

To: Administration and Finance Committee

Date: November 25, 2014

From: Kathy Casenave, Director of Finance

Reviewed by:

SUBJECT: Change in financial institutions

Summary of Issues:

First Republic Bank, our bank since 2008, informed us in late October that as of December 31, 2014 the bank would no longer do business with government entities. Upon request they have extended this to January 31, 2015.

The California Government Code requires a higher capitalization for deposits from state and local governments. Banks are required to pledge securities in an undivided collateral pool that equal at least 110% of the total amount deposited by public agencies. This, along with other governmental regulations, has caused First Republic Bank to reach the decision to end banking relationships with the governmental sector.

The Finance staff has considered some of the financial institutions that are used by state and local governments. One that stood out is Union Bank. It is the bank for MTC, the County of Alameda, and also the State of California, including LAIF.

Union Bank has submitted a proposal that will address all of our needs and also will be less expensive than our current costs. Because they have negotiated pricing with armored car services at a discount and are offering a higher interest rate, the net annual expense is estimated to be \$9,400 vs. \$20,650 paid in FY 2014.

RECOMMENDATION:

Staff recommends that the A&F Committee approve the proposal from Union Bank to provide banking services and requests that this be forwarded to the Board of Directors.

Price Menu
PROFORMA ACCOUNT ANALYSIS STATEMENT
Central Contra Costa Transit Authority
November 2014



UNION BANK

BALANCE SUMMARY	
Average Ledger Balance	\$2,250,721.57
Less: Average Uncollected (FLOAT)	\$167,221.87
Average Collected Balance	\$2,083,499.70
Less: Reserve Requirement (10%)	\$208,349.97
Less: Sweep Compensating Balance	\$0.00
Balance Available to Support Activity	\$1,875,149.73

ACCOUNT POSITION	
Earnings Credit Rate	0.35%
Number of Days in Month	30
Earnings Credit:	\$539.43
Less: Interest Paid on Interest Bearing Accounts	\$0.00
Net Earnings Allowance - This Month	\$539.43
Less: Charges for Balance Compensated Services	\$1,322.95
Net Earnings Allowance	(\$783.52)

ACCOUNTS INCLUDED IN ANALYSIS

XXX5001, XXX6228, XXX9584, XXX6244, XXX6171, XXX2153, XXX6298, and XXX2595

OVERDRAFT / UNCOLLECTED FUNDS CHARGES

Uncollected Funds

Customer usage of uncollected funds is charged the Union Bank Reference Rate plus 4.0% per annum, computed on the average daily usage of uncollected funds for the month in question.

Overdrafts

Overdraft balances and related fees are charged the Union Bank Reference Rate plus 4.0% per annum, computed daily, with a minimum daily charge of \$10.00, assessed from the time such overdraft balances are created and related fees incurred. The minimum daily charge and accrued interest are then added to the overdraft balance.

Checks or other transactions presented against insufficient funds whether paid or unpaid are assessed at \$34 per item.

UNION BANK
GOVERNMENT SERVICES PRICING SCENARIO - PRICE SCHEDULE
Central Contra Costa Transit Authority
November 2014

BILLABLE DESCRIPTION	VOLUME	Proposed Price \$	Extended Proposed Price \$
ACCOUNT ANALYSIS			
ACCT MAINTENANCE - WEB	8	3.0000	24.00
SUBTOTAL			24.00
ALERTS			
ALERT - ACH/DIR DEP	1	0.5000	0.50
SUBTOTAL			0.50
ACCOUNT RECONCILIATION			
FULL RECON MONTHLY MAINT	1	10.0000	10.00
TRANSMISSION ISSUE INPUT-BASE	1	1.0000	1.00
TRANSMISSION ISSUE INPUT-ITEM	315	0.0300	9.45
CHECK PAID TRUNCATED	315	0.0900	28.35
ADDITIONAL STANDARD RPT	1	1.0000	1.00
STALE DATE FEATURE - BASE	1	1.0000	1.00
STALE DATE LISTING - ITEM	1	0.0060	0.01
WEB POS PAY-EXCEPTIONS	1	0.5000	0.50
WEB POS PAY-IMAGES	1	0.1000	0.10
SUBTOTAL			51.41
TRANSPORTATION SERVICES (YOU MUST INCLUDE ONE-TIME INTERNAL COSTS)			
ARMORED CAR SERVICES	1	200.0000	200.00
SUBTOTAL			200.00
BUSINESS CHECKING			
BRANCH DEPOSIT	1	1.0000	1.00
ELECTRONIC CREDIT	3	0.1000	0.30
ELECTRONIC DEBIT	11	0.1000	1.10
ACH BLOCK	1	1.0000	1.00
ACH BLOCK	4	1.0000	4.00
ACH BLOCK	3	1.0000	3.00
BANK STATEMENT WEB	8	1.0000	8.00

