

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

REGULAR MEETING OF THE MANAGEMENT COMMITTEE
Wednesday, November 12, 2008

Committee Members Present: Roger Scherer, Chair; Lynette Wittsack, Vice Chair; Sherry Broecker; Mary Hill Smith; Craig Peterson; 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 2:35 p.m. on Wednesday, November 12, 2008.

APPROVAL OF AGENDA AND MINUTES

Chair Scherer was asked at the outset of the meeting to remove the *Discussion on Whether to Close the Meeting to Discuss Labor Matters Pertaining to Pipefitters Local 455, pursuant to Minnesota Statutes Section 13D.03, Subdivision 1(b)* from the Agenda. It was moved by L. Wittsack, seconded by K. Sanda to approve the agenda. *The motion carried.*

It was moved by C. Peterson, seconded by S. Broecker to approve the minutes of the October 22, 2008 regular meeting of the Management Committee. *The motion carried.*

BUSINESS

2008-307 Resolutions Setting Council and Committee Dates and Authorizing Closed Committee Meetings

This item was presented by Mark Thompson, Deputy General Counsel. It was moved by M. Smith and seconded by L. Wittsack:

“That the Metropolitan Council adopt the attached resolutions setting days, times and locations for the regular meetings of the Council and its Committees and authorizing closed Committee meetings.

Metropolitan Council (Res No. 2008-31), Committee of the Whole (Res No. 2008-32), Management Committee (Res No. 2008-33), Environment Committee (Res No. 2008-34), Community Development Committee (Res No. 2008-35, Transportation Committee (Res No. 2008-36), and the Litigation Review Special Committee (Res No. 2008-37).”

The motion carried.

2008-309 2009 Annual Affirmation of Transaction-Based Financial Contracts

Allen Hoppe, Treasury Manager, presented this item to the Management Committee. It was moved by L. Wittsack, seconded by C. Peterson:

“That the Metropolitan Council authorize the Regional Administrator to amend the terms of the following transaction-based financial contracts, as needed, so as to provide continued service through December 31, 2009:

1. General banking services from US Bank. *Note: A banking RFP has been forestalled by Treasury staff's focus on implementation of a new credit card processor (Elavon Inc.). Council staff periodically receives information from other banks/services which demonstrates that we currently pay very competitive rates to US Bank.*

2. Credit card processing from Metavante. *Note: If the new credit card contract with Elavon cannot be put fully into place by December 31, 2008, extend the expiration date (to the extent needed) of the contract with Metavante, Inc. If an extension is required, the Council will likely be processing Transit stores, etc., through Elavon and Ticket Vending Machines through Metavante (until the full conversion to Elavon).*
3. Purchasing card services from Bank of America (BoFA). *Note: The Council incurs no costs with its purchasing card program. BoFA is compensated via card fees paid by the entities we buy from. If the transaction and dollar volumes are large, BoFA will pay the Council through a rebate program. The Council is continuing to grow the P-card program. This contract is nearing its third year anniversary.*
4. Custodian and securities lending services from Wells Fargo and US Bank. *Note: The bulk of the custody service is now provided by Wells Fargo. The Council has ceased to participate in securities lending due to the current conditions of uncertainty in the financial markets. RFP process was completed in early 2007.”*

The motion carried.

2008-322 List of Authorized Financial Institutions – Official Depositories

This item was also presented by Allen Hoppe, Treasury Manager. It was moved by K. Sanda, seconded by L. Wittsack:

“That the Metropolitan Council approves the attached list of Authorized Financial Institutions for 2009.”

The attachment included a strike-out version of the list following the clean version. Mr. Hoppe clarified that the List of Authorized Financial Institutions goes before the Council at least annually and that the Council’s investment policy does not permit the Council to do business with institutions that do not appear on the list. A brief discussion ensued regarding additions and deletions to the list.

The motion carried.

