

DRAINAGE DISTRICT NO. 3
Jefferson County, Texas

MINUTES OF MEETING

APRIL 21, 2021

7:30 A.M.

A meeting was held April 21, 2021, at 7:30 A.M. in the District's office located at 24460 Hwy 124, Hamshire, Texas. All Commissioners present. Also present was Charlie Hallmark, Jefferson County Treasurer.

1. Meeting was called to order at 7:30 A.M. by Chairman McCall. He announced that this meeting was being recorded for the purpose of transcribing the minutes.

2. Minutes of previous meeting were read and approved.

3. Office Update -

A. Commissioners reviewed the Districts checks written March 30, 2021 to April 15, 2021.

B. Commissioners reviewed the monthly financial report presented by Shanna Verret which showed a balance of \$1,632,960.90 down \$39,016.32 this month.

C. There was no insurance summary this month.

D. After review of Depository Contract Specs, a motion was made by Commissioner Rose and seconded by Commissioner Boykin to go out for bids for a depositor.

E. Commissioners reviewed TCDRS contribution rates.

F. There was no executive session.

4. Project/Equipment Update –

A. Equipment Update

1. Superintendent Folsom reported that the mini-x is on Taylor's project and then will move to Copeland property.

2. Superintendent Folsom reported that the 200 trackhoe is on Joe Taylor's property.

B. Project Update –

1. Superintendent Folsom reported that a trailer park will be put in on Rollins Rd and Hwy 73. The engineer is requesting the District to clean old ditch to allow for drainage.

5. New Business –

A. Meeting Update – Chairman McCall reported that he is still attending RC & D meetings.

B. No Board Comments

C. Next regular meeting date was set for Wednesday, May 19, 2021 at 7:30 a.m.

With no further business, meeting adjourned at 8:15 a.m.

LeRoy McCall, Jr. Chairman

Frank R. Rose, Secretary

Reginald C. Boykin, Sr., Commissioner

DRAINAGE DISTRICT NO. 3

Jefferson County, Texas

Maintained Operations Fund

Expenditures

MARCH 30, 2021 TO APRIL 15, 2021

DATE	CHECK No.	PAYEE	AMOUNT	DESCRIPTION
3/30/2021	11871	PAYROLL ACCOUNT	\$ 11,746.50	SALARIES & AUTO ALLOWANCE
3/30/2021	EFT	IRS - FICA TAXES	\$ 1,454.54	FICA TAXES
3/30/2021	EFT	TEXAS COUNTY & DISTRICT RETIREMENT	\$ 1,177.39	EMPLOYER CONTRIBUTION
3/30/2021	11872	UNITED HEALTH	\$ 1,104.72	RETIREE RX CONTRIBUTION
3/30/2021	11873	UNITED HEALTH	\$ 1,103.32	RETIREE MEDICAL CONTRIBUTION
3/30/2021	11874	FRED FOLSOM	\$ 750.00	REIMBURSEMENT FOR MEDICAL DEDUCTIBLE
3/30/2021	11875	SHANNA VERRET	\$ 750.00	REIMBURSEMENT FOR MEDICAL DEDUCTIBLE
3/30/2021	11876	CENTERPOINT ENTERGY	\$ 292.21	NATURAL GAS
3/30/2021	11877	WINDSTREAM	\$ 343.04	TELEPHONE
3/30/2021	11878	VERIZON	\$ 133.94	TELEPHONE
3/30/2021	11879	ENTERGY	\$ 359.60	ELECTRICITY
3/30/2021	11880	COASTAL WELDING	\$ 190.00	EQUIPMENT RENTAL
3/30/2021	11881	WINNIE WELDING WORKS	\$ 360.00	EQUIPMENT RENTAL
		TOTAL	\$ 19,765.26	
4/15/2021	11882	PAYROLL ACCOUNT	\$ 9,296.50	SALARIES
4/15/2021	11883	SOUTHEAST TEXAS GOVT EMP BENEFIT POOL	\$ 15,745.14	EMPLOYER CONTRIBUTIONS
4/15/2021	11884	COUNTY TREASURER	\$ 29.71	LIFE INSURANCE
4/15/2021	11885	OFFICE DEPOT	\$ 715.11	COPYING SUPPLIES/OFFICE SUPPLIES
4/15/2021	11886	SAM'S CLUB	\$ 90.64	MISCELLANEOUS SUPPLIES
4/15/2021	11887	FARM & HOME SUPPLY	\$ 89.99	HARDWARE
4/15/2021	11888	O'REILLY	\$ 43.23	HARDWARE
4/15/2021	11889	CENTERPOINT ENERGY	\$ 121.02	NATURAL GAS
4/15/2021	11890	WEST JEFFERSON MWD	\$ 27.67	WATER
4/15/2021	11891	HAMSHIRE WASTE	\$ 68.00	WASTE DISPOSAL
4/15/2021	11892	NOVA HEALTHCARE CENTERS	\$ 167.56	PROFESSIONAL SERVICES
4/15/2021	11893	JUX TECHNOLOGIES	\$ 68.00	WEB HOSTING
		TOTAL	\$ 26,462.57	

