

# MINNESOTA VALLEY TRANSIT AUTHORITY

Regular Board Meeting

December 16, 2020 – 4:30 p.m.

Meeting conducted via video conference

## **Board Members Present:**

Clint Hooppaw, Apple Valley  
Kevin Burkart, Prior Lake  
Jon Ulrich, Scott County  
Chris Gerlach, Dakota County  
Dan Kealey, Burnsville  
Gary Hansen, Eagan  
Gene Abbott, Savage  
Peggy Sue Imihy, Shakopee,  
for Jay Whiting  
William Droste, Rosemount

## **Others Present:**

Luther Wynder, MVTA  
Heidi Scholl, MVTA  
Richard Crawford, MVTA  
Aaron Bartling, MVTA  
Tania Wink, MVTA  
Tyre Fant, MVTA  
Ben Picone, MVTA  
Grace Vriezen, MVTA  
Nene Israel, MVTA  
Dawn McGuire, MVTA  
Samantha Porter, MVTA  
Chad Deegan, MVTA  
Steve LaFrance, MVTA  
Dan Rudiger, MVTA  
Shaun LaFrance, MVTA  
John Miller, MVTA  
Vicky Loehrer, MVTA  
Amanda Novak, Elko New Market  
Connie Massengale, Schmitt and Sons  
Bill Forbord, Schmitt and Sons  
Jenni Faulkner, City of Burnsville  
Joe Morneau, Dakota County  
Tom Lovelace, City of Apple Valley  
Josh Feldman, City of Eagan  
Lisa Freese, Scott County  
Ben Reber, Wiley Law Office

## **I. Call to Order**

The meeting was called to order at 4:32 p.m. by Chair Clint Hooppaw. A quorum was present.

## **Oath of Office**

Hooppaw administered the Oath of Office to Peggy Sue Imihy, Shakopee Board Alternate.

## **II. Approval of Agenda**

A motion by William Droste and seconded by Gene Abbott to approve the agenda. The Agenda was approved unanimously.

**III. Public Comments**

There were no public comments.

**IV. Consent Agenda**

A Motion by Kevin Burkart and seconded by Dan Kealey to approve the items on the Consent Agenda. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

**V. Old Business**

**A. C-10151; Systemwide Study Approval (Foursquare ITP)**

Heidi Scholl, MVTA Director of Administration, presented a proposed contract with Foursquare ITP for Systemwide Study Consultant Services for MVTA and SouthWest Transit. The agencies sought Request for Proposals and received six proposals. The evaluation panel selected three firms for interviews and Foursquare ITP was selected after the interview/negotiation process.

Foursquare’s proposal offered extensive experience within systemwide planning, a competitive price, and both local/national expertise. Foursquare’s proposal cost is \$199,555. MVTA has identified operating dollars to support this cost in the 2021 Operating Budget. The contract provides consulting services to complete a Systemwide Study, that will provide a comprehensive review of current transit service operated by both MVTA and SouthWest Transit.

A Motion by Burkart and seconded by Droste to approve the contract with Foursquare. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

**VI. New Business**

**VII. Committee Reports**

**A. STA**

Luther Wynder, MVTA Chief Executive Officer, reported on the December Suburban Transit Association meeting. The group is working on its legislative agenda for 2021 and a breakfast with legislators is planned on Jan. 25. More work on the legislative agenda will be done at the next STA meeting on Jan. 4. Wynder also highlighted a certification process being conducted through the U.S. Department of Transportation dealing with Metropolitan Planning Organizations. STA also selected officers for 2021. Kevin Burkart will serve as STA chair; Clint Hooppaw will be the treasurer; and Dan Kealey will be the STA’s representative on the Transportation Advisory Board.

## **B. Management Committee**

### **1. Cedar Avenue Red Line Discussion**

MVTA Chief Executive Officer Luther Wynder provided an update on the Cedar Avenue Red Line. Effective Dec. 5, Metro Transit assumed operation of the Red Line. A meeting was scheduled on Dec. 21 with Met Council and Metro Transit representatives to discuss a temporary facility agreement. Wynder said he continues to work with legislative contacts to discuss next steps. Wynder also noted that MVTA had offered to allow Metro Transit to use Bay D or the Gaslight Station at Apple Valley Transit Station for Red Line operation. However, Metro Transit has chosen to use a temporary stop on Cedar Avenue. Wynder said the Red Line buses haven't been doing level boarding at Cedar Grove Transit Station or the walk-up stations.

### **2. Facility Improvements**

#### **1. C-10153; Burnsville Transit Station (BTS) Modernization Approval (Met-Con Companies, Inc.)**

Heidi Scholl, MVTA Director of Administration, presented a proposed contract between Minnesota Valley Transit Authority (MVTA) and Met-Con Companies, Inc. (Met-Con) for the Burnsville Transit Station (BTS) Office Modernization project.

Scholl explained that MVTA continues to focus on ridership and facility maintenance projects. Facility enhancements are needed to address COVID-19 issues, overdue code requirements and building modernizations.

