

ORDER OF THE COMMISSIONERS COURT OF HIDALGO COUNTY EXTENDING DEPOSITORY CONTRACT

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MAR 09 2017
ARTURO GUAJARDO, JR. COUNTY CLERK
HIDALGO COUNTY, TEXAS
BY: *Wac* DEPUTY

STATE OF TEXAS §

COUNTY OF HIDALGO §

WHEREAS, the Commissioners Court negotiated an extension of the term of Hidalgo County's Depository Contract in accordance with applicable statutes; and

WHEREAS, the County's Depository Contract with Lone Star National Bank rather than expiring on May 9, 2017 shall be extended for two (2) years with an expiration date of May 9, 2019.

NOW THEREFORE, on motion duly made, seconded and adopted BE IT ORDERED by the Commissioners Court that Lone Star National Bank, Depository, located in Hidalgo County, State of Texas, being a bank as that term is defined in Section 116.001 (1) of the Texas Local Government Code (the "Bank") and Hidalgo County, Texas agree to extend for an additional two-year term from May 10, 2017 to May 9, 2019, the existing terms and conditions for banking services and rates except for such extension time period all accounts of Hidalgo County will earn on the average collected balances kept at the Bank an interest rate of Seventy-Five percent (75%) of the U.S. Treasury 13 week bill rate which rate will be determined by taking the average of the "investment rate" from the weekly auctions for the immediately preceding month using www.treasurydirect.gov to obtain the values. Such interest rate will have a cap of 1.50% (rates will need to increase by more than 150 bps over the next two years for the cap to be triggered). All other terms and conditions of the existing Depository Contract in effect from May 9, 2015 through May 9, 2017 remain unchanged and in effect.

PASSED, APPROVED, ADOPTED, SIGNED AND ORDERED this 7th day of March, 2017.

Ramon Garcia
Ramon Garcia, County Judge

ATTEST:
Arturo Guajardo, Jr.
Arturo Guajardo, Jr., County Clerk

COMMISSIONERS COURT
HIDALGO COUNTY, TEXAS
APPROVED BY
COMMISSIONERS' COURT
ON: 3/7/17 *grb*

AGREED AND ACCEPTED on behalf of Bank this the _____ day of _____, 2017.

Lone Star National Bank

By: _____
Signature of authorized Bank Officer

Its: _____
Title of Authorized Bank Officer

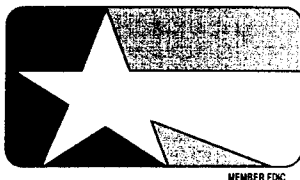
ACKNOWLEDGMENT

Acknowledged before me in Hidalgo County, Texas, on _____
_____, 2017, by _____ bank officer of the Depository named in the
preceding document, for the Depository.

(SEAL)

Notary

Notary Public in and for Hidalgo County,
Texas



Lone Star National Bank™

January 19, 2017

Ms. Norma Garcia
County Treasurer
County of Hidalgo
2810 South Business Highway 281
Edinburg, Texas 78539-6243

Re: Depository Contract Extension Proposal

Dear Ms. Garcia:

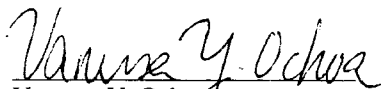
Lone Star National Bank accepts your request for an extension of the current depository contract. The original contract set to expire on May 9, 2017 will be extended to a new expiration date of May 9, 2019.

Under the new proposal all accounts will earn on its average collected balances kept at the bank an interest rate tied to an average of 75% of the U.S. Treasury 13 week bill rate which will be determined by taking the average of the "investment rate" from the weekly auctions from the previous month. The bank uses www.treasurydirect.gov to obtain the values. The rate will have a cap of 1.50% (rates will need to increase by more than 150 bps over the next two years for the cap to be triggered). The County of Hidalgo accounts will continue on account analysis. Due to the accounts earning interest, no earnings credit will be earned for analysis purposes. All the other terms of the current contract will be in effect through the extension period.

We believe the terms offered by the bank will be very beneficial to the County given the rate forecast by market participants for rates to increase over the next two years.

Should you have further inquiries regarding the abovementioned proposal, please do not hesitate to contact Vanessa Ochoa at 956-984-2913 or via e-mail at ochoav@lonestarnationalbank.com for further discussion.

Sincerely


Vanessa Y. Ochoa
AVP & Fixed Income Analyst II

Agreed and accepted on behalf of County of Hidalgo this 7th day of March, 2017.


Ramon Garcia
County Judge



AI-58656

Purchasing Department 21. H. 1.

CC - REGULAR

Meeting Date: 03/07/2017

Submitted For: Marty Salazar, PURCHASING DEPT.

Submitted By: Tanya Delira, PURCHASING DEPT.

Department: PURCHASING DEPT.

Information

CAPTION

Pursuant to Tx. Local Gov't. Code-116.021(b) and the current contract #C-13-016-05-07 (under Article 1.2) for "Bank Depository Services" between HC and LSNB, requesting approval to exercise the second & final two (2) year extension along with the attached "Order" for Hidalgo County under the new negotiated interest rates, financial terms, and conditions with renewal/extension effective May 9, 2017 through May 09, 2019.

BACKGROUND

Fiscal Impact

FISCAL YEAR:

ACCT. #:

FUNDS AVAILABLE Y/N?:

MATCHING FUNDS Y/N?:

BUDGETARY IMPACT:

Fiscal impact would be detailed in the agreement interest rates and other terms/conditions.

Attachments

Extension Letter

Hidalgo County Extension Proposal

1295

Treasurers e-mail

LGC 116.021

County Contract

Order Contract

bank approval

Form Review

Inbox

Purchasing Department

Budget & Management

Final Approval

Form Started By: Tanya Delira

Final Approval Date: 03/03/2017

Reviewed By

Marty Salazar

Veronica Ortiz

Monica Badillo

Date

03/02/2017 05:22 PM

03/03/2017 08:41 AM

03/03/2017 05:45 PM

Started On: 02/22/2017 08:46 AM