



# TexasBank

March 30, 2017

Honorable E. Ray West, III  
Brown County Judge  
Brown County Courthouse  
200 South Broadway  
Brownwood, Texas 76801

Re: Depository Bid

Dear Judge West,

TexasBank is pleased to have the opportunity to bid on being the County's depository for the coming term. We have enjoyed the relationship over many years and feel we can provide all services requested plus others that can help the various arms of the County operate smoothly. Here is an overview of our bid, split into four parts:

- Basic services and costs
- Loans and loan rates
- Interest Rates and service charges
- Pledging

Basic services include all routine bank services as described in the Bid Package. TexasBank will continue to provide an annual allowance of \$2,000 to cover basic check/deposit stock and other bank supplies.

Any future loans funded during the depository period would be negotiated at the time of the request. The Bank would reserve the right to review each loan request on its individual merits and further reserve the right to not fund certain loan requests.

Interest paid on demand and time deposits are described in the bid specification document.

The last area of this proposal is our commitment to secure the County's deposits and maintain 105% coverage at all times. We would like to use a Letter of Credit issued by the Federal Home Loan Bank to provide this collateralization.

TexasBank would again like to thank you and the commissioners for the opportunity to continue to provide financial services to the County. Please feel free to call me at any time and I will provide any additional information you might need.

Respectfully,

Carey Stewart  
Executive Vice President

April 3, 2017  
(Exhibit #4)

Enc.

**BID SPECIFICATIONS:**

- 2.1 Compliance with Statutes** TexasBank acknowledges compliance with all applicable statutes and codes.
- 2.2 Bank Affiliation** TexasBank is a member of the Federal Reserve System and Federal Deposit Insurance Corporation, chartered in Texas with its principal office located at 400 Fisk, Brownwood, Texas.
- 2.3 Duration** TexasBank acknowledges this is a four year contract.
- 2.4 Renegotiations** TexasBank acknowledges the two year renegotiation period
- 2.5 Investments outside Depository** TexasBank acknowledge the County's right to make investments outside of the depository bank and encourages the County to do so if more advantageous terms are available.
- 2.6 Submitting Financial Statements** Enclosed with this bid are the required audited financial reports for 2015-2016.
- 2.7 Good Faith Guarantee** Enclosed with this bid is the required certified check for \$131,167.00.
- 2.8 Liquidation Damages** N/A
- 2.9 Security** TexasBank as the current Depository has all County funds fully secured by pledged securities. TexasBank does wish to transfer a portion or all of the pledged collateral to a letter of credit (LOC) issued by the Federal Home Loan Bank of Dallas. This LOC is supported by a pledge on Bank owned loans and is therefore still a pledge on Bank assets.  
TexasBank provides a monthly report showing par and market value of the securities pledged. TexasBank currently uses the Federal Home Loan Bank of Dallas as the safekeeping agent.
- 2.10 Collateral Management** TexasBank monitors aggregate account balances on a next day basis to ensure sufficient collateral is available to cover all account balances. Should large transfers be made into the County's accounts, the County Treasurer should alert the bank as to the timing of the deposit to allow any additional collateralization.
- 2.11 Value of Collateral** TexasBank uses First Southwest to independently value all security holdings on a monthly basis.

Charges on Checking  
Return Item Charges  
Credit Card Interest Rate/Fees  
Loan Interest Rates

