

MINNESOTA VALLEY TRANSIT AUTHORITY
Regular Board Meeting
June 23, 2010 – 4:30 p.m.
Burnsville Bus Garage, 11550 Rupp Dr., Burnsville, MN 55337

Board Members Present:

Will Branning, Dakota County
Gary Hansen, Eagan
Sharon LaComb, Apple Valley
Jane Victorey, Savage
William Droste, Rosemount
Wally Lyslo, At-Large

Others Present:

Beverley Miller, Executive Director
Glenn Boden, Fleet Maintenance Manager
Tom Lovelace, Apple Valley TWG
Robin Selvig, Customer Relations Manager
Tom Bright, Facilities Manager
Tom Pepper, Eagan TWG
Shaun Morrell, Planner
Corrine Heine, Kennedy & Graven
Samantha Porter, Operations Manager
Troy Beam, Scott County TWG
Steve Wischmann, KDV
Greg Lind, At-Large Alternate
Lois Spear, Finance Officer

I. Call to Order

The meeting was called to order at 4:30 p.m. by Chair Will Branning. Roll call was taken. The Oath of Office was administered to At-Large Alternate Greg Lind of Savage.

II. Public Comments

There were no comments from the public.

III. Approval of Agenda

Item VII A – Finance Committee Report was moved to before Old Business; Items V-C (Grant Agreement with Met Council), V-D (Land Survey) and V-E (Environmental Work) were added to the agenda. Item VIII-C (Discuss Date for next MVTA/Dakota County Board Joint Meeting) was added to the agenda. Motion by Gary Hansen and seconded by Sharon LaComb to approve the agenda as amended. Motion carried.

IV. Consent Agenda

Motion by Jane Victorey and seconded by William Droste to approve the Consent Agenda. Motion carried. Resolutions adopted as part of the Consent Agenda are attached to these minutes.

V. Finance Committee Report

Steve Wischmann of KDV joined the Board to discuss the 2009 Financial Statements. He mentioned that he had previously met with the Finance Committee and answered detailed questions, so would provide a high-level overview to the full Board. He stated that it was a “Clean,” unqualified audit – the highest opinion that can be issued. He said everything went smoothly and expressed thanks to MVTA staff for their help and

cooperation. He suggested Board members specifically review the pages 5-16 – the Management Discussion section of the Financial Statement. In the Management Letter, Wischmann noted, there were no material weaknesses to report. Several comments were made about issues which have already been or are being addressed. Commissioner Branning asked about the approving and initializing of journal entries, and Wischmann noted the Management Response that there is not an automated means to track this but that it has been and continued to be the MVTA's practice to have journal entries approved by someone other than the preparer. Further, since mid-2009, MVTA staff has been initialing journal entries to indicate who approved the entry. KDV also suggested that MVTA develop a comprehensive Capital Asset policy.

Wischmann reviewed some of the financial statement numbers for 2009:

- Assets exceeded liabilities at the close of fiscal year 2009 by \$48,668,520 and of this, \$7,715,117 (unrestricted net assets) may be used to meet the government's ongoing obligations (down slightly from \$8.4 million in 2008).
- The unreserved fund balance (designated and undesignated) at the end of 2009 was \$7,739,062, with the balance decreasing less than budgeted (Wischmann called this "living within the Authority's means.")
- MVTA took the proactive step of adopting an adjusted budget for 2009, when it was apparent that revenues (Wischmann called this "living within the Authority's means.")

There was discussion about the level of MVTA reserves in conjunction with the Metropolitan Council's recommended level of reserves. Currently, the MVTA is below the Met Council's recommended level of reserves and it is anticipated that in 2011, the MVTA will dip more deeply into reserves. This will continue to be closely monitored by the Finance Committee. Wischmann stated that he believes the MVTA should have about 35 percent in its unreserved, undesignated fund balance; there was less than 25 percent at the end of 2009.

Motion by Jane Victorey and seconded by Wally Lyslo to adopt the 2009 Audited Financial Statements as presented. Motion carried. Will Branning expressed appreciation to Tom Pepper of the City of Eagan, Jane Victorey of Savage and the entire Finance Committee and Lois Spear of the MVTA staff for their efforts in producing the clean audit.

VI. Old Business

A. Review Dakota County IPU

Sam O'Connell provided an Implementation Plan Update from Dakota County. Noting that some conditions have changed since the work was done in 2005. She showed how the corridor will build out – for the opening of station-to-station BRT in 2012, to 2020 to full build-out in 2030. In terms of review process, she noted that County, Met Council and MVTA staffs are currently reviewing the draft update. It is expected to be released for public comments in mid-July and is expected to be adopted by the Dakota County

Regional Rail Authority in August. Adoption will be sought by Cities and other policy-makers in August/September 2010.

