

THIS PRINT COVERS CALENDAR ITEM NO.: 7.2
FOR THE MEETING OF: January 8, 2009

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorizing the Executive Director to open checking and money market accounts with US Bank for the Transbay Joint Powers Authority and close checking and money market accounts with Union Bank of California.

SUMMARY:

Under the TJPA bylaws, the Board of Directors designates the TJPA's banking institution(s). In April 2005, the Board authorized the Executive Director to open a checking and money market account with Union Bank of California.

Earlier this year the TJPA went through an informal request for quotes process for banking services which included Bank of America, Bank of Guam, East-West Bank, Wells Fargo, Deutsche Bank, US Bank and Union Bank of California.

After a thorough evaluation, US Bank was selected based on its fee structure, relationship discount offered and excellent customer references from both large and small agencies.

US Bank is a strong financial institution with \$247 billion dollars in assets. US Bank has a network of 2,500 branches and has increased the FDIC deposit insurance to \$250,000 per depositor through December 2009.

US Bank will continue to offer the TJPA banking services currently offered by Union Bank of California with lower fees, a 30% relationship discount and with an enhanced customer service experience.

The TJPA would continue current security measures associated with the account that include:

- Secure Bank check stock with watermarks
- "Two signatures required" statement printed on checks
- Two signatures on checks for internal control
- Automated Clearing House (ACH) blocking to prevent unauthorized electronic debits from account
- Electronic banking procedures consistent with the segregation of duties included in the TJPA Internal Accounting Control Policy

The Internal Accounting Control Policy was approved by the Board at the April 8, 2005 meeting and outlines the basic internal controls for the TJPA. From this Policy, the TJPA Internal Control Procedures were developed by the TJPA's Chief Financial Officer. As a part of these controls, two TJPA staff members sign all checks, a different staff member approves invoices, and another staff member conducts bank reconciliation duties.

At this time, TJPA will open an interest-bearing checking account only. Given the current market conditions, interest earnings on the money market account have recently not been sufficient to fully offset analysis fees. Fees will be reduced with only one account versus two. When market conditions change and interest rates rise, TJPA will investigate opening a second interest bearing account with US Bank.

ENCLOSURES:

1. Resolution

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, Pursuant to the Joint Powers Agreement creating the TJPA, dated April 4, 2001 (the Agreement), the TJPA has the authority to make and enter into contracts, to acquire real and personal property and to exercise all powers necessary and proper to carry out the provisions of the Agreement; and

WHEREAS, The TJPA has received allocations from various transportation agencies, including Federal, State and Local funds; and

WHEREAS, The TJPA has entered into contracts with vendors; and

WHEREAS, The TJPA wishes to establish a banking relationship with US Bank for the receipt and withdrawal of funds for these and future allocations and contracts, and for other purposes as deemed necessary by the Executive Director in order to carry out the provisions of the Agreement; and

WHEREAS, The TJPA has conducted an informal evaluation process of banking services; and

WHEREAS, The TJPA has developed and will follow accounting procedures that ensure the necessary and proper internal controls over the authorization, disbursement, and accounting of TJPA funds; and

WHEREAS, US Bank provides banking services to public agencies at a reasonable cost; now, therefore, be it

RESOLVED, That the Transbay Joint Powers Authority Board authorizes the Executive Director to establish a banking relationship with US Bank on behalf of the Transbay Joint Powers Authority.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of January 8, 2009.

Secretary, Transbay Joint Powers Authority