City of Hiawatha

Finance Director's Office
319-393-1515

Memo:

To: Mayor and Council Members
From: Cindy Kudrna, Finance Director
Date: December 13, 2019
Subject: Request for Proposals for Banking

On November 1, 2019 I sent out RFP to 8 banks in the Hiawatha area. We have received 3 back on December 2, 2019. Kim and I reviewed the request for proposals with the investment committee. After reviewing the committee is recommending to stay with Farmers State Bank in Hiawatha, Iowa. The main benefit the City of Hiawatha has with continuing our banking relationship with Farmers State Bank is that we have virtually no fees associated with doing business with them. (i.e. they currently waive all service fees on items such as: returned checks – NSF; stop payment orders; overdraws, etc.) The only monthly fee we incur is between $20-$30 which is for the ACH transfers for payroll. We receive many "automatic" payments or deposits. This includes items such as Federal and State payments to the City (Grants, Road Use Tax, Motor Fuel Tax, Liquor Licenses, Library Open Access). We also make electronic payments for payroll, federal taxes, state taxes, IPERS, VISA along with some others. These deposits and automatic payments would all have to be changed if we were to change banking institutions. A couple of changes are that we will start getting the "Federal Funds Rate" on our NOW checking account, which is 60 basis (.06%) more than what we receive now. Also Kim and I will start having quarterly meetings with a Treasury Manager from FSB to discuss our needs, recommendations, interest rates etc. At this time, the investment committee is recommending to continue banking services with Farmers State Bank.

If you have any questions, please feel free to contact me.

RESOLUTION NO. 19-

RESOLUTION AUTHORIZING THE USE OF FARMERS STATE BANK, HIAWATHA, IOWA FOR BANKING SERVICES FOR THE CITY OF HIAWATHA

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to approve and authorize the use of Farmers State Bank of Hiawatha, Iowa for banking services for the City of Hiawatha.

See attached Exhibit A

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED on this 18th day of December, 2019.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kari Graber, City Clerk

Hiawatha!™

Farmers State Bank

Response to City of Hiawatha's Request for Proposal for Banking Services

December 2, 2019

FARMERS STATE BANK

FSB

Faster. Stronger. Better.®

December 2, 2019

Cindy Kudrna
Finance Director
101 Emmons Street
Hiawatha, Iowa 52233

Dear Ms. Kudrna,

Thank you for the opportunity to retain our position as the incumbent bank for the City of Hiawatha. As you know, the City of Hiawatha and Farmers State Bank have had a long standing history. We are thankful and honored to provide this service to the City. The City has been a customer of FSB since Morris and Betty Neighbor purchased the majority interest in 1968, and we have valued this relationship for the duration.

The mission of FSB is continuing to be Faster. Stronger. Better! We have done this through the addition of many new business deposit services in the past 5 years. Our Core Values are integrity, financial responsibility, and the Golden Rule. We are an organization that follows our mission and abides to our core values. In 2018 we boasted a capital-to-asset ratio of 13.70%, one of the highest in our area. Our total assets for 2018 increased by 3.81% to $796,068,231; additionally, we increased loans by 3.43% and deposits by 3.62%. We were able to achieve these numbers while maintaining our core values.

As stated above, in 2014 we made the decision to strengthen our business deposit services. We completed a review of the services offered and developed a strategy to make our existing services more effective. This review resulted in the implementation of new fraud mitigation tools, an overhaul of our business online banking offering, and the addition of commercial card services.

FSB has a proud history of community support in Hiawatha which is evident with FSB being the first bank to call Hiawatha home. Furthermore, we have expanded our commitment by installing a 2-story building in the heart of Hiawatha. Additionally, we are proud to have committed $150,000 to the Hiawatha Library, historically and into the future. FSB has also contributed nearly $20,000 in the last 5 years supporting various community efforts. We are proud of Hiawatha being one of our Cities and we will continue to be supportive of the community and its efforts.

Thank you for your time and consideration of Farmers State Bank,

Gene R. Neighbor
President and CEO

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Tab 2 – Exhibit A (Relationship Team)

Tab 3 – Exhibit B (2018 Annual Report)

Tab 4 – Exhibit C (Availability Schedule)

Tab 5 – Exhibit D (Statement Sample)

I. PROPOSAL PREPARATION

Financial institutions submitting a proposal for the service categories described in the RFP shall provide information on the following three items:

1. Discussion of the financial institution's qualifications and experience.
2. Response to the requirements listed under the service category.
3. Completion of the bid form and accompanying information for the banking services offered.

A. Financial Institution's Qualifications and Experience. In this section of the proposal, document the organization, experience, size and stability of the financial institution and specific qualifications for the service category.

a. Name the account representative(s) who will be working most closely with the City of Hiawatha and describe their background and qualifications.
Please see Exhibit A for the team that will work with the City of Hiawatha.

b. Include copies of the financial institution's most recent Annual Report and audited financial statements.
Please see Exhibit B for this information. If more information is needed we are able to supply this. Please let me know.

B. Requirements. This section of the proposal should address the requirements listed for the service category that is bid on.

a. Where appropriate, describe the work that will be done by the financial institution to meet each requirement. Include samples of reports and other information to be provided to the City of Hiawatha.
b. Include additional or alternative services that the financial institution can provide for the account type being addressed.
c. Describe any exceptions to the requirements.

C. Bid Forms.

a. All questions on the bid forms must be answered.

II. BANKING SERVICES OFFERED FOR BID

This RFP seeks responses to the following service categories:

1. Basic Depository Services
2. Automated Clearing House Services
3. Investment Services

The remainder of this section of the RFP presents a general description of current City of Hiawatha practices and the specific requirements of each service category.

A. Basic Depository Services. The City of Hiawatha maintains one principal operating account for daily deposits and A/P and Payroll check writing. This account is a Now Account. Deposits are delivered to the bank on business days by the City of Hiawatha employees.

