

**THIS PRINT COVERS CALENDAR ITEM NO. :  
FOR THE MEETING OF: April 8, 2005**

**TRANSBAY JOINT POWERS AUTHORITY**

**BRIEF DESCRIPTION:**

Authorizing Executive Director to open a checking account with Union Bank of California for the Transbay Joint Powers Authority.

**SUMMARY:**

Under the TJPA bylaws, the Board of Directors designates the TJPA's banking institution.

The TJPA is in need of a bank account in the near term in order to receive payments from Regional Measure 2 (RM-2) and San Francisco's Proposition K transportation sales tax (Prop K), and to make payments to vendors under these and future grants. Currently, San Francisco MUNI administers the TJPA's payments and federal grant funds.

The City and County of San Francisco, the Metropolitan Transportation Commission (MTC), and the federal government use Union Bank for their banking activities. Union Bank's Government and Not-For-Profit Markets Division representatives have recommended an analyzed checking account. The attributes of this type of account include:

- No deposit required to open the account.
- A monthly fee of approximately \$15 for general account maintenance, plus additional de minimus charges for check writing.
- Fees for online banking services ranging from \$10 to \$75 per month, depending on the services required for segregation of duties.
- Low funds transfer fees between Union Bank customers, including MTC.
- Earnings credit for funds in the account used to offset monthly account fees.
- Automatic federal drawdown if TJPA receives new federal grants.
- Deposits are collateralized in accordance with the California Government Code.
- Union Bank provides overdraft protection.

The security measures associated with the account would include:

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

The accounting procedures presented to the Board for approval at the April 8, 2005 meeting outline the internal controls for the TJPA. As a part of these controls, two TJPA staff members would sign all checks, a different staff member would approve invoices, and a different staff member would conduct bank reconciliation duties. These procedures have been reviewed and approved by the TJPA's Chief Financial Officer.

**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 of Regional Measure 2 and San Francisco Proposition K transportation sales tax funds; and,

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

WHEREAS, The TJPA has determined that a banking account is required 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 followed the required procurement procedures for obtaining 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, Union 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 Chief Financial Officer to establish a banking relationship with Union 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 \_\_\_\_\_.

\_\_\_\_\_  
Secretary, Transbay Joint Powers Authority