



Proposal for Banking Services

Town of Damariscotta

*A local Maine bank serving
the Coastal Maine community since 1852.*



Benj. F. Packard

Bath Savings Institution

Since 1852

February 7, 2025

Town of Damariscotta
21 School Street
Damariscotta, ME 04543

Dear Ms. Pinkham:

Thank you for providing Bath Savings with the opportunity to respond to your Request for Proposals for Banking Services. We feel fortunate to have the opportunity to share this information with you and hope to continue, and expand, our current relationship.

As a stable, responsive, and customer-focused independent bank, we look forward to the prospect of partnering with you now, and in the years ahead to meet your financial goals.

Should you have any questions about the information provided you may contact me by calling 563-3116, or you can reach me by email at danderson@bathsavings.bank.

We appreciate your interest in Bath Savings and we welcome the opportunity to work together to establish a banking relationship with the Town of Damariscotta.

Sincerely,

Deborah Anderson
AVP Branch Manager, Damariscotta
Bath Savings Institution
207-563-3116
danderson@bathsavings.bank



Proposal for Banking Services Town of Damariscotta

Bank Overview

Bath Savings Institution has been the financial home for people and businesses in coastal Maine since 1852. Our solid Maine values and strong, conservative approach offer both strength and stability, even in the most turbulent times. We are a mutual organization, proud to be managed and controlled locally. As a Maine based business, Bath Savings Institution is committed to serving the financial needs of the communities we serve. We provide personal and commercial banking and investment solutions paired with competitive rates, personal service, and online banking technology that puts you in control of your finances. We believe in building relationships that last for generations by providing exceptional service and sound solutions customized to meet the individual needs of our customers. We are proud to hold the highest rating a bank can earn for strength and security from Bauer Financial, the nation's foremost independent financial services ratings agency.

Beyond a financial institution, we're neighbors who care. We invest in what matters most — the people, places and businesses that make Maine the place we're proud to call home. When you entrust us with your savings, we keep your money here in Maine, where it belongs. We use your deposits to help neighbors buy homes, entrepreneurs start businesses, and non-profits make a difference. Now more than ever, we are committed to fostering a society where each of us feels we belong and where everyone can achieve their full potential without unjust barriers. We stand with our employees, customers, and communities in supporting an inclusive, diverse, and equitable world for all to prosper.

Our commitment to our communities is evidenced through our Neighbor-to-Neighbor program which connects our personal banking customers to our local businesses, and our Hometowns Strong program which allows new personal banking customers to choose a local non-profit to receive a donation when they open a qualifying checking account. Through our Neighbor to Neighbor program, Bath Savings has donated more than \$340,000 to the arts, shelters and other community groups.

This year Bath Savings celebrates its 173rd year of providing exceptional service to our customers, and while many things have changed, we remain the same strong, independent, community bank we have always been, building relationships with our customers based on trust, confidence, and service.

Experience

Bath Savings has many years of experience working with governmental, quasi-governmental, municipal, and utility clients. We currently serve as the primary bank for several local city/town government relationships providing Business Online banking, eStatments, ACH services, direct deposit, remote deposit capture (RDC), collateral agreements, commercial lending, and direct support for all banking-related questions.

We believe in taking a proactive approach in anticipating your banking needs, and by suggesting services which are in your best interest. On an on-going basis, we'll review deposit account balances to ensure funds in excess of FDIC coverage are collateralized, you're making the most of interest-bearing accounts, and to suggest services which can make your daily processes more efficient and/or secure.

Customer Service

Since 1852 it has been our mission to serve the needs of our customers and our communities. As we strive to exceed the expectations of our customers, our communities and ourselves, we shall not waver from the high ethical and performance standards we have established. Together, we will always deliver that exceptional service which sets us apart.

Bath Savings defines customer service as "Not one big thing but 1,000 little things done exceedingly well everyday". Employees are empowered to make decisions which affect you, and your banking relationship, resulting in less time waiting for important answers and information. All Bath Savings employees are located in our operations buildings in Bath, or in one of our 10 branches. We don't have call centers or an endless automated phone system. When you call us during business hours, a live person will always answer the phone.

Your Banking Relationship

At Bath Savings, we value personalized relationships with people you know and trust. We pride ourselves on getting to know your organization and building personal connections with your employees. Serving as your banking representatives will be Deborah Anderson and Julie Wagoner.