Requirements for basic services are:

a. The financial institution will credit the account for all deposits in accordance with its availability schedule. Please attach a copy of the availability schedule and indicate the cut-off time for same-day credit of deposits.
FSB's cutoff time for same day ledger credit of deposits is 5:00 PM. See Exhibit C for availability schedule.

b. The financial institution must have direct access to the check clearing and collection services of the Federal Reserve.
FSB does have the required access.

c. The financial institution must have direct, electronic access to the Federal Reserve wire network and immediately wire transfer funds as requested by authorized personnel of the City of Hiawatha.
FSB meets this requirement and the wire cutoff time is 4:30 PM.

d. The financial institution will provide the City of Hiawatha with on-line electronic access to account information, balances, etc., through an internet site.
FSB offers Business Online Banking for our commercial clients. This service will allow you to set up multiple users with different authority to view accounts, make transfers, and stop payments. There will be no charge for the use of this service.

e. The financial institution will prepare monthly bank statements reflecting all activity for the City of Hiawatha account(s) including supporting documentation and imaged cancelled checks, and they must be provided to the City of Hiawatha within three (3) business days after the last calendar day of each month. (Include a sample bank statement). In lieu of imaged checks, if available, detail the availability of check images via the internet.
FSB meets this requirement. See Exhibit D for the statement sample.

f. The financial institution will provide reconciliation services for the checking account which will include a listing, not necessarily in order, of the checks paid including the amount and the date paid. (Include sample if different from bank statement)
FSB meets this requirement and the sample of the check listing is in Exhibit D.

g. The financial institution will present returned checks twice for collection.
FSB will present checks twice for collection.

h. The financial institution will provide on request, coin and currency orders.
FSB is able to provide currency and coin orders as requested.

i. The financial institution must have the ability to research deposit items and provide timely information on these items. Indicate the average length of time for resolution on the following research items:
   1. Dollar amount of item – ***We will provide within 24 hours***
   2. Total amount of batch and deposit ticket – ***We will provide within 24 hours***
   3. Copy of an item – ***We will provide within 24 hours***

   FSB will have a dedicated team to help the City. In most cases response time will be within a couple of hours.

j. The financial institution must provide signature guarantee services.
FSB is able to provide this service at the Hiawatha branch.

k. If the financial institution can offer any innovative services or cost-saving ideas concerning the City of Hiawatha depository account, please describe them.
See information in following bid form regarding Remote Deposit and Positive Pay.

B. Automated Clearing House Services. The City of Hiawatha initiates ACH credit transactions for payroll and payroll related taxes and withholdings. The City of Hiawatha transmits ACH transactions to the bank via Internet T1 connection.

Requirements for ACH Services are:

a. The financial institution will provide the following information on all returned ACH debits and credits posted to the City of Hiawatha's account:
   1. Name on the original transaction
   2. Whether return item is a debit or credit
   3. Amount of the returned item
   4. Effective date of original transaction
   5. Receiving bank routing number

6. Receiving bank account number associated with original transaction
7. Reason for return

FSB meets this requirement in our ACH return notifications.

b. The financial institution will provide the City of Hiawatha with any changes or updates to the ACH file records.
FSB will provide this information.

c. The financial institution must have the ability to receive ACH file information via Internet T1 connection.
FSB is able to receive ACH files via secure email or they can be uploaded through Business Online Banking.

d. The financial institution will furnish bank statements that reflect all ACH activity no less than monthly. For payroll ACH activity, a statement for each payroll is required
FSB provides ACH reports through ACH Manager via Business Online Banking. These reports will give you the origination detail of the ACH files.

e. The financial institution must have direct, electronic access to the Federal Reserve wire network and immediately wire transfer funds as requested by the City of Hiawatha.
FSB meets this requirement and is able to send collected funds only. ACH and deposited checks will be available the day after posting. If the check deposited is an FSB item, it will be available the same day as long as the deposit is done before 5:00 PM. An incoming wire would be immediately collected and eligible for use.

f. If the financial institution can offer any innovative services or cost savings ideas concerning the City of Hiawatha ACH account, please describe them.
ACH can be submitted via NACHA files loaded through secure email or online banking. Additionally FSB can offer templates to input ACH information. FSB is able to accommodate any input of ACH files and would happy to discuss alternatives.

C. Investment Services. The investment of funds by the City of Hiawatha is governed by Iowa Code, Chapter 12C. In addition, investments must be made in accordance with the investment policy of the City of Hiawatha. In addition to investing operating funds, the City of Hiawatha invests bond proceeds held for future projects. The City of Hiawatha currently has one account, a Now Account that serves as the operating account for payroll and A/P. Additionally, the City of Hiawatha has funds invested in a money market account which allows fluidity of funds. The target balance in the Now Account is $1 million or less at any given time. In the event the City wishes to invest in other types of investment accounts, the requirements for investment services shall be:

a. The financial institution shall purchase investments in accordance with the investment policy of the City of Hiawatha (see attached) and Iowa Code, Chapter 12C.
FSB is able to do this.

b. For overnight investment of funds in excess of required balances, the financial institution shall provide a sweep arrangement that meets the requirements of the investment policy of the City of Hiawatha and Iowa Code, Chapter 12C.
FSB can offer an overnight sweep at an additional fee.

c. The financial institution must have direct, electronic access to the Federal Reserve wire network and immediately wire transfer funds as requested by the City of Hiawatha.
FSB meets this requirement.

d. The financial institution will send a confirmation notice to the City of Hiawatha for each investment purchase.
FSB is able to send this confirmation.

e. The financial institution will send a maturity notice to the City of Hiawatha as each investment matures.
FSB is able to send these notices.

f. The financial institution will prepare a monthly investment account statement reflecting all activity of the City of Hiawatha.
   FSB will produce such statements.
g. The financial institution will provide safekeeping services for the City of Hiawatha investments.
   FSB can meet this requirement.
h. If the financial institution can offer any innovative services in the investment area, please describe them.
   FSB is able to discuss alternatives with the City.

City of Hiawatha
Banking Services Bid Form for
Basic Depository Services

Financial Institution: Farmers State Bank

Service Description	Monthly Charges
Acct Maintenance Fee	$0.00
Checks Paid	$0.00
Misc debits	$0.00
Deposits	$0.00
Deposit items on-us	$0.00
Deposit items-local	$0.00
Deposit items-Iowa	$0.00
Deposit items-non-Iowa	$0.00
Return items-charge back	$0.00
Return items-redeposit	$0.00
Stop Payment	$0.00
Wire Transfer In	$0.00
Wire Transfer Out	$0.00
Check Imaging Fee	$0.00
Night Depository	$0.00
Lock Bags (safe keeping only)	$0.00
Electronic Banking Base Fee	$0.00
Total Monthly Cost	$0.00

A. Describe the financial institution's ability to collateralize the City of Hiawatha's deposits including limits to the amount of deposits that can be accepted. Is a fee assessed to collateralize deposits? Is so, how will these charges be calculated?

FSB has the ability, with no additional fee, to collateralize the City's deposits.

