

EXHIBIT A

STATE OF TEXAS

COUNTY OF BASTROP

**BANK DEPOSITORY AGREEMENT**

The City of Bastrop, Texas (“City”), and the First National Bank of Bastrop (“Bank”), hereby agree as follows:

WHEREAS, the Bank, by its proposal dated the 19<sup>th</sup> day of November 2018, made application to be municipal depository for the City of Bastrop, Texas, pursuant to Texas Local Government Code, Chapter 105; and

WHEREAS, by action of the City Council meeting on December 11, 2018, the City Council, did designate the Bank as the City’s depository for the municipality’s funds;

NOW, THEREFORE:

The City and Bank have agreed to the following terms regarding the City’s Depository Agreement with the said Bank:

1. Term of the Agreement: this Agreement becomes effective beginning on January 1, 2019 and continues in effect until December 31, 2024.
2. The services to be provided by the Bank shall be as set out in the solicitation documents attached hereto as Exhibit “A” and made a part hereof. This Agreement, along with the attached Exhibit and other incorporated documents, shall constitute the entire Agreement between the parties. The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of Texas for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds, City-owned securities, property, and things of value held as depository.



3. The interest rates and other terms of this Agreement shall be as set out in said solicitation document attached hereto and made a part hereof.
4. The parties agree that this Agreement becomes effective as of January 1, 2019.
5. The parties agree that if, in the City's sole discretion, the services provided by the Bank fail to meet the City's reasonable expectations of customer service and/or any conditions set out in said solicitation documents in part or in whole, the City will give the Bank notice of such deficiency and give the Bank 30 days to correct the deficiency. If such deficiency is not corrected within 30 days, the City will give the Bank notice to failure to correct the deficiency, and the City will have the option, at its sole discretion, to terminate this agreement at any time during the remaining term of the agreement, and to solicit new bids for the City depository services.
6. This Agreement is not assignable in whole or in part but is binding on the parties, their successors, and assigns.
7. For the term of this Agreement, the City and Bank designate the following individuals as authorized to represent and act for the City in any and all matters including collateral assignment and substitution, execution of agreements, and transfer of funds. Any change in these representatives will be made in writing.

City's Representative:

Tracy Waldron  
Name

Chief Financial Officer  
Title

Bank's Representative:

Amanda Wicklyffe  
Name

CFO  
Title

8. The Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued



but unpaid interest, at a specified maturity date. The Bank shall also be in default if ruled "bankrupt," insolvent," or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank. In the event of a default, failure, or insolvency of the Bank, the City shall be deemed to have vested full title to all securities pledged under this Agreement. The City is empowered to take possession of and transfer and/or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus expenses may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the City under this Agreement.

9. The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the Bank and is recorded in the official records of the Bank.

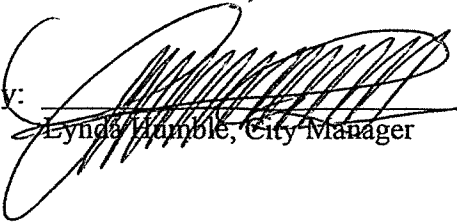
FIRST NATIONAL BANK OF BASTROP

By: Amanda L Wickliffe 12/21/18  
Signature Date  
AMANDA L WICKLIFFE  
Print Name  
CFO  
Title

THE INDEPENDENT BANKERSBANK, NA (Custodian Bank)

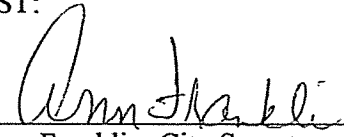
By: Jorja Morgan 12-21-2018  
Signature Date  
Jorja Morgan  
Print Name  
SVP Investments Operations Manager  
Title

CITY OF BASTROP, TEXAS

By:   
Lynda Humble, City Manager

12/19/18  
Date

ATTEST:

By:   
Ann Franklin, City Secretary

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**FIRST NATIONAL BANK OF BASTROP  
RESPONSE TO REQUEST FOR PROPOSAL  
DEPOSITORY AND BANKING SERVICES  
CITY OF BASTROP**

**IV. Financial Institution Qualifications**

**1. Creditworthiness**

a. Provide an audited financial statement for the most recent fiscal period. The financial statements may be submitted in electronic form or provided as a reference link on the internet. The bank will be required to submit an audited statement to the City each year of the contract period, as soon as it is available. Confirm agreement to this requirement.

*First National Bank of Bastrop will submit an audited statement to the City each year of the contract period, as soon as it is available. Most recent report is enclosed.*

b. Provide certification of the bank's Community Reinvestment Act (CRA) rating by its rating agency.

*Our most recent CRA Performance Evaluation was conducted by the OCC, dated August 8, 2016. We received a CRA rating of 'Satisfactory, with the Lending Test rated 'Satisfactory' and the Community Development Test rated 'Outstanding'.*

c. Provide the bank's credit rating on senior and subordinate debt. If debt ratings are not available submit the bank's most recent rating from a bank rating agency.

*First National Bank has a Five Star, Superior rating from Bauer Financial.*

d. The bank will be contractually liable for notifying the City within thirty (30) days of any change in any of these ratings during the contract period. Confirm agreement to this requirement.

*First National Bank will notify the City within thirty (30) days of any change in any of the above stated ratings during the contract period.*

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## 2. Customer Service

- a. What is distinctive about the bank's approach to customer service? How does the bank anticipate satisfying the City's need for superior customer service?

