



Municipality of the District of Argyle

Item: Banking agreement credit union

Date: June 23, 2025

Vision statement

Argyle is the community of choice to invest, live and play.

Mission statement

Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.

Argyle provides affordable taxation while providing safe and healthy communities and strives to engage and inform our residents on decisions that affect them most.

Argyle provides high class, accessible recreational and cultural facilities and helps celebrate its unique heritage and culture and welcomes new residents to our region.

Suggested motions:

Move that Council approve the 5-year banking agreement renewal with Coastal Financial Credit Union.

Background:

The Coastal Financial Credit Union is our current banking provider and has been for several years. They are conveniently located in the Tusket area. Recent changes to their banking system may enable access to improved technology, as we seek to automate some of the taxation transactions that come in electronically.

Coastal is offering the following services:

- Maintenance of all operations and capital accounts.
- Outsourced automatic payroll service for staff.
- Credit card services.
- Online transfers and authorizations.
- Access to term deposit options.
- Flat banking fee of \$400 monthly, with a 5% increase annually.

Coastal offers interest on all our bank accounts, at prime less 1.6%, with a floor of 1.8% interest rate. At the time of signing, the prime rate is 4.95%.

Coastal Financial is a proven local supporter. This has had a considerable impact on our decision to do business with our local credit union. Support includes:

- Premier sponsorship of the Mariners Center Wellness Center.
- Contribution and construction of housing for medical residents.
- Local support of multiple non-profit organizations, food banks and the list goes on.

Staff did not put out a proposal for banking services. This agreement represents a 5-year extension of the prior agreement. This agreement can be terminated by either party with a 90 day written notice. A copy of the contract has been sent to council via email for a deeper assessment of the details.

MGA considerations:

Eligible expenditure under section 65 A (1) (a)

65A (1) Subject to subsections (2) to (4), the municipality may only spend money for municipal purposes if

(a) the expenditure is included in the municipality's operating budget or capital budget, or is otherwise authorized by the municipality.

Financial considerations:

Slight increase in banking fees, and the floor on interest rate has dropped from 2% to 1.8%. In times of recession and low interest rates this could result in lower investment income for the municipality. In comparison with other local municipalities, the percentage offered remains competitive and advantageous for the municipality. The new agreement terms remain reasonable, and the Municipality can decide to shift funds to a term deposit should it wish to increase investment income.

The Department of Finance is interested in importing information directly into our accounting system, which remains a work in progress. A successful outcome would save considerable amount of time on our end.