



MEMORANDUM

To: Members of the Board of Trustees
From: Luis M Guerra, Director of Finance
Subject: Depository Contract
Date: August 27, 2025

History:

Tornillo ISD is extending the depository contract due to reaching its term limit on August 31, 2025. The Texas Education code under TEC §45.205(b) states that a school district and the district's depository bank may agree to extend a depository contract for three additional two-year terms. The contract may be modified for each two-year extension if both parties mutually agree to the terms. An extension under this subsection is not subject to the requirements of Section 45.206.(c) The contract term and any extension must coincide with the school district's fiscal year. Tornillo ISD will exercise the exemption and remain under the same terms and conditions utilizing the District of Innovation exemption. The designation provides the district will be exempt from certain sections of the TEC that inhibit the goals of the district as outlined in the locally adopted Innovation Plan.

Rationale:

Exemption of TEC §45.205 and TEC §45.206 to allow the District's banking contract to be extended beyond the allowable contract term. In a small district and a small town, the District's choices for its depository bank are limited. Historically, no other financial institutions have ever successfully bid for the District's business as the District's depository. This exemption is to allow the District's existing bank contract to be extended beyond the total 6-year allowable contract term if the district determines contract pricing remains competitive, and there is no operational or financial reason to send the district's banking services out for bid. This exemption lessens the administrative burden related to preparing and reviewing a Request for Proposal (RFP) when there is a limited number of banking institutions available to bid on the District's business. This will further mitigate any impact to employees that would have to change direct deposit instructions each time a new depository occurs and allows the district flexibility with respect to banking relationships. The time saved by the superintendent and the board of trustees by not having to deal with this ministerial duty every two years will allow the superintendent and the board more time for studying and planning for student progress, instructional strategies, and innovative options for the district educational goals.

Budget Impact

N/a

Administrative Recommendation:

Administration recommends to approve the bank depository extension with Westar Bank as presented.

**Board Resolution Extending Depository Contract for Funds
Of Independent School Districts Under Texas Education Code,
Chapter 45, Subchapter G, School District Depositories**

Resolved by the Tornillo Independent School District that:

Board of Trustees

WestStar Bank

located at El Paso

(Name of Depository Bank)

(Name of County)

County, State of Texas, being a bank as defined in section 45.201 of the Texas Education Code, and Tornillo Independent School District (CDN: 071908) agree to extend this depository
(Name of District)

contract pursuant to Texas Education Code Section 45.205, for an additional two-year term from September 1, 2025 , through August 31, 2027. Under Texas Education Code Section 45.205(b), a school district and the district's depository bank may agree to extend a depository contract for three additional two-year terms. The extension constitutes the parties' DOI third two-year term.

(first, second, third)

Furthermore, under Texas Education Code Section 45.205(c), the contract term and any extension must coincide with the school district's fiscal year.

AGREED AND ACCEPTED on behalf of Tornillo Independent School District

Name of District

this the _____ day of _____, _____.

Signature of President of School Board

AGREED AND ACCEPTED on behalf of Depository this the 5th day of August, 2025.

WestStar Bank

Typed Name of Depository

Signature of Authorized Bank Officer

Operations Administrative Manager, VP

Title of Authorized Bank Officer

Acknowledgement

Acknowledged before me in El Paso County, Texas, on August 5, 2025, by

Rosa Butcher, bank officer of the Depository named in the preceding document, for the Depository.

Signature of Notary

Notary Public in and for El Paso
County, Texas