B. Describe the financial institution's ability to provide the City of Hiawatha with electronic access to account information. If there is a charge for this service, how will it be calculated?

The City is able to access account information via Business Online Banking. Business Online allows the City to export or view transaction information, place Stop Payments, pull statements, and view check images. The City is able to view check images through Business Online Banking for a period of 7 years, as far back as 2013 currently. FSB will not charge for this service, currently the City uses our personal online banking access.

C. Describe any other services not listed above that will be needed for the financial institution to meet the specifications of the RFP that will result in bank charges and explain how charges will be calculated.

There are no additional services needed to meet the requirements. But there are other services we would recommend and that is noted in the appropriate section.

A. How are deposit items determined to be charged as on-us, local or out-of-state? Is it on a per-item basis or is a formula used?

FSB is not charging the City for the deposit of checks.

B. What is the financial institution's cut-off for receiving deposits to be credited to the account on the same day?

FSB has a branch cutoff of 5:00 PM Monday through Thursday and 6:00 PM on Friday.

C. Are volume discounts available for services? Describe the method used by the financial institution to determine volume discounts.

FSB is not charging for transactional fees; therefore, there are no volume discounts.

D. What method does the financial institution use to determine the earnings credit?

((Average Ledger Balance – Average Float) x Reserve Requirement (10%)) x ((Earnings Credit Rate / 365) x Days In Month) *Please note, earnings credit does not currently apply to the City*

E. As noted, the City of Hiawatha currently has one account that serves as an operating account as well as an investment account. In the event the City wishes to change accounts, what procedure is required with the financial institution to implement such a change?

In order to add accounts or change signers, we would prepare the paperwork and bring it to your offices. The requirements for documentation will vary based upon the request type. In certain cases, we are able to convert accounts from one type to another, but again, this depends on the situation.

F. Describe the interest rate formula used by the financial institution.

The described rate will apply to the general checking account. The formula used to calculate the interest rate will be the prior month's daily average Federal Home Loan Bank of Des Moines Overnight Advance Rate. This rate will be calculated and adjusted on the first business day of each month.

For illustrative purposes, the average rate for the Federal Home Loan Bank of Des Moines Overnight Advance Rate in October 2019 was 1.99%. Therefore, the rate in November 2019 would have been 1.99% on the checking account.

Banking Services Bid Form for
Automated Clearing House Services

Financial Institution: Farmers State Bank

Service Description	Monthly Charges
ACH Deposits	$.06
ACH Debits	$.06
ACH Correction Fee	N/A
ACH Return Items	N/A
ACH Pre-Note Fee	$.06
ACH Upload Fee	$5.00 / file

A. Describe any other services with regard to ACH services not listed above that will be needed to meet the specifications of the RFP and will result in bank charges.

There are no other services required.

B. How are ACH items determined to be charged as on-us, local or out-of-state? Is it on a per item basis, or is a formula used? If a formula, please describe.

The charge for on-us, local, and out-of-state would all be the same at $.06 per item.

C. The City of Hiawatha submits ACH files for a Thursday payroll. What is the deadline for submission for this Thursday settlement? Is the deadline different for debit and credit items?

We would request the ACH file be to FSB by 2:00 PM on Tuesday to guarantee the funds will be in employee accounts on Thursday. However, we are able to process a credit file on a one-day file, so Wednesday by 2:00 PM. If this is processed on a one-day file we do not guarantee the funds will be in accounts as there could be a catastrophic event that could prohibit this from occurring. We have never had this occur, but there is always a chance.

If the ACH file submitted is a debit file, we would require the one-day advance only.

D. What is the deadline for making corrections to a file already submitted to the financial institution? How must these corrections be submitted?

This must be received prior to submission of the file to the Fed. To inform us of the correction, you must call our Electronic Banking department at 730-6962.

E. Detail bank conversion costs and timeline including software, hardware if applicable.

FSB currently holds the City's accounts; therefore, there is no conversion timeline or cost associated.

Banking Services Bid Form for
Investment Services

Financial Institution: Farmers State Bank

Service Description	Monthly Charges
Investment Purchase	See below
Safekeeping	See below

A. Describe any other investment services not listed on this form that will be needed to meet the requirements of the RFP that will result in bank charges. How will the charges be calculated?

Investment/safekeeping services are available through a third party provider with fees negotiated based upon specific services and investment products desired. Should FSB be the successful bidder for the City's banking services, upon request, the bank will provide the City with a proposal for investment/safekeeping services once provided a copy of the City's current investment portfolio and investment policy. FSB does not provide discretionary investment services.

B. Are charges for investment purchases included in the account analysis or charged on a per transaction basis?

This would be charged on a per transaction basis.

Also please describe other products and support services available to the City of Hiawatha in the electronic banking area.

FSB offers Positive Pay and ACH Filter to provide transparency of accounts to our commercial clients. This service allows the City to upload a check register file of check written and as checks clear the account, FSB will verify the check register to the checks clearing and provide exceptions. Additionally the service allows you to have a preauthorized listing of ACH debits allowed on the account. If a debit were attempted on the account outside of the preauthorized list, an exception would be generated to the City for review. We highly recommend this service for all of our commercial clients! There is an additional fee for this service of $40.00 per account enrolled.

Additionally, FSB offers the ability for our clients to make check deposits from their own offices through Remote Deposit. This service would connect to your computer via a USB port and requires just an Internet connection. This allows deposits to be made without leaving the comfort of your office, regardless of your proximity to the Bank. The City would purchase the scanner at a rate of either $375.00 or $800.00, the pricing depends on the model requested. There would also be a $25.00 monthly fee for access to the service.

The undersigned financial institution agrees to all conditions as set forth in this proposal unless otherwise noted:

Financial Institution: Farmers State Bank

Address 1240 8th Ave Marion Iowa 52302

Phone 319-730-6866 Fax 319-739-2974 E-mail Shelleyschroeder@fsbmail.net

Signed Shelley Schroeder

Title Treasury Management Officer

Date December 2, 2019

Exhibit A

City of Hiawatha Relationship Team

Gene Neighbor
President and CEO
Gene began his banking career with Farmers State Bank in June of 1973 after graduating from Iowa State University with a Bachelor of Science degree in Business with an emphasis in Finance and Economics. Gene attended and graduated from the Iowa School of Banking, Agricultural Credit School, and the Graduate School of Banking at the University of Wisconsin. Gene is currently the President and CEO of Farmers State Bank.