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
March 2021

	Mar 21	Budget	Oct '20 - Mar 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
REVENUES					
101 - Current Taxes	13,724.85	50,491.33	561,815.83	302,948.02	605,896.00
102 - Delinquent Taxes	266.46	666.66	24,344.46	4,000.04	8,000.00
103 - Interest	102.95	416.66	501.91	2,500.04	5,000.00
104 - Rendition Penalty	0.00		0.00	0.00	0.00
106 - Miscellaneous	0.00	0.00	0.00	0.00	0.00
Total REVENUES	14,094.26	51,574.65	586,662.20	309,448.10	618,896.00
Total Income	14,094.26	51,574.65	586,662.20	309,448.10	618,896.00
Gross Profit	14,094.26	51,574.65	586,662.20	309,448.10	618,896.00
Expense					
1 - SALARIES					
1002 - Clerical	3,888.00	3,888.58	24,241.47	23,331.52	46,663.00
1009 - Dept Head / Foreman	5,921.00	5,921.33	35,719.77	35,528.02	71,056.00
1010 - Commissioners	900.00	900.00	5,400.00	5,400.00	10,800.00
1015 - Extra Help	0.00	3,166.66	0.00	19,000.04	38,000.00
1048 - Equipment Operators/Asst	8,784.00	13,465.08	47,091.76	80,790.52	161,581.00
1050 - Over Time	0.00		0.00	0.00	0.00
Total 1 - SALARIES	19,493.00	27,341.65	112,453.00	164,050.10	328,100.00
2 - FRINGE BENEFITS					
2001 - FICA Expenses	1,454.54	2,401.50	8,509.69	14,409.00	28,818.00
2002 - Retirement	1,177.39	1,611.16	8,399.81	9,667.04	19,334.00
2003 - Insurance	17,674.29	21,592.16	102,152.30	129,553.04	259,106.00
2004 - Worker's Compensation	0.00	916.66	0.00	5,500.04	11,000.00
2006 - Auto Allowance	1,550.00	1,550.00	9,300.00	9,300.00	18,600.00
2007 - Retirement Wage Contg	0.00	2,500.00	163.37	15,000.00	30,000.00
2008 - Health Ins. Savings Acct	2,250.00	1,187.50	3,031.05	7,125.00	14,250.00
Total 2 - FRINGE BENEFITS	24,106.22	31,758.98	131,556.22	190,554.12	381,108.00
3 - MATERIALS & SUPPLIES					
3006 Batteries	385.98	208.33	1,069.93	1,250.02	2,500.00
3008 Bolts Nuts Nails & Screws	0.00	83.33	0.00	500.02	1,000.00
3009 Antifreeze & Coolant	0.00	150.00	0.00	900.00	1,800.00
3010 Books & Printed Matter	0.00	416.66	0.00	2,500.04	5,000.00
3012 Prints, Maps & Etc	0.00	83.33	0.00	500.02	1,000.00
3014 Chains & Hooks	0.00	41.66	0.00	250.04	500.00
3016 Chemicals Weed Control	0.00	1,083.33	0.00	6,500.02	13,000.00
3018 Cleaners & Solvents	0.00	125.00	0.00	750.00	1,500.00
3020 Metal Culvert Pipe	889.20	1,250.00	889.20	7,500.00	15,000.00
3022 Copying Supplies	0.00	166.66	0.00	1,000.04	2,000.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
March 2021

	Mar 21	Budget	Oct '20 - Mar 21	YTD Budget	Annual Budget
3027 Electrical Supplies	0.00	250.00	0.00	1,500.00	3,000.00
3030 Fencing Material	0.00	416.66	0.00	2,500.04	5,000.00
3032 Concrete, Sand, Aggregat	0.00	583.33	0.00	3,500.02	7,000.00
3034 Diesel Fuel	1,600.48	2,500.00	2,712.46	15,000.00	30,000.00
3036 Diesel Fuel ON ROAD	1,640.47	1,250.00	1,640.47	7,500.00	15,000.00
3037 Gasoline	0.00	583.33	0.00	3,500.02	7,000.00
3040 Hardware - Misc	48.93	250.00	191.35	1,500.00	3,000.00
3041 Hose & Fittings & Filters	503.35	666.66	1,141.85	4,000.04	8,000.00
3048 Lumber, Timbers, Rope	0.00	208.33	0.00	1,250.02	2,500.00
3050 Medical & Safety	141.92	250.00	834.09	1,500.00	3,000.00
3051 Motor Oil & Grease	0.00	833.33	193.38	5,000.02	10,000.00
3056 Paint & Brushes	0.00	83.33	0.00	500.02	1,000.00
3072 Rope Wire Manila & Burlap	0.00	66.66	0.00	400.04	800.00
3073 Spare Parts, Heavy Equip	0.00	33.33	0.00	200.02	400.00
3077 Computer Supplies	0.00	125.00	0.00	750.00	1,500.00
3078 Office Supplies	217.51	208.33	516.81	1,250.02	2,500.00
3080 Steel Angle Iron Rods, Etc	0.00	208.33	0.00	1,250.02	2,500.00
3083 Tires & Tubes	0.00	666.66	1,588.30	4,000.04	8,000.00
3084 Minor Equipment	0.00	833.33	3,235.00	5,000.02	10,000.00
3095 Welding Supplies	0.00	166.66	0.00	1,000.04	2,000.00
3099 Sundry	0.00	166.67	239.00	1,000.09	2,000.11
Total 3 - MATERIALS & SUPPLIES	5,427.84	13,958.24	14,251.84	83,750.67	167,500.11
4 - MAINTENANCE & UTILITES					
4001 Cooling and Heating	0.00	83.33	0.00	500.02	1,000.00
4009 Building & Structure	0.00	83.33	0.00	500.02	1,000.00
4010 Tractors & Mowers	0.00	833.33	289.60	5,000.02	10,000.00
4011 Equipment Repairs	0.00	2,500.00	326.76	15,000.00	30,000.00
4013 Marine Craft	0.00	166.66	47.91	1,000.04	2,000.00
4014 - Auto - Truck	0.00	166.66	15.75	1,000.04	2,000.00
4015 Communication Equip	0.00	100.00	0.00	600.00	1,200.00
4020 Miscellaneous	0.00	41.66	0.00	250.04	500.00
4030 Tools	0.00	250.00	14.99	1,500.00	3,000.00
4051 Freight	0.00	25.00	0.00	150.00	300.00
4052 Postage	0.00	41.66	142.05	250.04	500.00
4053 Natural Gas/Butane	292.21	291.66	994.99	1,750.04	3,500.00
4054 Telephone	476.98	500.00	2,753.07	3,000.00	6,000.00
4056 Electricity	359.60	500.00	1,733.11	3,000.00	6,000.00
4057 Water & Sewer	27.67	166.66	167.30	1,000.04	2,000.00
4058 Garbage Waste Disposal	68.00	100.00	408.00	600.00	1,200.00
Total 4 - MAINTENANCE & UTILITES	1,224.46	5,849.95	6,893.53	35,100.30	70,200.00

