

METROPOLITAN COUNCIL

390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE MANAGEMENT COMMITTEE

Wednesday, April 28, 2010

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

CALL TO ORDER

A subcommittee was called to order by Committee Chair Scherer at 2:33 p.m. The purpose of the subcommittee was to hear some of the informational agenda items prior to the arrival of a quorum. A quorum being present, Committee Chair Scherer called the regular meeting of the Council's Management Committee to order at 2:57 p.m. on Wednesday, April 28, 2010.

APPROVAL OF AGENDA AND MINUTES

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

It was moved by S. Broecker, seconded by L. Wittsack to approve the minutes of the April 14, 2010 Regular Meeting of the Management Committee. *Motion carried.*

BUSINESS

2010-160 SW Authorization to negotiate and execute a contract for Central Corridor Insurance Broker services

Phil Walljasper, Director, Risk Management & Claims, presented this item to the Management Committee. He explained that an insurance broker is needed during the construction of the Central Corridor Light Rail Project to assist the Council in placing insurance policies to protect the Council's interests, as well as the interests of other possible stakeholders, during construction. In addition, the broker will assist in the assessment and analysis of ongoing risk management issues that may be unique to the project. Since insurance companies only respond to solicitations from brokers, a formal Request for Proposal process was conducted for insurance broker services. An RFP evaluation panel, consisting of representatives from the Council as well as external entities, was formed. It was determined that Willis' proposal was the most advantageous to the Council and it was within the Central Corridor's project budget of \$400,000. The term of the contract would run from May 2010 through December 2014 in an amount not to exceed \$297,000.

Chair Scherer commented that he had never seen this type of item before. Mr. Walljasper replied that insurance broker services would have been used in the Northstar and Hiawatha projects. Questions were asked about commissions and monetary exchanges between brokers and insurance companies. Mr. Walljasper clarified that the Council's Request for Proposal specifies that all communications between the broker and insurance companies be transparent to the Council, that the Council will pay a fixed fee plus costs rather than a commission percentage, and that the broker must search available insurance markets annually for best pricing. When asked whether the Council was being excessively cautious, Mr. Walljasper replied that the Council is paying for the broker's expertise in identifying and managing risk exposures to ensure that Central Corridor project moves forward without unwarranted delay.

It was moved by K. Sanda, seconded by T. Pistilli:

"That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute a contract with Willis, in an amount not to exceed \$297,000, for insurance broker services during the construction of the Central Corridor Light Rail Project."

Motion carried.

2010-161 Authorization to negotiate and execute a contract for Insurance Broker services

Mr. Walljasper also presented this item to the Management Committee. He reiterated that most insurance companies only work through a broker and, therefore, insurance broker services are needed by the Council for insurance procurement as well as risk management consulting services. The Request for Proposal required brokers to quote a fee for each line of insurance for the insurance procurement component, as opposed to a commission, and to list the hourly rates for various types of risk consulting services. The evaluation panel, consisting of internal Council representatives, agreed that Marsh was the most advantageous to the Council and offered the best value. The contract would run from June 2010 through May 2013 in an amount not to exceed \$325,000.

A brief discussion ensued. In reply to a question, Mr. Walljasper informed Committee members that the Council must go through a broker to renew these insurance policies, but, again, this provides another opportunity to procure competitive pricing.

It was moved by K. Sanda, seconded by S. Broecker:

“That the Metropolitan Council authorizes the Regional Administrator to negotiate and execute a three year contract for insurance broker services with Marsh, in an amount not to exceed \$325,000.”

Motion carried.

INFORMATION

Information Services Briefing

Dave Hinrichs, Chief Information Officer, presentation covered the following topics:

- Service Growth by Information Services (IS) to External groups
- Service Expansion by IS to internal groups
- Benchmarks and Accomplishments
- Customer Satisfaction Survey Results
- Measurement of Resource Utilization, including a demonstration of the Information Services Dashboard on CouncilInfo
- Continuity of Operations Planning
- Continued Service Expansion in the Future

Unfortunately, due to a lack of time, it became necessary for Mr. Hinrichs to rush through the last couple of slides of his presentation. Chair Scherer asked if he would return to a future meeting of the Management Committee to conclude his presentation.

Wes Kooistra, Chief Financial Officer, wished to compliment Mr. Hinrichs and the Information Services Department on the creation of its Dashboard on CouncilInfo as well as its superior Customer Satisfaction Survey Results. Kris Sanda also wished to commend Mr. Hinrichs on the good customer service she received by his Department in setting up her laptop computer and having it personally delivered to her home.

Legislative Briefing

Wes Kooistra, Chief Financial Officer, presented a legislative update for Committee members. The briefing covered the following topics:

- Two slides indicating the differences between the *Forecasted Statewide MVST Revenues* and the *Forecasted Met Council MVST Revenues*.
- A chart depicting the Governor's Recommendations for State Fiscal Years 2010, 2011, 2012 and 2013 with regard to Bus, Rail and Parks compared to the actions taken in the recently signed budget bill.
- A final slide comparing the Governor's Recommendation for Capital Bonding with the final bill. The Governor's line item vetoes were highlighted.

Mr. Kooistra addressed questions relating to the impact of reduced Federal funding for the State of Minnesota as well as State MVST projections.

ADJOURNMENT

Business completed, the meeting adjourned at 3:40 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary