

Management Committee

For the Metropolitan Council meeting of December 11, 2013

Subject: Affirmation of 2014 Transaction-Based Financial Contracts

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend the terms of the following volume-based financial contracts, as needed, so as to provide continued service through December 31, 2014:

1. Wells Fargo and US Bank - General banking services
2. Elavon - Credit card processing, gateway and managed payment services
3. Bank of America (BofA) - Purchasing card services
4. Wells Fargo and US Bank - Custodian, securities lending, trustee and escrow

Summary of Committee Discussion/Questions

The Council has a number of essential financial processing needs which are served by contracts whose total dollar cost varies with changes in transaction volumes; as transaction volumes increase for a contract, the cost of the contract increases proportionately. Establishing fixed rates "per transaction" rather than a fixed dollar value for the contract, assures continuous services throughout the contract term. Treasury Manager Allen Hoppe responded to a question about the volumes and pricings included in the business item.

Management Committee

Meeting date: November 13, 2013

For the Metropolitan Council meeting of December 11, 2013

Subject: Affirmation of 2014 Transaction-Based Financial Contracts

District(s), Member(s): All

Policy/Legal Reference: Procurement policies apply

Staff Prepared/Presented: Allen Hoppe, Senior Manager

Division/Department: RA Finance/Treasury

Proposed Action

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Background

During the second-half of 2013, Wells Fargo was installed as the Council's primary bank for general banking services. Since certain debit card features were not available from Wells Fargo and due to the proximity of a US Bank branch to the St. Paul Metro Transit Store, a residual amount of banking will continue to flow through US Bank. Treasury is now working on the RFP for custody and securities lending. RFPs for remaining financial services will be issued in turn.

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<i>Contract</i>	<i>Description</i>	<i>Volume (annual)</i>	<i>Est. 2014 Expense</i>
General Banking	Other Bank Services	Multiple Types	\$ 60,000
	Coin & Currency	Multiple Types	25,000
Merchant Banking	Credit Card Transactions	#1,400,000	540,000
Purchasing Card	P-Card Transactions	#15,000	< 40,000 >
Custody & Sec Lend	Investments Custodian	\$500 million	40,000
Trustee Services	VEBA HRA, etc.	\$2 million	2,000
Escrow Services	Refunding Bond Accts.	Varies	2,000

This business item provides the Management Committee with an annual opportunity to review these financial services relationships and the estimated transaction volumes/fees.

Rationale

This request is presented to the Council at least annually to ensure continued service from financial services contracts with known unit prices but sometimes highly variable quantities of transactions.

Funding

The above actions result in no changes to the funding channels. The unpredictable volume of transactions is the primary determinant of total expenses.

Known Support / Opposition

No known opposition.