

Management Committee

Meeting date: November 18, 2015

For the Metropolitan Council meeting of December 9, 2015

Subject: Affirmation of 2016 Transaction-Based Financial Contracts

District(s), Member(s): All

Policy/Legal Reference: Procurement policies apply

Treasury Staff Prepared/Presented: Rich Koop, 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, 2016:

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. 2016 Expense</i>
General Banking	Other Bank Services	Multiple Types	\$50,000
	Coin & Currency	Multiple Types	\$35,000
Merchant Banking	Credit Card Transactions	#1.7million	\$550,000
Purchasing Card	P-Card Transactions (\$22.4 million of spend)	#32,000	-\$268,000

Custody & Sec Lend	Investments Custodian	\$550 million	\$35,000
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