



CITY COUNCIL CONSENT ITEM CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Approval of a resolution approving an agreement for depository and banking services with Frost Bank to serve as the City's primary banking services depository and authorizing the City Manager to execute all necessary documents.

DATE: September 19, 2024

DEPARTMENT: Finance

PRESENTED BY: Consent Item – Summer Fleming, CGFO, Director of Finance

INTRODUCTION/BACKGROUND:

The City of Fair Oaks Ranch has contracted with Frost Bank as the City's primary depository since 1999, and the current contract is set to expire on September 30, 2024. In August 2024, pursuant to Section 105.012 (c) of the Texas Local Government Code, notice of requests for proposal was published in the *Boerne Star*.

Pursuant to Section 105.011(b)(2) of the Texas Local Government Code, only those depositories and institutions doing business within the boundaries of Fair Oaks Ranch are deemed qualified depositories, unless the City has a written policy expressly permitting the consideration of applications from a bank or other institution that is not doing business within the municipality.

The City currently does not have a policy permitting the consideration of a depository not doing business within the municipality. Staff recommends the selection of Frost Bank to provide depository and banking services to the City as the only depository doing business within the boundaries of the City. Additionally, it is in the best interest of the City to continue using a bank within the City because Finance Department staff deposits at the bank daily.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

Compliance with Local Government Code Section 105 regarding the depository of municipal funds and selection of a depository.

LONGTERM FINANCIAL & BUDGETARY IMPACT:

Deposit and treasury management service charges typically range from \$750-\$1,000 per month, but have historically been offset by an earnings credit received based on the City's average daily balance.

LEGAL ANALYSIS:

Approved as to form.

RECOMMENDATION/PROPOSED MOTION:

Consent Item – I move to approve a resolution approving an agreement for depository and banking services with Frost Bank to serve as the City's primary depository.