

Cris Villarreal

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Thursday, April 21, 2011 4:39 PM
To: ramon.garcia@co.hidalgo.tx.us; 'Norma G. Garcia'; 'Raul Silguero'; armando.barrera@taxoffice.co.hidalgo.tx.us; sheriff.trevino@hidalgo.org; 'valde guerra'; 'Godfrey Garza'; nielda.cavazos@co.hidalgo.tx.us
Cc: 'Yolanda Chapa'; 'Alfredo'; 'Sergio Cruz'; paul.villarreal@taxoffice.co.hidalgo.tx.us; 'Anacleto Martinez'; monica.badillo@co.hidalgo.tx.us; 'Cris Villarreal'; 'Darlene Betancourt'; 'Evangelina Garcia'; 'Oscar Garza'; lora.briones@hccd1.org
Subject: FW: Budgetary Impact-FNB Depository Agreement with Hidalgo County & Drainage District # 1-Last 2 years term of Agreement
Attachments: FW: FNB Depository (2.39 MB)
Importance: High

At our Hon. Norma G. Garcia, Hidalgo County Treasurer and Investment Committee Member, we are scheduling a meeting for next Wednesday, April 27, 2011 at 2:00 p.m. at the Purchasing Department Conference Room to discuss the latest response by First National Bank in connection with re-negotiating terms and conditions for the last two (2) years of the current four (4) year agreement. It appears that Hidalgo County needs to address budgetary impacts as a result of these negotiations. Please make arrangements to attend and if sending a designee, make sure that individual(s) is thoroughly familiar with the project. CC action will be required by no later than, May 3, 2011.

Yours truly,
Marty Salazar

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Thursday, April 21, 2011 3:17 PM
To: 'Alfredo'
Cc: 'Norma G. Garcia'
Subject: RE:
Importance: High

Mr. Fred:

You mention both County Clerk & Sheriff's Office. Is the District Clerk not included? Can you confirm? I will be most happy to coordinate.

Thanks,
Marty

From: Alfredo [mailto:alfredo.zamarripa@treasurer.co.hidalgo.tx.us]
Sent: Thursday, April 21, 2011 1:58 PM
To: 'Martha Salazar'
Cc: 'Norma G. Garcia'
Subject:

Marty,

With the Commissioners' Court meeting cancelled for next week, Norma feels that we should have a meeting week with the Tax Office and Sheriff's Office as soon as possible to discuss the charges waived by First National Bank for 2010. We believe the Budget Office would need to be included as well to discuss the changes and the budgetary impact this will have on the County. Could you please facilitate this meeting?

Thank you,
Alfredo Zamarripa
Chief Deputy II
Office of the HIDALGO COUNTY TREASURER

Cris Villarreal

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Thursday, April 14, 2011 11:44 AM
To: saul.ortega@webfwb.com
Cc: 'Cris Villarreal '; ramon.garcia@co.hidalgo.tx.us; 'Norma Garcia'; 'raul silguero'; paguilar@ramongarcia-law.com; 'Yolanda Chapa'
Subject: FW: FNB Depository
Attachments: FNB MEMO.PDF; C-09-065-04-17-FIRST NATIONAL BANK-HIDALGO COUNTY (BANK DEPOSITORY).pdf

Importance: High

Mr. Ortega:

We are in receipt of your response letter received on April 13, 2011. We are respectfully requesting FNBs favorable reconsideration of the waiver of fees as stipulated in the current agreement for the next two (2) years of this agreement. Given the very serious budgetary constraints, it is most important that Hidalgo County rely on FNB (through our many years of mutually beneficial business relationship) to consider our urgent request to grant the fees waived in the current agreement into the next two (2) years of the agreement. Please respond by no later than 5:00 pm on Monday, April 18, 2011.

Yours truly,
Martha L. "Marty" Salazar

From: Cris Villarreal [mailto:cris.villarreal@co.hidalgo.tx.us]
Sent: Wednesday, April 13, 2011 5:09 PM
To: 'Martha Salazar'
Subject: FNB Depository
Importance: High

Ms. Marty,

This is the response we received from FNB regarding negotiations for the Bank Depository contract. I have also attached a copy of the contract in case you need to see it.

