


MEMORANDUM

DATE: January 21, 2021

TO: Mayor White & City Council

VIA: Mercy Rushing, City Manager

FROM: Cindy Karch, City Secretary 

SUBJECT: Discuss and consider action to award bid for bank depositor services to City National Bank.

Council Meeting Agenda Item for January 21, 2021

Background Information:

Ads were ran in the Wood County Monitor soliciting bank depository services and sent via email to City National Bank, Mineola Community Bank, BTH Bank and First National Bank East Texas. Three bids were received. The city currently has a banking relationship with BTH Bank which was awarded June 22, 2015. This relationship has been very good over the last five years and we have had nothing but positive experiences with them. However, after reviewing the bids received and evaluating the rate environment we are in, the bid most favorable to the city at this time is City National Bank. While the rates offered are slightly lower (0.05%), they are waiving nearly all fees. BTH charges account analysis fees, which averaged \$258.00 per month in FY 2020. BTH offers ICS (Integrated Cash Sweep) and CDARS for securing deposits, which is no cost to the city. CNB will offer a letter of credit from the Federal Home Loan Bank of Dallas also at no cost to the city. So with the slight difference in the rates and the waiving of service charges, and all other banking services being similar, staff recommend contracting with CNB for deposit services, saving around \$3,096.00 per year.

Recommendation:

Recommend contracting with CNB for bank depositor services.

Final Disposition:



January 20, 2021

City of Mineola
City Secretary
PO Box 179
300 Greenville Ave
Mineola, TX 75773

RE: Depository Bids

Dear City Secretary,

BTH Bank appreciates the opportunity to bid on the City of Mineola's banking services. We have enjoyed the past relationship with the city over many years.

BTH Bank has reviewed the attached "Schedule of Services and Supplies" dated January 2021 and will provide all of the service enumerated to the city through billable Account Analysis.

BTH Bank is interest in providing competitive interest rates for your investment funds. The rates offered will be 0.50% for Certificates with a term of 360 days or over as stated in Exhibit A of the attached Bid.

In addition, the Bank will at all times maintain the balances in accordance with he Texas Public Funds Investment Act and maintain compliance with those rules and regulations.

Attached to this letter is the signed agreement provided to the Bank.

If you have any questions, please do not hesitate to call me at the number below.

Sincerely,

Brenda Cates

Brenda Cates
Executive Vice President

1825 N. PACIFIC
MINEOLA, TEXAS 75773
903-569-8010

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

The City of Mineola will expect the following services as the minimum expectations of the depository. The City of Mineola understands that some services may have an associated fee to off set depository's expenses. The City of Mineola will evaluate all bids and choose the bid which is the most advantageous for the City of Mineola and the citizens of Mineola.

The undersigned, a State or National Financial Institution (hereinafter called Bidder) for the privilege of acting as Depository for the City of Mineola (hereinafter called City) for a term of five years beginning February 1, 2021 and ending January 31, 2026, hereby agrees to comply with all laws, ordinances, rules and regulations pertaining thereto, including the furnishing of bond or the pledge of securities with a Federal Reserve Bank or other bank acceptable to the City in an amount equal at all times to the amount of funds on deposit; and for the further privilege of receiving all funds, agrees to pay the City as follows:

I. Checking and Savings Accounts

The City will establish multiple daily Money Market Savings Accounts into which funds will be deposited and withdrawals made on a demand basis into a master clearing (zero balance) account.

Operating accounts will be on analysis; money market and other investment accounts will not be analyzed. To generate the maximum interest earnings, the operating account(s) would be non-interest bearing with excess funds being transferred (or swept) to a money market account. During any monthly statement cycle you may not make more than 6 withdrawals or transfers to another account of yours or to a third party by means of a preauthorized or automatic transfer or telephone order or instruction, computer transfer, or by check, draft, debit card or similar order to a third party. BTH Bank would work with The City to set appropriate sweep levels without exceeding monthly transfer limitations.

The Money Market account(s) is indexed to the 7 Day TexPool Daily Net Yield plus 0.10%. The rate will change on the first business day of each month based on the rate of the 7 Day TexPool Daily Net Yield as it exists on the last business day of the preceding month. Under no circumstances would the Money Market rate fall below 0.25%

Money Market Checking (FIA Unlimited) – Posted rate as of date of deposit
Rate of interest on the daily Money Market Savings Account which will be the highest legal rate allowable.

