

METROPOLITAN COUNCIL

390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE MANAGEMENT COMMITTEE

Wednesday, April 9, 2008

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

CALL TO ORDER

A quorum being present, Acting Committee Chair Lynette Wittsack called the regular meeting of the Council's Management Committee to order at 2:14 p.m. on Wednesday, April 9, 2008.

APPROVAL OF AGENDA AND MINUTES

The agenda was amended to include two informational items. It was moved by Kris Sanda, seconded by Sherry Broecker to approve the amended agenda. *The motion carried.*

It was moved by Sherry Broecker, seconded by Craig Peterson to approve the minutes of the March 12, 2008 regular meeting of the Management Committee. *The motion carried.*

BUSINESS

Discussion on whether to close the meeting to discuss labor matters pertaining to American Federation of State, County and Municipal Employees District Council 5, Local Union No. 668 AFL-CIO (AFSCME), pursuant to Minnesota Statutes section 13D.03, subdivision 1(b).

Nils Grossman, General Counsel, described the rationale under which it would be advisable to close a Management Committee Meeting. The item coming forth at the April 9 meeting was a Same Week Council item, and since there would be no discussion of labor negotiations, proposals, strategies or issues, Mr. Grossman felt it would not be necessary to close the meeting. Committee members agreed, and the meeting remained open to the public.

2008-106 SW Authorization to Enter into a Labor Agreement with American Federation of State, County and Municipal Employees (AFSCME)

Irene Koski, Chief Labor Negotiator, introduced Sandi Blaeser, Assistant Director Employee Relations, and then presented this Same Week item to the Management Committee. Ms. Koski explained that the proposed settlement is within the parameters previously discussed with the Management Committee, is a two-year contract, and covers approximately 475 employees, primarily consisting of administrative clerical, technical, professional, interceptor service and metering, and alarm workers. While a handful of AFSCME employees work in Transit, about 50% work in Environmental Services and 50% in Regional Administration. In answer to Council Member Sanda's query, Ms. Koski replied that the Metropolitan Council's contract parameters are 8% over three years, with this proposed settlement coming in at 5.6% over two years.

It was moved by Kris Sanda, seconded by Sherry Broecker

“That the Metropolitan Council authorize the Regional Administrator to enter into a labor agreement with the American Federation of State, County and Municipal Employees District Council 5, Local Union No. 668 AFL-CIO (AFSCME), effective January 1, 2008 through December 31, 2009.”

The motion carried.

2008-95 Technical Amendments to Legal Services Agreement; No Budget Impact

Nils Grossman, General Counsel, presented this item to the Management Committee. He clarified that the proposed action would increase the maximum amount payable to Parker Rosen for the specified labor arbitration services contract and to Bassford Remele for the specified contract relating to insurance defense services, tort and property damage. Mr. Grossman stated that each contract was awarded in 2007 for a three-year term, and that he sets contracts at lower limits, then requests additional funding when needed.

It was moved by Sherry Broecker, seconded by Craig Peterson

“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>
Parker Rosen	Legal Services related to Transit Employment, RA and Planning Contract No. 06P153A	12/31/09	\$375,000	\$125,000	\$500,000
Bassford Remele	Legal Services related to Tort & Property Damage Contract No. 06P152A	12/31/09	\$375,000	\$125,000	\$500,000

The motion carried.

2008-89 Extension of Metavante Contract (Credit Card Processor)

Mary Bogie, Controller, presented this amended business item to the Management Committee. The Council approved the replacement of Metavante with NOVA as our new credit card processor in January 2008, but contract negotiations and logistical calendars have delayed the NOVA conversion to late summer 2008. In order to continue uninterrupted credit card processing services, this item proposes to extend the Metavante contract until the NOVA implementation is complete or until December 31, 2008, whichever comes first.

It was moved by Craig Peterson, seconded by Kris Sanda

“That the Metropolitan Council authorize the Regional Administrator to amend the current Metavante Corporation credit card processor contract by extending the expiration date for a period not to exceed December 31, 2008.”

The motion carried.

