

City of Pittsburgh

Bank RFP Follow-up Questions

- Is the operating account the only checking account?

We have two accounts: Operating Account and Housing Assistance Payments (HAP) Account. We manually sweep the fund from the HAP account to the Operating account monthly.

- For the debit blocks and filters mentioned, how many accounts will these be on?

Both accounts

- ACH Transfer Initiation is mentioned as a desired service, are these considered transfers between accounts at the same bank or ACH debits/credits that are initiated to external banks?

We do not initiate ACH for bill collection. We have a link on our website that customers can set up to have PAY NOW or AUTO PAY. This goes through a third-party and the customer uses their debit/credit card information.

We only originate for AP payments, approximately 200 EFTs per month.

- For the 8,500 water and sewer customers that desire to pay via ACH, are those payments made within a portal today? Is the City looking for alternative ways for these customers to pay or is the City confirming the bank account is able to accept ACH credits?

See answer above.

Here's an average breakdown of our customer payments

- Kiosk payments 100
 - Auto phone system (IVR) 900
 - Website 3,500
 - Monthly auto pay 2,500
 - In person payments made at city hall or thru the mail 1,500
- How many checks are deposited monthly?

In March 2026 we had 549 deposits and 225 withdrawals in our operating account.

In March 2026 we had 4 deposits and 2 withdrawals in our HAP Account.

- How many ACH items do you initiate on a monthly basis? Are these initiated via templates or files?

We only originate for AP payments, approximately 200 EFTs per month. Currently, we upload a file to the bank secure site.

- Would you like to see check images and deposit slips?

Yes, both online and on the PDF Statement

- Can you estimate how many returned/redeposited NSF checks you process in a year?

An average of 4 per month

- Can you please clarify the number of accounts that will be opened? We found references for a *general operating account*, *healthcare services account* and *sweeps*.

Two accounts: Operating Account and Housing Assistance Payments (HAP) Account. We manually sweep the fund from the HAP account to the Operating account monthly.

- Regarding *ACH Collections*, are you currently utilizing ACH Origination and initiating a file to debit your customer's account? If so, is this done on a monthly basis for all customers or do you initiate multiple files within the month? If this is not the process you are currently using, can you please provide additional details.

We do not initiate ACH for bill collection. We have a link on our website that customers can set up to have PAY NOW or AUTO PAY. This goes through a third party and the customer uses their debit/credit card information.

- Can you please provide additional details about *Remote ACH Check Deposit Service*? Are you currently using a scanner to capture the images and deposit the items into your account? Or are you requesting ACH check conversion? Additional information is needed to make sure we fully understand the request.

We currently do not use Remote ACH Check Deposit. We make several in-person deposits each day. (Individual departments deliver their bank bags to the city hall and designated individuals take the bags to the bank) It may be something we research in the future.

- Returned Checks, checks will automatically be tried a second time as a check. We do not have the option to convert the check to an ACH.

This is acceptable.

- Fraudulent activity involving the City of Pittsburg deposit account(s) was recently disclosed. Can you elaborate or provide additional information on safeguards that have been put in place to eliminate fraudulent situations going forward?

We have added additional verification process for vendor changes or new vendors with additional supervisor approvals. Limits have been set for all ACH initiated.

1. Do you plan to continue using your online payment platform for customers to make payments (I believe this is through municipal payments online)?

- Page 7/Section 4-can you confirm these payments are through your current online payment provider or is the City originating ACH files to debit customer accounts?

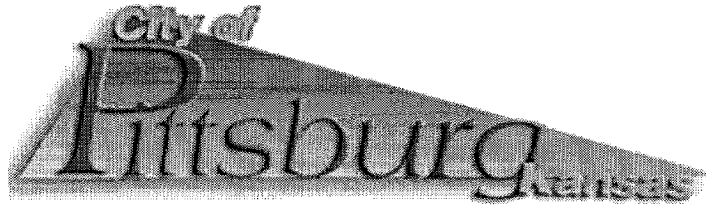
We do not initiate ACH for bill collection. WE have a link on our website that customers can set up to have PAY NOW or AUTO PAY. This goes through a third party and the customer uses their debit/credit card information. We are currently in the process of implementing a new ERP system and there could be some changes to the links provided (a different third party).

-Page 7/Section 5-are you referring to typical remote deposit capture or an X9 file upload option?

We currently do not use Remote ACH Check Deposit. We make several in-person deposits each day. (Individual departments deliver their bank bags to the city hall and designated individuals take the bags to the bank). It may be something we research in the future.

3. Page 22 - Please explain how many of the ACH credits/debits are being received vs. how many you are originating. If originating, how many files do you send per month?

We only originate for AP payments, approximately 200 EFTs per month.



CITY OF PITTSBURG, KANSAS

INVESTMENT POLICY

POLICY

It is the policy of the City of Pittsburg, Kansas, (hereafter referred to as "City") to invest public funds in a manner which will provide the highest investment return with maximum security while meeting the daily cash flow demands of the entity and conforming to all state and local statutes governing the investment of public funds.

SCOPE

This investment policy applies to all financial assets of the City. The financial assets of all funds, including the General Fund, Special Revenue Funds, Capital Projects Funds, Proprietary Funds, Internal Service Funds and Fiduciary Funds, and any other funds that may be created from time to time, shall be administered in accordance with the provisions of this policy.

PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. The prudent person standard states "Investment shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVES

The primary objectives, in priority order, of the City's investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of this investment policy. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

- B. **Liquidity:** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

- C. **Return on Investment:** The City's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics of the portfolio.

DELEGATION OF AUTHORITY

Authority to manage the City's investment program is derived from City Ordinances, the City Resolution approving this policy, and State Statutes. The Director of Finance and Administration (hereafter referred to as "Director") has direct management responsibility, and the City Manager has final management responsibility for the investment program. The Director shall report to the City Manager on a periodic basis, as appropriate, concerning the status of the City's investment program. The Director will review and receive prior approval from the City Manager before undertaking any major changes in the City's investment portfolio. The City Manager will review any modifications with the City Commission as appropriate.

The Director shall establish written procedures for the operation of the investment program consistent with this investment policy. Employees authorized to make investment decisions are as follows: City Manager, Director, and Assistant Director of Finance & Administration.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. All authorized investment officials (see "Delegation of Authority") shall disclose to the City Clerk any material financial interest in financial institutions that conduct business within the City.

AUTHORIZED FINANCIAL INSTITUTIONS

The Director will maintain a list of financial institutions in which the City may purchase investment securities from and in which funds may be deposited. This list shall be reviewed and approved annually by the City Commission. All such financial institutions must supply the Director with audited financial statements on a yearly basis.

AUTHORIZED AND SUITABLE INVESTMENTS

The Director is authorized to invest in the following securities: 1) United States Treasury Instruments, 2) Certificates of Deposit, and 3) Temporary Notes Issued by the City.

COLLATERALIZATION

Collateral is required on all City investments and funds on deposit held in authorized financial institutions, except for investments which are direct obligations of the U.S. government. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 100% of current value of principal and accrued interest.

Collateral may consist of the following:

1. Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations, including but not limited to letters of credit, and securities of United States sponsored corporations which under federal law may be accepted as security for public funds; and
2. Bonds of the State of Kansas.

SAFEKEEPING AND CUSTODY

Collateral securities will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. Pledged collateral shall not be released until an acceptable repledging of collateral is made and confirmed to

the Director or his/her designee in the event of a transfer of collateral. Safekeeping procedures shall be reviewed annually by the independent external auditor.

DIVERSIFICATION

It is the policy of the City to diversify its investment portfolio by security type and maturity. Assets held in the cash fund and other investment funds shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity or a specific class of securities.

MAXIMUM MATURITIES

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not invest in securities maturing more than two (2) years from the date of purchase. However, the City may invest reserve funds in securities exceeding two (2) years if the maturities of such investments are made to coincide as nearly as possible with the expected use of the funds.

INTERNAL CONTROL

The Director shall establish a system of written internal controls to assure compliance with state laws and this policy. The controls shall be designed to prevent the loss of public funds due to fraud, error, misrepresentation by third parties, unanticipated market changes or imprudent actions by employees or officers of the City. An annual, independent audit review shall provide internal control by assuring compliance with state laws and this policy.

PERFORMANCE STANDARDS

The investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles taking into account the City's investment risks, constraints and cash flow needs.

MARKET YIELD

The basis used by the Director to determine whether market yields are being achieved shall be the 91-day U.S. Treasury Bill rate.

REPORTING

The Director shall compile monthly investment reports showing type of investment, institution, rate or interest, term, maturity date, and projected interest earnings at

maturity. Interest earnings reports and collateral reports for each financial institution shall also be prepared.

REVIEW OF POLICY

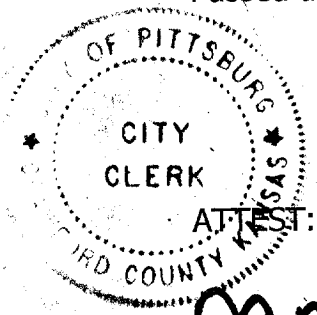
The Director shall review the policy on an annual basis with the City Manager, and any modifications made thereto must have prior approval of the City Commission.

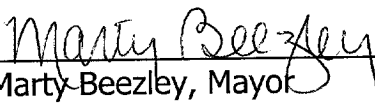
INVESTMENT PROCEDURES

When it is determined that the City has "idle funds" available for investment purposes, the Director shall cause the following investment procedures to be initiated:

1. The Director (or City Controller or Accounting Supervisor) shall determine the amount of idle funds available for investment, the term such funds can be invested, and the date such funds are available.
2. The Director shall send to all authorized financial institutions a standardized investment quotation form requesting interest rate information.
3. After all quotes are received, the Director shall review and study each quote to determine which quote will earn the greatest interest earnings for the City. The quote with the highest yield will be awarded the idle funds, however, if all quoted interest rates are lower than the current 91-day U.S. Treasury Bill rate, the City shall purchase such U.S. Treasury Bills directly.
4. Before any investments are purchased, the Director or his/her designee shall verify that sufficient collateral securities are being held to satisfy all safekeeping requirements.

Passed and Approved this 22nd day of August, 2006.




Marty-Beezley, Mayor


Tammy Nagel, City Clerk