



# City of Carson Report to Mayor and City Council

September 7, 2010  
Unfinished Business

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 10-082 AUTHORIZING THE CITY TREASURER TO ENTER INTO AN AGREEMENT WITH COMMERCE BANK, N.A. FOR BANKING SERVICES**

Submitted by Karen Avilla, CCMT  
City Treasurer

Approved by Jerome G. Groomes  
City Manager

## **I. SUMMARY**

The City Treasurer has become aware of an automated accounts payable solution offered by Commerce Bank commonly known as the ControlPay Advanced Program. This is a program that provides the opportunity to remit vendor payments electronically thereby providing city vendors with access to their payment more expeditiously while resulting in revenue back to the city through a shared revenue program utilizing the Visa Network commonly referred to as a rebate. The City Treasurer has conducted due diligence regarding this program and is ready to implement it in the city. The resolution presented for adoption is required by the service bank (Exhibit No. 1).

This matter was presented to the City Council at its meeting of July 20, 2010 and continued to this date to allow Council Members the ability to conduct additional research to determine the viability of this program in the City of Carson.

## **II. RECOMMENDATION**

WAIVE further reading and ADOPT Resolution No. 10-082, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING THE CITY TREASURER TO ENTER INTO AN AGREEMENT WITH COMMERCE BANK, N.A. FOR BANKING SERVICES."

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

The city has experienced various challenges related to the revenues received vs. projected for FY 2009/2010. This situation has resulted in a call from the City Council to all elected officials, staff and community to bring forward new ideas. In answer to that call, the City Treasurer has pursued a service offered by Commerce Bank which was first brought to her attention at the California Municipal Treasurer's Association annual conference in late April, 2010.

34.

The service is in a nutshell a means to generate revenue by simply replacing paper checks to our vendors with electronic payments through the Visa Network. The system operates basically as a virtual Visa on both sides (no cards are issued); the city and the vendor. The city will continue to process payments through the normal purchasing/accounting systems with the exception that certain vendors who have opted to participate will receive an electronic payment rather than physical check. That file with the electronic payments will be transmitted to our service bank (Commerce Bank) and the vendor will receive their funds the next business day. The service bank will then bill the city for the file and payment will be rendered within 10 days after the file is initially transmitted. The city will then receive monthly rebates equal to 1% of the vendor payments processed.

The vendors who choose to participate are doing so as they will no longer have to wait for a check to be mailed; deposited and funds made available by their bank. This simple process will provide additional cash flow for their business likely equivalent to 7 days. The program is optional and widely used by various government entities. There are no charges to the city with the exception of an interest charge should the city fail to remit payment for its vendor file, thereby utilizing the "credit line" established upon implementation.

The vendor has conducted an initial review of top vendor payments issued by the city and has identified approximately \$6,000,000.00 that are currently their customers utilizing this process with other government entities which means they are automatic conversions to our program. That being said, it is estimated that this program could generate \$60,000.00 per fiscal year but we have projected \$30,000.00 for purposes of this agenda item bearing in mind set up, implementation process, etc. which will impact this fiscal year.

The City Treasurer has been working in concert with the Accounting Department to review the city's software infrastructure to ensure the system will operate efficiently; conducted due diligence regarding the fiscal soundness of the service bank; and obtained reference information from current clients. A summary of the ControlPay Advanced program and client references are attached as Exhibit No. 2.

**V. FISCAL IMPACT**

General Fund revenue anticipated for FY 2010/2011 is projected at \$30,000.00.

**VI. EXHIBITS**

1. Resolution No. 10-082. (pg. 4-5)
2. Summary of ControlPay Advanced Program and Client References. (pgs. 6-10)

Document2

Prepared by: Karen Avilla, City Treasurer  
sf:Rev061902

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development Services	Public Services

<b>Action taken by City Council</b>	
Date _____	Action _____

RESOLUTION NO. 10-082

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING THE CITY TREASURER TO ENTER INTO AN AGREEMENT WITH COMMERCE BANK, N.A. FOR BANKING SERVICES

WHEREAS, Commerce Bank, N.A. has developed a product known as ControlPay Advanced, an automated accounts payable service, that would allow the city of Carson, California to derive monthly revenue by replacing paper checks to its vendors with electronic payments through the Visa Network; and

WHEREAS, the City Treasurer of the city of Carson, California is Karen Avilla and she is a duly elected city official with statutory authority to engage in banking services on behalf of the city; and

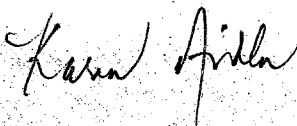
WHEREAS, the City Treasurer has, after a period of due diligence, determined that entering into a contract with Commerce Bank, N.A. to provide automated accounts payable services is of benefit to the residents of Carson through increased revenue to the General Fund.