*First National Bank's customer service department is located in the City of Bastrop. All of our staff is local – located in Bastrop County. We are available by phone, email, or in person. Our customer service staff is well trained on our products and services and strives to provide superior customer service.*

- b. How many service individuals does the bank have in the local bank? How will the bank provide the City with relationship support for its services?

*First National Bank has 4 locations and 3 full service branches within the City of Bastrop with dozens of employees in various positions of customer service. The City can call our main number, 512-321-2561 and will be directed to the appropriate person for the service requested. Should problems with service occur, the City's primary contact is Amy Wickliffe, CFO.*

- c. What structure does the bank use to coordinate communication between the City, the local representatives and necessary holding company departments when assisting with problems, new services or implementation of new products?

*The primary contact shown above can put the appropriate people and departments together to resolve problems, and discuss new services including implementation.*

- d. Is there a formal process for escalation of issues that are unresolved? How will service and overall contract performance be monitored?

*The Customer Service call center should be able to handle the majority of problem resolution, customer service, day to day contact, and ongoing maintenance on the City's accounts. Please call 512-321-2561 for all matters. Should any issue remain unresolved, please feel free to contact the person(s) listed in Section V Item 12.*

- e. How does the bank intend to support the new and ongoing automation needs of the City?

*First National Bank continues to deploy products in an effort to provide for the automation needs of customers. If there is a specific automation needed by the City, the bank would be happy to investigate.*

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f. Is the bank offering any transition or retention incentives? Describe fully and quantify completely.

*Since the City of Bastrop is currently banking with First National Bank, there would be no need for a transition incentive. The bank is maintaining the interest rate paid on deposits along with a minimum (floor) as a retention incentive. For all City of Bastrop DDA accounts, First National Bank proposes to pay a monthly adjustable rate determined by the average 13 week Treasury Bill auction rate of the previous month plus 26 basis points or a minimum (floor) rate of .40%, whichever is greater. For Certificates of Deposit, The bank will pay the following rates:*

<i>Term</i>	<i>basis points above average of last month's 13 week Treasury Bill Auction rate</i>
7-89 days	26 with a floor of .40%
90-179 days	42 with a floor of .50%
180-365 days	65 with a floor of .70%

g. What support will the bank be able to offer the City in a disaster situation to maintain stable banking functions? Focus on systems, telecommunications and power, operational facilities, and transportation.

*First National Bank has taken giant strides in Business Continuity and Disaster Recovery in order to maintain stable banking functions in case of a disaster. Detailed plans and infrastructure is in place and tested periodically. We have a generator that will power our entire main building. A backup system is available off site which is designed to recover bank systems within one hour of a disaster.*

h. The City requires the right to use a third party auditor to review the City's accounts, collateral, transactions, and bank records at any reasonable time. Confirm agreement with this condition.

*First National Bank agrees to the use of a third party auditor to review the City's accounts, collateral, transactions, and bank records at any reasonable time.*

i. Under state law the depository will be required to review the City's Investment Policy and certify to that review in accordance with Texas Local Government Code 226. The City's investment policy can be found on the City website. Confirm agreement with this requirement.

*First National Bank agrees to the requirement to review the City's Investment Policy and certifies that review in accordance with Texas Local Government Code 226.*

j. How often do bank officials intend to meet with the City?



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*First National Bank officials will meet with the City at the frequency determined by the City.*

### 3. References

List references from three comparable Texas public entity clients. For each reference, include the length of time under contract, a client contact, title, telephone number and email address.

*Bastrop ISD  
Sandra Callahan, Chief Financial Officer  
906 Farm Street  
Bastrop, TX 78602  
512-321-2292  
[scallahan@bisdtx.org](mailto:scallahan@bisdtx.org)*

*Bastrop County  
Lisa Smith, County Auditor  
804 Pecan Street  
Bastrop, TX 78602  
512-332-7206  
[Lisa.smith@co.bastrop.tx.us](mailto:Lisa.smith@co.bastrop.tx.us)*

*City of Smithville  
Cynthia White, Finance Director  
317 Main Street  
Smithville, TX 78957  
512-237-3282  
[cwhite@ci.smithville.tx.us](mailto:cwhite@ci.smithville.tx.us)*

*All have been under contract for 13 years or more.*

### 4. Depository Agreement and Service Agreements

a. Provide all the agreements required.

*Since First National Bank is the current depository, the City is familiar with all agreements.*





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## 5. Implementation timeline

- a. Provide a proposed, detailed timeline for implementation of the contract. Include each activity required defined by its responsible party and assigned responsibilities. Denote any limitations or potential delay points.

*As First National Bank is the current depository for the City of Bastrop, there will be no implementation timeline.*



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## V. Required Services

### 1. Account Structure

a. Describe the most efficient and cost effective proposed account structure for the City based on information provided.

*The most efficient and cost effective account structure is interest bearing checking accounts. First National Bank is bidding a competitive rate with a minimum (floor). For all City of Bastrop DDA accounts, First National Bank proposes to pay a monthly adjustable rate determined by the average 13 week Treasury Bill auction rate of the previous month plus 26 basis points or a minimum (floor) rate of .40%, whichever is greater. For Certificates of Deposit, The bank will pay the following rates:*

<i>Term</i>	<i>basis points above average of last month's 13 week Treasury Bill Auction rate</i>
7-89 days	26 with a floor of .40%
90-179 days	42 with a floor of .50%
180-365 days	65 with a floor of .70%

b. Describe the bank's ability to provide a ZBA structure and indicate whether the individual accounts would be swept first to a master account or be swept directly from individual accounts.

