

ACTION ITEMS

(1) APPROVAL OF COUNTY CLAIMS

Commissioner Garza moved that the County Claims be approved as presented.

The motion was seconded by Commissioner Benavides.

Commissioner Cascos questioned the period of services provided regarding the payment to UTMB, in the amount of \$74,566.12, and the amount still outstanding and requested a status report for the Indigent Program.

Mr. Mark Yates, County Auditor, responded that the payment was through December, adding that the amount of \$100,000.00 was still available. He noted that the State continuously monitored funds spent and reallocated available funds and added he would present a status report on the matter, at the next meeting.

Upon motion duly made by Commissioner Garza that the County Claims be approved as presented.

The motion was seconded by Commissioner Benavides and carried as follows:

AYES: Commissioners Benavides, Cascos, and Garza,

NAY: None,

ABSTAIN: Judge Hinojosa as to Laguna Madre Water District, Warrant No. 00058891, in the amount of \$192.14, and as to Southwest Key Program La Esperanza, Warrant No. 00058965, in the amount of \$3,721.94.

The Affidavits follow:

(3) **POSSIBLE APPROVAL OF CONTRACT WITH THE SELECTED DEPOSITORY BANK FOR THE PUBLIC FUNDS OF THE COUNTY, PURSUANT TO LOCAL GOVERNMENT CODE SECTION NO. 116.051**

Judge Hinojosa - "Everything is in order?"

Mr. Doug Wright, Commissioner Court Legal Counsel - "The contract is ready. We reviewed it with the Bank. I think they are happy with it, the County is.

Judge Hinojosa - "It's effective, today."

Mr. Wright - "It's effective once the collateral was approved. Under the statute, the designation of the Depository is not final until the collateral is submitted for securities, approved by you."

Judge Hinojosa - "And that's going to be done today."

Mr. Wright - "That's on the Agenda, yes sir."

Judge Hinojosa - "So it would be effective today, if we approve the collateral?"

Mr. Wright - "Yes, sir."

Judge Hinojosa - "Do I have a motion to that?"

Commissioner Benavides moved that the Contract with the selected Depository Bank for the Public Funds of the County, pursuant to Local Government Code, Section No. 116.051, be approved.

Commissioner Cascos - "I'll go ahead and second the motion, but I have a couple of questions. On Page 10 of 10 on the Contract, where it says the. I think the concern was, how we are going to get monies to the employees to cash their checks, and I think what's subscribed here, is the, one method is the check cashing alternative which offering debit and ATM cards, and the second is for the County to fax payroll information prior to pay day, on those employees that reside outside of Brownsville area and want their payroll checks cashed. The way I'm reading this, is that the Bank will provide an armor car to the two largest target areas, and then, I guess you are going to set up a temporary booth somewhere and employees are going to go there, I guess, like an HEB parking lot or something. Or can you explain, can someone explain what that means, page 10 of 10. And then, I guess the County would have to designate certain individuals responsible for receiving and distributing to the employees. I guess, someone from the County, I guess, Office, would have go to this little temporary stations, or what."

Mr. Arturo Farias, Executive Vice President Lone Star Bank - "I guess. Let me put this into focus. In the actual application of the depository bid, it does not make reference to check cashing services."

Commissioner Cascos - "That is correct".

Mr. Farias – "o, the only thing is that we realized that there is a service need out there for a lot of employees that cash their checks, so our Bank is willing to go the extra mile to go ahead and try go ahead and accommodate these individuals and cashing their checks. The first order of business is that, what we need to do is try to educate these County employees to open up a checking account with free checking. There is really no reason why they should not have a checking account. Instead of getting a pay check and rushing to cash these checks and have these security issues at hand. So, as far as the Bank is concerned, we are going to do everything we can to look at accommodating these employees. So we are working with the County Auditor's Office trying, you know, to identify all these check cashers, so that we can work with them. But we realize, we need to offer check cashing services in Harlingen and at the Island, so that way we can accommodate them. So, we have different options, we can make arrangements with other check cashing companies that will offer those services to the County employees. If not, then, we look at a County Office, that we can send a teller and that can go ahead and be there at a certain location, so that way we can go ahead we can designate a check cashing. But, as you all well know, there are a lot of factors involved in check cashing. You know, you have employers out there, that might let their employee out only during the lunch hours. It might be that they are out on Break, and so, we really don't know at what time these employees are going to go ahead and be at a certain location. So we are going to do everything that we can to accommodate the employees of the County. So."

Commissioner Cascos - "And that's my concern. The reason, Mark, correct me if I am wrong. But the reason that we do not have, we've had a difficult time developing a Direct Deposit Agreement, is because we do have numerous employees that don't have checking accounts.