Money Market Checking (FIA Limited) – Posted rate as of date of deposit
Normal Rate N/A % Effective Yield 0.25 %

Guaranteed Minimum Interest Rate 0.25 %

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

The Earnings Credit Rate earned on the non-interest bearing accounts will be equal to the Fed Funds Rate. The rate will change on the first business day of each month based on the Fed Funds as it exists on the last business day of the preceding month. Under no circumstances would the Earnings Credit Rate fall below 0.25%. A copy of the current Account Analysis Fee Schedule is enclosed.

II. Investments

A. 26-week Money Market Certificates

Maximum rate permitted; or basis points less than the permissible rate.

Interest Rate: Maximum Rate %

B. Certificates of Deposit less than \$100,000.00

- | | | |
|------------------------------|---------------|--------------------------------------|
| 1. Maturity 30-89 days | Interest Rate | <u>N/A</u> % current available rate |
| 2. Maturity 90-179 days | Interest Rate | <u>N/A</u> % current available rate |
| 3. Maturity 180-269 days | Interest Rate | <u>N/A</u> % current available rate |
| 4. Maturity 270-359 days | Interest Rate | <u>N/A</u> % current available rate |
| 5. Maturity 360 days or over | Interest Rate | <u>0.50</u> % current available rate |

For less than 1 year, BTH Bank recommends utilizing the proposed Money Market.

C. Certificates of Deposit of \$100,000.00 or more

A floating rate is requested. The floating rate bid will be basis points over and under the "ASK" quote as published in the Wall Street Journal on the day of deposit for the U.S. Treasury Bill maturing on, or immediately prior to the maturity date of the Certificate.

Floating Rate: (Plus or Minus) N/A % current available rate

BTH Bank does not currently offer a floating rate CD.

D. If the bidder has an alternative to this proposal that they would like the City to consider, list below:

E. The City reserves the right to invest any and all of its funds in any manner as authorized in its Investment Policy. Bidder will aid and assist the City in any investment without charge.

Confirmed.

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

All fees, other than Safety Deposit Boxes, will be offset by the DDA Earnings Credit.

III. Other Services and Supplies

- \$ _____ 1. Wire transfer services.
\$20.00 – Outgoing / \$7.00 – Incoming (included in Account Analysis Schedule).
- \$ _____ 2. Paying Agent for bonds and interest payments; or payment of fees, if any,
charged by other agents of City bonds.
Confirmed.
- \$ _____ 3. Safe deposit box of adequate size.
Fee Schedule Enclosed.
- \$ _____ 4. Coin and currency wrappers, deposit slips and endorsement stamps as required.
Ordered through Deluxe at Bank Cost.
- \$ _____ 5. Night depository bags as required with replacement as necessary.
\$10.00 – Locking Zipper / \$5.00 – Non-Locking Zipper (First 3 Free).
- \$ _____ 6. Collection and exchange services.
\$15.00 – Outgoing Collection / \$5.00 – Incoming Collection
- \$ _____ 7. Cashier's checks as needed.
\$3.00 Per Check
- \$ _____ 8. Stop Payments.
\$30.00 Per Order (included in Account Analysis Schedule)
- \$ _____ 9. Temporary overdrafts covered within a reasonable period of time.
Confirmed.
- \$ _____ 10. Intra fund transfers to other depository accounts.
No charge for internal transfers between accounts.
- \$ _____ 11. The Bidder will have an officer available for City banking needs/services on legal
banking holidays.
Contact sheet enclosed.
- \$ _____ 12. Furnish the quantity and quality of any type of checks necessary for the City's use.
Checks will be ordered through Deluxe at Bank cost.
- \$ _____ 13. Monthly statements showing debits, credits and balances with an end-of-month
cut-off date. All debits (checks) shall be sorted by check number. Check imaging
will be acceptable in lieu of canceled checks, to include front and back images. Imaging
sheets will be sorted by check number. Canceled checks will be available upon City
request.
No charge for monthly statements. Confirmed.
- \$ _____ 14. Completion of audit confirmation request.
Confirmed.
- \$ _____ 15. Sweep accounts for investment purposes.
Confirmed.
- \$ _____ 16. Verification of wired (direct) deposits to City accounts within 48 hours.
Electronic verification via email is provided.
- \$ _____ 17. ACH debit batch and payroll service
\$0.05 per batch (included in Account Analysis Schedule)

