



MEMORANDUM

To: Commissioner's Court Members

From: Dylan Osborne, County Treasurer

Date: November 16, 2021

Re: MWBE Participation in County Banking

Currently the county's depository contract does not include a requirement to include a minority- or woman-owned business enterprise and that contract does not expire until 2022. However, an effort has been underway to include a MWBE-owned institution into our banking processes. Working with the Office of Management and Budget, Cadence Bank, and Unity Bank we have developed a proposal that will allow Unity Bank to participate in our banking contract at no cost to Harris County. Coupled with this effort is a change to our Investment Policy that will allow the County to purchase IntraFi Network Certificates of Deposit, formally referred to as CDARS, with Unity Bank to hold a fully insured deposit of \$5 million from our General Fund.

Under this partnership, Unity Bank will handle the county's Outsourced Disbursements, these are checks that are sent from several departments outside of our normal Accounts Payable procedures. This will allow Unity Bank to collect a small fee from Cadence Bank, paid for using our earnings credit, as well as allow Unity Bank to use the agreement to offer this service to their other clients. By using earnings credit this arrangement will be at no direct cost to Harris County.

This proposal will essentially add a MWBE participant to the depository contract by passing services through our contract with Cadence Bank by utilizing an existing partnership that Cadence Bank has with Unity Bank. In conjunction with the CDARS investment, this arrangement will be a strong effort to meet Commissioner's Court's stated goals of economic opportunity and MWBE inclusion. Unity Bank is one of a very few Black-owned banks in the United States, and one of the only minority-owned banks in Harris County.