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
March 2021

	Mar 21	Budget	Oct '20 - Mar 21	YTD Budget	Annual Budget
5 - MISCELLANEOUS SERVICES					
5009 Professional Services	0.00	666.66	8,578.08	4,000.04	8,000.00
5021 Dues & Subscriptions	75.00	208.33	937.00	1,250.02	2,500.00
5027 Engineering Fees	0.00	833.33	0.00	5,000.02	10,000.00
5028 Assessor/Collector Fees	0.00	166.66	1,465.80	1,000.04	2,000.00
5029 Attorney Fees	0.00	833.33	0.00	5,000.02	10,000.00
5031 Filing, Records & Photos	0.00	8.33	0.00	50.02	100.00
5032 Accounting Services	0.00	41.66	0.00	250.04	500.00
5036 Treasurer Commision	0.00	83.33	0.00	500.02	1,000.00
5038 Supplemenal Tax Refunds	0.00	166.66	0.00	1,000.04	2,000.00
5040 Insurance Autos & Trucks	0.00	500.00	0.00	3,000.00	6,000.00
5041 Insurance Property	0.00	291.66	0.00	1,750.04	3,500.00
5043 Insurance General Liab	0.00	166.66	0.00	1,000.04	2,000.00
5044 Insurance Official Liab	0.00	166.66	0.00	1,000.04	2,000.00
5045 Bonds Surety & Notary	0.00	83.33	242.50	500.02	1,000.00
5053 Equipment Rental	910.00	1,041.66	1,990.00	6,250.04	12,500.00
5054 Contract Aerial Spraying	0.00	833.33	0.00	5,000.02	10,000.00
5055 Contract Spraying	0.00	833.33	0.00	5,000.02	10,000.00
5062 Travel & Meeting Expense	0.00	66.66	0.00	400.04	800.00
5064 Training & Education	0.00	125.00	0.00	750.00	1,500.00
5074 Independent Auditor Fees	0.00	1,458.33	16,547.66	8,750.02	17,500.00
5095 Bank Service Charges	0.00	250.00	149.66	1,500.00	3,000.00
5098 Appraisal District Fees	1,568.31	750.00	3,136.62	4,500.00	9,000.00
5099 Sundry	0.00	83.33	0.00	500.02	1,000.00
Total 5 - MISCELLANEOUS SERVICES	2,553.31	9,658.24	33,047.32	57,950.56	115,900.00
6 - CAPITAL OUTLAY					
6001 Office Machines	0.00	333.33	0.00	2,000.02	4,000.00
6002 Excavation Equipment	0.00	2,500.00	0.00	15,000.00	30,000.00
6011 Machinery & Equipment	1,027.36	12,500.00	1,027.36	75,000.00	150,000.00
6014 Building & Structures	0.00	3,416.66	0.00	20,500.04	41,000.00
6022 Furniture & Fixtures	0.00	416.66	0.00	2,500.04	5,000.00
6042 Auto Truck & Trailer	0.00	416.66	0.00	2,500.04	5,000.00
6045 Land/ROW Acquisitions	0.00	416.66	0.00	2,500.04	5,000.00
Total 6 - CAPITAL OUTLAY	1,027.36	19,999.97	1,027.36	120,000.18	240,000.00
Reconciliation Discrepancies	0.00		-1.00		
Total Expense	53,832.19	108,567.03	299,228.27	651,405.93	1,302,808.11
Net Ordinary Income	-39,737.93	-56,992.38	287,433.93	-341,957.83	-683,912.11

DRAINAGE DISTRICT No. 3
Profit & Loss Budget Performance
 March 2021

	Mar 21	Budget	Oct '20 - Mar 21	YTD Budget	Annual Budget
Other Income/Expense					
Other Expense					
Transfer Account	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00
Net Income	-39,737.93	-56,992.38	287,433.93	-341,957.83	-683,912.11

DRAINAGE DISTRICT No. 3
Statement of Cash Flows
March 2021

	<u>Mar 21</u>
OPERATING ACTIVITIES	
Net Income	-39,737.93
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-365.83
EMPLOYEE PAID EXPENSES:202-0400 Employee Insurance	751.55
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Net cash provided by Operating Activities	-39,352.21
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Net cash increase for period	-39,352.21
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Cash at beginning of period	1,672,263.11
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Cash at end of period	<u>1,632,910.90</u>

Jefferson County Drainage District No. 3

*P.O. Box 120
Hamshire, Tx 77622*

*Phone 409-243-3495
Fax 409-243-3158
Email: drainage3@jcdd3.org*

March 23, 2021

TO: Jefferson County Banks

RE: Jefferson County Drainage District 3 Depository Contract

Ladies and Gentlemen:

The Jefferson County Drainage District 3 is currently seeking competitive proposals for banking services from all banks located in Jefferson County.

Jefferson County Drainage District 3 is seeking a contractual banking relationship that conforms to all applicable state and federal laws, which will provide for all banking services required for the funds of Jefferson County Drainage District 3. (pursuant to Sec. 116.021, V. T. Local Government Code and V.C.T.S. 842a-2).

Jefferson County Drainage District 3 requests a four year contract, with selection to be determined by the Jefferson County Drainage District 3 Board of Commissioners.

Sealed proposals from banking corporations desiring to be selected as Depository, will be accepted prior to, but no later than, 11:00 A.M., on May 5th, 2021.

Proposals should be addressed to the Jefferson County Drainage District 3, and delivered to Charlie Hallmark, Jefferson County Treasurer, at the County Judge's Office, Jefferson County Courthouse, 1149 Pearl St., 4th Floor, Beaumont, Texas 77701. Any questions concerning this proposal should be addressed to County Treasurer, Charlie Hallmark, phone 409/835-8509.

Proposals received later than the date and time above will be returned unopened.

Proposals must be submitted on the attached Bid Worksheet. Proposals not submitted on the attached Bid Worksheet, using the EXACT format provided, will be disallowed. You are encouraged to offer any alternative approaches which will further enhance our operational and financial success.

The Jefferson County Drainage District 3 expressly requests that proposers not discuss this engagement or the bank's plans, experience or credentials with other banks or any member of Jefferson County Drainage District 3 Board of Commissioners until requested by District officials to make a personal presentation.

The Jefferson County Treasurer's Office has available for examination, statements and other information of past Jefferson County Drainage District 3 Depositories. This information is voluminous and copies can be provided upon request for a reasonable charge. To examine this information please call the Treasurer's Office at (409) 835-8509 so arrangements can be made.

Jefferson County Drainage District 3 expressly makes no representation that District's deposits will continue at the same level as previous years, or that the character of deposits will follow the same or similar patterns of previous years.

A Certified or Cashier's Check for \$8,365.04 must accompany the bid and is tendered under the terms of the law (116.023, V.C. Local Government Code) and of these conditions.

