

## Management Committee

Meeting date: November 12, 2014

For the Metropolitan Council meeting of December 10, 2014

**Subject:** Affirmation of 2015 Transaction-Based Financial Contracts

**District(s), Member(s):** All

**Policy/Legal Reference:** Procurement policies apply

**Treasury Staff Prepared/Presented:** Allen Hoppe, Senior Manager (602-1629)

**Division/Department:** Finance/Treasury

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend the terms of the following volume-based financial contracts, as needed, so as to provide continued service through December 31, 2015:

1. Wells Fargo and US Bank - General banking services
2. Elavon, authorize.net and PayPal - Credit card processing, gateway and managed payment services
3. Bank of America (BoFA) - Purchasing card services
4. Wells Fargo and US Bank - Custodian, securities lending, trustee and escrow

### Background

The Council has a number of financial processing needs which are served by contracts whose total dollar cost varies with changes in transaction volumes; as transaction volumes increase for a contract, the cost of the contract increases proportionately. Establishing fixed rates "per transaction" rather than a fixed dollar value for the contract, assures continuous services throughout the contract term.

<i>Contract</i>	<i>Description</i>	<i>Volume (annual)</i>	<i>Est. 2015 Expense</i>
General Banking	Other Bank Services	Multiple Types	\$65,000
	Coin & Currency	Multiple Types	\$35,000
Merchant Banking	Credit Card Transactions	#2 million	\$350,000
Purchasing Card	P-Card Transactions (\$12 million of spend)	#28,000	-\$160,000
Custody & Sec Lend	Investments Custodian	\$500 million	\$40,000

Trustee Services	VEBA HRA, etc.	\$2 million	\$2,000
Escrow Services	Refunding Bond Accts.	Varies	\$2,000

**Rationale**

This business item provides the Management Committee with an annual opportunity to review these financial services relationships and the estimated transaction volumes/fees.

**Funding**

The above actions result in no changes to the funding channels. The unpredictable volume of transactions is the primary determinant of total expenses.

**Known Support / Opposition**

None