

## Management Committee

For the Metropolitan Council meeting of December 11, 2013

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### **Subject: List of 2014 Authorized Financial Institutions**

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#### **Proposed Action**

That the Metropolitan Council approve the attached list of Authorized Financial Institutions for 2014.

#### **Summary of Committee Discussion/Questions**

This request is presented to the Council at least annually so that the Council is kept informed of its financial partners; it is also presented when new parties are added to the list.

Treasury Analyst, Mercy Ndungu, described the changes since the last annual list was presented in late 2012 (for use in 2013): Wells Fargo has been deleted as a card provider since US Bank's similar services were of greater benefit to the Council and JP Morgan was deleted as a money market fund provider since they are no longer used by the Council due to their yields being lower than other relatively comparable funds. Procurement Director, Micky Gutzmann, explained that selection of providers is subject to Council procurement policies and any further concerns of the Council.

## Management Committee

Meeting date: November 13, 2013

For the Metropolitan Council meeting of December 11, 2013

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**Subject:** Approval of the List of 2014 Authorized Financial Institutions

**District(s), Member(s):** All

**Policy/Legal Reference:** Appendix to Council Policy on Investments, Minnesota Statutes 473.542 and 118A

**Staff Prepared/Presented:** Mercy Ndungu, Principal Financial Analyst (602-1436) and Allen Hoppe, Senior Manager (602-1629)

**Division/Department:** RA Finance/Treasury

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### Proposed Action

That the Metropolitan Council approve the attached list of Authorized Financial Institutions for 2014.

### Background

In accordance with the Council's investment policy, all banks and brokerage companies doing business with the Council, whether they are receiving funds as deposits or for investments, must be approved by the Council before they receive Council funds.

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

### Rationale

This request is presented to the Council at least annually so that the Council is kept informed of its financial partners; it is also presented when new parties are added to the list.

### Funding

Except for the commodity hedging account, investment purchases are done primarily on a net settlement basis whereby the broker fee is built into the cost of the investment being purchased or sold. Hedging brokerage fees are funded by the benefiting Council division.

General banking and merchant banking credit card processing fees are funded within the budgets of benefiting business divisions. There are no fees typically charged to the Council for certain card usages: purchasing card (a.k.a., P-Card), payroll cards, and, payment cards provided to housing program participants for utilities payment reimbursements. In the appendix, Wells Fargo has been deleted as a card provider since US Bank's similar services were of greater benefit to the Council. Also, JP Morgan was deleted as a money market fund provider since they are no longer used by the Council due to their rates not being competitive enough.

## **Known Support / Opposition**

None.

**METROPOLITAN COUNCIL**

**2014 Authorized Financial Institutions and Service Providers**

Dated: December 11, 2013

**Banking Services (Official Depositories)**

U.S. Bank, N.A. (including East Grand Forks controlled disbursements site)  
Wells Fargo Bank, N.A. (including Van Wert, Ohio controlled disbursement site)

**Card Providers**

Bank of America (purchasing credit card)  
Elavon Inc. (credit card processing and managed payment processor)  
The Bancorp Bank, (VEBA HRA pharmacy debit cards)  
Total Administrative Services Corp (TASC FLEX debit cards)  
US Bank (payroll debit card and housing debit card)

**Custodial, Securities Lending, Trust, Escrow and Hedge Clearing Accounts:**

R.J. O'Brien (clearing account for hedges)  
State Street (OPEB portfolio execution & custody)  
U.S. Bank National Association (custody, securities lending, trust and escrow)  
Wells Fargo Trust (custody, securities lending, trust and escrow)

**Broker/Dealers**

First Tennessee Capital Markets  
Bank of America Merrill Lynch  
Piper Jaffray  
RBC Wealth Management (fronting broker for commodity hedges)  
Robert W. Baird & Co.  
U.S. Bancorp, N.A.  
Wells Fargo Securities, LLC

## **Money Market Funds**

### **Federated Investors Inc.**

First American Funds, Inc.

Goldman Sachs Asset Management

Morgan Stanley

Wells Fargo Advantage Funds

## **OPEB Balances**

Public Employees Retirement Association (PERA)

State Board of Investments (SBI), Minnesota