Each bank must submit a copy of their plans showing that they are in compliance with the Community Reinvestment Act of 1977, Sec 2903, as well as a list of references of other public entities currently under depository contract.

Jefferson County Drainage District 3 reserves the right to reject in part or in whole any or all bids, waive minor technicalities, and award the bid which best serves the interest of Jefferson County Drainage District 3. Jefferson County Drainage District 3 reserves the right to informally negotiate certain finer points of the final contract with a qualified bidder.

Sincerely,

LeRoy McCall, Jr
Jefferson County Drainage District 3, Board Chairman

Charlie Hallmark
Jefferson County Treasurer

REQUEST FOR PROPOSAL

**PROPOSAL TITLE: Jefferson County Drainage District 3,
BANK DEPOSITORY CONTRACT**

**PROPOSAL NUMBER: RFP - DD3 21-008/DC Jefferson County Drainage District 3,
BANK DEPOSITORY CONTRACT**

RECEIVING DATE: MAY 5, 2021

RECEIVING TIME: 11:00 A.M.

**CONTACT PERSON: Charlie Hallmark
(409)835-8509
E-mail: challmark@co.jefferson.tx.us**

SPECIFICATIONS FOR PROPOSALS
RFP – DD3 21-008/DC Jefferson County Drainage District 3,
BANK DEPOSITORY CONTRACT

**The selection of Jefferson County Drainage District 3,
Bank Depository and the terms of depository contracts are governed by
Tex. Loc. Gov't. Code Ann., Chapter 116 and Chapter 117
(Vernon 1999 and Supp. 2000)**

GENERAL SPECIFICATIONS:

- 1.1 **SCOPE OF THE CONTRACT** - It is the intent of Jefferson County Drainage District 3 to execute a contract with a bank desiring to be designated as the District's Depository Bank.
- 1.2 **RESPONSE REQUIRED FOR EACH SECTION AND SUBSECTION** – Each and every section and subsection of this bank proposal requires a response from the Bank Depository applicants. Responses should be carefully considered. Applicants must format responses in the same sequence as the bank proposal.
- 1.3 **MINOR EXCEPTIONS** – Minor exceptions, conditions, or qualifications to the provisions of the District's specifications must be clearly identified as such, with the reasons therefore.
- 1.4 **DOCUMENT ON DISK** – At Bidder's request, this document will be furnished as a "WORD" file on CD Rom to facilitate the completion of the bid. This document will also be available on the Jefferson County Treasurer's Web Site. www.co.jefferson.tx.us
- 1.5 **EVALUATION PROCESS** – Jefferson County Drainage District 3 will award the Depository Bank contract based on, but not limited to, the following criteria:
 - a) Banks' financial position.
 - b) Bank's ability to pledge adequate securities against District funds.
 - c) Experience in providing depository services requested with other public entities.
 - d) Net rate of return on District's funds.
 - e) Ability to meet service requirements.
 - f) Cost of services.
 - g) Cash management products available that will enhance the District's banking procedures.
 - h) The experience and continuity of the bank officials who have been identified as primary contact personnel.
- 1.6 **INTERVIEWS** - The District may require Proposing Banks to attend an interview with the Jefferson County Officials reviewing the proposals.
- 1.7 **QUESTIONS AND CLARIFICATIONS** – Any questions or requests for clarifications should be submitted to:

Charlie Hallmark, County Treasurer
Phone: 409/835-8509 Fax: 409/839-2347
E-mail: challmark@co.jefferson.tx.us

CONTRACTURAL REQUIREMENTS:

- 2.1 **TYPE OF BANKING RELATIONSHIPS** – The Depository Bank will handle daily banking services including, but not limited to, checking accounts, other types of interest-bearing accounts, non interest-bearing accounts, time deposits, and/or Certificates of Deposit.
- 2.2 **COMPLIANCE WITH STATUTES** - By returning the Bid Worksheet, the Bank acknowledges that it understands the Revised Civil Statutes of Texas (Article 2544, et. Seq., of the Revised Civil Statutes of Texas, as revised by Local Government Code, Chapter 116.000 through 116.155 as passed by the 70th leg. 1987; Article 2547 a,b,c; and Article 2558a et. Seq.) that pertain to the managing and safekeeping of District’s funds and will comply with those statutes.
- 2.3 **BANK AFFILIATION** – A proposing bank must be a member of the Federal Reserve System and the Federal Deposit Insurance Corporation. The bank must be a Federal or Texas chartered bank doing business in and having a service facility within Jefferson County.
- 2.4 **DURATION** - The Bank contract will be effective for a period of four (4) years ending sixty (60) days from the time fixed by law for the next selection of a depository.
If a time deposit or certificate of deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities as required by law for public funds, to provide for the maturity of the time deposit or certificate of deposit.
- 2.5 **RENEGOTIATIONS** - This four year contract shall allow the bank to establish, on the basis of negotiations with the District, new interest rates and financial terms of the contract that will take effect during the final two years of the four year contract if:
(pursuant to Sec. 116.021 (b), V. T. Local Government Code and V.C.T.S. 842a-2).
a) the new financial terms do not increase the prices to the county by more than 10 percent; and
b) the District has the option to choose to use the initial variable interest rate option, or to change to the new fixed or variable interest rate options proposed by the bank.
- 2.6 **INVESTMENTS MADE OUTSIDE DEPOSITORY BANK** - Jefferson County Drainage District 3 reserves the right to make investments outside the Depository Bank in accordance with the Laws of the State of Texas, and the Investment Policy of Jefferson County Drainage District 3. All investment purchases shall be made on a delivery versus payment basis.
- 2.7 **SUBMITTING FINANCIAL STATEMENTS** - All Banks wishing to be designated as a Depository Bank will include as part of the Bid:
a) The Bank’s last three (3) quarterly Uniform Bank Performance Reports.
b) The Bank’s last three (3) Call Reports
c) The Bank’s Annual Financial Reports for the past 2 years.
- 2.8 **GOOD FAITH GUARANTEE** – A Bank desiring to be the Depository Bank must submit with the Bid Proposal Worksheet, a certified cashier’s check in the amount of **\$8,365.04** (one-half of one percent of the district’s revenue for the preceding year)

payable to **Jefferson County Drainage District 3**, as a guarantee of good faith. The District will hold the check until a Depository Bank is selected and the bond and/or security has been filed.