*First National Bank, if requested, will work with the City of Bastrop in facilitating Sweep arrangements with or without the use of ZBAs. The Bank can sweep first into a master account or sweep directly from individual accounts.*

c. Describe alternatives to a sweep to be used during this low interest rate environment before MMMF sweeps again provide a viable alternative. Is the bank offering an internal interest bearing account for investment? Describe the account structure proposed including the types of accounts.

*First National Bank will offer a competitive interest rate on all City of Bastrop accounts. We do not believe it will be necessary to manage sweeps in order to earn a higher interest rate. The Bank looks at all City of Bastrop accounts as a total relationship, not on an account by account basis. Please see (a) above for rates.*

d. If the bank's interest bearing accounts are indexed, what are the index bases?

*We will index accounts based on a monthly average of the 13 week T-bill auction rate.*



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e. Will sweep activity, when used, be reported on a daily detail basis (each debit and credit) or summarized on a monthly basis in reporting?

*The sweep information is available daily; however, reporting is monthly.*

f. Can interest from sweeps be applied at the individual account level?

*This is not available at this time. FNB can submit an enhancement request if desired.*

g. Provide the prospectus for any sweep fund alternatives being offered. A AAA-rated, SEC registered fund is preferred for the sweep.

*First National Bank does not currently offer an automatic sweep into funds outside of the bank. We will attempt to set this up if desired.*

h. Is the sweep processed as an End of Day (EOD) transaction? If not, describe how funds are collateralized overnight and at what interest rate are they earning?

*Internal sweeps are processed as an End of Day transaction. The funds re in deposit accounts and are therefore FDIC insured or collateralized. The funds will be earning the rate bid for demand deposits as stated in (a) above.*

i. The City may be required or may desire to open additional accounts or close/change accounts during the contract period. Any new accounts and services fees shall be charged at the same contracted amount. Confirm agreement to this condition.

*First National Bank confirms agreement that any new accounts and services fees shall be charged at the same contracted amount.*

j. Will the bank assess a direct, hard dollar FDIC charge on the account analysis? At what rate is it currently charged?

*First National Bank will not charge for FDIC insurance if account analysis is chosen.*

k. Is the bank a member of the Federal Reserve? If not what bank acts as its correspondent?

*First National Bank is a member of the Federal Reserve. Our primary correspondent bank is The Independent Bankers Bank.*

l. Describe your analysis carry-over policy. (The city prefers a semi-annual carry-over.)

*First National Bank can carry-over account analysis on a semi-annual basis. Account analysis is not recommended since there is no service charges bid for account activity.*



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m. Does the bank have any program to use excess earnings credits for additional or alternative services outside of banking services such as printing? Describe fully.

*First National Bank currently does not use excess earnings credits for additional or alternative services. Account analysis is not recommended.*

## 2. Cash Management and Treasury Automated Information

a. Fully describe the bank's on-line service capabilities and systems. List system's online capabilities by function (i.e., balance reporting, wires, positive pay, stop pay, etc.) Describe any differentiation on transaction and summary account types.

*First National Bank can provide automated cash management functionality through our Online Commercial Services. These services include:*

- *Statements/History*
- *Payroll Direct Deposit*
- *Depository Transfers*
- *NACH File Import Capability*
- *Electronic Tax Payments*
- *Wire Transfer Origination*
- *Internet Bill Payment*

*There is no differentiation on transaction and summary account types.*

b. Describe fully the ability to search on historical transactions and reports as well as the ability to retrieve and download historical images. Can the City create customized reports?

*The First National Bank's Online Banking platform allows for downloading transaction information including historical information for two years. The system itself does not have reporting capabilities; however, information can be downloaded into spreadsheets. Images are available on each e-statement.*

*The "View History" feature allows the City to search by different criteria for up to two years of information retained in online banking.*

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c. Address the down load capabilities to the City's systems. What information can be formatted and downloaded. Denote any formatting limitations. The City prefers a .csv file format.

*Within our Online Commercial Services is the capability to download statements and images. The required information can also be downloaded in a .csv file format from the transaction detail.*

d. Detail the availability of prior day and intra-day detail and summary reporting. Is intra-day information real-time? Detail the level of information available on both prior and intra-day reporting.

*Intra-day information reporting is in a real-time setting. In the intra-day (real-time) reporting environment, available information includes real-time activity (debits/credits) posted to the accounts as received by First National Bank of Bastrop. Prior day information would include all transactions posted to the account(s) and associated images of transactions.*

e. Define the retention/archiving features available.

*Data is retained/archived for a period of 24 months in our Online Commercial Services.*

f. Describe the security protocol for online services. How is authentication and authorization provided? How and by whom is the administration of the security module established and maintained?

*Users are assigned access at initial set up and are customizable. Authorized users, established by the City, can maintain the sub-user access. Sub-users' levels of security can be customized. Levels of security also include the use of tokens for monetary transactions outside of the bank (including ACH originations and wire transfers).*

*In addition, there are several messages that are generated regarding creation of Sub-users, , ACH batches or wires created.*

g. What are the hours of available technical support? How is support provided?

