

CITY OF KRUGERVILLE
Request for Bids for Bank Depositories
April 10, 2018

The following questions and comments have been submitted to me for clarification:

1. Who is the incumbent bank?
Point Bank in Aubrey has the City accounts on (a) the General Fund (b) Debt/I&S, and (c) 4B Corporation (CDC). Ciera Bank in Aubrey has the account for the 4A Corporation (EDC).
2. Missing signature line:
Please insert a signature and date line on the last page of your bid.
3. Attachment A (page 6) – typo:
Please note that the 4th line from the bottom of page 6 should read “Bank Bags.”
4. Does the location of the bank impact the decision?
Section 105.011 of the Texas Government Code states the terms of authorizing the depository. Paragraph (b)(2) requires the municipality to adopt a written policy expressly permitting the consideration of applications received...that are not doing business within the municipality. That written policy was adopted October 10, 2017, and since the City currently has no banking institutions within the City Limits, any selection is considered an “out-of-city depository,” and therefore, the policy will be ratified by Resolution on 4/26/18, when the contract(s) is awarded.

The selection of one or more bank depositories is strictly left up to the City Council. We have very few cash transactions, and physically travel to the bank about once a week or once every other week. The checks we receive are electronically uploaded to the bank via a remote desktop machine. I believe that the location of the depository isn't as significant as it once was, but ultimately the decision is not mine. Again, the governmental body (City Council) is the decision-making authority.

5. What is our maximum collateral requirement?
Chapter 2257 of the Texas Government Code states:
Sec. 2257.022. AMOUNT OF COLLATERAL.
(a) Except as provided by Subsection (b), the total value of eligible security to secure a deposit of public funds must be in an amount not less than the amount of the deposit of public funds:
 - (1) increased by the amount of any accrued interest; and
 - (2) reduced to the extent that the United States or an instrumentality of the United States insures the deposit.
- (b) The total value of eligible security described by Section 45.201(4)(D), Education Code, to secure a deposit of public funds of a school district must be in an amount not

less than 110 percent of the amount of the deposit as determined under Subsection (a). The total market value of the eligible security must be reported at least once each month to the school district.

- (c) The value of a surety bond is its face value.
- (d) The value of an investment security is its market value.

Furthermore, Chapter 105.031 states, "The bank or savings association, to qualify as a municipal depository, must, not later than five days before the commencement of the term of the depository services contract, provide security for the municipal funds to be deposited in accordance with the terms of the depository services contract."

As of today, our approximate balances in all accounts are as follows:

General Fund	\$710,000.00
4B (CDC)	\$224,000.00
Debt/I&S	\$2,400.00
4A (EDC)	\$367,000.00

Please note: Before the end of April, we will have funded \$972,000.00 in Certificate of Obligation Bonds. The Council has not yet determined if that money will be kept with a Public Funds Investment Firm or in an interest-bearing bank account.

Sandy Frantz
City Secretary
4-10-18

