

AGENDA REPORT

To: Mayor Pat Humphrey and the Clare City Commission
From: Jeremy Howard, City Manager
Date: December 15, 2022
Regarding: Approval of Bank Changes

For the Agenda of December 19, 2022

Background. The City has been banking with Chemical bank for decades. Over the last few years, the bank has changed to TCF and then to Huntington Bank. With these changes, the fees have dramatically increased, and the interest rates are not offsetting the costs like they once did. The City Treasurer has had meetings with Huntington Bank's municipal account representative to discuss lowering costs. Although the fees were lowered, they are still higher than expected. After reaching out to Isabella Bank and Mercantile Bank and completing a comparative analysis with Huntington Bank, it has been determined that changing banks would be in the taxpayer's best interest. Based on fees and interest rates offsetting those fees, the City would benefit most by moving to Mercantile Bank. I am now asking the City Commission to authorize the City Treasurer to open accounts with Mercantile Bank, while gradually closing current accounts with Huntington Bank, and to authorize the City Treasurer as the authorized signatory to complete the transfer of accounts and to approve the attached list of employees as account signatories for the new bank accounts at Mercantile Bank.

Issues & Questions Specified. Should the City Commission approve the City Treasurer to open bank accounts with Mercantile and close bank accounts with Huntington?

Alternatives.

1. Approve the change of banks.
2. Approve the change of banks with changes or amendments.
3. Direct that the City renegotiate this change.
4. Set aside decision regarding this matter to a later date.

Financial Impact. Reduce fees from \$3,400 per year, down to \$0 per year with the potential of earning monthly interest.

Recommendation. I recommend that the City Commission approve the closing of accounts with Huntington Bank and opening of accounts with Mercantile bank and authorize the City Treasurer to make these changes by being the authorized signatory on all accounts and to approve the attached list of account signatories by adoption of Resolution 2022-105 (*copy att'd*).

Attachments.

1. Resolution 2022-105.

RESOLUTION 2022-105

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A CHANGE OF FINANCIAL INSTITUTIONS FOR THE CITY'S BANK ACCOUNTS AND FOR THE APPROVAL OF ALL REQUISITE ACCOUNT SIGNATORIES.

WHEREAS, the City of Clare has been banking with Huntington Bank (formerly TCF and Chemical Bank) for decades; and

WHEREAS, the City of Clare Treasurer, after a comparative analysis of all local banks, found that due to increasing fees and other changes it is prudent and cost-effective to move the City's accounts from Huntington Bank to Mercantile Bank; and

WHEREAS, the City of Clare must maintain multiple bank accounts to conduct its daily business with all of said accounts requiring signatories approved by the City Commission; and

WHEREAS, due to recommended banking changes within the City, it is necessary to update the existing list of account signatories; and

WHEREAS, all banks holding said accounts of the City require a formal, approved list of signatories; and

WHEREAS, the Clare City Commission is the approval and decision authority for the closing and establishment of all City bank accounts and the list of requisite signatories with respect to said bank accounts.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves the transfer of City bank accounts from Huntington Bank to Mercantile Bank.

BE IT FURTHER RESOLVED THAT the City Commission of the City of Clare hereby approves the list of signatories by account title, said account and signatories listed on an attachment to this Resolution, with said approval being effective this date and to remain effective until further amended and approved, or rescinded by the Clare City Commission.

BE IT FURTHER RESOLVED THAT the City Commission of the City of Clare hereby appoints Shannon M Sirpilla, City Treasurer, as the City's Signatory and user of the Electronic Banking system which is used by the City to affect the payment of federal and state withholding taxes and other electronic banking transactions.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 19th day of December, 2022.

Diane Lyon, City Clerk