Mr. Mark Yates, County Auditor - "That is not the reason".

Judge Hinojosa - "That is not why we did not do it."

Mr. Yates - "That is not the reason, that's the concept of it. With our work week ending on Thursday, and not being able to produce a check or a payroll file by Tuesday or Wednesday, it's sometimes hard to do, and with Monday a Holiday, and certain computer."

Commissioner Cascos - "Then why do we not have direct deposit?"

Judge Hinojosa - "When we figured out. Mark wanted to do it. But when we figured it out how to do it, the way, accounting wise, it was going to have to work, we were going to have to defer, I think, three days, or four days payments to the employees, for a year . And, or five days, it was a significant period of time. And we decided as Commissioners' Court, that people couldn't be without those five days. People live day by day, and even though, ultimately, would get their money, that, for us to set up the Direct Deposit Program, because that's the only way Mark

said we could do it, it was going to end up getting our employees not getting a check for five days, and we said, you know what, we can't do that.

Commissioner Cascos - "For five days. That was not my understanding."

Mr. Yates - "We had several alternatives on how to do this, and one of the alternatives the Banks wanted advancing of the funds, so that they would have three days of funds available to them, in addition to the normal checks, and then amortize that through the rest of the year, to be caught up. Several Counties have done this."

Judge Hinojosa - "But we do not want to cut them, cut that out of their pay check."

Commissioner Cascos - "Let me go back. I stand corrected. Let me go back to the original contract, then, on this method. Because the alternative method, I am still concern as to how we are going to get these upper County employees that do not have or want to cash their checks, how they are going to have."

Mr. Yates - "You are still going to have the responsibility upon some local Office holder, to distribute funds that are not part of their records."

Commissioner Cascos - "But who is going to have that responsibility?" What about this van that comes out here."

Mr. Yates - "Valley Federal Credit Union, any County employee can be a member of that. I do not know if the County van, the Valley Federal Credit Golden Eagle van, what they call it, goes to the northern part of the County."

Commissioner Cascos - "I don't know. I guess."

Judge Hinojosa - "Well, let's check it out. I don't know what we are doing right now, in the north part of the County. But I doubt that everybody is rushing over to First National Bank to cash their checks."

Commissioner Cascos - "I don't know."

Judge Hinojosa - "I think there's a system up there that they use right now, and I think it's relatively easy for us to implement something for our northern part of the County employees, if we work with the Bank. Right now, they don't use Lone Star Bank to cash their checks; they go right here and cash them outside my door."

Commissioner Cascos - "The ones here."

Judge Hinojosa - "The back door".

Mr. Yates - "What would work, this is, what we should work towards, is to have Lone Star Bank work an agreement with a Bank in the north part of the County, to honor their checks. That way we are not in the cash holding business. First National Bank had the same problem in South Padre Island, and they work with one of the Island Banks, to have an agreement."

Judge Hinojosa - "IBC, Arturo".

Mr. Yates - "IBC has a lot of Branches".

Mr. Farias - "The idea, what I understood from the Bank in South Padre Island, is that they are honoring County checks and a lot of employees have their accounts there, and so, we are going to look at all the different options available out there to go ahead and offer those check cashing services. So, like I said, it was not part of the specifications, but we realize there is a need, and we are going to do everything we can to meet that need."

Commissioner Cascos - "That was my only question."

Judge Hinojosa - "Alright."

Commissioner Garza - "Does that become part of the contract?"

Commissioner Cascos - "It's attached to it."

Judge Hinojosa - "Yes. That's the attempt to deal with the issue."

Commissioner Garza - "I would have a concern with County employees being responsible for receiving and distributing funds."

Mr. Yates - "I have a problem with that being a part of the Contract."

Commissioner Garza - "I just feel that we're placing a responsibility on someone out there, I don't know who. I don't know who we intend to designate, maybe the Tax Assessor-Collector. You know, that would be the Office that is most present in all the different areas. But I know they are under staffed, and they need help, even doing those things that they do now. So, is there another alternative to, who would handle this?"

Judge Hinojosa - "Well, I mean, I just."

Commissioner Garza - "It is for security reason, I mean, fiduciary reasons, I am concern about."