NOW, THEREFORE BE IT RESOLVED that the City Council of the city of Carson, California, does hereby authorize, direct and empower the City Treasurer to establish commercial card accounts with Commerce Bank, N.A. (Kansas City, Missouri) to incur debt (in the form of a line of credit established by Commerce Bank for the city of Carson, California) associated with the accounts, and to execute all documents to effectuate this purpose which she may deem necessary and proper, including without limitation any application and/or agreement to open the accounts; and further be it

RESOLVED, that the city of Carson, California authorizes the City Treasurer to act as the administrator of the accounts established for the ControlPay Advanced program; and be it further

RESOLVED, that the city of Carson, California authorizes Commerce Bank to act upon this resolution until written notice of revocation is delivered to Commerce Bank, and that the authority granted shall apply with equal force and effect to the successors in office of the officer named herein; and be it further

RESOLVED, that the following represents a specimen signature of the officer authorized to sign the banking agreement(s) for the city of Carson, California by authority of this resolution:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Karen Avilla	City Treasurer	



**PASSED, APPROVED, and ADOPTED** this 7th day of September, 2010.

\_\_\_\_\_  
Mayor Jim Dear

ATTESTED:

\_\_\_\_\_  
City Clerk Helen S. Kawagoe

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**CITY CLERK CERTIFICATION:**

The City Clerk of the city of Carson, California does hereby certify that this resolution was duly and regularly passed by the City Council of the city of Carson, California, at a meeting duly called on the 20<sup>th</sup> day of July, 2010, and such resolution is still in full force and effect having not been amended or revoked.

IN WITNESS WHEREOF, I have hereunto set my hand as City Clerk, city of Carson, California and affixed the corporate seal of this Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

(SEAL)

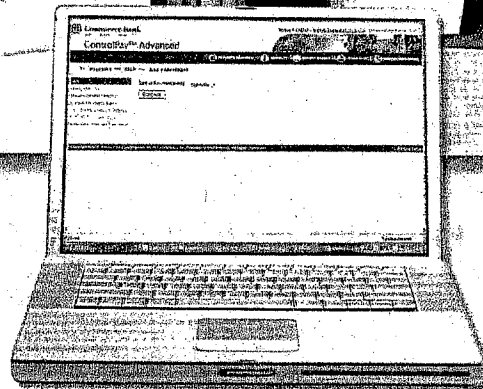
\_\_\_\_\_  
Helen S. Kawagoe  
City Clerk



ask listen solve

# ControlPay<sup>®</sup> Advanced

## Automated Accounts Payable Solution



# Get paid as you pay your bills!

With Commerce Bank's **ControlPay<sup>®</sup> Advanced (CPA)** you can earn monthly revenue share by simply replacing paper checks with electronic payment through the Visa<sup>®</sup> Network. Easily customized for your municipality, CPA works with your existing accounts payable software and provides flexible vendor acceptance options ... **without requiring you to change your current accounting process.**

- No cost for the program
- No software to host
- Experience with several financial systems including PeopleSoft, Oracle, SAP, Tyler Technologies and more

### Generate Revenue NOW

There's nothing better than CASH when it comes to budget woes. Commerce Bank is committed to helping your municipality put cash back into your budget with a steady revenue stream using ControlPay Advanced, our automated Accounts Payable solution.

### Implementation made easy

Commerce Bank helps you get your program up and running without interruption and helps you grow the program to maximize your revenue share.

- Keep your existing banking relationships
- Commerce Bank support teams help with file transfers, training and vendor enrollment
- Relationship Manager assigned for ongoing program evaluation to help maximize monthly revenue share

*"Due to recommendations from Commerce Bank regarding program best practices we were able to increase our volume by 37% in less than one year. As a result, our revenue share has tripled."*

Accounts Payable Administrator  
Leavenworth County



**Commerce Bank**  
Member FDIC



# ControlPay Advanced offers flexible payment acceptance options for the vendor

## For vendors you pay most frequently

There are two options that allow you to perform an automated payment run (similar to your check run) to pay your vendors after your three-way match.

### PayMe

*PayMe* actually pushes the payment directly into your vendor's merchant account and then sends an email to your vendor that includes remittance information and notifies them that they've been paid.

### ProcessMe

*ProcessMe* is similar to *PayMe* but instead of the payment being automatically pushed into your vendor's account, your vendor will receive an email with instructions to process the payment.