2008-316 Technical Amendments to Legal Services Agreements; No Budget Impacts

Mark Thompson, Deputy General Counsel, presented this item to committee members. M. Smith asked for clarification of the New Price for Dorsey Whitney Contract No. 02P096. Mr. Thompson noted that the New Price of the said contract was incorrectly stated as \$350,000, and that the correct New Price should be \$360,000. It was moved by M. Smith, seconded by L. Wittsack that the New Price of Dorsey Whitney Contract No. 02P096 be amended to \$360,000, and:

“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 | 12/31/08 | \$210,000 | \$150,000 | \$350,000 \$360,000 |
| Lockridge Grindal Nauen | Legal Services related to Housing, Land Use, Planning, Parks Open Space Contract No. 01P143 | 12/31/09 | \$300,000 | \$100,000 | \$400,000 |

L. Wittsack questioned the current economy's impact on law firms. Mr. Thompson commented that the economy does have an impact and that the Council typically renegotiates legal contract pricing on a biyearly basis. In addition, Requests for Proposals are issued in anticipation of significant amounts of work in specific areas.

The motion carried.

2008-319 Approval of Non-Represented Plan Effective January 1, 2009

This business item was presented by Gloria Heinz, Human Resources Director. It was moved by M. Smith, seconded by C. Peterson:

“That the Metropolitan Council approve the Non-Represented Plan effective January 1, 2009.”

Ms. Heinz highlighted the most significant modifications to the plan and reported that it had already been reviewed by the Regional Administrator and Executive Team.

The motion carried.

2008-321 Authorization to Extend Contract for the Employee Assistance Program with DOR and Associates

Connie DeVolder, Human Resources Manager, presented this item. It was moved by M. Smith, seconded by C. Peterson:

“That the Metropolitan Council authorize the Regional Administrator to extend the contract for the employee assistance program with DOR and Associates (DOR) for a period of one year, increasing the total contract amount from \$225,000 to \$285,000.”

Ms. DeVolder reported that DOR has proven to be an excellent resource for the Council's employees. Its Council-wide utilization is approximately 7-8%, compared to the national average of 2-3%. In addition, DOR has agreed to guarantee the current pricing for another year.

The motion carried.

2008-318 Minnesota State Retirement System Program Unclassified Retirement Plan Resolution; Resolution No. 2008-38

Gloria Heinz, Human Resources Director, presented this item to the Management Committee. It was moved by M. Smith, seconded by L. Wittsack:

“That the Metropolitan Council approve changes to the position and incumbent list for the Minnesota State Retirement System Unclassified Plan and adopt the attached Resolution No. 2008-38.”

Ms. Heinz explained that this item comes before the Council about once a year whenever changes occur to the MSRS Unclassified Plan. The changes specified would take place on January 1, 2009.

The motion carried.

2008-323 2009 Sole Source Procurement of Maintenance Services for Software and Hardware

This item was presented by Dave Hinrichs, Chief Information Officer. It was moved by M. Smith, seconded by S. Broecker:

“That the Metropolitan Council authorize the Regional Administrator to make ongoing maintenance and support service payments on a sole-source basis for installed software and hardware, with the services to be procured from the vendors on the attached 2009 Information Services Sole Source Vendor List up to the amount listed.”

Authorization to purchase these types of services on a sole source basis is requested annually, and this request provides for the authorization to buy software and hardware maintenance services from the attached list of vendors for 2009.

The motion carried.

INFORMATION

2008-308 Summary of Procurements for Third Quarter 2008

Gordon Backlund, Administrative Process Consultant, presented the Third Quarter 2008 Procurement Summary. The summary included a breakdown of the number of procurements executed during the quarter grouped by value. It also depicted contracts awarded based on a formal invitation for bids, proposals, and other processes. Lastly, it summarized procurements executed in the Third Quarter 2008 valued at greater than \$250,000.

2008-317 Third Quarter Financial Report and Reserve Balances

Paul Conery, Budget and Evaluation Manager; Ed Petrie, Director of Finance Metro Transit; and Jason Willett, Director of Finance MCES; presented a PowerPoint presentation on the Third Quarter Financial Report and Reserve Balances and addressed the questions that were asked.

Investment Review Committee Report

Due to time constraints, Allen Hoppe, Treasury Manager, was asked to defer this item to the next Management Committee Meeting.

Discussion on Whether to Close the Meeting to Discuss Labor Matters Pertaining to Pipefitters Local 455, pursuant to Minnesota Statutes Section 13D.03, Subdivision 1(b).

This item was removed from the agenda at the outset of the Management Committee Meeting.

ADJOURNMENT

Business completed, the meeting adjourned at 3:35 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary