



DATE: March 5, 2008

TO: Honorable Mayor and City Councilmembers

FROM: Rosemary R. Jones, City Treasurer

SUBJECT: **APPROVAL OF AMENDMENT 2 IN AN AMOUNT NOT TO EXCEED \$100,000 TO THE MASTER BANKING SERVICES AGREEMENT WITH BANK OF AMERICA, NA, OF LOS ANGELES EXTENDING THE AGREEMENT FOR CITY BANKING SERVICES**

SYNOPSIS

Staff recommends that the City Council approve Amendment 2 in an amount not to exceed \$100,000 to the Master Banking Services agreement with Bank of America, NA, of Los Angeles, extending the term of the agreement to March 4, 2009, for City banking services; and authorize the City Manager to execute the amendment.

BACKGROUND

On February 5, 1997, City Council approved a Master Banking Agreement between the City and Bank of America. The agreement was for a term of five years, and included an option to renew the contract by letter any time after the initial five-year period. The City Treasurer renewed the contract for a one-year period that expired on February 28, 2003. On March 19, 2003, City Council approved a Master Banking Agreement between the City and Bank of America for a four-year term, with the option to renew for two additional one-year periods. The first renewal option was approved by Council on March 7, 2007.

ANALYSIS

Since February 1997, the City has held a banking relationship with Bank of America and has been satisfied with the current level of service. The City entered into a four-year contract with Bank of America in February 2003. The contract had a renewal option allowing the City to renew the contract for two additional one year periods. On March 7, 2007, City Council approved the first option, extending the term to March 6, 2008. The City Treasurer's office is requesting the second option to be approved which would extend the term of the contract to March 4, 2009. The Treasurer requested Bank of America to provide a new pricing proposal in consideration of extending the agreement for one year. Bank of America provided a new pricing schedule (Attachment 3) based on the one-year contract extension. Although some fees were lowered, most of the fees remain the same as in the previous years' contract. Bank fees are calculated based on a mix of monthly

transaction volumes and fixed administrative charges, therefore a fixed contract price is not available.

As this is the last option to extend under the current contract, the Treasurer's office will issue a request for proposals for banking services during Fall 2008.

FISCAL IMPACT

The current banking contract is for a not-to-exceed amount of \$100,000 per year. Prices are based on monthly transaction volumes as well as fixed administrative fees, therefore fees vary from month to month and a fixed contract price is not available. Charges for banking services are currently deducted from pooled interest earnings prior to allocation to City funds.

COMMISSION/COMMITTEE REPORT

Does not apply.

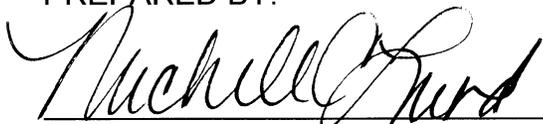
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 in an amount not to exceed \$100,000 to the Master Banking Services agreement with Bank of America, NA, of Los Angeles, extending the term of the agreement to March 4, 2009, for City banking services; and authorize the City Manager to execute the amendment.

PREPARED BY:



Michele C. Lund, CCMT
Treasury Manager

SUBMITTED BY:



Rosemary R. Jones, CCMT
City Treasurer

Attachments: Amendment 2 to Master Banking Services Agreement
Attachment 1 – Amendment to Master Banking Services Agreement (3/7/07)
Attachment 2 – Proposal Letter from Bank of America (01/22/08)
Attachment 3 – Bank of America Pricing Pro-Forma

**CITY OF OCEANSIDE
AMENDMENT 2 TO
MASTER BANKING SERVICES AGREEMENT**

PROJECT: BANKING SERVICES

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment") is made and entered into this 5th day of March, 2008, by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and BANK OF AMERICA, NATIONAL TRUST AND SAVINGS ASSOCIATION, hereinafter designated as "BANK".

RECITALS

WHEREAS, City and Consultant are the parties to that certain Master Banking Services Agreement dated March 19, 2003, hereinafter referred to as the "Agreement", wherein Consultant agreed to provide certain services to the City as set forth therein;

WHEREAS, the parties desire to amend the Agreement to provide for changes and/or modifications to the Fees and Term of the Agreement.

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

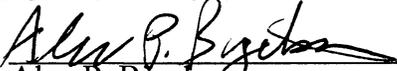
1. Section 1.2 (a) – The Pricing Schedule shall be as set forth in the Bank Proposal Letter dated January 22, 2008 for one year from the date of execution of this Agreement.
2. Section 2 – The term of this agreement shall be one year from the date of execution hereof.
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

BANKING SERVICES

IN WITNESS WHEREOF the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment and have caused this Amendment to be executed by setting hereunto their signatures this 5th day of March, 2008.

BANK OF AMERICA

By: 
Alec P. Bigelson
Senior Vice President

By: 
Kathleen McClure-Wight
Senior Vice President

94-1687665
Employer ID No.

