



Contra
Costa
County

To: West Contra Costa Healthcare District

From: Anna Roth, Health Services Director

Date: December 17, 2019

Subject: West Contra Costa Healthcare District (WCCHD) Banking Services

RECOMMENDATION(S):

Acting as the Governing Board of the West Contra Costa Healthcare District Board of Directors:

APPROVE and AUTHORIZE the County Treasurer to enter into a three-year contract with U.S. Bank National Association (U.S. Bank) for banking services on behalf of West Contra Costa Healthcare District (WCCHD).

FISCAL IMPACT:

Service fees and costs of approximately \$5,000 annually will be deducted directly from the monies deposited with U.S. Bank and interest on those monies.

BACKGROUND:

Effective January 1, 2019, the County Board of Supervisors became the Board of Directors for WCCHD. As a result, WCCHD became a dependent district of Contra Costa County and its unrestricted cash was transferred into County Treasury. The Health Services Department is administratively responsible for the day to day operation of the District.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☐ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **12/17/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor

Candace Andersen, District II Supervisor

Diane Burgis, District III Supervisor

Karen Mitchoff, District IV Supervisor

Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: December 17, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Patrick Godley,
925-957-5410

BACKGROUND: (CONT'D)

After performing extensive due diligence and working with bond counsel and financial consultants, the County Treasurer identified U.S. Bank as the most qualified financial institution to administer WCCHD's cash balance. Investment options for these monies are limited because they relate to proceeds from WCCHD's bonds, which are tax-exempt. U.S. Bank is able to offer investment vehicles that will help maintain the tax-exempt status of the bonds.

Pursuant to the agreement, WCCHD will deposit monies in a bank account with US Bank. The cost of banking services will be directly deducted by deposited monies and the interest earned on the deposited monies. Under the agreement, WCCHD is required to indemnify U.S. Bank relating to its performance under the agreement.

This agreement was reviewed and approved by the WCCHD Finance Committee on December 9, 2019.

CONSEQUENCE OF NEGATIVE ACTION:

If the agreement is not authorized, WCCHD will need to identify an alternative investment mechanism for these monies to allow its bonds to maintain their tax-exempt status.

ATTACHMENTS

Deposit Agreement