



Agenda Item: Resolution

Title: Resolution 2023-10 Authorizing a Treasury Management Services Agreement with ANB Bank

Recommended Council MOTION:

Approve Resolution 2023-10 authorizing a Treasury Management Services Agreement and Addendum with ANB Bank, authorizing account agents, and expressing limits on powers granted, and authorize the mayor and City Clerk to sign.

Administrative or Policy Goal:

Manage the City’s treasury function in a way that returns the highest value to the community and administrative ease for finance staff members through a suite of user-friendly online banking products and customer centric relationships.

Background:

In the spring of 2022, Rebecca Miller, Community Bank President of ANB Bank Laramie, contacted Malea Brown, COO, and Jennifer Wade, Administrative Services Director, to discuss the value the City could receive from considering a change in its primary banking relationship. Ms. Miller prepared a Treasury Management Services proposal, using existing fee structures for ANB Bank and current City of Laramie activity data. Based on this analysis and proposed revisions to account structure, Ms. Miller demonstrated that ANB Bank could provide banking services with a higher return than the City’s current treasury management agreement with First Interstate Bank (monthly average income of \$1,833 per month compared to \$265 per month with April 2022 earnings rates, net of all bank and transaction fees). Other financial services were discussed and references were provided. The City of Cheyenne and Ivinson Memorial Hospital also utilize ANB Bank for its treasury management services.

Ms. Miller also explained how ANB Bank views its role in a community, emphasizing service as well as participation in major local projects through competitive financing. This commitment has been born out in action, as ANB Bank has consistently purchased City of Laramie and Laramie Building Authority bonds for major capital initiatives, including for the purchase of the Bath Ranch. ANB Bank has also been a long-time authorized depository of public funds. The City’s current primary banking institution, First Interstate Bank, purchased no Laramie Building Authority bonds for the Bath Ranch acquisition.

Based on the attractive proposal submitted by ANB Bank and results of the Bath ranch financing, COO Brown and AS Director Wade recommended a change in primary banking institution to provide greater community benefit in both higher earnings rates and more participation in financing important local projects. COO Brown and AS Director Wade verbally informed First Interstate Bank and ANB Bank of their recommendation to change banking relationships, after discussing the matter with the Finance Committee. Staff have been working since that time to develop a project plan for this important transition that is compatible with its ERP project schedule. A timeline has been developed and due diligence review of the Treasury Management Services agreement is complete. No services beyond treasury management are authorized by this agreement; specifically, no investment services will be purchased from ANB Bank at this time.

Staff recommends approving the Treasury Management Services Agreement with addendum, including assigning account agents and limiting powers as appropriate. Upon execution of this agreement, the City can take the next steps in this primary banking transition. At this time, staff expects a phased implementation completed in late spring.

Legal/Statutory Authority:

Many Wyoming statutes relate to Treasury operations. Applicable statutes are found in Title 9 – Administration of the Government – and Chapter 4 – Public Funds.

BUDGET/FISCAL INFORMATION:

EXPENSE

None. Based on April 2022 rates, expect net income of \$1,833 per month compared to \$265 per month with former banking institution.

Responsible Staff:

Jennifer Wade, ASD, 721-5224

Attachments:

Council Resolution to Authorize the Treasury Management Services Agreement with Addendum, Including Designation of Agents
Treasury Management Services Agreement
Treasury Management Services Agreement Addendum
ANB Bank Treasury Management Services Proposal