*Technical support is provided through our internal customer service department. Our customer service department is available Monday – Friday, 8:00am – 4:00pm. Any ACH support needs would be directed to our ACH Coordinator for Cash Management (ACH/wire origination).*



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h. Submit samples of major screens and reports available or provide a website and sign-on information for an on-line review of all the City functions, if available. If not available, submit screen prints.

*As we are currently the City's preferred depository institution, our Online Commercial Services will be familiar to the City.*

## Optical Imaging

a. Describe the bank's optical imaging process and list the items captured (checks, statements, deposit slips, deposited items, etc.)

*Images of items are captured at the time of transaction processing in our institution. These images (checks, deposit slips, deposited items) are available for review the following day. Statements are captured during the monthly statement rendering process.*

b. What images are available on-line? When? How long are images maintained on line?

*Images available on-line include checks, deposit slips, and statements. These items are available the day following capture. Images are maintained for 24 months on-line.*

c. Is there a fee for creation, use, and retention of images? Describe.

*There is no fee for creation, use, and retention of images.*

d. Are all images downloadable?

*Images through our Internet Commercial Services are not currently downloadable, but can be printed. Images are also part of the e-statements.*

## 3. Standard Deposit Services

a. What is the bank's daily branch cut-off time to assure same day ledger credit and, pending availability, collected credit at the branch?

*First National Bank of Bastrop's daily branch cut-off time to assure same day ledger credit and, pending availability, collected credit at the branch is 6:00PM CST.*

b. Must deposits of any kind be made to a vault? Explain fully.

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*Deposits are typically made physically at one of our many locations in the City. Alternatively, remote deposit capture can be utilized for non currency/coin items.*

**c. Does the bank provide for location tracking on deposits?**

*First National Bank of Bastrop does provide for location tracking on deposits.*

**d. Does the bank require or prefer strapping and rolling? What are the cost options/benefits/requirements for separating cash and checks?**

*The Bank would prefer that currency be strapped. Coins would need to be loose. The Bank will provide currency straps. There are no additional costs for currency not strapped.*

**e. Is there any limit to the number of deposits in one bag? Are the advices by deposit?**

*There are no limits to the number of deposits in one bag. The advices are by deposit.*

**f. When are credit/debit advices sent to the City? What delivery options are available for advices? (Preference will be given to electronic delivery.) Are images of originals created and available on each advice?**

*This is at the discretion of the City. Information is available throughout the day on-line and detailed on monthly bank statements. Images are captured by our system when the deposit transaction is run. These images, however, are not available until end of day processing. Advices are available immediately after the transaction has been processed.*



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**g. Does the bank have any program to actively assist the City in collection through ACH?**

*ACH collection of NSF checks is not available.*

**h. Are all deposits designated by location and tracked as such through the reporting?**

*All deposits are designated by location and tracked through the reporting.*

**i. How does the bank handle discrepancies in deposit amounts? What dollar limits are used for decisioning? What settlement process is followed?**

*The typical dollar limit used in deposit discrepancy decisioning is \$1. If the discrepancy is less than \$1, the Bank will charge off the difference (if the difference is non-cash). If the discrepancy is less than \$1 and is in cash or if the discrepancy is greater than \$1 in either cash or checks, the Bank will typically adjust the deposit and notify the City that a correction has been made.*

*Alternatively, if the City would rather no deposit corrections be made at time of processing, arrangements could be made to notify the City of the discrepancy and allow for handling instructions prior to processing.*

**j. How and when does notification of return items take place? Describe process.**

*The normal process is to mail an Image Replacement Document of the item with a charge back notice. If the City would prefer a different method of notification FNB can accommodate.*

**k. What type of deposit bags are used or required? Are these available from the bank?**

*Standard deposit bags will suffice. First National Bank of Bastrop is happy to provide deposit bags for daily use at no cost to the City.*

**l. How much advance notice is required on coin and currency orders? Can orders be placed on-line? What is the turn-around time on orders?**

*No advance notice is required on coin/currency orders typically. First National Bank does not currently offer online capability for orders. Because there is no advance notice required, turn-around time on orders is immediate.*

**m. Describe any program available for immediate credit on coin/currency such as a smart safe.**

*First National Bank does not currently have available any program for immediate credit on coin/currency other than regular deposit prior to the cut off time of 6:00 pm.*



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n. Include a list of all bank's deposit locations within the City's limits (excluding ATM deposits).

*First National Bank of Bastrop's deposit locations within City limits include:*

- *Headquarters at 489 Hwy 71 West*
- *Downtown Branch at 1021 Main Street*
- *Downtown Drive-Thru at 605 Spring Street*
- *Hwy 71 Branch at 501 Hwy 71*

o. Price and report the total fees which would apply to the following sample deposit outlined below i.e., *the total cost of the deposit handling would be: \$ 0.00*. (This does not reflect a normal City deposit and is used for cost comparison purposes only.)

## Remote Deposit Services

a. Describe the bank's capabilities for remote capture. Describe equipment needs, capabilities, and limitations.

*Remote Deposit Capture is available. Check scanner(s) would be supplied by First National Bank, with the number and model of scanners depending on volumes. The City would provide a secure PC with Internet access for each scanner. Balanced deposit transaction(s) consisting of checks and deposit slips would be captured and submitted through FNB's Internet based Remote Deposit Capture platform. There is also a platform capable of creating an output file which may be used to post receivables.*

b. What is the final deposit cut-off time with remote?

