

# Hernando Banking Relationship Review

Presented by Clerk of Court  
Financial Services



# Overview

## Typical Relationship Review

Active Finance Departments initiate regular banking relationship reviews with their banking partners.

It is an opportunity to:

- Discuss service level concerns
- Discuss service level options to reduce fees
- Discuss earnings on deposits
  - Earnings Credits
  - Interest
  - Sweep Investments

## Hernando Recent Strategic Focuses

Improve service level

Understand fee structure

Maximize earnings

- Improve Rate
- Implement Sweep Investment Option



# Notable Changes and Results – Three Year Overview

## **Fall 2022**

- Truist changed its structure to provide a higher return for interest than for Earnings Credits.
- Hernando switched to interest only to receive a higher rate on the County's full deposits.

## **Summer 2023**

- Hernando reached out to Truist and requested a rate review utilizing our contract with PFM to negotiate better rates.
- Truist made a rate adjustment before discussions began.

## **Fall 2023**

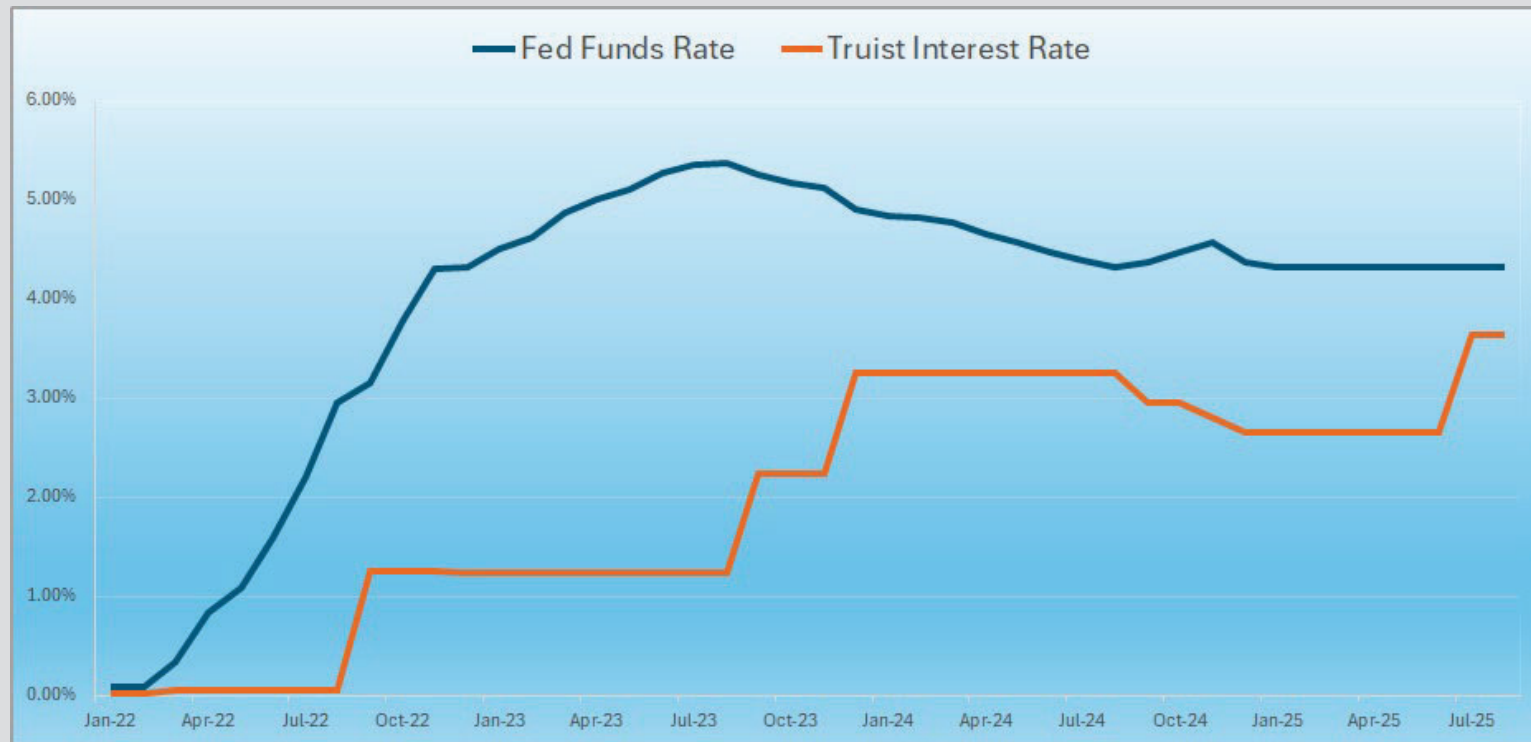
- PFM assisted relationship review resulted in additional rate improvements, a reduction in service fees, and service level improvements.

## **Summer 2025**

- After further discussion of investment options with bank funds, Truist delivered an option that allowed us to improve our rates further.



# Hernando Bank Earnings Benchmarked to Fed Funds Rate





# Impact on Annual Earnings

Based on combined target balance of \$20,000,000.

Date		Rate	Annual Earnings
Jun-22		0.50%	\$ 100,000.00
Sep-22		1.25%	\$ 250,000.00
Sep-23		2.23%	\$ 446,000.00
Dec-23		3.25%	\$ 650,000.00
Jun-25		2.66%	\$ 532,000.00
Aug-25		3.64%	\$ 728,000.00