

# Depository Services Contract

May 24, 2011

## **SUMMARY:**

Business Administration recommends approval of Northstar Bank as the depository bank for the Denton Independent School District for the period July 1, 2011 through June 30, 2013.

## **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:**

- On May 8, 2007 the Board awarded the depository bid to BBVA Compass Bank for the term July1, 2007 through June 30 2009.
- On April 28, 2009 the Board approved an extension of the contract with BBVA Compass Bank for the period July 1, 2009 through June 30, 2011.

## **BACKGROUND INFORMATION:**

According to Texas Education Code, subchapter G, School District Depositories, a bank may serve as the district's depository for a period of two years, with the possibility of extending the contract for two additional two year periods.

## **SIGNIFICANT ISSUES:**

Eighteen requests for proposal packets were mailed. Each bank within the school district's boundaries received a request for proposal packet. Four proposals were returned (Northstar Bank, Wells Fargo, First United, and BBVA Compass). All proposals were received by 5:00 p.m. on April 28, 2011 as requested in the Proposal Notice. All of the banks used the appropriate proposal form as requested in the Proposal Notice. The criteria used to evaluate the proposal selection included the following:

1. Cost of services
2. Additional services offered
3. Funds availability schedule
4. Automated services offered
5. The ability of the proposer to provide the necessary services and perform the duties as Depository. Experience in providing Depository services to similar accounts.
6. Collateralization policy
7. Fraud prevention/notification policy
8. Interest rates offered on time deposits

## **FISCAL IMPLICATIONS:**

Northstar Bank is proposing to waive all fees for the contract period and will also pay interest on the District checking accounts.

## **BENEFIT OF ACTION:**

The district will be able to conserve scarce district resources and contribute to the overall district budget.

## **PROCEDURAL AND REPORTING IMPLICATIONS:**

The District will provide the Texas Education Agency with three copies of the signed Depository Contract for Funds of Independent School Districts, one copy of the accepted bid/proposal form, one copy of the signed data sheet, and one copy of the Texas Surety Bond form by June 15, 2011.

## **ALTERNATIVES:**

No alternative actions are proposed.

## **SUPERINTENDENT'S RECOMMENDATION:**

Recommends approval of the proposal submitted by Northstar Bank for depository services from July 1, 2011 through June 30, 2013.

## **STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Executive Director of Administrative Services  
Julie Simpson, Accounting Supervisor

**ATTACHMENT:**

- Depository Services Contract 2011-2013 Proposal Ranking
- Depository Services Contract 2011-2013 Time Deposit Rates
- Depository Contract for Funds of Independent School Districts

**APPROVAL:**

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

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

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