

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: November 17, 2016**

SUBJECT: Banking Services Proposals

SUBMITTING DEPARTMENT: Management Services

PREPARED BY: Katie Pehl, Finance Manager, for William Kauppi, Management Services Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: Banking Services RFP Cost Comparison spreadsheet for Wells Fargo, JP Morgan Chase, BMO Harris Bank and National Bank of Arizona.

SUMMARY BACKGROUND: From time to time, the Town solicits Request for Proposals (RFPs) from various banks to provide banking services to the Town. The last RFP for banking services was issued six years ago, in compliance with past Town practice and the Town Financial Policy. This practice enables the Town to evaluate banking services being provided and make certain we are paying competitive fees for these services. The Town is not obligated to change banks if it appears the fees are competitive. This practice is similar to what is done with other Town professional services, such as auditing. In accordance with the prior RFP, the Town also has the option to extend its current agreement with Bank of America for one additional one-year period.

Staff sent notice of the current RFP to thirteen banks and received four proposals back (from Wells Fargo, JP Morgan Chase, BMO Harris Bank and National Bank of Arizona). Each of the responsive proposals included a pricing sheet and pricing summaries. These services and fees have been annualized for comparison.

Annual Charges For:	Current Fees	Proposed Fees			
	Bank of America	Wells Fargo	JP Morgan Chase	BMO Harris Bank	National Bank of Arizona
Account Services	\$ 42,826.68	\$ 31,824.00	\$ 51,607.33	\$ 45,205.20	\$ 26,727.77
Investment Services	5,000.00	10,400.00	Not Offered	25,621.00	2,500.00
Merchant Services	127,933.20	134,411.34	118,827.00	130,756.20	106,010.40
One Time Set Up Fees	-	-	-	1,000.00	-
Total	\$ 175,759.88	\$ 176,635.34	\$ 170,434.33	\$ 202,582.40	\$ 135,238.17

Note: Monthly costs are not fixed; pricing will vary based on fluctuating activity.

Staff met with Council at the November 10, 2016 Work Study to go over each of the proposals.

OPTIONS ANALYSIS: Council may approve the proposal recommended by staff, reject the recommendation, select another proposal or request that more proposals be obtained.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to accept National Bank of Arizona's banking services proposal and sign the necessary agreements, available at a

later date, for a five-year agreement ending in Fiscal Year 2021-22 (with the optional extension of two one-year periods); **OR** Motion not to accept the proposal. **VOTE.**

RECOMMENDATION: Staff recommends approval of National Bank of Arizona to provide banking services to the Town.

FISCAL ANALYSIS: Banking services have been budgeted for in this year's General Fund budget in the Management Services and Community Development Departments.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____