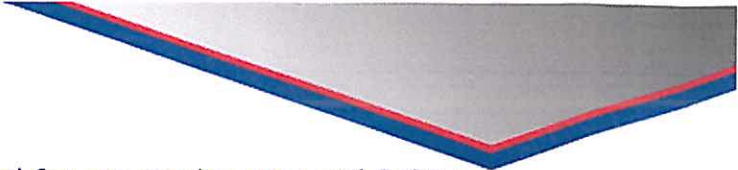
Sat. 9:00 a.m. to 12:00 p.m.



What terms, such as cutoffs, apply for deposits and withdrawals to the City's account?

**Deposits:** Deposits received by the lobby or drive thru prior to 3:00 p.m. MT will receive same-day processing.

**Checks:** U.S. Bank will cash checks when presented for payment to a teller up until closing time for that particular branch. Checks that have been deposited at other financial institutions will be posted to the City's account(s) during overnight processing.



**ACH Files:** ACH files may be submitted for processing up until 9:30 p.m. MT when sent in a secure direct transmission. ACH files initiated and approved in SinglePoint may be submitted up until 9:00 p.m. MT.

**Account Transfers:** SinglePoint Book Transfer will allow the City to make same day transfers between their U.S. Bank accounts up until 9:00 p.m. MT each business day.

**Wires:** The following are U.S. Bank’s opening hours and cut-off times in Mountain Time for initiating wire transfers to ensure same day execution:

Same Day Domestic Wire	6:30 a.m. - 3:30 p.m. MT
Same Day Internal Wire	7:30 a.m. - 5:00 p.m. MT
Future Dated Domestic Wire	6:30 a.m. - 5:30 p.m. MT
Same Day International Wire* (USD)	6:30 a.m. - 4:00 p.m. MT
Same Day International Wire* (FX)	6:30 a.m. - 3:00 p.m. MT

\*International wire transfers are sent on the day U.S. Bank is instructed to send it. The value date defines the date the beneficiary should receive the funds within their account. However, U.S. Bank does not have control over an international bank and the process they use to complete the wire.

Describe how processing errors are resolved and expected timeframes for resolution. Include specifics for deposit corrections.

**Branch adjustments:** The City will be contacted by phone for discrepancies over \$50.00. Copies of adjustment advices may be viewed online in SinglePoint, picked up at the branch or mailed. Other special processing instructions may be established upon request. Special processing requests are subject to management approval.

**Night drop discrepancies** greater than \$50.00 are verified by two or more tellers. In addition, customers are notified of discrepancies over \$50.00 and are asked for instruction to continue processing the deposit.

For **item processing and proof corrections**, bankers identify all discrepancies and make adjustments for differences over \$50.00. The City will see the adjusting entries when viewing transaction activity online in SinglePoint and adjustment notices are generated and mailed to the account mailing address.

Provide your funds availability schedule for electronic and paper transactions.

Availability is assigned based on the availability schedule of the local depository site. U.S. Bank is able to identify all float and availability associated with each deposit, regardless of deposit location, as is illustrated on the Previous Day report provided by U.S. Bank's information reporting products. U.S. Bank is proud to offer our most aggressive funds availability schedule to City of Great Falls. Please see the **Exhibits – Reference** section of this proposal to view our Funds Availability schedule.

We will credit the City's account for all incoming wires received before 4:00 p.m. MT each business day. U.S. Bank's Wire Transfer department will stay open to receive and process incoming wire transfers should the Federal Reserve extend their wire processing hours.

When do deposited funds become available for use/transfer?

All deposits will be accepted and posted immediately upon receipt. Same-day ledger credit will be allocated to deposits received by 3:00 p.m. MT at any U.S. Bank branch.

Cash and the value of on-us checks deposited are immediately available for use. The float assigned to regional and transit checks deposited will vary based on the location of the financial institution the checks are drawn upon.

Are incoming wire transfer available for immediate transfer out?

**Yes.** Funds by wire will be credited immediately to the City's account and are considered "collected" funds.

What is the cut-off for direct deposit?

The City of Great Falls may transmit their ACH Direct Transmission data files to U.S. Bank up until 9:30 p.m. MT. Future dated ACH transactions may be submitted up to 30 calendar days in advance of the effective date.

Weekend processing is available to the City at U.S. Bank. ACH files must be received before 9:30 p.m. MT on Sunday for processing with a Monday or next business day effective date.

U.S. Bank accepts and processes PPD payroll files for next day credit. However, in accordance with NACHA rules, the receiving institution is required to make funds available to their account holders at the opening of business the next day. Typically this is not a problem, although U.S. Bank encourages the City of Great Falls to submit payroll files two days in advance

of the effective date, when at all possible, to guarantee employees are paid in a timely manner.

**Checking Account:**

Provide the service costs for the items identified in this section: Checks written (all accounts):

Cost per unit \$0.05 Monthly Total \$38.70 (774 items)

Stop Payment Orders:

Cost per unit \$5.00 Monthly Total \$10.00 (2 stop)

Other Fees (please list):

Cost per unit \$6.50 Dep Error Correction Monthly Total \$0 (no activity)

**Coin Counting and Deposit/Parking Meter Collections:**

Parking meter coins are delivered in containers to the bank daily. The containers vary in weight from 50 – 120 pounds and the mix of coin consists mainly of quarters with a substantial amount of dimes and nickels. At times the coins will be wet. The bank’s responsibility is to sort, count, and deposit the coins; and to provide a deposit slip in a timely manner. Please provide the process the bank uses to sort the coins which will include non-American coin.

