

May 9, 2019

F. Marie Biser  
Business Development Officer  
F&M Bank  
30 Gosnell Crossing  
Staunton, VA 24401

Dear Ms. Biser:

The Town has received your proposal dated April 22, 2019 to provide business banking services. The Town accepts your proposal as follows:

1. Account Structure. The Town agrees to consolidate the account structure from the attached chart "Current Account Flow" to the structure in the chart "Proposed Account Flow" effective May 31, 2019. Any funds in the Parkland Fund, General Savings and Police Grant Fund Savings shall close to the Operating Account on May 31, 2019.
2. Proposed Funds Flow. Effective May 1, 2019, all receipts and income will be deposited into the Operating Account. The target balance for this account will be \$1 at the close of the business day. All funds over this amount will be swept to the Insured Cash Sweep (ICS) account and invested at the enhanced rate of 1.01% (current rate is .5%). Checks (accounts payable and payroll) will be cleared through the Bill Pay Account, often on a daily basis. Funds flow from the ICS account to cover cleared checks. The Bill Pay Account will maintain a \$1 balance at the close of the business day.
3. Term. The term of this contract is from May 31, 2019 until June 30, 2022. The fee structure outlined in #2 above is subject to change by the Bank with 90 days written notice to the Town. The Town reserves the right to cancel this agreement for any reason with 60 days written notice. At the end of the three-year period, the term will automatically extend on a year to year basis unless either party provides thirty days' notice of termination either at the end of the original term or after any of the one year extensions of the term.
4. Other Services. The proposal includes "recommended enhancements" and "additional efficiencies" for the Town to consider. As noted in #2 above the Town approves the "improved insured cash sweep (ICS)" to increase the rate paid on ICS deposits to 1.01% on all balances. The Town also concurs with the recommended check reconciliation service. Please provide Ms. Susan Smith, Deputy Treasurer with the format of this information.



With regard to the services outlined under "additional efficiencies", the Town will evaluate and make a determination of those services once the Treasurer position is filled. Thank you for being responsive to the Town's needs. Please sign one copy of this letter and return it for our records. The Town looks forward to working together with F & M Bank.

Very truly yours,

Joseph S. Paxton  
Interim Town Superintendent

Accepted: \_\_\_\_\_





# **Town of Dayton Banking Business Proposal**

April 22, 2019

Presented By:

**F&M Bank**



F&M Bank values our relationship as the provider of banking services for the Town of Dayton. We believe our out of the box thinking enables us to design a banking package tailored specifically to meet your organization's banking needs. This proposal is designed to address specific needs as well as share other beneficial services F&M Bank can provide.

### ***Services Currently Utilized***

*Business Checking Account* – Our **Free Business Checking** (less than 1000 items per month) with no minimum balance or monthly fee. We find this account usually meets most businesses' needs.

*Business Savings Account* – Earns tiered interest based on balances maintained. \$10 to open and \$100 minimum to maintain.

*Insured Cash Sweep (ICS)* - This service enables businesses, organizations, municipalities, and schools to maintain *insured* funds in excess of the standard \$250k FDIC insurance threshold within the same financial institution. Along with having all deposits FDIC insured; your ICS Deposits are currently yielding a rate of .50% on all balances above the \$250k threshold. This provides added interest income with FDIC Insurance at no cost.

*Cash Management, Payroll Direct Deposit Services* - Through our Online Banking site you pay employees electronically. Based on current deposit balances maintained, this service is provided to the Town of Dayton free of charge.

*Courier Services* - We provide a bonded courier to travel to the Town of Dayton in a bank-owned vehicle to collect your cash and/or check deposits. The deposits are then transported to a local branch for processing. You may also make change/petty cash request to be delivered. Based on current deposit balances maintained, this service is provided to the Town of Dayton free of charge.

*Online Banking* - This system provides a robust online site with the ability to view, transfer between accounts, make loan payments, pay bills and download transactions.

*Re\$ubmitt* - This is a unique, free of charge; check collection service of checks that are returned as Non-Sufficient Funds.





### ***Recommended Enhancements***

*Improved Insured Cash Sweep (ICS)* – F&M Bank would like to enable the Town of Dayton to get the best return and coverage possible. Along with having all deposits FDIC insured; your ICS Deposits will start yielding a rate of 1.01% on ALL balances, not just above the \$250k threshold.

*Check Reconciliation* – Though the same online banking system currently utilized, the Town of Dayton has the ability to download cleared check data on a daily, weekly or monthly occurrence. This service is offered to our customers, free of charge.

### ***Additional Efficiencies***

*Remote Deposit Capture Services* – A check scanning system that enables you to deposit checks without leaving the office. We provide you with the desktop scanner enabling you to capture, deposit and retain images of checks received. Based on current deposit balances maintained, this service would be provided to the Town of Dayton free of charge.