### ProcessMe email sample

Invoice Number	Supplier Name	Invoice Amount	Purchase Order #	Support #	Special #
23456	ABC Industries	\$ 2,345.67	789543	65765	3456
34567	ACME Supply				
98765	Friendly Companies				
87654	Friendly Companies				
76543	Friendly Companies				

From: donotreply@controlpayadvanced.com  
Sent: Monday, February 25, 2009 3:21 PM  
To: Bell, Kevin  
Subject: Process your transactions in order to receive payment

To receive payment for the below referenced invoice(s), please charge the total amount of \$1,157.29 on your dedicated Commerce Bank VISA credit card with the account number ending in 3573.

john.doe@friendlycompanies.com

Invoice Number	Amount
98765	\$123.88
87654	\$887.66
76543	\$ 45.76

Friendly Companies record identifier: REQ00000611      Total to process: \$1,157.29

## For vendors you pay less frequently

There is also an option for vendors that require payment at the time of order.

### Buyer's Log - Minimize Risk

*Buyer's Log* automates the approval process and minimizes risk with single-use cards that have a zero credit limit until needed.



call    click    come by

1-800-892-7104

commercebank.com

**Chuck Shipley**  
1-909-422-1256  
Chuck.shipley@commercebank.com



**Commerce Bank**  
Member FDIC





# Commerce Bank

## Municipal Client List

Municipalities	ST	Municipalities	ST	States	ST
City of Arcadia	MO	City of Wichita	KS	State of Iowa	IA
City of Bolivar	MO	City of Bloomington	IL		
City of California	MO	St Clair Township	IL	<b>Counties</b>	
City of Cassville	MO	Village of Fairmont City	IL	Pulaski County	AR
City of Charlack	MO	Village of Shiloh	IL	Bay County	FL
City of Desloge	MO	City of Wheat Ridge	CO	Lee County	IA
City of Fenton	MO	City of Holly Springs	MS	McLean County	IL
City of Festus	MO	City of Dickinson	ND	Butler County	KS
City of Forstell	MO	City of Hallandale Beach	FL	Cherokee County	KS
City of Gladstone	MO	City of Homestead	FL	Kearney County	KS
City of Hannibal	MO	Florida Keys Aqueduct Authority	FL	Leavenworth County	KS
City of Lakeshire	MO	Town of Palm Beach	FL	Montgomery County	KS
City of Moberly	MO	City of Panama City	FL	Riley County	KS
City of O'Fallon	MO	City of North Miami Beach	FL	Cass County	MO
City of Republic	MO	City of Beaumont	CA	County of Barry	MO
City of Richmond Heights	MO	City of Burlingame	CA	County of Boone	MO
City of Springfield	MO	City of Rancho Cucamonga	CA	County of Pettis	MO
City of St. Joseph	MO	City of Upland	CA	Randolph County	MO
City of Steelville	MO	City of San Ramon	CA	St Charles County	MO
City of Wildwood	MO	City of Hayward	CA	Webster County	MO
City of Willard	MO	City of Gardner	MA	Madison County	TN
Village of Claycomo	MO	City of Lawrence	MA	Sumner County Govt	TN
City of Basehor	KS	Town of Sudbury	MA		
City of Dodge City	KS	Town of Longmeadow	MA		
City of El Dorado	KS	Town of Wareham	MA		
City of Garden City	KS	Town of Watertown	CT		
City of Hays	KS	City of Colonial Heights	VA		
City of Lansing	KS	Northampton Township, Bucks County	PA		
City of Leawood	KS	Township of Bethlehem	PA		
City of Marysville	KS	Town of Mount Pleasant	NY		
City of Pittsburg	KS	City of Milledgeville	GA		



