



City of Gainesville Agenda Item Report

File Number: 2023-786

Agenda Date: August 17, 2023

Department: Financial Services

Title: 2023-786 City of Gainesville General Government Banking Services Agreement Extension 20230817 (B)

Department: Financial Services

Description: Requesting City Commission approval for a five-year extension to the City's 2017 Banking Services Agreement with Truist Bank for the period of October 1, 2022 to September 30, 2027.

Fiscal Note: Annual Banking Services fees of approximately \$45,000 for the City are included in annual City budgets.

Explanation: In 2016 the City's Financial Services Department issued a Request for Proposals for City of Gainesville General Government Banking Services beginning October 1, 2017 for a term of five years, with a single five-year extension option. SunTrust Bank – now Truist Bank, was selected to provide banking services for the City. In 2022, the City's Financial Services Department reviewed the City's existing banking services, and determined that it would be advantageous to extend the Truist Banking Services Agreement for another five years.

Truist has consistently provided reliable high-quality banking services and outstanding client service at very reasonable costs. The City has developed a strong partnership with Truist, thereby facilitating more efficient operations and enhancing services. The City would benefit greatly from the continuation of its established relationship with Truist, and use of Truist's expertise and exceptional services.

Banking services rely heavily on integrated systems and technology platforms for operations and management. Transitioning to a new banking services provider would involve the implementation of new banking operations systems, complex data migration and integration processes, and Workday reporting and reconciliation compatibility challenges. Changing banking services providers would also require the establishment

of new bank account structures, and would require all City users of the current Truist banking systems to learn entirely new banking operations and management systems. By extending the Truist banking services agreement, the City can maintain its existing technology infrastructure and avoid the risks and costs associated with integrating new systems.

Switching banking services providers would also require significant due diligence and compliance reviews to ensure that a new bank meets all regulatory requirements, while Truist has already been vetted. The City has also negotiated more favorable bank account interest terms with Truist for the five-extension period.

In 2022, the Financial Services Department began negotiating a Banking Services Agreement extension for the period of October 1, 2022 to September 30, 2027 with Truist, but due to Financial Services Director turnover and the prioritization of financial reporting and audit finding issues, the Truist Banking Services Agreement extension was just recently finalized.

Strategic Connection:

- Goal 1: Equitable Community
- Goal 2: More Sustainable Community
- Goal 3: A Great Place to Live and Experience
- Goal 4: Resilient Local Economy
- Goal 5: “Best in Class” Neighbor Services

Recommendation: The City Commission: 1) approve the five-year extension of the City’s 2017 Banking Services Agreement with Truist Bank for the period of October 1, 2022 to September 30, 2027; and 2) authorize the City Manager to execute all related documents, including contract amendments and extensions, subject to approval of the City Attorney as to form and legality.