2.9 **LIQUIDATED DAMAGES FOR NOT PROVIDING SECURITY** – As stated in Code Section 116.023:

“If a bank is selected as a depository and does not provide the bond and/or security, the district shall retain the amount of the check as liquidated damages.”

A new depository shall then be selected.

2.10 **SECURITY** - Within fifteen(15) days after selection of the Depository, the Bank so selected is to qualify as a Jefferson County Drainage District 3 Depository. As soon as the contract for securities pledged is provided and approved by the Jefferson County Drainage District 3 Board of Commissioners, an order will be entered by the District designating the successful applicant, or applicants, as Depository for the funds of Jefferson County Drainage District 3. This contract shall remain in place until sixty (60) days after the time fixed for the next selection of a Depository, to-wit, May, 2019, or until such time as a new Bank has qualified as Jefferson County Drainage District 3 Depository, whichever should sooner occur. Thereupon, the County Treasurer will place with said Depository all the funds belonging to Jefferson County Drainage District 3.

2.11 **PLEGGED COLLATERAL** -

a) Pledged Securities in the amount provided by law under Sec. 116.054, V. T. Local Government Code will be provided in quantities sufficient to fully collateralize all of the Funds of Jefferson County Drainage District 3.

- 1) U.S. Treasury Notes
- 2) U.S. Treasury Bills
- 3) Federal Farm Credit Banks Notes and Bonds
- 4) Federal Home Loan Banks Notes and Bonds
- 5) Federal National Mortgage Association Notes and Bonds
- 6) Federal Home Loan Mortgage Corporation Notes and Bonds
- 7) Federal Home Loan Bank Letters of Credit

The bank must be the true and legal owner of all securities, which will be pledged to the County. The securities must be free and clear of all liens, claims, or pledged for other purposes. The District will not accept any security acquired by the bank under a repurchase agreement. The securities will be deposited with the Federal Reserve Bank, or with the Bank of New York-Mellon Trust Company, without expense to the District under an appropriate contract to be drawn to the provisions of Tex. Loc. Gov't Code Chapter 116 and amendments in accordance with the application, if approved.

2.12 **COLLATERAL MANAGEMENT**- The Depository Bank must include, as part of the Bid, a statement as to how the bank intends to ensure, on a daily basis, that sufficient collateral is pledged to protect covered accounts. Also a detailed monthly collateral report is required. The report shall contain security descriptions, par value/current face and current market value.

- 2.13 **VALUE OF COLLATERAL** - The Depository Bank must propose how it will value pledged securities. The District at any time may investigate the value of any of the securities that may be pledged by the Bank. The full cooperation of the Bank will be required in such instance.
- 2.14 **DAILY REPORTS** - A daily list of account balances and market value of pledge collateral will be provided to the County Treasurer.

SERVICE REQUIREMENTS:

- 3.1 **CONTACT PERSON** - Bank must identify a local senior level management person who will be responsible for overseeing the District's entire relationship, who would serve as the District's primary contact and who would be able to make decisions regarding operational aspects of this contract.
Bank must also provide a list of contact personnel, with direct phone numbers, within the bank who are qualified to provide information and assistance in the following areas:
- General Information
 - Safekeeping and Securities Clearance
 - Posting and Deposit Discrepancies
 - Stop Payments
 - Balance Adjustments
 - Collateral Adequacy
 - Internal Transfers
 - Wire Transfers
 - Online PC Service
 - Certificates of Deposit rate quotes
 - Signature Cards
 - Opening and Closing of Accounts
 - On-line services
- 3.2 **ON-LINE SERVICES** - It is requested that as a part of the proposal the Depository Bank will provide an on-line PC communication link to the District for daily reporting of fund balances, collected and ledger balances, stop payment requests, confirmations, and detailed debits and credits. Attach product description, pricing, and sample reports for the on-line PC link available. **Banks should be prepared to provide the Treasurer's office and/or District's employees an opportunity to physically work with this technology before the bid is awarded.**
- 3.3 **ANALYSIS REPORT** - Monthly account analysis reports will be provided for each account and on a total account basis. The account analysis will contain, at a minimum, the following:
- average ledger balance
 - average float
 - average collected balance
 - average negative collected balance
 - average positive collected balance
 - reserve requirement
 - available balance for earnings credit

- price levels for each activity
- monthly volumes by type
- earnings credit allowance (provide an explanation of how the earnings credit rate is calculated)

A sample account analysis report will be provided as part of the Bid.

3.4 **STATEMENTS –**

- Monthly bank statements will include checks or image of checks on CD Rom, deposit slips, transfer slips and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement.
- A hard copy of canceled checks or checks on CD Rom shall be furnished to the District at month's end.
- Statements should be processed no later than ten (10) business days after the close of each month.
- A sample bank statement will be included as a part of the Bid.

3.5 **PAYROLL DIRECT DEPOSIT** - Bank must provide the capability for the district to utilize "Direct Deposit" payroll processing, allowing employees to select the bank of their choice.

3.6 **ACH TRANSACTIONS-** Bank must provide for acceptance of ACH (Automated Clearing House) credits and debits. **Bank will be required to provide detailed information**

3.7 **WIRE TRANSFERS** - Bank must provide the ability to send wire transfers on an automated or manual basis, and also to provide the ability to receive wire transfers. Bank must provide the ability to restrict outgoing wire transfers (debits) to only those authorized.

3.8 **INTEREST RATES** - Floating interest rate bids and a fixed interest rate bids on accounts and certificates of deposit will be quoted by the Bank. Jefferson County Drainage District 3 reserves the right to select the rate most favorable to the District at anytime during the term of the contract, within the guidelines of Section 116.021 (b) of the Code.

3.9 **DISBURSEMENT SERVICES** - A successful Bidder will furnish standard disbursing services for all accounts to include the payment of all District checks upon presentment. Bank must also agree to cash, without charge to the District or County employee, an employee's payroll check whether or not the employee has an account with the Bank. This will include any of the Bank's locations or motor-bank facilities in Jefferson County, Texas.

3.10 **POSITIVE PAY –** The Bank will provide a means for the District to upload disbursed check information that will be compared to checks that are presented to the bank for clearing. Any discrepancies shall be cleared by a designated District employee before checks are paid by the bank. Any applicable cost should be quoted.

