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**TO:** MVTA Board

**FROM:** Jim Strommen, legal counsel

**DATE:** January 25, 2012

**RE:** MVTA Membership Invitation to Dakota and Scott Counties --- Update

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As you know, the MVTA's membership invitation to Dakota and Scott Counties is pending. On Thursday, January 5, 2012, I met with Dakota County staff on legal questions they had raised in connection with MVTA membership.

Following the meeting, I am pleased to report that Dakota County staff stated it will advise the County Board that, in their view, there are no legal impediments to the County becoming a member of the MVTA. Staff characterized the issue for the Board and MVTA membership to be a matter of policy, i.e., whether sufficient reasons exist to become a party to the MVTA Joint Powers Agreement (JPA).

On January 9, 2012, the Strategic Planning Committee met and discussed the county membership issue in light of the January 5 meeting. The following are reasons that the Committee has considered for the County to become a signatory to the JPA.

These points are for your consideration and discussion. The Dakota County Committee taking up the MVTA invitation is meeting on February 13, 2012.

### **Reasons to Accept MVTA Membership Invitation**

1. Completes Existing Relationship. Since 1995 the Counties have supported the MVTA and participated as voting members of the Board. The MVTA is now well-established as a significant provider of quality public transit services in the South Metro area. Given this 17-year history, it is appropriate to complete and solidify this County-MVTA relationship.

2. Consistent with Legislative Intent. When enacting the broad joint powers statute, the Minnesota Legislature contemplated that voting board members be representatives from parties to the JPA. While it is not illegal for the Counties to continue serving on the Board without membership in the MVTA, it is consistent with legislative intent to be a party to the JPA.
3. Ensures Continued Access to MVTA Expertise. Membership in the MVTA allows the Counties to draw on MVTA's operational expertise in public transit. This expertise complements the Counties' strengths in planning and development of public infrastructure. MVTA's particular expertise in new transit technologies, fleet management, facility development, customer service and related areas provides an important resource for Counties in serving their residents and businesses.
4. No Financial Contribution. There is no financial contribution sought by the MVTA from the Counties to become parties to the JPA. Further, there has never been an "annual contribution" by any MVTA member. Each member of the MVTA has the right to withdraw at the end of a calendar year, on notice given prior to February 15 of that year.
5. No Additional Financial Risk. There is no additional financial risk to the Counties if they become MVTA members. Existing and contemplated financing authority through revenue bonds does not include individual member pledges of full faith and credit. All bond financing collateral is limited to MVTA revenue and assets. Further, the MVTA is separately insured through the League of Minnesota Cities Insurance Trust and, like its members and the Counties, is protected by statutory tort limits and anti-stacking laws.
6. Participation in Multiple JPAs is Contemplated by the Legislature. The Counties are members of multiple joint powers entities and other boards concerning public transit. Yet there is no legislative prohibition against local government participation in multiple joint powers organizations to promote the cost-effective delivery governmental services.