

# **COUNTY OF CLAY, TEXAS**

**INVITATION TO BID  
FOR  
DEPOSITORY BANKS  
FOR CLAY COUNTY**

**Debra Alexander  
Treasurer  
Clay County  
214 North Main Street  
Henrietta, Texas 76365**

**Email: [cctreasurer@claycountytexas.com](mailto:cctreasurer@claycountytexas.com)  
Voice: 940-538-5911  
Fax: 940-538-5991**

## INSTRUCTIONS TO BIDDERS

Bid Title.....Depository Bank Contract  
Bid Opening Date..... March 13 2017  
Bid Opening Time..... 10:00 a.m.  
Mark Envelope.....Depository Bids  
Contact Person.....Debra Alexander, County Treasurer  
Contact Number.....940-538-5911

Bids must be received in the County Judge's Office, ATTN: Judge Kenneth Liggett at the Clay County Annex, 214 North Main Street, Henrietta, Texas 76365 no later than the date and time specified above. Public opening of the bids will be held in the Clay County Commissioners Courtroom at that time.

The Commissioners Court of Clay County reserves the right to reject in part or in whole any or all bids, waive minor technicalities, and award the bid which best serves the interest of Clay County. Late bids will be returned to the Bidder unopened.

Bids may be withdrawn at any time prior to the official opening. Alterations made before the opening time must be initialed by Bidder to guarantee authenticity.

The undersigned agrees, if this bid is accepted, to furnish any and all services upon which fees or interest rates are offered and upon the terms and conditions contained in the specifications. The period for acceptance of this bid will be thirty (30) calendar days unless a different period is noted by Bidder.

Bids must be submitted on the attached Bid Worksheet. By returning the Bid Worksheet, the Bank certifies that:

1. All rates and fees bid are firm for one (1) month.
2. Award of contract(s) will be executed by the Clay County Commissioners Court and will be confirmed by an award letter.
3. Any deviation from these terms and conditions must be stated as such when returning the Bid Worksheet.

## **SPECIFICATIONS FOR DEPOSITORY BANKS**

It is the intent of Clay County to execute a contract with a bank desiring to be designated as the County Depository Bank and or sub depository bank for our satellite locations if necessary. By returning the Bid Worksheet, Bank acknowledges that it understands the Revised Civil Statutes of Texas (Article 2544, et.seq. of the Revised Civil Statutes of Texas, as revised by Local Government Code, Chapter 116.000 through 116.155 as passed by the 70th leg. 1987; Article 2547 a, b, c; and Article 2558a et.seq.) that pertain to the managing and safekeeping of County funds and will comply with those statutes.

**Duration:** The Bank contract will be effective for a period of two (2) years or four (4) years, as awarded by Commissioners Court, and ending sixty (60) days from the time fixed by law for the next selection of a depository, with an option to renew for the same period as originally awarded if in the best interest of Clay County. If a timed deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities required by law for public funds to Clay County to provide for the maturity of the time deposit.

**Awarding Contract:** Clay County will award the Bank Contract based on the following criteria:

1. Bank's past and prospective financial condition.
2. Net rate of return on county funds.
3. Ability to meet service requirements.
4. Cost of services.

**Investments and Credit Card Services Made outside Depository Banks:** Clay County reserves the right to make external investments and credit card services in accordance with the laws of the State of Texas and the Investment Policy of Clay County.

**Submitting Financial Statements:** All banks wishing to be designated as a Depository Bank must state the amount of the bank's paid-up capital stock and permanent surplus and must submit a statement showing the financial condition of the bank on the date of the application.

**Good Faith Guarantee:** Bank must submit with the Bid Worksheet a certified cashier's check in the amount of \$ 24291.78 (one-half of one percent of the county's revenue for the preceding year and one-half of one percent of the average daily balances of the County and District Clerk's Trust Accounts) payable to Kenneth Liggett, County Judge as guarantee of good faith. The check will be held by the County until a depository Bank is selected and the bond and/or security has been filed.

**Payment for Services:** Bank will specify fees required for services. Banking services not detailed on worksheet will be provided at no cost.

**Amount to be Pledged:** The initial amount of securities to be pledged against Clay County funds shall be adequate to fully collateralize the funds of Clay County and be no less than 110% of total deposits at market value and according to the laws of the State of Texas and shall continuously remain as such. This amount is subject to change as deposits fluctuate, with the approval of the Clay County Treasurer. Securities pledged must be held by a Third Party Bank approved by Commissioners Court or at the Federal Reserve Bank.

**Interest and Interest Rate:** Variable interest rate bids and fixed interest rate bids on accounts and certificates of deposit shall be quoted by bank. Clay County reserves the right to select the rate most favorable to the county at any time during the term of the contract, subject to banking laws.

