

Business Item

Management Committee



Committee Meeting Date: November 8, 2023

For the Metropolitan Council: December 13, 2023

Business Item: 2023-264

2024 Authorized Financial Institutions

| | |
|----------------------------------|---|
| District(s), Member(s): | All |
| Policy/Legal Reference: | Appendix to Council Investments Policy FM 3-1 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 list of 2024 Authorized Financial Institutions

Background

Pursuant to Minnesota Statute 473.542, the Council shall designate one or more national or state banks as official depositories before conducting business with said financial institution. The designation shall be in writing, set forth the terms and conditions upon which deposits are made, be signed by the Chair and Treasurer, and be made a part of the minutes of the Council.

Pursuant to Minnesota Statute 118A.02 and the Council's investment policy, all depositories and investment firms doing business with the Council must receive prior Council approval.

Also, this list and chart provides transparency of the Council's financial relationships and fees paid.

Rationale

This item is presented to the Council annually to inform the Council of financial services relationships and obtain official designation of depositories as required by statute and policy. It may also be presented when additional financial institutions are proposed.

Thrive Lens Analysis

The list of Authorized Financial Institutions helps the Council meet the **Stewardship** outcome by being transparent about its financial relationships and the fees paid to these institutions, demonstrating financial resources are being managed wisely.

Funding

General banking, custody and credit card processing fees are funded within division budgets. Typically the Council does not pay any fees for Purchasing cards, payroll debit cards, and debit cards provided to housing program participants. 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
2024 Authorized Financial Institutions
November 8, 2023**

Banking Services (Designated Depositories)

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

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
BankCherokee
Sunrise Banks

Card Providers and Processors

Authorize.net (bar code sales channel)
*Nayax Cashless Solutions (Transit CVM credit card processing, \$400 weekly)
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)
US 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 (trust and escrow)
Principal Custody Solutions (investment custody, trust and escrow)

Securities Broker/Dealers

FHN Financial Capital Markets
Piper Sandler
RBC Capital Markets
Wells Fargo Securities, LLC.

Money Market Funds

First American Funds, Inc.
Goldman Sachs Asset Management
Morgan Stanley
Allspring Global Investments

OPEB Trust

Public Employees Retirement Association (Administrator)
Minnesota State Board of Investment (Investment manager)

*Change from previously approved 2023 Authorized Financial Institutions



2023 Financial Services Fees Report

| Contract | Description | Annual Volume | Est. 2023 Expense |
|-------------------------|---|-------------------|-------------------|
| General Banking | Council Wide Banking Services (Before earnings credit) | Multiple Services | \$84,000 |
| Merchant Banking | Credit Card Transactions (\$15.1 million of payments received) | 640,000 | \$363,000 |
| Purchasing Card | P-Card Transactions (\$8.5 million of spend) | 19,000 | -\$120,000 |
| Custody Services | Investment Custodian | \$1.5 billion | \$40,000 |
| Trustee Services | VEBA HRA | \$3.8 million | \$3,000 |
| Escrow Services | Bond Refunding | Per Refunding | \$3,000 |
| OPEB Trust | Administration and Custodian | \$320 million | \$30,000 |

