

METROPOLITAN COUNCIL

390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE MANAGEMENT COMMITTEE

Wednesday, May 26, 2010

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

CALL TO ORDER

A quorum being present, Committee Chair Scherer called the regular meeting of the Council's Management Committee to order at 2:34 p.m. on Wednesday, May 26, 2010.

APPROVAL OF AGENDA AND MINUTES

It was moved by K. Sanda, seconded by L. Wittsack to approve the agenda. *Motion carried.*

It was moved by S. Broecker, seconded by L. Wittsack to approve the minutes of the April 28, 2010 regular meeting of the Management Committee. *Motion carried.*

BUSINESS

SW 2010-195 Authorization to Enter into a Labor Agreement with the International Association of Machinists and Aerospace Workers, District Lodge No. 77, AFL-CIO (IAM)

Sandi Blaeser, Assistant Director Employee Relations, presented this item to the Management Committee. She explained that a tentative agreement was reached on April 29, 2010 to be effective for the period January 1, 2010 through December 31, 2011. The IAM contract expired December 31, 2009. IAM represents approximately 47 employees. The labor agreement was negotiated within the parameters set by the Council.

It was moved by K. Sanda, seconded by S. Broecker:

"That the Metropolitan Council authorize the Regional Administrator to enter in an agreement with the International Association of Machinists and Aerospace Workers, District Lodge No. 77, AFL-CIO, (IAM) effective for the period January 1, 2010 through December 31, 2011."

Motion carried.

SW 2010-196 Authorization to Enter into a Labor Agreement with the Metropolitan Council Management Association (MANA)

Sandi Blaeser also presented this item to the Management Committee. She explained that a tentative agreement was reached with the Metropolitan Council Management Association (MANA) on May 7, 2010. The MANA contract expired on December 31, 2009. MANA consists of approximately 86 employees. The labor agreement was negotiated within the parameters set by the Council.

It was moved by K. Sanda, seconded by C. Peterson:

"That the Metropolitan Council authorize the Regional Administrator to enter in an agreement with the Metropolitan Council Management Association (MANA) effective for the period January 1, 2010 through December 31, 2011."

Motion carried.

2010-202 Minnesota State Retirement System Program Unclassified Retirement Plan Resolution

Gloria Heinz, Human Resources Director, explained that the previous person holding the position of Deputy Chief of Operations/Bus did not choose to be enrolled in the unclassified retirement plan of the MSRS. This position is now held by Julie Johanson who does choose to be enrolled in the unclassified retirement plan. Appointments to designated positions require action by the Council in the form of a resolution. This resolution (No. 2010-14) reflects the designated positions and the assigned incumbents. This resolution has been revised to include the position of Deputy Chief of Operations/Bus, occupied by Julie Johanson.

It was moved by L. Wittsack, seconded by S. Broecker:

“That the Metropolitan Council approve changes to the position and incumbent list for Minnesota State Retirement System unclassified plan.”

Motion carried.

2010-197

This item was removed from the agenda.

INFORMATION

Initial Discussion of 2011 Operating Budget and Levies

Wes Kooistra, Chief Financial Officer, gave an overview and introduction to the 2011 budget development. This included the budget process; budget schedule; 2011 budget principles and pressures; and levy principles, history and options. Overall we are in a good financial position at the Metropolitan Council and we have maintained our AAA bond rating. We are aware of the states and other local government problems; however, we have a limited dependence on these state general funds.

Staff answered questions from committee members regarding Compensation Plans related to planning staff. Wes Kooistra agreed to take this question to Guy Peterson for further review and respond to CM Scherer (Chair).

Staff also answered questions regarding OPEB (Other Post Employment Benefits) or Retiree Health Care Liability. CM Sanda expressed concern about the budgeting for this plan. Staff responded that the Council has an OPEB liability financing plan in place. Regional Administration's portion of the OPEB liability is fully funded. Environmental Services and Met Transit make annual contributions in accordance with the Council's plan. The Council plan does require consideration of applying excess reserves to reduce OPEB liability. Staff reported that the Council is in a much better position than most government agencies in managing this obligation. (An actuarial analysis of the OPEB liability position is near completion. The results of this analysis will be reported to the Management Committee.)

2010-207: 1Q10 Summary of Procurements

The Management Committee requested a quarterly summary of all contracts over \$250,000. This summary was presented to the Committee by Micky Gutzmann, Principle Contract Administrator. The details of these contracts are listed in the summary of the business item.

1Q10 Report on Investments

Allen Hoppe and Mercy Ndungu gave an overview of the First Quarter Report on Investments. This report showed detailed slides of the *Economic Review for 1Q10*, including: Real GDP: Quarter over Quarter; Jobless Claims – 10 years; ISM Manufacturing and Non-Manufacturing Indices; S&P 500 Stock Index; *Treasury Yields* – 1Q10 vs. 4Q10; current yields vs. 1Q10; *Portfolio Results* – 1Q10 Total Return; Short-term Portfolio; Short Term Yields; 1Q10 Total Return, Long-term Portfolio; Long-term Portfolio Returns vs. Benchmark (effective duration); OPEB portfolio total return vs. S&P 500 Index. *Hedging* - Price of Heating Oil, 20 years; Diesel Hedging Program – Budget vs. Actual; Price of Natural Gas, 20 years; Natural Gas Hedging Program – Budget vs. Actual.

Summary of Transportation Committee Business Item 2010-126

Wanda Kirkpatrick, Director Equal Opportunity, explained that the Metropolitan Council approved a goal of 15% for the Disadvantaged Business Enterprise (DBE) USDOT Program for 2010-2013. This was approved at the full Council meeting on May 26, 2010.

Summary of Environment Committee Business Item 2010-142

Wanda Kirkpatrick also explained that the Metropolitan Council approved the Disadvantaged Business Enterprise (DBE) Public Facilities Authority (PFA) Program 2010-2013 goal of 10% female and 5% minority for submittal to the U.S. Environmental Protection Agency (EPA). This was also approved at the full Council meeting on May 26, 2010.

ADJOURNMENT

Business completed, the meeting adjourned at 3:40 p.m.

Respectfully submitted,

Lana Lindstrom
Recording Secretary