

Memorandum

To: Finance Committee
Copy: Board of Managers
From: Jonny F. Hipp, Administrator
Date: June 2, 2015
Re: Request for Applications for Depository and Related Services

BACKGROUND: The Hospital District's current depository is Frost Bank and the associated agreement expires on September 30, 2015. Texas Health and Safety Code, §281.093(b) limits the depository term to four (4) years and §281.093(a) prescribes the District may either (i) select its own depository in the manner prescribed; or (ii) use the depository previously selected by the County. In the past, the District has elected to pursue its own depository to gain better interest rates and/or lesser fees. In the past, the District has selected its own depository primarily because it received advantageous rates and/or fees. If the District elects to select its own depository again, the agreement term will be for four (4) years. Otherwise, the agreement tracks the County's term.

REQUESTED ACTION: Authorize the Administrator to issue Requests for Applications (RFA) for the Hospital District's depository and related services for the four-year period October 1, 2015 – September 30, 2019.

DISCUSSION: The Board's authorization now will provide sufficient time to prepare and issue the RFA and analyze and rank the submitted Applications. Our plan is to submit the Application rankings to the Finance Committee for a review/recommendation and to the Board for award on a timeline sufficient to negotiate an agreement with a replacement depository prior to September 15, 2015, if needed.

Thank you.

Jonny F. Hipp