CITY OF OCEANSIDE

By: _____
Peter A. Weiss
City Manager

APPROVED AS TO FORM:


City Attorney

NOTARY ACKNOWLEDGMENTS OF BANK MUST BE ATTACHED

ACKNOWLEDGMENT

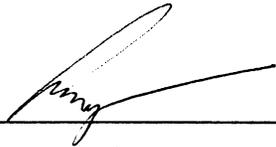
State of California
County of LOS ANGELES

On FEBRUARY 12, 2008 before me, EVELYN LEE EVANS, NOTARY PUBLIC
(insert name and title of the officer)

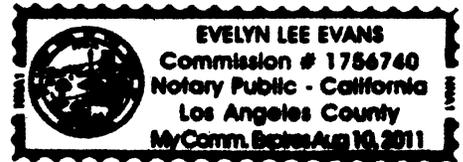
personally appeared ALAN P BIBELSON AND KATHLEEN MCCURRY-WIGHT
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



**ASSISTANT SECRETARY'S CERTIFICATE
OF
BANK OF AMERICA, NATIONAL ASSOCIATION**

The undersigned, Allison L. Gilliam, an Assistant Secretary of Bank of America, National Association (the "Association"), a national banking association organized and existing under the laws of the United States of America and having its principal place of business in the City of Charlotte, County of Mecklenburg, State of North Carolina, does hereby certify that:

1. The following persons have been duly elected or appointed and have duly qualified as officers of the Association and they hold the office set forth opposite their names:

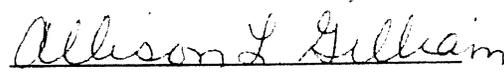
<u>Name</u>	<u>Title</u>
Kathleen McClure-Wight	Senior Vice President & Market Executive
Alec P. Bigelson	Senior Vice President & Senior Client Manager

2. The following is a true and complete copy of an excerpt from the Bylaws of said Association, and the same is in full force and effect as of the date hereof.

Section 5.2. Execution of Instruments. All agreements, indentures, mortgages, deeds, conveyances, transfers, contracts, checks, notes, drafts, loan documents, letters of credit, guarantees, master agreements, swap agreements, security and pledge agreements, guarantees of signatures, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, powers of attorney, and other instruments or documents may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of the Association by the Chairman of the Board, the President, any Vice Chairman of the Board, any Division President, any Managing Director, any Principal, any Vice President, any Assistant Vice President, or any individual who is listed on the Association's personnel records in a position equal to any of the aforementioned officer positions, or such other officers, employees or agents as the Board of Directors or any of such designated officers or individuals may direct. The provisions of this Section 5.2 are supplementary to any other provision of these Bylaws and shall not be construed to authorize execution of instruments otherwise dictated by law.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 7th day of February, 2007.

(SEAL)


Allison L. Gilliam
Assistant Secretary

CITY OF OCEANSIDE

MASTER BANKING SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this **19th** day of **March, 2003**, by and between the CITY OF OCEANSIDE, a municipal corporation, (hereinafter designated as "CITY"; and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (hereinafter designated as "BANK").

RECITALS

A. CITY desired to continue banking services, and requested a proposal for these services.

B. BANK has submitted a proposal dated February 11, 2003, to provide banking services for the CITY in accordance with the terms set forth in this Agreement. A copy of the proposal is attached as Exhibit A.

C. CITY desires to contract with BANK as an independent contractor and BANK desires to provide services to CITY as an independent contractor.

D. BANK has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. SERVICES PROVIDED BY BANK. The services to be performed by BANK shall consist of but not be limited to the following:

1.1 Work closely with the Treasury Manager in performing work in accordance with this Agreement in order to receive clarification as to the result that the CITY expects to be accomplished by BANK. The Treasury Manager, under the authority of the City Treasurer, shall be the CITY's authorized representative in the interpretation and enforcement of all work performed in connection with this Agreement. The Treasury Manager may delegate authority in connection with this Agreement to the City Treasurer and/or Chief Financial Officer's designees.

1.2 Perform all obligations as set forth in BANK Proposal including but not limited to:

(a) The Pricing Schedule shall be as set forth in Addendum One of the Proposal for a term of four years from the date of execution of this Agreement. The fees shall be fixed at the rates set forth in the Proposal referred to in Addendum One. Pricing for services not presently utilized will be based on the BANK'S Current Schedule of Fees and Charges or as otherwise agreed.

1.3 Perform all obligations as set forth in the separate agreements between CITY and BANK. Exhibit B, incorporated herein by reference, lists all separate agreements, which agreements have been executed in conjunction with prior Master Banking Agreement. To the extent that there are inconsistencies between the terms of this Agreement, and the

BANKING SERVICES

terms of any separate agreement, the terms of this Agreement shall prevail.

2. MODIFICATION AND TERMINATION OF AGREEMENT. The term of this Agreement shall be four years from the date of execution hereof. This Agreement may be modified at any time only by a writing signed by the CITY and the BANK, and may be terminated at any time in accordance with the terms of the separate agreements.