Yes   X   No            Cost per Unit \$25 per container

Bulk coin received is processed and sorted via a coin counter/sorter. All non-American coin is removed from the deposit and returned to the customer to process based upon their business practices.

**Night Depository Services:**

The bank shall provide night depository services **at multiple locations** as needed by the City. The bank will process these bags by: 1) removing under dual control all contents of bag; 2) counting under dual control all cash and checks received; 3) record deposits as delivered and then process a debit or credit against the Master Account showing it as a “deposit correction”; and 4) preparing a receipt with any corrections and sending it to the City Fiscal Services Department. The bank will be required to supply locking depository bags to the City.

Yes   X   No        Cost per Unit \$0.00 per Night Drop Deposit

**Additional Related Service Charges:**

Paper Credits \$ 0.05 each  
 Locking Deposit Bags \$10.00 each  
 Deposit Error Corrections \$ 6.50 each

U.S. Bank will provide the City with tamper evident bags at no cost. Should the City require lockable depository bags, U.S. Bank will apply the charges to your account analysis to be offset with earning credit on compensating balances.

**Returned Check Processing:**

The City requires the bank to automatically process returned checks a second time. Itemize all charges relating to returned checks, i.e., special instructions, charges for the first return, and charges for the second return.

Yes   X   No        Cost per Unit \$2.00 per returned item

**Additional Related Service Charges:**

Redeposited Returned Item \$ 2.00 each  
 Returned Item Image Viewed Online \$ 0.25 each  
 Returned Item Advice Viewed Online \$ 0.25 each

**Wire Transfer Services:**

The successful proposer shall maintain industry standard wire transfer facilities.

Type of Wire	Yes	No	Cost per Unit
Outgoing Repetitive	X		7.00
<b>Non-Repetitive</b>	X		7.00
Incoming	X		6.00
Internal	X		7.00

**Additional Related Service Charges:**

SinglePoint Wire Transfer Module \$ 10.00 per month

**Automated Clearing House:**

Specify the ACH originated item charge and any related costs such as tape/transmission charges.

Yes   X   No        Cost per Unit \$0.04 per item

**Additional Related Service Charges:**

- SinglePoint ACH Origination Module \$ 10.00 per month
- ACH Process Run \$ 3.00 per file transmitted
- ACH Notification of Change \$ 2.00 per NOC received

Describe how the remittance of Federal income and FICA taxes would be handled.

U.S. Bank SinglePoint ACH Origination supports local, state and Federal tax payment formats. The formats are updated as they are received from government agencies and customers. U.S. Bank also subscribes to the NACHA State Tax Change Portal. The City may choose to send tax payments electronically using SinglePoint ACH Origination, or allow the taxing agencies to pull the payments directly from their designated US Bank account.

**Utility Bill Payments:**

The City offers its utility customers the option of paying their utility bills by having their bank accounts debited for the payment amount. A listing in accordance with ACH standards would be provided four (4) times a month to the bank by the City Fiscal Services Department for the debits. Within 1-2 days after the transactions have taken place, the bank would be required to transmit to the Fiscal Services Department a transaction listing showing: name and utility account number debited; dollar amount debited from each account; the total number of accounts debited and the total amount debited.

Yes   X   No        Cost per Unit \$ 0.04 per item

**Additional Related Service Charges:**

- ACH Origination Services \$ 10.00 per month
- ACH Process Run \$ 3.00 per file transmitted
- ACH Notification of Change \$ 2.00 per NOC received

U.S. Bank SinglePoint can provide reporting that reflects the name and utility account numbers, along with totals for the number of accounts debited and total dollar amount.

**Internet Services:**

The City of Great Falls desires to have banking services available via the internet. This would include access to daily balances; wire transferring for repetitive and non-repetitive wires; ACH reporting; posted check inquiry; posted deposit inquiry; return item inquiry; credit card activity inquiry and reporting; internal wires and electronic check clearing. How long does the bank keep banking activity on-line for customer inquiry and reporting? After the time limit has expired, what options are there for viewing banking activity? Explain your bank's internet services:

Cost for Services: \$\_\_\_\_\_/month - **See itemized price list below**

The City will be pleased with our SinglePoint® Information Reporting and Transaction initiation service. SinglePoint is an integrated suite of treasury management services available in a single Internet site for multi-users. Through a combination of these services, you can effectively manage your financial position. Transactions available are:

- ACH
- Account Reconciliation
- Book Transfers
- Cash Vault
- Image Access
- Image File Delivery
- Information Reporting
- International Information Reporting
- International Request for Transfer
- Investments
- Issue Maintenance
- Messaging
- Positive Pay
- Reverse Positive Pay
- Stop Payments
- System Administration
- Wire Transfers
- Electronic Cash Letter Deposit
- OnSite Electronic Deposit

Previous day data is retained for 45 calendar days and current day data is retained for 10 calendar days. SinglePoint's retention period may be extended to 60 or 90 days upon request for an additional monthly charge per account.