Thank you,

Cris Ayala

Gricelda (Cris) Ayala, Buyer III
Hidalgo County Purchasing Department
Ph: 956-318-2626
Fax: 956-292-7612
email: cris.villarreal@co.hidalgo.tx.us



FIRST NATIONAL BANK

Member FDIC

April 12, 2011

To: Norma Garcia, Hidalgo County Treasurer
Martha L. Salazar, CPPB, Hidalgo County Purchasing Agent
Godfrey Garza, Jr. Hidalgo County Drainage District Manager

From: Saul Ortega, Chief Financial Officer, First National Bank

Ref: Bank Depository Contract –Request for Negotiations

I want to thank the County of Hidalgo for having chosen First National Bank as its depository bank for over two decades. I am confident that the services we have provided are to the satisfaction of the County of Hidalgo.

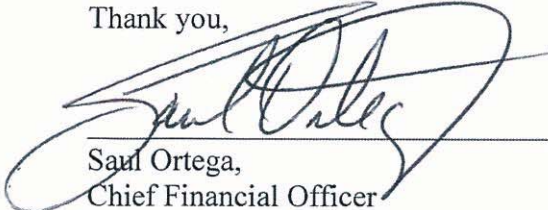
In response to your letter dated April 7, 2011, First National Bank will continue to honor its original agreement with both Hidalgo County and Drainage District No 1. The agreement to waive service charges, provide free checks and deposit slips was solely for the first two years of a four year depository contract. As stated in Addendum II of the contract, the waiver will expire on May 9, 2011.

As you understand the bank has waived the service charges for the past two years and we continued to offer excellent service. First National Bank has absorbed the cost and will rely on the next two years to offset the expense from the previous two years. The bank will continue to offer the staff and the service as agreed under the existing contract for the next two years.

First National Bank agreed to accept a maximum of \$10,000,000 in certificates of deposits from the County of Hidalgo at a rate equal to 100% of the “ask rate” of like maturity U.S. Treasury Bill’s as quoted on the Wall Street Journal on the day of the investment¹. The certificate of deposit rates are considered “current” thus the County and Drainage District will earn a rate that is currently market rate.

We appreciate the business and look forward to a long standing relationship with the County of Hidalgo. If you have any questions please call my office at (956)380-8562.

Thank you,



Saul Ortega,
Chief Financial Officer

Cc: Martha Salazar
Cc: Godfrey Garza, Jr.

¹ Other terms and conditions apply

Cris Villarreal

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Monday, April 18, 2011 1:28 PM
To: 'Norma Garcia'; ramon.garcia@co.hidalgo.tx.us; 'raul silguero'; 'Godfrey Garza'; 'Valde Guerra'; 'Joel Quintanilla'; 'The Honorable Hector "Tito" Palacios, Commissioner, Precinct No. 2'; 'The Honorable Jose M. Flores, Commissioner, Hidalgo County Precinct No. 3'; 'Joseph Palacios'
Cc: paguilar@ramongarcia-law.com; 'Yolanda Chapa'; eduardo.gonzalez@co.hidalgo.tx.us; 'Raul Lozano'; 'Mona'; 'Humberto Garza'; marcos.lopez@co.hidalgo.tx.us; gloria.beltran@co.hidalgo.tx.us; 'Sergio Cruz'; lora.briones@hcdd1.org; 'Monica Badillo'; 'Cris Villarreal'; 'Evangelina Garcia'; 'Darlene Betancourt'
Subject: FW: FNB Bank Depository
Attachments: FNB Response.pdf; FW: FNB Depository (5.02 MB)
Importance: High

To All:

Attached for your review and information is the best and file response received from FNB in connection with HC and HCDD#1 request to reconsider the waiving of fees as has been the practice for the last two years of the depository agreement effective May 10, 2011 to May 9, 2013. I believe there will be a budgetary impact (fiscal year 2011 May through December) for all departments detailed in a spreadsheet provided by the County Treasurer's Office also included in the attachments above. An agenda item to take action on the agreement will be placed on next week's CC agenda of April 28, 2011.

