



Gregory-Portland Independent School District

BOARD MEMORANDUM

TO: DR. MICHELLE CAVAZOS

FROM: DR. ISMAEL GONZALEZ III

CC: BOARD OF TRUSTEES
PENNY ARMSTRONG
DR. MICHAEL NORRIS
MICHAEL THIEME
DEBORAH GARZA

DATE: Monday, July 21, 2025

SUBJECT: CONSIDER APPROVAL OF DEPOSITORY, SECURITY, AND THIRD PARTY CUSTODIAN SERVICES AGREEMENTS

PRIORITIES

PRIORITY 1: EXCEPTIONAL STUDENT PERFORMANCE

N/A

PRIORITY 2: HIGH PERFORMING AND ENGAGED WORKFORCE

N/A

PRIORITY 3: QUALITY SERVICE AND IMPACTFUL COMMUNITY ENGAGEMENT

N/A

PRIORITY 4: EFFICIENT AND EFFECTIVE DISTRICT AND CAMPUS OPERATIONS

4.2 Maintain fiscal viability; stewardship; and improve staff knowledge of sustainable budgeting processes

BACKGROUND INFORMATION:

Type: Consent

The state laws pertaining to school district depositories are found in the Texas Education Code (TEC), Chapter 45, Subchapter G (§§45.201–45.209). The TEC, §45.202, provides that the school depository or depositories of every independent school district may be selected only as provided by that subchapter.

A school district must renew its depository contract(s) every two years. The two-year contract term begins and ends in odd-numbered years and is from either July 1 of one year through June 30 two years later or September 1 of one year through August 31 two years later (for example, the period from either July 1, 2025, through June 30, 2027, or September 1, 2025, through August 31, 2027). The contract term and any extension must coincide with your district's fiscal year. (Reference: TEC, §45.205). A district may extend the original contract for three (3), two-year terms; therefore, the original contract may be in effect for a total of eight (8) years.

DISTRICTS OF INNOVATION - EXEMPTION FROM DEPOSITORY REQUIREMENTS

On July 22, 2022 the Board of Trustees approved its District of Innovation Plan (DOI) that included exemptions from state laws governing depository contract requirements. Exemption from this requirement allows the District to maintain satisfactory working relationships with its depository bank without the need to re-bid for the work at the exact timelines required by law.

The term of the (DOI) plan is for five years, beginning with the 2022-2023 academic year, and ending at the end of the 5th calendar year, unless terminated or amended earlier by the Board of Trustees in accordance with the law.

RECOMMENDATION:

Administration recommends that the Board authorize the Superintendent to negotiate terms and execute contracts to extend the bank depository and security agreement with Frost Bank, and third party custodian agreement with The Bank of New York Mellon Trust Company, N.A.

FINANCIAL IMPACT:

Currently the district maintains sufficient depository balances to offset all costs of banking services through its depository earnings credit rate (ECR). Administration expects that even with the updated pricing of banking services, the ECR will continue to cover all costs of banking services without any excess costs the district would be responsible for.

BOARD RELATED POLICY:

BDAE(LEGAL)

ACTION ITEM SUGGESTED MOTION (if applicable):

N/A