2008-105 2008 Technology Hardware Replacement Procurement

Dave Hinrichs, Chief Information Officer, presented this business item to the Management Committee. The Council has adopted a four-year replacement program for most personal computer workstations, monitors, laptops and printers, which is consistent with best practice recommendations of the Gartner Group. This item requests authorization to replace the technology hardware specified. Mr. Hinrichs addressed questions by committee members pertaining to:

- The Council’s total number of desktop and laptop computers and how many employees have both. It has approximately 1,900 desktop and laptop computers, some of which do not require current updates and are not in the four-year replacement cycle. Very few employees require both the use of a desktop and laptop computer.
- Source of procurement/funding. In most cases, the State Contract is used to make hardware purchases.
- Microsoft Windows Vista versus Windows XP. Information Systems does not plan to move to Vista in the near future.
- Sales Tax Exemption. The Council is not sales tax exempt on technology hardware.
- Status of obtaining laptops for Council Members. Mr. Hinrichs last reported on this topic on February 13, 2008. A survey will be sent to Council Members soon to ascertain their specific needs and preferences.
- iPhone versus BlackBerry. Blackberries are more adaptable to business applications such as calendaring and synchronizing.

It was moved by Kris Sanda, seconded by Sherry Broecker

“That the Metropolitan Council authorize the purchase of up to \$488,000 of personal computer and related hardware in support of Information Systems’ (IS) hardware replacement plan.”

The motion carried.

2008-61 2007/2008 Unified Operating Budget Amendment

Paul Conery, Manager, Budget & Evaluation, presented this business item to the Management Committee. Due to committee meeting schedules, this item is scheduled to be presented to the Transportation Committee on April 14th and, if approved, to the Council on April 23. If the Transportation Committee recommends changes, it will come back to the Management Committee on April 23 prior to being presented Same Week to the Council.

This item contains 2007 operating budget amendment requests for Suburban Transit Authority Providers (STAPs) and Metro Mobility Program due to reporting and transactions that occur in January/February of the following year. It also contains 2008 operating budget amendment requests for increased fuel costs and service increases for Metro Transit Bus Operations, Metro Transit Rail Operations and Metropolitan Transportation Services in response to the I-35W bridge collapse. Discussion ensued regarding the rationale for Metro Mobility's increase in ridership after the I-35W bridge collapse, predictions for ridership volumes after the new I-35W bridge opens, and farebox recovery ratios. Ed Petrie, Senior Manager, provided Committee Members with slides pertaining to the Farebox Recovery Ratio of Comparable Transit Systems to the Metropolitan Council, and Sean Pfeiffer, Financial Analyst, will provide Committee Members with similar information for the Suburban Transit Authority Providers (STAPs).

It was moved by Craig Peterson, seconded by Kris Sanda

“That the Metropolitan Council:

- Amend the 2007 Unified Operating Budget as indicated and in accordance with the attached table.
- Amend the 2008 Unified Operating Budget as indicated and in accordance with the attached table.” (The tables are shown below.)

The proposed operating budget amendment makes the following changes to the 2007 Unified Operating Budget.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 449,174,700	\$ 7,174,334	\$ 152,074	\$ 456,501,108
Pass Through	76,569,916	-	-	76,569,916
Debt Service	127,048,572	-	-	127,048,572
Total Revenues	\$ 652,793,188	\$ 7,174,334	\$ 152,074	\$ 660,119,596
Expenditures				
Operating	\$ 452,925,432	\$ 8,193,955	\$ 302,074	\$ 461,421,461
Pass Through	76,409,683	-	-	76,409,683
Debt Service	133,234,446	-	-	133,234,446
Total Expenditures	\$ 662,569,561	\$ 8,193,955	\$ 302,074	\$ 671,065,590
Surplus / (Deficit)	\$ (9,776,373)	\$ (1,019,621)	\$ (150,000)	\$ (10,945,994)

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	\$ 1,952,922	\$ 4,213,718	\$ 483,309,912
Pass Through	82,032,500	-	-	82,032,500
Debt Service	132,755,208	-	-	132,755,208
Total Revenues	\$ 691,930,980	\$ 1,952,922	\$ 4,213,718	\$ 698,097,620
Expenditures				
Operating	\$ 482,064,637	\$ 2,800,034	\$ 5,563,718	\$ 490,428,389
Pass Through	80,792,375	-	-	80,792,375
Debt Service	138,063,093	-	-	138,063,093
Total Expenditures	\$ 700,920,105	\$ 2,800,034	\$ 5,563,718	\$ 709,283,857
Surplus / (Deficit)	\$ (8,989,125)	\$ (847,112)	\$ (1,350,000)	\$ (11,186,237)

The motion carried

2008-62 2008-2013 Capital Improvement Program and Capital Program and Budget Amendment

Alan Morris, Principal Financial Analyst, presented this business item to the Management Committee. Due to committee meeting schedules, this item is scheduled to be presented to the Transportation Committee on April 14th and, if approved, to the Council on April 23. If the Transportation Committee recommends changes, it will come back to the Management Committee on April 23 prior to being presented Same Week to the Council.