*The final deposit cut-off time with remote deposit capture is 5:00PM CST.*

c. Are there any limitations on batch size or number of transmissions per day?

*There are no limitations on batch size or number of transmissions per day.*

d. What options does the City have in scanners for use with the process in various volume locations? Is this equipment available through the contracts: purchase or lease? List the equipment required.

*Various scanners are compatible with First National Bank's remote deposit capture product. We recommend using a scanner provided by the bank.*

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## **4. Standard Disbursing Services**

- a. When is daily check clearing information available online through intra-day reporting? How long are transaction details maintained online?**

*Daily check clearing information is available online through intra-day reporting as transactions are recorded at First National Bank of Bastrop. We operate in a real-time information reporting setting. Transaction details are maintained for a period of 24 months online.*

- b. Does the bank image all checks? When are images available?**

*First National Bank of Bastrop does image all checks. These images are available the day following posting.*

- c. The City requires that the bank shall cash free of charge all payroll checks for City employees regardless of the individual's account status with the bank. Confirm agreement with this condition.**

*First National Bank of Bastrop agrees to the cashing of City employees' payroll checks with no fee to the employee regardless of the individual's account status with our bank.*

- d. Describe any payment consolidation services available. What data transfer options are available for payment consolidation systems?**

*First National Bank does not currently offer payment consolidation services.*

## **5. Account Reconciliation and Positive Pay**

- a. Describe data transmission file and timing requirements for check registers. Are transmissions charged by file and by detail item?**

*The system is capable of receiving an issued check file automatically or manually online through Online Commercial Services. There is no charge for transmissions either by file or detail item.*

- b. Is positive pay input for manual checks available online?**

*Yes, positive pay input for manual checks is available online through our Online Commercial Services.*

- c. Is exception reporting and handling managed totally online?**

*Yes, exception reporting and handling is managed totally online. In the event that the online service is not available and/or the City cannot access the system to review the daily exception*

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*report, the Bank may fax a list of items presented for payment. Payment instructions from the City would be required in writing.*

**d. At what specific time is positive pay exception information reported to the City? At what specific time are decisions required on exceptions?**

*Positive pay exception information is reported to the City by 7:30AM CST. Decisions would be required on exceptions by 10:00AM CST.*

**e. Is e-mail notification available for exceptions or must the City take an action to check for exceptions? Describe.**

*Yes, email notification is available for exceptions. An email alert is sent notifying the City that the report is ready to review.*

**f. Describe your payee verification process.**

*Issued items are entered by the City which can be done by various methods. The system compares the posted (cleared) items with the issued items and any discrepancies are on the reconciliation report that will need to be reviewed and worked daily each morning. The pay/no pay decision will need to be made and the reasons for no pay indicated. This report is sent to First National Bank who will respond to any no pay decisions.*

**g. Does the bank review exceptions errors for possible repair before creating a City exception item? Describe process.**

*The Bank does not review exceptions errors for possible repair before a City exception item list is created. The Online check reconciliation system assists customers in identifying fraudulent transactions by comparing an "issued" check/payment file with a "processed" check/payment file and the system facilitates notification to the Bank and the customer of any exceptions.*

**h. Are all checks, including those received over-the-counter by the tellers, verified against the positive pay file before processing? How often is teller information updated? If not verified, what are the process, liability, and security on OTC transactions?**

*Only processed items are compared to the positive pay file. Teller information is typically updated at 5:30PM CST. First National Bank currently does not have integration with the positive pay platform and the teller platform. Stop payments which are entered into the system, and duplicate items are detected OTC and will not be processed.*

**i. Are positive pay services provided without charge when provided in tandem with reconciliation services? Describe alternatives and pricing structures available.**



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*Positive Pay and account reconciliation services are considered one in the same product.*

- j. What are the available default dispositions for payment or return? (pay, hold, do not pay)**

*The service will allow the City to instruct the Bank to pay or return an exception item and indicate the reason for the return.*

- k. Describe your partial reconciliation services. Specify data transmission requirements.**

*Positive Pay and account reconciliation services are considered one in the same product.*

## **6. Funds Transfer and Wire Services**

- a. Can all wire and transfer transactions be initiated online? Monitored online?**

*Through our Online Commercial Services product all wire and transfer transactions can be initiated online. These transactions can also be monitored for the effect on the associated account online as well.*

- b. Can repetitive templates be created and stored? Is there a limit to the number of templates? Is there a fee for template storage?**

*Repetitive templates can be both created and stored through our Online Commercial Services product. There is no limit to the number of templates. There is no fee for template storage.*

- c. What level of authorization/release do repetitive or non-repetitive wires require? Is authorization for repetitive and non-repetitive the same?**

*Our Cash Management tool in Online Commercial Services allows the City to set up SubUsers (users) and assign privileges and limitations for those SubUsers. The SubUser limit may not exceed the limit set for the Company. Dual Control is recommended segregating creation and approval of ACH batches and wires.*

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d. Is future dating of wires and transfers available? How far in advance?

*Future dating of transfers is available. Future dating of wires is not currently available.*

e. Describe the processing on book debit/credits and transfers.

*The processing of on book debit/credits and transfers occurs in the following order*

- *Credits*
- *Transfers*
- *Debits*

f. Are advices provided electronically or shown only as details on reports?

