



VILLAGE OF LOMBARD

255 E. Wilson Ave.
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www.villageoflombard.org

To: Finance and Administration Committee

From: Timothy Sexton, Director of Finance

Date: August 31, 2016

Subject: **Banking Services Contract Extension**

In December 2010, the Village Board approved the Finance and Administration Committee's recommendation to award the banking services contract to Wheaton Bank & Trust Company. Staff has been very satisfied with the level of service we have received over the past six years. Actual expenses for general banking, custodial, and lockbox services in FY 2010 were \$47,499.00 with MB Bank compared to \$35,844.60 in 2013 with Wheaton Bank. Wheaton Bank quoted 30% less than the next competitive bank for the 2010 RFP. Actual expenses for general banking and lockbox services based on current volume in FY 2015 were \$37,357.43 and the earnings credit totaled \$21,439.55. Also, Wheaton Bank helped the Village to secure funding for infrastructure projects in 2013.

Wheaton Bank has offered to extend our contract for another three years through April 30, 2020. In addition, as part of our review process, staff did negotiate the fee structure for the remainder of the agreement to include:

- No increase in fees through 2020
- Reducing the cost of coin and currency fee from \$0.01 to \$0.001. This change will reduce fees about \$345 per month.
- Guaranteed earnings credit rate of 35 basis points (currently 25 basis points)

In addition, we have become very integrated between the bank and our financial software system, utility billing, payroll, automated vendor payments, and third party contracts. The estimated cost to switch to another bank would be \$8,000 or more plus significant staff time.

Staff is requesting the Finance and Administration Committee's recommendation for a three-year extension, through April 30, 2020, with our current banking provider, Wheaton Bank & Trust Company. If approved, this recommendation will be presented to the Village Board of Trustees for their consideration.

WHEATON BANK & TRUST COMPANY®

August 25, 2016

Tim Sexton
Finance Director
Village of Lombard
255 E Wilson Avenue
Lombard, IL. 60148

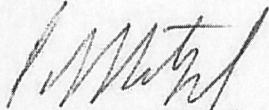
Dear Mr. Sexton,

Please accept this letter as a formal request by Wheaton Bank & Trust to extend the banking service contract with the Village of Lombard, set to expire April 30, 2017 for an additional three year term.

Upon the extension of the existing contract, Wheaton Bank & Trust will preserve the current banking service charges from the Bank through April 30, 2020. In addition, we will also change coin and currency charges from .01 to .001 per thousand and increase the earning credit rate from .25 bps to .35 bps.

We appreciate our relationship with the Village of Lombard and look forward to continuing the relationship in the years to come.

Sincerely,



Pamela Sharar-Stoppel
President and CEO
Wheaton Bank & Trust

A WINTRUST COMMUNITY BANK

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