Mr. Morris explained that this proposed amendment programs new federal and local funding and reallocates existing regional funding to allow the Council to carry out its long-term capital improvement program for transit. The 28th Avenue Park and Ride Lease Project and the Northstar Commuter Rail Rolling Stock Project were discussed.

It was moved by Kris Sanda, seconded by Sherry Broecker

“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 \$ 25,899,534
 - Amendment to ACP \$ 28,420,009
 - Deletion from ACP (\$ 2,520,475)
 - Metropolitan Transportation Services \$ 0
- Amend the 2008 Capital Budget (annual appropriation) by increasing spending authority to the Transportation Division as follows:
 - Metro Transit \$ 18,248,002
 - Metropolitan Transportation Services \$ 0
- Approve transfers between capital projects as detailed in Attachment 1.”
(Attachment 1 is appended to these minutes.)

The motion carried.

INFORMATION

Investment Review Committee Report

Mary Bogie, Controller, introduced Mercy Ndungu, Financial Analyst – Treasury, to the Management Committee. Ms. Ndungu presented a PowerPoint presentation to Committee Members. The report on Fourth Quarter 2007 investments included an economic review, economic indicators, information on present unstable financial markets, future economic growth predictions, Council impacts, Council returns and action plans. Discussion ensued regarding the advantages and disadvantages to the Council during economic downturns.

Human Resources Briefing

Gloria Heinz, Human Resources Director, presented a PowerPoint presentation to the Management Committee. After reviewing the Human Resource Department's Organizational Chart, Ms. Heinz reported on the department's mission, key 2007 accomplishments, 2007 statistical data, and key initiatives for 2008. The status on Council's current labor contracts was also given. Ms. Heinz addressed questions on the Council's turnover rates excluding retirees, its requirements for continuing education classes, employee surveys, promotion of occupational and employee fitness and health, reporting structure of Benefits and Compensation Divisions, and time spent in contract negotiations.

ADJOURNMENT

Business completed, the meeting adjourned at 3:52 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary

April 2008 Capital Program & Budget Amendment
 Transportation Committee – March 24, 2008
 Management Committee – April 9, 2008
 Metropolitan Council – April 23, 2008

		Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total	Budget	Authorization	
METRO TRANSIT																	Original Adopted	\$ 116,321,422	\$ 1,223,672,135
																	After Prior Amendments	\$ 132,441,422	\$ 1,268,022,258
																	After This Amendment	\$ 150,689,424	\$ 1,293,921,792
REALLOCATION OF EXISTING FUNDS																			
65490	Support Equipment				\$ 2,136,916	\$ 2,136,916				\$ (287,305)	\$ (287,305)	see project 65490 below					\$ -	\$ (287,305)	
65590	Support Equip & Non-Rev Vehicles				\$ 1,160,000	\$ 1,160,000				\$ (218,992)	\$ (218,992)	\$ -	\$ -	\$ -	\$ 941,008	\$ 941,008	\$ -	\$ (218,992)	
65790	Support Equipment & Non-Rev Vehicles				\$ 631,372	\$ 631,372				\$ 506,297	\$ 506,297	\$ -	\$ -	\$ -	\$ 1,137,669	\$ 1,137,669	\$ 506,297	\$ 506,297	
63611	Downtown Mpls Transit Advantages				\$ 1,000,000	\$ 1,000,000				\$ (420,000)	\$ (420,000)	see project 63611 below					\$ -	\$ (420,000)	
63956	CR 73/1394 Park and Ride Exp	\$ 1,035	\$ 8,000,000		\$ 613,532	\$ 8,614,567				\$ 420,000	\$ 420,000	\$ 1,035	\$ 8,000,000	\$ -	\$ 1,033,532	\$ 9,034,567	\$ 420,000	\$ 420,000	
NEW FUNDING																			
65701	Central Corridor LRT	\$ 7,780,200	\$ 13,048,000	\$ 24,171,800		\$ 45,000,000	\$ 10,095,025		\$ 128,200		\$ 10,223,225	\$ 17,875,225	\$ 13,048,000	\$ 24,300,000	\$ -	\$ 55,223,225	\$ 10,223,225	\$ 10,223,225	
65390	Non-bus vehicles/other capital equipment				\$ 1,788,928	\$ 1,788,928				\$ (454,856)	\$ (454,856)	\$ -	\$ -	\$ -	\$ 1,334,072	\$ 1,334,072	\$ -	\$ (454,856)	
65490	Support Equipment	see project 65490 above									\$ (270,144)	\$ (270,144)	\$ -	\$ -	\$ -	\$ 1,579,467	\$ 1,579,467	\$ -	\$ (270,144)
63740	Urban Partnership Agreement P&R Lots	\$ 1,200,000			\$ 300,000	\$ 1,500,000	\$ 1,300,000			\$ 725,000	\$ 2,025,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 1,025,000	\$ 3,525,000	\$ 2,025,000	\$ 2,025,000
63xxx	28th Ave P&R Lease - restore to ACP					\$ -	\$ 10,800,000			\$ 4,720,000	\$ 15,520,000	see project 63xxx below					\$ 3,600,000	\$ 15,520,000	
63xxx	28th Ave P&R Lease - amend project	see project 63xxx above					\$ 386,784				\$ 96,696	\$ 483,480	\$ 11,186,784	\$ -	\$ -	\$ 4,816,696	\$ 16,003,480	\$ 483,480	\$ 483,480
63611	Downtown Mpls Transit Advantages	see project 63611 above									\$ (96,696)	\$ (96,696)	\$ -	\$ -	\$ -	\$ 483,304	\$ 483,304	\$ -	\$ (96,696)
63111	I-35W Transit Station at 46th		\$ 3,400,000	\$ 174,432	\$ 185,172	\$ 3,759,604	\$ 990,000				\$ 990,000	\$ 990,000	\$ 3,400,000	\$ 174,432	\$ 185,172	\$ 4,749,604	\$ 990,000	\$ 990,000	
65510	Northstar Rolling Stock	\$ 48,433,098	\$ 3,400,000	\$ 20,000,679	\$ -	\$ 71,833,777			\$ (2,500,000)	\$ 2,500,000	\$ -	\$ 48,433,098	\$ 3,400,000	\$ 17,500,679	\$ 2,500,000	\$ 71,833,777	\$ -	\$ -	
METRO TRANSIT BUS TOTAL		\$ 57,414,333	\$ 27,848,000	\$ 44,346,911	\$ 7,815,920	\$ 137,425,164	\$ 23,571,809	\$ -	\$ (2,371,800)	\$ 7,220,000	\$ 28,420,009	\$ 80,986,142	\$ 27,848,000	\$ 41,975,111	\$ 15,035,920	\$ 165,845,173	\$ 18,248,002	\$ 28,420,009	
METROPOLITAN TRANSPORTATION SERVICES																	Original Adopted	\$ 25,307,102	\$ 73,014,622
																	After Prior Amendments	\$ 29,157,102	\$ 58,414,540
																	After This Amendment	\$ 29,157,102	\$ 58,414,540
REALLOCATION OF EXISTING FUNDS																			
35770	Community Based Small Bus Purchase				\$ 1,535,000	\$ 1,535,000				\$ (1,000,000)	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ 535,000	\$ 535,000	\$ (1,000,000)	\$ (1,000,000)	
New	Route 705 Mid-Size Bus Purchase					\$ -				\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	
Section Subtotal		\$ -	\$ -	\$ -	\$ 1,535,000	\$ 1,535,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,535,000	\$ 1,535,000	\$ -	\$ -
MTS BUS TOTAL		\$ -	\$ -	\$ -	\$ 1,535,000	\$ 1,535,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,535,000	\$ 1,535,000	\$ -	\$ -
TRANSPORTATION TOTAL		\$ 57,414,333	\$ 27,848,000	\$ 44,346,911	\$ 9,350,920	\$ 138,960,164	\$ 23,571,809	\$ -	\$ (2,371,800)	\$ 7,220,000	\$ 28,420,009	\$ 80,986,142	\$ 27,848,000	\$ 41,975,111	\$ 16,570,920	\$ 167,380,173	\$ 18,248,002	\$ 28,420,009	

Projects closed and removed from Capital Program

65490	Non-bus vehicles/other capital equipment																		\$ (1,579,467)
65590	Support Equipment																		\$ (941,008)

Net Change in Authorization

\$ 25,899,534