

Management Committee

For the Metropolitan Council meeting of December 10, 2014

Subject: List of 2015 Authorized Financial Institutions
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Proposed Action

That the Metropolitan Council approve the attached list of Authorized Financial Institutions for 2015.

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.

Allen Hoppe, Senior Manager (Treasury), mentioned that there were no deletions when compared to last year's list but that there were two additions, both related to the acceptance of credit cards by Metro Transit. Council Member Chavez raised questions surrounding the procurement standards for financial services. Mary Bogie, CFO, and Micky Gutzmann, Procurement Director, responded that they would research and consider criteria for future solicitation of financial services contracts.

Management Committee

Meeting date: November 12, 2014

For the Metropolitan Council meeting of December 10, 2014

Subject: List of 2015 Authorized Financial Institutions

District(s), Member(s): All

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

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

Division/Department: Finance

Proposed Action

That the Metropolitan Council approve the attached list of Authorized Financial Institutions for 2015.

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.

Known Support / Opposition

None

METROPOLITAN COUNCIL
2015 Authorized Financial Institutions and Service Providers
Dated: December 10, 2014

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, Gateways, Acquirers and Processors

New—Authorize.net (bar code sales channel)
New—PayPal (Transit inventory sales via eBay)
Bank of America (purchasing credit card)
Elavon Inc. (credit card processing and managed payment processor)
New—PayPal (Metro Transit excess inventory sales).
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)

Securities Broker/Dealers

First Tennessee Capital Markets
Bank of America Merrill Lynch
Piper Jaffray
RBC Wealth Management (also, 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