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

- \$ _____ 18. Issuance of a no fee credit card for authorized governmental use only, with a minimum of 25 days grace period and with no interest when balance is paid in full.
BTH Bank does not offer a credit card at this time.
- \$ _____ 19. On-line banking, including transaction detail, statement viewing and download, balance reporting and intra-bank transfers.
Confirmed.
- \$ _____ 20. Positive Pay service; bank to return all non-conforming positive pay items as default instruction.
Positive Pay is a free service provided. BTH Bank has a default decision to "Pay" items that have not been decision by 11:30 AM. Check Reconciliation reports are available at 8:00 AM.
- \$ _____ 21. Will bank be willing to sign a FIRREA agreement?
Confirmed.

The Bidder further understands and agrees:

- A. That the City has a portion of its funds invested in Time Deposits in the current depository bank and that all such time deposits bearing a date of maturity subsequent to awarded bid shall remain in the current depository bank. The City reserves the right to obtain competitive bids on all certificates of deposit. The City may repurchase said maturing deposits with new depository or purchase certificates from any other legal source as allowed by Texas law.
Confirmed.
- B. That the City may offer for sale at any time, provided they are voted or approved by the City Council certain General Obligation, Certificates of Obligation, or Revenue Bonds, and that the City reserves the right to invest the proceeds of such sale in accordance with the City of Mineola Investment Policy and that the Bidder shall aid and assist the City in any investments without charge. In the event the City elects to place such funds in the designated depository, the Bidder will accept the funds in accordance with the above terms and conditions.
Confirmed.
- C. All funds maintained by the City of Mineola shall be 100% collateralized in the name of the City of Mineola, at all times as specified under the provisions of the Public Funds Collateral Act, or as specified by City of Mineola Investment Policy.
Confirmed.

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

D. This bid was requested by the City and is made by Bidder with the expressed agreement and understanding that the City reserves the right to reject any and all bids and the further right that if any portion or provision of this bid and/or any contract between Bidder and the City entered by virtue thereof is invalid, the remainder of this bid and/or resulting contract at the option of the City shall remain in full force and effect, and not be affected by said invalid portion or provision.

Confirmed.

E. The term of this contract may be from two (2) to five (5) years as determined by the City Council of the City of Mineola, Texas.

F. The City is willing to consider any additional service(s) that the Bidder might propose.

Dated this the 20th day of January, 2021.

Bidder: BTH Bank, N.A.

By: Brenda Cates

Title: Executive Vice President

BTH Bank, N.A. Contacts

Heath Hamberlin

Executive Vice President

(O): (903) 252-1146

(C): (903) 261-1688

3805 N Spur 63

Longview, TX 75605

Brenda Cates

Executive Vice President

(O): (903) 252-1012

(C): (903) 850-8044

1825 N Pacific St

Mineola, TX 75773

Amy Wright

Assistant Vice President

(O): (903) 252-1070

(C): (903) 331-4521

3805 N Spur 63

Longview, TX 75605

BTH Bank

Commercial Account Analysis Fees

The following charges and fees may be imposed on accounts that regularly have more than 100 items processed in a statement cycle, have more than \$10,000 of currency deposited or withdrawn in a statement cycle or use Remote Deposit Capture services:

Monthly Fees:

Maintenance Fee	\$15.00
Large Scanner (30+ checks/day).....	\$50.00
Small Scanner (<30 checks/day).....	\$25.00
RDC Maintenance.....	\$10.00
Money Service Business.....	\$100.00

One-time fee:

Remote Deposit Capture Setup.....	\$100.00 (direct charge)
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Per Item Fees:

ACH Deposits	\$0.05	
ACH Payments	\$0.05	
ACH Local	\$0.05	
ACH Transit	\$0.05	
ACH Return / NOC	\$5.00	
Cashed Checks.....	\$0.15	
Checks Paid.....	\$0.15	
Currency per \$1000.....	\$1.50	
Deposits.....	\$0.25	
Deposit Corrections.....	\$5.00	
Deposit Item Return.....	\$5.00	
Force Pay Debit.....	\$0.15	
Items Deposited (On Us).....	\$0.08	
Rolled Coin per roll.....	\$0.10	
Items Deposited (Transit).....	\$0.10	
Nonsufficient Funds, per item.....	\$30.00	
Wire Transfers	Outgoing	Incoming
Domestic.....	\$20.00	\$7.00
Foreign.....	\$50.00	\$15.00

Earnings Credit Allowance: The Earnings Credit Rate will set rate monthly based on Market conditions.

