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<b>Meeting Date:</b>	<u>December 18, 2025</u>	<b>Agenda Type:</b>	<u>Consent Items for Action</u>
<b>From:</b>	<u>Jessica Coleman</u> Finance and Risk Manager	<b>Reviewed by:</b>	<u>John Warren</u> Director of Finance
<b>Submitted by:</b>	<u>Jessica Williams</u> Chief Financial Officer	<b>Approved by:</b>	<u>Ryan Kelso</u> Chief Executive Officer

**RECOMMENDED ACTION:** Authorize the CEO or His Designee to Execute a Bank Depository Agreement, Third Party Custodian Agreement, and a Security Agreement with Frost Bank for Bank Depository Services

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## **BACKGROUND**

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NBU has utilized Frost Bank for treasury services since 2001. These services include standard commercial checking, internet banking, ACH processing, and wire transfers. In January 2021, the NBU Board approved a depository institution contract with Frost Bank, effective February 1, 2021, for a period of one year and four one-year extensions (for a potential total contract term of five years) and subject to a mutual agreement of extension. NBU's current contract with Frost Bank will expire on January 31, 2026.

In June 2025, NBU issued a Request for Proposals for Banking Depository Services (the "Bank RFP"). NBU received two proposals in response to the Bank RFP that were evaluated based on (i) the bank's stability, ratings, and references; (ii) the cost of the required banking services; (iii) the background, experience, qualifications, and location of the bank; (iv) the implementation plan and timeline; and (v) the information reporting and retention.

In August 2025, NBU staff met to discuss and review the proposals for the banking depository services agreement and the security agreement (together the "Agreements") and recommended that the Agreements be awarded to Frost Bank as its proposal was determined to be the most advantageous to NBU considering the relative importance of price and the other evaluation factors included in the Bank RFP.

The Agreements with Frost Bank are effective February 1, 2026, for a period of one year and four one-year extensions (for a potential total contract term of five years) with the same terms and conditions as the initial term. This recommendation is based on Frost Bank's pricing proposal, its financial strength, its product service offerings, its capabilities, and its proven track record in providing quality and responsive financial services to NBU.

## **FINANCIAL IMPACT**

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The costs for the depository banking services shall not exceed \$600,000.00 during the term of the Agreements with Frost Bank or any extension of such term.

## **LINK TO STRATEGIC PLAN**

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### **Financial Excellence**

## **EXHIBITS**

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1. Bank Depository Agreement
2. Security Agreement