

The art of the possible: Cracking the code for winning new municipal clients

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Presented by ZSuite Tech



ZSUITE TECH



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Agenda

How to sell to municipalities –
30 minutes

Q&A –
10 minutes

Demo –
10 minutes

**Why municipalities make
great clients**



**Lots of
transactions
and
deposits**



**Stable, sticky
deposits**

**Strong
transaction
volume**

**Long-term
relationships**

Getting to know them



What does financial landscape look like for municipalities?

- The \$1.2T Infrastructure Investment and Jobs Act (IIJA) will create pressure to manage and deploy those funds.
- Stepping away from in-branch banking
- Reducing cash handling as much as possible.

Macro-economic concerns

- Fears of a recession (23%)
- Rising interest rates (14%)
- Loss of revenue (10%)
- Volatility in the municipal bond market (14%)

Why does that matter?

- Infrastructure development
- Supply chain
- Labor shortage



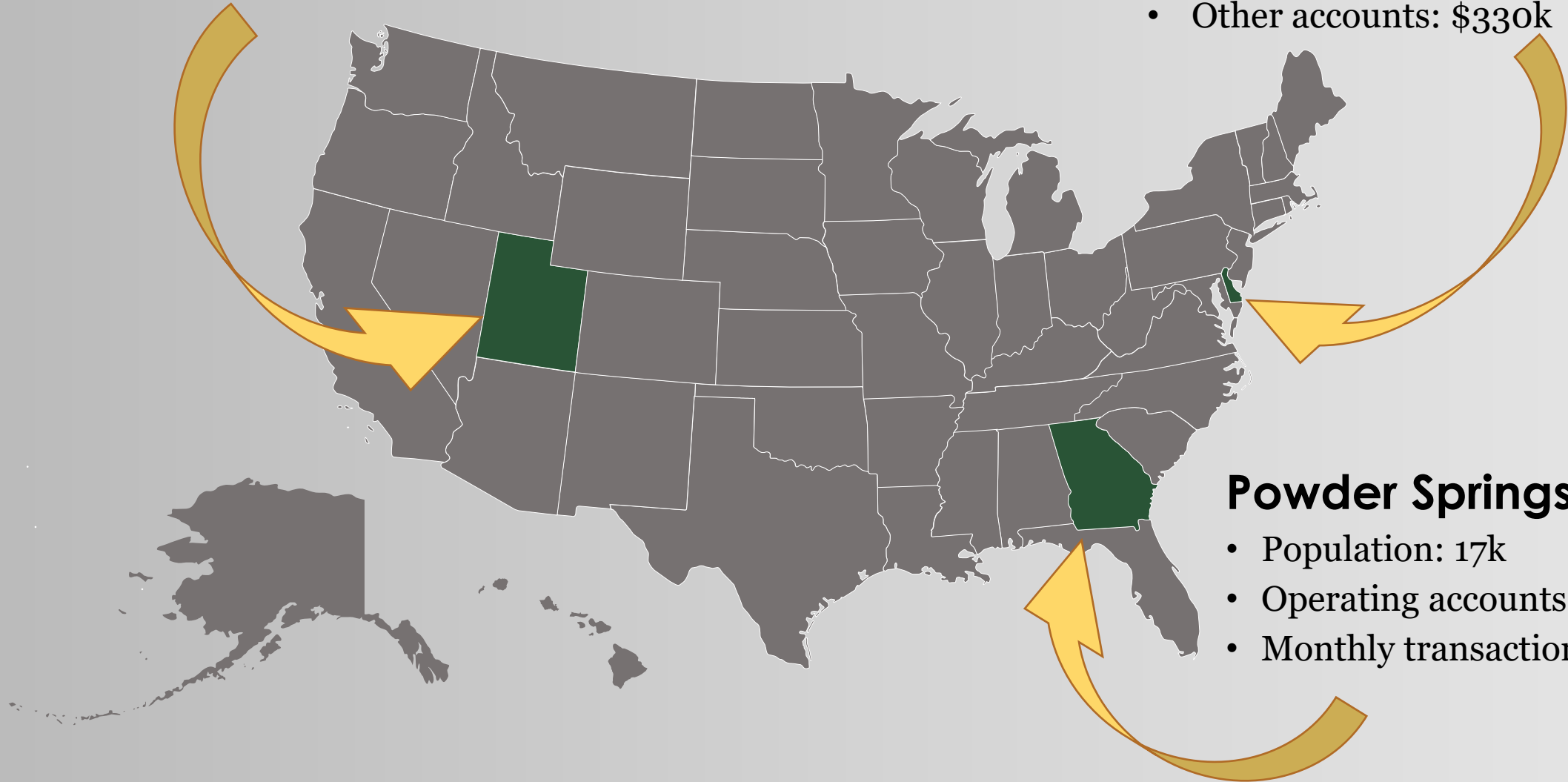
Heber, Utah

- Population 17.2k
- Operating accounts: \$1.2M
- Monthly transactions: 1.5k

Three states. Three cities.