**Additional Related Service Charges:**

Type of Charge	Cost per Unit
Current Day Detail Reporting Per Account Per Month	\$10.00
Current Day Detail Reporting Per Item Per Month	\$.02
Previous Day Detail Reporting Per Account Per Month	\$10.00
Previous Day Detail Reporting Per Item Per Month	\$.02
ACH Return & NOC Report Per Month	\$2.00
Book Transfer Monthly Maintenance Per Month	\$10.00
Book Transfer Per Transfer	\$.15
Stop Payment Monthly Maintenance Per Month	\$10.00
Stop Payment Revoke or Renew Per Item	\$5.00
Image Access Per Account Per Month	\$10.00
Image Access Per Check Image Stored Per Item	\$.02
SinglePoint Short Term Images Retrieved Per Item	\$.25

**Collateral:**

The bank must be able to provide 100% in collateral for pledging for the account. Collateral amount is subject to change depending upon the deposit levels of the account. The pledge of collateral for deposits must be:

- In writing;
- Executed contemporaneously with the acquisition of the asset by the depository institution;
- Approved by institution's board of directors or loan committee, and that approval must be reflected in the minutes of the board or committee;
- An official record of the depository institution since it was executed; and
- Collateral must be held at a mutually agreeable non-affiliated third party financial institution.

Monthly collateral reports, including documents that have met the above requirements, must be submitted.

U.S. Bank will secure the City of Great Falls funds in accordance with the Montana Code Annotated, 7-6-207.

U.S. Bank's Collateral Management Group monitors end of day ledger balances for collateral protection.

Monthly reports will be provided, upon request. U.S. Bank provides government customers with an option for an electronic collateral statement that is delivered by the 2nd day of the following month. The statement provides security description, maturity date, par value, current par value and market value, in addition to the percentage of coverage based upon account balances. This is useful to the customer in making sure they are in compliance with the laws governing their deposits and to verify that the bank has also complied with the same laws. This gives our customers a tool to use in reconciling the information they receive from the custodian of these same securities, as well as a tool to monitor their collateral needs.

### **Information and Reporting:**

Specify the method and times available for obtaining daily balances held in the general and other demand deposit accounts. Describe the detail of the information provided, i.e., average ledger balance, collected balance, float, total debits, total credits, etc.

#### **Previous Day summary reporting** within SinglePoint includes:

- Ledger Balance
- Opening Collected Balance
- One Day Float
- Two Day Float
- Three Day + Float
- Collected + One Day Float
- Total Credits
- Total Number of Credits
- Total Debits
- Total Number of Debits
- MTD Average Collected
- MTD Average Negative Collected

#### **Previous Day transaction detail reporting** within SinglePoint includes:

- ACH debit and credit transactions (addenda are reported on the EDI Remittance Report).
- Coin and currency purchases.
- Complete wire transfer transaction details
- Controlled Disbursement Presentments
- Checks Paid
- Deposited Items Returned

- 
- Location Numbers
  - Lockbox Deposits
  - Times available
  - Wire Transfer Credits
  - Wire Transfer Debits
  - ZBA Credits

These **prior day reports** are available from SinglePoint:

- Previous Day Summary and Detail Report
- Previous Day Detail Report
- Previous Day Summary Report
- Previous Day International Summary and Detail Report
- Previous Day International Summary Report
- Previous Day International Detail Report
- DDA Checks Paid Report
- ACH Secured Funds Pledge Report

Additionally, SinglePoint provides robust report customization and saving capabilities.

#### **Investment Reporting**

- Previous Day positions are updated by 3:00 a.m. PT.

**Current Day reporting** provides detailed information on ACH, book transfers, wires, lockbox transactions, other paper deposits, foreign exchange and global trade, Federal Reserve Bank Settlement Activity, and other items, such as ATM, phone and branch-initiated transactions.

**Current Day summary reporting** within SinglePoint includes the following:

- Opening Ledger Balance
- Opening Collected Balance
- Current Day Credits
- Number of Credits
- Current Day Debits
- Number of Debits
- Interim Ledger
- Interim Collected
- Interim 1 Day Float
- Interim 2 Day Float
- Interim 3 + Day Float

These are the transactions that are detailed in SinglePoint's **current day** reports:

- ACH transactions
- Wire transfer transactions

- Controlled Disbursement Check Debits
- Lockbox Deposit
- Other Paper Deposits
- Book Transfers
- Foreign exchange and global trade
- Federal Reserve Bank Settlement Activity
- Other items, such as ATM, phone and branch-initiated transactions

**Current Day reports include:**

- Current Day Summary and Detail
- Current Day Detail
- Current Day Summary
- ACH Summary and Detail
- Controlled Disbursement/Draft Summary
- Controlled Disbursement/Draft Detail
- Lockbox Detail
- Wire Transfer Detail
- Wire Transfer Detail New

Additionally, SinglePoint allows customers to create custom reports based on customer-specified criteria.

Specify all charges relating to information and reporting procedures such as base charges, per item charges and check sequencing charges.

<b>Type of Charge</b>	<b>Cost per Unit</b>
Current Day Detail Reporting Per Account Per Month	\$10.00
Current Day Detail Reporting Per Item Per Month	\$.02
Previous Day Detail Reporting Per Account Per Month	\$10.00
Previous Day Detail Reporting Per Item Per Month	\$.02
ACH Return & NOC Report Per Month	\$2.00
Book Transfer Monthly Maintenance Per Month	\$10.00
Book Transfer Per Transfer	\$.15
Stop Payment Monthly Maintenance Per Month	\$10.00
Stop Payment Revoke or Renew Per Item	\$5.00

Image Access Per Account Per Month	\$10.00
Image Access Per Check Image Stored Per Item	\$.02
SinglePoint Short Term Images Retrieved Per Item	\$.25

Monthly bank statements are cut off at the calendar month end. State the date of month the statements will be available to the City.