Steve Neighbor
Executive Vice-President
Steve began his banking career with Farmers State Bank in February of 1986 after graduating from Iowa State University with a Bachelor of Science degree in Agricultural Business with an emphasis in Finance. Steve attended and graduated from Iowa State Agricultural Credit School, and the Graduate School of Banking at the University of Wisconsin. Steve is currently the Executive Vice-President of Farmers State Bank and is a former manager of the Hiawatha branch.

Kim Nelson
Senior Vice-President & Cashier
Kim has been with Farmers State Bank for 36 of his 46-year banking career. Kim graduated from Marion High School in 1973 and has since attended and graduated from the Iowa School of Banking, Agricultural Credit School, National Installment Credit School, and the Graduate School of Banking at the University of Wisconsin. Kim has been in his current position since 2002 and prior to that did manage the Hiawatha branch.

Shelley Schroeder
Treasury Management Officer
Shelley began her banking career 15 years ago and has spent the last 8 years focused on Treasury Management. She began her career after graduating from the University of Northern Iowa with two undergraduate degrees; one in Business Administration and another in Business with an emphasis in Finance and Real Estate. Early in her banking career, Shelley attended the University of Iowa MBA program. She graduated with a Masters Degree in Business in 2010. Shelley joined Farmers State Bank in 2014. Shelley will manage the City's relationship with FSB and will plan quarterly assessment meetings with the City finance team. Shelley's team includes Kallie Herink, Treasury Management Support Specialist.

Lisa Martino
Hiawatha Branch Manager
Lisa began her banking career 6 years ago and has spent the past 3 years with Farmers State Bank. Prior to banking, she attended Coe College in Cedar Rapids where she graduated with two bachelor's degrees. In 2019 Lisa graduated top of her class from Consumer Credit School and now sits on the school's advisory board. Lisa is currently the Branch Manager at Farmer State Bank's Hiawatha location.

2018

Annual Report

FARMERS STATE BANK

FSB

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Letter from the President

2018 was another year of celebrations for FSB.

For the second year in a row, FSB received the "Top Work Place" as awarded by the *Des Moines Register* based on survey responses from our employees. In March we also celebrated the 100th birthday of our father, Morris Neighbor, with an open house attended by several hundred customers, friends and family. 2018 also marked the 50th anniversary of family ownership of FSB. Our parents, Morris and Betty, took a leap of faith in 1968 to purchase the majority interest in FSB. Total assets at the end of 1968 were $23,681,027. Over these last 50 years, FSB has grown to $796,068,231 in total assets. This growth can be attributed to a thriving community, loyal customers, great employees, and an exceptional management team that has led FSB over the years.

I thank our parents for their leadership and instilling the culture and values that have led to the success of FSB. This is still reflected today in our core values of integrity, financial responsibility, and living by the "Golden Rule," which has always been defined by our father as "Treat every customer as though they were a guest in your home."

Financially, FSB experienced tremendous success in 2018 by posting growth in all areas of financial measurement. Total assets increased 3.81% to $796,068,231. Total net loans grew 3.43% to $601,494,735. Total deposits grew 3.62% to $645,639,438. Total equity grew 4.84% to $109,035,275 giving FSB a capital-to-asset ratio of 13.70%. This continues to rank FSB as one of the strongest financial institutions in the State of Iowa. This was all accomplished during a very challenging time in the economic and political environment which could, at best, be called unsettled. Again, I will attribute this success to the commitment of our FSB team, the sound economic footprint of the communities we serve, and the loyalty of our customers.

As we enter 2019, we will all be challenged by the unknown changes ahead. If only we had a crystal ball to tell us what lies ahead. But, then again, would we really want that? Where would the challenges lie with the uncertainty removed? Instead, we will embrace both the challenges and opportunities head on in the coming years to remain our customers' financial institution of choice.

Through it all, we will continue to be Faster. Stronger. Better.®

Sincerely,

Gene R. Neighbor

Gene R. Neighbor

Statement of Condition*

	Dec. 31, 2018	Dec. 31, 2017
ASSETS		
Cash and due from banks	$69,236,624	$54,807,324
Securities	103,224,142	105,916,551
Loans, net	**601,494,735**	**581,550,385**
Premises and fixed assets	7,995,082	8,146,569
Other assets	14,117,648	16,402,934
Total assets	**$796,068,231**	**$766,823,763**
LIABILITIES		
Noninterest bearing deposits	$123,565,999	$119,336,063
Interest bearing deposits	522,073,439	503,764,656
Total deposits	**$645,639,438**	**$623,100,719**
Borrowed money	37,743,860	36,250,259
Other liabilities	3,649,658	3,472,528
Total liabilities	**$687,032,956**	**$662,823,506**
EQUITY CAPITAL		
Common stock	$1,161,600	$1,161,600
Surplus	4,838,400	4,838,400
Undivided profits	103,035,275	98,000,257
Total equity capital	**$109,035,275**	**$104,000,257**
Total liabilities and equity capital	**$796,068,231**	**$766,823,763**

2018 Playback

Breast Cancer Walk:
For more than 25 years, FSB employees have taken part in the annual Race Against Breast Cancer in Cedar Rapids. Included in this group are three breast cancer survivors for which we are very thankful!

Families Helping Families:
The generosity of FSB's employees and customers knows no bounds, as evidenced by the largest collection of Christmas gifts we've ever gathered to benefit more than 400 children in foster care in Linn County.

FSB volunteers serve up BBQ and all the trimmings at the Linn County Fair kick-off dinner.

Uptown Friday Nights:
FSB employees enjoyed a fun night while volunteering at an Uptown Friday Night event in downtown Cedar Rapids.

Top Work Place:
For the 2nd year in a row, FSB was honored to be recognized by the *Des Moines Register* as a Top Work Place in Iowa. Each employee found one of these cookies on their desk as we kicked off our week-long

Waypoint Big Check:
FSB is proud to serve as the lead sponsor for the Gentlemen's Ride, an annual motorcycle benefit ride to raise funds and awareness for Waypoint's Domestic Violence Victim Services Program.

Marion By Moonlight:
Thursday nights in June find more than 3,000 people attending Marion By Moonlight, FSB's signature concert series. This event has been delighting music lovers for the past 23 years.