Deficient Balance Charge.....10%

Reserve Rate.....7%

The reserve rate may be suspended based on Federal Reserve Policy

BTH Bank

SERVICE CHARGE SCHEDULE Effective October 1, 2017

Services

Account activity/Statement print-out-----	\$ 2.00
Account closed within 30 days-----	30.00
Account inquiry (after 3 per statement cycle)-----	1.00
Account research, per hour \$30.00 minimum-----	30.00
Fee per item-----	1.00
Cashier's check	
Customer-----	3.00
Non customer-----	on exception basis only
Check cashing Non-Customer (not-on-us items)-----	10.00
Check printing, per 20 -----	8.00
Debit/ATM	
Balance Inquiry/Withdrawals (at non-BTH Bank ATM)-----	2.00
Replace Card-----	5.00
Express Card Delivery-----	60.00
Deposit Bags	
Locking-----	10.00
Night-Deposit-----	5.00
Faxing, per page-----	1.00
Garnishments & Levies-----	50.00
Indemnity Bond for Lost Instruments-----	0.5% of value/Minimum 15.00
Inactivity fee, per month (after 6 months of no debits or credits on account when balance is less than \$100)-----	10.00
IRA	
HSA Establishment-----	15.00
Termination-----	25.00
Medallion Signature Guarantee	
Customer-----	25.00
Non-Customer-----	on exception basis only
Nonsufficient Funds, per item-----	30.00
Notary Public	
Customer-----	0.00
Non-Customer-----	on exception basis only
Photocopies, per page-----	0.25
Overdraft (applies to any overdraft created by check, in person withdrawal, ACH , or other electronic means)-----	30.00
Stop Payment-----	30.00
Telephone Transfers-----	1.00

Collections

	OUTGOING	INCOMING
Customer-----	\$15.00	5.00
Non-Customer-----	25.00	25.00

Consumer Wire Transfers

	OUTGOING	INCOMING
<u>Domestic</u>		
Customer-----	\$20.00	5.00
Non-Customer-----	on exception basis only	
<u>Foreign</u>		
Customer-----	\$50.00	15.00
Non-Customer-----	on exception basis only	

SERVICE CHARGE SCHEDULE
Effective October 1, 2017

Safe Deposit Box Annual Rental Fee

2" x 5"-----	\$12.00
3" x 5"-----	16.50
4" x 5"-----	25.00
5" x 5"-----	35.00
3" x 10.5"-----	40.00
5" x 10.5"-----	70.00
10" x 10.5"-----	135.00
Drilling box-----	At Bank's Cost
Replace lost key-----	10.00

Safe Deposit Boxes are not insured by FDIC, and are not available at all locations.

Commercial Account Analysis

The following charges and fees may be imposed on accounts that regularly have more than 100 items processed in a statement cycle, have more than \$10,000 of currency deposited or withdrawn in a statement cycle or use Remote Deposit Capture services:

Maintenance Fee-----	\$15.00
Large Scanner (30 or more checks per day), per month-----	50.00
Small Scanner (Less than 30 checks per day), per month-----	25.00
RDC Maintenance, per month-----	10.00
RDC Setup (One-time fee, direct charge)-----	100.00
Money Service Business, per month-----	100.00

Per Item Fees:

ACH Deposits-----	\$.05
ACH Payments-----	.05
ACH Local-----	.05
ACH Transit-----	.05
ACH Return / NOC-----	5.00
Cashed Checks-----	.15
Checks Paid-----	.15
Currency per \$1000-----	1.50
Deposits-----	.25
Deposit Corrections-----	5.00
Deposit Items Return-----	5.00
Force Pay Debit-----	.15
Incoming Wire-----	7.00
Incoming Foreign Wire-----	15.00
On-us items deposited-----	.08
Rolled Coin per roll-----	.10
Transit Items deposited-----	.10
Outgoing Wires-----	20.00
Outgoing Foreign Wires-----	50.00
Nonsufficient Funds, per item (<i>paid by direct charge</i>)-----	30.00

