

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE MANAGEMENT COMMITTEE
Wednesday, March 12, 2008

Committee Members Present: Roger Scherer, Chair; Lynette Wittsack, Vice Chair; Sherry Broecker; Craig Peterson.

CALL TO ORDER

A quorum being present, Committee Chair Roger Scherer called the regular meeting of the Council's Management Committee to order at 2:52 p.m. on Wednesday, March 12, 2008.

APPROVAL OF AGENDA AND MINUTES

It was moved by Lynette Wittsack, seconded by Sherry Broecker to approve the agenda.

The motion carried.

It was moved by Sherry Broecker, seconded by Lynette Wittsack to approve the minutes of the February 13, 2008 regular meeting of the Management Committee. *The motion carried.*

BUSINESS

2008-39 SW 2008 Unified Operating Budget Amendment

Paul Conery, Manager, Budget and Evaluation, presented this Same Week item to the Management Committee. It includes requests from the Transportation Committee, Community Development and Regional Administration. The Transportation amendment relates to the Job Access Reverse Commute Program and increased Transit program expenses which are to be reimbursed by Edina and Senior Transportation Services. The Community Development and Regional Administration carry forwards are for completion activities and contracts initiated in prior years and for the completion of the staff realignment in Geographic Information Systems (GIS). Mr. Conery addressed questions regarding the carry forwards, realignment of GIS staff and the Environmental Services' budget process.

It was moved by Sherry Broecker, seconded by Lynette Wittsack

“That the Metropolitan Council:

- Amend the 2008 Unified Operating Budget as indicated and in accordance with the attached table.” (Table is shown below.)

	Adopted Budget		Previous Amendments		Proposed Amendment		Proposed Budget
Revenues							
Operating	\$ 477,143,272	\$	-	\$	1,952,922	\$	479,096,194
Pass Through	82,032,500		-		-		82,032,500
Debt Service	132,755,208		-		-		132,755,208
Total Revenues	\$ 691,930,980	\$	-	\$	1,952,922	\$	693,883,902
Expenditures							
Operating	\$ 482,064,637	\$	-	\$	2,800,034	\$	484,864,671
Pass Through	80,792,375		-		-		80,792,375
Debt Service	138,063,093		-		-		138,063,093
Total Expenditures	\$ 700,920,105	\$	-	\$	2,800,034	\$	703,720,139
Surplus / (Deficit)	\$ (8,989,125)	\$	-	\$	(847,112)	\$	(9,836,237)

The motion carried.

2008-40 SW 2008-2013 Capital Improvement Program and Capital Program and Budget Amendment

Alan Morris, Principal Financial Analyst, presented this Same Week item to the Management Committee. It includes a request from the Transportation Committee to approve the reallocation of remaining regional funds from completed or closed capital programs to other projects, and to approve capital program amendments for Transit that recognized new federal and local funding. Mr. Morris confirmed that all projects are capital projects and the amendment does not include any new regional bonding authorization.

It was moved by Lynette Wittsack, seconded by Craig Peterson

“That the Council:

- Amend the 2008 Authorized Capital Program (multi-year authorization) by adding and removing spending authority as follows:

Metropolitan Transportation Services	
Additions to ACP	\$ 3,850,000
Removal of Closed Projects	<u>(\$18,450,082)</u>
Net Change to MTS	(\$14,600,082)

Metro Transit	<u>\$ 0</u>
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Net Change to ACP	(\$14,600,082)
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- Amend the 2008 Capital Budget (annual appropriation) by increasing spending authority as follows:

Metropolitan Transportation Services	\$ 3,850,000
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Metro Transit	<u>\$ 220,000</u>
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Net Change to Capital Budget	\$ 4,070,000
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- Approve transfers between capital projects as detailed in Attachment 1.”
(Attachment 1 is appended to these minutes.)

The motion carried.

INFORMATION

Results of Council Bond Sales

Allen Hoppe, Treasury Manager, presented this informational item. Mr. Hoppe described various factors contributing to today’s stumbling marketplace and displayed historical charts depicting the five-year trend lines for Bond Buyer Index General Obligation 1-year and 20-year bonds. The Council’s history of solid financial management and diversified economy and tax base has contributed to retaining its AAA bond rating with Moody’s and Standard & Poors. Mr. Hoppe provided the sale results and bond sale yields for the Metro Transit Series 2008B, Waste Water Series 2008C, and Waste Water Refunding Series 2008D bonds, noting that the present value of savings for the Waste Water Refunding Bond is \$543,550. He also pointed out that key authorizations were met within the bond resolutions’ parameters. Allen Hoppe and Alan Morris entertained a question related to the term length of reissued bonds and stated that in most cases the new bonds are issued for the remaining term of the refunded bonds.