UNION BANK
GOVERNMENT SERVICES PRICING SCENARIO - PRICE SCHEDULE
Central Contra Costa Transit Authority
November 2014

<u>BILLABLE DESCRIPTION</u>	<u>VOLUME</u>	<u>Proposed Price \$</u>	<u>Extended Proposed Price \$</u>
DEPOSIT ADMIN FEE (000's)	2,250.0	0.0894	201.15
SUBTOTAL			219.55
CHECK PROCESSING			
LOCAL CLR.HSE./BRANCH DEP.	1	0.1000	0.10
LOCAL FED DIST 12 - BRANCH DEP	1	0.1400	0.14
OTHER FED - BRANCH DEPOSIT	1	0.1500	0.15
SUBTOTAL			0.39
CASH VAULT SERVICES			
COIN DEPOSITED - STD BAG	96	1.5000	144.00
DEPOSIT - CASH OR COIN ONLY	36	1.4500	52.20
CURRENCY DEPOSITED-UNSTRAPPED (000's)	192.0	1.2000	230.40
DEPOSIT ADJUSTMENT	4	7.0000	28.00
SUBTOTAL			454.60
CUSTOMER SERVICE ACTIVITIES			
NON-CUSTOMER CASH PAID ON-US	1	0.0000	0.00
SUBTOTAL			0.00
IMAGE CHECK			
REMOTE DEPOSIT MONTHLY MAINT	1	125.0000	125.00
REMOTE DEPOSIT ADD'L ACCT	1	75.0000	75.00
REMOTE DEPOSIT ON US	100	0.0800	8.00
REMOTE DEPOSIT PER TRANSIT	100	0.1000	10.00
REMOTE DEPOSIT PER DEPOSIT	21	1.0000	21.00
SUBTOTAL			239.00
CHECK IMAGE			
IOD - ACCOUNT BASE	8	0.0000	0.00
IOD MONTHLY MAINTENANCE FEE	8	1.0000	8.00
SUBTOTAL			8.00

UNION BANK
GOVERNMENT SERVICES PRICING SCENARIO - PRICE SCHEDULE
Central Contra Costa Transit Authority
November 2014

BILLABLE DESCRIPTION	VOLUME	Proposed Price \$	Extended Proposed Price \$
INFORMATION REPORTING			
WEB PRIOR DAY REPORT ACCOUNTS	1	5.0000	5.00
WEB PRIOR DAY REPORT ACCOUNTS	7	5.0000	35.00
WEB PRIOR DAY ITEM PRINTED	50	0.0500	2.50
WEB PD BAL/SUM UPDATED	50	0.0500	2.50
WEB PD TRANSACTIONS UPDATED	50	0.0500	2.50
WEB CD BAL/SUM UPDATED	20	0.0500	1.00
WEB CD TRANSACTIONS UPDATED	20	0.0500	1.00
WEB CURRENT DAY RPT ACCOUNTS	1	5.0000	5.00
WEB CURRENT DAY RPT ACCOUNTS	1	5.0000	5.00
SUBTOTAL			59.50
DEPOSITED ITEMS RETURNED			
DEPOSITD ITEMS RETURNED-RECLEAR	2	2.0000	4.00
DEPOSITD ITEMS RETURNED-CHRGBK	2	3.0000	6.00
WEB RI INQ & DEC MOD FEE	1	0.0000	0.00
WEB RI I&D ITMS AVL FOR INQ	1	1.0000	1.00
WEB RI I&D ITMS AVL FOR DEC	1	1.0000	1.00
WEB RI - MONTHLY MAINTENANCE	1	2.0000	2.00
SUBTOTAL			14.00
TEAM STOP PAYMENTS			
WEB ACCT RECON STOP PMT	1	3.0000	3.00
WEB PHOTOCOPIES	1	3.0000	3.00
WEB NUMBER STOP ACCOUNTS	1	0.0000	0.00
SUBTOTAL			6.00
WIRE TRANSFERS			
INCOMING DOMESTIC REPETITIVE	1	4.0000	4.00
INCOMING DOMESTIC NON-REP	1	4.0000	4.00
SUBTOTAL			8.00
ELECTRONIC WIRE TRANSFER			

UNION BANK
GOVERNMENT SERVICES PRICING SCENARIO - PRICE SCHEDULE
Central Contra Costa Transit Authority
November 2014

BILLABLE DESCRIPTION	VOLUME	Proposed Price \$	Extended Proposed Price \$
WIRE TRANSFER MONTHLY FEE/WEB	1	5.0000	5.00
OUTGOING DOMESTIC WIRE/WEB	4	7.0000	28.00
INTERNAL TRANSFER INTRADAY/WEB	1	5.0000	5.00
SUBTOTAL			38.00
TOTAL			1,322.95