

Business Item

Management Committee



Committee Meeting Date: November 9, 2022

For the Metropolitan Council: November 30, 2022

Business Item: 2022-291

2023 Authorized Financial Institutions

District(s), Member(s):	All
Policy/Legal Reference:	Council Policy on Investments, Minnesota Statutes 473.542 and 118A.02
Staff Prepared/Presented:	Mark Thompson, Director Treasury, 651-602-1629
Division/Department:	Regional Administration/Finance

Proposed Action

The Metropolitan Council approve the 2023 Authorized Financial Institutions list.

Background

This business item provides the Council an opportunity to review financial services relationships and the associated transaction volumes and fees.

Also, pursuant to Minnesota Statutes Chapter 473.542 *Metropolitan Government* and 118A.02 *Deposit and Investment of Local Public Funds*, the Council shall designate one or more official depositories for Council funds. This designation shall be in writing, set forth all terms and conditions upon which deposits are made, shall be signed by the Council Chair and Treasurer, and be made part of Council minutes.

Last, in accordance with the Council's investment policy, all banks and investment firms doing business with the Council must receive prior approval from the Council.

Rationale

This item is presented to the Council at least annually to inform and update the Council regarding its financial service relationships and obtain designation of official depositories as required by statute. It will also be presented when new financial institutions are proposed to be added.

Thrive Lens Analysis

Competitive solicitation of financial services demonstrates **Stewardship** over the Council's investment portfolios, banking activities, credit card transactions, and other financial activities by ensuring needed financial services are obtained at the best price and according to Procurement policies.

Funding

General banking, custody and credit card processing fees are funded within division budgets. There are typically no fees charged to the Council for Purchasing cards, payroll debit cards, and debit cards provided to housing program participants for utilities reimbursements. No commissions are paid to investment brokers. Hedging transaction fees are funded by Transit

Small Business Inclusion

There are no direct impacts to small business inclusion associated with the proposed action.



METROPOLITAN COUNCIL
2023 Authorized Financial Institutions and Service Providers
November 9, 2022

Banking Services (Designated Depositories)

U.S. Bank, N.A.
Wells Fargo Bank, N.A.

Card Providers and Processors

Authorize.net (bar code sales channel)
PayPal (Transit inventory sales via eBay)
Bank of America (purchasing credit card)
Elavon Inc. (credit card processing and managed payment processor)
Token Transit (Metro Transit Mobil App Ticket provider and payment product)
The Bancorp Bank, (VEBA HRA debit cards)
Total Administrative Services Corporation (TASC) (Benefits provider for flex payment administrator)
US Bank (payroll debit card and housing debit card)
US Bank (recognition cards)

Custodial, Trust, Escrow and Hedge Clearing Accounts

R.J. O'Brien (clearing account for fuel hedging)
State Street (OPEB portfolio execution & custody via SBI)
U.S. Bank Trust and Custody (custody, trust and escrow)
*Principal Custody Solutions (custody, trust and escrow) (formerly Wells Fargo Institutional Trust)

Securities Broker/Dealers

FHN Financial Capital Markets
Piper Sandler
RBC Capital Markets
Robert W. Baird & Co.
U.S. Bank Money Center
Wells Fargo Securities, LLC.

Money Market Funds

First American Funds, Inc.
Goldman Sachs Asset Management
Morgan Stanley
*Allspring Global Investments (formerly Wells Fargo Asset Management)

OPEB Trust

Public Employees Retirement Association (PERA)
Minnesota State Board of Investment (SBI)

Certificate of Deposit Program

Maple Bank
Drake Bank
Riverland Bank
First Resource Bank
21st Century Bank
Hi-way Federal Credit Union
Merchants Bank
Bremer Bank
PNC Bank

*change from 2022 Authorized Financial Institutions and Service Providers list



2022 Financial Services Fees Report

Contract	Description	Volume (annual)	Est. 2021 Expense
General Banking	Other Bank Services (before earnings credit)	Multiple Types	\$93,000
Merchant Banking	Credit Card Transactions (\$15.4 million)	439,000	\$463,000
Purchasing Card	P-Card Transactions (\$7.3 million of spend)	15,000	-\$100,000
Custody Services	Investment Custodian (average securities held)	\$950 million	\$25,000
Trustee Services	VEBA HRA	\$2.6 million	\$2,000
Escrow Services	Bond Refundings	Varies	\$2,000

