

RESOLUTION 509

CITY OF LACEY

A RESOLUTION APPROVING BANKING SERVICE AGREEMENT

WHEREAS, the City of Lacey desires to establish a primary banking relationship to provide for daily banking services and has requested bid proposals by local banks for the providing of said services, and

WHEREAS, Lacey Bank has submitted a proposal for providing primary daily banking services, which proposal is the most satisfactory proposal received by the City, NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, that certain document entitled "Banking Service Agreement" attached hereto and made a part hereof as though fully set forth between Lacey Bank and the City of Lacey be approved and the City Manager is hereby authorized and directed to execute said agreement on behalf of the City of Lacey.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY this 24<sup>th</sup> day of September, 1981.

CITY COUNCIL

By Richard D. Beaver  
Mayor Pro Tem

Attest:  
Timothy McQuire  
City Clerk

Approved as to Form  
[Signature]  
City Attorney

BANKING SERVICE AGREEMENT

Agreement made this 25<sup>th</sup> day of September, 1981, between the CITY OF LACEY, a municipal corporation of the State of Washington, hereinafter referred to as the "City," and LACEY BANK, a banking association, maintaining offices within the city limits of the City of Lacey, State of Washington, hereinafter referred to as "Lacey Bank" or the "Bank."

W I T N E S S E T H:

WHEREAS, the City desires to establish a primary banking relationship with a bank to provide for daily banking services; and

WHEREAS, Lacey Bank desires to provide the primary daily banking services to the City; now, therefore,

The parties to this Agreement, in consideration of the foregoing and mutual covenants and stipulations set out herein, agree as follows:

SECTION ONE

PRIMARY BANKING RELATIONSHIP

(a) The City shall establish its primary daily banking relationship with the Bank and shall maintain its primary demand deposit account (sometimes referred to herein as checking account) with the Bank. The City agrees that it will at all times maintain in its primary demand deposit account an amount at least equal to \$138,500, and shall never permit the balance in any account to fall below \$0.00 to a negative or deficit balance, as reflected on the City Treasurer's Checking Account Ledger Balances. All checks shall bear the original or facsimile signature of the City Treasurer or his/her designated agent. All checks written for \$10,000 or more shall also bear the original or facsimile signature of the City Manager or his/her designated agent.

SECTION TWO

PROVISION OF BANKING SERVICES

Lacey Bank will provide the following services to the City without charge and in providing said services will comply with all depository laws and regulations as set forth in all applicable state and federal laws and statutes:

(a) Demand Deposit Checking Account Services. Lacey Bank will furnish the City with a primary demand deposit checking account. Disbursements from the account will be made by City Treasurer's Checks, which are written (among other purposes) to redeem City warrants, satisfy the City's debt service, make refunds and purchase investments. Lacey Bank further agrees to charge all N.S.F. checks directly to the City's checking account.

(b) Receive and Hold City Warrants. Claims warrants and payroll warrants issued each month by the City will be received and honored in the normal course of business and held by Lacey Bank without being charged to the City's account, unless Lacey Bank has reasonable cause to believe that the City will be unable to redeem its warrants as scheduled; provided, however, Lacey Bank must give the City Treasurer reasonable notice of its intent to no longer accept City Warrants as described herein. Once each week, Lacey Bank will notify the City Treasurer of the amount held in warrants and the Treasurer will write a Treasurer's Check on the City's checking account to redeem the warrants, and deliver said check to the Bank on the same business day on which notification is made.

(c) Additional Accounts. Lacey Bank will provide the City with additional special purpose checking accounts as the need arises.

(d) Competitive Bidding - Interim Financing. Lacey Bank agrees to bid competitively, on a prompt basis, on all legally acceptable interim financing loans requested by the City.

(e) Escrow Agent Services. Lacey Bank will provide the City with needed nondiscretionary escrow agent services and thereby act as a depository of funds to be administered and maintained by the City as retainage deposits from contractors who contract for public works projects or other contractual services in accordance with RCW 60.28.010 et seq. or as such statutory provisions may be amended during the term of this Agreement. Written escrow instructions satisfactory to the Bank must be supplied by the City to the Bank before the Bank shall be required to act as a non-discretionary escrow agent as contemplated by this Agreement.

(f) Safekeeping Services. Lacey Bank will provide safekeeping facilities and services for all securities which the City purchases through the Bank. In doing so, the Bank will comply with all state and federal regulations regarding safekeeping of City securities.

(g) Printed Checks, Warrants and Deposit Slips. Lacey Bank will provide a sufficient supply of checks, warrants and deposit slips printed to the City's specifications without cost to the City.

(h) Investment Assistance. To the extent permitted by applicable federal and state laws or regulations, the Bank will provide investment information and assistance in connection with the City's management of its investment portfolio. Upon the request of a duly authorized representative of the City, the Bank will make available to the City Repurchase Agreements and Certificates of Deposit and will purchase Government and Federal Agency Securities for the City.

### SECTION THREE

#### TERM OF AGREEMENT

Performance of the obligations under this Agreement shall commence on or about the 1st day of January, 1982, and continue for a period of five (5) years from said date.

### SECTION FOUR

#### TERMINATION

It is agreed that the City has the right to terminate this Agreement by giving written notice to the Bank at least one hundred twenty (120) days in advance of said termination. It is further agreed that should the City's primary deposit demand account balance as reflected on the City Treasurer's checking account ledger balance at any time during the term of this Agreement fall below \$138,500, the City shall immediately notify the Bank, the Bank may, at its option, consider this Agreement terminated immediately without further notice or demand and the Bank may seek to recover any deficiencies and pursue all remedies available under the Bank's rules and regulations and any applicable state and federal laws.

SECTION FIVE

NON-WAIVER

The failure of either of the parties to this Agreement to enforce at any time any of the provisions of this Agreement or to exercise any option which is herein provided or to require at any time performance by the other party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or in any way to affect the validity of this Agreement or any part thereof or the right of either party to thereafter enforce each and every such provision.

SECTION SIX

NOTICE

Any notice required or permitted under the terms of this Agreement shall be given or made to the respective parties hereto at the following addresses:

Lacey Bank  
P.O. Drawer H  
Lacey, WA 98503

City of Lacey  
P.O. Drawer B  
Lacey, WA 98503

unless by prior written notice hereunder a different person or address shall have been specified for such purpose in which event notices shall be made as so specified. All notices shall be in writing and shall be deemed to have been effectively given upon the receipt thereof if delivered by hand or sent by ordinary mail or upon the mailing thereof if mailed by registered mail, post-paid, addressed as above specified.

SECTION SEVEN

ENTIRE AGREEMENT

This instrument contains the entire agreement between the parties, and no statement, promises, or inducements made by either party or agent of either party that is not contained in this written contract shall be valid or binding, and this contract may not be enlarged, modified, or altered except in writing signed by the parties and endorsed hereon.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at Lacey, Washington, this 25<sup>th</sup> day of Sept, 1981.

CITY OF LACEY  
By [Signature]  
City Manager  
Attest [Signature]  
City Clerk

LACEY BANK  
By [Signature]  
Manager