



MEMORANDUM

To: Mayor and City Council

From: Kim Tiehen, Assistant Director of Finance

Via: Jennifer Miller, Director of Finance

Date: December 8, 2020

Reference: Consider approval of a resolution designating Frost National Bank as the City Depository for a period of four (4) years and eleven (11) months.

2040: Foundation: Sustainable City Government

Introduction:

The City of Coppel's current bank depository agreement with Frost National Bank expires on December 31, 2020. The City distributed a Request for Proposal for depository services on July 24, 2020, held a pre-bid meeting on August 4, 2020 which was attended by Capital One, Chase, Frost, and Origin bank representatives, and proposals were due no later than August 11, 2020. The proposed banking services agreement will be for four (4) years and eleven months period beginning on January 1, 2021 and effective until November 30, 2025. Based on the Request for Proposal process, Frost National Bank was the only financial institution to submit a proposal to provide depository and safekeeping services to the City of Coppel.

Analysis:

Based on our analysis and past experience with Frost National Bank, the proposal submitted continues to be very cost effective, meets the City's banking and safekeeping services needs and will continue to provide Coppel an exceptional level of service. Frost National Bank has offered to waive the first three (3) months of monthly service fees with the approval of the new contract. The proposed depository agreement and associated documents have been reviewed and negotiated by Finance staff, Justin Havins, Frost Bank Assistant Vice President, and our City Attorney, Bob Hager.

Purpose of the Resolution:

The purpose of this Resolution is to designate Frost National Bank as the City of Coppel's official depository bank for a period of four years and 11 months beginning on January 1, 2021 and effective until November 30, 2025, and to authorize the City Manager to execute the agreement and any related documents.

Legal Review:

The proposed Resolution, Depository Agreement and Security Agreement have been reviewed in advance by our City Attorney, Bob Hager and Frost National Bank's legal department.

Fiscal Impact:

Comparing the 2015 contract to the 2020 contract for fees charged for services utilized by the City, it is estimated that overall fees will decrease eighteen percent (18%) as shown in the comparison of 2015 to 2020 fees included with the agenda item.

Recommendation:

The Finance Department recommends approval of this item.