Serving as your primary contact will be **Deborah Anderson**, AVP Branch Manager. Debbie has been with Bath Savings for 25 years, with her entire career spent in our Damariscotta office. Debbie lives in the community and spends countless hours volunteering for local organizations. Together with her team in the Damariscotta office, Debbie will serve as your primary contact for opening accounts, preparing forms, answering questions, and resolving concerns as needed. She is reachable by email or a telephone call, is always responsive, and is proactive in reaching out to you when she believes we can offer assistance.

Julie Wagoner, your Commercial Lender, has been with Bath Savings for 23 years and her banking experience extends even longer. She is exceptionally well-versed in assisting our municipal and governmental customers with their complex banking needs. Julie will serve as your reference for all lending-related needs and questions.

Deborah Anderson
AVP Branch Manager
Damariscotta Office
danderson@bathsavings.bank
207-563-3116

Julie Wagoner
SVP Community Development
and Commercial Lending
jwagoner@bathsavings.bank
207-442-7711

Banking Center Location and Hours

Bath Savings Institution currently has ten full-service branches located in Bath, Damariscotta, Brunswick, Freeport, Falmouth, Yarmouth, Boothbay Harbor, Portland, South Portland, and Westbrook. Your local office is:

Damariscotta
8 Church Street
Damariscotta, Maine 04543
Lobby: Monday-Thursday 9am-4pm; Friday 9am-5pm, Saturday 9am-12pm
Drive Up Window: Monday-Friday 7:30am-5pm, Saturday 9am-12p
Night depository available 24-hours, 7 days per week

References

Bath Savings Institution serves a number of municipalities and utilities as their primary or sole financial institution. Included here is a municipal relationship reference:

Town of Freeport

Jessica Maloy, Finance Director

207-865-4743 x115

jmaloy@freeportmaine.com

Services Provided: *Full-service banking relationship, Business Online Banking, Direct Deposit, ACH, Account Collateralization.*

Banking Services

A. Accounts

1. General Fund

Our proposed checking account: *Business NOW Checking*

- All Monthly service fees and per item charges will be waived.
- No minimum balance.
- Interest earned is credited at month-end.
- Free checks, deposit tickets, rubber deposit stamps, coin supplies, and deposit bags will be provided.
- Free online banking and eStatements

2. Enterprise Accounts

All enterprise accounts will offer the same features and benefits as your General Fund account.

Our proposed checking account: *Business NOW Checking*

- All Monthly service fees and per item charges will be waived.
- No minimum balance.
- Interest earned is credited at month-end.

- Free checks, deposit tickets, rubber deposit stamps, coin supplies, and deposit bags will be provided.
- Free online banking and eStatements

3. Short-Term Investments

a. Sweep Investment Account

We can help you ensure you're maximizing the amount of interest earned on your deposit account balances. By utilizing a checking account, a savings account, and automatic transfers, large account balances can move automatically to the account earning the highest return.

Our proposed savings account: *Tiered Premium Savings* account.

The account features include:

- Variable rate account, with interest rates tied to the Federated Rate. The interest rate on your account is subject to change on the last Friday of every month.
- No minimum balance required.
- Earn interest on the balance in your account. Premium rate earned on balances over \$250,000.
- No monthly service charge.
- Automatic **free** transfers between Checking and Savings to maximize interest earned.
- Free Online Banking and eStatements.

An example of rates effective 1/31/2025 - 2/28/2025 are as follows:

Deposit Balance	Interest Rate	APY
\$0 - \$249,999.99	0.07	0.07
\$250,000 - \$499,999.99	3.50	3.56
\$500,000 - \$999,999.99	3.60	3.67
>+ \$1,000,000	4.10	4.18

b. Activity or Club Accounts

Our proposed savings account for Club and Activity Accounts: *Tiered Premium Savings* account.

The account features include:

- Variable rate account, with interest rates tied to the Federated Rate. The interest rate on your account is subject to change on the last Friday of every month.
- No minimum balance required.
- Earn interest on the balance in your account. Premium rate earned on balances over \$250,000.
- No monthly service charge.
- Automatic **free** transfers
- Free Online Banking and eStatements.

The following rates effective 1/31/2025 - 2/28/2025:

Deposit Balance	Interest Rate	APY
\$0 - \$249,999.99	0.07	0.07
\$250,000 - \$499,999.99	3.50	3.56
\$500,000 - \$999,999.99	3.60	3.67
>+ \$1,000,000	4.10	4.18

c. Certificate of Deposits

Bath Savings will offer the Town of Damariscotta premium rates on certificates of deposit. Rates offered are subject to change and can be offered upon request.