U.S. Bank business checking account statements are available online to view, print, export or save no later than two business days following the statement cut-off date. Statements may be retrieved in PDF, CSV and Text formats and SinglePoint will retain a rolling 12-month archive of the City's business checking account statements.

**Printing:**

The proposer may be asked to provide checks and deposit slips according to City specifications:

Yes  No  Cost per unit At cost

**Standard Services:**

Attach your most current published price listing for all available banking services to identify cost of banking services not specified in this request for proposal. If services (which are not a part of this contract) will be available to the City at a percentage of the list price, please specify the percentage discount.

Please refer to the separate, sealed **Cost Proposal Document** submitted in conjunction with this proposal to view the full price list, including items previously disclosed above. Should additional services not specified in this request be considered, pricing will be negotiated to the mutual agreement of both parties.

**New Services/Unbid Services:**

If the City of Great Falls adds additional accounts or services similar to those included in the original bid, those new accounts or services shall be provided under the same terms and conditions as apply to the existing accounts. If Federal regulations or other regulatory bodies require new accounts or impose other regulations, the bank shall make those new services available at a negotiated rate between the City and the bank.

Yes  No  Cost per unit To be negotiated by both parties

**Miscellaneous Services:**

Courier Service            Yes    \_\_\_\_\_            No    \_\_\_\_\_            Cost per Unit N/A

Storage of paid checks    Yes    \_\_\_\_\_            No    \_\_\_\_\_            Cost per Unit \$.02

Zero Balance Accounts    Yes    \_\_\_\_\_            No    \_\_\_\_\_            Cost per Unit \$10.00

**Access to Records and Cooperation:**

The bank will allow lawful and reasonable access to its records by the City Fiscal Services Director, the City’s auditors, and State or Federal auditors. The proposer will also cooperate in any prosecution for misuse of checks and misappropriation of funds.

Yes    X            No    \_\_\_\_\_            Cost per unit    N/A

**Resource Personnel:**

Indicate the names and titles of primary resource personnel, such as servicing operations department, and data processing who will service the City of Great Falls’ accounts. One or more bank officers should be designated for communication purposes.

<b>Name</b>	<b>Title</b>	<b>Department</b>	<b>Phone Number</b>
<b>Kim Spiroff</b>	Vice President and Relationship Manager	Government Banking	(406) 447-5251
<b>Mark Streipe</b>	Vice President and Relationship Manager	Community Banking	(406) 454-9317
<b>Jennifer Verdugo</b>	V.P and Treasury Management	Government Banking	(206) 344-2258
<b>Customer Service Team</b>	Client Services Representative	Government Banking	(800) 346-2249

**Government Client Focus**

U.S. Bank’s legacy of providing financial services to federal, state, city, county, special districts and authorities dates back more than a century. Current government relationships number close to 5,000 across the country throughout our 25-state territory. The Government Banking Division represents a part of our industry specialization within the Bank. By focusing strictly on the needs of public entities, our clients indicate we bring added value through the ability to share solutions among peers that are themselves part of a unique customer segment.



U.S. Bank utilizes a relationship management model that combines **local representation and government specific management**. This model assures that the City will always have a local bank representative available and access to a Relationship Manager with government sector expertise. We believe the difference between our competitors and U.S. Bank is how we execute against this model in providing the best service possible to our customers.

Our Government Bankers and Community Bankers work in partnership to serve the public sector. Extensive work with the entities of all shapes and sizes, from state governments to small cities and special-purpose districts, gives our Government Banking Relationship Managers a unique perspective. This diverse expertise showcases U.S. Bank's understanding of a public entity's detailed and specific requirements and how they differ from those of the private sector.

Our Relationship Managers:

- Partner with other U.S. Bank product experts to build a true consultative and customer-focused relationship.
- Commit to developing and maintaining products and services that meet the needs of government entities.
- Follow state-specific regulatory requirements.
- Structure timely and accurate implementation of depository, treasury management and credit products.

### **Relationship Manager**

**Kim Spiroff** - Vice President & Relationship Manager – Government Banking  
telephone: (406) 447-5251 or (406) 431-2238  
[kimberly.spiroff@usbank.com](mailto:kimberly.spiroff@usbank.com)

As your primary relationship manager, Kim is the Government Banking Relationship Manager for our Montana, Eastern Idaho, and Alaska clients. She is responsible for ensuring that your servicing support needs are met by each Division/Department within U.S. Bank. Kim manages policy and pricing issues, and partners with you to identify, offer, and deliver the right mix of cost-effective solutions.

Kim is a Vice President and Relationship Manager for Government Banking in the State of Alaska, Montana and Southeast Idaho. Kim's experience with the Public Sector spans over 25 years and will serve the City well as a trusted business partner, consultant, and advisor.