Earnings credit allowance: The Earnings Credit Rate will be set monthly based on Market conditions

Deficient Balance Charge (Based on average negative investable balance)	10%
Reserve rate (used to determine investable balance)	7%

The reserve rate may be suspended based on Federal Reserve Policy

Member FDIC



January 21, 2021

City of Mineola
Attn: Cindy Karch
P.O. Box 179
Mineola, Texas 75773

Dear Mrs. Karch,

It is a privilege that the City National Bank of Sulphur Springs has been asked to submit a bid for the depository accounts for the City of Mineola.

City National Bank (CNB) is the depository institution for more than 20 public fund entities and I believe that they would say CNB is a good business partner.

CNB will offer its banking services free of charge to the City of Mineola. As you will see in the Bank Depository Bid, the only charges to the City of Mineola will be for endorsement stamps (Item #4) and paper checks (Item #12). If these items are purchased through CNB, the City of Mineola will only pay the cost as billed to CNB.

CNB provides its internet banking product free of charge to the City of Mineola. This service allows you and your staff to have access to current information on all accounts. Because of this, the City of Mineola will be expected maintain all accounts with a positive balance. A temporary overdraft not covered by 4:00 pm will incur an overdraft fee of \$29.50 for each item not paid. Transfers made via the internet banking product may be made as late as 5:00 pm and still receive same day credit.

The City of Mineola will also use CNB's internet banking product to initiate wire transfers and ACH origination files, both of which will require individual contracts. These contracts will define the terms and conditions between CNB and the City of Mineola and will list those City employees who will have access to both.

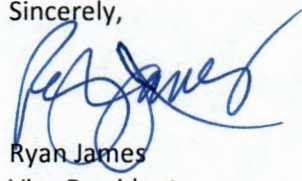
CNB will purchase a letter of credit from the Federal Home Loan Bank of Dallas to collateralize all deposits for the entirety of the depository relationship. The cost of the letter of credit will be paid for by CNB. Once purchased, the City of Mineola will receive a copy of the letter of credit from CNB and one from the Federal Home Loan Bank. This letter will serve as proof to any auditor that the City's deposits are collateralized.

Serving Hopkins, Wood, Van Zandt, Rains and Gregg Counties
For Branch Office Information, See Us At www.bankatcnb.bank

Interest rates for demand deposit accounts are variable rate and may be changed at any time by CNB. I have included a guaranteed minimum rate of .20% for all demand deposit accounts. Interest rates on Certificates of Deposit accounts will be quoted at the time of purchase. I have included the current CD interest rates on the Bank Depository Bid. As interest rates are volatile, rates quoted on CD's will be good for 5 business days. CNB does not offer a floating rate CD.

Once again, thank you for allowing CNB to submit this bid. If this letter or the depository bid has raised any questions, please do not hesitate to call me at (903) 569-6161.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan James", is written over a light blue rectangular background.

Ryan James
Vice President
Mineola Branch President

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CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

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The City will establish multiple daily Money Market Savings Accounts into which funds will be deposited and withdrawals made on a demand basis into a master clearing (zero balance) account.

Money Market Checking (FIA Unlimited) – Posted rate as of date of deposit
Rate of interest on the daily Money Market Savings Account which will be the highest legal rate allowable.

Money Market Checking (FIA Limited) – Posted rate as of date of deposit
Normal Rate .10 % Effective Yield .10 %

Guaranteed Minimum Interest Rate .20 %

II. Investments

A. 26-week Money Market Certificates
Maximum rate permitted; or basis points less than the permissible rate.
Interest Rate: **Maximum Rate** %

* B. Certificates of Deposit less than \$100,000.00

1.	Maturity 30-89 days	Interest Rate	<u>.15</u>	% current available rate
2.	Maturity 90-179 days	Interest Rate	<u>.25</u>	% current available rate
3.	Maturity 180-269 days	Interest Rate	<u>.25</u>	% current available rate
4.	Maturity 270-359 days	Interest Rate	<u>.35</u>	% current available rate
5.	Maturity 360 days or over	Interest Rate	<u>.40</u>	% current available rate

* These are the current rates as of January 21, 2021. These rates are not guaranteed.