Program Evaluation/Internal Audit Briefing

Katie Shea, Director of Program Evaluation and Audit, presented this informational item. After defining the Purpose of the Program Evaluation and Audit Division, describing its reporting structure and listing Audit Committee Members, Ms. Shea discussed the following 2007 Project Highlights:

- Extensive review of methodology and reporting of Hiawatha line ridership;

- Return of \$293,604 in savings to the Council resulting from audits, and prevention of an additional \$780,000 in overhead costs related to the Central Corridor;
- Increase in consultative work in key Council operations;
- Partnerships with Information Systems, Human Resources, Community Development and Metro Transit.

Seventy-eight percent of recommendations made by the Program Evaluation and Audit Division have been implemented to date, and the remaining ones are on track to achieve full implementation within a few months. Ms. Shea reported an 80% client feedback return, upon completion of reviews, with positive overall comments that include a high regard for the value of objective reviews and high marks for Audit staff. The focus for 2008 will be to continue developing more effective communication. Lynette Wittsack, Chair of the Audit Committee, complimented Ms. Shea on doing a great job in pinpointing key areas, doing a thorough job and implementing positive changes.

Departmental Efficiencies Briefing

Mary Bogie, Controller, presented this informational item to the Management Committee. The Departmental Efficiencies handout listed quantifiable cost savings' efficiencies with their annual savings as well as those efficiencies whose cost savings had not yet been calculated. The list will continue to be updated. Ms. Bogie highlighted the savings in contract negotiations, the new credit card processor, the central office move, fuel and natural gas hedging and implementation of the Document Management System. Sherry Broecker complimented Ms. Bogie on doing a nice job, and Lynette Wittsack expressed appreciation for efficiencies implemented in Payroll. In response to Craig Peterson, Ms. Bogie confirmed that the Council uses PeopleSoft for Human Resource and Financial systems council-wide.

Federal Procurement Regulations and Requirements Briefing

Chris Gran, Director of Purchasing, Metro Transit, presented this informational item to the Management Committee in response to a request by Sherry Broecker at the November 14, 2007 Management Committee Meeting. The Council receives federal funds from two sources, the Public Facilities Authority and the Federal Transit Administration (FTA). FTA Circular 4220.1E sets forth the requirements the Council must adhere to in the solicitation, award and administration of its third party contracts. Mr. Gran touched on 12 of the 54 procurement standards contained therein and discussed recent FTA reviews. Roger Scherer inquired as to the status of a Light Rail Transit minority hiring issue. Mary Bogie promised to check with Katie Shea and report back to Mr. Scherer.

ADJOURNMENT

Business completed, the meeting adjourned at 3:37 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary

Project #	Provider	Description	CURRENTLY AUTHORIZED					PROPOSED CHANGES					AMENDED					2008 Capital Budget	Multi-Year Authorization					
			Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total							
METROPOLITAN TRANSPORTATION SERVICES																		Original Adopted	\$ 25,307,102	\$ 73,014,622				
REMOVE FROM PROGRAM																		After Prior Amendments	\$ 25,307,102	\$ 73,014,622				
																		After This Amendment	\$ 29,157,102	\$ 58,414,540				
35668	Plymouth	Plymouth - CR 73 P&R				\$ 1,704,496	\$ 1,704,496										\$ 1,704,496	\$ 1,704,496	\$ -	\$ -				
35705	MTS	CMAQ Expansion Buses	\$ 5,637,573			\$ 1,409,393	\$ 7,046,966				\$ 5,637,573						\$ 1,409,393	\$ 7,046,966	\$ -	\$ -				
35714	SMTC	SMTC TH 212/101 P&R				\$ 375,000	\$ 375,000										\$ 375,000	\$ 375,000	\$ -	\$ -				
35737	MVTA	MVTA Remodeling @ Burnsville TC				\$ 40,000	\$ 40,000										\$ 40,000	\$ 40,000	\$ -	\$ -				
35738	MVTA	MVTA COP				\$ 400,000	\$ 400,000										\$ 400,000	\$ 400,000	\$ -	\$ -				
35755	SWT	SMTC Garage Expansion				\$ 1,929,876	\$ 1,929,876										\$ 1,929,876	\$ 1,929,876	\$ -	\$ -				
35767	MVTA	MVTA Debt COP				\$ 400,000	\$ 400,000										\$ 400,000	\$ 400,000	\$ -	\$ -				
35768	SWT	SWT Debt COP				\$ 400,000	\$ 400,000										\$ 400,000	\$ 400,000	\$ -	\$ -				
35769	SWT	SWT Trolley				\$ 140,000	\$ 140,000										\$ 140,000	\$ 140,000	\$ -	\$ -				
Subtotal			\$ 5,637,573	\$ -	\$ -	\$ 6,798,765	\$ 12,436,338	\$ -	\$ -	\$ -	\$ -	\$ 5,637,573	\$ -	\$ -	\$ -	\$ 6,798,765	\$ 12,436,338	\$ -	\$ -					
CLOSE AND REALLOCATE REMAINING AMOUNT																								
35700	Metro Mobility	Metro Mobility Dispatch System				\$ 422,000	\$ 422,000										\$ 401,141	\$ 401,141	\$ (20,859)	\$ (20,859)				
35701	Metro Mobility	Metro Mobility Fleet Rehab				\$ 150,000	\$ 150,000										\$ 13,627	\$ 13,627	\$ (136,373)	\$ (136,373)				
35742	MVTA	MVTA Replacement small buses				\$ 316,429	\$ 316,429										\$ 312,435	\$ 312,435	\$ (3,994)	\$ (3,994)				
35744	Plymouth	Plymouth Replacement buses				\$ 188,400	\$ 188,400										\$ 187,161	\$ 187,161	\$ (1,239)	\$ (1,239)				
35746	Carver	Carver Replacement buses				\$ 71,000	\$ 71,000										\$ 70,531	\$ 70,531	\$ (469)	\$ (469)				
35747	DARTS	DARTS Replacement buses				\$ 301,100	\$ 301,100										\$ 297,299	\$ 297,299	\$ (3,801)	\$ (3,801)				
35748	Delano	Delano Replacement buses				\$ 60,000	\$ 60,000										\$ 56,557	\$ 56,557	\$ (3,443)	\$ (3,443)				
35749	Hastings	Hastings Replacement buses				\$ 105,000	\$ 105,000										\$ 102,592	\$ 102,592	\$ (2,408)	\$ (2,408)				
35750	HSI	HSI Replacement buses				\$ 125,000	\$ 125,000										\$ 124,319	\$ 124,319	\$ (681)	\$ (681)				
35752	Metro Mobility	Metro Mobility Agency vehicles				\$ 3,005,000	\$ 3,005,000										\$ 2,861,656	\$ 2,861,656	\$ (143,344)	\$ (143,344)				
35754	MTS	MTS Replacement small buses				\$ 602,000	\$ 602,000										\$ 431,298	\$ 431,298	\$ (170,702)	\$ (170,702)				
35755	NEST	NEST Replacement buses				\$ 125,000	\$ 125,000										\$ 120,000	\$ 120,000	\$ (5,000)	\$ (5,000)				
35760	Hastings	Dispatching				\$ 30,000	\$ 30,000										\$ 29,414	\$ 29,414	\$ (586)	\$ (586)				
35764	MTS	Lake Area Bus				\$ 187,500	\$ 187,500										\$ 180,000	\$ 180,000	\$ (7,500)	\$ (7,500)				
35765	MTS	ABC Route				\$ 84,000	\$ 84,000										\$ 81,157	\$ 81,157	\$ (2,843)	\$ (2,843)				
Subtotal			\$ -	\$ -	\$ -	\$ 5,772,429	\$ 5,772,429	\$ -	\$ -	\$ -	\$ (503,241)	\$ (503,241)	\$ -	\$ -	\$ -	\$ 5,269,188	\$ 5,269,188	\$ (503,241)	\$ (503,241)					
REALLOCATE TO PROJECT AND CLOSE																								
35692	Metro Mobility	Metro Mobility Fleet Rehab				\$ 70,000	\$ 70,000										\$ 83,762	\$ 83,762	\$ 13,762	\$ 13,762				
