

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: September 2, 2010**

**SUBJECT:** Banking Services Proposals

**SUBMITTING DEPARTMENT:** Management Services

**PREPARED BY:** Jim Clemens, Finance Manager  
William Kauppi, Management Services Director

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

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**ATTACHMENTS:** a) Banking Services RFP Cost Comparison spreadsheet, and (b) pricing sheets for Wells Fargo, JP Morgan Chase and Bank of America

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**SUMMARY BACKGROUND:** From time to time, the Town solicits Requests for Proposal (RFPs) from various banks to provide banking services to the Town. The last RFP for banking services was issued five 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 actually has the option to extend its current agreement for two additional one-year periods.

Staff sent the current RFP to seven banks and received three proposals back (from JP Morgan Chase, Bank of America and Wells Fargo). Each of the responsive proposals included a pricing sheet and pricing summaries have been prepared for comparison.

Bank of America	\$1,515.20/month
JP Morgan Chase	\$1,549.28/month
Wells Fargo	\$1,966.51/month (1% earnings credit not incl.)

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

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**OPTIONS ANALYSIS:** None; for discussion only.

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**ACTION OPTION:** None; for discussion only.

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**RECOMMENDATION:** None; for discussion only.

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**FISCAL ANALYSIS:** An earnings credit for overnight balances is a normal standard in the banking industry. Under our current economic conditions, the rates are extremely low and earnings do not offset monthly costs. Wells Fargo offers a 1% base earnings credit which would reduce its monthly charges by \$416.67 if the Town maintained \$2,500,000 in the checking account. Banking services are budgeted for in the General Fund (Management Services Department).

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**REVIEWED BY:**

Management Services Director \_\_\_\_\_ Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved    Denied    Tabled/Deferred    Assigned to \_\_\_\_\_