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

- C. Certificates of Deposit of \$100,000.00 or more
A floating rate is requested. The floating rate bid will be basis points over and under the "ASK" quote as published in the Wall Street Journal on the day of deposit for the U.S. Treasury Bill maturing on, or immediately prior to the maturity date of the Certificate.

Floating Rate: (Plus or Minus) N/A % current available rate
Fixed Rate CD's only.

- D. If the bidder has an alternative to this proposal that they would like the City to consider, list below:

- E. The City reserves the right to invest any and all of its funds in any manner as authorized in its Investment Policy. Bidder will aid and assist the City in any investment without charge.

III. Other Services and Supplies

- \$ N/C 1. Wire transfer services.
- \$ N/C 2. Paying Agent for bonds and interest payments; or payment of fees, if any, charged by other agents of City bonds.
- \$ N/C 3. Safe deposit box of adequate size. N/C N/C at cost
- \$ _____ 4. Coin and currency wrappers, deposit slips and endorsement stamps as required.
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- \$ N/C 6. Collection and exchange services.
- \$ N/C 7. Cashier's checks as needed.
- \$ N/C 8. Stop Payments.

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

- \$ _____ 9. Temporary overdrafts covered within a reasonable period of time. *(See attached)*
- \$ N/C 10. Intra fund transfers to other depository accounts.
- * \$ N/A 11. The Bidder will have an officer available for City banking needs/services on legal banking holidays. *at cost*
- \$ _____ 12. Furnish the quantity and quality of any type of checks necessary for the City's use.
- \$ N/C 13. Monthly statements showing debits, credits and balances with an end-of-month cut-off date. All debits (checks) shall be sorted by check number. Check imaging will be acceptable in lieu of canceled checks, to include front and back images. Imaging sheets will be sorted by check number. Canceled checks will be available upon City request. *- N/A - (see attached)*
- \$ N/C 14. Completion of audit confirmation request.
- * \$ N/A 15. Sweep accounts for investment purposes.
- \$ N/C 16. Verification of wired (direct) deposits to City accounts within 48 hours.
- \$ N/C 17. ACH debit batch and payroll service
- * \$ N/A 18. Issuance of a no fee credit card for authorized governmental use only, with a minimum of 25 days grace period and with no interest when balance is paid in full. *(see attached)*
- \$ N/C 19. On-line banking, including transaction detail, statement viewing and download, balance reporting and intra-bank transfers.
- \$ N/C 20. Positive Pay service; bank to return all non-conforming positive pay items as default instruction.
- \$ _____ 21. Will bank be willing to sign a FIRREA agreement?
Please send copy of agreement for review.

The Bidder further understands and agrees:

- A. That the City has a portion of its funds invested in Time Deposits in the current depository bank and that all such time deposits bearing a date of maturity subsequent to awarded bid shall remain in the current depository bank. The City reserves the right to obtain competitive bids on all certificates of deposit. The

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

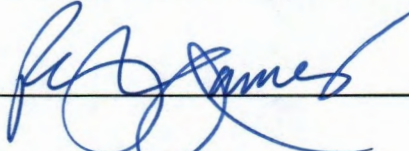
EXHIBIT "A"

City may repurchase said maturing deposits with new depository or purchase certificates from any other legal source as allowed by Texas law.

- B. That the City may offer for sale at any time, provided they are voted or approved by the City Council certain General Obligation, Certificates of Obligation, or Revenue Bonds, and that the City reserves the right to invest the proceeds of such sale in accordance with the City of Mineola Investment Policy and that the Bidder shall aid and assist the City in any investments without charge. In the event the City elects to place such funds in the designated depository, the Bidder will accept the funds in accordance with the above terms and conditions.
- C. All funds maintained by the City of Mineola shall be 100% collateralized in the name of the City of Mineola, at all times as specified under the provisions of the Public Funds Collateral Act, or as specified by City of Mineola Investment Policy.
- D. This bid was requested by the City and is made by Bidder with the expressed agreement and understanding that the City reserves the right to reject any and all bids and the further right that if any portion or provision of this bid and/or any contract between Bidder and the City entered by virtue thereof is invalid, the remainder of this bid and/or resulting contract at the option of the City shall remain in full force and effect, and not be affected by said invalid portion or provision.
- E. The term of this contract may be from two (2) to five (5) years as determined by the City Council of the City of Mineola, Texas.
- F. The City is willing to consider any additional service(s) that the Bidder might propose.