FSB Board of Directors
December, 2018

Morris F. Neighbor,
Chairman Emeritus
Kent M. Neighbor, Chairman
Douglas N. Neighbor,
Vice Chairman
Kim C. Brokaw
Kim R. Colberg
James A. Mollenhauer
Gene R. Neighbor
Steven K. Neighbor
Robert H. Sippel

Back row, left to right: Steve Neighbor, Kim Colberg, Kim Brokaw, Bob Sippel and Jim Mollenhauer
Front row, left to right: Gene Neighbor, Kent Neighbor, Morris Neighbor and Doug Neighbor

FSB Officers/Directors

December 2018

Gene R. Neighbor .....President & CEO
Steven K. Neighbor.....Executive Vice President, Chief Credit Officer
Kent M. Neighbor .....Chairman of the Board
Douglas N. Neighbor .....Vice Chairman of the Board
Faith A. Anderson.....Sr. VP, Human Resources
Kevin D. Boge .....Sr. VP, Commercial Lending
Thomas R. Glanz.....Sr. VP, Commercial Lending
Stephen M. Godar .....Sr. VP, Chief Technology Officer
Kim W. Nelson .....Sr. VP, Investments, Cashier
Kimberly S. Rose .....Sr. VP, Chief Operations Officer, Assistant Cashier
Rick M. Weber .....Sr. VP, Retail Banking
Lynn A. Ciha .....VP, Marketing
Pamela R. Goedken.....VP, Sr. Trust Officer
Dorothy M. Moulds.....VP, Chief Financial Officer
Jason M. Neighbor.....VP, Retail Operations
Marcia A. Baumann.....AVP, Consumer Lending
Lisa R. Beck.....AVP, eCommerce
Mike S. Hodson .....AVP, Commercial Lending
Barbara J. Huhndorf.....AVP, Credit Cards
Amanda L. Johnson.....AVP, Credit Manager
Joan M. McVay .....AVP, Branch Manger
Nelson F. Weber .....AVP, Compliance, CRA Officer
Laurie L. Graham .....Loan Operations Manager
Laura A. Kamienski.....Trust Officer
Diane K. Lund.....Controller
LuAnn G. Ramsey.....Executive Assistant
Susanne Reed.....BSA Officer
Shelley M. Schroeder .....Treasury Management Officer
Tamara J. Strand.....Deposit Operations Officer

Alburnett Office
Scott M. Neighbor .....Sr. VP, Ag Lending
David B. Roll .....VP, Ag Lending

Collins Road Square Office
Joan M. McVay .....AVP, Branch Manager

Edgewood Plaza Office
Jason J. Pasker .....AVP, Branch Manager

Hiawatha Office
Angel M. Suttie .....AVP, Branch Manager
Tammy L. Yamilkoski....VP, Mortgage Lending
Jason T. Greenwaldt.....AVP, Mortgage Lending
Russell A. Smith, Jr.....AVP, Commercial Lending

Marion Office
Joan M. McVay .....AVP, Branch Manager

Van Buren Village Office
Jason J. Pasker .....AVP, Branch Manager
Greg A. Christensen.....Sr. VP, Commercial Lending
Angela M. Lampe .....AVP, Commercial Lending

FSB Investment Services
BJ Fleming .....Financial Advisor
Ryan W. Norton.....Financial Advisor

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Marion Office
1240 8th Ave.
Marion, IA 52302

Hiawatha Office
175 Center Point Rd.
Hiawatha, IA 52233

Van Buren Village Office
2755 Edgewood Rd. SW
Cedar Rapids, IA 52404

Collins Road Square Office
1380 Twixt Town Rd.
Marion, IA 52302

Edgewood Plaza Office
399 Edgewood Rd. NW
Cedar Rapids, IA 52405

Alburnett Office
117 N. Main Ave.
Alburnett, IA 52202

REGULATION CC FUNDS AVAILABILITY DISCLOSURE

Account Holder: City of Hiawatha

Financial Institution: FARMERS STATE BANK
1240 8TH AVENUE
MARION IA 52302

YOUR ABILITY TO WITHDRAW FUNDS AT FARMERS STATE BANK. Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. However, funds from electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and/or we will use them to pay checks that you have written. For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays and federal holidays. If you make a deposit before closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Reservation of Right to Hold. In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first $200 of your deposit, however, will be available on the first business day after the day of your deposit. If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the business day after we receive your deposit. If you need the funds from a deposit right away, you should ask us when the funds will be available.

Longer Delays May Apply. We may delay your ability to withdraw funds deposited by check into your account an additional number of days for these reasons:

* You deposit checks totaling more than $5,000 on any one day.
* You redeposit a check that has been returned unpaid.
* You have overdrawn your account repeatedly in the last six months.
* We believe a check you deposit will not be paid.
* There is an emergency, such as failure of a computer or communication equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

Holds On Other Funds. If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it. If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in the disclosure for the type of check that you deposited.

Special Rules For New Accounts. If you are a new customer, the following special rules will apply during the first 30 days your account is open:

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first $5,000 of a day's total deposits of cashier's , certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over $5,000 will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,000 will not be available until the second business day after the day of your deposit.

Funds from deposits of checks drawn on Farmers State Bank will be available on the first business day after the day of your deposit.

Funds from all other check deposits will be available not later than the seventh business day after the day of your deposit.

Deposits at Automated Teller Machine. Funds from any deposits (cash or checks) made at automated teller machines (ATM's) we own or operate will not be available until the first business day after the day of your deposit.

Public Fund Int Ckg-XXXXX5251 (continued)

Checks Cleared (continued)