### **Types of Interest Bearing Account:**

**Interest Bearing Checking Accounts:** Clay County will have approximately thirty-five (35) accounts established under these specifications for disbursing checks written on Clay County funds. Checks and transfers will be written from these accounts. These estimates may vary in the duration of the contract.

**Money Market Accounts:** Separate accounts are established under these specifications for daily operating transactions. The accounts will be used when their rates exceed IBCAs. The number of money market accounts used by the County will be less than six (6). These estimates may vary in the duration of the contract.

### **Services Provided:**

#### **Reports:**

1. A detailed monthly collateral-to-deposit report is required. The report shall contain security descriptions, par value/current face and current market value. To compensate for increases or decreases in county deposits and fluctuation of market value of pledged collateral, the minimum market value of collateral will be 110% of county deposits based on market value.
2. Monthly account analysis reports will be provided for each account and on a total account basis. The account will contain, at a minimum, the following:
  - daily average ledger balance
  - daily average float
  - average collected balance
  - reserve requirements
  - price levels for each activity
  - monthly volumes by type
  - earnings allowance

A sample account analysis format must be provided as part of the bid.

**Statement:** Monthly statements will include (original or photo copies) of checks, deposit slips, transfer slips and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement. All checks will be sorted in numerical order.

Statements should be processed and mailed no more than five (5) business days after the close of each month.

A sample statement format will be included as part of the bid.

**Contact Person:** Bank will specify an Officer of the Bank who will be responsible for attending to inquiries, requests for services, and daily activities regarding the managing of Clay County accounts.

**Online Services:** Please provide details on all online banking features.

**Daylight Overdraft Provisions:** The proposal should include any bank policy regarding daylight overdraft charges or handling.

**Stop Payments:** The bank will be required to process stop payments on verbal instructions from the County Treasurer or his/hers Assignee with follow-up written confirmation, or allow the treasurers' office to process stop payments on line.

**Stale Dated Checks:** The bank will agree not to honor stale dated checks on Clay County accounts which are not endorsed as acceptable after the 90-day limit.

**Standard Disbursement Services:** Standard disbursing services for all accounts are required to include the payment of all county checks upon presentation.

**Standard Deposit Services:** The bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks based on the Bank's availability schedule. All deposits received before the bank's established deadline will be credited daily.

**Other Specific Services:** As described on the Bid Worksheet, the bank will acknowledge services provided and attendant fees for such.

**Direct Deposit Services are required.**

**Borrowings:**

The Commissioners Court of Clay County must, from time to time, issue debt to enable the county to make a capital expenditure which is not feasible or not appropriate to fund in one budget year. The means most often used to meet such a capital requirement is a "time warrant", which is defined as "any warrant issued by a county that is not payable out of current funds" (L.G.C., Section 262.022 (5)).

### Bid Worksheet for Depository Bank Bid

Interest Bearing Checking Accounts:	<u>Variable Interest Margin</u> *	<u>Fixed Interest Rate</u> *
	<u>N/A</u>	<u>N/A</u>
Money Market Accounts:	<u>Variable Interest Margin</u> *	<u>Fixed Interest Rate</u> *
	<u>See Comments Below</u>	<u>N/A</u>

\*Variable Rate = 91 day US T-bill Effective Rate (as determined by latest T-Bill Auction) + Margin (based on basis points).

Example: If 91 Day US T-Bill effective rate is 3.3% and basis points are 1.0, then the variable rate is 4.3%.

Minimum balance requirement per account will be listed below:

***First National Bank will offer our ICS Money Market account that is fully FDIC Insured at a tiered rate as follows:***

\$500,000 - \$1,000,000: 0.85% APY  
\$1,000,000 - \$2,000,000: 1.00% APY

Certificates of Deposit - Variable Interest Rate  
 91 Day US T-bill Effective Rate (as determined by latest T-Bill Auction)

	Less than \$100,000	More than \$100,000
1. Maturity 7 - 29 days	+ _____ basis points	+ _____ basis points
2. Maturity 30 - 59 days	+ _____ basis points	+ _____ basis points
3. Maturity 60 - 89 days	+ _____ basis points	+ _____ basis points
4. Maturity 90 - 179 days	+ _____ basis points	+ _____ basis points
5. Maturity 180 days-less than 1 year	+ _____ basis points	+ _____ basis points
6. Maturity 1 year or more	+ _____ basis points	+ _____ basis points

Certificates of Deposit - Fixed Interest Rate - **CDARs fully FDIC insured product**

1. Maturity 7 - 29 day's	<u>0.45</u> % APY
2. Maturity 30 -59 day's	<u>N/A</u> % APY
3. Maturity 60 - 89 day's	<u>0.60</u> % APY
4. Maturity 90 - 179 day's	<u>0.77</u> % APY
5. Maturity 180 days - less than 1 year	<u>N/A</u> % APY
6. Maturity 1 year	<u>0.90</u> % APY
7. Maturity 2 year	<u>1.25</u> % APY
8. Maturity 3 year	<u>1.55</u> % APY
9. Maturity 5 year	<u>1.97</u> %APY



