TOWN OF FAIRFAX
STAFF REPORT

To: **Mayor, Members of the Town Council**

From: **Michael Rock, Town Manager**
Michael Vivrette, Finance Director

Date: **April 4, 2012**

Subject: **Finance Committee Recommendation for Banking Services RFP**

RECOMMENDATION

Receive the recommendation of the Finance Committee that the Town Council select Bank of Marin to provide banking services and direct staff to prepare a banking services contract for the meeting of May 2nd.

DISCUSSION

On January 11th, the Town received six proposals in response to the Request for Proposal (RFP) for Banking Services distributed in December.

The Finance Committee met on January 23rd to review the proposals submitted and decided on three banks to interview on February 13th. At a subsequent meeting on February 17th the committee narrowed the selection to two banks, Bank of Marin and Bank of the West.

After consideration of the qualifications criteria and direction given by the Town Council at the meeting of March 7, 2012, the committee met and agreed to recommend that the council select Bank of Marin to provide banking services to the Town.

Bank of Marin was selected for several reasons. The bank has an excellent reputation and is a community oriented business providing support for many local causes. This was an important criterion given by the Council. The bank received high recommendations from other cities in the area that use Bank of Marin for banking services. Their location in San Rafael is close by and online services are available. Staff was able to secure several important pricing concessions for the contract including waiver of fees for FDIC insurance, waiver of fees for wire transfers with LAIF, and an earnings allowance of 50 basis points (1/2%) for deposits kept in checking which can be used to offset fees over semi-annual or annual period. Staff estimates this will result in cost savings over what the Town currently pays.

If the Town Council approves the selection of the Bank of Marin staff will work with representatives of the bank to provide for an orderly transition over the next month or so.

AGENDA ITEM # 14