

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

REGULAR MEETING OF THE MANAGEMENT COMMITTEE
Wednesday, June 23, 2010

Committee Members Present: Roger Scherer, Chair; Lynette Wittsack, Vice Chair; Sherry Broecker; Craig Peterson; Tony Pistilli

CALL TO ORDER

A quorum being present, Committee Chair Scherer called the regular meeting of the Council's Management Committee to order at 2:32 p.m. on Wednesday, June 23, 2010.

APPROVAL OF AGENDA AND MINUTES

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

It was moved by S. Broecker, seconded by L. Wittsack to approve the minutes of the May 26, 2010 regular meeting of the Management Committee. ***Motion carried.***

BUSINESS

2010-193 2010 Unified Operating Budget Amendment

Paul Conery presented this business item. The following changes were proposed for the 2010 Unified Operating Budget:

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 499,850,930	\$ 19,623,005	\$ 980,835	\$ 520,454,770
Pass Through	78,378,860	-	-	78,378,860
Debt Service	137,278,790	-	-	137,278,790
Total Revenues	\$ 715,508,580	\$ 19,623,005	\$ 980,835	\$ 736,112,420
Expenditures				
Operating	\$ 519,405,804	\$ 10,285,695	\$ 1,280,835	\$ 530,972,334
Pass Through	78,253,455	-	-	78,253,455
Debt Service	140,929,993	-	-	140,929,993
Total Expenditures	\$ 738,589,252	\$ 10,285,695	\$ 1,280,835	\$ 750,155,782
Surplus / (Deficit)	\$ (23,080,672)	\$ 9,337,310	\$ (300,000)	\$ (14,043,362)

These changes were passed unanimously at the Transportation Committee on June 14, 2010.

It was moved by T. Pistilli, seconded by S. Broecker

"That the Metropolitan Council amend the 2010 Unified Operating budget as indicated and in accordance with the attached tables."

Motion carried.

2010-235 SW Authorization to Enter into a Labor Agreement with American Federation of State, County and Municipal Employees (AFSCME)

Sandi Blaeser presented this business item. The parties reached a tentative agreement; the AFSCME membership ratified the agreement on June 22, 2010. Council policy requires the Council to approve all labor agreements. The labor agreement was negotiated within the parameters set by the Council.

The details of the agreement include: 2 year contract; no general wage increase in either year; increases to the employer contribution for insurance to hold premiums for lower cost plans at 2009 levels and greater sharing by the employees for the higher cost plan.

It was moved by C. Peterson, seconded by S. 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, 2010 through December 31, 2011.”

Motion carried.

2010-197 SW Small Business Disruption Loan Program and 2010 Unified Operating Budget Amendment

Paul Conery presented this business item. This item requests authority to enter into an agreement with the City of St. Paul to provide a non-forgivable loan program for small businesses that may experience disruptions resulting from construction of the Central Corridor Light Rail Line and to commit \$1 million of Council General Fund Reserves to the program.

In addition to Council Funds, the Central Corridor Funders Collaborative comprised of several private foundations, will contribute \$500,000.

The plan is for any loans made with Council funds to be repayable on a deferred basis that become payable upon sale of the property or relocation of the business away from the Central Corridor Line.

The proposed agreement calls for Council action to consider making any portion of the Council funded loans to be forgiven or available for reinvestment.

Funding is provided through the use of General Fund Reserves. This action will not reduce the General Fund Reserves below Council target.

It was moved by C. Peterson, seconded by T. Pistilli:

“That the Metropolitan Council: (1) authorize the Chair to execute and the Regional Administrator to negotiate a Joint Exercise of Powers Agreement with the City of St. Paul to help implement an unforgivable loan program for small businesses that may experience disruptions from construction activities associated with the Central Corridor Light Rail Transit (CCLRT) Project; and (2) amend the 2010 Unified Operating Budget by authorizing an increase of \$1,000,000 in expenditure authority in Community Development.”

Motion carried.

2010-194 SW 2010 Unified Capital Program Amendment

Alan Morris presented this business item. The proposed amendment programs new funds into new and existing capital projects to allow the Council to carry out its long-term capital improvement program for transit. In addition, the Parks request includes the reallocation of State and Regional funding between previously approved land acquisition grants.