In any event either party may terminate this agreement by giving thirty (30) days prior written notice of its intent to terminate.

Further, in the event that the local main branch, located at 702 Mission Avenue, Oceanside, is closed by BANK, the CITY has the option to terminate services.

BANK, subject to the written consent of CITY, may amend the agreements referenced in Exhibit B from time to time according to the terms of such agreements, but any pricing change shall conform to the provisions of paragraph 1.2a above.

3. ENTIRE AGREEMENT. This Agreement, including all separate agreements incorporated herein, comprises the entire integrated understanding between CITY and BANK concerning the banking services to be performed by the CITY and supersedes all prior negotiations, representations, or agreements.

4. INTERPRETATION OF THE AGREEMENT. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California.

The CITY and BANK shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which otherwise are lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

5. NOTICES. All notices, demands, requests, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

TO CITY:

Michele C. Lund
Treasury Manager
300 N. Coast Highway
Oceanside CA 92054

TO BANK:

Alec P. Bigelson
Sr. Vice President, CA Government Bkng
555 South Flower Street Suite 800
Los Angeles CA 90071-2385

BANKING SERVICES

Either party may change its address by notice to the other party as provided herein.

Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (ii) three working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is being sent, as designated above.

6. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the BANK and the CITY.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Master Banking Services Agreement to be executed by setting hereunto their signatures.

BANK OF AMERICA
BANK

By Alec P. Bigelson

Alec P. Bigelson
Sr. Vice President

CITY OF OCEANSIDE
CITY

By Rosemary R. Jones

Rosemary R. Jones
City Treasurer

By Steven R. Jepsen

Steven R. Jepsen
City Manager

Attest Cheryl W. Hughes, ass.
City Clerk

#94-1687665
Federal Employer ID Number

John C. O'Neil, Esq.
Approved as to Form:
City Attorney

Notary acknowledgments of BANK must be attached.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles.

} ss.

On March 3, 2003, before me, Eileen Lew Perez, Notary Public

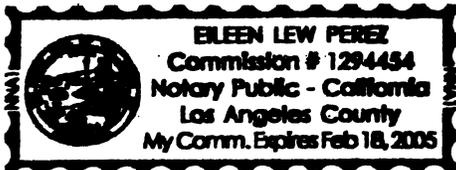
Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Alec P. Bigelson

Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) ~~is~~are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity(ies), and that by ~~his~~/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Eileen Lew Perez
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Master Banking Services Agreement City of Oceanside

Document Date: March 19, 2003 Number of Pages: 4

Signer(s) Other Than Named Above: none

Capacity(ies) Claimed by Signer

Signer's Name: Alec P. Bigelson

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer is Representing Bank of America.



EXHIBIT A



February 11, 2003

Rosemary R. Jones
City Treasurer
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054

Bank of America NA
555 S. Flower Street, Suite 800
Los Angeles, CA 90017-2385

Alec P. Bigelson
Senior Vice President &
Senior Client Manager
CA Government Banking
CA9-706-08-06
Ph. (213) 345-0206
Fax (213) 345-0213
alec.bigelson@bankofamerica.com

Re: Banking Services Agreement

Dear Rosemary,

The Bank highly values the relationship we share with the City of Oceanside and would like to continue to be your financial partner for many years to come. As we discussed during our last meeting, I would like to propose an extension of the Banking Services Agreement (herein after referred to as 'Agreement') between the City of Oceanside and Bank of America.

The Agreement will commence March 1, 2003. New pricing (see Addendum I enclosed herewith) began December 1, 2002. All existing price points will be fixed until February 28, 2007. Thereafter, the City will have two one-year options to extend the Agreement. Any price increase for the option years is negotiable but increases will be limited to the prevailing Southern California metropolitan areas Consumer Price Index for the preceding annual period.

For the sake of good order and to avoid any misunderstanding, I want to note these important terms:

- The base documents governing our Agreement are Bank of America's:
 - ◆ 'Terms and Conditions', Treasury Services (on file)
 - ◆ 'Authorization and Agreement for Treasury Services', (on file) and
 - ◆ Contract for the Deposit of Money (on file).
- Current unit pricing for depository and cash management services is as reflected in our Addendum I. Pricing for services not presently utilized will be based on our Current Schedule of Fees and Charges or as otherwise agreed.

We are very pleased to continue as the provider of banking services to the City of Oceanside and to continue our highly valued relationship. It is our goal to provide the City with the highest quality of service and to be your financial partner in the 21st century.

Rosemary R. Jones

-2-

February 11, 2003

Please let me know if you have any questions. I would also appreciate your confirmation to the Agreement on the principal terms as indicated above by signing and returning to me a copy of this letter.