Yours truly,
Marty Salazar

From: Cris Villarreal [mailto:cris.villarreal@co.hidalgo.tx.us]
Sent: Monday, April 18, 2011 12:05 PM
To: 'Martha Salazar'
Subject: FNB Bank Depository
Importance: High

Ms. Marty,

Please see attached response by FNB regarding Bank Depository Contract.

Thank you,

Cris Ayala

Gricelda (Cris) Ayala, Buyer III
Hidalgo County Purchasing Department
Ph: 956-318-2626
Fax: 956-292-7612
email: cris.villarreal@co.hidalgo.tx.us



FIRST NATIONAL BANK

Member FDIC

April 12, 2011

To: Norma Garcia, Hidalgo County Treasurer
Martha L. Salazar, CPPB, Hidalgo County Purchasing Agent
Godfrey Garza, Jr. Hidalgo County Drainage District Manager

From: Saul Ortega, Chief Financial Officer, First National Bank

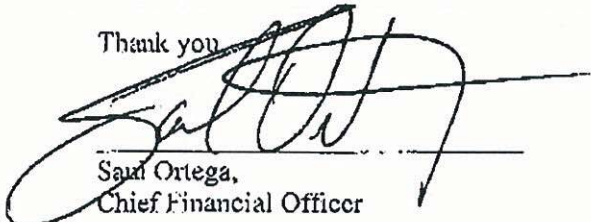
Ref: Bank Depository Contract -Request for Negotiations

In response to your email dated April 14, 2011, First National Bank will continue to honor its original agreement with both Hidalgo County and Drainage District No 1. The agreement to waive service charges, provide free checks and deposit slips was solely for the first two years of a four year depository contract. As stated in Addendum II of the contract, the waiver will expire on May 9, 2011.

As we explained in our previous letter, we have reviewed our depository agreement and continue to stand by our decision. First National Bank negotiated concession at the beginning of the depository agreement and the bank has waived the service charges for the past two years. First National Bank has absorbed the cost and will rely on the next two years to offset the expense from the previous two years. The bank will continue to offer the staff and the service as agreed under the existing contract for the next two years.

We appreciate the business and look forward to a long standing relationship with the County of Hidalgo. If you have any questions please call my office at (956)380-8562.

Thank you



Saul Ortega,
Chief Financial Officer

Cc: Martha Salazar

Cc: Godfrey Garza, Jr.

¹ Other terms and conditions apply

Cris Villarreal

From: Martha Salazar [martha.salazar@co.hidalgo.tx.us]
Sent: Thursday, April 14, 2011 12:05 PM
To: ramon.garcia@co.hidalgo.tx.us; 'Joel Quintanilla'; 'The Honorable Hector "Tito" Palacios, Commissioner, Precinct No. 2'; 'The Honorable Jose M. Flores, Commissioner, Hidalgo County Precinct No. 3'; 'Joseph Palacios'; valde.guerra@co.hidalgo.tx.us; 'Norma Garcia'; 'raul silguero'; 'Godfrey Garza'
Cc: paguilar@ramongarcia-law.com; 'Yolanda Chapa'; eduardo.gonzalez@co.hidalgo.tx.us; 'Raul Lozano'; yoli.cisneros@co.hidalgo.tx.us; 'Mona'; marcos.lopez@co.hidalgo.tx.us; 'Humberto Garza'; 'Monica Badillo'; 'Cris Villarreal'; 'Evangalina Garcia'; 'Darlene Betancourt'; 'Sergio Cruz'; Lora Briones
Subject: FW: FNB Depository
Attachments: FNB MEMO.PDF; C-09-065-04-17-FIRST NATIONAL BANK-HIDALGO COUNTY (BANK DEPOSITORY).pdf; FNB Negotiation Memo (234 KB); FW: FNB Depository (2.39 MB)

Importance: High

To All Members of Commissioners Court:

