



OFFICE OF THE CLERK/TREASURER

City of Burlington

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TO: Board of Finance and City Council

FROM: Rich Goodwin, Asst. Chief Administrative Officer - Finance

DATE: December 30, 2013

RE: Request to Award Banking Contract to KeyBank

On April 30, The Clerk/Treasurer's Office issued a Request for Proposals for Banking Services. Banks were told that they could bid on pieces of the RFP or the entire contract. Three banks, Northfield Savings Bank, Community National Bank, and Merchants Bank responded stating that the requirements were beyond their capacity. KeyBank and TD Bank submitted substantial bids for the entire contract. Based on their responses, we are recommending the contract be awarded to KeyBank.

In the past, the City has worked with TD Bank. We will continue to do business with TD Bank and others, but KeyBank will serve as the primary bank. In their proposal (attached), KeyBank has indicated that they will be able to provide several services that will be advantageous to the City. First, they will be able to provide a single contact person who will work with City staff to ensure a high level of service. Additionally, KeyBank is able to accommodate deposits with cash and checks, rather than requiring they be deposited separately, which will streamline the daily deposit process. In recent years, some banks have backed away from municipal financing. KeyBank has demonstrated that they are willing to provide important financial mechanisms, particularly Lines of Credit, to the City. Lines of Credit provide the City greater flexibility in borrowing and ultimately result in interest savings. With a lump sum borrowing, interest must be paid on the entire amount, whether that money is utilized or not. With a line of credit, interest is paid only on the amount that is used, ultimately saving the taxpayers money.

Based on this information, we are seeking approval from Board of Finance and City Council to award the banking contract to KeyBank.