



Camarillo City Council

AGENDA REPORT

Date: June 26, 2024

To: Honorable Mayor and City Councilmembers

From: Greg Ramirez, City Manager

Submitted by: Mark Uribe, Finance Director

Subject: Professional Services Amendment for Banking and Merchant Services with JP Morgan Chase Bank, N.A.

BACKGROUND

JP Morgan Chase Bank, N.A. is a leading global financial services firm with assets of \$2.6 trillion and operations worldwide. Their rich history spans over 200 years making them a leader in investment banking, financial services for consumers and small business, commercial banking, financial transactions processing and asset management. JP Morgan's banking and merchant services have provided the City with innovative technology to meet the City's needs as well as increase the City's efficiency in processing vendor payments, City deposits, and check printing.

On July 13, 2022, the Camarillo City Council approved a banking services agreement for banking and merchant services with JP Morgan Chase Bank, N.A. for a five-year term, effective September 13, 2022 (Agreement No. 2022-164).

DISCUSSION

Staff would like to expand the scope of services that JP Morgan Chase Bank, N.A. currently provides the City that would establish a smarter, more secure and efficient accounts payables and receivables program that support the City's goals towards automation and eliminating City staff's time consuming processing of finalizing payments and deposits. The following additional services would increase efficiency and reduce staff processing time and overall costs:

- **Check Print** – Bank initiated check printing service, that allows centralized management and tracking of all check orders, printing status, invoices and reports. This solution can also be leveraged to utilize J.P. Morgan as the City's

disaster recovery plan provider. Check printing services are approximately \$1.03 per check which includes postage, for an estimated monthly cost of \$610.00.

- **Lockbox** - Consolidation of paper payments, provides improved cash visibility and control over cash flows. Lockbox services are approximately \$0.27 cents per remote deposit capture item, for an estimated monthly cost of \$1,650.00.
- **eLockbox** – Consolidation of electronic payments via ACH, online BillPay and credit cards. eLockbox services are approximately \$0.26 cents per transaction received, for an estimated monthly cost of \$100.00.
- **Account Validation Services (AVS)** – A fraud prevention tool that uses data provided by our clients to validate counterparty information using J.P. Morgan and Early Warning Services (EWS) databases. The service allows clients to verify the status and/or ownership of a U.S. Demand Deposit Account (DDA). AVS services are \$0.25 cents per account that is verified, that is dependent on the number of new accounts in one month.
- **Remote Deposit Capture (RDC)** – Capture and deposit checks and remittance documents directly into the City's bank account. RDC services are approximately \$0.15 cents per remote deposit capture item, for an estimated monthly cost of \$75.00.

In addition, JP Morgan Chase Bank, N.A. will waive the one-time implementation fees of approximately \$10,000, for the Lockbox, eLockbox and check print outsourcing to demonstrate their commitment to the City.

FISCAL IMPACT

Funds for additional banking services will be netted against cumulative investment earnings and allocated among all participating City funds.

RECOMMENDATION

Authorize City Manager to execute Amendment No. 2022-164A with JP Morgan Chase Bank for additional banking services.

ATTACHMENTS

1. First Amendment to Agreement 2022-164A JP Morgan Chase
2. Agreement 2022-164 JP Morgan Chase

REFERENCE MATERIALS – AVAILABLE FOR REVIEW AT CITY HALL

None