

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

_____ Resolution or Ordinance (Blue) _____ *Waiver of First Requested*
_____ Recommendations of Boards, Commissions & Committees (Green)
X _____ Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: May 12, 2026 (COW)(B of T) May 21, 2026

TITLE: Motion to Waive Bids and Approve a Three (3) Year Contract Extension for Banking Services

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

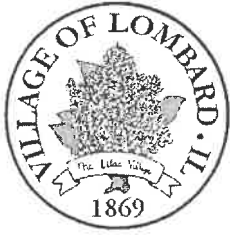
Attached is staff's memo requesting a three-year extension of the Village's banking services contract with Wheaton Bank & Trust Company. As stated in the memo, the Village has been very satisfied with the services provided by Wheaton Bank & Trust. Wheaton Bank has offered to extend the contract for an additional three years, through April 30, 2029, with only the fee changes noted in its letter. In addition, Wheaton Bank opened a branch location in Lombard in 2022 and has become an active community partner.

Motion to waive bids and approve a three-year extension of the banking services contract with Wheaton Bank & Trust Company, a Wintrust Community Bank, through April 30, 2029, for general banking, custodial, and lockbox services.

Review (as necessary):

Village Attorney X _____	Date _____
Finance Director X <i>[Signature]</i> _____	Date <u>5/12/26</u>
Village Manager X <i>[Signature]</i> _____	Date <u>5/12/26</u>

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



To: Finance and Administration Committee
From: Timothy Sexton, Director of Finance
Date: May 6, 2026
Subject: **Banking Services Contract Extension 2026-2029**

In December 2010, the Village Board approved the Finance and Administration Committee's recommendation to award the banking services contract to Wheaton Bank & Trust Company (Wintrust) and the contract was renewed in 2016 with no increase in fees. Wheaton Bank extended our contract again in 2020 with no increase in fees during that time. In addition, Wheaton Bank implemented an updated account structure that minimized idle account balances and maximized interest earnings. This was done while providing collateral for the Village for any account balances in excess of FDIC insurance limits (a separate bank holds this collateral in a trust account).

Wheaton Bank quoted 30% less than the next competitive bank for the 2010 RFP. Services provided by the Village's previous provider MB Bank in 2010 totaled \$47,499.00. Actual expenses for general banking and lockbox services based on current volume from October 2018 to September 2019 were \$37,664.62. Likewise, our fees in 2022 were \$37,939 and \$35,730.90 in 2025.

These fees were offset completely by the Earnings Credit Allowance (ECA). The ECA, used to offset bank fees, has been the IL Funds rate minus 10 bps since 2016. As part of the renewal, this rate would be improved to equal the IL Funds rate (average daily yield of 4.434% for April 2026).

In addition, Wheaton Bank has offered to extend our contract for another three years through April 30, 2029, with the changes as noted below.

- Increase local deposit items from \$0.01 to \$0.10
- Increase Deposit Admin fee to reflect the updated charge from the FDIC to 13% from 14%

The proposed 2025 adjustment would have increased costs by an average of \$222.62 per month, representing a 7.48% increase. Including this adjustment, the cumulative rate increase from 2010 through 2029 would total 16.48%, equivalent to an average annual increase of approximately 0.81%.

Staff reviewed a recently completed banking services RFP conducted by the City of Elmhurst. Following that process, Elmhurst approved a contract with Elmhurst Bank, a Wintrust Bank and a branch of Hinsdale Bank & Trust Company, N.A. According to Elmhurst's agenda materials, Wintrust submitted the lowest-cost proposal, and the City was able to reduce its 2026 banking services budget by \$20,000 as a result.

Staff has been very satisfied with the level of service we have received over the past 16 years. Wheaton Bank & Trust (Wintrust) has provided high quality service, strong security against fraud, created efficiencies, and takes advantage of new applicable technologies. We receive responsive service from Wheaton Bank personnel and support/technology that is provided by Wintrust, which is a large banking institution. In addition, Wintrust opened a local branch in Lombard in 2022 at 1145 S. Main Street and has become an active community partner.

Shopping for a bank involves issuing an RFP and several months of review to make a recommendation. If a new bank is chosen, there will be several more months of integration with systems, agencies, staff, residents and businesses. We have become very integrated between the bank and our financial software system, utility billing, payroll, automated vendor payments, and third-party contracts. The estimated cost to switch to another bank would be somewhere in the range of \$8,000 to \$15,000 for software programming changes, plus significant staff time. Staff does not believe there is value in making a switch and incurring these additional costs.

Staff is requesting Village Board approval for a three-year extension, through April 30, 2029, with our current banking provider, Wheaton Bank & Trust Company.

WHEATON BANK
& TRUST COMPANY, N.A.
A WINTRUST COMMUNITY BANK

May 1, 2026

Mr. Tim Sexton
Finance Director
Village of Lombard
222 E. Wilson Avenue
Lombard, IL 60148

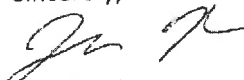
Dear Tim:

Please accept this letter as a formal request by Wheaton Bank & Trust to extend the banking service contract with the Village of Lombard set to expire April 30, 2026, for an additional three-year term.

Based on the current services used and balances maintained, Wheaton Bank & Trust will extend the pricing and earnings credit at the present terms with exception of deposit administration fee and deposited items local through April 30, 2029. Deposit administration fee will change from 0.13% to 0.14% and deposited items local from \$0.01 to \$0.10.

We appreciate having Village of Lombard as a customer and look forward to continuing our relationship.

Sincerely,



John Hughes

Senior Vice President