

City of Keller, Texas



Primary Depository Services - RFA# 22-004 Analysis

	Frost Bank (Incumbent)	Frost Bank BAFO	First Financial Bank, N.A.	Wells Fargo Bank, N.A.	Wells Fargo Bank, N.A. BAFO
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Evaluation Criteria

- 1 Ability to perform and provide the required and requested services;
- 2 References provided and quality of services;
- 3 Cost of services;
- 4 Transition cost, retention and transition offers and incentives;
- 5 Interest paid on interest bearing accounts and deposits;
- 6 Earnings credit rate on compensating balances;
- 7 Previous service relationship with the City;
- 8 Convenience of location(s);
- 9 Completeness of application and contract to points outlined in the RFA; and
- 10 Financial strength and stability of the institution.

DETAIL RESPONSE ANALYSIS OF DEPOSITORY SERVICES

Expected Depository Services

Online Banking Portal					
1	Online Reporting Services	Yes		Yes	Yes
2	Wire Transfers	Yes		Yes	Yes
3	ACH	Yes		Yes	Yes
4	Stop Payments - Term of Initial Stop Automatic Renewal Offered (Y/N)	Manual 6 mo, Online 12 Mo, No Auto Renewal		180 Days via Online Banking, No Auto Renewal	6 Months Auto Renewal - Yes in 12 mo increments
5	Historical Information Retention (90 days, 180, 1 Year, Other)	18 mo		Standard is 2 years	Choice of up to 120 Calendar days
6	Online Banking Administration	Self Administration		S/A for add/del users and access to view. Add'l services req a signed form	Self Administration

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7	Mobile App Functionality	No Mobile App		Full Functionality	Full Functionality	
8	Alert/Messaging System	At No Cost		At No Cost	\$0.50 per message per device	
9	Electronic Data Interchange (EDI)	Yes		Yes	Yes	
10	Paid Check Image Options	Via Statements and online; No PDF Available to download		Via all listed options	Via online image inquiry and downloadable pdf file	
	Collections					
1	Returned Check Processing	Yes		Yes	Yes	
2	Consumer Bill Pay Processing / E-Lockbox	No		Yes using Remit Plus	Yes	
3	Cash Vault	Yes - Fort Worth		Yes	Yes - Dallas	
4	Lockbox Processing	Yes		Yes; Incorporates Remit Plus	Yes	
	Disbursements					
1	Controlled Disbursement Account	Yes		No, with possible alternative solution	Yes	
2	Zero Balance Account	Yes		Yes	Yes	
3	Employee Check Cashing	Yes		Yes	Yes	
4	Pay Cards for Payroll	Yes		Yes, at NC to employee or City	No, with possible alternative solution	
	Fraud Protection Services					
1	Positive Pay and Account Reconciliation	Yes		Yes	Yes	
2	Automatic Stale Dating of Checks	No		Yes, through Positive Pay Module	Yes	
3	Post No Checks	Yes		No; Use Positive Pay	Yes	
4	ACH Positive Pay / ACH Fraud Filter	Yes		Yes	Yes	
	Miscellaneous					
1	Account Statements	Yes		Yes	Yes	
2	Account Analysis	Yes		Yes	Yes	

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3	Payment For Services and Quarterly Account Settlement	Yes		Yes - Hybrid account will settle monthly	Yes	
4	Balance Assessment	Passed in full to City at 0.15% annualized		Passed in full to City at 0.03% annualized	Passed in full to City at 0.15% annualized	
5	Reserve Requirement	No		Yes - 10%	No	
6	Earnings Credit Rate / Formula / Rate Floor	0.15% Tiered / Bank Manged - Annual Review 0.15% < \$2.5M 0.20% > \$2.5M / No Floor		0.50% / Indexed to prior month 91 Day Avg T-bill, Floor 0.50% Cap 1.00%	0.30%, Bank Managed No Floor	0.35%, Bank Managed No Floor
7	Interest Rate Option / Formula / Rate Floor	Tiered / Bank Managed / MMSA 0.01% < \$250K 0.02% > \$250K / No Floor		0.0485%, Prior month 91 Day Avg T-bill, No Floor Hybrid Interest Bearing Acct	0.16%, Bank Managed, Standard Interest Bearing DDA, No Floor	
Safekeeping of City Owned Securities						
1	Provide Safekeeping Services to the City	Yes		Marked "No", but comment indicates they do offer it through Frost.	Yes	
Services Under Consideration						
1	Remote Deposit Capture	Yes		Yes	Yes w/2 free scanners	
2	Smart Safe	Yes - but no Coins / Charge \$250 per month		Yes w/Loomis	Yes	

