

2023-152



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February 15, 2023

Diamondhead City Council
5000 Diamondhead Circle
Diamondhead, MS 39525

Dear Councilmembers:

Re: Depository Services RFP – 4-year period

All public funds are currently on deposit with the The First Bank with no charges assessed for banking services. Sealed responses were received from The First Bank, Hancock Whitney Bank and The People's Bank in response to the RFQ. The proposals have been reviewed and the tabulation is attached for your review. The First Bank was the sole response waiving all banking fees and offering two (2) interest rate options; 3.85% fix rate or 25 basis point below the 90-day Treasury Bill.

The administration's recommendation is to accept the proposal received from The First Bank for a period of four (4) years with interest yield at a variable rate of 25 basis points below the 90-day Treasury Bill. It is further recommended that in addition to The First Bank, Hancock Whitney Bank and The Peoples Bank be named depositories to receive funds as may be determined by best interest rate yield at the time of investments.

Thank you for your consideration and approval in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Jeannie Klein'.

Jeannie Klein
City Clerk

attachment

BANK DEPOSITORY RFP
2023

	Hancock Whitney	The First Bank	The Peoples Bank
Bank Fees (Sample Monthly Volume RFP Exhibit A)	\$767.09	\$0.00	\$1,867.12
ESTIMATED ANNUAL FEES BASED ON MONTHLY FEE EXHIBIT A	\$ 9,205.08	\$ -	\$ 22,405.44
Interest Rate	Variable rate = to 70% of the 28-day T-bill (applies to general operating funds only - excludes bond proceeds)	Option 1: 25 basis points below 90-day T-bill -or- Option 2: fixed 3.85%	90-day T-bill Yield w/ceiling 0.51%.
Depository Period	4-year	4-year	2-year
	*Interest rate is contingent upon sole banking relationship and excludes bond proceeds		*does not meet RFP 4-year requirement