

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

**REGULAR MEETING OF THE MANAGEMENT COMMITTEE**  
Wednesday, December 12, 2007

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

**CALL TO ORDER**

A quorum being present, Committee Chair Roger Scherer called the regular meeting of the Council's Management Committee to order at 2:30 p.m. on Wednesday, December 12, 2007.

**APPROVAL OF AGENDA AND MINUTES**

It was moved by Kris Sanda, seconded by Lynette Wittsack to approve the agenda. *The motion carried.*

It was moved by Kris Sanda, seconded by Lynette Wittsack to approve the minutes of the November 14, 2007 regular meeting of the Management Committee. *The motion carried.*

**BUSINESS**

**2007-387SW 2008 Annual Affirmation of Transaction-Based Financial Contracts**

Allen Hoppe, Treasury Manager, presented this Same Week item to the Management Committee. It was moved by Lynette Wittsack and seconded by Kris Sanda that the Metropolitan Council affirm its use of transaction-based financial vendors for 2008 as described below and that the Council authorize the Regional Administrator to amend the terms of these contracts as follows:

1. General Banking. Last year the Management Committee set the expiration date of the general banking services contract with US Bank to December 31, 2008. No change is requested.
2. Extend the expiration date of the credit card processing contract with Metavante for a period not to exceed the date of April 30, 2008. (*Note, not part of motion: An RFP for credit card processing was issued in October, 2007; proposals were received in November. Contract negotiations are expected to occur in December. The current contract ends on January 28 and, depending on the outcome of the bid process, additional implementation time may be necessary.*)
3. Removed the contractual dollar value limit for contracts that are based on negotiated fixed rates for transaction services, e.g., banking and credit card processing. As transaction volumes increase, the cost of the contract increases proportionately.

*The motion carried.*

**2007-388 List of Authorized Financial Institutions**

Allen Hoppe, Treasury Manager, presented this item to the Management Committee. Allen confirmed that Bear, Stearns & Company and WAMU Capital Corporation had been removed from the list due to their problems in the marketplace. Also, Paine Webber merged into UBS Securities. It was moved by Sherry Broecker and seconded by Lynette Wittsack that the Metropolitan Council approves the attached list of Authorized Financial Institutions (See Appendix A).

*The motion carried.*

**2007-394SW Resolutions Setting Council and Committee Dates and Authorizing Closed Committee Meetings**

Nils Grossman, General Counsel, presented this Same Week item to the Management Committee. It was moved by Lynette Wittsack and seconded by Sherry Broecker that the Metropolitan Council adopts the resolutions listed below setting regular meeting dates for the Council and its Committees and authorizing closed Committee meetings.

Metropolitan Council (Res [2007-35](#)), Committee of the Whole (Res [2007-36](#)), Management Committee (Res [2007-37](#)), Environment Committee (Res [2007-38](#)), Community Development Committee (Res [2007-39](#)), Transportation Committee (Res [2007-40](#)), and the Litigation Review Special Committee (Res [2007-41](#)).

*The motion carried.*

#### **2007-400 Authorization for Internal Cash Flow Loan**

Mary Bogie, Controller, presented this item to the Management Committee. She confirmed that authorization was being sought for a cash flow loan only, not a loan for additional funds. It was moved by Lynette Wittsack and seconded by Sherry Broecker that the Metropolitan Council authorizes an interim internal loan to cover the cash flow needs of the capital projects pending the issuance of general obligation bonds in early 2008. *The motion carried.*

#### **2007-403SW 2007-2012 Capital Improvement Program and Capital Program and Budget Amendment**

Alan Morris, Principal Financial Analyst, presented this Same Week item to the Management Committee. This business item had previously appeared before, and was approved by, the Transportation Committee on December 10, 2007. It was moved by Kris Sanda and seconded by Lynette Wittsack that the Metropolitan Council amends the 2007 Authorized Capital Program (multi-year authorization) by adding authority as follows:

- Metro Transit (2007-397 Northstar Locomotive Procurement), \$2,875,000

*The motion carried.*

#### **2007-395SW Commercial Property Insurance Renewal**

Phil Walljasper, Director, Risk Management, presented this Same Week item to the Management Committee. The proposed motion before the Management Committee was that the Metropolitan Council authorizes renewal of the Property Insurance with the current carrier, FM Global, effective 1/1/08-12/31/08, in an amount not to exceed \$1,120,000. Please note that the dates given in the business item, i.e., 1/1/07-12/31/07, were incorrect and the correct dates are reflected in these minutes. Phil described the policy's terms, inclusions, exclusions and positive working relationship with FM Global engineers who perform routine property inspections. After discussion about the renewal amount, it was moved by Mary Hill Smith and seconded by Kris Sanda that the Metropolitan Council authorizes renewal of the Property Insurance with the current carrier, FM Global, effective 1/1/08-12/31/08, in an amount not to exceed \$1,030,000. *The motion carried.*

## **INFORMATION**

### **Risk Management Briefing**

Phil Walljasper, Director, Risk Management, presented this briefing to the Management Committee. Discussion points covered in the PowerPoint presentation included an overview of the Risk Department, the Metropolitan Council's key risk exposures, risk financing, risk control, and the Metropolitan Council's loss statistics. Questions and comments were addressed.