# Commerce Bank

## Educational Client List

Schools	Headquarters	ST	Schools	Headquarters	ST
Rogers School District #30	Rogers	AR	Halfway School District	Half Way	MO
Cave Creek Unified School District	Scottsdale	AZ	Hallsville R-IV School District	Hallsville	MO
Chandler Unified School District	Chandler	AZ	Harrisburg School District	Harrisburg	MO
Nadaburg Unified School District	Wittman	AZ	Hazelwood School District	Florissant	MO
Paradise Valley Unified School District	Phoenix	AZ	Hickory County School District	Urbana	MO
Peoria Unified School District No. 11	Glendale	AZ	Independence 30 School District	Independence	MO
San Diego Unified School District	San Diego	CA	Knox County R-1 School District	Edina	MO
Adams County School District	Commerce City	CO	Lakeland R-III School District	Deepwater	MO
Douglas County School District RE1	Castle Rock	CO	Lee's Summit School District	Lee's Summit	MO
El Paso County School District	Colorado Springs	CO	Liberty Public Schools	Liberty	MO
St. Vrain Valley School District	Longmont	CO	Louisiana RII School District	Louisiana	MO
Wiggins School District	Wiggins	CO	Marshall Public School	Marshall	MO
Columbia County District School Board	Lake City	FL	Mehlville School District	St Louis	MO
Nassau County District School Board	Fernandina Beach	FL	Mexico School District	Mexico	MO
Putnam County District School Board	Palatka	FL	Mid-Buchanan School District	Faucett	MO
Lowndes County Board of Education	Valdosta	GA	Midway School District	Cleveland	MO
McDuffie County Board of Education	Thomson	GA	Miller R-II School District	Miller	MO
Beecher City Community School Dist	Beecher City	IL	Missouri Military Academy	Mexico	MO
Belleville Township High School	Belleville	IL	Morton Unit School District	Morton	MO
Bellwood School District	Bellwood	IL	Mountain View Birch Tree R-3 SD	Mountain View	MO
Bloomington School District	Bloomington	IL	N. Callaway County School	Kingdom City	MO
Board of Education District No. 150	Peoria	IL	New City Schools	St Louis	MO
Columbia Community Unit School Dist	Columbia	IL	North Platte School District R-1	Dearborn	MO
Dunlap Unit School District	Dunlap	IL	North St Francis Co RI	Bonne Terre	MO
Libertyville Elementary School District	Libertyville	IL	Oregon-Howell School District	Koshkonong	MO
O'Fallon School District	O'Fallon	IL	Orrick School District	Orrick	MO
Pekin Public Schools	Pekin	IL	Ozark R-VI School District	Ozark	MO
Springfield School District 186	Springfield	IL	Palmyra School District	Palmyra	MO
Triad Community School District	Troy	IL	Poplar Bluff School District	Poplar Bluff	MO
Avon Community School Corporation	Avon	IN	Putnam School District	Unionville	MO
Decatur County Community Schools	Greensburg	IN	Ralls County School District	Center	MO
Shelbyville Central School	Shelbyville	IN	Reeds Spring School District	Reeds Spring	MO
Tipton Community School	Tipton	IN	Schuyler County RI School District	Queen City	MO
Westfield Washington School Corp	Westfield	IN	Scotland County School District	Memphis	MO
Andover School District	Andover	KS	Southern Boone County R-I School District	Ashland	MO
Elwood School District-KS	Elwood	KS	Special School District	St Louis	MO
Garden City School District	Garden City	KS	St. Joseph School District	St Joseph	MO
Goddard School District #265	Goddard	KS	Stanberry School District	Stanberry	MO
Hays School District	Hays	KS	Steelville School District	Steelville	MO
Independence School District	Independence	KS	Stockton School District	Stockton	MO
Pittsburg USD 250 School District	Pittsburg	KS	Stoutland School District	Stoutland	MO
Santa Fe Trail USD 434 Carbondale	Carbondale	KS	Tri-County R-VII School	Jamesport	MO
Wathena School District	Wathena	KS	Union Star School	Union Star	MO
Wichita School District USD 259	Wichita	KS	Warren County School District	Warrenton	MO
Breckinridge County School District	Hardinsburg	KY	Wellington-Napoleon R-IX School District	Wellington	MO
Grand Rapids Public Schools	Grand Rapids	MI	West Platte School District	Weston	MO
Independent School District No. 14	Fridley	MN	Willard R-2 School District	Willard	MO
Independent School District No. 15	Saint Francis	MN	Harrison County School District	Gulfport	MS
Independent School District No. 110	Waconia	MN	Bladen County Board of Education	Elizabethtown	NC
Independent School District No. 182	Crosby	MN	Jones County Schools	Trenton	NC
Independent School District No. 197	Mendota Heights	MN	New Hanover County Board of Education	Wilmington	NC
Independent School District No. 200	Hastings	MN	Scotland County School District	Laurinburg	NC
Independent School District No. 271	Bloomington	MN	Stanly County Schools	Albemarle	NC
Independent School District No. 280	Richfield	MN	Winston-Salem Forsyth County Schools	Winston Salem	NC
Independent School District No. 317	Deer River	MN	Brick Township Board of Education	Brick	NJ
Independent School District No. 318	Grand Rapids	MN	Rio Rancho Public Schools District No 4	Rio Rancho	NM
Independent School District No. 531	Byron	MN	Washoe County School District	Reno	NV
Independent School District No 544	Fergus Falls	MN	Austintown Local Schools	Youngstown	OH
Independent School District No. 623	Roseville	MN	Chardon Local School District	Chardon	OH
Independent School District No 726	Becker	MN	Portsmouth City School District	Portsmouth	OH
Independent School District No. 846	Breckenridge	MN	Youngstown Community Schools	Youngstown	OH
Independent School District No. 885	Albertville	MN	Crook County School District	Prineville	OR