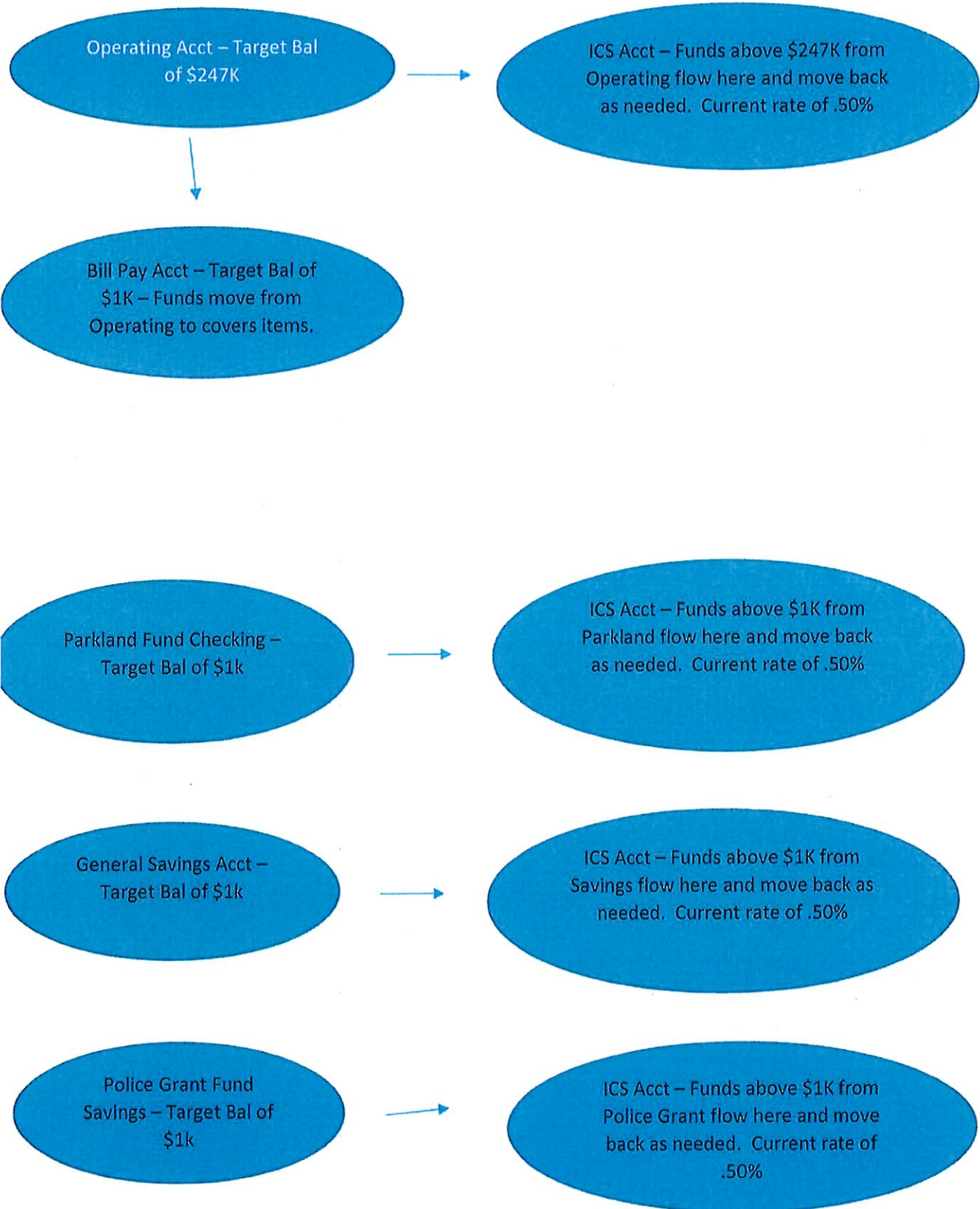
*Cash Management Debit Services* – Through the same system you submit employee payroll, the Town of Dayton has the ability to submit electronic payments to vendors and/or collection of payment for your services rendered. Based on current deposit balances maintained, this service is provided to the Town of Dayton free of charge.

*Merchant Services* - Ability to accept credit/debit card payments from your customers. Visa, MasterCard and American Express fees do apply.

In closing; thank you for allowing us the opportunity to handle the Town of Dayton's banking needs; while sharing information about F&M Bank's additional products and services. We welcome your feedback and encourage you to share any questions and thoughts you may have. Our goal is to provide the Town of Dayton a better way of banking through cost reduction, time-saving efficiencies and a true commitment to building a lasting relationship.



Town of Dayton - Current Account Flow





Town of Dayton - Proposed Account Flow