Sincerely,



Alec P. Bigelson
Senior Vice President

Acknowledged and agreed upon on behalf of the City of Oceanside, California:

By: _____

Date: _____

Rosemary R. Jones
City Treasurer

Attachment

Addendum One
PROPOSED BANKING SERVICES PRICING
City of Oceanside
Based on Volumes from September Account Analysis
Bank of America

Services	Est. Monthly Volume	Current Unit Price	Current Total Price	Proposed Unit Price	Proposed Total Price	New Price savings
FDIC Assessment						
	2,491	\$0.0357	\$88.929	\$0.0357	\$88.93	\$0.000
General Account Services						
Account Maintenance	7	\$13.0000	\$91.000	\$13.0000	\$91.00	\$0.000
Zero Balance Accounts	1	\$15.0000	\$15.000	\$15.0000	\$15.00	\$0.000
Depository Services						
Banking Center Deposit	4	\$1.4000	\$5.600	\$1.4000	\$5.60	\$0.000
Coin Supplied - Per roll BC	33	\$0.1000	\$3.300	\$0.1000	\$3.30	\$0.000
Curr Supp per \$100	10	\$0.1200	\$1.200	\$0.1200	\$1.20	\$0.000
Vault Deposits-Regular Hr	15	\$1.1000	\$16.500	\$1.1000	\$16.50	\$0.000
Vault Deposits - Extended Hr	79	\$3.0000	\$237.000	\$2.0000	\$158.00	\$79.000
Curr-Coin Dep - Per \$100 - Vlt	3,561	\$0.1200	\$427.320	\$0.0900	\$320.49	\$106.830
Coin Dep Non Std Bag - Vlt	215	\$6.4500	\$1,386.750	\$3.0000	\$645.00	\$741.750
Cash Letter/Item Proc Deposits	27	\$1.1000	\$29.700	\$1.1000	\$29.70	\$0.000
Checks Deposited - ON US - CA	6,651	\$0.0420	\$279.342	\$0.0400	\$266.04	\$13.302
Checks Deposited Local Clearings - CA	9,236	\$0.0480	\$443.328	\$0.0420	\$387.91	\$55.416
Checks Deposited Other In- Distr - CA	12,081	\$0.0550	\$664.455	\$0.0520	\$628.21	\$36.243
Checks Deposited All Other - CA	4,170	\$0.0750	\$312.750	\$0.0550	\$229.35	\$83.400
Checks Deposited All Items (Unencoded)	318	\$0.0782	\$24.868	\$0.0600	\$19.08	\$5.788
Returned Item Chargeback	86	\$2.0000	\$172.000	\$1.5000	\$129.00	\$43.000
Returned Item Recleared	142	\$1.0000	\$142.000	\$1.0000	\$142.00	\$0.000
Deposit Correction - Cash - CA	2	\$3.0000	\$6.000	\$3.0000	\$6.00	\$0.000
Armored Car Service	At Cost	\$2,888.00	\$2,888.00	At Cost	\$2,888.00	\$0.000
Paper Disbursement Services						
General Checks Paid - Truncated	3,204	\$0.0900	\$288.360	\$0.0700	\$224.28	\$64.080
Positive Pay Returns	9	\$10.0000	\$90.000	\$10.0000	\$90.00	\$0.000
Checks Paid /Rejected for NSF	6	\$15.0000	\$90.000	\$15.0000	\$90.00	\$0.000
Paid Item Inquiry	15	\$1.0000	\$15.000	\$0.5000	\$7.50	\$7.500
Stop Pay Inquiry	4	\$1.0000	\$4.000	\$0.5000	\$2.00	\$2.000
Payments Direct Stop Pay - 6 mo	4	\$8.0000	\$32.000	\$6.0000	\$24.00	\$8.000
Payments Direct Stop Pay - 12 mo	3	\$10.0000	\$30.000	\$8.0000	\$24.00	\$6.000
Serial Sort w/recon per item	3,049	\$0.0300	\$91.470	\$0.0300	\$91.47	\$0.000
Postage	At Cost	\$9.1600	\$9.16	At Cost	\$9.16	\$0.000
Express Mail	At Cost	\$4.4000	\$4.40	At Cost	\$4.40	\$0.000
BAMTRAC - PP Photo Charge	1	\$8.0000	\$8.000	\$8.0000	\$8.00	\$0.000
Image Onsite Monthly Maintenance (\$50 per rel, not acc)	Per Rel.	\$50.0000	\$50.000	\$50.0000	\$50.00	\$0.000
Per Image Captured	3,204	\$0.0600	\$192.240	\$0.0300	\$96.12	\$96.120
Paper Disbursement Recon Services						
Full Recon Maint - Auto	2	\$75.0000	\$150.000	\$60.0000	\$120.00	\$30.000
AR Transmission Input Per Item	2,883	\$0.0700	\$201.810	\$0.0500	\$144.15	\$57.660
Check Issue Input - Transm Media	8	\$25.0000	\$200.000	\$15.0000	\$120.00	\$80.000
Check Issue Input - Manual	390	\$0.3500	\$136.500	\$0.3500	\$136.50	\$0.000
Recon Transmission (Output)	1	\$35.0000	\$35.000	\$35.0000	\$35.00	\$0.000