3.11 **DEPOSIT SERVICES** - The Bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks, based on the Bank's Availability Schedule. All deposits received before the Bank's established deadline will be credited daily. Bank will include a copy of their

- Availability Schedule as part of the bid.
- 3.12 **CASH OVERDRAFTS** - For the purpose of determining cash overdrafts, the daily cash balance in all District accounts will be added together, and if a negative balance occurs, the District's account is considered to be over-drafted. An applicable insufficient funds fee can then be charged.
- 3.13 **SECURITY SAFEKEEPING** - Bank must provide for book entry/DTC acceptance and safekeeping of investment securities. A month end safekeeping statement including market values will be provided.
Indicate costs associated with a security purchase settlement.
- 3.14 **PAYMENT FOR SERVICES** - The District may elect to pay for service either by direct fee payment or by compensating balance.
- 3.15 **CASH MANAGEMENT** - On an ongoing basis the District will require cash management advice as to how accounts and procedures should be structured. Also, the District will want to be kept informed of recent developments in cash management products.
Bidders are invited to propose additional cash management services that are not specified herein.
- 3.16 **EXPENSE ALLOWANCE** – State the dollar amount, if any, that the Bank will provide for expenses incurred due to changing depository banks.
(For example: checks, deposit slips, endorsement stamps, and etc.)
- 3.17 **CAPITAL TO ASSETS RATIO** - Depository Banks will have and maintain a minimum five percent primary capital to assets ratio as compiled by dividing line 28 (total equity capital) by line 42 (total assets) on the Federal Financial Institutions Examination Council Form 032. Copies of the FFIEC form 32 statement will be included in the bid and shall be a continuing quarterly reporting requirement of the Depository Bank. Should primary capital ratio fall below five percent, the District will review bank plans to future earnings and capital increases before determination is made to close out the depository.
- 3.18 **STOP PAYMENTS** - The Bank will be required to process stop payments on verbal, faxed, or e-mailed instructions from the designated District employees with follow-up written confirmation.
- 3.19 **DISBURSEMENT SERVICES** - Standard disbursing services for all accounts are required to include the payment of all District's checks upon presentation.
- 3.20 **BANK RECONCILIATION SERVICES** - The Bank will provide partial or full reconciliation services, on specific accounts determined by the District. List what is included in each service.
- 3.21 **OTHER SPECIFIC SERVICES** - As described on **the Bid Worksheet**, the Bank will acknowledge services provided and attendant fees for such.

STRUCTURE OF ACCOUNTS:

The Jefferson County Drainage District 3 bank accounts will be structured as follows (numbers and dollar amounts are subject to change):

- Interest Bearing Checking and/or Money Market Savings Accounts - 2
- Estimated balance equal -- \$ 1,477,327.04
- Certificates of Deposit – 0
- Estimated balance equals -- \$0.00

The County requests a bid for the interest rate on these accounts as a Whole.

**Bid Proposal Worksheet for
RFP – DD3 21-008 DC Jefferson County Drainage District 3,**

Variable and Fixed Rate Bids –

Variable <u>Interest Rate*</u>	Fixed <u>Interest Rate</u>
-----------------------------------	-------------------------------

Interest Bearing Checking Accounts:	_____	_____
Money Market Accounts:	_____	_____

* Variable Rate = 91 Day US T-Bill Effective Rate (as determined by the latest T-Bill Auction) + Margin (Based on basis points). The source of the rate under this proposal for a given month should be the Effective Rate as quoted in the Wall Street Journal for the last business day of the previous month.

Example: If 91 Day US T-Bill effective rate is 3.3% and basis points are 1.0, then the variable rate is 4.3%.

Minimum balance requirement or other considerations per account will be listed below:

Certificates of Deposit - Variable Interest Rate -

91 Day US T-Bill Effective Rate (as determined by latest T-Bill Auction)

	Less than <u>\$100,000.00</u>	More than <u>\$100,000.00</u>
1. Maturity 7-29 days	+ ___ basis pts.	+ ___ basis pts.
2. Maturity 30-59 days	+ ___ basis pts.	+ ___ basis pts.
3. Maturity 60-89 days	+ ___ basis pts.	+ ___ basis pts.
4. Maturity 90-179 days	+ ___ basis pts.	+ ___ basis pts.
5. Maturity 180 days-less than one year	+ ___ basis pts.	+ ___ basis pts.
6. Maturity 1 year or more	+ ___ basis pts.	+ ___ basis pts.

Certificated of Deposits - Fixed Interest Rate -

	Less than <u>\$100,000.00</u>	More than <u>\$100,000.00</u>
1. Maturity 7-20 days	_____ %	_____ %
2. Maturity 30-59 days	_____ %	_____ %
3. Maturity 60-89 days	_____ %	_____ %
4. Maturity 90-179 days	_____ %	_____ %

5. Maturity 180 days-less than one year _____ % _____ %
 6. Maturity 1 year or more _____ % _____ %

COST ANALYSIS WORKSHEET:

Use the following cost analysis worksheet as a vehicle to quote your charges and rates. Please prepare a bank analysis statement based on the following using your bid figures for the service costs and your variable interest rate for interest paid. Use applicable rates for calculating interest rates and compensating balances as they stood for December 31, 2014.

BALANCE SUMMARY:

Average Book Balance	\$1,477,327.04
Less Average Float	<u>53.61</u>
Average Collected Balance	\$1,477,273.43
Average Negative Collected Balance	<u>0.00</u>

BALANCE RECONCILIATION

Average Positive Collected Balance	\$1,477,273.43
Less Cost of Analyzed Services(Balance Required)	_____
Additional Balance Required to Support Services	_____

FEE RECONCILIATION

Earnings Allowance Credit	Rate: _____	_____
Less Analyzed Services Provided		_____
Services Charged to Account (Excess or Deficit)		_____

COST ANALYSIS WORKSHEET CONTINUES -

Earnings credit calculated on the following balances:

Total **\$ 1,477,273,43**

PLEASE PROVIDE AN EXPLANATION OF HOW THE EARNING CREDIT RATE IS CALCULATED: _____

Depository Services -

DESCRIPTION	MONTHLY AVERAGE VOLUME	PRICE	CHARGE	BALANCE REQUIRE D
BALANCE & COMPENSATION INFORMATION				
RECOUPMENT MONTHLY IB	1,324			
GENERAL ACCOUNT SERVICES				
DDA STMT W/IMAGE PREMIUM- MTHLY BASE	2.00			
ACCT MAINTENANCE CHEXSTOR-PLUS	2.00			
DEBITS POSTED	6.00			
CREDITS POSTED	4.00			
E-STMT SUBSCRIPTION - ACCOUNT	2.00			
CYCLED STMT SUBSRIPT RPT- MOBASE	4.00			
CLIENT ANALYSIS STATEMENT- PAPER	1.00			
DEPOSITORY SERVICES				
STORE/NIGHT DROP DEPOSIT	1.00			
CASH DEP/\$1 VER AT TELLER WINDOW	4.00			
DEPOSITED CHECKS - ON US	2.00			
DEPOSITED CHECKS	4.00			
RETURN ITEM - CHARGEBACK	1.00			
RETURN ITEM REDEPOSITED	1.00			
PAPER DISBURSEMENT SERVICES				
DDA CHECKS PAID	42.00			
DDA STATEMENT W/IMAGE PREMIUM-ITEM	42.00			
GENERAL ACH SERVICES				
ELECTRONIC CREDITS POSTED	6.00			
ACH RECEIVED ITEM	4.00			
ACH SUBSCRIPTION - ACCOUNT	4.00			

DESCRIPTION	MONTHLY AVERAGE VOLUME	PRICE	CHARGE	BALANCE REQUIRED
WIRE-OUTGOING DOMESTIC-	4.00			
WIRE IN DOMESTIC	6.00			
WIRE DETAIL RPT SUBSCRIPTION-ACCT	4.00			
WIRE DETAIL RPT SUBSCRIPTION-ACCT	4.00			
INFORMATION SERVICES				
PREV DAY SUBSCRIPTION MTHLYBASE	8.00			
PREV DAY SUBSCRIPTION MTHLYBASE	8.00			
PREVIOUS DAY ITEM LOADED	130.00			
DEPOSIT DETAIL SUBSCRIPT MOBASE	2.00			
ELECTRONIC WINDOW EXTENDED STOR 90	1107.00			

Total Analyzed Services Performed _____

OTHER SPECIFIC SERVICES - As described on the Cost Analysis Worksheet, the Bank will acknowledge services provided and attendant fees for such. Also indicate charges for the following:

- Locked or Sealable bags _____
- Laser Checks _____
- Checks (in individual books or binders) _____
- Deposit Slips _____
- Endorsement Stamps _____
- Coin Wrappers _____
- Currency Straps _____

OTHER UNSPECIFIED SERVICES AND/OR COSTS – Other services and/or costs not specified in this document should be listed and attached, along with a description and unit pricing.

<u>Service</u>	<u>Cost</u>
<u>Initial setup service with any new system.</u>	
<u>Continue to make IRS payment through ACH Program.</u>	
<u>Access to daily activities without being charged.</u>	

References:

List two (2) references for whom bidder has supplied similar services and/or supplies. Please include phone number and name of contact person. Other governmental units are preferred

Business	Contact Person	Phone Number

DEPOSITORY BANK

The Bank must complete the information below to validate the bid for a Jefferson County Drainage District 3 Depository Bank.

The undersigned affirms that they are fully authorized to execute this bid. The contents of this bid has not been discussed or communicated by the undersigned, with any other bidder,

any other persons engaged in this type of business, nor any members of the Drainage District 3 Board of Commissioners, prior to the official opening of this bid.

All unsigned Bids will be disqualified.

Name and address of Bank/Bidder:

Signature: _____

Name: _____

Title: _____

Telephone Number: _____

E-Mail: _____

Note: By my signature above, I hereby certify that the following are attached:

- Management
- A. A list of references of current Public Funds Users that utilize Cash Products similar to those requested in bid.
 - B. The Bank's last three (3) quarterly Uniform Bank Performance Reports.
 - C. The Bank's last three (3) Call Reports.
 - D. The Bank's Annual Financial Reports for the past 2 years.
 - E. A Certified Check or a Cashier's Check as a guarantee of good faith.
 - F. A sample monthly Collateral Report.
 - G. Product description pricing, and sample reports for the on-line PC link available.
 - H. A sample Account Analysis Report.
 - I. A sample Bank Statement.
 - J. A Copy of Bank's Availability Schedule.
 - K. A Certified and Attested Resolution from a duly authorized meeting of the Board of Directors empowering the signee to execute this contract.
 - L. A response to every section and subsection in the Invitation to Bid.
 - M. Completed Cost Analysis Worksheets.
 - N. Attachments indicating other services and charges not specified in the Invitation to Bid.

**RETURN PAGES 10 THROUGH 15 WITH BID PACKAGE
AND ALL REQUIRED INFORMATION**

Special Note Regarding 2022 Plan Assessments

TCDRS' long-term outlook anticipates that rates and returns will remain below historical norms. The forecasts show decreased returns across all asset classes. Soundness requires synchronizing assumptions with expectations. Thus, the TCDRS board reduced the investment return assumption to 7.5%. A reduction in the assumption was consistent with the recommendation of Milliman, our consulting actuaries. The investment return assumption is important as it determines how much benefit funding is expected to come from investments versus employer contributions. In addition, the inflation assumption has also been decreased to 2.5% which impacts wage growth and payroll growth.

These assumptions are reflected in this valuation and most employers will see increases in their required contribution rates for 2022. Supporting employers through this transition is TCDRS' most important investment. The board has used a portion of system reserves and re-amortized liabilities to help mitigate the increases. In addition, one of TCDRS' strengths is that employers have the ability to annually adjust benefits based on local needs and budgets. If employers need to reduce costs, TCDRS staff is available to help you understand your options.



Plan Assessment for Plan Year 2022
Jefferson County Drainage District #3 – 404
Participation Date – 2/1/1968

It's that time of year again — time to look at your TCDRS retirement plan and decide whether or not your benefits are adequate and affordable. This plan assessment will give you an overview of the benefits you provide as well as how much it will cost to provide these benefits in the upcoming plan year.

