



March 9, 2023

Clay County  
214 North Main St.  
Henrietta, TX 76365

RE: Depository Bid Clay County 2023-2025

Ladies and Gentlemen:

Enclosed is our bid for your review and consideration to serve as depository bank for Clay County from March 23, 2023 through March 22, 2025. First Capital Bank of Texas has served as the depository bank for the County for several years now and would welcome the opportunity to continue that relationship and grow with the County to the next level.

We have attempted to bid in a very straightforward and simple manner. However, if you have any questions or need additional information, please do not hesitate to contact us at 940-538-6262 or [sbarwise@fcbtexas.com](mailto:sbarwise@fcbtexas.com).

We look forward to continuing a working relationship with the officers and employees of Clay County. We are here to be a contributing member of our community and would like to continue to be your depository bank. The bid proposal is valid for 60 days from March 13, 2023.

Respectfully,

A handwritten signature in cursive script that reads "Shannon Barwise".

Shannon Barwise  
Branch Manager, Bank Officer  
Henrietta  
First Capital Bank of Texas

# COUNTY OF CLAY, TEXAS

INVITATION TO BID  
FOR  
DEPOSITORY BANKS  
FOR CLAY COUNTY

Danja Bloodworth  
Treasurer  
Clay County  
214 North Main Street  
Henrietta, Texas 76365

Email: [Danja.Bloodworth@co.clay.tx.us](mailto:Danja.Bloodworth@co.clay.tx.us)

Voice: 940-538-5911  
Fax: 940-538-5991

## INSTRUCTIONS TO BIDDERS

Bid Title.....Depository Bank Contract  
Bid Opening Date..... March 13, 2023  
Bid Opening Time..... 10:00 a.m.  
Mark Envelope.....Depository Bids  
Contact Person.....Danja Bloodworth, County Treasurer  
Contact Number.....940-538-5911

Bids must be received in the County Judge's Office, ATTN: Judge Mike Campbell 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Bids may be withdrawn at any time prior to the official opening.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 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 an additional 2-year term 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.

*First Capital Bank is offering a bid term of 2 years with an option to extend.*

**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.

*Understood*

**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.

*First Capital Bank of Texas Annual Reports  
<https://www.fcbtexas.com>*

*Capital Stock 225,918*

**Good Faith Guarantee:** Bank must submit with the Bid Worksheet a certified cashier's check in the amount of \$ 46,496.41 (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 Mike Campbell, 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.

*First Capital Bank's proposed bid waives many fees passed through account analysis. See attached fee schedule for any fees that may apply.*

**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.

*First Capital Bank of Texas uses Mortgage Backed Securities for our Collateral. Federal Home Loan Bank of Dallas is our third party Safekeeping Bank.*

*First Capital Bank maintains internal controls to monitor and maintain the required collateral. If the County is aware of a large transaction that will significantly increase deposit balances, the County will notify the Bank with one day's advance notice to ensure the timely pledging of additional collateral.*

**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.

*See bid worksheet for further details.*

### **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.

**County and District Clerk Trust Accounts:** Any Trust Accounts to be held by the County or District Clerk by order.

*Funds deposited in registry accounts, trust accounts or styled in a custodial capacity where the County is not the beneficial owner will earn current deposit sheet rates.*

### **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.  
*Agreed*
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.  
*Account Analysis statements are available on-line for review by the County.*

**Statement:** Monthly statements will include (original or photocopies) 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.

*Paper statements will be prepared and mailed typically within three business days after the statement cycle date. Online statements are available two business days after the statement cycle date.*

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.

*Shannon Barwise, Bank Officer and Branch Manager*

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

***On-line, Real-time Internet Banking Services***

- *Account information inquiry includes current and available balances.*
- *Online statement retrieval*
- *Transaction history download*
- *Schedule "one time" or "recurring" funds transfer between accounts.*
- *Schedule "one time" or "recurring" loan payments.*

***Web-based Wire Transfer Origination***

- *Set up and initiate "one time" or "recurring" wire transfer instructions through our Internet Banking Product. Single-user, multi-user, and/or dual control authorities are allowed with password and dollar-limit restrictions.*

***Web-based ACH Origination***

- *Originate electronic payroll deposits or payment drafts through our Internet Banking Product*
- *Import NACHA-ready files from third-party software applications, or create payroll or payment databases directly in our products.*

***Web-based Bill Pay Services***

- *Create accounts payable databases and initiate payments online through our Internet Banking Product.*

***Positive Pay Accounting***

- *Help prevent unauthorized, stolen or counterfeit checks from paying against your account.*

***Remote Deposit Capture***

- *Scan checks for deposit and electronically transmit those check deposits to your account.*

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

***Overdrafts may be subject to the following:***

- Overdraft Item Fee – The Overdraft Item Fee will be waived if offsetting collected balances are on deposit in non-interest-bearing deposit accounts.*
- Accrued Interest Adjustment – If offsetting collected balances are maintained in interest-bearing deposit accounts only, the Overdraft Item Fee will be waived and an interest accrual*

debit adjustment will be made to the interest-bearing deposit account calculated on the amount and duration of the overdraft.

- c. *Frequent and Continuous Overdrafts* – If overdrafts continue to occur on a frequent basis, First Capital Bank reserves the right to assess Overdraft Item fees, regardless of compensating balances. Additionally, if an account remains overdrawn for more than one business day, First Capital Bank reserves the right to assess an Overdraft Interest Charge of which the rate will be equal to the prime rate published in the Wall Street Journal, as it changes.

*Outgoing wires sent by the County during the business day will be processed against collected balances only.*

**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 online.

*Stop Payment orders may be initiated online. No paper follow-up documentation is required.*

**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.

*Within the Positive Pay system, the County can choose a state date timeframe. The default time frame is 180 days. Any checks presented after that time will become exceptions and require a decision by the County internet banking user to return or pay.*

**Standard Disbursement Services:** Standard disbursing services for all accounts are required to include the payment of all county checks upon presentation. *Check images are available on-line at the start of the next day (typically 7:00 AM). Images may be retrieved one-for-one through transaction history inquiry, or full image statements may be available when enrolled in e-Statement. Image e-Statements are available in .PDF format and may be downloaded. Transaction history may be downloaded through Internet banking.*

**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.

*All transactions accepted at a banking center are processed on the same business day. The cut-off time for deposits presented at any First Capital Bank location is the banking centers closing time of 5:00 PM.*

**Positive Pay:** Please provide details on Positive Pay.

*Positive pay data-files will be securely transferred to the Bank through an Internet banking import. Manual checks may be input online through Internet banking. An option to Change, removed, or voided checks can be included in the regular data-file or manually entered.*

*Exception information is available online in Internet banking by 7:00AM. The deadline for County exception elections is 11:00AM. Exception elections are processed by the County designated Internet banking user. Images of exceptions are available in Internet banking.*



All checks, including those received by tellers and other Bank venues, are verified against the positive pay file before processing. Teller information is updated at the start of the business day, and updated periodically throughout the day after any new file is delivered through Internet banking to First Capital Bank.

Within the Positive Pay system, the County can choose a state date timeframe. The default time frame is 180 days. Any checks presented after that time will become exceptions and require a decision by the County internet banking user to return or pay.

**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.**

Per the National Automated Clearing House rules, a payroll credit file must be submitted at least one day prior to the effective date. So for an effective date of Friday the ACH file must be delivered to the Bank by 5:00 PM the preceding business day. Same Day ACH is also available on a limited basis.

**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)).

First Capital Bank will consider short-term loans to Clay County. To obtain loan approval the County will be required to provide First Capital Bank with financial information as requested by the Bank. First Capital Bank reserves the right to decline any loan requests.

