



Treasurer-Tax Collector

COUNTY OF TULARE

AGENDA ITEM

BOARD OF SUPERVISORS

KUYLER CROCKER
District One

PETE VANDER POEL
District Two

AMY SHUKLIAN
District Three

EDDIE VALERO
District Four

DENNIS TOWNSEND
District Five

AGENDA DATE: REVISED May 19, 2020

Public Hearing Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>

CONTACT PERSON: Paul Sampietro PHONE: 559-636-5265

SUBJECT: Agreement for Banking and Cash Management Services with JP Morgan

REQUEST(S):

That the Board of Supervisors:

1. Approve a Banking and Cash Management Services agreement with JP Morgan Chase Bank, N.A., to provide banking services for the County for the period effective June 1, 2020 through May 31, 2025.
2. Authorize the County Treasurer to sign the associated agreements and documents needed to establish and operate the new bank accounts and services.
3. Authorize the Board Chair to sign the agreement.

SUMMARY:

In 2003 the Tulare County Treasurer selected Union Bank of California during an RFP process after having banked with Bank of America for the preceding 25 years. Over the past several years, however, the County has experienced a general decline in service from Union Bank. The Treasury department has experienced recurring errors from the bank's lockbox (i.e., mail processing) operations, a lack of responsiveness from bank staff who are turning over regularly, and other errors.

In April 2019 the Treasurer retained a consulting firm with banking industry experience (viz., Global Payment Advisors) and began drafting an RFP. In August 2019 the Treasury sent an RFP out to banks that were of adequate size and product capabilities. The County received responses from five qualifying banks: Bank of America, Wells Fargo, Bank of the West, MUFG Union Bank, and JP Morgan Chase. The review committee, which was made up of the Treasurer,

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Assistant Treasurer, Chief Accountant of the Treasury, an Accountant, and the consultant, reviewed and scored all of the proposals and conducted interviews of the top three banks. JP Morgan was selected, due to their high-quality product capabilities and low-cost proposal. After a series of contract negotiations with the bank, an "Agreement for Banking and Cash Management Services" (attached) has been drafted for the Board's consideration. The term of the Agreement is five (5) years, with two (2) optional one (1) year extensions upon the mutual agreement of the parties.

FISCAL IMPACT/FINANCING:

No additional cost to Tulare County is projected. JP Morgan's agreement includes a pricing schedule with nearly 300 different price points that are applied to estimated volumes for each of those items (e.g., number transactions, data storage items, number of reports, etc.). Since a majority of those price points are lower than what the County is currently paying, we expect it will provide savings to the County. Also, JP Morgan offered a transition credit of up to \$225,000 for the first year to offset certain fees and products. Therefore we plan to use the savings to purchase additional bank products, which will enhance our reconciling capabilities and allow us to invest even more of our idle cash, which will in turn provide maximum yield to our pool participants.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

This proposed banking relationship aligns with Initiative 4: Organizational Performance. JP Morgan's high-quality product capabilities will provide for the stability of operations, state-of-the-art information services that are timely and responsive, and improved service delivery.

ADMINISTRATIVE SIGN-OFF:



Cass Cook, CFIP
Treasurer Tax-Collector

cc: County Administrative Office

Attachment(s) Agreement for Banking and Cash Management Services

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF AGREEMENT)
FOR BANKING AND CASH MANAGEMENT) Resolution No. _____
SERVICES WITH JP MORGAN) Agreement No. _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JASON T. BRITT
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

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