Services	Est. Monthly Volume	Current Unit Price	Current Total Price	Proposed Unit Price	Proposed Total Price	New Price savings
General ACH Services						
Direct Deposit - mo maintenance	2	\$75.0000	\$150.000	\$75.0000	\$150.00	\$0.000
PC Tax Payments	11	\$2.5000	\$27.500	\$2.5000	\$27.50	\$0.000
Direct Deposit - ON-US Items	1,008	\$0.0500	\$50.400	\$0.0400	\$40.32	\$10.080
Direct Deposit - OFF-US Items	3,831	\$0.1000	\$383.100	\$0.0600	\$229.86	\$153.240
EPS Debits Received (on-us)	30	\$0.0800	\$2.400	\$0.0600	\$1.80	\$0.600
EPS Debits Received (off-us)	3	\$0.1000	\$0.300	\$0.0600	\$0.18	\$0.120
EPS Credits Received (on-us)	37	\$0.0800	\$2.960	\$0.0600	\$2.22	\$0.740
EPS Credits Received (off-us)	9	\$0.0800	\$0.720	\$0.0600	\$0.54	\$0.180
Direct Deposit Returns	14	\$4.0000	\$56.000	\$2.2500	\$31.50	\$24.500
Direct Deposit - Input	22	\$25.0000	\$550.000	\$15.0000	\$330.00	\$220.000
Direct Deposit Notif of Change	4	\$1.2500	\$5.000	\$1.2500	\$5.00	\$0.000
EDI Services						
RapidPay Monthly Maintenece	1	\$125.0000	\$125.000	\$125.0000	\$125.00	\$0.000
RapidPay Core Item Processing	1,883	\$0.0700	\$131.810	\$0.0700	\$131.81	\$0.000
Wire & Other Funds Transf Svcs						
Monthly Maintenance *	1	\$0.0000	\$0.000	\$50.0000	\$50.00	-\$50.000
Electronic Wire Out Dom Repair	2	\$11.0000	\$22.000	\$11.0000	\$22.00	\$0.000
Electronic Wire Out Domestic	24	\$7.5000	\$180.000	\$7.0000	\$168.00	\$12.000
Electronic Wire Out - Book DB	2	\$5.5000	\$11.000	\$4.5000	\$9.00	\$2.000
Incoming Domestic Wire	3	\$7.5000	\$22.500	\$7.0000	\$21.00	\$1.500
Intracompany Book Credit	2	\$7.0000	\$14.000	\$5.5000	\$11.00	\$3.000
Wire Advice Mail	5	\$2.0000	\$10.000	\$1.0000	\$5.00	\$5.000
Template Storage	16	\$0.5000	\$8.000	\$0.5000	\$8.00	\$0.000
Information Reporting						
Direct PDR maintenance	1	\$100.0000	\$100.000	\$95.0000	\$95.00	\$5.000
Direct PDR Detail STD per item	2,609	\$0.1700	\$443.530	\$0.1500	\$391.35	\$52.180
Direct Per Acct Maint	1	\$65.0000	\$65.000	\$65.0000	\$65.00	\$0.000
Undefined Services						
Business Services	At Cost	\$567.3400	\$567.34	At Cost	\$567.34	\$0.000
Total Activity Charges (based on volumes)		<i>Current</i>	\$11,791.54	<i>Proposed</i>	\$9,835.31	
				<i>Monthly Savings</i>		\$1,956.23
				<i>Annual Savings</i>		\$23,474.74

* This fee was formerly charged on Bamtrac for Wire Maintenance.

Proprietary and Confidential



Bank of America NA
333 S. Hope St., 13th Floor
Los Angeles, CA 90071

Alec P. Bigelson
Senior Vice President &
Senior Client Manager
Government Banking
CA9-9-193-13-17
Ph. (213) 621-7132
Fax (213) 621-3606

January 22, 2008

Rosemary R. Jones, CCMT
City Treasurer
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054

Ref: Banking Services Agreement

Dear Rosemary:

I am delighted to submit an offer to the City of Oceanside to exercise your option to extend your Banking Services Agreement with Bank of America by one year through March 4, 2009. For the sake of good order and to avoid any misunderstanding, I want to note these important terms:

- The base documents governing our Agreement are Bank of America's:
 - ◆ 'Terms and Conditions', Treasury Services (on file)
 - ◆ 'Authorization and Agreement for Treasury Services' (on file)
 - ◆ Contract for Deposit of Money (on file)
- Current unit pricing for depository, cash management, and merchant card services (not including Interchange fees) are reflected in the herewith submitted Pricing Renewal Worksheet. Pricing for services not presently utilized will be based on our Current Schedule of Fees and Charges or as otherwise agreed. The new pricing will take effect March 1, 2008.

