

## Management Committee

Meeting date: November 9, 2016

For the Metropolitan Council meeting of December 14, 2016

**Subject:** Report of 2016 Volume-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

Approve a report of 2016 volume-based financial contracts reflecting service provided in the following contracts:

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 (Amount is net the earning credit)	Multiple Types	\$50,000
	Coin & Currency	Multiple Types	\$35,000
Merchant Banking	Credit Card Transactions	#2 million	\$685,000
Purchasing Card	P-Card Transactions (\$23 million of spend. Expense)	#32,000	-\$350,000

	is a negative as is a rebate back to the Council)		
Custody & Sec Lending	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.

### Thrive Lens Analysis

Stewardship – Competitively bidding the Financial Institutions services provides the best pricing and service to the Council.

### 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