Committee Report

Management Committee

METROPOLITAN COUNCIL

Committee meeting date: November 12, 2025 **For the Metropolitan Council:** December 3, 2025

Business Item: 2025-278

2026 Authorized Financial Institutions

Proposed action

The Metropolitan Council approve the 2026 Financial Institutions list

Summary of Management Committee discussion/questions

Mark Thompson, Director Treasury, presented Business Item 2025-278.

Mr. Thompson gave the following background: This annual business item provides transparency of the Council's financial services relationships expected to be used in 2026. Approval of the list also satisfies MN. Statute 473.542, which requires the Council officially designate depositories, and satisfies MN. Statute 118A.02 and Council Investment Policy requirements that banks and investment institutions receive prior Council approval.

There are two changes, marked in red, from the previous 2025 list. Bremer Bank was removed from the Certificate of Deposit Program category due to its merger with Old National Bank and outgrowing the CD Program, which is designed for smaller local community banks. Hilltop Securities was added to the Securities Broker/Dealers category because Hilltop acquired the fuel hedging services business of previous provider RBC.

The list is not a procurement document or process, its purpose is to provide transparency and complete the statutory and policy approvals mentioned above.

A chart of fees paid to financial institutions in 2025 was also shown for transparency.

Council Member Johnson asked if bank increase year to year. Mr. Thompson explained that bank fees will increase if the Council volumes increase or new services are added. The fee schedule is generally set for the length of our banking contracts.

Motion by Osman, seconded by Jenkins. Motion carried.

Business Item

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2026 Authorized Financial Institutions

District(s), member(s):	**All**
Policy/legal reference:	**Council Investment Policy FM 3-4**
	Minnesota Statutes 473.542 – Depositories
	Minnesota Statutes 118A.02 – Depositories; Investing: Sales, Proceeds, Immunity.
Staff prepared/presented:	**Mark Thompson, Director Treasury, 651-602-1629**
Division/department:	**Regional Administration/Finance**

Proposed action

The Metropolitan Council approve the 2026 Financial Institutions list

Background

Pursuant to Minnesota Statute 473.542, the Council shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for moneys of the Council. Such designation shall be in writing, set forth the terms and conditions upon which deposits are made, be signed by the Chair and Treasurer, and be made a part of the minutes of the Council.

Pursuant to Minnesota Statute 118A.02 and the Council's investment policy, all depositories and investment firms doing business with the Council must receive prior Council approval.

Also, the Financial Institutions list and accompanying chart of related fees provides transparency of the Council's financial relationships and the fees paid for their services.

Rationale

This item is brought forward annually to provide transparency and inform the Council of financial services relationships and to also obtain official designation of depositories as required by statute and policy. It may also be presented when new financial relationships are being proposed.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, the list of Authorized Financial Institutions demonstrates **Stewardship** by providing transparency of the Council's financial relationships and the fees paid to those institutions, demonstrating financial resources are managed wisely.

Funding

General banking, custody, and credit card processing fees are funded within division budgets. The Council does not pay fees for the Purchasing Card program, payroll debit cards, and debit cards for housing program participants. No commissions are paid to investment brokers. Hedging program fees are funded within the Transit budget.

Small business inclusion

There are no direct impacts to small business inclusion associated with the proposed action.

Metropolitan Council
2026 Authorized Financial Institutions
October 31, 2025

Banking Services (Designated Depositories)
U.S. Bank, N.A.
Wells Fargo Bank, N.A.

Card Providers and Processors
Authorize.net (bar code sales channel)
Nayax Cashless Solutions (Transit credit card processing)
Token Transit (Metro Transit mobile app ticket provider)
Elavon Inc. (credit card processing)
Baker Tilly - (Benefits - Flex payment administrator)
US Bank (payroll cards, housing cards, employee recognition cards)
Bank of America (purchasing card program)

Custodial, Trust, and Escrow
Principal Custody Solutions (investment custodian)
State Street (OPEB Trust custodian)
U.S. Bank Trust and Custody (trustee services)

Securities Broker/Dealers
FHN Financial Capital Markets
Piper Sandler
RBC Capital Markets
U.S. Bank Money Center
Wells Fargo Securities, LLC.
*Hilltop Securities (hedging broker)
R.J. O'Brien (hedging clearing)

Money Market Funds
First American Funds, Inc.
Goldman Sachs Asset Management
Morgan Stanley
Allspring Funds Management LLC (Wells Fargo Sweep)
Principal Global Investors LLC (Custodian Cash Fund)

OPEB Trust
Minnesota Public Employees Retirement Association
Minnesota State Board of Investment

Certificate of Deposit Program
Granite Bank
Drake Bank
Riverland Bank
First Resource Bank
21st Century Bank
Merchants Bank
*~~Bremer Bank~~ (merger)
BankCherokee
Sunrise Banks
First Independence Bank

*Change from 2025 Authorized Financial Institutions

2025 Estimated Financial Services Fees

Contract	Description	Annual Volume	Est. 2025 Expense
General Banking	Council Banking Services	$3.0 billion	$74,000
Merchant Banking	Credit Card Transactions	685,000 transactions $14.2 million	$465,000
Purchasing Card	P-Card Transactions	23,000 transactions $8.5 million	-$120,000
Custody Services	Investment Custodian	$2.1 billion	$13,500
Trustee Services	VEBA HRA	$14.5 million	$1,600
Escrow Services	Bond Refunding	Per refunding	$3,000
OPEB Trust	Administrator and Custodian	$430 million	$40,000