Check Nbr	Date	Amount	Check Nbr	Date	Amount	Check Nbr	Date	Amount
70124*	10/04/2019	$1,387.96	70186	10/08/2019	$90.00	70271	10/28/2019	$218.81
70125	10/03/2019	$843.18	70187	10/15/2019	$57.00	70272	10/24/2019	$130.00
70126	10/04/2019	$33,021.00	70189*	10/08/2019	$2,317.00	70273	10/23/2019	$23,404.83
70128*	10/04/2019	$37,882.04	70190	10/10/2019	$172.00	70274	10/22/2019	$293.31
70129	10/09/2019	$2,252.42	70191	10/08/2019	$6,860.23	70275	10/23/2019	$67.59
70130	10/09/2019	$281.21	70192	10/09/2019	$1,000.00	70276	10/23/2019	$15.82
70131	10/08/2019	$16,396.55	70193	10/08/2019	$685.71	70277	10/22/2019	$239.36
70132	10/15/2019	$234.05	70194	10/31/2019	$81.00	70278	10/29/2019	$41.20
70133	10/09/2019	$9.48	70195	10/10/2019	$100.00	70279	10/22/2019	$1,400.00
70134	10/08/2019	$331.00	70196	10/08/2019	$95.76	70280	10/24/2019	$2,600.00
70135	10/15/2019	$90.00	70197	10/09/2019	$167.75	70281	10/23/2019	$108.00
70136	10/07/2019	$1,928.98	70198	10/08/2019	$2,500.00	70282	10/31/2019	$2,350.00
70137	10/09/2019	$1,153.46	70199	10/21/2019	$20,000.00	70283	10/22/2019	$49.42
70138	10/10/2019	$3,286.96	70200	10/08/2019	$3,800.36	70284	10/22/2019	$42.00
70139	10/10/2019	$1,080.00	70201	10/08/2019	$58.55	70285	10/22/2019	$346.96
70140	10/09/2019	$1,559.90	70202	10/10/2019	$242.12	70286	10/22/2019	$591.39
70141	10/15/2019	$40.00	70203	10/07/2019	$90.00	70287	10/24/2019	$29.00
70142	10/08/2019	$232.32	70204	10/08/2019	$2,103.98	70289*	10/28/2019	$83.40
70143	10/09/2019	$300.00	70205	10/15/2019	$160.00	70290	10/24/2019	$8.45
70144	10/08/2019	$52,313.00	70206	10/15/2019	$1,000.00	70291	10/22/2019	$252.00
70145	10/08/2019	$835.50	70207	10/09/2019	$1,261.50	70292	10/21/2019	$58.26
70146	10/10/2019	$25,934.80	70208	10/11/2019	$8.90	70293	10/22/2019	$90.00
70148*	10/08/2019	$1,748.25	70209	10/08/2019	$513.10	70295*	10/22/2019	$5,401.00
70150*	10/16/2019	$600.00	70210	10/29/2019	$30.00	70297*	10/22/2019	$1,479.00
70151	10/08/2019	$17.01	70211	10/15/2019	$10.22	70298	10/22/2019	$1,901.24
70152	10/15/2019	$30.00	70212	10/08/2019	$280.00	70299	10/22/2019	$21.57
70154*	10/08/2019	$548.17	70213	10/16/2019	$12,168.22	70300	10/23/2019	$90.00
70155	10/15/2019	$1,875.00	70214	10/09/2019	$129.64	70301	10/25/2019	$30.00
70156	10/09/2019	$1,146.09	70215	10/22/2019	$30.00	70302	10/23/2019	$494.45
70157	10/09/2019	$334.54	70216	10/08/2019	$3,795.00	70303	10/29/2019	$158.14
70158	10/07/2019	$450.00	70217	10/09/2019	$7,036.65	70304	10/28/2019	$36.00
70159	10/09/2019	$8,679.50	70218	10/09/2019	$51.50	70305	10/22/2019	$1,490.90
70160	10/08/2019	$756.00	70220*	10/08/2019	$2,347.80	70306	10/22/2019	$1,291.62
70161	10/09/2019	$374.18	70221	10/10/2019	$302.89	70307	10/30/2019	$80.00
70162	10/09/2019	$90.00	70222	10/08/2019	$612.57	70308	10/24/2019	$369.74
70163	10/15/2019	$20,000.00	70223	10/08/2019	$319.71	70310*	10/22/2019	$971.74
70164	10/09/2019	$75.00	70224	10/08/2019	$8,396.47	70311	10/28/2019	$218.34
70165	10/09/2019	$209.00	70225	10/08/2019	$35.00	70312	10/22/2019	$21.98
70166	10/11/2019	$6,650.00	70226	10/09/2019	$19.80	70313	10/23/2019	$21,496.63
70171*	10/08/2019	$221.40	70227	10/10/2019	$213,949.50	70314	10/22/2019	$314.59
70172	10/09/2019	$1,462.20	70258*	10/23/2019	$93.96	70315	10/22/2019	$10.50
70173	10/08/2019	$123.90	70259	10/22/2019	$169.50	70316	10/22/2019	$600.53
70175*	10/08/2019	$433.00	70260	10/22/2019	$386.95	70317	10/23/2019	$14.12
70176	10/28/2019	$140.00	70261	10/22/2019	$5,700.73	70318	10/22/2019	$52.99
70177	10/08/2019	$569.79	70262	10/22/2019	$1,218.51	70319	10/24/2019	$112.48
70178	10/10/2019	$1,234.16	70263	10/23/2019	$275.25	70320	10/22/2019	$1,538.12
70179	10/11/2019	$38.00	70264	10/23/2019	$291.00	70321	10/22/2019	$75.00
70180	10/08/2019	$35.66	70265	10/22/2019	$257.83	70322	10/25/2019	$8.90
70181	10/09/2019	$2,751.46	70266	10/22/2019	$3,984.35	70323	10/22/2019	$49.25
70182	10/16/2019	$29.91	70267	10/23/2019	$69.80	70324	10/24/2019	$43.15
70183	10/15/2019	$30.00	70268	10/21/2019	$226.20	70325	10/23/2019	$300.00
70184	10/08/2019	$568.93	70269	10/22/2019	$97.76	70326	10/28/2019	$143.84
70185	10/11/2019	$2,004.90	70270	10/22/2019	$5.94	70327	10/23/2019	$266.56

Public Fund Int Ckg-XXXXX5251 (continued)

Checks Cleared (continued)

Check Nbr	Date	Amount
70328	10/22/2019	$11.55
70330*	10/23/2019	$375.00
70331	10/22/2019	$620.00
70332	10/22/2019	$3,593.00
70333	10/23/2019	$34.98
70334	10/22/2019	$71.60
70335	10/28/2019	$90.00
70336	10/22/2019	$234.00
70337	10/22/2019	$1,718.78
70338	10/25/2019	$542.71
70339	10/31/2019	$925.00
70340	10/25/2019	$402.34
70341	10/25/2019	$260.00
70344*	10/31/2019	$3,234.27
70345	10/31/2019	$102,153.50
70348*	10/31/2019	$113,540.11
70350*	10/31/2019	$37,642.47

* Indicates skipped check number

Daily Balances

Date	Amount
10/01/2019	$7,143,473.72
10/02/2019	$7,160,875.14
10/03/2019	$7,128,998.01
10/04/2019	$7,129,196.43
10/07/2019	$7,102,425.57
10/08/2019	$6,990,253.73
10/09/2019	$6,962,279.63
10/10/2019	$6,715,033.00
10/11/2019	$6,725,836.95
10/15/2019	$9,315,153.62
10/16/2019	$8,241,682.95
10/17/2019	$8,146,976.62
10/18/2019	$8,139,734.35
10/21/2019	$8,088,472.18
10/22/2019	$8,052,320.67
10/23/2019	$8,005,426.79
10/24/2019	$8,003,387.86
10/25/2019	$8,180,517.92
10/28/2019	$8,181,185.39
10/29/2019	$6,518,575.36
10/30/2019	$7,902,044.54
10/31/2019	$7,567,067.06