**BID WORKSHEET FOR DEPOSITORY BANKS**

**Depository Services**

**Service Charge**

1). Checking Accounts

\_\_\_\_\_

2). Investment Accounts

\_\_\_\_\_

3). Wire Transfers

\_\_\_\_\_

4). ACH Service Transfers:

\_\_\_\_\_

Outgoing-Bank Initiated

\_\_\_\_\_

Computerized

\_\_\_\_\_

5). In-House ACH Transfers

\_\_\_\_\_

6). Direct Deposits for Payroll

\_\_\_\_\_

7). Furnish laser checks

\_\_\_\_\_

8). Furnish deposit slips  
& endorsement  
Stamps.

\_\_\_\_\_

9). Night depository services,  
including bags & keys.

\_\_\_\_\_

10). Stop payments issued

\_\_\_\_\_

11). Overdrawn Accounts

\_\_\_\_\_

12). Returned Items

\_\_\_\_\_

13). On-line Banking Services

Statements and Images

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14). EFT for Direct Deposit of  
County employee payroll checks

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15). Provide safe-keeping for outside  
purchases of securities by Clay  
County at a Third Party Financial  
Institution, or with the Federal  
Reserve Bank.

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16). Additional Services and Charges:

Are there any additional charges for the requested collection, disbursement, investment or miscellaneous services? If so, please describe and indicate the fee per unit.

Service Charge

Other Services:

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Comment:

***It is the intent of First National Bank of Wichita Falls to only present options for the County's Investable Funds. Please refer to rates and terms on page 7 and 8 of this Bid Package.***

**Banks should be prepared to provide the treasurer's office an opportunity to physically work with this technology before the bid is awarded.**

Do you offer Remote Capture? If yes, describe services. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Payment for Services:**

The county may elect to pay for services either by direct fee payment or by compensating balance.

a. Direct fee

It may be the county's request that the bank bill and accept direct payment for services at the unit prices indicated in the previous section. Please indicate whether the bank will accept this method of payment.

Yes	No
_____	_____

If the County elects to pay the bank for services, each account billing will be presented monthly in hard copy with charges being on a straight fee basis with account balances not being a factor in determining the fees that are due.

b. Compensating Balance

In lieu of direct payment the county may request that a compensating balance be maintained at the managing bank in a zero-interest rate Certificate of Deposit within the control account only to cover services. The level of compensating balance will be determined as a result of:

- a. Services required (per bid)
- b. Service Price (per bid)
- c. Monthly activity (actual)
- d. Collected balances (actual)
- e. Legally required reserves (actual)
- f. Earnings allowance rate (per bid)

Please specify calculation of the earnings allowance rate. The formula for computing the earnings credit will use current reserve requirements. An example is as follows:

EXAMPLE

Collected bank balance (control account)	\$1,000,000.
(Less reserves required - 10% presumed)	<u>100,000.</u>
	900,000.
X Earnings Allowance	
(Assume 91 day T-Bill rate)	x <u>3.3%</u>
Annual Earnings Credit	29,700
	Divided by 12
Total earnings credit for the month	2475
Please specify bank's calculation	<hr/>

Bank **must** complete the information below to validate the bid for Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing the county with a resolution from the Board of Directors of the submitting bank authorizing or empowering the undersigned to execute this contract; that this bank has not prepared this bid in collusion with any other bidder; and that the contents of this bid 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 bidder or to any other person(s) engaged in this type of business prior to the official opening of this bid.

Name and address of Bidder: All unsigned Bids will be disqualified

Signature: Karen S. Hughes

Name: Karen S Hughes

Title: Vice President

Telephone Number: 1-940-696-3000



# First National Bank

Condensed

## STATEMENT OF CONDITION

As of December 31, 2016

### ASSETS

Cash and Due from Banks .....	\$9,431,449
Investments .....	26,163,523
Federal Reserve Bank Stock.....	521,650
Federal Home Loan Bank Stock .....	3,291,900
Loans and Discounts .....	390,390,802
Fixed Assets .....	2,291,436
Other Assets .....	8,932,912
<b>TOTAL ASSETS .....</b>	<b>\$ 441,023,672</b>

### LIABILITIES & CAPITAL

DEPOSITS .....	\$ 345,214,357
Borrowed Funds .....	50,000,000
Other Liabilities .....	2,400,435
Capital Stock .....	750,000
Surplus .....	16,637,500
Undivided Profits .....	26,021,380
<b>TOTAL LIABILITIES &amp; CAPITAL.....</b>	<b>\$ 441,023,672</b>