

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: April 22, 2014		DATE SUBMITTED: April 7, 2014	
DEPARTMENT OF ORIGIN: Fiscal Services		SUBMITTED BY: William Smith	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input checked="" type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input type="checkbox"/> INFRASTRUCTURE
			<input type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: This item authorizes the Mayor to execute new pledge agreements and Federal Reserve Bank custody documents necessitated by the purchase of Citibank by Branch Bank and Trust Company (BB&T). The new agreement will mirror the Citibank agreement and will cover the period from the date of transfer of assets of Citibank to BB&T through March 31, 2016, the expiration date in the original agreement.			
SUMMARY STATEMENT: On March 26, 2013, the City Council approved a resolution to authorize the Mayor to execute a Depository Agreement with Citibank for a period of three (3) years, with the option of two (2) one-year extensions. In December 2013, Citibank announced that its local branches were being acquired by BB&T. BB&T will assume the local assets and deposits of Citibank including the contract with the City of Bryan and will honor its terms and conditions.			
This resolution will authorize the Mayor to execute a new Depository Agreement with BB&T for the remainder of the initial three (3) year period (expiring on March 31, 2016), with the option of two (2) one-year extensions. This action and agreement includes the accounts for the City of Bryan as well as BTU.			
While the purchase transaction between Citibank and BB&T is not finalized, BB&T has asked for the City to execute these documents in order to make a more smooth transition for the City. As a show of good faith, BB&T has executed a letter of intent pursuant to the purchase as well as the new Depository Pledge Agreements.			
Staff's review of BB&T financials shows they meet the banking qualifications specified in the City's original Request for Application (RFA).			
STAFF ANALYSIS AND RECOMMENDATION: The current contract in place between the City and Citibank has been in place since March of 2013. Continuing this relationship with BB&T will allow the City to continue its banking activities without issuing a new RFA or going through a conversion process with a new banking partner. While there will be some adjustment, it should be minimal. The bank personnel who City staff deals with on a regular basis will remain in place throughout the transition and are expected to remain on staff after the acquisition. This type of transition allows for continuity and efficiency for the City of Bryan and Staff.			
Staff respectfully requests approval of the new agreement.			
OPTIONS (In Suggested Order of Staff Preference):			
<ol style="list-style-type: none"> 1. Execute agreement with Branch Bank and Trust Company 2. Direct staff to issue a new RFA. 			

ATTACHMENTS: (attachments are in a single pdf file)

1. Copy of the executed Depository Agreement between the City and Citibank, N.A. dated March 2013.
2. Copies of the signed letter of intent from BB&T.
3. Copies of the signed (by BB&T) Depository Pledge Agreements between the City and BB&T.

FUNDING SOURCE: City and BTU Fiscal Services operating budgets (fees are based on the City's collateral)

APPROVALS: Hugh R. Walker, 04/11/2014

APPROVED FOR SUBMITTAL: CITY MANAGER

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 04/14/2014

Revised 05/2013