35706	MTS	Regional Farebox Replacement				\$ 400,000	\$ 400,000										\$ 425,194	\$ 425,194	\$ 25,194	\$ 25,194				
35745	Anoka	Anoka Replacement buses				\$ 235,000	\$ 235,000										\$ 235,600	\$ 235,600	\$ 600	\$ 600				
Subtotal			\$ -	\$ -	\$ -	\$ 705,000	\$ 705,000	\$ -	\$ -	\$ -	\$ 39,556	\$ 39,556	\$ -	\$ -	\$ -	\$ 744,556	\$ 744,556	\$ 39,556	\$ 39,556					
NEW AND ONGOING PROJECTS																								
35663	MTS	Midlife Overhauls				\$ 859,855	\$ 859,855										\$ 1,007,466	\$ 1,007,466	\$ 147,611	\$ 147,611				
35691	SWT	SMTC Southwest Station Debt	\$ 709,394			\$ 400,000	\$ 1,109,394										\$ 400,000	\$ 1,459,394	\$ 350,000	\$ 350,000				
35728	MTS	MTS Bus Replacement	\$ 1,210,000			\$ 1,504,206	\$ 2,714,206										\$ 1,563,156	\$ 2,773,156	\$ 58,950	\$ 58,950				
35751	Metro Mobility	Metro Mobility Replacement buses				\$ 1,318,000	\$ 1,318,000										\$ 1,216,850	\$ 1,216,850	\$ (101,150)	\$ (101,150)				
35773	MTS	Replacement Bus Purchase				\$ 313,000	\$ 313,000										\$ 358,274	\$ 671,274	\$ 358,274	\$ 358,274				
35774	MTS	AVL Technology	\$ 3,280,000			\$ 820,000	\$ 4,100,000										\$ 695,000	\$ 3,975,000	\$ (125,000)	\$ (125,000)				
New	City of Minneapolis	Hiawatha Land Assembly	\$ -	\$ -	\$ -	\$ -	\$ -										\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000				
New	Metro Mobility	Met Mo Dispatching Project	\$ -	\$ -	\$ -	\$ -	\$ -										\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000				
Subtotal			\$ 5,199,394	\$ -	\$ 313,000	\$ 4,902,061	\$ 10,414,455	\$ 350,000	\$ -	\$ 3,500,000	\$ 463,685	\$ 4,313,685	\$ 5,549,394	\$ -	\$ 3,813,000	\$ 5,365,746	\$ 14,728,140	\$ 4,313,685	\$ 4,313,685					
MTS TOTAL - Additions and Reallocations			\$ 10,836,967	\$ -	\$ 313,000	\$ 18,178,255	\$ 29,328,222	\$ 350,000	\$ -	\$ 3,500,000	\$ -	\$ 3,850,000	\$ 11,186,967	\$ -	\$ 3,813,000	\$ 18,178,255	\$ 33,178,222	\$ 3,850,000	\$ 3,850,000					
MTS - Removal of Closed Projects from ACP																		\$ (5,637,573)	\$ -	\$ -	\$ (12,812,509)	\$ (18,450,082)	\$ -	\$ (18,450,082)
Combined Amendments to ACP																		\$ 5,549,394	\$ -	\$ 3,813,000	\$ 5,365,746	\$ 14,728,140	\$ 3,850,000	\$ (14,600,082)
METRO TRANSIT																								
REALLOCATION OF EXISTING FUNDS																								
63114	Metro Transit	Bottineau Blvd. Corridor	\$ 9,270,830	\$ 24,350,000	\$ -	\$ 4,620,000	\$ 38,240,830	\$ -	\$ -	\$ -	\$ (149,720)	\$ (149,720)	\$ 9,270,830	\$ 24,350,000	\$ -	\$ 4,470,280	\$ 38,091,110	\$ (149,720)	\$ (149,720)					
63951	Metro Transit	Inver Grove Transit Station	\$ 1,120,000	\$ -	\$ -	\$ 1,387,938	\$ 2,507,938	\$ -	\$ -	\$ -	\$ (220,000)	\$ (220,000)	\$ 1,120,000	\$ -	\$ -	\$ 1,167,938	\$ 2,287,938	\$ -	\$ (220,000)					
62790	Metro Transit	Major Improvement to Support Facilities	\$ -	\$ -	\$ -	\$ 1,510,000	\$ 1,510,000	\$ -	\$ -	\$ -	\$ 369,720	\$ 369,720	\$ -	\$ -	\$ -	\$ 1,879,720	\$ 1,879,720	\$ 369,720	\$ 369,720					
METRO TRANSIT TOTAL			\$ 10,390,830	\$ 24,350,000	\$ -	\$ 7,517,938	\$ 42,258,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,390,830	\$ 24,350,000	\$ -	\$ 7,517,938	\$ 42,258,768	\$ 220,000	\$ -					
TRANSPORTATION TOTAL - Additions and Reallocations			\$ 21,227,797	\$ 24,350,000	\$ 313,000	\$ 25,696,193	\$ 71,586,990	\$ 350,000	\$ -	\$ 3,500,000	\$ -	\$ 3,850,000	\$ 21,577,797	\$ 24,350,000	\$ 3,813,000	\$ 25,696,193	\$ 75,436,990	\$ 4,070,000	\$ 3,850,000					
Removal of MTS Closed Projects																		\$ (5,637,573)	\$ -	\$ -	\$ (12,812,509)	\$ (18,450,082)	\$ -	\$ (18,450,082)
Combined Amendments to ACP																		\$ 15,940,224	\$ 24,350,000	\$ 3,813,000	\$ 12,883,684	\$ 56,986,908	\$ 4,070,000	\$ (14,600,082)