Mr. Javier Rodriguez, President of Lone Star Bank, - "Good Morning, I am here, because I know you have some concerns, and just to reiterate what Arturo has already said. Our intent is to accommodate the Cameron County's employees, to see that they get their checks cashed. And we will need some cooperation from your Offices. For example, like Arturo already said, we don't know how many of them want their check cashed, what times. Our intent would be to try to possibly not have them wait in line in one of your County Offices, or anything. But rather, maybe even before hand, have the checks already cashed in an envelop, just ready to deliver, or to use check cashing strips, or to work an agreement with a Bank, or all of the above. I feel like, what we would like to do is to work closely with your Offices, with your staff, to accommodate and make it happen. We believe, and I have a great deal of confidence that we can make it happen for you. And certainly we don't intent to just, by any stretch of the imagination, Commissioner Garza, give the money to your Offices. I don't know if I have answered your question, but if there is something more specific. We would

consider check cashing to be something that we either we contract to do it on our behalf, with someone that is qualified or we do it ourselves.

Judge Hinojosa - "Thank you, sir."

Commissioner Garza - "My only concern, I do not want to allow, to come between a relationship between the County and your Bank, a situation that would very likely could occur."

Mr. Rodriguez - " I will be very honest with you, of all the things that we have to work out, and we certainly appreciate the effort that Eddie Gonzales and his staff have made so far in helping us get to the closing. But of all the things that have concern me, this is my greatest concern. And, what I can tell you is that I personally intent to get involved to see to it that we work it out. I don't think I can work it out or get everything overnight, but we hope that if we can get recommendations from your offices on how to do it better than it has been done, so that maybe we can get the check cashing done more quickly, so that your employee does become more efficient, then if we can do it, we will start to do it. And, my office will be, I am ready to receive any calls from any of your Offices. If there's any issue, I am sure problems will arise, but we are ready to work them out."

Mr. Eddie Gonzalez, County Treasurer - "Judge, I ..inaudible. When he proposed, inaudible...I have already suggested to Arturo...inaudible...explained that we will have a very good feel, what office would want checks, ..inaudible.. my comments to Arturo was that the hardest part being able to determine getting back to the employees ..inaudible.. cashing the checks that particular day. Inaudible...come by and pick up his check... inaudible. **(Note: Mr. Gonzalez was not near the microphone)**

Judge Hinojosa - "I mean, if you let everybody know what the procedure is, and where you can do it, I think people will know that they can go and do it. It's just like now, right now, everybody knows that we've got Valley Federal Credit Union folks right out back here, and everybody finds out and does it. I appreciate your comments that you are going to make it a priority, and let's go ahead and do that, cause our employees, a lot of them don't have checking accounts and it would be good if we could get them, but some people, nomas no, no."

Commissioner Cascos - "They don't trust banks."

Judge Hinojosa - "They just won't do it"

Mr Yates - "It's my understanding that Mr. Farias, through our discussions, will make checking accounts available to any County employees, and offer free ATM services. Is that correct?"

Judge Hinojosa - "Let me tell you a little story, when I was on the Court of Appeals, we did, the State of Texas did direct deposits, and I remember the Chief Justice. He was angry. I mean, angry. And I said, what's the problem? And he said 'I want see that check in my hot little hands at every pay day'."

Mr. Yates - "And there are a lot of people like that. There's a little deal of popularity with cash payments.

Commissioner Benavides - "Judge, is there a number that we can call in case there is a problem with the checking or."

Commissioner Cascos - "544-0830".

Judge Hinojosa - "Well, when we put the memo out and stuff and give employees the procedures, we'll attached that to the check, if you can do that, Eddie. When we figure out the cash checking procedures, I mean the check cashing procedure, and will just put a little memo attached in English and Spanish to the checks and on that day and distribute it out."

Mr. Gonzalez - "We do that anyway, at the prior payroll ... Inaudible..so that everybody...inaudible..."

Commissioner Cascos - "That's next week".

Judge Hinojosa - "I appreciate that. There was a motion, is there a second to that motion?"

Commissioner Cascos - "I already seconded that motion."

Judge Hinojosa - "Second the motion. Any further discussion?"

Commissioner Garza - "The only question I have is this memo that I've just got."

The Memo is as follows:

Judge Hinojosa - "Yea, I just got it myself."

Commissioner Garza - "I did not want to read it before. But since you were late, Judge, I read it. You know."

Judge Hinojosa - "I understand that the Bank, when is the Bank opening?"

Mr. Rodriguez - "July 16, 2001."

Judge Hinojosa - "So, I don't, I don't, we are approving the contract today."

Mr. Yates - "I think your Legal needs to determine whether the Bank was a Bank in the County at that time."

Judge Hinojosa - "Well, we are approving it today, so he is there today."

Mr. Yates - "The Bank you are approving, at the time when the Bank is not opened."

Commissioner Garza - "Legal."

