STAFF REPORT

Shasta County
Regional Transportation
Planning Agency

MEETING DATE:	**5/22/12**
SUBJECT:	**Approve RTPA Banking Services with North Valley Bank**
AGENDA ITEM:	**12-9**
STAFF CONTACT:	**Dan Little**

SUMMARY:
The board-approved transition of the RTPA to an independent agency will require banking services to hold funds and make payments.

STAFF RECOMMENDATION:
It is recommended that the board:

1. Approve North Valley Bank to provide banking services for the independent agency as shown in Attachment A;
2. Authorize the chair, vice-chair and executive director initial signature authority to open the accounts;
3. Authorize the initial transfer of $50,000 in RTPA funds from the county to the new agency account for initial setup and software testing; and
4. With the exception of Transportation Development Act Funds, authorize the transfer of all remaining RTPA funds from the county to the new agency accounts by July 1, 2012.

DISCUSSION:
Most agency funding is provided through state and federal agencies on a reimbursable basis. The agency generally has at least a $500,000 balance to maintain cash flow and advance funds in support of operations. The county currently holds and disburses these funds. After the transition to an independent RTPA, the agency will hold and distribute these funds subject to adopted fiscal policies and enhanced board oversight, including a board fiscal committee to be established at the June meeting.

The agency solicited proposals from five area banks, two of which offered services that best met agency needs. Interviews were conducted with the two banks that provided nearly identical services. North Valley Bank is recommended based on lower overall fees and a slightly higher net return to the agency. Total bank fees are estimated at $30 annually, provided that there is at least a $25,000 balance in checking. Checking interest is 0.1% or about $500 annually.

It is recommended that the board authorize and initial transfer of $50,000 to the new account to setup and test the new accounting and banking systems. It is recommended that all remaining funds be transferred by the July 1, 2012, transition date in cooperation with the county Auditor's office.

The agency receives nearly $7 million in Transportation Development Act (TDA) funds annually for public transit and local streets and roads. By law, these funds will remain in the county treasury and disbursed by RTPA instructions.

ALTERNATIVES:
The board may select the next highest ranked banking provider at a slightly higher net cost.

OTHER AGENCY INVOLVEMENT:
The independent RTPA board subcommittee, consisting of Chair Moty, Vice Chair Watkins, and past Chair Dickerson are scheduled to review this item May 21.

FINANCING:
Banking services will be provided at no net cost to the agency. Projected checking account interest earnings at 0.1% will result in a net annual increase of $470. The board or fiscal committee may explore higher interest earning options at a later date.

Daniel S. Little, AICP, Executive Director

Attachments: Banking Service Proposal

North Valley Bank
Banking Proposal

Based on account balance of $350,000 or more:

Checking Interest	0.10%
Checking Charge (If Less than $25,000)	$18.00
Business Bill Pay (month)	No Charge
Cash Manager Set-up Fee	No Charge
Cash Manager Monthly Fee	No Charge
ACH Fee	.50 each
Positive Pay (Fraud Protection)	$40 per month (optional)
Remote Deposit Set up	No Charge
Remote Deposit Fee (per month)	No Charge
Debit Card	No annual fee
Health Savings Acct	No annual fee

Summary:

Total Fees (Bill Pay, Cash Manager, ACH only)	(30.00)
Interest Earned based on $500,000 balance	500.00
Net Return (Cost) to Agency	470.00