

M Management Committee

Meeting date: November 9, 2011

ADVISORY INFORMATION

Date: October 27, 2011
Subject: Affirmation of 2012 Transaction-Based Financial Contracts
District(s), Member(s): All
Policy/Legal Reference:
Staff Prepared/Presented: Allen Hoppe, Senior Manager, Treasury
Division/Department: Fiscal Services/Treasury

Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to amend the terms of the following transaction volume-based financial contracts, as needed, so as to provide continued service through December 31, 2012:

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

RFPs are planned over the next three months for general banking services, purchasing card services, custodian and securities lending services. The contract for credit card processing services is more recent and no relationship changes are planned for 2012

Background

The Council has a number of 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.

Annually, the management committee is provided opportunity to review transaction volume activity.

<i>Contract</i>	<i>Description</i>	<i>Volume (annual)</i>	<i>Rate (annual)</i>	<i>YTD 2011</i>
US Bank	Coin & Currency	336,000	0.22	56,000
	Other Banking Services	Varies	Varies	Varies
Elavon	Credit Card Processing	1,019,000	0.34	296,000
Bank of America	P-Card Transactions	12,400	0	0
Wells Fargo	Administration	\$500,000,000	0.00006	\$21,500

Funding

The above actions result in no changes to the funding channels. While amounts have been estimated and budgeted where expenses exist, the unpredictable volume of transactions is the primary determinant of total expenses.

Known Support / Opposition

No known opposition.