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Incentives/Enhancements Offered						
1	Tamperproof Deposit Bags at No Cost	Yes - using Frost vendor		Yes; 6 Locking Bank Bags	\$5,000 allowance for Supplies	\$7,500 allowance for Supplies
2	Endorsement Stamps & Other Supplies at No Cost	Yes for endorsement stamps; No for Deposit Slips		Yes for Deposit Slips at NC. No Endorsement Stamps		
3	Remote Deposit Scanners - Offered at No Cost	No		No		Part of the \$7,500 credit
4	Courier or Armored Car Services - Passed in Full; billed through AA	Passed in full through AA		No	Passed in full through AA	
5	Incentive Fee Waiver - Zero Pricing / Net Fee Waiver / No Waiver Offered	Net fees for first 3 months	Net fees for first 6 months	No Fee Waiver	Net fees up to \$35,000	Net fees up to \$40,000
6	Cash Transition/Retention Offer	None		None	None	
Other Stipulations						
1	Right to Cancel Under Federal or State Law Rulings	Agreed		Agreed	Conditional	
2	Right to Open and Maintain Other Accounts	Agreed		Agreed	Agreed	
3	Certificates of Deposit	Agreed		Agreed	Conditional	
4	Right To Terminate	Agreed		Agreed	Conditional	
5	Terms Fixed for Initial Term and Extensions	Agreed		Agreed	Initial Term, then negotiable	Agreed
6	Semi-Annual Meeting	Agreed		Agreed	Agreed	
7	Formal Agreement Required	Agreed		Agreed	Negotiate mutually acceptable agreements	
8	Net Overdraft Defined - Collective Balances	No - Individual Account		No - Individual Account	No - Individual Account	
9	Overdraft Notification	Agreed		Agreed	Bank Discretion	
10	Research	Agreed		Agreed	Agreed	
11	Bank Errors	Agreed		Agreed	Agreed	
12	Audit Confirmations Provided to City Auditors at No Cost	Agreed		Agreed	Agreed	

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13	One Relationship Officer	Jeff Salavarría, Senior VP, 817.420.5108		Mark Jones, President, 817.410.2928	Oscar Hernandez-Lugo, GRM, 469.498.6590	
Collateral Requirements						
1	Collateral Amount	Yes		Yes	Yes	
2	Collateral Custody - Custodian	Yes - BNYM		Yes - Frost Bank	Yes - BNYM	
3	Letters of Credit or Pledged Securities	Pledged Securities		Pledged Securities	Pledged Securities	
If Pledging Securities:						
4	Ledger Balance - Same Day v Prior Day Balances	Yes		Yes	No - Prior Day ending collected balance	
5	Collateral Substitution	Prior Authorization		Prior Authorization	No Prior Consent	
6	Collateral Reductions	Prior Authorization		Prior Authorization	No Prior Consent	
7	Collateral Report	Yes		Yes	Yes	
8	Online Reporting	Yes		No	Yes	
9	Board Resolution	Yes		Yes	Yes	
Complete Application Checklist						
1	Account Analysis - pro-forma	Provided		Provided	Provided	
2	Sample Collateral Agreement	Provided		Provided	Provided	
3	Sample Safekeeping Agreement	Provided		Provided	Provided	
4	Sample Safekeeping Report	Provided		Provided	Provided	
5	Securities Safekeeping Fees	Provided		Provided	Provided	
6	References	Provided		Provided	Provided	
7	Sample FIRREA Compliant Document	Provided		Provided	Provided	
8	Completed and Signed Disclosures	Provided		Provided	Provided	
9	Completed and Signed Application Submitted By Form	Provided		PDF not signed	Provided	
10	Exceptions To RFA Requirements	Provided		None	Provided	