Millville, New Jersey

- Population 27.6k
- Operating accounts: \$24M
- Monthly transactions: 12k
- Trust accounts: \$11.5M
- Other accounts: \$330k



Powder Springs, Georgia

- Population: 17k
- Operating accounts: \$10.4M
- Monthly transactions: 10k

Tactical pain points

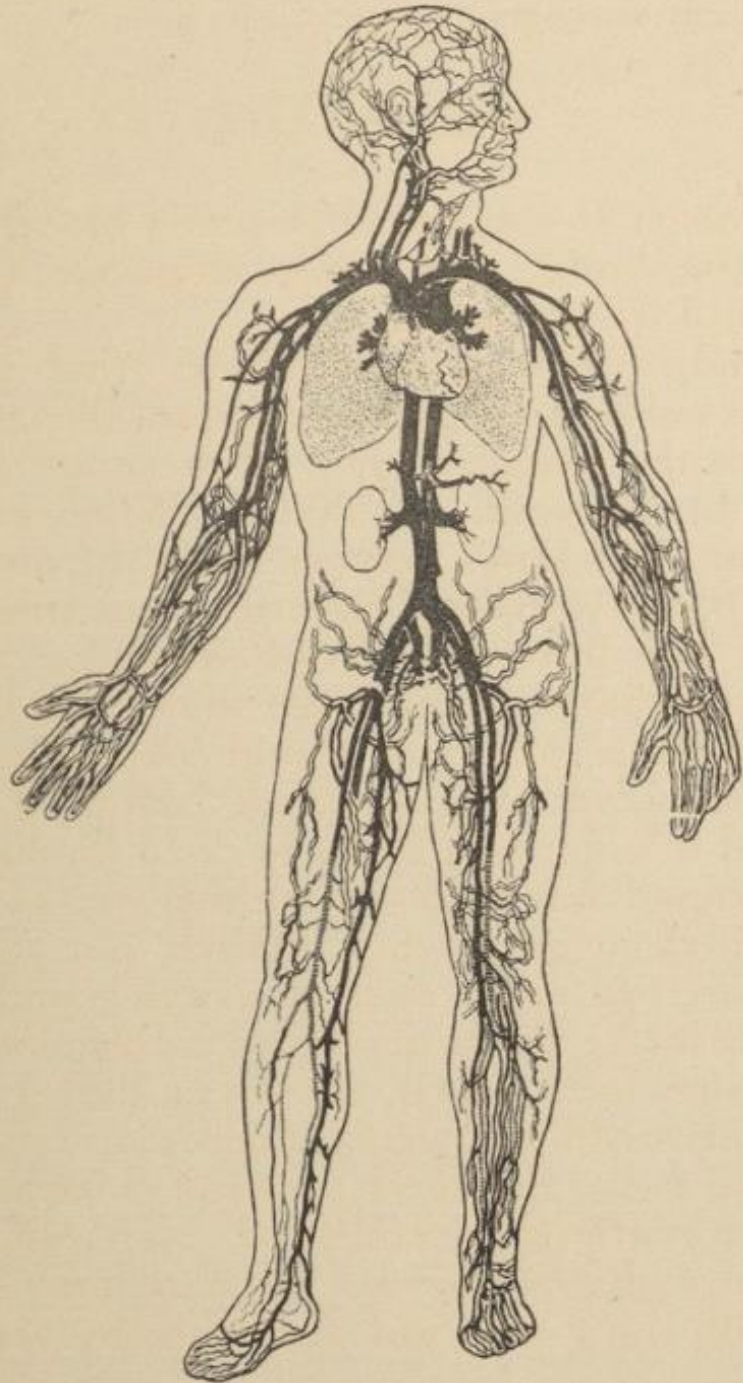
- Cash handling
- In-branch banking
- ACH processing
- Deposit availability
- Fraud prevention
- Borrowing needs
- Investment needs
- Managing compliance and public transparency
- Accounting and reporting
- Account switching, support, training
- Compensation
 - Earnings Credit or direct fee
- Interest splitting (varies by state)
- Payroll



What can you do to help?

