



Phone: 228.222.4626 Fax: 228.222.4390
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February 10, 2021

Mayor and Council
City of Diamondhead
5000 Diamondhead Circle
Diamondhead, MS 39525

Dear Councilmembers:

Re: RFP – Bank Depository Services

Sealed responses to the Request for Proposals – RFP 2021-004 were received on February 11, 2021. Statutorily the City must seek proposals for depository services every two (2) years. Currently, the City is not charged for any banking services and receives a 2.34 fixed rate on deposits. Responses were received from Hancock Whitney Bank, our present depository, and from The First ANBA and The Peoples Bank. The proposals have been evaluated and a summary of each institutions terms are as follows:

Hancock Bank - Variable Interest rate adjusted monthly based on the 90-day Treasury Bill minus 3 basis points , \$500 per month for Treasury Management products and various fees will apply on a per-transaction basis. Based on our current volume, the annual cost to the City for banking services would be in excess \$11,000 at a minimum.

The First Bank ANBA – Variable interest rate adjusted monthly based on the 90- day treasury bill minus 6 basis points or a fixed rate of 6 basis points (.06) with no account management or per-transaction fees. The annual cost to the City would be \$0 for banking services.

The Peoples Bank - Variable interest rate equivalent to the 90- day, \$50.00 monthly fee and

various fees will apply on a per-transaction basis. Based on our current volume, the annual cost to the City for banking services would be approximately \$1,100 at a minimum.

I would like to recommend accepting both The First Bank ANBA and The Peoples Bank to provide depository services with variable interest rate options for the City of Diamondhead for a 2-year period ending March 2023.

Thank you for your consideration and approval in this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Reso", is written over the typed name.

Michael Reso
City Manager

MR:jk