## **Community Banking Relationship Manager**

**Mark Striepe** – Vice President & Relationship Manager - Community Banking  
telephone: (406) 454-9317  
[Mark.Striepe@usbank.com](mailto:Mark.Striepe@usbank.com)

Mark Striepe is a Community Banking Relationship Manager with U.S. Bank. As a 22 year resident of Great Falls, Mark has over 16 years of banking experience and began his banking career in Great Falls with Heritage Bank in 1992. Mark started with U.S. Bank-Great Falls in 2008 as a commercial credit analyst and now actively manages a number of commercial relationships throughout North Central Montana. Mark has strong ties to the community and is active in a number of non-profit and community activities including currently serving on the City of Great Falls Planning & Zoning Board.

The branch partners with and supports the Relationship Managers and Treasury Management Consultants to ensure the customer's financial needs are cared for effectively.

## **Treasury Management Consultant**

**Jennifer Verdugo** - Vice President & Treasury Management Consultant – Government Banking  
telephone: (206) 344-2258  
[jennifer.verdugo@usbank.com](mailto:jennifer.verdugo@usbank.com)

Your Treasury Management Consultant is a key member of the Relationship Team, both for implementing new services and identifying new methods created from evolving technology based solutions. Jennifer is assigned to our Government Banking clients and is responsible for supporting all cash management solutions, including those discussed in this proposal.

Jennifer is the Treasury Management Solutions Consultant for Montana Government Banking clients. Jennifer has over 20 years of banking experience, the past 10 with U.S. Bank. Prior to joining the Treasury Management team Jennifer was the Government Banking Customer Service Team Leader where she supervised a staff of 7 bankers dedicated to service excellence for Governmental entities. .

## **Customer Service Team**

**Government Banking Client Services Team –**  
Toll-free telephone: (800)346-2249 Toll-free fax: (877) 324-1677  
[commercialcustserviceseatle4@usbank.com](mailto:commercialcustserviceseatle4@usbank.com)

Regardless of the quality of a bank's services, all clients have questions which must be answered each business day. U.S. Bank supports a centralized, Government specific, Commercial Customer Service team focused on providing same day problem resolution to our clients.



Your team of Service Bankers assigned to meet your banking needs includes: Rachel, Lisa, Joann, Juliet, Arlene and Evangeline. Mark Buchanan is the Team Leader. Each team member is extensively trained to quickly provide the City with accurate information. This focus is indicative of our desire to exceed client expectations for inquiry turnaround.

**References:**

Please indicate experience with other public entities similar to the City of Great Falls, along with names and phone numbers of specific references.

<b>Entity</b>	<b># of Years Doing Business With</b>	<b>Contact Person</b>	<b>Phone Number</b>
<b>City of Billings</b>	11 – Customer since 2002	Pat Weber	(406) 657.8209
<b>City of Missoula</b>	36 – Customer since 1977	Leigh Griffing	(406) 552.6122
<b>City of Helena</b>	36 – Customer since 1977	Glenn Jorgenson	(406) 447.8415
<b>Lewis and Clark County</b>	21 – Customer since 1992	Nancy Everson	(406) 447.8309

U.S. Bank has more than a century of experience providing specialized financial services to local, state, and federal entities. The responsibility for working with public entities has been vested within the Government Banking Division ("GBD"), a specialized functional group, because public authorities pose a particular set of considerations; including collateralized deposit management, restricted credit documentation, fund accounting financial analysis, and state-specific regulatory environments.

We are proud to provide our references to confirm our clients’ confidence in our ability to deliver the highest quality products and services, and will be pleased to provide more references upon request.

**Investments:**

The City of Great Falls will continue to follow the practice of accepting separate offers for securities it wishes to purchase and sell. The selected proposer is welcome to participate in that process if permitted under the City’s Investment Policy.

U.S. Bank understands the City will continue to follow the practice of accepting separate offers for securities it wishes to purchase and sell.

**Compensation:**

The City shall pay for all services monthly in the form of a direct fee basis. Credits for uninvested balances which may be available in the non-sweep accounts shall apply toward the monthly charges.

Our goal is to provide the City of Great Falls an opportunity to examine alternative pricing structures to accommodate the limitations placed on public resources in today’s environment. You expect a highly collaborative partnership with us and we will jointly explore and implement ideas that optimize efficiency.

U.S. Bank recognizes the City’s need to generate an earnings credit on any uninvested balances. As such your accounts will not be subject to the 10% reserve requirement.

Additionally, as a part of this proposal we are proud to offer to the City of Great Falls an **enhanced ECR of 0.75%** as a floor rate for the life of the contract.

Please identify reserve requirements and explain the basis and calculations for computing the base earning credit.

**Reserve Requirement**

The Reserve Requirement is the amount of funds that banks must maintain on deposit with the Federal Reserve and for which the City would not receive value. Banks are required to ‘reserve’ 10% of checking account balances for Federal Reserve reporting. **U.S. Bank is offering to waive the 10% Reserve Requirement for the City of Great Falls.**

**Earned Credit**

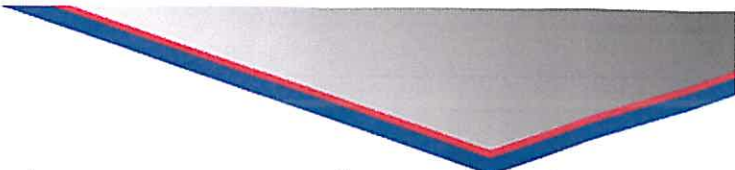
U.S. Bank’s standard earnings credit rate is a managed rate based on short-term interest rate trends and the general market environment. The ECR is calculated on average positive collected balances.