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	$0.00	$0.00
Total Returned Item Fees	$0.00	$0.00

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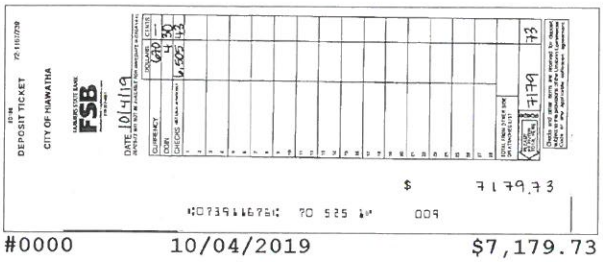
Statement Ending 10/31/2019



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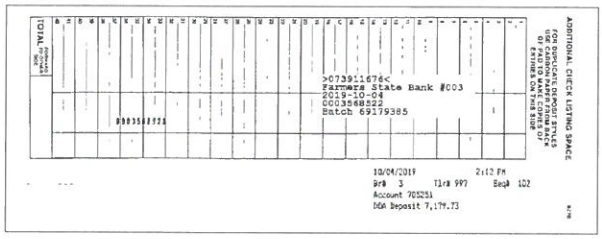

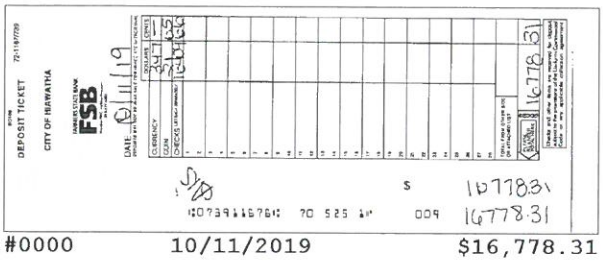

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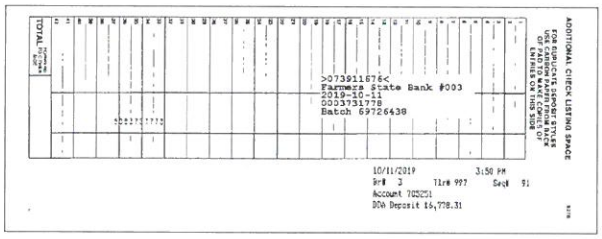

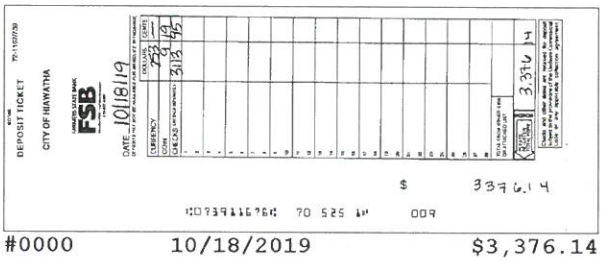

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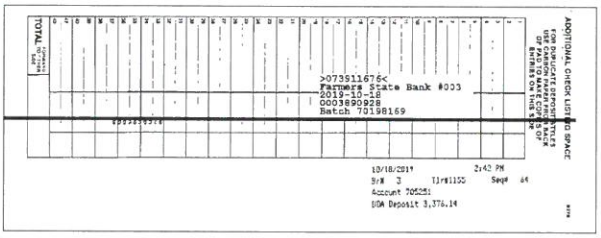

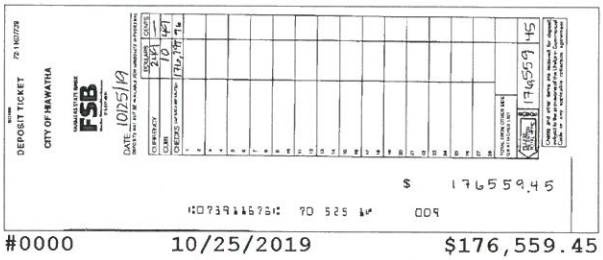

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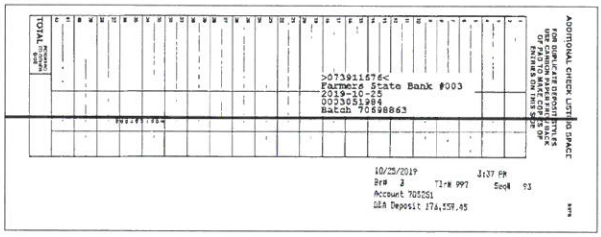

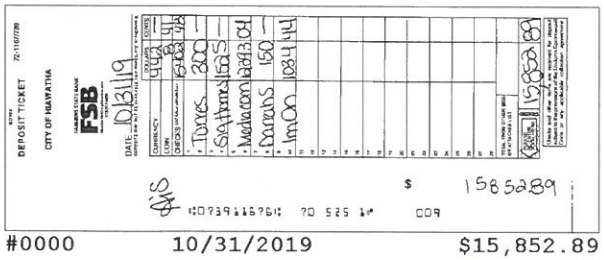

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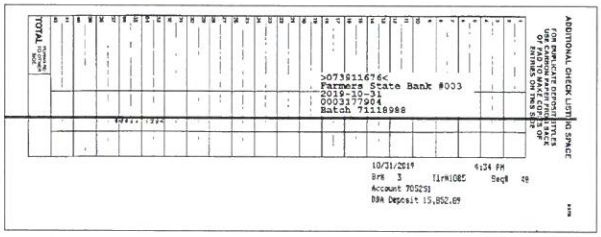
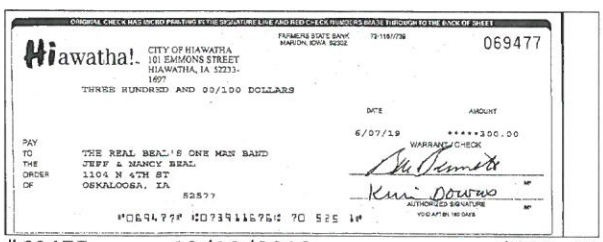
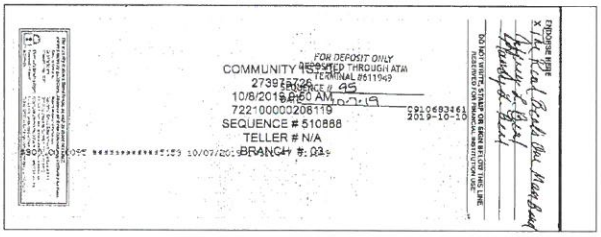