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

“That the Metropolitan Council:

- Amend the 2010 Authorized Capital Program (multi-year authorization) by adding spending authority as follows:

Metro Transit	\$ 42,272,173
Parks and Open Space	\$ 15,140,000

- Amend the 2010 Capital Budget (annual appropriation) by increasing appropriation as follows:

Metro Transit	\$ 8,247,723
Parks and Open Space	\$ 6,945,500

- Approve the changes to capital projects as detailed in Attachment 1 (of business item.)

Motion carried.

2010-238 SW Request for Waiver of Conflict

Dave Theisen presented this business item. Seagate is a client of the Dorsey & Whitney law firm which also represents the Council in various legal matters.

In April 2010, the Council's Environmental Services Division asked Seagate Technology to conduct a survey and provide information about chemicals and materials used at certain Seagate facilities. Dorsey is currently providing legal services to the Council on public finance issues and a construction litigation matter. The Dorsey firm is not representing or advising the Council on any matters related to Environmental Services' inventory form.

The professional rules governing lawyers permit an attorney to represent another client when a concurrent conflict exists if, among other conditions, both clients give their informed consent to the dual representation.

The General Counsel has no objection to the Dorsey firm's request and recommends that the Council give its consent.

It was moved by C. Peterson, seconded by T. Pistilli:

“That the Metropolitan Council waive any conflict of interest and consent to Dorsey & Whitney LLP representing and advising Seagate Technology LL in responding to the Metropolitan Council Environmental Services' Petrofluorochemical (PFC) and Fluorotelomer Inventory Form that was sent on April 30, 2010 to MCES permit holders including Seagate; and, authorize the General Council to execute any documents necessary to effectuate such waiver.”

Motion carried.

2010-225 Technical Amendment to Legal Services Agreement; No Budget Impacts

Dave Theisen and Phil Walljasper presented the proposed amendments to the Committee and gave a brief description for the increase pertaining to contract terms and budget information.

It was moved by T. Pistilli, seconded by S. Broecker:

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

Law Firm	Services	Term	Current Price	Proposed Increase	New Price
Best Flanagan	Legal Services related to Eminent Domain and Real Property Matters Contract No. 06P154	1/1/07-12/31/10	\$600,000	\$125,000	\$725,000
Cousineau McGuire	Legal Services related to Workers Compensation Contract No. 07P219A	5/16/08-6/30/11	\$125,000	\$125,000	\$250,000
Brown Carlson	Legal Services related to Workers Compensation Contract No. 07P219C	5/16/08-6/30/11	\$125,000	\$125,000	\$250,000

Motion carried.

2010-243 SW Authorization to Procure Property Insurance (builder’s risk) for the Construction of the Central Corridor LRT

This business item was presented by Phil Walljasper. This insurance provides coverage for property damage that may occur during the construction of the Central Corridor Light Rail project. The specific coverage includes damage to property that is to become a permanent part of the completed project, such as rail or other materials. The policy will cover the four main construction phases, helping coordinate appropriate coverage and reducing any project delay that may result from a loss.

Staff presented the final results of eight different quotes and recommended that the Council authorize insuring with Zurich. Zurich’s quote not only met the coverage requirements, but also had the lowest premium.

It was moved by T. Pistilli, seconded by C. Peterson:

“That the Metropolitan Council authorize the procurement of insurance providing coverage for property damage that may occur during the construction of Central Corridor LRT, with Zurich, in an amount not to exceed \$1,200,000.”

Motion carried.

INFORMATION

Debt Management Policy – Refunding Practices

This information/slide presentation was presented by Mary Bogie and Jason Willett. Current Council policy establishes (3) reasons for refunding opportunities: interest rate savings; restructure principal payments; eliminate covenants. Refunding is considered when present value of savings is at least 8% of PV of interest refunded or 3% of PV of refunded debt service.

They expressed a need to review the current debt management policy to consider smarter decision-making criteria. Staff plan to meet with financial advisors to discuss potential criteria and present policy changes for consideration at a future committee meeting.

2009 Financial Results and Reserve Balances Briefing

This information/slide presentation was presented by Mary Bogie, Ed Petrie and Kay Dawson.

They reviewed year-end operating funds for General Fund; Environmental Services; Metro Transit; Metropolitan Transportation Services; Housing and Redevelopment Authority; Post Employment Health Care Liability.

ADJOURNMENT

Business completed, the meeting adjourned at 3:41 p.m.

Respectfully submitted,

Lana Lindstrom
Recording Secretary