**Earnings Credit Calculation**

The Earned Credit is calculated as follows:

$$\begin{array}{rcl}
 & \text{Adjusted Positive Available Balance} & \\
 \text{X} & \text{Earned Credit Rate} & \\
 \text{X} & \text{Number of Calendar Days in the Month} & \\
 / & \text{Number of Days in the Year (365 or 366)} & \\
 = & \text{Earned Credit} &
 \end{array}$$

As previously mentioned, in comparison to the historical standard Earnings Credit Rate of 0.22%, we are proud to offer to the City of Great Falls an **enhanced ECR of 0.75%** as a floor rate for the life of the contract.



Monthly analysis statements must be provided on a summary and account level. State the date of the month these statements will be available.

U.S. Bank account analysis statements are generated on the eighth business day of the month. Statements are mailed and available online to view, print, export or save by the 9<sup>th</sup> business day. Account analysis statements may be retrieved in PDF and CSV formats and SinglePoint will retain a rolling 12-month archive of the City's statements.

### **Use of Uncollected Funds:**

Explain how overdrafts or uncollected funds are handled, and, if there is a charge, explain how it is calculated.

**Average Negative Collected Balance** – The condition of a Negative Collected Balance exists in two instances. The end of day ledger balance is truly overdrawn (negative), or when the ledger balance is positive, yet the component of the ledger balance, made up by the amount of checks recently deposited and still in the process of clearing (float), exceeds the end of day ledger balance. The difference between the float total and the ledger balance at the close of business represents a use of uncollected funds described as a negative collected balance. The Negative Collected Balance for each day is totaled and divided by the number of days in the month to produce an Average Negative Collected Balance.

(Since the use of negative collected balances is charged to clients as if a quasi loan had been originated, the calculated total is added, for Analysis purposes, to the total of Collected Balances.)

The Negative Collected Funds rate will be based upon Prime + 4%. At present that rate would be 7.25%.

The fee per overdraft caused by the City would be \$36.00 per item.

### **Required Financial Information:**

Submit your financial reports for the past three (3) years. The successful proposer shall continue to furnish the City with financial reports during the term of the agreement. Include rating information from recognized bank rating agencies and confirmation the bank will communicate to the City any changes in its credit rating or bank rating during the contract period. Submit proof of your current standing as an eligible public depository.

## Incomparable Stability

We are pleased to highlight our Standard and Poor's and Moody's financial ratings, as listed below. We believe these high marks are a reflection of quality management, consistent risk/reward decision making, dedication of employees to carry out a sound business model and an underlying customer service culture to be the 'Best bank in America'.

Working with U.S. Bank means you benefit from our stability. U.S. Bank's financial position remains strong due to diligent adherence to our prudent credit philosophy. U.S. Bank's conservative approach has resulted in ratings as the **strongest, safest, most secure bank in the nation.**

Please review our performance relative to our peers. No institution is immune to challenges in an economy like the one we face today, yet our key performance indicators remain strong and at the top of the industry.

A comparison of debt ratings for holding companies of our peer financial institutions reflects U.S. Bank's sound investment strategy, fiscally conservative policies, and long-term focus.

### Holding Company: Peer Group

	Ratings as of 10/8/13							
	Moody's		S&P		Fitch		DBRS	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>1 U.S. Bancorp</b>	<b>A1</b>	<b>s</b>	<b>A+</b>	<b>s</b>	<b>AA-</b>	<b>s</b>	<b>AA</b>	<b>s</b>
2 Wells Fargo & Co.	A2	wn	A+	on	AA-	s	AA	s
3 JPMorgan Chase & Co.	A2	wn	A	on	A+	s	AH	s
4 BB&T Corp.	A2	on	A-	on	A+	s	AH	s
5 PNC Financial Services	A3	s	A-	s	A+	s	AH	s
6 KeyCorp	Baa1	s	BBB+	op	A-	s	BBBH	s
7 Fifth Third Bancorp	Baa1	s	BBB+	s	A	s	AL	s
8 SunTrust Banks, Inc.	Baa1	s	BBB	op	BBB+	op	AL	s
9 Bank of America Corp.	Baa2	wu	A-	on	A	s	A	w/n
10 Regions Financial Corp.	Ba1	s	BBB-	op	BBB-	op	BBB	s

Similarly, a comparison of debt ratings for our peer financial institutions themselves also shows how the strength and stability of U.S. Bank is widely recognized.

### Bank Level: Peer Group

	Ratings as of 10/8/13							
	Moody's		S&P		Fitch		DBRS	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
<b>1 U.S. Bank NA</b>	<b>Aa3</b>	<b>s</b>	<b>AA-</b>	<b>s</b>	<b>AA-</b>	<b>s</b>	<b>AAH</b>	<b>s</b>
2 Wells Fargo Bank NA	Aa3	s	AA-	s	AA-	s	AAH	s
3 JPMorgan Chase	Aa3	s	A+	s	A+	s	AAL	s
4 BB&T Bank	A1	on	A	on	A+	s	AAL	s
5 PNC Bank	A2	s	A	s	A+	s	AAL	s
6 Bank of America	A3	wp	A	on	A	s	AH	w/n
7 KeyBank NA	A3	s	A-	op	A-	s	AL	s
8 Fifth Third Bank	A3	s	A-	s	A	s	A	s
9 SunTrust Bank	A3	s	BBB+	op	BBB+	op	A	s
10 Regions Bank	Baa3	s	BBB	op	BBB-	op	BBBH	s



The most recent three years' Annual Financial reports have been provided in the **Attachments Folder** provided in conjunction with this proposal.