Mr. Wright - "Well, the decision was based on the idea that this Banks was going to be operate in Cameron County. That was your choice. It had to be the choice, because the statute does clearly say 'that the first call of Banks has to be with regard to Banks that are operating and are operating in the County.' So, I mean, I can't read your minds, but I assumed when you made the decision."

Commissioner Garza - "I just want your opinion as to what we need to do."

Mr. Wright - "Well, I, I think".

Judge Hinojosa - "If they are accepting our money right now, and they've got a branch located, and as far as I am concerned, they are operating in Cameron County."

Mr. Wright - "This is a first impression. I am not aware of an AG's opinion that speaks to this, directly."

Commissioner Garza - "You know, again, I don't want to Mr. Rodriguez. Nothing against you, I just want to listen to my legal counsel and this Commission, to give me an opinion as to what I have to do in regard to the Memo about that, and that's it. I you give me the right opinion, I am satisfied."

Mr. Wright - "I feel that the Bank is operating in the County, that you can make the decision to deposit your monies there, and."

Commissioner Garza - "Question"

Judge Hinojosa - "Alright. Any further discussion. All those in favor signify by stating "aye".

AYE: All in unison "Aye".

Commissioner Cascos - "What, one more, can, once we approve, well, we've already approved this, are you ready to take our money."

Mr. Rodriguez - "Yes."

Commissioner Cascos - "Today."

Mr. Rodriguez – “Yes, sir.”

Commissioner Cascos - “To the Brownsville Bank.”

Mr. Rodriguez - “Yes sir. What I was going to say is that, after the fact. And Commissioner Garza, I can appreciate your wanting to get your legal counsel’s opinion. But please, I am not trying to give you anything, but information. We had to apply with the Comptroller of the Currency, which is a Division of the United States Treasury, which governs, which essentially regulates our Banks, being an International Banks. And the approval to open our Branch was actually given, officially, by the United State government last year. Before we can actually open the Branch for service, we have to notify of our intent to go ahead, and once the Branch is approved, we go ahead and open the Bank, and that approval was official given May 29, 2001. So, the only thing that really remains, is to finish, I guess, is the facility itself. But technically, from the standpoint of our Regulators, they consider that we have an approved Branch authorized to do business in Cameron County.”

Judge Hinojosa - “Alright”. Thank You. Motion carries.”

The Contract is as follows:

(4) POSSIBLE APPROVAL OF THE SELECTED DEPOSITORY BANK'S SECURITY FOR THE FUNDS DEPOSITED BY THE COUNTY WITH THE BANK; PURSUANT TO LOCAL GOVERNMENT CODE SECTION NO. 116.051

Commissioner Benavides moved that the selected Depository Bank's Security for the funds deposited by the County with the Bank; pursuant to Local Government Code Section No. 116.051, be approved.

The motion was seconded by Commissioner Cascos and carried unanimously.

(2) AUTHORIZATION TO RELEASE A SECURITY FOR A TOTAL OF \$30,000,000.00, AT PAR, FROM THE COLLATERAL PACKAGE SECURING THE DEPOSITS OF THE COUNTY, TO THE FIRST NATIONAL BANK

Commissioner Benavides moved that the Security for a total of \$30,000,000.00, at par, from the Collateral Package Securing the Deposits of the County, to the First National Bank, be released.

The motion was seconded by Commissioner Garza.

Commissioner Cascos questioned the action to be taken regarding the loss of interest since the Contract expired, and Judge Hinojosa responded that the matter would be considered in Executive Session the following week.

Upon motion duly made by Commissioner Benavides, seconded by Commissioner Cascos and carried unanimously, the release of Security for a total amount of \$30,000,000.00, at par, from the Collateral Package Securing the Deposits of the County, to the First National Bank, was approved.

(5) CONSIDERATION AND APPROVAL OF THE RESOLUTION, NEEDED TO OPEN THE INITIAL 74 ACCOUNTS AS LISTED WITH LONE STAR NATIONAL BANK

Upon motion by Commissioner Garza, seconded by Commissioner Benavides and carried unanimously, the Resolutions to open the initial seventy four (74) accounts as listed with Lone Star National Bank, were approved.

The Resolution is as follows:

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There being no further business to come before the Court, upon motion by Commissioner Cascos, seconded by Commissioner Garza and carried unanimously, the meeting was **ADJOURNED** at 9:17 A.M.

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APPROVED this 17th day of **JULY, 2001**.

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GILBERTO HINOJOSA
COUNTY JUDGE

ATTEST:

JOE G. RIVERA
COUNTY CLERK AND EX-OFFICIO CLERK
OF THE COMMISSIONERS' COURT OF
CAMERON COUNTY, TEXAS.