B. Approve Purchase Agreement

A memo was distributed regarding the purchase of 3645 Sibley Memorial Highway, indicating that a purchase agreement is before the MVTA Board between a willing buyer and a willing seller. Key items are as follows:

- Purchase price of \$500,000, but will be reduced if relocation costs exceed \$5,000
- Closing November 30, 2010 (to allow one more season for the produce stand)
- Contingent on financing and MVTA’s satisfaction condition of property, based on its investigation
- Real estate taxes prorated as of closing; seller to pay all specials as of closing (property will be taxable for taxes payable in 2011, which will be MVTA responsibility)
- MVTA pays most closing costs, except for costs to make property marketable (consistent with requirements under Uniform Real Property Acquisition and Relocation Act).
- Sellers have the right to salvage fixtures from the property prior to closing.
- There is a well on the property. MVTA will have to seal when it constructs on the site.

There were questions raised by Board members regarding the market value of the property, whether this property is the best location for expansion of the MVTA bus garage. Beverley Miller reminded Board members of the garage study done in 2009, which indicated that expansion of the Eagan Bus Garage was more advantageous than anything else. Motion by Wally Lyslo and seconded by Gary Hansen to approve the property purchase. A roll-call vote followed:

Will Branning – Aye	Wally Lyslo – Nay	Jane Victorey – Aye
William Droste – Aye	Gary Hansen – Aye	Sharon LaComb – Aye

Motion carried.

Beverley Miller requested approval to enter into an agreement with the Metropolitan Council to cover the purchase just approved by the Board, along with related expenses. Motion by Gary Hansen and seconded by Jane Victorey to approve the agreement. A roll-call vote followed:

Will Branning – Aye	Wally Lyslo – Aye	Jane Victorey – Aye
William Droste – Aye	Gary Hansen – Aye	Sharon LaComb – Aye

Motion carried.

Beverley Miller requested approval to enter into an agreement to conduct a land survey at 3645 Sibley Memorial Highway for a cost not to exceed \$10,000. Motion by Bill Droste and seconded by Gary Hansen Victorey to approve the agreement. A roll-call vote followed:

Will Branning – Aye
William Droste – Aye
Motion carried.

Wally Lyslo – Aye
Gary Hansen – Aye

Jane Victorey – Aye
Sharon LaComb – Aye

Beverley Miller requested approval to enter into an agreement to conduct environmental work at 3645 Sibley Memorial Highway for a cost not to exceed \$10,000. . Motion by Gary Hansen and seconded by Bill Droste to approve the agreement. A roll-call vote followed:

Will Branning – Aye
William Droste – Aye
Motion carried.

Wally Lyslo – Aye
Gary Hansen – Aye

Jane Victorey – Aye
Sharon LaComb – Aye

VII. Committee Reports

STA - James Clark of Messerli & Kramer joined the Board at the table, expressing apologies that Sherry Munyon was unable to stay as they are also reporting at the Plymouth Advisory Council meeting and she left to get there on time. Clark briefly reviewed the legislative session, He commented that issuance of regional transit bonds were approved in the Omnibus Tax Bill, and that legislation was introduced at the end of session to seek an additional share of MVST, as the funding moves from the initial 21.5 percent to the full 36 percent at the end of 2012. MVTA’s Legislators are supportive of this bill.

Clark also briefly discussed the policies drafted by the Metropolitan Council staff and noted that STA Chair Tom Furlong of Chaska sent a letter requesting that these policies not be acted on in July, in order to provide time for City Councils and Boards to review them. There was consensus of the Board to have a similar letter prepared for signature by Chair Will Branning (word was received on June 24 that the Met Council Transportation Committee and full Council will act on these policies in August, rather than July). Corrine Heine spoke about the facility policy, stating that much of it was based on the recent discussions between the MVTA and the Met Council regarding the Apple Valley Transit Station. The procedures for procurements and the Vehicle Fleet Policy were not discussed in detail.

Finally, James Clark touched on the effort under way by the Legislative Auditor, calling it a “ray of hope,” and encouraging the MVTA Board to meet with the Legislative Auditor. There was consensus among remaining Board members that this would be a good idea. Beverley Miller will seek to set up the meeting.

VIII. Staff Reports / Update

A. AVL Agreement with Met Council

Beverley Miller reported that there has been no response from the Metropolitan Council regarding the status of the MVTA’s involvement in the Regional AVL project. She reported that she is expecting some correspondence soon, and will continue to work with the special AVL Committee.

B. AVL Layover Project

Shaun Morrell provided a brief update of the Apple Valley Layover Project and the work completed to date. He said there are plans to present to the Apple Valley City Council on July 8 and to have a recommendation for next steps before the MVTA Board at its August meeting.

Beverley Miller noted that the tentative date selected for the next MVTA/Dakota County Board Joint Meeting is Tuesday, August 17 from 3:30-5 p.m. Robin Selvig will send an e-mail around to Board members on June 24 to get this date on Board member's calendars.

X. Adjournment

With only Board members Sharon LaComb, Gary Hansen, Wally Lyslo and Will Branning remaining, the meeting was adjourned by consensus at 7:02 p.m.

Minutes Prepared By:

Robin L. Selvig

Joint MVTA/Dakota County Board Meeting: August 16, 2010, 3:30-5 p.m. Dakota County Western Service Center Room L139.

Next Regular Meeting Scheduled: August 25, 2010, 4:30 p.m. Burnsville Bus Garage, 11550 Rupp Dr., Burnsville.

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: _____