

## REPORT TO THE BOARD OF MAYOR & ALDERMEN

**DATE:** January 12, 2026

**FROM:** Valesa Wells, Finance Director

**SUBJECT:** First Contract Amendment with Regions Bank to Add Treasury Management and Banking Services and to Extend the Contract Term for Bank Card Services

### **INTRODUCTION:**

The purpose of this agenda item is to request Board of Mayor and Aldermen (the “Board”) approval for the first contract amendment with Regions Bank (1) to add treasury management and general banking services; and (2) to extend the contract period for commercial credit card services.

### **BACKGROUND:**

State of Tennessee Public Chapter No. 277 amended Tennessee Code Annotated, Title 6, relative to procurement of banking services such that it now requires adoption of a resolution to contract with banking institutions and re-evaluation of those services at least every four (4) years. In order to comply with state legislation, the Town utilized the Request for Proposal (RFP) process to procure banking services. On September 23, 2024, the BMA approved Contract GS-25-01501 for treasury management and general banking services with Truist Bank and contract GS-24-01429 with Regions Bank for bank card services. On August 25, 2025, the BMA approved termination (with cause) of Contract GS-25-01501 Treasury Management and Banking Services with Truist Bank effective September 25, 2025. The termination of contract GS-25-01501 required Town staff to explore alternative banking options.

### **DISCUSSION:**

Based on efforts of the original team tasked with evaluating banking services proposals, which included review and scoring of written proposals, as well as oral presentations and product demonstrations, the decision was made to request an updated proposal from Regions Bank.

The decision to request an updated proposal from Regions Bank was partly based on its scoring during the initial RFP process and the fact it had already been awarded the card services portion of the contract. More importantly, the decision was driven by the excellent customer service and responsiveness Regions has provided during the implementation of the new credit card program. Rather than a transaction-based fee structure, the amended contract proposes a flat monthly fee of \$4,400 with interest earned on the entire average collected balance at a rate of Fed Funds minus 1.00%. While the monthly fee is approximately twice the average the Town has historically paid under the current banking arrangement, the interest earnings are also significantly higher and should effectively offset the fees, resulting in a net revenue gain.

The recommended contract period for banking services is forty-eight (48) months, with the option to renew for two additional forty-eight (48)- month periods for a cumulative total of twelve (12) years, at a cost of \$4,400 per month or \$52,800 annually. Additionally, the Board is being asked to approve the extension of the contract period for commercial credit cards services to align the contract period with the banking services contract. The fee for commercial credit card services remains unchanged.

The amended Regions Bank contract (GS-24-01429) is attached as Exhibit A, and the Addendum to Service and Deposit Agreements for government or Public Entity Customers is attached as Exhibit B. The revised Technical Proposal, its related attachments, and all documents associated with the RFP2024-003 are available in Finance for review if desired.

**BUDGET IMPACT:**

Budget for banking fees is spread across multiple funds and departments based on operational needs. The FY 2026 Budget includes a total of \$51,920 for bank service charges. The table below shows the budget and year-to-date expenses by fund and department. No additional appropriation is requested at this time as the Finance Department anticipates it will take several months to get new accounts established and the program fully implemented. The Board will be required to approve opening of the associated bank accounts and to establish signatory authority prior to the opening of any bank accounts.

Fund	Dept.	Obj. Code	Description	Approved Line Item Budget	Previous Expenses	Balance	Budget Impact
110	42210	691	Bank Service Charges	\$4,200.00	\$1,575.31	\$ 2,624.69	N/A
110	51530	691	Bank Service Charges	\$20,000.00	\$7,129.91	\$12,870.09	N/A
110	51630	691	Bank Service Charges	\$12,000.00	\$3,600.00	\$8,400.00	N/A
121	43120	691	Bank Service Charges	\$180.00	\$939.29	\$(759.26)	N/A
124	42100	691	Bank Service Charges	\$180.00	\$0.00	\$180.00	N/A
126	42100	691	Bank Service Charges	\$360.00	\$150.00	\$210.00	N/A
413	49500	691	Bank Service Charges	\$1,000.00	\$500.00	\$500.00	N/A
413	51530	691	Bank Service Charges	\$14,000.00	\$7,105.40	\$6,894.60	N/A

**ATTACHMENTS:**

[Exhibit A - GS-24-01429 First Amendment Regions Contract.pdf](#)  
[Exhibit B - Addendum to Service and Deposit Agreements.pdf](#)

**PROPOSED MOTION:**

To approve the first contract amendment with Regions Bank (1) to add treasury management and general banking services; and (2) to extend the contract period for commercial credit card services.

Board Action: Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						