#69477 10/10/2019 $300.00



ORIGINAL CHECK HAS MICRO PRINTING IN THE SIGNATURE LINE AND RED CHECK NUMBERS IMAGE THROUGH TO THE BACK OF SHEET

Hiawatha!. CITY OF HIAWATHA
101 EMMONS STREET
HIAWATHA, IA 52233-1697

FARMERS STATE BANK
MARION, IOWA 52302
73-1167/739

069720

ONE HUNDRED FIFTY AND 00/100 DOLLARS

DATE 7/19/19 AMOUNT *****150.00

PAY TO THE ORDER OF KIDS 4 THE KINGDOM
365 TONGA DR
HIAWATHA, IA 52233

WARRANT / CHECK
AUTHORIZED SIGNATURE
VOID AFTER 180 DAYS

⑈069720⑈ ⑆073911676⑆ 70 525 1⑈

#69720 10/08/2019 $150.00

ENDORSE HERE
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10/7/201916:30:59

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2019-10-08

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

ORIGINAL CHECK HAS MICRO PRINTING IN THE SIGNATURE LINE AND RED CHECK NUMBERS IMAGE THROUGH TO THE BACK OF SHEET

Hiawatha!. CITY OF HIAWATHA
101 EMMONS STREET
HIAWATHA, IA 52233-1697

FARMERS STATE BANK
MARION, IOWA 52302
73-1167/739

069860

EIGHT HUNDRED NINETY SEVEN AND 00/100 DOLLARS

DATE 8/23/19 AMOUNT *****897.00

PAY TO THE ORDER OF BC/BS OF MINNESOTA
PO BOX 64179
ST PAUL, MN 55164-0179

WARRANT / CHECK
AUTHORIZED SIGNATURE
VOID AFTER 180 DAYS

⑈069860⑈ ⑆073911676⑆ 70 525 1⑈

#69860 10/07/2019 $897.00

ENDORSE HERE
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2019-10-07

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BCBS Inc 4125206672
>091000019<

ORIGINAL CHECK HAS MICRO PRINTING IN THE SIGNATURE LINE AND RED CHECK NUMBERS IMAGE THROUGH TO THE BACK OF SHEET

Hiawatha!. CITY OF HIAWATHA
101 EMMONS STREET
HIAWATHA, IA 52233-1697

FARMERS STATE BANK
MARION, IOWA 52302
73-1167/739

069874

ASHED
#35

ONE HUNDRED SEVENTEEN AND 16/100 DOLLARS

DATE 8/23/19 AMOUNT *****117.16

PAY TO THE ORDER OF KIM DOWNS
C/O HIAWATHA CITY HALL
101 EMMONS STREET
HIAWATHA, IA 52233

WARRANT / CHECK
AUTHORIZED SIGNATURE
VOID AFTER 180 DAYS

⑈069874⑈ ⑆073911676⑆ 70 525 1⑈

#69874 10/02/2019 $117.16

ENDORSE HERE
X

>073911676<
Farmers State Bank #003
2019-10-02
0003489817
Batch 69947537

10/02/2019 9:20 AM
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117.16

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ORIGINAL CHECK HAS MICRO PRINTING IN THE SIGNATURE LINE AND RED CHECK NUMBERS IMAGE THROUGH TO THE BACK OF SHEET

Hiawatha!. CITY OF HIAWATHA
101 EMMONS STREET
HIAWATHA, IA 52233-1697

FARMERS STATE BANK
MARION, IOWA 52302
73-1167/739

070062

THIRTY FIVE AND 00/100 DOLLARS

DATE 9/20/19 AMOUNT *****35.00

PAY TO THE ORDER OF IOWA PUBLIC PROCUREMENT ASSN
C/O STACY SAESMAN, TREASURER
1340 ADMINISTRATIVE SERV BLDG
AMES IA 50011-3616

WARRANT / CHECK
AUTHORIZED SIGNATURE
VOID AFTER 180 DAYS

⑈070062⑈ ⑆073911676⑆ 70 525 1⑈

#70062 10/29/2019 $35.00

ENDORSE HERE
X CREDITED TO THE ACCOUNT OF
THE WITHIN NAMED PAYEE
ABSENCE OF ENDORSEMENT
1 CHECK HERE IF MOBILE DEPOSIT

0910107649
2019-10-29

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

ORIGINAL CHECK HAS MICRO PRINTING IN THE SIGNATURE LINE AND RED CHECK NUMBERS IMAGE THROUGH TO THE BACK OF SHEET

Hiawatha!. CITY OF HIAWATHA
101 EMMONS STREET
HIAWATHA, IA 52233-1697

FARMERS STATE BANK
MARION, IOWA 52302
73-1167/739

070072

TWENTY NINE AND 00/100 DOLLARS

DATE 9/20/19 AMOUNT *****29.00

PAY TO THE ORDER OF KANOPY
781 BEACH ST, SUITE 410
SAN FRANCISCO, CA 94109

WARRANT / CHECK
AUTHORIZED SIGNATURE
VOID AFTER 180 DAYS

⑈070072⑈ ⑆073911676⑆ 70 525 1⑈

#70072 10/24/2019 $29.00

CHECK HERE IF MOBILE DEPOSIT

0920003533
2019-10-24

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE
RESERVED FOR FINANCIAL INSTITUTION USE

ORIGINAL CHECK HAS MICRO PRINTING IN THE SIGNATURE LINE AND RED CHECK NUMBERS IMAGE THROUGH TO THE BACK OF SHEET

Hiawatha!. CITY OF HIAWATHA
101 EMMONS STREET
HIAWATHA, IA 52233-1697

FARMERS STATE BANK
MARION, IOWA 52302
73-1167/739

070074

TWO HUNDRED FIFTY AND 00/100 DOLLARS

DATE 9/20/19 AMOUNT *****250.00

PAY TO THE ORDER OF KIDCREATE STUDIO
1121 BLAIRS FERRY RD NE STE100
CEDAR RAPIDS, IA 52402

WARRANT / CHECK
AUTHORIZED SIGNATURE

⑈070074⑈ ⑆073911676⑆ 70 525 1⑈

#70074 10/03/2019 $250.00

0910514067
2019-10-03