We are very pleased to submit this request to the City as we highly value our long standing and mutually beneficial relationship. It is our goal to continue as your banking and financial partner for many years to come.

Rosemary R. Jones

2-

January 22, 2008

Please let me know if you have any questions. If you are agreeable to the extension of the Agreement I would appreciate your confirmation to the principal terms as indicated above by signing and returning to me a copy of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Alec P. Bigelson", followed by a horizontal line extending to the right.

Alec P. Bigelson
Senior Vice President & Senior Client Manager

Acknowledged and agreed upon on behalf of the City of Oceanside:

By: _____

Date: _____

Rosemary R. Jones
City Treasurer
City of Oceanside

Enclosure

Attachment 3

**Bank of America
Pricing Pro-forma**

Based on December Banking Activity

**ACCOUNT ANALYSIS STATEMENT
PARENT SUMMARY**

Account Analysis Services #3688
P.O. Box 37000
San Francisco, CA 94137

Statement Period: January 2008

Parent Number: 9599899999 9599899999

OCEANSIDE, CA CITY OF

SUMMARY OF PARENT POSITION

	Amount	Amount	BALANCE
EARNINGS ALLOWANCE		\$1,694.19	\$579,876.30
INTEREST CHARGES	\$0.00		
ACTIVITY CHARGES	\$4,534.26		
TOTAL INTEREST AND ACTIVITY		\$4,534.26	\$1,551,941.17
DEFICIT POSITION		(\$2,840.07)	(\$972,064.87)
ADDT'L BALANCES-RESERVE			(\$108,007.21)
DEFICIT COLLECTED BALANCE			(\$1,080,072.08)

BALANCE INFORMATION

	BALANCE
AVERAGE MONTHLY BALANCES:	
LEDGER BALANCE	\$1,165,174.00
LESS: FLOAT	\$527,649.00
COLLECTED BALANCE	\$637,525.00
NEGATIVE COLLECTED BALANCE	\$6,782.00

RATE INFORMATION

EARNINGS ALLOWANCE RATE	3.44%
RESERVE REQUIREMENT RATE	10.00%
COLLECTED OVERDRAFT INTEREST CHARGE RATE	0.00%
MULTIPLIER (POSITIVE COLLECTED BALANCE REQUIRED PER \$1.00 OF SERVICE CHARGE)	342.27

INTEREST CHARGE DETAIL

SERVICE DESCRIPTION	INTEREST	BALANCE REQUIRED
NEGATIVE COLLECTED BALANCE INTEREST CHARGES	\$0.00	\$0.00
TOTAL INTEREST CHARGES	\$0.00	\$0.00

Prices are valid for 90 days from receipt of this pro-forma.
Other fees may be assessed in accordance with Bank of America's Schedule of Fees.

Confidential to Bank of America

**ACCOUNT ANALYSIS STATEMENT
PARENT SUMMARY**

Account Analysis Services #3688
P.O. Box 37000
San Francisco, CA 94137

Statement January 2008

Parent Number: 9599899999 9599899999

OCEANSIDE, CA CITY OF

Rate Information:

The Earnings Allowance Rate (EAR) on your account is used to calculate your Earnings Allowance, which is based on your average investable balance. Your EAR may vary; and, at our discretion, we may change this rate at any time. When determining the EAR rate, Bank of America considers a number of prevailing market indicators.

The Collected Overdraft Interest Charge Rate on your account is used to calculate your Collected Overdraft Interest Charge, which is based on your negative collected balance. The rate on your account may vary; and, at our discretion, we may change this rate at any time. When determining this rate, Bank of America considers a number of factors and generally bases this rate on our Prime Rate plus a margin. The margin may change from time to time.

