

December 28, 2005

TO: Mayor Rines and City Councilors

FR: Jeff Kobrock

RE: Review of Banking Services Proposal

As part of the work with our financial consultant Lynn Olson, we issued a request for proposals (RFP) for banking services in October. The last time we looked at banking services was 1996. Five banks responded with proposals just before Thanksgiving.

Lynn introduced us to Dirk DeHaan, a colleague very experienced in banking relationships. In December Dirk, Pat Coty and I selected three banks to interview. These banks offered the full range of services specified in the RFP, the other two respondents did not. Bangor Saving, Key Bank and TD Banknorth met with us to present their proposal and services with minor variations, the services offered were relatively similar.

TD Banknorth has proposed to waive all fees for services. This would save us as much as \$13,000 annually over our current banking relationship. It would also save us between \$3,600 and \$6,000 annually with either of the other two banks we interviewed.

TD Banknorth offers many services that will improve our financial functions and increase efficiency of existing staff. We have done extensive reference checking and all those contacted spoke very well of TD Banknorth's customer service for municipalities.

It is the unanimous recommendation of this group that we accept the TD Banknorth proposal.