

METROPOLITAN COUNCIL

390 North Robert Street, St. Paul, Minnesota 55101

MEETING OF THE MANAGEMENT COMMITTEE

Wednesday, September 14, 2011

Committee Members Present: James Brimeyer, Chair; Steven T. Chávez, Vice Chair; Harry Melander; Richard Kramer; Gary Van Eyll, Adam Duininck; and Gary L. Cunningham

CALL TO ORDER

Chair Brimeyer called the meeting of the Council's Management Committee to order at 2:39p.m. on Wednesday, September 14, 2011.

APPROVAL OF AGENDA AND MINUTES

It was moved by R. Kramer seconded by S. Chávez to approve the agenda.

Motion carried.

It was moved by G. Van Eyll, seconded by S. Chávez, to approve the minutes of the August 24, 2011 regular meeting of the Management Committee.

Motion carried.

BUSINESS

2011-218 Approval of Document Management Policy (3-9)

Paul Conery, Director of Budget and Operations, presented Business Item 2011-218 regarding the Approval of Document Management Policy (3-9).

This proposed Policy states that the Council will consider an electronic copy of a record to be the official copy, unless there is a statutory requirement calling for a paper copy.

It was moved by A. Duininck, seconded by H. Melander:

"That the Metropolitan Council approve *Policy 3-9, Document Management Policy* to provide guidance to staff in implementing the Council's document management program."

2011-251 Non Represented Plan Salary Recommendations

Gloria Heinz, HR Director and Sandi Blaeser, Assistant Director Employee Relations, presented Business Item 2011-251 regarding the Non Represented Plan Salary Recommendations.

Gloria and Sandi noted that in 2009, Non Represented employees were one of three Met Council employee groups to have their salaries frozen due to anticipated economic conditions. Full Time Police Officers did not receive an increase in 2009. Machinists' wages were frozen in 2009 while receiving a pension benefit increase of 25 cents per hour. Other Met Council represented units received general adjustments and/or performance based increases.

In 2010, wage freezes were continued for these three employee groups and instituted for all other Met Council employees with the exception of Pipefitters, TMSA.

In 2011, Non Represented employees, Machinists, and Full Time Police Officers began their third year of frozen salaries. Painters and Electricians received a 1.42% and 1% wage increase,

respectively. Other represented groups began their second year of a wage freeze. Of these groups, Local 35 has agreed to extend its wage freeze for a third year in 2012.

Human Resources recommended a 1% salary increase to Non Represented employees plus three (3) additional floating holidays.

Committee Members discussed with Gloria and Sandi some of the details of the proposal. It was noted that the three (3) additional floating holidays would be a one-time award and both the salary increase and extra floating holidays would go into effect on October 1, 2011.

Discussion regarding the Non Represented employee salary recommendation evolved into discussion regarding a pay plan or wage structure for Non Represented employees.

Currently, the Metropolitan Council does not have a "step-system" in place. However, Sandi noted that there is a "performance adjustment" allowed if an employee's performance is rated as satisfactory. She stated this is typically a ½% of the employee's wages. Sandi also noted that comparable wage reports are reviewed every three years.

The Committee agreed that the issue of a salary structure needs to be discussed. We noted that currently, internal discussions are underway and information can be provided to the Committee.

Chair Brimeyer asked what the turn-over rate of the Metropolitan Council was, and Gloria responded that she believed it to be 3.2%.

Action: HR to present a salary structure reflecting the market rate of employee performance at a later date. The Committee also requested a bigger picture of turn-over rates prior to the economic downturn in 2009.

It was moved by H. Melander, seconded by S. Chávez:

"That the Management Committee approves a 1% salary increase effective 10/01/11 for employees covered under the Non Represented Plan and three (3) additional floating holidays."

NOTE: G. Cunningham was unavailable at the time of the vote and asked that the minutes reflect his approval of business item 2011-251.

2011-240 Metropolitan Sports Facilities Commission 2012 Budget and Report on User Fee Charges

Mary Bogie, Chief Financial Officer and Mary Fox-Stroman, MSFC Director of Finance reviewed the 2012 Budget and Report on User Fee Charges with the Management Committee.

Mary believes the budget is acceptable and also noted that the 2012 budget reflects the assumption that the Minnesota Vikings will be playing in the Metrodome in 2012.

It was moved by G. Cunningham, seconded by S. Chávez:

"That the Metropolitan Council approve Resolution No. 2011-27 granting approval of the proposed year 2012 Metropolitan Sports Facilities Commission Budget and Report on User Fee Charges.

INFORMATION

Results of the GANs

Allen Hoppe reviewed the results from the sale of the Grant Anticipation Notes (GANs). Allen noted the results were favorable.

2Q11 Investment Report

Mercy Ndungu and Allen Hoppe presented the 2nd Quarter 2011 Investment Report. Mercy reviewed short term and long term investments while Allen touched on OPEB and Hedging Accounts.

Mercy commented on the consumer sentiment in the market place noting that consumer spending habits and confidence is similar to consumer sentiment in the early 1990s.

Vice Chair Chávez asked Mercy how consumer sentiment was determined. Mercy confirmed that consumer sentiment was determined via surveys.

2Q11 Financial Report

The 2nd Quarter 2011 Financial Report was presented by Mary Bogie, Ed Petrie, and Jason Willett. The focus of the report was on operations related to budget. Member Cunningham asked if the Northstar Line is doing well. Ed noted that ridership is rising however it is coming in just short of goal which was 3,400 riders. However, compared to 2010, Ed noted there is growth.

Ed also noted that the average fare mix is changing and that the Elk River/Big Lake service is bringing in higher fares. There has been unanticipated growth in bus ridership as well.

Member Duinick asked how the Transit's growth compared to the state's deficit. Ed noted that currently 60-70 positions at Metro Transit are being held over in order to create revenue. He understands that while this is a short-term fix, the open positions help offset with overtime and the shifting workload.

Vice Chair Chávez noted his concern for "doing more with less" and cautioned against employee "burnout."

Mary reviewed the General Fund and noted the following:

- The rating agencies looked favorably upon how the Council maintains its target of reserves.
- The General Fund allows the most flexible use of the reserves; and
- The Council is ahead of the curve where the Health Care Liability is concerned.

Off-Agenda Topic

Member Cunningham noted that much discussion in other committees has eased the issue brought up at the August 24th meeting regarding complaints at the 7th & Nicollet bus stop.

Member Cunningham also brought up the need for more diversity in the Council's management positions.

Action: HR to report on the diversity within the organization.

ADJOURNMENT

Business completed, the meeting adjourned at 3:55 p.m.

Respectfully submitted,

Robbin Schmitt
Recording Secretary