# Commerce Bank

## Educational Client List

Intermediate School District No. 917	Rosemount	MN	North Santiam School District No. 29J	Stayton	OR
Arcadia Valley School	Ironton	MO	Sherwood School District	Sherwood	OR
Bayless School District	St Louis	MO	Bethlehem Area School District	Bethlehem	PA
Bolivar School District	Bolivar	MO	Boyertown Area School District	Boyertown	PA
California School District	California	MO	Brandywine Heights School District	Topton	PA
Canton R-V School District	Canton	MO	Mt. Lebanon School District	Pittsburgh	PA
Cape Girardeau Public Schools	Cape Girardeau	MO	Muhlenberg School District	Laureldale	PA
Carl Junction R-I School District	Carl Junction	MO	The Delaware County Christian School Society	Newton Square	PA
Centralia School District	Centralia	MO	DeKalb County BOE	Smithville	TN
Clayton School District	Clayton	MO	Sumner County BOE	Gallatin	TN
Clinton County R-III School District	Plattsburg	MO	The Harpeth Hall School	Nasville	TN
Crest Ridge School District	Centerview	MO	Calallen Independent School District	Corpus Christi	TX
Doniphan R-I School District	Doniphan	MO	Mesquite Independent School District	Mesquite	TX
Dunklin R-V School District	Herculeaneum	MO	North East Independent School District	San Antonio	TX
Fair Grove R-X School District	Fair Grove	MO	South San Antonia Independent School District	San Antonio	TX
Festus R-VI School District	Festus	MO	Aberdeen School District No 5 Grays Harbor Co	Aberdeen	WA
Ft Zumwalt School District	O'Fallon	MO	Lincoln County School District	Newport	WA
Galena School District	Galena	MO			
<b>Colleges</b>		<b>Headquarters</b>	<b>ST</b>	<b>Colleges</b>	<b>Headquarters</b>
Toccoa Falls College	Toccoa	GA	Jefferson College	Hillsboro	MO
Des Moines University	Des Moines	IA	Kansas City University	Kansas City	MO
Bradley University	Peoria	IL	Linn State Technical College	Linn	MO
Heartland Community College District	Bloomington	IL	Logan College of Chiropractic	Chesterfield	MO
Illinois Wesleyan University	Bloomington	IL	Maryville University	St Louis	MO
Lincoln College	Lincoln	IL	Moberly Area Community College	Moberly	MO
Monmouth College	Monmouth	IL	Northwest Missouri State University	Maryville	MO
Baker University	Baldwin City	KS	Ozarks Technical Community College	Springfield	MO
Cleveland Chiropractic College	Overland Park	KS	Rockhurst University	Kansas City	MO
Concorde Career College	Mission	KS	Southwest Baptist University	Bolivar	MO
Garden City Community College	Garden City	KS	St Louis Community College	St Louis	MO
Johnson County Community College	Overland Park	KS	State Fair Community College	Sedalia	MO
Kansas City Kansas Community College	Kansas City	KS	Webster University	St Louis	MO
Newman University	Wichita	KS	Westminster College	Fulton	MO
Sterling College	Sterling	KS	William Jewell College	Liberty	MO
Kettering University	Flint	MI	Belhaven College	Jackson	MS
Central Christian College	Moberly	MO	Holmes Community College	Goodman	MS
Central Methodist University	Fayette	MO	Raritan Valley Community College	Branchburg	NJ
Columbia College	Columbia	MO	The Richard Stockton College	Pomona	NJ
Culver Stockton College	Canton	MO	College of Santa Fe	Santa Fe	NM
Fontbonne University	St Louis	MO	Eastern New Mexico Univeristy	Portales	NM
Hannibal-Lagrange College	Hannibal	MO	Berks Career & Technology Center	Leesport	PA

High Schools	Headquarters	ST
Christian Brothers College High School	St Louis	MO
John Burroughs High School	St Louis	MO
Missouri Military Academy	Mexico	MO
Pembroke Hill High School	Kansas City	MO
Rockhurst High School	Kansas City	MO
St John Vianney High School	Kirkwood	MO
St Louis University High	St Louis	MO
The St Michael School	St Louis	MO
New Trier Township	Northfield	IL
Mercersberg Academy	Mercersburg	PA
Park Tudor School	Indianapolis	IN
Bronx Preparatory Charter School & Affiliate	Bronx	NY
Glendale Union High School District No. 205	Glendale	AZ