Our most recent Annual Reports can also be accessed online at:  
<http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-reportsannual>

The Bank's quarterly earnings reports can be found at:  
<http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-quarterlyearnings>

During the City's Annual review, U.S. Bank will communicate to the City any changes in its credit rating or bank rating during the contract period.

Submit proof of your current standing as an eligible public depository.

As the fifth largest financial institution in the United States, U.S. Bank is a full service bank in good standing with comparable banks. Please refer to our list of recent accolades provided in the Exhibits section of this proposal for an example of the number of ways U.S. Bank has demonstrated itself to be outstanding among its peers.

### **Investment in the Community:**

One of the concerns of the City Commissioners is the level of reinvestment of local taxpayer deposit dollars in the local community by the City's servicing bank. Briefly describe the bank's policy regarding community reinvestment.

U.S. Bank is one of only 8.6% of financial institutions in the nation to receive an outstanding overall rating in their CRA examination.

U.S. Bank makes it a priority to be a catalyst for positive change in the communities we serve. By investing our time, knowledge and financial resources in local projects, programs and organizations, U.S. Bank helps transform communities.

U.S. Bank enjoys close partnership with hundreds of organizations across our 25-state banking region. These partnerships allow us to help bring about significant change within our communities. Efforts to which U.S. Bank contributes include:

- Funding affordable housing projects
- Fostering economic revitalization, and
- Providing extensive training and education to small businesses, consumers and first-time homebuyers

Our record demonstrates a firm commitment to providing financial and leadership support to national and regional equity funds. U.S. Bank actively invests in Low-Income Housing Tax Credit projects to further energize the creation of affordable housing units. This impressive record proves that the success of our communities is success for us all. All communities are interdependent, and as one flourishes, so does the next.

## **Invested in Montana**

U.S. Bank's philosophy is to be actively involved with the Montana community to ascertain consumer, small business, and homeownership credit needs. CRA goals are established for employees each year, which include serving on boards and committees of nonprofit organizations; providing funding to organizations that promote small business, homeownership and consumer credit needs via loans and investments; and conducting financial literacy training. The Montana Community Affairs Manager also conducts research to identify and report any issues in the community that might affect economic and business development, consumer credit and homeownership. U.S. Bank's Community Affairs department focuses on identifying products and services that might provide solutions to these needs.

### **Lending in our Communities**

From January 2012 through June 2013, U.S. Bank extended more than \$27.3 million in community development loans throughout Montana. One of the projects that U.S. Bank has been involved with is funding of a Patient Loan in the State of Montana for NeighborWorks Montana, a statewide nonprofit organization located in Great Falls. The facility will pay off existing debt, and secure funding for the nonprofit loan fund, economic development and the first-time homebuyer program.

### **Investing in our Communities**

From January 2012 through June 2013, U.S. Bank provided more than \$14.8 million in investments to Montana, which provided affordable housing, encouraged self-sufficiency and fostered economic development. These investments include U.S. Bank Foundation grants, U.S. Bank corporate giving and nonprofit sponsorship as well as tax credit investments made through U.S. Bancorp Community Development Corporation (USBCDC). One of U.S. Bank's investments is the Cascade Ridge Residences. It features 40 affordable housing units in Great Falls. Mountain Plains Equity Group developed the property to provide accessible units and amenities in compliance with the Fair Housing Act 2009 International Building Code; the Americans with Disabilities Act; Montana Accessibility Standards and the specific requirements of the Montana Board of Housing (MBOH) 2011 Qualified Allocation Plan (QAP). USBCDC committed \$5.2 million of Low-Income Housing Tax Credit equity to help finance the project.

## Disaster / Business Recovery Plan

1. Describe your bank's Disaster/Business Recovery Plan in the event of internal failure and/or external disaster beyond your control? Please define and identify specific backup equipment, personnel, and locations?

### **Business Continuity Program**

The mission of U.S. Bancorp's Business Continuity Program is to establish and support an on-going contingency planning program to evaluate the impact of significant events that may adversely affect customers, assets, or employees. This program is designed to ensure U.S. Bancorp can recover its mission critical functions, meeting its fiduciary responsibility to its stakeholders and complying with the requirements of the Federal Financial Institutions Examination Council (FFIEC), the Securities and Exchange Commission (SEC), and the Office of the Comptroller of the Currency (OCC).

U.S. Bancorp has developed detailed Business Continuity Plans and Disaster Recovery Plans for the restoration of critical processes and operations. U.S. Bancorp has dedicated resources to its contingency planning and disaster recovery program. Key features include:

- Employee safety strategies and communications
- Systems and telecommunications accessibility
- Alternate physical site location and preparedness
- System backup and recovery



A Corporate Contingency Planning Department coordinates response and crisis management across U.S. Bancorp. The Corporate Contingency Planning Department has set forth guidelines, which incorporates industry best practices for critical business units.



- **Business Impact Analysis** – U.S. Bancorp identifies time sensitive, mission critical processes' recovery time objectives (RTO) and business impacts.
- **Business Continuity and Disaster Recovery Plans** – U.S. Bancorp prepares and regularly updates and tests its business continuity and disaster recovery plans to support the business needs. Plans include crisis management, employee communication, alternate site requirements, recovery management, and site-specific checklists.

