

September 4, 2018

To: Members  
Finance & Administration Committee

Re: Authorization to Extend The Toronto-Dominion Bank Business Banking and Auxiliary Services Agreement

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**RECOMMENDATION**

1. That the Executive Director, Financial and Corporate Services be authorized to negotiate and approve a one-year extension to:
  - i. the existing five-year Business Banking and Auxiliary Services Agreement with The Toronto-Dominion Bank for business banking; and
  - ii. such additional auxiliary banking services agreements, that relate to the Business Banking and Auxiliary Services Agreement, and which are identified in the report below; as prepared by the City Solicitor;
2. That the City Clerk be authorized to execute the contract; and
3. That this report be forwarded to the September 24, 2018 City Council meeting for approval.

**CONCLUSION**

Per section 127(2) of *The Cities Act*, City Council must designate a financial institution. The appointment of the current Financial Institution expires August 31, 2019. Administration is seeking a one-year extension with The Toronto-Dominion Bank, our existing financial institution, to fully assess the current and future banking and auxiliary service needs of the City before issuing a Request for Proposal (RFP) seeking a new Business Banking and Auxiliary Services Agreement.

**BACKGROUND**

In 2014, The Toronto-Dominion Bank was appointed as the City of Regina's financial institution for a five-year term. The existing agreement allows for amendments as stated in the Business Banking and Services Agreement in section 26 'Amendments and Waiver' where either party may amend the agreement or change any services by providing written notice with no time restrictions.

The current scope of services rendered by our Financial Institution include business banking services such as:

- Wire transfers;
- Deposit services;
- Remote deposits;

- Lockbox;
- Business web banking;
- Overdraft processing;
- Payroll direct deposits;
- Direct payment receipts (cashiering/pin pads);
- Automated withdrawals for property tax and utility bill payments;
- Electronic funds transfers for vendor payments and/or grant collections;
- Fraud protection including positive pay;
- Remote deposit capture;
- Investment services; and
- Merchant services.

Past procurement of business banking services required a minimum of 18 months for requirements gathering and RFP evaluation processes, followed by a minimum six month implementation period should a new Financial Institution be selected. A one-year extension will allow time required to gain insight into the rapidly evolving needs of our business areas to ensure a comprehensive RFP process to meet our banking and auxiliary service needs both now and into the future.

## DISCUSSION

The landscape of the market and technology for banking and auxiliary services continues to evolve. In addition, the City has identified the need for new services such as on-line payments. A recent survey done by merchant providers has highlighted that customers are expecting enhanced services and more flexible payment options such as direct debit or credit card. The credit card is a form of payment the City only uses on a limited basis, whereas other utilities such as SaskPower, SaskEnergy and SaskTel have incorporated these more fully.

Organizational readiness is the main reason for the extension request. Given the landscape of banking services and ensuring the City is prepared to identify and execute proper requirements that fall in line with existing and expanding needs of the organization for business banking. Asking for the extension in advance affords the required time to gather and understand any new requirements to ensure the City meets industry standards and customer demands in a way that provides consistency, ensures maximization of financial resources and provides a seamless, simple and safe interaction for the external customer regardless of what payment method chosen.

Due to the multitude and complexity of the banking and auxiliary services, due diligence must be taken in the selection and implementation of such services. An extension to the current Financial Institution contract is requested to allow sufficient time to ensure the needs of the organization and our external customers are clearly identified in the requirements of the RFP for Banking and Auxiliary Services. Our service partners will also be included in the requirements gathering process to ensure their needs are also met.

The requirements gathering phase will review what banking and auxiliary services are required now and into the future, research of what merchant services other municipalities are using, and evaluate the appropriate length of term for the City's Banking and Auxiliary Services

Agreement, to ensure a five-year term continues to be sufficient in meeting the organizations needs in a complex and ever evolving technology within banking services.

Upon completion of this work, Administration will return to the Finance and Administration Committee seeking further approval to initiate the procurement process.

### RECOMMENDATION IMPLICATIONS

#### Financial Implications

The operating budget includes the annual costs for banking and auxiliary services. It is anticipated an extension to the current contract will not impact the current budget of \$490,000.

#### Environmental Implications

None related to this report.

#### Policy and/or Strategic Implications

None related to this report.

#### Other Implications

None related to this report.

#### Accessibility Implications

None related to this report.

### COMMUNICATIONS

None related to this report.

### DELEGATED AUTHORITY

The recommendation of this report requires City Council approval.

Respectfully submitted,



June Schultz, Director  
Finance

Respectfully submitted,



Barry Lacey, Executive Director  
Financial & Corporate Services

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