MEETING DATE: May 15, 2025

AGENDA ITEM: 6. Resolution 2025-06 Establishment of an External Bank Account for Payroll Purposes

FROM: Tyler Egerer

RE: Resolution 2025-06 Establishment of an External Bank Account for Payroll Purposes

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EXECUTIVE SUMMARY:

To effect the takeover of payroll and related services from the County of Sonoma, at the expiration of their payroll services contract at the end of June, and in keeping with established policies of the County of Sonoma Auditor-Controller-Treasurer-Tax Collector, the Executive Director seeks approval to contract with outside banking services to establish an account specifically for the purposes of paying biweekly payroll, payroll taxes, and ancillary employee benefits.

BACKGROUND:

At the beginning of 2025, the County of Sonoma Auditor-Controller-Treasurer-Tax Collector's Office (ACTTC) informed GRTA staff that it would not renew its contract to provide payroll services at the end of Fiscal Year 2024-2025. With the hiring of the Financial Development Manager, these services are intended to be internalized and managed by GRTA staff.

By internalizing these processes, GRTA will recognize long-term savings on new personnel expenses by processing its own payroll, payroll tax payments, and ancillary benefits management via SDRMA and CalPERS.

The policies of the County's ACTTC office allow agencies for which the County provides general financial services to establish and maintain an external bank account for the purposes of items such as payroll services, which services are critical to the function of the agency and for which the County does not have an active interest in performing with their staff.

Due to the rapid turnaround time required to establish the bank account and direct funds for these purposes, staff is proposing that the Executive Director be given authority to establish an external bank account with Green Dot Bank; Green Dot is an institution which works with Intuit QuickBooks to provide a full-serve module for payroll activities.

Through use of this module, staff will have single source through which paycheck disbursement, payroll tax and payroll expense reporting, and ancillary benefits related to retirement and insurance costs may be calculated and managed, greatly increasing efficiency while the Financial Development Manager continues to evaluate, improve, and research the future of the GRTA's fiscal management systems.

As staff develops fiscal policies and fiscal management processes for the future assumption of further fiscal responsibilities, the proposed relationship will be reevaluated from time to time to address other opportunities for management of the GRTA's funds and fiscal reporting services (including but, at a future date, not limited to payroll services).

RECOMMENDATION:

Approve Resolution 2025-06 Delegating Authority to the Executive Director to Establish an External Bank Account for Payroll Purposes

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FISCAL IMPACT:

Reduction in payroll costs, as Sonoma County's payroll services cost GRTA about $6,000/year and Quickbooks Payroll module costs are estimated at about $1,300/year.

ATTACHMENTS:

A. RESOLUTION 2025-06 EXTERNAL BANK ACCOUNT FOR PAYROLL PURPOSES
B. COUNTY OF SONOMA FISCAL POLICY C-4 FOR THE ESTABLISHMENT OF OUTSIDE BANK ACCOUNTS

RESOLUTION

of the

Board of Directors

of

GREAT REDWOOD TRAIL AGENCY

Resolution No. 2025-06

IN THE MATTER OF:

Resolution 2025-06
Establishment of an
External Bank Account for
Payroll Purposes

WHEREAS, GREAT REDWOOD TRAIL AGENCY ("GRTA"), formerly named the North Coast Railroad Authority ("NCRA"), created and governed by the terms of California Government Code Section 93000 et seq., and

WHEREAS, County of Sonoma is GRTA's acting treasurer, and holds agency funds for the purposes of paying third parties for certain amounts due and owed as incurred by GRTA, and provides payroll services to the GRTA, and

WHEREAS, County of Sonoma has notified GRTA they will no longer be providing GRTA with payroll services, effective 7/1/25, and

WHEREAS, County of Sonoma has a policy governing the establishment of external bank accounts that limits their purpose and allows for the deposit of funds held by County of Sonoma to an external bank account to be used for specified purposes, and

WHEREAS, GRTA uses Quickbooks accounting software, which has a payroll module that can be integrated into our system with an associated bank account through Green Dot Bank, an FDIC-insured banking institution which may be used expressly for the purposes of effecting the GRTA's payroll tax payments (for State and Federal taxes), payroll account services – covering no more than three pay periods of funds, with revolving deposits to match previous payments dispersed to employees, and other payroll-related needs as agreed upon between GRTA and Sonoma County,

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GREAT REDWOOD TRAIL AGENCY as follows:

1. GRTA needs to establish an external bank account for the purposes of payroll, payroll taxes and payroll-related expenses, benefits related to medical and compensation insurances, CalPERS retirement, and other ancillary benefits as elected from time to time.

2. The Executive Director is hereby authorized to coordinate with County of Sonoma to open an external bank account through Green Dot Bank in accordance with County of Sonoma's Fiscal Policy C-4 governing the establishment of outside bank accounts for payroll purposes.

2. The Executive Director is hereby authorized to establish a bank account with Green Dot Bank and sign all necessary forms on behalf of the agency with the purpose delegating certain banking duties related to the regular completion of payroll services to GRTA staff as needed.

Introduced and adopted this ____ day of ________, at a meeting of the Board of Directors of Great Redwood Trail Agency by the following vote:

AYES:
NOES:
ABSENT:
ATTEST:

GRTA Board Chair

GRTA Executive Director
Elaine Hogan

FISCAL POLICY MANUAL

POLICY C-4: Policy for the Establishment of Outside Bank Accounts (excluding Water Districts)
APPROVED: Auditor-Controller-Treasurer-Tax Collector (ACTTC)
AUTHORITY: Auditor-Controller-Treasurer-Tax Collector
ISSUE/REVISED DATE: June 29, 2017

I. PURPOSE

To establish procedures and criteria to assist County Departments, Agencies, and Districts under the Board of Supervisors as well as other entities for which the Auditor-Controller-Treasurer-Tax Collector functions as the entity Treasurer, excluding Water Districts, in opening outside bank accounts while making every reasonable attempt to ensure funds are safe and the purpose of the account is valid.

Under California Government Code § 53682 the County Treasurer may deposit moneys in and enter into contracts with any depository, as defined in subdivision (c) of § 53630, for services to be rendered by that depository that in the Treasurer's judgment are to the public advantage.

Under California Health & Safety Code § 13854, the County Treasurer is responsible for the safekeeping of all District Funds.

II. POLICY

The Auditor-Controller-Treasurer-Tax Collector may allow the opening of outside bank accounts for the following purposes:

1. Payroll tax payments (State and Federal)
2. Payroll account where an outside payroll service is used (only sufficient funds to cover actual payroll amounts)
3. Acceptance of credit/debit card and online bill payments
4. Per California Education Code § 42810, the governing board of any school district or any other county superintendent of schools may establish a checking account for a revolving cash fund in one or more banks
5. Other purposes deemed necessary based on justifiable business need or requirement

III. RESPONSIBILITIES

1. The Department, Agency, or District should send a letter to the County Treasurer requesting the opening of the bank account and include the names of all signers on the account
2. A resolution from the governing board or formal request from the department head or designee approving the outside bank account and describing the purpose of the account

3. Upon review of the request by the County Treasurer, the Department, Agency, or District will be given written approval and authorization to open the account or be advised if not approved
4. The Treasurer's office will work with the Department, Agency, or District to open the bank account
5. A copy of each contract entered into pursuant to California Government Code § 53682 shall be filed with the auditor or corresponding officer of the local agency