


Memorandum

TO: *Mike Ball*
Deputy Superintendent for Business and Operations

FROM: *Rhonda Cumbie* 
Director of Business Services

SUBJECT: *Bank Depository Bid*

DATE: *May 10, 2007*

The bid tabulation for bank services during school years 2007-08 and 2008-09 has been prepared and is attached for your consideration.

Bid requests were mailed to all banks in College Station Independent School District. First National Bank, Citibank, N.A., Wells Fargo Bank, and Prosperity Bank, all of which met acceptable qualifying standards, returned completed bid forms and documents.

The review was based on the following factors:

- 1) Cost of Services*
- 2) Financial strength of institution*
- 3) Experience in providing depository services to similar accounts*
- 4) Interest rates offered on accounts*
- 5) Location(s) and hours of operation of bank offices*
- 6) Electronic bank services offered*
- 7) Ability to pledge third party securities*

Although each bank was competitive, the enclosed analysis reveals that Citibank and First National Bank of Bryan best met the needs of CSISD.

- 1) Cost of Services—When compared along with earnings on the same balance the net earnings for Citibank was \$105,500.72 and First National Bank was \$101,948.43. Citibank required a lower compensating balance and had lower fees overall.*
- 2) Both institutions are financially strong. Citibank is a more global bank and is rated by Moody's where as First National is more local and not rated by Moody's.*
- 3) Both Citibank and First National Bank included a list of public entities for references. Both have adequate experience with public entities.*

- 4) *Although the earnings credit is higher for First National Bank the effective interest rate taking into consideration the account fees is higher for Citibank. Also Citibank gives an additional 35 basis point above the earnings credit rate on the net balance available for other services. First National Bank can sweep the funds nightly into a higher earnings arena to compensate for the 15 basis points difference in the interest.*
- 5) *Locations and hours of operation are adequate for both banks.*
- 6) *Both banks offer adequate electronic services.*
- 7) *Both banks have the ability to pledge third party securities.*

In comparing the two banks on all the above factors, I recommend that the depository contract for the 2007-2009 biennium be awarded to Citibank, N.A.

References:

*First National Bank of Bryan:
City of Bryan
Bryan Texas Utilities
Wellborn Special Utility District
Wickson Creek Special Utility District
Brazos Transit Authority
Brazos Valley Community Action Agency*

*Citibank:
Midland Central Appraisal District
St Joseph Regional Hospital
Bryan ISD
City of College Station
Brazos County*