



Staff Report

RE: Depository Services

Department/Program: Finance

Explanation: The City has been banking with Busey for ten years. The branch currently located on Clayton Road near Henry Avenue has announced that it will close on November 17th. Busey's next closest location is in Chesterfield and is a 16 minute drive from the Government Center. In addition to daily deposits of checks, currency and coin, staff from the Golf Course and the North Pointe make multiple trips to the bank throughout the week to make change. Given the frequency of our in-person banking transactions this drive is not an efficient use of staff time.

An RFP was issued to fourteen banks and posted on the City's website. Quotes for services for a period of three years were requested. Responding banks were required to have a branch in close proximity to Ballwin. Three banks declined to quote. Responses were received from UMB Bank (located at Kehrs Mill and Clayton Road), J.P. Morgan Chase Bank (located on Manchester east of Highway 270) and First Bank. This bank has two branches that are each a mile or less outside of the Ballwin municipal borders. One is on Manchester Road next to Ellisville Square and one is in Town & Country in Lamp & Lantern Village. Busey did not submit a bid. J.P. Morgan Chase is not being considered because of its location, which is a 14 minute drive from the Government Center.

The cost of banking services can be offset by earnings credits on investable balances. The net annual fees bid by UMB Bank and First Bank were \$11,408.15 and \$8,392.97 respectively. The interest earnings were evaluated under scenarios of high and low deposit balances as well as current interest rates and elevated interest rates. First Bank offered the most favorable proposal on earnings, which should exceed fees under most scenarios.

Additionally, safe deposit boxes were requested and only First Bank offers them.

Recommendation: Staff recommends entering into a contract with First Bank for depository services.

Submitted By: Denise Keller, Finance Officer

Date: November 3, 2021