

# Business Item

Management Committee



Committee Meeting Date: July 24, 2024

For the Metropolitan Council: August 14, 2024

## Business Item: 2024-175

Amendment to 2024 Authorized Financial Institutions

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

### Proposed Action

The Metropolitan Council approve amending the 2024 Authorized Financial Institutions list to add First Independence Bank as an approved institution for the Certificate of Deposit program.

### Background

Prior approval is required for the Council to do business with financial institutions. At its December 13, 2023 meeting, the Metropolitan Council approved the 2024 Authorized Financial Institutions list (BI 2023-264). This business item asks to approve amending the list by adding First Independence Bank to the Certificate of Deposit (CD) category.

Adding First Independence Bank to the approved list will allow the Council to invest in a CD with them but does not guarantee an investment. Purchases are subject to available funding, bank appetite for deposits, ongoing evaluation, meeting collateral requirements, and required reporting.

The Council's Certificate of Deposit program involves purchasing CDs from community banks operating in the Council's region that have a track record of supporting and investing in local small businesses, affordable housing, and community development initiatives. The Council approved \$20-25 million for this program and currently \$22 million is invested with nine banks.

First Independence Bank applied to participate in the CD program where they demonstrated their business focus on under-served and minority communities, especially helping to enable homeownership, helping those who are underbanked, and providing financial education. According to their website, First Independence Bank is certified as a Minority Business Enterprise (MBE) and is classified as a Community Development Financial Institution (CDFI). CDFI institutions share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses.

### Rationale

The Authorized Financial Institutions list informs and updates the Council regarding financial services relationships and designates official depositories as required by statute and policy. It is amended when new financial relationships are proposed.

### **Thrive Lens Analysis**

The Authorized Financial Institutions list provides transparency of the Council's financial relationships and demonstrates **Stewardship** over the Council's financial resources and activities.

### **Funding**

Certificate of Deposit investments are funded from investment portfolio assets.

### **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.

**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 (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  
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  
BankCherokee  
Sunrise Banks  
**\*\*First Independence Bank**

\*Change from previous approved 2023 Authorized Financial Institutions

**\*\*Proposed change with approval of Business Item 2024-XX**