

**Municipality of Chatham-Kent**  
**Finance, Budget, Information Technology & Transformation**  
**Budget & Performance Services and Financial Services**  
**Information Report**

**To:** Mayor and Members of Council

**From:** Steven Brown, CPA, CMA  
Director, Budget & Performance Services

Matt Torrance, MBA, CPA, CGA  
Director, Financial Services

**Date:** November 26, 2020

**Subject:** CIBC Banking Services Contract

---

This report is for the information of Council.

**Background**

Chatham-Kent (including Entegrus) has been a member of CKLAG for several years and benefits from participation through the economies of scale offered by the group. Chatham-Kent typically saves at least \$100,000 annually through lower banking fees (usually free) and higher interest earnings than it could achieve on its own.

A Banking Request for Proposal was last issued by CKLAG in 2014 and was awarded to CIBC effective November 1, 2015 for a five year period with an option for a five year extension. The original agreement expired on October 31, 2020. Participating CKLAG members met in February 2020 to discuss banking options and if the members would recommend exercising the five year extension. All CKLAG members were in agreement in exercising the renewal option which expires on October 31, 2025.

**Comments**

Chatham-Kent is the largest participant in the banking group. Other members include City of Sarnia, Lambton County, Bluewater Health, Chatham-Kent Health Alliance, the Catholic and Public School Boards, Lambton College and a number of smaller public sector organizations.

By maintaining a relationship with CIBC, the Municipality and Entegrus avoid the considerable expense associated with changing financial institutions. Entegrus is not bound to retain CIBC and can switch bankers if other opportunities arise in the future.

The service provided by the CIBC over the previous agreement term has been satisfactory. The new account manager and staff have always responded quickly and professionally to requests for service.

The agreement with CIBC remains status quo with one exception. Based on the request made by the Municipality, CIBC has changed the agreement to allow either party to terminate the agreement prior to the contract expiry with 180 days notice. All other fees and interest rates remain the same.

**Consultation**

The recommendation to remain with CIBC as the preferred banking vendor was approved by the CKLAG Finance Committee in February 2020.

**Financial Implications**

There are no financial implications with the contents of this report

Prepared by:

Prepared by:

\_\_\_\_\_  
Steven Brown, CPA, CMA  
Director, Budget & Performance Services

\_\_\_\_\_  
Matt Torrance, MBA, CPA, CGA  
Director, Financial Services

Reviewed by:

\_\_\_\_\_  
Gord Quinton, MBA, CPA, CGA  
Chief Financial Officer, Treasurer

Attachment(s): none

P:\RTC\F&PS\Budget & PM\2020\RTC010 - CIBC Banking Services Contract.docx