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FEE ANALYSIS OF DEPOSITORY SERVICES					
Projected Bank Balance	1,293,914	1,293,914	1,293,914	1,293,914	1,293,914
Proposed Fees - Banking Services					
Current Services Fee Estimate	(3,976)	(3,976)	(4,681)	(5,478)	(5,478)
MEMO Balance Assessment Fee	165	165	32	165	165
Number of months of NET fee waiver	3	6	Not offered		12
Maximum waiver amount allowed	N/A	N/A		35,000	40,000
Actual months available for waiver after factoring in cap	3	6		6.79	7.84
Amount of NET Fees Waived per month	3,814	3,814		5,154	5,100
Amount of NET Fees Waived	11,443	22,886		35,000	40,000
Fees for Three Year Term after waivers	(131,697)	(120,254)	(168,526)	(162,203)	(157,203)
Fees for Five Year Term after waivers	(227,123)	(215,680)	(280,876)	(293,671)	(288,671)
Earnings Credit					
Earnings Credit Rate	0.15%	0.15%	0.50%	0.30%	0.35%
Rate Basis	Tiered / Bank Manged - Annual Review 0.15% < \$2.5M 0.20% > \$2.5M / No Floor	Tiered / Bank Manged - Annual Review 0.15% < \$2.5M 0.20% > \$2.5M / No Floor	0.50% / Indexed to prior month 91 Day Avg T- bill, Floor 0.50% Cap 1.00%	0.30%, Bank Managed No Floor	0.35%, Bank Managed No Floor
Reserve Requirement	0.00%	0.00%	0.10%	0.00%	0.00%
Balance Required to offset all fees	31,808,880	31,808,880	11,235,035	21,911,413	18,781,211
Target DDA Compensating Balance	1,293,914	1,293,914	1,293,914	1,293,914	1,293,914
Monthly Earnings Credit less Reserve	162	162	539	323	377
Earnings Credit for Three Year Term	5,823	5,823	19,389	11,645	13,586
Earnings Credit for Five Year Term	9,704	9,704	32,316	19,409	22,643
Net Fees for Three Year Term	(125,874)	(114,431)	(149,136)	(150,557)	(143,617)
Net Fees for Five Year Term	(217,419)	(205,976)	(248,560)	(274,262)	(266,028)

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Interest Income Estimate					
Investment Option	Money Market Savings Account	Money Market Savings Account	Hybrid IB Checking	Standard Interest Bearing DDA	Standard Interest Bearing DDA
Rate Basis	Tiered / Bank Managed / MMSA 0.01% < \$250K 0.02% > \$250K / No Floor	Tiered / Bank Managed / MMSA 0.01% < \$250K 0.02% > \$250K / No Floor	0.0485%, Prior month 91 Day Avg T-bill, No Floor Hybrid Interest Bearing Acct	0.16%, Bank Managed, Standard Interest Bearing DDA, No Floor	0.00%
Interest Rate	0.02%	0.02%	0.0485%	0.16%	0.16%
Monthly Investment fees if applicable			5		
Investment Balance	0	0	0	0	0
Monthly Investment Income	0	0	0	0	0
Three Year Investment Income	0	0	0	0	0
Five Year Investment Income	0	0	0	0	0
Three Year Income/(Cost)	(125,874)	(114,431)	(149,136)	(150,557)	(143,617)
Five Year Income/(Cost)	(217,419)	(205,976)	(248,560)	(274,262)	(266,028)
Contract Incentives					
Tamperproof Deposit Bags at No Cost	Provided at NC using Frost Vendor	Provided at NC using Frost Vendor	6 Locking Bags	5,000	7,500
Endorsement Stamps & Other Supplies at No Cost	Provided at NC	Provided at NC	Deposit Slips Only		
Remote Deposit Scanners	None	None	None	None	None
Cash Transition/Retention Offer	None	None	None	None	None
Three Year Income/(Cost) with Contract Incentives	(125,874)	(114,431)	(149,136)	(145,557)	(136,117)
Five Year Income/(Cost) with Contract Incentives	(217,419)	(205,976)	(248,560)	(269,262)	(258,528)