

MINNESOTA VALLEY TRANSIT AUTHORITY
Special Board Meeting
June 19, 2006 – 8:30 a.m.
Eagan Bus Garage

Board Members Present:

William Droste, Rosemount
Will Branning, Dakota County
Margaret Schreiner, At Large
Tom Pepper, Eagan
Elizabeth Kautz, Burnsville
Jon Ulrich, Scott County
Jane Victorey, Savage

Others Present:

Beverley Miller, Executive Director
Tom Bright, Facilities Manager
Tom Knier, Laidlaw Transit
Robin Selvig, Customer Relations Manager
Lois Spear, Finance Officer
Samantha Porter, Operations Manager
Dan Krom, Dakota County TWG
Barb Ross, Best & Flanagan
Charlotte Robinson, Laidlaw Transit
Bud Osmundson, Burnsville TWG
Tom Baker, Apogee Investments LLC
Wally Lyslo, At Large Alternate

I. Call to Order

The meeting was called to order at 8:30 a.m. by Chair William Droste.

II. Public Comments

There were no comments from the public.

III. Approval of Agenda

Motion by Elizabeth Kautz and seconded by Margaret Schreiner to approve the agenda. Motion carried.

IV. Consent Agenda

Motion by Margaret Schreiner and seconded by Elizabeth Kautz to approve the Consent Agenda. Motion carried. Resolutions adopted as part of the Consent Agenda are attached to these minutes.

V. Old Business

A. Development at BTS

Barb Ross mailed background information, including financial information regarding the potential tenants at the Burnsville Transit Station under separate cover (these are the materials that should be shredded). Additionally, the MVTA sought an opinion from Steve Wischmann of KDV regarding the financial worthiness of the proposed tenants. His comments regarding the proposed tenants in Tom Baker's/Apogee's development project at the Burnsville Transit Station were distributed to Board members at the meeting. All the businesses are start-up or new companies. Two have obtained Small Business Administration (SBA) approval for loans (Blue Ox and Inta' Juice). The third tenant will be financed by Tom Baker and a partner and there appears to be sufficient financial backing. The only concern expressed by Mr. Wischmann was that Inta' Juice's stockholders equity position is in a deficit position as of April 30, 2006.

The question was asked regarding if one of the tenants defaults, what was the impact to the MVTA, and the lease requires that the landlord – Apogee – continue to pay MVTA.

Discussion was about the appropriateness of the tenants, and it was determined that they are appropriate and with a Motion by Margaret Schreiner and second by Elizabeth Kautz, three resolutions were approved as follows:

- 1) Approving Artista's Coffee, Inta' Juice and Blue Ox Subs as sub-tenants in the retail development by Apogee Investments LLC at the Burnsville Transit Station;
- 2) Approving the Recognition Agreement with Americana Bank; and
- 3) Approving a waiver of subdivision to combine Lots 2, 3 and 4, all in Block 1 Minnesota Valley Transit Authority Addition into one parcel to meet the requirements of the City of Burnsville for issuance of a building permit to Apogee Investments, LLC.

It was also noted as part of this item that the MVTA should adopt a policy regarding disposal of confidential and financial information that is distributed to the Board for its review. This will be taken under advisement by staff and brought before the appropriate committee for drafting and then adoption by the Board.

VI. Committee Reports

A. Finance Committee

Tom Pepper presented the Finance Committee's approved list of one-time expenditures. Given that there is an appropriate amount of fund balance to approve the list of one-time expenditures and still maintain the 3-6 month operating fund balance, Mr. Pepper indicated that the Finance Committee recommended approval of these items. Items requested but not approved were also listed, along with a funding method.

Margaret Schreiner asked if these items were included in the capital budget, and suggested a "contingency" rather than one-time expenditure. Elizabeth Kautz suggested these types of items be included in the capital budget and listed as "unfunded," if that is the situation. Beverley Miller noted that there simply has not been enough funding from bonding, and items are paid for out of the MVTA operating budget. Staff waits until the audit is complete and an accurate fund balance is available to determine if the MVTA can spend additional dollars. Motion by Margaret Schreiner and seconded by Elizabeth Kautz to approve the recommended list of one-time expenditures. Motion carried.

VII. Staff Reports / Update

A. Met Council Letter re: Hastus Software Purchase

Michael Abegg reviewed the options presented in the letter to Chair Droste from Metro Transit Staff to be: 1) Share a license with Metro Transit (which Metro Transit believe not to be a viable option due to security and access issues); 2) Multi-site licensing (as has been done in Europe, but not North America); and 3) MVTA would continue with its plan to purchase its own copy of HASTUS.

There was significant discussion about the Met Council's leadership and support of "regional" initiatives. It was suggested that the only viable option is for the MVTA to proceed with its purchase of HASTUS. It was questioned "where is STA" in this venture? Board members suggested that the MVTA would need to take the leadership and should others wish to join in, that the Met Council would be responsible for any incremental costs associated with others joining the MVTA, or with the MVTA joining Metro Transit. A letter in that regard will be forwarded from Chair Droste to the Met Council.

The Board agreed that the MVTA should proceed with its purchase. However, it also suggested that Chair Droste contact each of the MVTA area Met Council Representatives

(Brian McDaniel, Daniel Wolter and Jules Smith) and invite them to an MVTA Board meeting (including a special meeting early in the morning, if necessary). Potential items to be discussed with the Met Council reps include: the Hastus software, STA, and the MVST funding/Amendment.

VIII. Adjournment

Motion by Elizabeth Kautz and seconded by Jon Ulrich to adjourn the meeting at 9:34 a.m.

Minutes Prepared By: Robin L. Selvig

Next Regular Meeting Scheduled: June 28, 2006, 4:30 p.m. Eagan Bus Garage

All regularly Scheduled Board Meetings will be held on the **FOURTH** Wednesday of the month at the posted time and location unless otherwise notified.

Approved by: _____ Date: _____