*Advices are shown as details on reports.*

g. State the bank's policy on the use of ledger balances for outgoing wires in anticipation of scheduled activity or incoming wires.

*First National Bank of Bastrop's procedure is to allow for outgoing wires based on the current collected balance of the account being debited.*

## **7. ACH Services**

a. Is online ACH service available for individual transactions as well as by transmission for batched files? Describe.

*The City may initiate individual ACH transactions online. The City may submit ACH transactions using importing data into First National Bank's ACH software in NACHA format, or input, create, save, ACH files in First National Bank's software.*

b. What is the policy and process for handling of ACH returned items?

*The bank is notified each morning from the Federal Reserve of any returned (dishonored) originated ACH items. The Originator is debited or credited, depending on the type of return, and the details of the return are sent to the Originator.*

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**c. Can ACH items and files be future dated? What is the maximum warehouse time?**

*Recurring ACH batches are automatically set up based on the recurrence; however, recurring batches are automatically approved and sent to the Bank without requiring approval by an authorized User.*

**d. What specific filters and blocks are available?**

*First National Bank has the capability of blocking ACH transactions based on provided company ID. Primary responsibility for monitoring ACH transactions in the City's accounts lies with the City. The Positive Pay system also has the functionality to place ACH blocks.*

*Additionally, each Originator is limited to only the standard entry class codes needed for the batches and a dollar limit is set for the batches. Any batch over the limit will not be approved in Online Commercial Services and will cause an error.*

**e. What policy and process is used for file and item reversals and deletions?**

*ACH rules are followed based on the timeframes for creating reversals. The reversing file will be created by the Originator who will also comply with ACH rules regarding contacting the customer/employee on item reversals.*

**f. Are ACH addenda shown in their entirety online and on detail reporting, reports and statements? Does access to this information require access to additional specific EDI modules?**

*ACH EDI information is not available in its entirety on the bank statement or online. The City can be set up to receive encrypted emails directly from the Federal Reserve. These emails are delivered the same day the items post to the accounts and are available typically around 5:00AM. A secure login will need to be created with the Federal Reserve.*

**g. Will the City incur a transmission and/or file processing fees for online individual ACH transactions?**

*The City will not incur a transmission and/or file processing fee for online individual ACH transactions. However, batched ACH transactions are encouraged.*

**h. What protective measures has the bank taken to prevent or recover from electronic fraud?**

*The online banking system for ACH Originators requires additional authentication in the form of a token which produces one-time Secure Access Code (SAC). Also, any changes made to ACH receivers or item or file amounts generates a message to the Originator. Originators are*

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*regularly given information on Corporate Account Takeover, and the use of dollar limits and limits on employee access are stressed. First National Bank has Corporate Account Takeover procedures in place should the Originator experience problems with unauthorized access. Dual Control on creation and approval of ACH batches and wires is encouraged. Any ACH batches or wires over a set amount will require entry of a Secure Access Code for approval.*

## 8. Safekeeping Services

**a. Does the bank currently provide safekeeping services?**

*First National Bank of Bastrop currently provides safekeeping services through our correspondent, The Independent Bankers Bank.*

**b. Can settlement information be input online?**

*Settlement information cannot be input online currently.*

**c. Is online information available for securities in safekeeping?**

*Security transactions are not currently available on-line.*

**d. Describe bank safekeeping arrangements proposed. Identify any correspondent bank used for custody. If a correspondent is to be used, define the process and confirm same-day crediting/debiting on all transactions.**

*First National Bank of Bastrop currently provides safekeeping services through our correspondent, The Independent Bankers Bank. Same day crediting/debiting confirmed. The process is primarily through TIB's online platform and email.*

**e. Are services bundled under safekeeping by cusip or Par amount or are charges made for individual clearing, safekeeping and income distribution?**

*First National Bank will not pass on charges of TIB.*

**f. Are safekeeping fees hard charged or charged through the account analysis?**

*First National Bank will not pass on charges of TIB.*

**g. Are notifications sent on all transactions? When and how?**

*First National Bank will forward notification of transactions by email when received.*



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**h. What time are delivery instructions required? Is there a fee charged for late instructions?**

*The deadline for settlement instructions is typically prior to 9:00AM CST. There are no charges incurred for late instructions.*

## **9. Collateral Requirements**

**a. State the bank's acceptance of the collateral conditions. Note clearly any exceptions.**

*First National Bank of Bastrop accepts the collateral conditions as noted in Section V Item 9 of the Banking Services RFP 2018 from the City of Bastrop.*

**b. What institution will the bank use for the Custodian?**

*The custodian will be The Independent Bankers Bank.*

**c. Are there collateral fees? What are they? How are they charged?**

*First National Bank does not propose any collateral fees.*

## **10. Account Analysis**

**a. Provide a sample account analysis.**

*Sample enclosed. Account Analysis is not recommended.*

**b. When is the analysis available each month? Is it online and/or paper? Is it available on the CD-Rom monthly?**

*The analysis is available the day following the monthly statement date. The account analysis is not currently available online nor is it available on the CD-ROM.*

**c. Are paper statements also sent to the City if provided online?**

*Paper statements will be sent to the City unless the City opts out of paper statements. Paper statements will be sent to the City at the end of each calendar month, unless otherwise requested.*