## Bid Worksheet for Depository Bank Bid

Interest Bearing Checking Accounts:

Variable  
Interest Margin

\*

Fixed  
Interest Rate

\*

**Interest Bearing Checking Accounts:** *Interest would be paid on the net collected balance at our posted NOW account rate as it changes. This is a variable rate and is subject to change from time to time.*

|   |
|---|
| Current posted rates as of 3/6/2023: Rate 0.15% APY 0.15% |
|---|

Money Market Accounts:

Variable  
Interest Margin

\*

Fixed  
Interest Rate

\*

**Premier Money Market Account:** *Interest would be paid on the net collected balance at our posted rates as it changes +.50%. This is a variable rate account and subject to change from time to time.*

| Current posted rates as of 3/6/2023 |                             | Rate  | APY   |
|-------------------------------------|-----------------------------|-------|-------|
| Tier 1                              | \$2,500      \$24,999.99    | 0.90% | 0.90% |
| Tier 2                              | \$25,000      \$99,999.99   | 1.00% | 1.00% |
| Tier 3                              | \$100,000      \$249,999.99 | 1.60% | 1.60% |
| Tier 4                              | \$250,000      \$499,999.99 | 1.75% | 1.75% |
| Tier 5                              | \$500,000      \$999,999.99 | 1.75% | 1.75% |
| Tier 6                              | \$1,000,000... and up       | 1.75% | 1.75% |

\*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:

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

|                                       | Less than<br>\$100,000 | More than<br>\$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   |

*Not offered*

Certificates of Deposit - Fixed Interest Rate

|   |         |
|---|---------|
| 1. Maturity 7 - 29 day's                | _____ % |
| 2. Maturity 30 -59 day's                | _____ % |
| 3. Maturity 60 - 89 day's               | _____ % |
| 4. Maturity 90 - 179 day's              | _____ % |
| 5. Maturity 180 days - less than 1 year | _____ % |
| 6. Maturity 1 year or more              | _____ % |

*Interest rates on Time Deposits will be at a First Capital Bank CD rate in effect at the time of purchase for like balance and term of the Time Deposit.*

*First Capital Bank does not offer a 7 to 29 day term Certificate of Deposit option. The rate quoted applies to all terms equal to or greater than 30 days.*

## BID WORKSHEET FOR DEPOSITORY BANKS

### **Depository Services**

### **Service Charge**

1). Checking Accounts

No Charge

2). Investment Accounts

No Charge

*First Capital Bank's proposed bid allows for Bank deposits only. Sweep arrangements between County deposit accounts, such as a zero-balance sweep between a payroll and an interest-bearing operating account, are an option First Capital bank provides. First Capital Bank does not provide investment advice. First Capital Bank does not provide sweep services to overnight or other investments outside of the Bank (such as SEC registered money market mutual fund investments).*

3). Wire Transfers

No Charge

4). ACH Service Transfers:

No Charge

    Outgoing-Bank Initiated

No Charge

    Computerized

No Charge

5). In-House ACH Transfers

No Charge

6). Direct Deposits for Payroll

No Charge

    7). Furnish laser checks

No Charge

8). Furnish deposit slips  
& endorsement  
    Stamps.

No Charge

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

No Charge

10). Stop payments issued

No Charge

11). Overdrawn Accounts

See overdraft details above

12). Returned Items

No Charge

13). On-line Banking Services

No Charge

Statements and Images

No Charge

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

No Charge

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

*First Capital Bank does not provide investment advice, administration, bookkeeping, safekeeping services, or the purchase or liquidation of investments.*

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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Comment:

\_\_\_\_\_  
\_\_\_\_\_

**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. *First Capital Bank offers remote check deposit. A scanning device is used by the County to scan checks, prepare the electronic deposit using software provided by the Bank, and securely transmit the electronic deposit to the Bank.*

First Capital Bank utilizes the standard x9.37 format for remote check deposit. The cut-off time for same-day credit is 5:00PM.

**Payment for Services:**

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

First Capital Bank's proposed bid waives many fees passed through account analysis. See attached fee schedule for any fees that may apply.

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

  X  

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.

*Not applicable*

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<br>(Assume 91 day T-Bill rate) | <u>  x  </u> 3.3% |

|                                     |            |        |
|-------------------------------------|------------|--------|
| Annual Earnings Credit              |            | 29,700 |
|                                     | Divided by | 12     |
| Total earnings credit for the month |            | 2475   |
| Please specify bank's calculation   |            | <hr/>  |

*Not Applicable*

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: Shannon Barwise

Name: Shannon Barwise

Title: Bank Officer, Branch Manager

Telephone Number: 940-538-6262