

## REPORT TO THE BOARD OF MAYOR & ALDERMEN

**DATE:** August 25, 2025

**FROM:** Valesa Wells, Finance Director

**SUBJECT:** Termination of Contract for Treasury Management and Banking Services with Truist Bank

### **INTRODUCTION:**

The purpose of this agenda item is to obtain authorization from the Board of Mayor and Aldermen (the "Board") to notify Truist Bank of the Board's intent to exercise its right, in accordance with the terms stated, to terminate Contract GS-25-01501 Treasury Management and Banking Services Agreement. Such termination will become effective September 25, 2025. (The referenced contract is attached as Exhibit A.)

### **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 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. The initial term of the contract was forty-eight months. The contract allows for termination, with or without cause, after providing a written 30-day notice.

### **DISCUSSION:**

Since the commencement of the banking relationship with Truist, staff has made a concerted effort to ensure a smooth transition and to fully utilize the contracted services. Despite these efforts, several issues have arisen negatively impacting the Town's ability to benefit from the contracted services including the following:

1. In March 2024, staff was notified the local Truist team members originally assigned to manage the Town's account had either been reassigned or were no longer with the bank. Their replacements are now located across four states, leading to delays in communication and slower response times.
2. There was a significant delay in receiving pre-printed deposit books necessary for daily deposits.
3. It took approximately eight weeks for the Town to receive blank check stock for check writing delaying use of the accounts to make payments to vendors.
4. We have been unsuccessful in obtaining secure deposit bags. At the time this report is being drafted, we have yet to receive secure bags for transporting deposits.
5. The Town has begun incurring fees for the products despite the fact we cannot fully utilize the contracted services.

While the Town's staff has invested substantial effort to address these challenges and facilitate the transition, Truist Bank has not demonstrated the same level of commitment or responsiveness. This lack of alignment undermines operational efficiency and exposes the Town to unnecessary risk.

It is imperative for the Town to maintain a banking relationship with an institution that is both responsive and committed to meeting our operational needs. Given the issues outlined above, staff recommends terminating the contract with Truist Bank for treasury management and general banking services.

Staff is actively exploring alternative banking options. Any decision to enter into a new banking relationship will be presented to the Board for review and approval.

If approved, Truist Bank will be notified of the Board's intent to terminate this contract. Notification will be in accordance with the terms of the contract. As a courtesy, staff notified Truist of its intent to request Board approval to terminate the contract.

**BUDGET IMPACT:**

This item has no direct budget impact.

**ATTACHMENTS:**

[Exhibit A - Contract with Truist Bank.pdf](#)

**PROPOSED MOTION:**

To approve termination of Contract GS-25-01501 Treasury Management and Banking Services with Truist Bank effective September 25, 2025

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

Vote Total	Hall	Jordan	Robbins	Marshall	Stamps	Fraser
Yes						
No						
Abstain						