Dated this the 21 day of January, 2021.

Bidder: City National Bank

By: 

Title: Vice President

CITY OF MINEOLA
BANK DEPOSITORY BID NOTICE

The City of Mineola will be accepting bids for the performance of depository services. Bids will be accepted until 3:00 p.m. on January 22, 2021. Bids should be addressed to the City Secretary, P.O. Box 179, Mineola, TX 75773. Bids may be delivered to the office of the City Secretary located at 300 Greenville Ave., Mineola, TX 75773. All bids shall be in a sealed envelope with the words Bank Depository Bid clearly indicated on the outside of the envelope. The City of Mineola will evaluate all bids and choose the bid which is most advantageous for the City of Mineola and the citizens of Mineola. The City of Mineola reserves the right to reject any or all bids.

Cindy Karch
(903) 569-6183



**First National Bank
of East Texas**

Together, We're Better

City of Mineola
300 Greenville HWY
Mineola, TX 75773

RE: BID TRANSMITTAL LETTER

Ladies and Gentlemen,

On behalf of First National Bank of East Texas, I am pleased to present you with the enclosed bid for depository services for the City of Mineola. The bid is valid for 90 days from the submission date of January 22, 2021.

First National Bank of East Texas is a full-service bank dedicated to superior customer service and quality financial products.

Thank you for the opportunity to serve you. We look forward to answering any questions or meeting with you at any time during your review of the bid.

Sincerely,

JERRY RICHARDSON
SENIOR VICE PRESIDENT/LOCATION PRESIDENT
FIRST NATIONAL BANK OF EAST TEXAS
100 NW LOOP 564
MINEOLA, TEXAS 75773
903-569-1082
JRICHARDSON@FNBETX.COM
NMLS#806649

**SCHEDULE OF SERVICES AND SUPPLIES
CITY OF MINEOLA, TEXAS
BANK DEPOSITORY BID**

EXHIBIT "A"

The City of Mineola will expect the following services as the minimum expectations of the depository. The City of Mineola understands that some services may have an associated fee to off set depository's expenses. The City of Mineola will evaluate all bids and choose the bid which is the most advantageous for the City of Mineola and the citizens of Mineola.

The undersigned, a State or National Financial Institution (hereinafter called Bidder) for the privilege of acting as Depository for the City of Mineola (hereinafter called City) for a term of five years beginning February 1, 2021 and ending January 31, 2026, hereby agrees to comply with all laws, ordinances, rules and regulations pertaining thereto, including the furnishing of bond or the pledge of securities with a Federal Reserve Bank or other bank acceptable to the City in an amount equal at all times to the amount of funds on deposit; and for the further privilege of receiving all funds, agrees to pay the City as follows:

I. Checking and Savings Accounts

The City will establish multiple daily Money Market Savings Accounts into which funds will be deposited and withdrawals made on a demand basis into a master clearing (zero balance) account.

Money Market Checking (FIA Unlimited) – Posted rate as of date of deposit
Rate of interest on the daily Money Market Savings Account which will be the highest legal rate allowable.

Money Market Checking (FIA Limited) – Posted rate as of date of deposit
Normal Rate **0.10%** Effective Yield **0.10%**

Guaranteed Minimum Interest Rate **0.10%** Rate will be able to adjust up per
Banks rate sheet

II. Investments

A. 26-week Money Market Certificates
Maximum rate permitted; or basis points less than the permissible rate.
Interest Rate: **Maximum Rate** %

B. Certificates of Deposit less than \$100,000.00

1.	Maturity 30-89 days	Interest Rate	<u>0.10</u>	% current available rate
2.	Maturity 90-179 days	Interest Rate	<u>0.10</u>	% current available rate
3.	Maturity 180-269 days	Interest Rate	<u>0.20</u>	% current available rate
4.	Maturity 270-359 days	Interest Rate	<u>0.20</u>	% current available rate
5.	Maturity 360 days or over	Interest Rate	<u>0.45</u>	% current available rate

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- C. Certificates of Deposit of \$100,000.00 or more
A floating rate is requested. The floating rate bid will be basis points over and under the "ASK" quote as published in the Wall Street Journal on the day of deposit for the U.S. Treasury Bill maturing on, or immediately prior to the maturity date of the Certificate.