ACTIVITY CHARGE DETAIL

AFP Code	Service	Volume Range	No. of Units	Proposed Price	Service Charge	Balance Required
Balance And Compensation Information						
000202	DAILY LEDGER OVERDRAFT		1	\$0.0000	\$0.00	\$0.00
Total Balance And Compensation Information						\$0.00
General Account Services						
010000	ACCOUNT MAINTENANCE		6	\$10.0000	\$60.00	\$20,536.20
010020	ZBA-DEPOSITORY+ MASTER MAINT		1	\$15.0000	\$15.00	\$5,134.05
010021	ZBA SUBSIDIARY ACCOUNT MAINT		2	\$10.0000	\$20.00	\$6,845.40
010100	DEBIT POSTED OTHER	1-250	86	\$0.0000	\$0.00	\$0.00
010101	CREDITS POSTED-OTHER	251+	324	\$0.0000	\$0.00	\$0.00
010306	DIRECT DDA STMT PER ACCT		4	\$5.0000	\$20.00	\$6,845.40
250800	PAYMODE CON TRANSACTION FEE	1-5000	0	\$0.1000	\$0.00	\$0.00
250800	PAYMODE CON TRANSACTION FEE	5001-10000	5,781	\$0.0700	\$404.67	\$138,506.40
250800	PAYMODE CON TRANSACTION FEE	10001+	0	\$0.0600	\$0.00	\$0.00
Total General Account Services						\$519.67
Depository Services						
100000	BANKING CENTER DEPOSIT-CA		11	\$1.0000	\$11.00	\$3,764.97
100000	DEPOSITS/OTHER CREDITS		1	\$1.1000	\$1.10	\$376.50
100007	QBD/NIGHT DROP DEPOSIT-CA		6	\$1.0000	\$6.00	\$2,053.62
10001Z	CURR-COIN DEP/\$100-QBD-ND-CA		211	\$0.1200	\$25.32	\$8,666.28
100100	VAULT DEPOSIT-CA		12	\$1.0000	\$12.00	\$4,107.24
100111	COIN DEP. NON STD BAG-VLT		90	\$1.0000	\$90.00	\$30,804.30
10011Z	CURR/COIN DEP/\$100-VLT-CA		3,697	\$0.0700	\$258.79	\$88,576.05
100151	VAULT DEPOSIT-EXTENDED HOUR		67	\$1.0000	\$67.00	\$22,932.09
100200	CASH LETTER/ITEM PROCESSING DEPOSITS		15	\$1.0000	\$15.00	\$5,134.05
100210	CKS DEP ON US-CA		4,456	\$0.0400	\$178.24	\$61,006.20
100212	CKS DEP LOCAL CLEARINGS-CA		6,392	\$0.0400	\$255.68	\$87,511.59
100213	CKS DEP SELECT IN DIST		8,339	\$0.0400	\$333.56	\$114,167.58
100214	CKS DEP ALL OTHER-CA		3,074	\$0.0400	\$122.96	\$42,085.52
10022Z	CKS DEPOSITED-CA		1,250	\$0.0500	\$62.50	\$21,391.88
100230	CKS DEP REJECTS-CA		26	\$0.0000	\$0.00	\$0.00
100400	RETURNS-CHARGEBACK		101	\$1.0000	\$101.00	\$34,569.27
100400	RETURNS-CHARGEBACK-CA		14	\$1.0000	\$14.00	\$4,791.78
100402	RETURNS-RECLEAR-CA		39	\$1.0000	\$39.00	\$13,348.53

Prices are valid for 90 days from receipt of this pro-forma.
Other fees may be assessed in accordance with Bank of America's Schedule of Fees.

**ACCOUNT ANALYSIS STATEMENT
PARENT SUMMARY**

Account Analysis Services #3688
P.O. Box 37000
San Francisco, CA 94137

Statement January 2008

Parent Number: 9599899999 9599899999

OCEANSIDE, CA CITY OF

ACTIVITY CHARGE DETAIL

AFP Code	Service	Volume Range	No. of Units	Proposed Price	Service Charge	Balance Required
100501	DEPOSIT CORRECTION-CASH		8	\$1.1000	\$8.80	\$3,011.98
100502	DEPOSIT CORR NON CASH		1	\$0.0000	\$0.00	\$0.00
Total Depository Services					\$1,601.95	\$548,299.43
Paper Disbursement Services						
150102	GENERAL CHECKS PAID TRUNCATED		2,391	\$0.0500	\$119.55	\$40,918.38
150322	POSITIVE PAY RETURNS/OTHER		1	\$10.0000	\$10.00	\$3,422.70
150340	NSF ITEMS PAID/RETURNED		1	\$10.0000	\$10.00	\$3,422.70
150410	STOP PAY AUTOMATED <=12 MONTHS		7	\$4.0000	\$28.00	\$9,583.56
150500	CHECK CASHED-NON CUSTOMER		8	\$0.0000	\$0.00	\$0.00
151100	SERIAL SORT W/RECON PER ITEM		2,390	\$0.0150	\$35.85	\$12,270.38
151350	CD ROM MAINTENANCE		3	\$5.0000	\$15.00	\$5,134.05
151351	CD ROM PER IMAGE		2,392	\$0.0200	\$47.84	\$16,374.20
151351	IMAGE RETRIEVAL - BA DIRECT		18	\$0.2500	\$4.50	\$1,540.22
151353	CD ROM DISK		2	\$5.0000	\$10.00	\$3,422.70
159999	SERIAL SORT W/RECON MAINT		2	\$0.0000	\$0.00	\$0.00
Total Paper Disbursement Services					\$280.74	\$96,088.88
Paper Disbursement Reconciliation Services						
200010	FULL RECON W/PPAY MAINT-AUTO		2	\$45.0000	\$90.00	\$30,804.30
200019	FULL AR-MIN MONTHLY CHARGE		1	\$76.1100	\$76.11	\$26,050.17
200110	FULL AR-INI AGED EXCEPTIONS		10	\$0.0000	\$0.00	\$0.00
200201	CHECK ISSUE INPUT- TRANSM MEDIA		8	\$5.0000	\$40.00	\$13,690.80
200201	FULL PPAY INPUT PER ITEM TRANSM		2,192	\$0.0300	\$65.76	\$22,507.68
200210	CHECK ISSUE-INPUT MANUAL		191	\$0.3500	\$66.85	\$22,880.75
200301	RECON TRANSMISSION		2	\$5.0000	\$10.00	\$3,422.70
200305	ARP ON-LINE STMT SHORT TERM		2	\$0.0000	\$0.00	\$0.00
209999	PP IMAGE REQUESTED - DIRECT		7	\$0.0000	\$0.00	\$0.00
Total Paper Disbursement Reconciliation Services					\$348.72	\$119,356.39
General ACH Services						
250000	ACH MONTHLY MAINTENANCE (W) ADD'L ACCTS	2+	3	\$25.0000	\$75.00	\$25,670.25
250107	CONSUMER OFF US CREDITS(W)		6,076	\$0.0400	\$243.04	\$83,185.30
250107	CONSUMER ON US CREDITS(W)		1,324	\$0.0400	\$52.96	\$18,126.62
25010B	PC TAX PAYMENT		9	\$2.5000	\$22.50	\$7,701.08
250150	ACH ACCOUNT FILTERS		12	\$1.0000	\$12.00	\$4,107.24
250200	ACH DEBIT RECEIVED ITEM (W)		35	\$0.0400	\$1.40	\$479.18
250201	ACH CREDIT RECEIVED ITEM (W)		162	\$0.0400	\$6.48	\$2,217.91
250300	ACH RETURN ITEM		23	\$1.0000	\$23.00	\$7,872.21
250323	PAYMODE CON RETURN FEE		1	\$3.0000	\$3.00	\$1,026.81
250501	ACH INPUT-TRANSMISSION (W)		26	\$5.0000	\$130.00	\$44,495.10
251070	ACH NOTIF OF CHANGE (NOC)		22	\$1.0000	\$22.00	\$7,529.94