An example of rates effective through March 31, 2025 are as follows:

CD Term	Interest Rate	APY
6 Months	4.1875%	4.28%
12 Months	4.125%	4.21%
18 Months	4.125%	4.21%

B. Deposits

Funds Availability

Our policy is to make funds from your deposits available immediately after we receive your deposit. This includes check and cash deposits, incoming wire transfers, ACH transactions, and government checks. Use funds to pay items presented to your account or to transfer to your other accounts.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays and Federal Holidays. If you make a deposit in person before the close of business on a business day that we are open, we will consider that day to be the day of your deposit.

Remote Deposit Capture

We always enjoy seeing our customers in person, but we understand it can be challenging to stop by the bank to make your deposits. Remote Deposit Capture services allow you to deposit checks right from your office when it's convenient for you. No more planning around inclement weather and summertime traffic.

When you scan a deposit, the RDC system will automatically create a deposit slip for you, eliminating the need to maintain inventory. Deposits submitted before 5:00pm on business days will be credited to your account that evening with immediate availability.

Bath Savings is happy to provide you with VisionX scanner at no cost (regularly \$625). The scanner will come with a dust cover and cleaning materials. The service charge for utilizing RDC services is \$10 per month, per linked account, which will be waived for the Town of Damariscotta.

Jenny Little will visit your office to help you set up the scanner and to ensure you're confident with using it. As always, Jenny and the entire Online Support team can be reached for on-going questions and support.

Night Depository

The Damariscotta office of Bath Savings, along with our other 9 branches, offers a night depository available 24 hours per day, 7 days per week. The team in Damariscotta will process all night depository deposits each business day following dual-control procedures. All deposits will be logged, receipts provided within the locked bag, and deposit bags returned only to personnel previously designated by the Town. Bath Savings is happy to provide the Town of Damariscotta with 2 free locked deposit bags, and free deposit slips.

C. Online Banking Services

Bath Savings offers a suite of electronic banking services which allows you to manage your accounts from your office, on your schedule. Business Online Banking enables you to view account balances, transaction information, and to make transfers between accounts. Customization options allow you to determine what each user can see and do online.

With Business Online Banking the Town of Damariscotta may:

- Allow multiple users with different security levels to access account data.
- Access monthly account statements in PDF format with eStatements.
- View detailed account history.
- Make deposits to your accounts using Remote Deposit Capture (RDC).
- Process ACH files, including direct deposit.
- Make electronic funds transfers within the Town's accounts.
- View images for all checks and deposits.
- Review Positive Pay transactions.
- A Security Token is required for every Business Online Banking login. The token provides a portion of the user's login credentials, and changes every 30 seconds.
- All requests for Online Banking access are reviewed by the Online Support team at Bath Savings. This highly trained team of individuals is well-versed in fraud trends and the authority required to permit access. They review each application before online banking access is granted.
- To ensure the security of your transactions, Online Banking requires browsers capable of 128-bit encryption.
- We use a dedicated server and firewall, which acts as a barrier between the Internet and the bank.
- We provide 24-hour surveillance, real-time reporting, encryption, automatic logout of your session if there is no activity for thirty minutes, and suspension of a user's login if inactive for 6 months.

D. Cash Flow Management Services

1. Line of Credit Cash Advance & 2. Tax Anticipation Financing

Financing type and structure:

Bath Savings offers a wide array of municipal financing services. These include tax-exempt Tax Anticipation Notes and Bond Anticipation Notes. Other financing structures, such as Line of Credit Cash Advance, may also be available if the Town's municipal attorney can successfully document this type of financing structure. Bath Savings reviews the most recent Town audit and current municipal budgets to underwrite a municipal financing request.

Financing Terms and Interest Rates:

For all financing scenarios the term and payment requirements are determined by the town and are based on the purpose of each financing. The interest rates are tax-exempt if they are supported by a legal opinion from the Town's attorney stating that the financing is qualified as tax-exempt. Bath Savings prices its tax-exempt financing at a spread above or below the Federal Home Loan Bank of Boston classic borrowing rate based on the requested term of the financing. For Example - today (1/28/2025) we would price a 1-year Tax Anticipation Note with a draw down feature at approximately 5.08%. Bath Savings calculates its interest rates on a 365/365 basis. Bath Savings does not charge added fees to its municipalities for financing.

