

Business Item

Management Committee



Committee Meeting Date: November 13, 2024

For the Metropolitan Council: December 11, 2024

Business Item: 2024-326

2025 Authorized Financial Institutions

District(s), Member(s):	All
Policy/Legal Reference:	Appendix to Council Investments Policy FM 3-1 Minnesota Statutes 473.542 – Depositories Minnesota Statutes 118A.02 - Depositories; Investing: Sales, Proceeds, Immunity.
Staff Prepared/Presented:	Mark Thompson, Director Treasury, 651-602-1629
Division/Department:	Regional Administration/Finance

Proposed Action

The Metropolitan Council approve the list of 2025 Authorized Financial Institutions

Background

Pursuant to Minnesota Statute 473.542, the Council shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for moneys of the Council. Such 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 brought forward 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 being proposed.

Thrive Lens Analysis

The list of Authorized Financial Institutions demonstrates **Stewardship** by being transparent about financial relationships and the fees paid to those institutions, showing financial resources are managed wisely.

Funding

General banking, custody and credit card processing fees are funded within division budgets. The Council does not pay any fees for the Purchasing Card program, payroll debit cards, and debit cards for housing program participants. No commissions are paid to investment brokers. Hedging program fees are funded within Transit budget.

Small Business Inclusion

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

**Metropolitan Council
2025 Authorized Financial Institutions
October 28, 2024**

Banking Services (Designated Depositories)

U.S. Bank, N.A.

Wells Fargo Bank, N.A.

Card Providers and Processors

Authorize.net (bar code sales channel)

Nayax Cashless Solutions (Transit CVM credit card processing, \$400 weekly)

Bank of America (purchasing card)

Elavon Inc. (credit card processing and managed payment processor)

Token Transit (Metro Transit mobile app ticket provider and payment product)

~~*Baker Tilly - Total Administrative Services Corporation (TASC)~~ (Benefits provider for flex payment administrator)

US Bank (VEBA HRA debit cards, payroll debit card, housing debit card and recognition card)

Custodial, Trust, and Escrow

Principal Custody Solutions (investment portfolios custodian)

State Street (OPEB Trust custody)

U.S. Bank Trust and Custody (custody, trust, escrow)

Securities Broker/Dealers

FHN Financial Capital Markets

Piper Sandler

RBC Capital Markets

R.J. O'Brien (clearing for hedging futures)

U.S. Bank Money Center

Wells Fargo Securities, LLC.

Money Market Funds

First American Funds, Inc.

Goldman Sachs Asset Management

Morgan Stanley

Allspring Funds Management LLC (Wells Fargo bank sweep)

~~*Principal Global Investors LLC (Custodian cash fund)~~

OPEB Trust

Public Employees Retirement Association

Minnesota State Board of Investment

Certificate of Deposit Program

Granite Bank

Drake Bank

Riverland Bank

First Resource Bank

21st Century Bank

~~*Hi-way Federal Credit Union (Not in program)~~

Merchants Bank

Bremer Bank

~~*PNC Bank (Not in program)~~

BankCherokee

Sunrise Banks

First Independence Bank

*Change from previous approved 2024 Authorized Financial Institutions



2024 Financial Services Fees

Contract	Description	Annual Volume	Est. 2024 Expense
General Banking	Council Wide Banking Services	\$3.0 billion activity	\$81,000
Merchant Banking	Credit Card Transactions	\$15.2 million payments received. 670,000 transactions.	\$467,000
Purchasing Card	P-Card Transactions	\$7.0 million of spend. 19,000 transactions.	-\$110,000
Custody Services	Investment Custodian	\$1.9 billion assets	\$40,000
Trustee Services	VEBA HRA	\$13.0 million monthly	\$1,800
Escrow Services	Bond Refunding	Per Refunding	\$3,000
OPEB Trust	Administration and Custodian	\$381 million trust	\$40,000

