



## **AGENDA MEMORANDUM**

First Reading Ordinance for the City Council Meeting December 1, 2020  
Second Reading Ordinance for the City Council Meeting of December 8, 2020

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**DATE:** December 1, 2020

**TO:** Peter Zaroni, City Manager

**FROM:** Judy Villalon, City Treasurer  
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<p><b>Depository Bank Services Agreement between the City of Corpus Christi and Frost Bank</b></p>
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### **CAPTION:**

Ordinance designating Frost Bank as the depository for the City's municipal funds pursuant to Chapter 105, Local Government Code; and authorizing the City's Chief Financial Officer to execute a five-year depository services contract to commence on January 1, 2021.

### **SUMMARY:**

This ordinance establishes a full-service commercial depository to provide depository services for the City's funds.

### **BACKGROUND AND FINDINGS:**

The City has a continuous need for a full-service commercial depository to provide depository services for the City's funds. The City is currently under agreement for depository services with Frost Bank. The initial three-year term of that agreement commenced on January 1, 2016 and continued through December 31, 2018. The two one-year extension periods were exercised which extended the agreement through December 31, 2020, at which time the current agreement expires.

Contracts and Procurement issued a Request for Applications (RFA) for depository services for the City of Corpus Christi. The City Treasurer notified six local banks of the RFA. It was advertised twice in the Corpus Christi Caller-Times as required by the Texas Local Government Code and was posted to the City's website. Three applications were received from Frost Bank, Plains Capital Bank and Wells Fargo Bank, N.A.

The applications were evaluated to ascertain the most advantageous and best value to the City by an evaluation team. The criteria used in the evaluation were as follows:

- Capability to provide services required
- Earnings potential and funds availability
- Creditworthiness of the Depository
- Depository services costs

Important factors also considered during the evaluation process included:

- lockbox services
- functionality of the system
- service level
- cost of services
- references

The evaluation team recommends awarding the contract to Frost Bank. Frost Bank offers the closest lockbox facility for the processing of three lockboxes. Therefore, customer payments are not delayed by additional mail time. Frost Bank offers a high level of technological services, convenient locations, local representation, excellent customer service and the closest lockbox facility which ensures prompt receipt through the mail. The City of Corpus Christi has been a Frost Bank customer for the past 23 years.

### **ALTERNATIVES:**

The Texas Local Government Code Chapter 105 requires the governing body of a municipality to authorize a depository services agreement. The current depository contract expires on December 31, 2020 and a new depository contract needs to be in place at that time.

### **FISCAL IMPACT:**

There is no fiscal impact for the City. The City maintains a balance with the Bank and receives an earnings allowance. This earnings allowance is used to offset the monthly bank service fees.

### **FUNDING DETAIL:**

Fund:	1020 General Fund
Organization/Activity:	10830 Cash Management
Mission Element:	184 Treasury for Debt & Cash Mgmt.
Project # (CIP Only):	n/a
Account:	540030 Interest & Bank Charges

**RECOMMENDATION:**

Staff recommends approval of the Ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance

Scoring Matrix

Attachment A – Depository Service Agreement and attachments