Documentation Requirements:

Bath Savings requires that the Town's municipal attorney provides the documentation for municipal financing. This documentation would include a legal opinion that the town and state laws allow the borrowing, as well as the qualification of the interest rate for tax purposes. Bath Savings does not typically engage its own attorney but will defer to the town's municipal attorney. Bath Savings does not assess any closing fees to municipalities; however, the Town must pay for the services of its attorney in the preparation of the documents.

E. Electronic Banking Services

Payroll Direct Deposits and ACH Transactions

We welcome the opportunity to assist the Town of Damariscotta with ACH file origination, including the processing of ACH payroll files and vendor payments. Bath Savings has many ACH originators who use Treasury Software, or similar, to create NACHA formatted files. Files are transmitted to Bath Savings through Business Online Banking by 4:00pm two days in advance of the requested posting date. Employees of the Town may choose to direct their pay to any financial institution of their choosing. You retain full control over all changes to your direct deposit file. Bath Savings will waive all ACH origination fees for the Town of Damariscotta.

In addition to originating ACH files, the Town's operating account may receive ACH deposits. The Bank will provide immediate availability to funds deposited via ACH.

Wire Transfers

Customers of Bath Savings may send and receive wire transfers as needed. Wire transfers may be initiated in person or via a phone call through use of a wire transfer service agreement. The Bank uses wire transfer service agreements to aid in reducing the risk of fraud for both the Bank and the customer when processing wire transfer requests. An authorized signer on the Town of Damariscotta accounts may establish an agreement for themselves, or for another employee. Each agreement will contain a password unique to the employee and will state which account(s) the employee may initiate wires from. When the Town of Damariscotta initiates a wire transfer, a Bath Savings employee will call you to verify your wire information before the wire is processed. All wire transfer fees for the Town will be waived.

Transfers Between Financial Institutions

The Town of Damariscotta may elect to transfer funds from Bath Savings to other financial institutions. Debbie and her team in the Damariscotta office will work with the Town to establish the transfer criteria within the Bank's operating software. Funds will automatically be sent to the other financial institution for the amount and schedule pre-determined by the Town.

F. Other Required Services

1. Fraud Prevention

Bath Savings highly recommends the use of Positive Pay as a measure to help protect the funds in your accounts. This free service allows a Town of Damariscotta employee to review all items presented to your account for payment as they're received by the Bank, and before the posting is finalized. Review checks to ensure the amount, date, and payee match what you authorized. If you detect any discrepancies, simply notify us through the Positive Pay service and we'll take action.

2. Stop Payments

The Town may request to place a Stop Payment order in person, by phone, or via email. Debbie and her team in the Damariscotta office will review the Bank's records to verify the item is outstanding. Written confirmation of the Stop Payment order, or a copy of the cashed instrument will be provided. Stop Payment orders placed by phone or email will be effective for 14 business days. Once a stop payment order has been signed, it is effective for six months. All Stop Payment fees for the Town will be waived.

3. Deposit Return Items

Bath Savings follows the industry standard practice of making two attempts to present again any returned deposited item. The Bank will waive all returned deposit item charges for the Town.

4. Overdraft Protection

In the event of an unintentional overdraft in the Town's account, the Bank will pay presented checks and waive overdraft fees. To aid in assuring the Town's account balance is sufficient to pay items presented, we are happy to establish automatic transfers with your linked savings account. If needed, funds will automatically move from savings to checking during end of day processing to cover negative balances.

G. Statements & I. Account Services

You may elect to receive your statement in paper format via the postal service, or electronically as a PDF through Business Online Banking. Both statement formats are identical and contain images of your cleared checks, deposit slips, and transfer slips as well as the number of debits and credits per statement period.

Account statements close on the last business day of the month. If you elect to receive your statement electronically, we'll send you an email every month to let you know that the statement is ready to view online.

Statements include:

- A listing of all debit and credit transactions posted to the account during the statement cycle
- Paid checks in numerical order
- Images of all paid checks
- Images of all deposit tickets
- Option to combine all accounts into one monthly statement or receive a monthly statement for each account separately

Bath Savings is happy to work with the Town regarding special request reports and account information.