### **Investment Review Committee Report**

Allen Hoppe, Treasury Manager, presented this report to the Management Committee. His PowerPoint presentation included an economic review of the third quarter 2007, present headline risks, future predictions, impact on the Metropolitan Council, total returns for the second quarter 2007, and a summary of actions taken or planned. Questions were addressed.

In the future, it was suggested that the pages of all PowerPoint presentations be numbered to eliminate the need to distribute paper copies of entire presentations to Committee Members. If desired, Committee Members could request copies of specified pages only. Committee members agreed with the suggestion, and this change will become effective immediately.

## **OTHER 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 A.F.L. – C.I.O. (AFSCME), pursuant to Minnesota Statutes section 13D.03, subdivision 1(b)**

Irene Koski, Chief Labor Negotiator, presented this item to the Management Committee. It was moved by Lynette Wittsack and seconded by Sherry Broecker that the meeting be closed under Section 13D.03, Subdivision 1 of the Minnesota Statutes, so that the Management Committee could consider labor negotiation strategies, developments, and/or to discuss and review labor negotiation proposals related to: American Federation of State, County and Municipal Employees, District Council 5, Local Union No. 668 A.F.L. – C.I.O. (AFSCME). *The motion carried.*

Committee Chair Roger Scherer closed the meeting as of 3:37 PM. Attendees present at the closed meeting included: Roger Scherer, Committee Chair; Lynette Wittsack, Vice Chair; Committee Members Sherry Broecker, Mary Hill Smith, Tony Pistilli, and Kris Sanda; Irene Koski, Chief Labor Negotiator; Gloria Heinz, Human Resources Director; Beth Widstrom-Anderson, Chief Financial Officer; and Trudy Aldrich, Recording Secretary.

After the conclusion of the closed portion of the meeting, it was moved by Lynette Wittsack and seconded by Tony Pistilli to reopen the meeting to the public. *The motion carried.*

## **ADJOURNMENT**

Business completed, the meeting adjourned at 3:51 p.m.

Respectfully submitted,

Trudy M. Aldrich  
Recording Secretary

**METROPOLITAN COUNCIL  
Authorized Financial Institutions**

**Dated: December 12, 2007**

**Banking Services**

U.S. Bank, N.A. (Official Depository)  
U.S. Bank, East Grand Forks

**Card Providers**

Bankcorp Bank, f.k.a., BankFirst (Pharmacy and FLEX Debit Card)  
Metavante (Credit Card Provider)  
Bank of America (Purchasing Card)

**Custodial Trust Accounts and Securities Lending:**

U.S. Bank National Association  
Wells Fargo

**Active Broker/Dealers and/or Money Market Funds\*:**

Barclays Capital (BGI)  
Credit Suisse  
RBC Dain Rauscher  
E\*Trade  
Federated Securities/Investors Corp.  
First American Funds, Inc.  
First Tennessee Capital Markets  
Merrill Lynch  
Morgan Stanley  
Piper Jaffray  
R.J. O'Brien  
Robert W. Baird & Co.  
U.S. Bancorp  
Wells Fargo Investment Services

**Broker/Dealers from Electronic Platforms:**

ABN Amro  
Advest  
Auerbach Grayson & Company (on behalf of Danske Bank and Nordea Bank)  
Banc of America Securities  
Bank of New York (BNY) Capital  
Bloomberg (platform)  
BNP Paribas  
Bonddeskgroup (platform)  
Cantor Fitzgerald  
CitiGroup Global Markets  
Commonwealth Financial Network

Credit Suisse First Boston (CSFB)  
Countrywide Securities  
Deutsche Bank Securities  
Dresdener Kleinwort Wasserstein Securities  
First Southwest  
Goldman, Sachs & Co.  
Greenwich Capital Markets (on its own and on behalf of The Royal Bank of Scotland)  
G. X. Clarke & Co.  
HSBC Securities  
ICAP—Intercapital Securities  
J.D. Edwards  
J.P. Morgan Securities  
Jefferies & Company  
LaSalle  
Lehman Brothers  
Loop Capital  
McDonald Investments  
Mizuho Securities  
Morgan Keegan  
National Financial Services  
Nomura Securities/International  
Northern Trust  
Pershing  
PNC Capital  
State Street  
SunTrust  
Thomson TradeWeb (platform)  
UBS Securities  
Wachovia Capital Markets  
William Blair  
Ziegler Capital  
Zions Bank

**Direct Issuers of Commercial Paper**

Various Corporations

**OPEB Balances**

State Board of Investments (Minnesota)

*\*Electronic platform transactions may also be executed with these broker/dealers.*