

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

REGULAR MEETING OF THE MANAGEMENT COMMITTEE
Wednesday, August 27, 2008

Committee Members Present Roger Scherer, Chair; Lynette Wittsack, Vice Chair; Sherry Broecker; Mary Hill Smith; Craig Peterson; Tony Pistilli; Kris Sanda.

CALL TO ORDER

A quorum being present, Committee Chair R. Scherer called the regular meeting of the Council's Management Committee to order at 2:32 p.m. on Wednesday, August 27, 2008.

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 L. Wittsack, seconded by K. Sanda to approve the minutes of the August 13, 2008 regular meeting of the Management Committee. *Motion carried.*

BUSINESS

2008 Unified Operating Budget Amendment

This item was presented by Paul Conery. It was moved by K. Sanda and seconded by C. Peterson that the Metropolitan Council amend the 2008 Unified Operating Budget. The proposed operating budget amendment makes the following changes to the 2008 Unified Operating Budget:

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 477,143,272	\$ 6,666,640	\$ 225,000	\$ 484,034,912
Pass Through	82,032,500	-	-	82,032,500
Debt Service	132,755,208	-	-	132,755,208
Total Revenues	\$ 691,930,980	\$ 6,666,640	\$ 225,000	\$ 698,822,620
Expenditures				
Operating	\$ 482,064,637	\$ 9,113,752	\$ 209,000	\$ 491,387,389
Pass Through	80,792,375	-	-	80,792,375
Debt Service	138,063,093	-	-	138,063,093
Total Expenditures	\$ 700,920,105	\$ 9,113,752	\$ 209,000	\$ 710,242,857
Surplus / (Deficit)	\$ (8,989,125)	\$ (2,447,112)	\$ 16,000	\$ (11,420,237)

The Family Affordable Housing Program (FAHP) Reserves will increase \$16,000 as a result of this action.

Motion carried.

Setting Public Hearing for the Metropolitan Council's 2009 Unified Operating Budget, 2009-2014 Capital Improvement Program and 2009 Capital Program and Budget.

This item was presented by Paul Conery. It was moved by C. Peterson and seconded by K. Sanda the Management Committee set a public hearing on November 12, 2008 at 5:00 PM to cover:

- 2009 Unified Operating Budget
- 2009-2014 Capital Improvement Program
- 2009 Capital Program and Budget

Motion carried.

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

This item was presented by Alan Morris. It was moved by K. Sanda and seconded by C. Peterson that the Metropolitan Council:

- Amend the 2008 Authorized Capital Program (Multi-year authorization) by adding spending authority to the Transportation Division as follows:
Metro Transit \$ 351,394,041
Metropolitan Transportation Services \$ 8,096,309
- Amend the 2008 Capital Budget (annual appropriation) by increasing spending authority to the Transportation Division as follows:
Metro Transit \$ 11,310,000
Metropolitan Transportation Services \$ 1,361,000
- Approve new projects and transfers between capital projects as detailed in the attachment in the Business Item 2008-211.

Motion carried.

INFORMATION

Summary of Procurements for Second Quarter 2008

This item was presented by Micky Gutzmann. It was moved by L. Wittsack and seconded by T. Pistilli that the Second Quarter 2008 Procurement Information and new format be approved.

Summary of Procurements

Dollar Amount Range	Number of Procurements	Percent of Value	Total Value
Up to \$2,500	5547	10.2%	\$2,512,111
\$2,501 – \$50,000	686	27.1%	\$6,695,103
\$50,001 – \$100,000	10	3.1%	\$761,589
\$100,001 – \$250,000	12	7.6%	\$1,830,773
Greater than \$250,000	11	52.1%	\$12,879,567
Total	6266	100.0%	\$24,679,143

Motion carried.

Investment Review Committee Report

This item was presented by Allen Hoppe. Total return for the 2Q08 results for this portfolio was above the index by 6 basis points. This portfolio has averaged 34 bps per year more than its benchmark over the past 9.5

years. This success is due to competitive rates from our money market funds. Both funds – Credit Suisse and Morgan Stanley Institutional Prime funds had higher yields of 2.62% and 2.63% respectively, versus an industry average of 2.50%. 3Q08 strategy is to continue to invest in money market funds. Longer term strategy (12-months) is to wait on the sidelines in money market funds until the markets stabilize.

Electronic Meetings

Dave Hinrichs gave a short overview of on-going studies for future electronic meetings. Some issues yet to be determined regarding computers for this process: desk-top or lap-top; size and cost. End result would turn meetings into paperless meetings. Management will continue to research the pros and cons of electronic meetings.

ADJOURNMENT

Business completed, the meeting adjourned at 3:34 p.m.

Respectfully submitted,

Lana K. Lindstrom
Recording Secretary