Please review all attachments herein so as to familiarize yourself with the current status of Hidalgo County's and HC Drainage District #1 Bank Depository Agreements. Included in the attachments are:

1. Letter from Purchasing Department to FNB as to negotiations for the final two (2) years of the agreements as directed by the Investment Committee;
 2. Copy of the Depository Agreement;
 3. Fee analysis provided by Hon. Norma G. Garcia, Hidalgo County Treasurer and Investment Committee Member;
 4. First National Bank's response to final two year terms and conditions received, Wednesday, April 13, 2011;
 5. Reconsideration letter by Purchasing to FNB in connection with continued waiver of fees with deadline for response.
- If you require any further information or assistance with this matter, please do not hesitate to contact us.

Yours truly,
Marty Salazar

From: Cris Villarreal [mailto:cris.villarreal@co.hidalgo.tx.us]
Sent: Wednesday, April 13, 2011 5:09 PM
To: 'Martha Salazar'
Subject: FNB Depository
Importance: High

Ms. Marty,

This is the response we received from FNB regarding negotiations for the Bank Depository contract. I have also attached a copy of the contract in case you need to see it.

Thank you,

Cris Ayala

Gricelda (Cris) Ayala, Buyer III
Hidalgo County Purchasing Department
Ph: 956-318-2626
Fax: 956-292-7612
email: cris.villarreal@co.hidalgo.tx.us



Hidalgo County Purchasing Department
2812 S. Business Highway 281
New Administration Building
Edinburg, Texas 78539
(956) 318-2626/ Fax: (956) 318-2629

MEMORANDUM
(Immediate Review and Response Required)

To: Saul Ortega, Chief Financial Officer
First National Bank

From: Martha L. Salazar, CPPB
Hidalgo County Purchasing Agent

Mr. Godfrey Garza, Jr. District Manager
Hidalgo County Drainage District No. 1

C/O: Cris Ayala, Buyer III

C/O Lora Briones, Financial Officer

Date: April 7, 2011

Ref: C-09-065-04-17-Hidalgo County Bank Depository Contract; C-09-065A-04-17-Drainage District- Bank Depository Contract-Request for Negotiations

Pursuant to the Local Government Codes, Section 116.021, **Depository and SubDepository Contracts** - (b) and 117.021, **Applications**-(b), Hidalgo County and Drainage District No. 1 would like to commence negotiations with First National Bank for the final two (2) years as provided in the original contract.

First of all, Hidalgo County expresses its' profound gratitude to First National Bank's waiver of monthly services charges. To that end Hidalgo County would propose the continued waiver of the monthly services charges with inclusion in final two (2) year contract document.

Secondly, Hidalgo County respectfully requests that First National Bank submit new interest rates and financial terms of the contract that will take effect during the final two (2) years of the four (4) year term. Hidalgo County proposes that said interest rates and financial terms be no less that what is in the current agreement. As always, your response must be signed by an individual with authority to bind FND to the response proposed.

We ask that these items be submitted to Hidalgo County's Investment Committee via member Hon. Norma G. Garcia, Hidalgo County Treasurer via hard copy (original) or e-mail at norma.garcia@treasurer.co.hidalgo.tx.us with a cc to martha.salazar@co.hidalgo.tx.us by no later than 5:00 p.m., Wednesday, April 13, 2011.

We ask that you acknowledge receipt with commitment to submit by deadline by signing below and return via e-mail to: cris.villarreal@co.hidalgo.tx.us or fax to: 956-318-2629 or 956-292-7612;

Signed: _____

Title: _____

Printed Name: _____

Date: _____

The Hidalgo County Drainage District No. 1 Board of Director's may, at their option, utilize the "Bank Depository" provider(s) selected by Hidalgo County for Hidalgo County Drainage District No. 1. Should the Board of Director's of Hidalgo County Drainage District No. 1 decide the firm(s) selected as the Provider(s) are the same as the ones selected by Hidalgo County, the Provider(s) shall offer Hidalgo County Drainage District No. 1 the same terms and provisions as it offers Hidalgo County.