## **11. Monthly Statements**

**a. Provide a sample monthly statement.**

*The City is familiar with our monthly statements since we are the current depository.*





# **FIRST NATIONAL BANK**

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**b. When and how are monthly statements available each month: online and/or paper form?  
How long is it online?**

*Statements are generally available online by 7:30AM CST on the next business day after processing on the last day of each month. Paper statements would be available within two business days. Online statements are stored for 24 months.*

**c. Are the statements on the monthly imaged CD-Rom?**

*Statements with images are available in online banking and can be downloaded.*

**d. Are paper statements also sent to the City if available online? Is there a fee for paper statements?**

*Paper statements could also be sent to the City if available online. There is no fee for paper statements.*

## **12. Account Executive**

**a. Provide the name, title and location of the proposed account executives. What level of support is provided by the local representative?**

*Name: Amy Wickliffe*

*Title: CFO*

*Location: Headquarters, 489 Hwy 71 West*

*Level of Support: Executive account management*

*Name: Kris Slay*

*Title: Banking Officer, Main Street Branch*

*Location: Downtown, 1021 Main Street*

*Level of Support: Daily account management*

**b. How are technical or operations problems, questions, or changes to be handled?**

*The Customer Service call center should be able to handle the majority of technical or operations problems. Should any issue remain unresolved, please call the contact person(s) listed above.*



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## **13. Overdrafts**

- a. Are all accounts aggregated for overdraft calculation purposes or do accounts stand alone?**

*All accounts are aggregated for overdraft calculation purposes.*

- b. State the rate basis and any fees for intra-day and inter-day overdrafts.**

*Aggregate inter-day overdrafts are charged a rate of Wall Street Journal Prime adjusted daily. There is no charge for intra-day overdrafts.*

## **14. Stop Payments**

- a. What are the time periods available for stop pays? What are the time periods for extended stop pay periods? Is there a fee for renewals?**

*Stop Payments are effective for six months. Extended stop payment periods are effective up to five years. There are no fees for renewals.*

- b. Can stop pays be initiated and renewed online? Is there any paper follow-up required?**

*Stop payment orders can be initiated for checks only online. Renewals would require submission of another stop pay entry online or by contacting the Bank by phone.*

- c. Can positive pay files be used for stop pays?**

*Stop Pays should be initiated directly through the Bank. If an exception item needs to be returned as a stop payment, the Bank should be contacted directly.*

- d. What is the deadline for same day action on stop pays?**

*The deadline for same day action on stop pays is within one hour of opening for an item posting the prior day. If the item is presenting current day, the deadline is 4:00PM CST.*

- e. What information on current and expiring stop pays is available online?**

*Information on current and expiring stop pays is currently not available online.*



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f. Will the online system verify if the check was cleared before accepting the stop pay?

*The stop payment is processed once it is received by our institution. At that point it is verified if the check was cleared before processing the stop payment.*

**17. Company Banking**

a. Does the bank have a banking services program available for City employees?

*First National Bank does not currently have a banking services program available for City employees.*

b. List services provided under this program with applicable discounts or fees to the City or employee.

*Not currently provided.*

c. Is availability of the program based on use of direct deposit or City employment?

*Service not currently provided.*



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## VI. Optional Services

### a. Stored Value Cards

- a. Does the bank currently provide stored value cards or a comparable service? How long has this process been available?

*First National Bank offers stored value cards through our primary correspondent bank, The Independent Bankers Bank. This has been available more than 5 years.*

- b. How many customers use the service? Provide three public references.

*There are many individual users of our stored value cards. Currently we do not have any public users.*

- c. Which program (authorization mark) does your program use? (Visa, MasterCard, etc.)

*Visa*

- d. Detail the charges which would be incurred by the holder of the card.

*Card holders have an initial fee of \$3.00. Each time the card is reloaded, a fee of .95 is incurred. A fee of \$1.25 will be charged for each ATM transaction.*

### b. Smart Safes

- a. Does the bank have any arrangement with the courier services to provide smart safe? Describe.

*First National Bank does not currently offer this service.*

### c. Check Printing

- a. Does the bank have any program for check printing, i.e. utilizing a file from the City for generation and mailing of City checks? Describe.

*First National Bank does not offer this service.*



ATTACHMENT A  
CITY OF BASTROP, TX  
2018

Please price any fee that is required by your institution to provide the service. These prices should reflect the total costs to be charged.

The only historical data on service volumes is shown on the second sheet (Data) but do not conform to standard pricing models. This is the only information available. This reflects general statement information and not account analysis data.

Service	Unit Basis	Avg. Mo Vol.	Proposed Bank Fee	Bank Explanatory Notes, if applicable
<b>Account Services</b>				
Master Account Maintenance Fee	Per account	1	None	
Subsidiary Account Maintenance	Per account	2	None	
ZBA Accounts Maintenance Fee Sweep	Per account		None	
ZBA Master Account	Per account		None	
ZBA Subsidiary Accounts	Per account		None	
ZBA Account Transfers	Per item		None	
Deposit Processing - Teller OTC	Per deposit		None	
Debits Posted	Per item	481	None	
Credits Posted	Per item		None	
Branch Credits Posted	Per item	85	None	
Additional DDA Statements Rendered	Per item		None	
Check Photocopy Retrieval	Per item		None	
<b>Automated Services - Balance &amp; Detail</b>				
Account Maintenance Fee with 45 day history	Per account	3	None	
Prior Day Balance Reporting	Per account/month	3	None	
Prior day Detail	Per item		None	
Intra-day Reporting	Per account/overall		None	
Intra-day Detail	Per item		None	
<b>Transfer Item</b>				
System Account Transfer Fee	Per item	12	None	
System Client Maintenance	Per relationship		None	
Detail item fee -Transactions Loaded	Per item		None	
Check Services Maintenance	Per item		None	
Email Exception Notification	Per month		None	
System Special Report Fee/Statements	Per Item		None	
System Recon Reports/Statements	Per item		None	
<b>Deposits</b>				
Items Deposited	Per deposit		None	
Items deposited	Per item		None	
On-us Items	Per item	34	None	
Transit Clearing	Per item	82	None	
Encoding Charge	Per item		None	
Deposit Immediate Verification Branch	Per item	85	None	
Deposit Post Verification Branch	Per item		None	
Deposit Corrections	Per item		None	
Night Drop	Per Item		None	
Coin Deposit	Per deposit		None	
Rolled Coin Furnished	Per item		None	
Branch Deposit Adjustment			None	
Currency Deposit	Per deposit		None	
Currency Deposit	Per item		None	
Strapped currency furnished	Per item		None	
Return Check Notice Internet	Per item		None	
Return Item - Per Item	Per Item	5	None	
Return Item Redeposit			None	
Return Fax Copy			None	
Remote Deposit Processing				
Maintenance	Per scanner location		None	
Maintenance	Per relationship		None	

Service	Unit Basis	Avg. Mo Vol.	Proposed Bank Fee	Bank Explanatory Notes, if applicable
Transmissions	Per item		None	
Input detail	Per item		None	
On-us clearing	Per item		None	
Off-us clearing	Per item		None	
<b>ACH Processing</b>				
Monthly Maintenance Internet Fee	Per month	2	None	
Origination of file - Two Day	Per file	4	None	
Debit Received	Per item		None	
Credit Received	Per item		None	
Debits Originated	Per item	140	None	
Credits Originated	Per item		None	
ACH Received Item	Per item	25	None	
ACH Addendum Record In/Out	Per item		None	
ACH Return Items	Per item		None	
Deletions or Reversal Charges	Per item		None	
Transmission	Per file	3	None	
Fraud Filter - Stop - Base Fee	Per month		None	
Fraud Filter - Review - Base Fee	Per month		None	
Fraud Filter - Review - Per Item	Per item		None	
Debit Block Maintenance			None	
ADA Maintenance	Per item		None	
ADA Authorized ID	Per item		None	
Notification of Change	Per item		None	
<b>Positive Pay</b>				
Monthly Maintenance (Base) Fee*	Per month		None	
Positive Pay No Recon			None	
Positive Pay Posted Checks	Per item		None	
Positive Pay Rejects	Per item		None	
Per item charge with Partial Recon	Per item		None	
Per item charge without Recon	Per item		None	
Exception File			None	
Check Exception Return	Per item		None	
Issue Input without Recon	Per item		None	
Transmission	Per item		None	
Input File Transmittal Report	Per item		None	
<b>Reconciliation</b>				
Monthly Maintenance (Base) Fee*	Per Month	1	None	
Partial Recon Monthly Maintenance			None	
Partial Recon with positive pay	Per item		None	
Transmissions	Per Transmission		None	
Transmission Detail	Per item		None	
<b>Stop Pays</b>				
Stop Pay - Maintenance	Per month	1	None	
Stop Pays - Renewal	Per item		None	
Stop Pay - Automated	Per item		None	
<b>Wire Transfers</b>				
Monthly Maintenance*	Per month		None	
Incoming - domestic	Per item		None	
Outgoing - repetitive - automated	Per item		None	
Outgoing - non-repetitive - automated	Per item		None	
Wire Book Transfer Internet Initiated	Per item		None	
Online Wire Notification	Per item		None	
Book Debit	Per item		None	
Book Credit	Per item		None	
<b>Optical Imaging</b>				

Service	Unit Basis	Avg. Mo Vol.	Proposed Bank Fee	Bank Explanatory Notes, if applicable
CD Image - Detail	Per item		None	
CD	First CD		None	
CD ROM Maintenance	Per item		None	
Image Capture per item	Per item		None	
<b>Safekeeping (assume \$20million in 10 cusips)</b>				
Monthly Maintenance Custody	Per month		None	
Clearing Fees			None	
FRB	Per item		None	
DTC	Per item		None	
Securities Received/Del - DVP	Per item		None	
Safekeeping Fees	Per item		None	
FRB	Per item		None	
DTC	Per item		None	
Custody per \$1 million BE	Per \$10M		None	
Custody Fixed Income	Per item		None	
Income Collection to DDA			None	
Income Collection - Coupons	Per item		None	
Income Collection - Maturities	Per item		None	
<b>Pay Cards</b>	<b>Assuming 20 cards</b>			
Monthly Maintenance	Per item		3.95	Per month per card
<b>Service to User</b>				
ATM Cash Withdrawal	Per item		1.25	
Cash advance OTC	Per item		N/A	
ATM Balance inquiry	Per item		None	
ATM Replacement	per item		None	
NSF			N/A	
Stop pay			N/A	
Garnishments			None	
PIN POS			N/A	
Signature POS			N/A	