Prices are valid for 90 days from receipt of this pro-forma.
Other fees may be assessed in accordance with Bank of America's Schedule of Fees.

Confidential to Bank of America

**ACCOUNT ANALYSIS STATEMENT
PARENT SUMMARY**

Account Analysis Services #3688
P.O. Box 37000
San Francisco, CA 94137

Statement January 2008

Parent Number: 9599899999 9599899999

OCEANSIDE, CA CITY OF

ACTIVITY CHARGE DETAIL

AFP Code	Service	Volume Range	No. of Units	Proposed Price	Service Charge	Balance Required
251110	PAYMODE CON MTHLY LICENSE FEE		1	\$100.0000	\$100.00	\$34,227.00
259999	ACH OPTIONAL REPORTS-FAX (W)		93	\$1.0000	\$93.00	\$31,831.11
259999	ACH OPTIONAL REPORTS-MAIL(W)		9	\$0.0000	\$0.00	\$0.00
259999	ACH OPTIONAL RPTS-ELECTRONIC		105	\$2.0000	\$210.00	\$71,876.70
259999	ACH STANDARD REPORTS-BAMTRAC		25	\$0.0000	\$0.00	\$0.00
259999	ACH STANDARD REPORTS-FAX(W)		38	\$5.0000	\$190.00	\$65,031.30
259999	ACH STANDARD REPORTS-MAIL(W)		3	\$5.0000	\$15.00	\$5,134.05
Total General ACH Services					\$1,199.38	\$410,511.79
Wire Transfer Services						
350103	ELEC WIRE OUT-DOMESTIC		33	\$5.0000	\$165.00	\$56,474.55
350123	ELEC WIRE OUT-BOOK DB		3	\$4.5000	\$13.50	\$4,620.65
350300	INCOMING DOMESTIC WIRE		15	\$5.0000	\$75.00	\$25,670.25
350551	CUST MAINT TEMPLATE STORAGE		22	\$0.5000	\$11.00	\$3,764.97
359999	DIRECT WIRE MAINT FEE		1	\$25.0000	\$25.00	\$8,556.75
Total Wire Transfer Services					\$289.50	\$99,087.17
Information Services						
40000Z	DIRECT PER ACCOUNT FEE		4	\$0.0000	\$0.00	\$0.00
400050	DIRECT PREVIOUS DAY ACCT FEE		4	\$20.0000	\$80.00	\$27,381.60
400051	DIRECT PREVIOUS DAY STD ITEM		3,155	\$0.0600	\$189.30	\$64,791.71
400052	DIRECT PREVIOUS DAY MAINT		1	\$25.0000	\$25.00	\$8,556.75
Total Information Services					\$294.30	\$100,730.06
TOTAL ACTIVITY CHARGES:					\$4,534.26	\$1,551,941.17

Prices are valid for 90 days from receipt of this pro-forma.
Other fees may be assessed in accordance with Bank of America's Schedule of Fees.

Confidential to Bank of America