

M Management Committee
For the Metropolitan Council meeting of January 9,
2008

Item: 2007-388

ADVISORY INFORMATION

Date Prepared: January 2, 2008

Subject: List of Authorized Financial Institutions (Official Depositories)

Proposed Action:

That the Metropolitan Council approves the attached list of Authorized Financial Institutions (Appendix A).

Summary of Committee Discussion / Questions:

1. Council policy requires that the attached list be approved/confirmed once per year.
2. 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.
3. Minnesota Statute 473.542 spells out that the Council shall designate one or more national or state bank, or trust companies, as official depositories before conducting business with said financial institution(s).
4. No new names have been added to this list since the last time the Council approved it.
5. Due to either mergers or published reports of financial difficulties, the following institutions have been removed from the attached list:
 - a. Bear Stearns & Co.
 - b. Paine Webber
 - c. WAMU Capital Corp (Washington Mutual)
6. This proposed action was approved by the Management Committee on December 12, 2007.

**METROPOLITAN COUNCIL
Authorized Financial Institutions**

Dated: December 12, 2007

Banking Services

U.S. Bank, N.A. (Official Depository)

U.S. Bank, East Grand Forks

Card Providers

Bankcorp Bank, f.k.a., BankFirst (Pharmacy and FLEX Debit Card)

Metavante (Credit Card Provider)

Bank of America (Purchasing Card)

Custodial Trust Accounts and Securities Lending:

U.S. Bank National Association

Wells Fargo

Active Broker/Dealers and/or Money Market Funds*:

Barclays Capital (BGI)

Credit Suisse

RBC Dain Rauscher

E*Trade

Federated Securities/Investors Corp.

First American Funds, Inc.

First Tennessee Capital Markets

Merrill Lynch

Morgan Stanley

Piper Jaffray

R.J. O'Brien

Robert W. Baird & Co.

U.S. Bancorp

Wells Fargo Investment Services

Broker/Dealers from Electronic Platforms:

ABN Amro

Advest

Auerbach Grayson & Company (on behalf of Danske Bank and Nordea Bank)

Banc of America Securities

Bank of New York (BNY) Capital

Bloomberg (platform)

BNP Paribas

Bonddeskgroup (platform)

Cantor Fitzgerald

CitiGroup Global Markets

Commonwealth Financial Network

Credit Suisse First Boston (CSFB)

Countrywide Securities
Deutsche Bank Securities
Dresdener Kleinwort Wasserstein Securities
First Southwest
Goldman, Sachs & Co.
Greenwich Capital Markets (on its own and on behalf of The Royal Bank of Scotland)
G. X. Clarke & Co.
HSBC Securities
ICAP—Intercapital Securities
J.D. Edwards
J.P. Morgan Securities
Jefferies & Company
LaSalle
Lehman Brothers
Loop Capital
McDonald Investments
Mizuho Securities
Morgan Keegan
National Financial Services
Nomura Securities/International
Northern Trust
Pershing
PNC Capital
State Street
SunTrust
Thomson TradeWeb (platform)
UBS Securities
Wachovia Capital Markets
William Blair
Ziegler Capital
Zions Bank

Direct Issuers of Commercial Paper

Various Corporations

OPEB Balances

State Board of Investments (Minnesota)

**Electronic platform transactions may also be executed with these broker/dealers.*

M Management Committee

Business Item

Item: 2007-388

Meeting date: December 12, 2007

ADVISORY INFORMATION

Date:	December 5, 2007
Subject:	List of Authorized Financial Institutions (Official Depositories)
District(s), Member(s):	All
Policy/Legal Reference:	Appendix to Council Policy on Investments
Staff Prepared/Presented:	Allen Hoppe, Treasury Manager
Division/Department:	Fiscal Services/Treasury

Proposed Action

That the Metropolitan Council approves the attached list of Authorized Financial Institutions (Appendix A).

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.

Additionally, Minnesota Statute 473.542 spells out that the Council shall designate one or more national or state bank, or trust companies, as official depositories before conducting business with said financial institution(s). 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. Council practice is to review and pre-approve specifically named financial institutions as listed in the attached Appendix A. The corresponding contract terms and conditions are reviewed by Council legal and professional staff as appropriate to the conditions; the contract is then signed by a manager with the appropriate signing authority.

Rationale

The Council accomplishes its official business needs through a multitude of financial institutions as listed in Appendix A. A large number of broker/dealers are listed on Appendix A due to the choices and opportunities available on electronic trading platforms. The Council's general purpose bank is currently U.S. Bank, N.A.; our primary custodian is Wells Fargo. Hedging brokerage/clearing services are provided by Dain Rauscher and R.J. O'Brien. Metavante serves as the primary credit card processor.

Funding

Bank fees have historically been budgeted within each business division and funded directly from operations, i.e., no external funding is directly accessed.

Most investment purchases are done on a net settlement basis whereby the broker fee is built into the cost of the bond (or similar instrument) being purchased or sold.

Known Support / Opposition

Reviewed and approved by the Investment Review Committee on November 13, 2007.

**METROPOLITAN COUNCIL
Authorized Financial Institutions**

Dated: December 12, 2007

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Deutsche Bank Securities
Dresdener Kleinwort Wasserstein Securities
First Southwest
Goldman, Sachs & Co.
Greenwich Capital Markets (on its own and on behalf of The Royal Bank of Scotland)
G. X. Clarke & Co.
HSBC Securities
ICAP—Intercapital Securities
J.D. Edwards
J.P. Morgan Securities
Jefferies & Company
LaSalle
Lehman Brothers
Loop Capital
McDonald Investments
Mizuho Securities
Morgan Keegan
National Financial Services
Nomura Securities/International
Northern Trust
Pershing
PNC Capital
State Street
SunTrust
Thomson TradeWeb (platform)
UBS Securities
Wachovia Capital Markets
William Blair
Ziegler Capital
Zions Bank

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