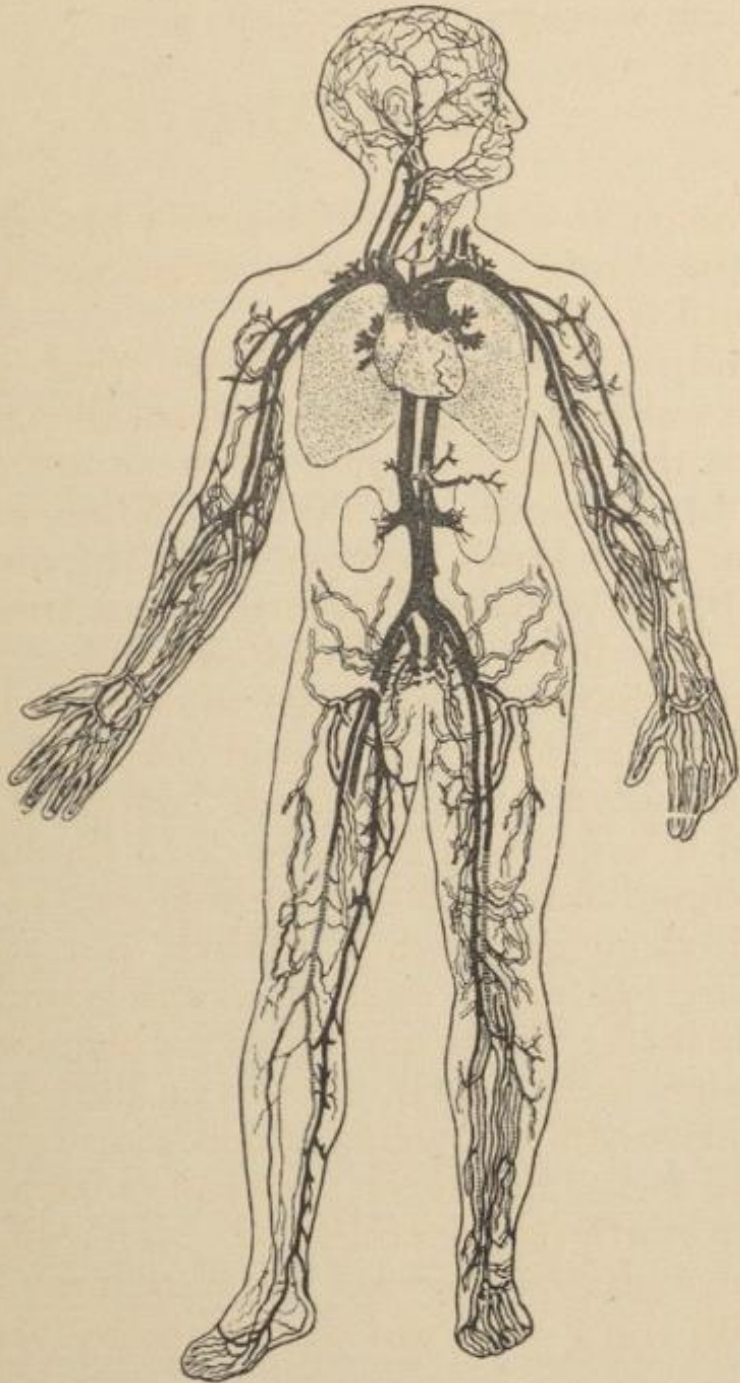
- Deliver with excellence
- Compliance, auditing, and reporting
- Help innovate outdated processes
- Create efficiency





Anatomy of an RFP

- Typically cities publish a request for proposal (RFP) when they're ready to evaluate new banking partners.
- You have 30 days to submit proposals.
- Consider an RFP aggregator website.



Anatomy of an RFP

- They often include:
 - Mandatory qualifying conditions
 - Proposal procedures
 - Criteria for selection
 - Insurance
 - Rate schedule
 - References (public agency experience is a plus)
 - Technical Q&A with city finance team
 - Dedicated support team for city
 - Due diligence packet

**You don't have to eat it
all in one bite.**



Key Insights

- Cover all the basics.
- They need innovative solutions.
- They need transparency for public accountability.
- Account switching is a major undertaking.
- They're willing to be long-term clients.



How to reach municipal prospects



**Your
opportunity
is coming**

Be ready.

Differentiate your institution

1. Training and service
2. Digital banking tools
3. Escrow and subaccounting is:
 - Labor intensive
 - Compliance heavy
 - Extremely complicated





What can you do today?

- Request a meeting with the city finance team
- Ask the city how to become an approved vendor
- Request previous RFPs through your state's Freedom of Information Act
- Collect and analyze sample RFPs online

What can you do for the long term?

- GFOA and NCL conferences
- Chamber of commerce
- City council events
- Register for RFP aggregator services (local or state if available)
 - www.findrfp.com
 - www.bidnetdirect.com
- Respond to RFPs to gain experience
- Explore the city's approved vendor process
- Pursue contracts with other public agencies



Gather everything you need in advance



- Build a bare-bones proposal that you can update and customize based on the RFP.
- Study the budget in the RFP and use it to evaluate your services.
- Audit your commercial fee schedule.
- Assess the capabilities you want to build out.

Questions?

Associations and industry intel

1. Government Finance Officers Association
 - <https://www.gfoa.org/>
 - Especially the “Best Practices” section
2. National League of Cities
 - <https://www.nlc.org/>
3. Find RFP
 - www.findrfp.com
4. Bidnet Direct
 - www.bidnetdirect.com
5. Report: The role of munis in the future of cities report (American Banker - paid access)

Downloadable Municipalities Battle Card!





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Thank you!