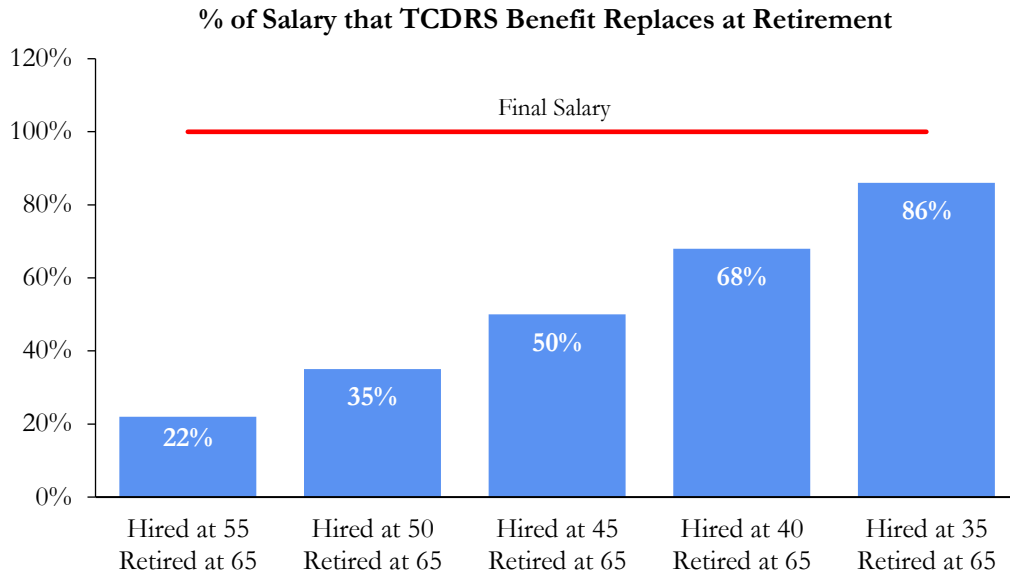
	2022 Plan
Basic Plan Options	
Employee Deposit Rate	7%
Employer Matching	200%
Prior Service Credit	No Employees Eligible
Retirement Eligibility	
Age 60 (Vesting)	10 years of service
Rule of	80 years total age + service
At Any Age	30 years of service
Optional Benefits	
Partial Lump Sum	Yes
Group Term Life	None
Retirement Plan Funding	
Total Normal Cost Rate	16.06%
Employee Deposit Rate	<u>-7.00%</u>
Employer-Paid Normal Cost Rate	9.06%
UAAL / (OAAL) Rate	<u>0.02%</u>
Required Rate	9.08%
Elected Rate	N/A
Total Contribution Rate	
Retirement Plan Rate	9.08%
(greater of required and elected rate)	
Group Term Life Rate	<u>N/A</u>
Total Contribution Rate	9.08%
Valuation Results (Dec. 31, 2020)	
Actuarial Accrued Liability	\$1,894,290
Actuarial Value of Assets	<u>\$1,900,702</u>
Unfunded / (Overfunded) AAL	(\$6,412)
Funded Ratio	100.3%

Notes:

No COLAs have been adopted.

What You Are Providing

The TCDRS benefit is based on employee deposits, which earn 7% compound interest each year, and employer matching at retirement. The following chart shows the estimated TCDRS benefit as a percentage of final salary prior to retirement for a new hire:

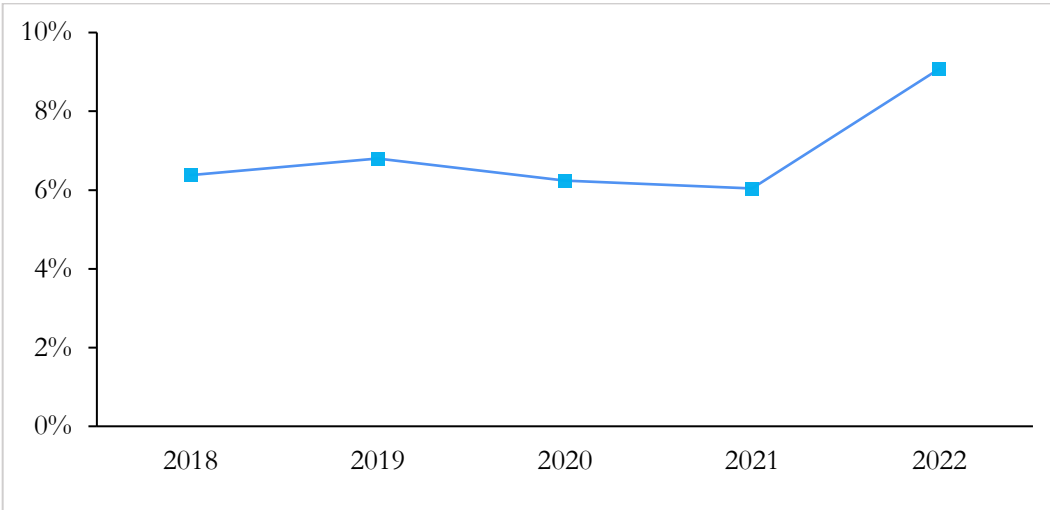


Assumptions

- Employees are new hires and will work for you until retirement.
- Your current plan provisions will remain in effect through an employee's retirement.
- Current laws governing TCDRS will continue as they are.
- Graded salary scales give bigger raises early in careers, with smaller raises later in careers (see Summary Valuation Report at [TCDRS.org/Employer](https://www.tcdrs.org/Employer)).
- Based on Single Life benefit.

Reasons for Rate Change

Below is a record of your required rate history for your retirement plan over the last five years.



Reasons for Rate Change	2018-2019	2019-2020	2020-2021	2021-2022
Beginning Rate	6.38%	6.80%	6.24%	6.04%
Plan Changes Adopted	0.00%	0.00%	0.00%	N/A
Investment Return	-1.22%	0.70%	-0.54%	-0.54%
Elected Rate/Lump Sum	0.00%	0.00%	0.00%	0.00%
Demographic/Other Changes	1.23%	-1.26%	0.34%	0.84%
Assumptions/Methods ⁽¹⁾	<u>0.41%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>2.74%</u>
Ending Rate	6.80%	6.24%	6.04%	9.08%
Valuation Year	2017	2018	2019	2020
Funded Ratio	102.8%	101.9%	102.1%	100.3%

1. 2021-2022: Includes reductions to the investment return and inflation assumptions, and method adjustments designed to mitigate the impact of the reductions.

A complete Summary Valuation Report for the Dec. 31, 2020 valuation will be available mid-May at TCDRS.org/Employer.

Next Steps

If you are interested in making plan changes, please contact your Employer Services Representative at 800-651-3848. Your benefit selections are due by Dec. 15, 2021.