



MEMORANDUM

AGENDA ITEM #III.G

DATE: JANUARY 7, 2013
TO: COUNCIL MEMBERS
FROM: STAFF
SUBJECT: PROPOSAL TO MOVE THE COUNCIL'S BANK ACCOUNTS TO BANK UNITED

Current Situation and Process

- The Council has cash deposited in two Banks, Wells Fargo and Regions Bank.
- The Council currently pays over \$7,900 in Net Service Charges (Bank Fees less Interest Earned) each year to these two banks.
- Wells Fargo pays the Council 0.02% on the deposits it holds...2 basis points (bps)
- Regions Bank pays to the Council 0.15% on deposits it holds... 15 bps
- The Council solicited offers from the following banks with the following results
 - Bank United – Annual Savings \$21,000
 - Bank of America – Annual Savings \$13,300
 - BB&T – Annual Savings – Annual Savings \$ 8,300
 - Wells Fargo – declined RFP
 - Regions Bank – has not responded
- The biggest difference in annual savings is due to the interest rate being offered by the three positive savings banks.
- Bank fees from all three positive savings banks have a similar fee schedule, which is about 20% of current fees.
- Interest rates offered by the three positive savings banks are:
 - Bank United - 100 bps for three months then 75 bps thereafter
 - Bank of America - 20 bps
 - BB&T - 5 bps
- The following ranking is from the Forbes 2012 ranking of 100 Best and Worst Banks (The eight metrics of financial health used to rank are return on average capital, non-performing loans as percentage of total loans; non-performing assets as percentage of total assets; reserves as % of non-performing loans; two capital ratios (tier 1 risk based) and leverage ratio):
 - Bank United – 10th Best
 - BB&T – 37th Best
 - Regions Bank – 94th Best
 - Bank Of America – 86th Best
 - Wells Fargo – 84th Best

Recommendation

Approve the proposal to move the Council's bank accounts to Bank United.