



## The Corporation of the Town of LaSalle

<b>Date:</b>	June 14, 2019	<b>Report No:</b>	FIN-16-2019
<b>Directed To:</b>	Members of Council	<b>Attachments:</b>	-Letter of Extension from WFCU
<b>Department:</b>	Finance		
<b>Prepared By:</b>	Dale Langlois, CPA ,CA Director of Finance & Treasurer	<b>Policy References:</b>	None
<b>Subject:</b>	Windsor Family Credit Union - Financial Services Agreement		

### **Recommendation:**

- That Council authorize the renewal of the financial services agreement with the Windsor Family Credit Union based on the continuation of the existing agreement for an additional 5 year term.
- That Council authorize the Director of Finance & Treasurer to prepare and sign all the necessary agreements

### **Report**

As Council may be aware the current financial services agreement with the Windsor Family Credit Union (WFCU) expired on May 31<sup>st</sup>, 2019. The WFCU has been the municipality's financial services provider for the past eighteen (18) years and has been providing investment services to the municipality for over two decades. The WFCU is a community based, community owned credit union. They have a long standing relationship with the municipality and with many residents. They contribute to a number of local charities, bursaries and causes – including holding a seat on the Vollmer Campaign Cabinet and being further a two time donor in the fundraising effort, and sponsoring both the LaSalle Strawberry Festival and Craft Beer Festival.

In a survey of county municipalities it has become apparent that the financial services agreement with the WFCU provides for additional return on investment (by way of interest) at a lower cost (fee base) compared to other financial services agreements in the region that are not using the WFCU as their primary financial institution. It should be noted that a direct comparison among municipalities is difficult as a result of the differing services provided, service level and available cash balances.

Although service fees are slightly higher in most neighbouring municipalities that use other financial institutions, generally the greatest difference occurs in the investment yield area where LaSalle rates are a standard 75 basis points higher than most other agreements. Further, the LaSalle agreement provides for

a mitigation of the interest revenue lost with the sliding minimum interest rate when Prime Rate begins to fall. As is the case in the current economic conditions with Prime Rate at 3.95% (as of the date of this report) the municipality earns an additional 100 basis points more than the comparable agreements in the region that are not using WFCU as their primary financial institution. Based on the municipality's average cash balances this interested rate difference earns approximately \$100,000 to \$300,000 in additional interest – dependent on the Prime Rate.

From a service delivery perspective the WFCU has satisfied every need the municipality has requested at a fee level which is effectively nonexistent. Over the past decade the municipality has established an extremely advantageous working relationship with the WFCU in both the financial services and investment fields.


As with many of our specialized services, tender/request for proposal are not often used as experience with the municipality/municipal field and expertise in the field are of increased relative importance. In order to satisfy the concern that the municipality is obtaining best value for money, comparisons are done within the industry as to rates and fees as well as with other municipalities. The Procurement and Purchasing Policy, under section 4 and 5, provides the ability to award contracts/engagement of service providers without a full tender/request for proposal process. In addition, under Chapter 19-5 of the Comprehensive Economic and Trade Agreement (CETA), and under Article 504, Section 11(h) of the Canadian Free Trade Agreement (CFTA), financial services are exempt from the tendering process requirements of these agreements.

Based on the comparison analysis conducted to date and considering the efforts and costs involved in changing financial institutions, it is Administration's position and recommendation that a request for proposal of the financial services is not required and that the existing terms of the agreement be extended for a further 5 years.

Yours truly,



Dale Langlois, CPA, CA  
Director of Finance & Treasurer

<i>Reviewed by:</i>						
<i>CAO</i>	<i>Finance</i>	<i>Council Services</i>	<i>Public Works</i>	<i>Development &amp; Strategic Initiatives</i>	<i>Culture &amp; Recreation</i>	<i>Fire Services</i>
						



February 26, 2019

Dale Langlois, Treasurer  
The Corporation of the Town of LaSalle  
5950 Malden Road  
LaSalle, ON, N9H 1S4

Dear Mr. Langlois,

As a result of our recent discussions, WFCU Credit Union is pleased to present this renewal letter to you. WFCU Credit Union and the Town of LaSalle have worked together to build the foundation for a very long and productive relationship. As two organizations who have dedicated themselves to improving our communities, both WFCU and the Town of LaSalle have accomplished many goals over the years.

In order to continue and improve our strategic relationship, we are formally requesting the renewal of our Banking Services Agreement. With this in mind, we respectfully propose that the Town of LaSalle establish a further five-year Banking Services Agreement prior to the expiration of the current agreement on May 31, 2019. Effectively our renewal arrangements would be extended to May 31, 2024.

**Banking Services Agreement**

The cornerstone of this agreement will continue to be the market-leading features and benefits that have been custom designed with the Town of LaSalle in mind including:

- Market leading deposit rates on all accounts
- Locked-in "floor" interest rate for all deposit accounts which guarantees a minimum rate
- No-charge Point of Sale systems
- Market leading borrowing products
- No service charges
- Leading edge technology solutions
- Dedicated Service Team

We understand that it is important for the Town of LaSalle to utilize a banking package that also comes with attractive rates and bonuses. **That is why we are prepared to offer you a renewal signing bonus of \$5,000 that will be payable upon acceptance of the Banking Services Agreement. This signing bonus can be used in a variety of methods based on your needs.**



### **Our Partnership Going Forward**

We recognize that the Town of LaSalle is dedicated to the improvement of our community. As a locally owned and operated financial organization, WFCU shares the same values. The most recent example of this was our financial commitment to the Vollmer Culture & Recreation Complex naming rights. With respect to our continued partnership, we are very excited about our newly created **Inspire Program**, a unique community-based investment program. As part of our Inspire Program, we will be hosting our inaugural Easter Egg Drop Event in partnership with the Town of LaSalle, located at the Vollmer Complex grounds, this April. This event should bring great excitement to the community at large.

WFCU Credit Union truly values the strength and uniqueness of our partnership. As two community-minded organizations, we have accomplished many goals that have improved the lives for all citizens of the Town of LaSalle.

Based on the strength and success of our partnership, we look forward to continuing this partnership over the next five years.

Please contact Jason Ilijanic directly should you require further information regarding the renewal of the Banking Services Agreement.

Yours truly,

**WFCU Credit Union**



Eddie Francis  
President and Chief Executive Officer

Acknowledged and accepted by The Corporation of the Town of LaSalle

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Dale Langlois, Treasurer

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Date