

# Extension of Depository Contract

April 09, 2019

## SUMMARY:

This item requests the extension of the Bank Depository Contract for the two-year term from 7/1/2019 through 6/30/2021.

## BOARD GOAL:

VI. Growth, Change & Fiscal Responsibility... In pursuit of excellence, the district will: demonstrates effective and efficient management of district resources.

## PREVIOUS BOARD ACTION:

BBVA Compass Bank was awarded the depository contract for the two-year term from 7/1/2015 through 6/30/2017 on April 21, 2015. On April 11, 2017 the Board approved the extension of the depository contract for the period 7/1/2017 through 6/30/2019.

## BACKGROUND INFORMATION:

The Texas Education Code (TEC) 45.205(b) was amended as of September 1, 2017 to allow the school district depository contract to be extended a total of three two-year terms. In addition, the changes to the law allows the depository contract to be modified for each two-year extension if both the school district and the district's depository bank mutually agree to the terms.

## SIGNIFICANT ISSUES:

The District and BBVA Compass Bank extended the depository contract for a two-year term on April 11, 2017. The online banking (E-Access) tool is helpful in the day to day cash management of the district. BBVA Compass provides excellent service, and we have a good relationship with the local representatives.

## FISCAL IMPLICATIONS:

The District and BBVA Compass Bank both agree to the existing terms and conditions for banking services and rates. The current contract will be extended for an additional two-year term.

## BENEFIT OF ACTION:

Our current working relationship with BBVA Compass Bank is very good. BBVA Compass provides quality service and prompt response to questions. Approval of this contract extension will allow us to continue our current banking procedures.

## PROCEDURAL AND REPORTING IMPLICATIONS:

The district is required to submit a *Board Resolution Extending Depository Contract for Funds of Independent School Districts* to the Texas Education Agency, with original signatures, by June 15, 2019.

## ALTERNATIVES:

Bid for depository bank contract.

## SUPERINTENDENT'S RECOMMENDATION:

Recommend approval of the *Board Resolution Extending Depository Contract for Funds of Independent School Districts* to extend the depository contract with Compass Bank for an additional two-year term from 7/1/2019 through 6/30/2021.

## STAFF PERSONS RESPONSIBLE:

Debbie Monschke, Assistant Superintendent of Administrative Services  
Vicki Garcia, Executive Director Financial Operations  
Julie J. Simpson, Director of Finance

## ATTACHMENT:

Board Resolution Extending Depository Contract for Funds of Independent School Districts

## APPROVAL:

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Assistant Superintendent: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_