J. Miscellaneous Services

Services for Your Employees

Bath Savings offers a Workplace Banking program for your employees full of money-saving benefits! When you maintain your deposit account with us, your employees receive the following benefits:

- A free Select Advantage checking account (no minimum deposit, no minimum balance, no monthly service fee)
- Free first order of basic wallet checks
- Free Online Banking with Bill Pay
- Ease of electronic statement delivery
- Free Mobile Banking and Free Mobile Deposit
- BSI Mortgage Origination Fee is waived on all first mortgage loans
- 1/8% rate premium on first opened CD
- Rate discount of 1/4% for auto and non-mortgage installment consumer loans
- 25% discount on annual safe deposit box rental fee
- A \$10 Neighbor to Neighbor Gift Certificate to use at a local business that banks with BSI and participates in the program, plus we'll donate \$25 to an area non-profit of your choice
- Investment advice from our Bath Savings Trust Company professionals

K. Federal Insurance

The Town's deposited funds will be fully FDIC insured up to the FDIC insurance coverage limits.

L. Additional Deposit Insurance

Bath Savings is prepared to enter into a collateral agreement with the Town of Damariscotta to ensure funds on deposit, in excess of FDIC coverage, are fully collateralized. On an annual basis we review your average and anticipated deposit balances with you to make recommendations for any change in your collateral limit. Collateralization amounts can also be revised at any time during the year to compensate for dramatic changes in deposit account balances. Funds covered under your collateral agreement remain in deposit accounts or CDs to ensure they're earning the highest rate of return.

Additionally, Bath Savings participates in the CDARS network. By placing funds into CDARS CDs, you'll receive FDIC coverage, high rates of return, and continue working only with Bath Savings.

PART II – PROPOSAL FORM

Form must be completed entirely. If requested information is not applicable, enter "N/A".

All rates and fees quoted are those in effect as of 9:00 A.M. on Thursday, February 6, 2025.

Institution Name: Bath Savings Institution

Address: 8 Church St. Damariscotta, ME 04543

Contact Person: Deborah Anderson Tel: 207-563-3116 ext.

E-mail: danderson@bathsavings.bank

Member FDIC or NCUA: FDIC: X NCUA:

Accounts:

General Fund: Transaction/Processing Fees? Yes X No

If yes, explain in a separate attachment.

Town Payroll and Electronic Funds Transfer ZBA Accounts:

Transaction/Processing Fees? Yes X No

If yes, explain in a separate attachment.

Sweep Investment Account:

Fee Structure: No fees or service charges

Expected Return: Tiered Index: Federated Rate

Activity/Club Accounts:

Fee Structure: No fees or service charges

Expected Return: Tiered Index: Federated Rate

Certificate of Deposit:

Fee Structure: No fees or service Charges

Expected Return (6 mos): Based on deposit amount Rate: 4.1875 APY: 4.28

Expected Return (12 mos): Based on deposit amount Rate: 4.125 APY: 4.21

Expected Return (18 mos): Based on deposit amount Rate: 4.125 APY: 4.21

Deposits: Transaction/Processing Fees? ☐ Yes ☒ No
If yes, explain in a separate attachment.

Electronic Deposit Capture ☒ Yes ☐ No
Equipment/Software Free ☒ Yes ☐ No
Evening cut-off time 5 : 00 P.M.

On-Line Banking:

Transaction/Processing Fees? ☐ Yes ☒ No
If yes, explain in a separate attachment.

Installation/Programming Fee ☐ Yes ☒ No
If yes, explain in a separate attachment.
Equipment/Software Free ☒ Yes ☐ No
Multiple Security Levels ☒ Yes ☐ No

Electronic Banking Services:

Installation/Programming Fee ☐ Yes ☒ No
If yes, explain in a separate attachment.
Transaction Processing Fee ☐ Yes ☒ No
If yes, explain in a separate attachment.
Daily Cut-off time: 5:00 P.M.

Other Required Services: (Check all that are provided at no charge)

☒ Fraud Prevention
☐ ACH Block
☐ Electronic Debit Block
☒ Stop payments
☒ Re-deposit returned items
☒ Overdraft Protection
☒ Wire Transfers
☒ Bounced Checks
☒ Downloadable Check Reconciliation File

Supplies Provided (Check all that are provided at no charge)

☒ Deposit tickets
☒ Coin wrappers

- ☒ Bill bands
☒ Coin bag seals
☒ Rubber deposit stamps
☒ Deposit bags
☐ Other (please itemize on separate attachment)

Free ACH Services: ☒ Yes ☐ No

Night Deposit: ☒ Yes ☐ No

Maximum Federal Insurance: \$ 250,000

Additional Deposit Insurance Purchased at no cost: ☒ Yes ☐ No

Community Support

References

Town of Freeport
Jessica Maloy, Finance Director
207-865-4743 x115
jmaloy@freeportmaine.com

Services Provided: Full-service banking relationship, Business Online Banking, Direct Deposit, ACH, Account Collateralization.