Floating Rate: (Plus or Minus) _____ % current available rate

- D. If the bidder has an alternative to this proposal that they would like the City to consider, list below:

Current Posted Rate at time of deposit

Ex.) As of 01/21/2021

1yr. 0.20% 3yr. 0.40%

2yr. 0.30% 4yr. 0.60%

- E. The City reserves the right to invest any and all of its funds in any manner as authorized in its Investment Policy. Bidder will aid and assist the City in any investment without charge.

III. Other Services and Supplies

\$ 5/Incoming 25/Outgoing 100/Foreign 1. Wire transfer services.

\$100/Distribution 2. Paying Agent for bonds and interest payments; or payment of fees, if any, charged by other agents of City bonds.

\$ Free 3. Safe deposit box of adequate size.

\$ Free 4. Coin and currency wrappers, deposit slips and endorsement stamps as required.

Initial Free
\$35/replacement 5. Night depository bags as required with replacement as necessary.

\$25/item 6. Collection and exchange services.

\$ Free 7. Cashier's checks as needed.

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\$ 30/item or use positive pay 8. Stop Payments.

- \$30/item** 9. Temporary overdrafts covered within a reasonable period of time.
- \$ Free** 10. Intra fund transfers to other depository accounts.
- Yes but with limited service** 11. The Bidder will have an officer available for City banking needs/services on legal banking holidays.
- In house checks will be free** 12. Furnish the quantity and quality of any type of checks necessary for the City's use.
- Yes, free** 13. Monthly statements showing debits, credits and balances with an end-of-month cut-off date. All debits (checks) shall be sorted by check number. Check imaging will be acceptable in lieu of canceled checks, to include front and back images. Imaging sheets will be sorted by check number. Canceled checks will be available upon City request.
- Yes** 14. Completion of audit confirmation request.
- Yes** 15. Sweep accounts for investment purposes.
- Yes** 16. Verification of wired (direct) deposits to City accounts within 48 hours.
- Yes** 17. ACH debit batch and payroll service
- No** 18. Issuance of a no fee credit card for authorized governmental use only, with a minimum of 25 days grace period and with no interest when balance is paid in full.
- Yes** 19. On-line banking, including transaction detail, statement viewing and download, balance reporting and intra-bank transfers.
- Yes Free** 20. Positive Pay service; bank to return all non-conforming positive pay items as default instruction.
- Yes** 21. Will bank be willing to sign a FIRREA agreement?

The Bidder further understands and agrees:

- A. That the City has a portion of its funds invested in Time Deposits in the current depository bank and that all such time deposits bearing a date of maturity subsequent to awarded bid shall remain in the current depository bank. The City

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reserves the right to obtain competitive bids on all certificates of deposit. The City may repurchase said maturing deposits with new depository or purchase certificates from any other legal source as allowed by Texas law.

- B. That the City may offer for sale at any time, provided they are voted or approved by the City Council certain General Obligation, Certificates of Obligation, or Revenue Bonds, and that the City reserves the right to invest the proceeds of such sale in accordance with the City of Mineola Investment Policy and that the Bidder shall aid and assist the City in any investments without charge. In the event the City elects to place such funds in the designated depository, the Bidder will accept the funds in accordance with the above terms and conditions.
- C. All funds maintained by the City of Mineola shall be 100% collateralized in the name of the City of Mineola, at all times as specified under the provisions of the Public Funds Collateral Act, or as specified by City of Mineola Investment Policy.
- D. This bid was requested by the City and is made by Bidder with the expressed agreement and understanding that the City reserves the right to reject any and all bids and the further right that if any portion or provision of this bid and/or any contract between Bidder and the City entered by virtue thereof is invalid, the remainder of this bid and/or resulting contract at the option of the City shall remain in full force and effect, and not be affected by said invalid portion or provision.
- E. The term of this contract may be from two (2) to five (5) years as determined by the City Council of the City of Mineola, Texas.
- F. The City is willing to consider any additional service(s) that the Bidder might propose.

Dated this the 21 day of January, 2021.

Bidder: First National Bank of East Texas

By: Kyle Bowden

Title: Vice President Operations