No Charge  
\$3.50 per item charged back  
Not Applicable  
See cover letter

<b>3.8 Disbursement Services</b>	TexasBank will furnish standard disbursing services as requested.	
<b>3.9 Deposit Service</b>	TexasBank will provide credit for deposits as requested.	
<b>3.10 Cash Overdrafts</b>	TexasBank acknowledges the overdraft provision in the bid specifications.	
<b>3.11 Computerized Output</b>	Existing Internet Banking software allows transaction download in a variety of formats any time the County desires.	
<b>3.12 Security Safekeeping</b>	TexasBank will accept safekeeping of book entry investment securities should the County purchase such investments. The third party safekeeping charges will be passed through to the County without markup.	
<b>3.13 Credit Card</b>	TexasBank does not offer a Bank issued or Bank branded credit card.	
<b>3.14 Payment for Services</b>	N/A	
<b>3.15 Cash Management</b>	No Charge	
<b>3.16 Expense Allowance</b>	TexasBank agrees to allow a \$2,000 annual allowance to offset the expense of ordering checks and other bank supplies.	
<b>3.17 Audit Procedures</b>	TexasBank acknowledges full compliance with any County audit request.	
<b>3.18 Other Specific Services</b>	Refer to Section 3.16	
<b>3.19 Other Unspecified Services and/or Costs</b>		
	DDA Account Maintenance	No Charge
	Transfer of Funds (local accounts)	No Charge
	Transfer of Funds (non-local)	No Charge
	Stop Payment Charges	No Charge
	Electronic Deposits	No Charge
	Locked or Sealed Bags	No Charge
	Laser Checks	Covered under section 3.16 annual supply allowance
	Checks in books or binders	Covered under section 3.16 annual supply allowance
	Deposit Slips	Covered under section 3.16 annual supply allowance
	Direct Deposit Charges	No Charge
	ACH Services	No Charge
	Wire Transfer Services	No Charge

## SERVICE REQUIREMENTS

### **3.1 Contact Person**

TexasBank uses a single point of contact as the primary contact:  
Bonnie Belvin, VP  
P.O. Box 1429  
Brownwood, TX 76804  
[Bonnie.Belvin@texasbank.com](mailto:Bonnie.Belvin@texasbank.com)

### **3.2 On-Line Services**

The County currently uses TexasBank's Internet Banking application allowing on-line access for balance reporting, secondary user access, statement download, direct deposit processing, image research and many other uses. This use is at no charge.

### **3.3 Statements**

Statements are available online the day after cutoff or by paper within 2-3 days after cutoff.

### **3.4 Payroll Direct Deposit**

TexasBank currently provides access to originate Direct Deposit of the County's payroll as requested at no charge. Our auditors require us to obtain a separate ACH Origination contract to better define parameters of use.

### **3.5 ACH Transactions**

TexasBank accepts all forms of ACH debits and credits.

### **3.6 Wire Transfers**

TexasBank provides the ability to manually send wire transfers and adheres to additional authorized sender restrictions as shown in a separate Wire Transfer Contract.

### **3.7 Interest Rates**

Interest paid on demand and time deposits would be as shown below and indexed to the T-Bill quotes from the most recent auction shown on [www.treasury.gov](http://www.treasury.gov) on the day the time deposit is opened and changed monthly on all demand accounts. The current quotes (as of 3/21/17) are:

#### **Interest bearing demand accounts:**

→ 35% of the 13-week T-bill quote (currently .77% @ 35% = .27%)

Interest will be paid on all demand deposit accounts on the collected balances greater than \$1,000. Interest will be paid at the end of each statement cycle.

#### **Certificates of Deposit:**

→ 75% of the 13-week T-Bill quote for maturities up to 90 days

→ 85% of the 13-week T-Bill quote for maturities of 90 to 180 days

→ 85% of the 26-week T-Bill quote for maturities over 180 days

Certificates of deposit pay interest at maturity and early withdrawal penalties are applicable.

## DEPOSITORY BANK

The Bank must complete the information below to validate the application for a Brown County Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract; that this Bank has not prepared this application in collusion with any other Bank; and that the contents of this application as to fees, interest rates, terms, or conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other Bank or to any other persons engaged in this type of business prior to the official opening of this request for application.

All unsigned applications will be disqualified.

Name and address of Bank:

TEXAS BANK  
400 FISK  
BROWNWOOD, TX 76801

Name:

CAREY STEWART

Signature:

Carey Stewart

Title:

EVP

Telephone Number:

325-679-5246

E-Mail:

CAREY.STEWART@TEXASBANK.COM

Note: By my signature above, I hereby certify that the following are attached:

- A. Certified Check or a Cashier's Check in the amount of \$131,167.00 as a guarantee of good faith.
- B. A sample monthly Collateral Report.
- C. Product description pricing.
- D. A Copy of Bank's Availability Schedule.
- E. A response to every section and subsection in the Request for Application. Attachments indicating other services and charges not specified in the Request for Application