

## Management Committee

For the Metropolitan Council meeting of December 8, 2021

**Subject:** Authorized Financial Institutions for 2022

### Proposed Action

Metropolitan Council approve the attached list of Authorized Financial Institutions for 2022.

### Summary of Committee Discussion/Questions

Mark Thompson, Senior Manager Treasury, presented business item 2021-301.

Mr. Thompson gave the following background: This annual business item provides the Council an opportunity to review and approve the Council's financial services relationships and review financial transaction volumes and fees. The List of Authorized Financial Institutions for 2022 and a slide showing estimated 2020 financial transaction volumes and fees were reviewed.

Statute requires the Council to declare official depositories before conducting business and Council investment policy requires all brokerage firms and banks used for investment of Council funds to have prior approval.

Mr. Thompson noted three changes to the list from last approval. Transit selected a new mobile ticket provider named Token Transit replacing Moovel and Braintree, Human Resources selected TASC as the flex program administrator replacing HealthPartners, Treasury is now using US Bank for recognition cards replacing Wells Fargo.

Selection of financial service providers is subject to Council procurement policies.

There were no questions or discussion.

Motion by Lilligren, seconded by Johnson. Motion carried unanimously.

## Management Committee

Meeting date: November 10, 2021

For the Metropolitan Council meeting of December 8, 2021

**Subject:** Authorized Financial Institutions for 2022

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

**Policy/Legal Reference:** Appendix A to Council Policy on Investments, Minnesota Statutes 473.542 and 118A.02

**Staff Prepared/Presented:** Mark Thompson, Senior Manager (651-602-1629)

**Division/Department:** Regional Administration/Finance

### Proposed Action

Metropolitan Council approve the attached list of Authorized Financial Institutions for 2022.

### Background

In accordance with the Council's investment policy, all banks and investment firms doing business with the Council must receive prior approval from the Council.

Also, pursuant to Minnesota Statutes Chapter 473.542 *Metropolitan Government* and 118A.02 *Deposit and Investment of Local Public Funds*, the Council shall designate one or more national or state banks or trust companies as official depositories. This designation shall be in writing, set forth all terms and conditions upon which deposits are made, shall be signed by the Council Chair and Treasurer, and be made part of Council minutes.

### Rationale

This request is presented to the Council at least annually so that the Council is informed of its financial partners and can designate depositories as required by statute. It will also be presented when new institutions are proposed to be added to the list.

### Thrive Lens Analysis

Competitive solicitation of financial services demonstrates **Stewardship** over the Council's investment portfolios, banking activities, credit card transactions, and other financial activities by ensuring needed financial services are obtained at the best price and according to Procurement policies.

Funds invested in the targeted Certificate of Deposit program positively impacts **Equity** within the communities we serve. Local Community banks with whom we invest have track records of providing loans to disadvantaged small businesses, affordable housing initiatives, programs for the unbanked and community development.

### Funding

General banking and credit card processing fees are funded within division budgets. There are typically no fees charged to the Council for Purchasing cards, payroll debit cards, and payment debit cards provided to housing program participants for utilities reimbursements. No commissions are paid to investment brokers. Hedging transaction fees are funded by Transit.

### Known Support / Opposition

No known opposition

METROPOLITAN COUNCIL  
2022 Authorized Financial Institutions and Service Providers  
October 27, 2021

**Banking Services (Designated Depositories)**

U.S. Bank, N.A.  
Wells Fargo Bank, N.A.

**Card Providers, Gateways, Acquirers and Processors**

Authorize.net (bar code sales channel)  
PayPal (Transit inventory sales via eBay)  
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)  
The Bancorp 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 hedges)  
State Street (OPEB portfolio execution & custody via SBI)  
U.S. Bank Trust and Custody (custody, trust and escrow)  
Wells Fargo Institutional Trust/Principal Custody Solutions (custody, securities lending, trust and escrow)

**Securities Broker/Dealers**

First Horizon Capital Markets  
Piper Sandler  
RBC Capital Markets  
Robert W. Baird & Co.  
U.S. Bancorp, N.A.  
Wells Fargo Securities, LLC.

**Money Market Funds**

First American Funds, Inc.  
Goldman Sachs Asset Management  
Morgan Stanley  
Wells Fargo Funds

**OPEB Trust Investments**

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

# 2021 Financial Fees Based on Volume

Financial processing costs based on transaction volumes; as transaction volumes increase, the cost increases proportionately.

Contract	Description	Volume (annual)	Est. 2021 Expense
General Banking	Other Bank Services (before earnings credit)	Multiple Types	\$93,000
Merchant Banking	Credit Card Transactions (\$15.4 million)	439,000	\$463,000
Purchasing Card	P-Card Transactions (\$7.3 million of spend)	15,000	-\$100,000
Custody Services	Investment Custodian (average securities held)	\$950 million	\$25,000
Trustee Services	VEBA HRA	\$2.6 million	\$2,000
Escrow Services	Bond Refundings	Varies	\$2,000