- **Work Area Recovery Strategy** – U.S. Bancorp continuously updates the Work Area Recovery Strategy to assist in the recovery and continuity of the business in the face of a disaster or other major outage.
- **Testing** – All aspects of the plans are periodically tested in accordance with regulatory requirements. This includes crisis management and response, business continuity and critical infrastructure disaster recovery. Mainframe data is mirrored to the hot site and server backups are stored off-site in a secured climate-controlled environment.
- **Audit** – Annual internal and OCC audits are conducted of the business continuity and disaster recovery program.
- **Board of Directors Updates** – Corporate Contingency Planning provides regular updates on the status of its contingency and recovery programs to the Board of Directors of the Audit Committee of U.S. Bancorp.
- **Employee Training and Awareness** - This includes promoting awareness, drilling evacuation procedures, establishing employee criticality ratings, and identifying employees' roles in a contingency event. Since clear communication during an outage is vital, many U.S. Bancorp employees who support key functions have pagers and/or cell phones.

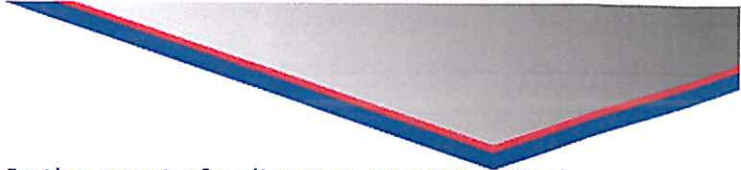
Since it is impossible to anticipate every type of potential disaster, there can be no assurance that there will be no interruption of the U.S. Bancorp's business functions in all circumstances. Following a disaster declaration, U.S. Bank's disaster recovery sites can be up and running in sufficient time to meet its Recovery Time Objectives (RTO) and regulatory requirements for all critical applications. In a worst-case scenario, U.S. Bank can be up and running at its disaster recovery sites within 24 hours for all critical applications required to meet the RTO.

2. Does your Disaster/Business Recovery Plan specifically cover essential services required by the City's Treasury Department, e.g. Demand Deposit Accounting, Balance Reporting, Wire Transfer and ACH Activity, Account Reconciliation Systems, Check Printing, etc.?

U.S. Bancorp's Business Continuity Plans are developed and maintained to address multiple recovery scenarios. Below are a few examples of what might occur if we experience an interruption of our normal business.

- In the event of a Data Center outage, U.S. Bancorp utilizes an internal alternate data center, which is geographically disbursed.
- In the event a business site becomes inaccessible, U.S. Bancorp presently employs the following recovery strategies: Mission critical functions are recovered at another geographically disbursed location within their business line. U.S. Bancorp maintains six internal geographically disbursed Regional Recovery Centers to recover those business lines not recovering themselves. U.S. Bancorp





also utilizes external recovery vendors. In the event of a disaster, mission critical employees are relocated to the recovery locations to reestablish mission critical functions within their RTO.

Since it is impossible to anticipate every type of potential disaster, there can be no assurance that there will be no interruption of the U.S. Bancorp's business functions in all circumstances.

This plan is subject to modification at any time.

3. How often is the Disaster/Business Recovery Plan actually tested? When was the Disaster/Business Recovery Plan last tested? Where was the last test conducted? What were the results?

Contingency plans are reviewed continually and tested no less than annually (with quarterly tests as indicated below):

**Call Tree Exercise**

Determines that phone listings are current and communication procedures are adequate

- Conducted on a quarterly basis for all essential employees

**Tabletop Exercise**

Ensures that critical personnel from all areas are familiar with the plan, and includes:

- Discussion about the plan in a conference room or small group setting
- Individual and team training
- Clarification and highlighting of critical plan elements

**Functional/Work Area Recovery Exercise**

Involves the actual mobilization of personnel to other sites to establish communications and coordination, and includes the following elements:

- Demonstration of emergency management capabilities of several groups practicing a series of interactive functions, such as direction, control, assessment, operations and planning
- Actual response to alternate locations or facilities using actual communications capabilities
- Mobilization of personnel and resources at varied geographical sites
- Varying degrees of actual, as opposed to simulated, notification and resource mobilization

**Full-scale Exercise**

All (or portions) of the plan is implemented by processing data/transactions using back-up recovery site(s). This exercise includes:

- Partner with other U.S. Bank product experts to build a true consultative and customer-focused relationship.
- Demonstration of knowledge, skills, management response and decision-making capability

- On-scene execution of coordination and decision-making roles
- Actual notifications, mobilization of resources, and communication of decisions
- Activities conducted at actual response locations or facilities
- Enterprise-wide participation and interaction of internal and external management response teams with full involvement of external organizations

When was the Disaster/Business Recovery Plan last tested? Where was the last test conducted? What were the results?

Testing activities were last conducted during the 3<sup>rd</sup> Quarter of 2013. No structural modifications to the plan were indicated.

4. Have you had to activate the Disaster/Business Recovery Plan due to an actual disaster or major systems failure within the last three years? If yes, please explain.

Due to confidentiality and the sensitivity of the information, we cannot provide any system outage details as requested. We welcome the City of Great Falls to come onsite for further discussions on this topic.

5. Do you have a post-disaster contingency plan if your first backup location becomes inoperative? If yes, please explain.

We own our primary and backup facility sites, in undisclosed, but geographically separated locations, protecting the integrity of the system.