

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

REGULAR MEETING OF THE MANAGEMENT COMMITTEE
Wednesday, February 25, 2009

Committee Members Present: Roger Scherer, Chair; Lynette Wittsack, Vice Chair; Robert McFarlin; Craig Peterson; Tony Pistilli; 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 3:17 p.m. on Wednesday, February 25, 2009.

APPROVAL OF AGENDA AND MINUTES

It was moved by Vice Chair L. Wittsack, seconded by T. Pistilli to approve the amended agenda. **The motion carried.**

It was moved by C. Peterson, seconded by T. Pistilli to approve the minutes of the February 11, 2009 regular meeting of the Management Committee. **The motion carried.**

BUSINESS

2009-76 SW Technical Amendment to Legal Services Agreement; No Budget Impact

This item was presented by Mark Thompson, Deputy General Counsel. Mr. Thompson explained that Contract 02P096 with the law firm of Dorsey Whitney primarily covers construction and engineering litigation. The proposed \$390,000 increase relates to litigation brought by one of the Environmental Services contractors who is seeking several million dollars in additional costs for work carried out on a sewer project. The Council has also counterclaimed for several million dollars in damages. The litigation is currently in its most intensive stage of discovery, mediation and motion practice and the proposed action would cover the cost of ongoing litigation costs under the contract.

In answer to questions, Mr. Thompson clarified that Contract 02P096 originated in 2002, and that the proposed increase would bring cumulative expenditures under the contract, for this and other litigation, to \$750,000. Other amendments to this contract have been presented to the Council in the past. Mr. Thompson is pleased with the work performed by Dorsey Whitney and the billing rate has remained constant for the duration of the contract.

It was moved by K. Sanda, seconded by Vice Chair L. Wittsack:

“That the Metropolitan Council authorizes the General Counsel to amend legal services agreements to increase the maximum contract prices as follows:

<u>Law Firm</u>	<u>Services</u>	<u>Term</u>	<u>Current Price</u>	<u>Proposed Increase</u>	<u>New Price</u>
Dorsey Whitney	Legal Services related to Construction and Engineering Matters Contract No. 02P096	12/31/10	\$360,000	\$390,000	\$750,000

The motion carried.

Vice Chair L. Wittsack asked Mr. Thompson for an update on the lawsuit between the Minnesota Airports Commission (MAC) and the Mall of America. He reported that this matter has been relatively inactive recently and minimal legal costs are currently being expensed by the Council. MAC has expressed frustration in the slow resolution process; however, a meeting has been scheduled to wrap up final matters.

INFORMATION

Investment Review Committee Report (4Q2008)

Allen Hoppe, Treasury Manager, and Mercy Ndungu, Treasury Analyst, presented this informational item to the Management Committee. Ms. Ndungu discussed the economy, markets and agency spreads, while Mr. Hoppe elaborated on the Council's portfolio results and hedging program. A brief status update was also given on the Victoria Finance Security.

Mr. Hoppe addressed questions related to deviances between the natural gas and diesel hedging programs to budget as well as the relationship between the Council's contract prices to current or future oil prices.

2009 Management Committee Work Plan

Wes Kooistra, Chief Financial Officer, presented the updated 2009 Management Committee Work Plan to committee members, reflecting changes discussed at the February 11, 2009 meeting. Future interests and/or needs will be accommodated throughout the year.

T. Pistilli requested a more comprehensive briefing on the Disadvantaged Business Enterprises Program, its structure and operations at a future meeting.

Economic Recovery Briefing

Wes Kooistra, Chief Financial Officer, presented a brief overview of Economic Recovery and Reinvestment Program opportunities that exist in Transit, Environmental Services and Community Development budgets moving forward. Time did not permit Amy Vennewitz, Deputy Director, MTS Planning and Finance, and Jason Willett, MCES Finance Director, to present slides in their respective areas to the Management Committee, but the full presentation will be made at today's Council meeting.

ADJOURNMENT

Business completed, the meeting adjourned at 3:47 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary