



Corporation of the Municipality of Temagami

Memo No.
2024-08-004

Memorandum to Council

Subject:	Exploring Alternative Banking Options for the Municipality of Temagami
Agenda Date:	August 8, 2024
Attachments:	

RECOMMENDATION

BE IT RESOLVED THAT the Corporation of the Municipality of Temagami hereby directs the CAO to:

- 1. Conduct a Comprehensive Review:** Initiate a thorough review and comparison of banking services offered by major banks, focusing on fees, service offerings, and community engagement.
- 2. Engage with Potential Banks:** Reach out to representatives from TD Bank, BMO, CIBC, RBC, and National Bank to discuss their service offerings and potential benefits for the municipality.
- 3. Report Findings to Council:** Prepare a detailed report outlining the findings of the review, including a comparison of fees, services, and recommendations for the most advantageous banking options.

By adopting this resolution:

- The closure of the Scotiabank branch in Temagami presents an opportunity for the municipality to reassess its banking arrangements and secure more favorable terms and services. By undertaking a comprehensive review and comparison of available options, the Council can ensure that the financial needs of the municipality and its residents are better met while achieving potential budget savings.

INFORMATION

1. Purpose

This report aims to recommend that the Council of the Municipality of Temagami undertake a comprehensive review and comparison of banking services to identify more advantageous banking options following the closure of the Scotiabank branch in our community. This will include evaluating potential budget savings, assessing monthly banking fees, and ensuring compatibility with our existing financial systems.

2. Background

On July 16, 2024, Scotiabank closed its branch in Temagami, leaving our community without a local banking presence. This decision was made unilaterally, without providing the municipality or its residents the opportunity to voice their concerns or seek alternative solutions.

In light of this closure and the historically high banking fees associated with Scotiabank's services, it is imperative that the Council consider engaging in a bank shopping exercise to explore more favorable banking options that better serve the financial needs of our municipality and its residents.

3. Issues

1. **Lack of Local Banking Services:** The closure of Scotiabank has left Temagami without a local branch, impacting residents and businesses who now face increased travel times and inconvenience for their banking needs.
2. **High Banking Fees:** Scotiabank has historically imposed high fees for their banking services, which has placed a financial burden on both the municipality and its residents.
3. **Community Exclusion:** The decision to close the branch was made without input from the community, demonstrating a lack of regard for the needs and preferences of Temagami's residents.

4. Analysis

To address these issues, the municipality must explore alternative banking options that offer:

1. **Lower Fees:** Competitive banking fees that reduce the financial burden on the municipality and its residents.
2. **Enhanced Services:** Comprehensive banking services that support municipal operations and meet the needs of local businesses and residents.
3. **Community Engagement:** Banks that demonstrate a commitment to engaging with and supporting local communities.
4. **Compatibility:** Ensure that any chosen bank is compatible with our existing iCity financial system to facilitate seamless integration and operations.

5. Comparison of Major Banks:

1. **TD Bank:**
 - **TD Basic Business Plan:** \$5/month, 5 transactions included, \$1.25 per additional transaction, \$2.50 per \$1,000 cash deposit.
 - **TD Every Day A Business Plan:** \$19/month, 20 transactions included, fee waived with \$20,000 balance.
 - **TD Unlimited Business Plan:** \$125/month for unlimited transactions, fee waived with \$65,000 balance
 - **Compatibility:** Compatible with iCity systems.

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- 2. **BMO (Bank of Montreal):**
 - **BMO eBusiness Plan:** No monthly fee, unlimited electronic transactions, 2 free Interac e-Transfers/month.
 - **BMO Business Builder 1:** \$22.50/month, 35 transactions included.
 - **BMO Business Builder 4:** \$120/month, 120 transactions included.
 - **Compatibility:** Compatible with iCity systems.
- 3. **CIBC (Canadian Imperial Bank of Commerce):**
 - **CIBC Basic Business Operating Account:** \$6/month, pay per transaction.
 - **CIBC Everyday Business Operating Account:** \$20-\$25/month, 30 transactions included, fee waived with \$15,000 balance.
 - **CIBC Unlimited Business Operating Account:** \$65/month for unlimited transactions, fee waived with \$45,000 balance.
 - **Compatibility:** Compatible with iCity systems.
- 4. **RBC (Royal Bank of Canada):**
 - **RBC Digital Choice Business Account:** \$5/month, unlimited electronic transactions.
 - **RBC Flex Choice Business Account:** \$20/month, 30 transactions included.
 - **RBC Unlimited Business Account:** \$100/month for unlimited transactions, fee waived with \$75,000 balance.
 - **Compatibility:** Compatible with iCity systems.
- 5. **National Bank:**
 - **National Bank Digital Business Package:** \$7/month, unlimited transactions, fee waived with eligible business credit card.
 - **National Bank Premium Business Package:** \$95/month, 100 assisted transactions, unlimited self-service transactions, fee waived with \$80,000 balance.
 - **Compatibility:** Compatible with iCity systems.

6. Financial Implications:

1. The opportunity of switching from Scotiabank to a bank offering lower fees and better services could result in significant budget savings for the municipality.
2. For example, transitioning from Scotiabank's high-fee structure to RBC's Digital Choice Business Account could save up to \$1,000 annually in banking fees alone.
3. Detailed calculations based on current transaction volumes and service usage will be included in the final report to quantify potential savings accurately.

Respectfully Submitted
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