A Request for Bids (RFB) resulted in 20 bids ranging in price from \$608,000 to \$765,616; MVTA selected the low bidder, Met-Con, as the suggested awarded bidder. KODET has vetted the low bidder and determined their price and understanding of the project to be responsive and responsible.

A Motion by Kealey and seconded by Gary Hansen to approve the contract with Met-Con Companies, Inc. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

#### **2. C-10152; Burnsville Bus Garage (BBG) Modernization Approval (Dering Pierson Group)**

Heidi Scholl, MVTA Director of Administration, presented a proposed contract between Minnesota Valley Transit Authority (MVTA) and Dering Pierson Group (DPG) for the Burnsville Bus Garage (BBG) Modernization project. MVTA contracted with KODET Architectural Group, LTD (KODET) for the BBG project. The project goals are to update overdue maintenance items, correct building code items, separate employee office space and customer/employee areas, replace two HVAC units, install LED lighting, and remove two fireplaces. The modernization will address required code items,

generate efficiencies through LED lighting and HVAC, and create secure first-level accessibility to outside parties.

A Request for Bids resulted in 18 bids ranging in price from \$733,900 to \$964,000. MVTA selected the low bidder, DPG, as the suggested awarded bidder. KODET has vetted the low bidder and has determined their price and understanding of the project to be responsive and responsible. MVTA's 2021 Operating Budget includes funding to support the BBG Modernization.

A Motion by Jon Ulrich and seconded by Burkart to approve the contract with Dering Pierson Group. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

### **3. 2021 Budget**

#### **1. Operating Budget**

Tania Wink, MVTA Finance Manager, presented the proposed 2021 MVTA Operating Budget, consisting of \$21,537,603 in revenue and \$30,395,916 in expenditures, resulting in a projected ending fund balance of \$8,709,795. The Management Committee reviewed and recommended approval at its Dec. 7 meeting.

The Proposed Budget is comprised of the following:

#### **Revenue \$21,537,603:**

- Intergovernmental
- CMAQ, MVST, Grants & Appropriations, & Local Government partnerships
- Passenger Fares
- Cash Fares, Passes, and Service Contracts
- Advertising Income
- Investment Income
- Miscellaneous
- Facility Leasing, Insurance Dividend, Claims, and Other Income.

Overall, the revenue budget will see a 24 percent reduction compared to the final 2020 budget. This is mainly due to the reduction in Intergovernmental Revenue and Passenger Fares.

#### **Expenditures \$30,395,916:**

- Operations
  - o Bus Operations (including Promotional, Engineering, and State Fair)
- Facilities Management
  - o Utilities, Maintenance & Repair, Contract Services, Claims Expense, & Property Insurance
- Administration

o Salaries & Benefits, Professional Services, Marketing, Insurances, and Other Expenses

• Capital Costs of Operating

The expenditure budget was forecasted by utilizing actual expenditures for fiscal year 2019 (2019 CAFR) and actuals through Dec. 4, 2020. The expenditure budget will see an increase of approximately 5 percent from the final 2020 budget. This is primarily due to increased costs associated with Operations, Facilities Management, and Capital Costs of Operating.

As of Dec. 31, 2019, the unreserved fund balance was approximately \$11 million. With a projected surplus in 2020 of \$6 million, the unreserved fund balance is estimated to be \$17.1 million at December 31, 2020. The projected budget results in the use of fund balance of \$8,454,926.

The 2021 General Fund Operating Budget would result in a decrease to MVTA's fund balance and 3 months or 29 percent of next year's expenditures assuming 2020 and 2021 results come in as budgeted. This is below MVTA's policy of maintaining 4 months of operating expenditures yet meets the Council's minimum policy level of 3 months.

A Motion by Droste and seconded by Abbott to approve the 2021 Operating Budget. A roll call vote was taken.

Hooppaw – Aye

Gerlach – Aye

Abbott – Aye

Burkart – Aye

Kealey – Aye

Imihy – Aye

Ulrich – Aye

Hansen – Aye

Droste – Aye

## **2. 2021 – 2025 Capital Budget**

Tania Wink, MVTA Finance Manager, presented the proposed 2021 Debt Service Fund consisting of \$526,650 and 2021-2025 Capital Improvement Plan consisting of 2021 Capital Project Funds totaling \$4,800,000. The information was reviewed by the Management Committee and recommended approval at its Dec. 7 meeting.

MVTA will maintain three individual governmental funds during 2021 – the General Fund, the Capital Projects Fund and the Debt Service Fund. MVTA adopts an annual budget for its General Fund and its Debt Service Fund. The Debt Service Fund accounts for the debt service payments relating to 2013 Gross Revenue Bonds.

The Capital Projects Fund accounts for financial resources to be used to acquire transit vehicles, maintenance to transit vehicles that extend its useful life, acquire and construct transit facilities, install major facility improvements and acquire major transit-related equipment. The Capital Project Fund is used to account for funds received through the Metropolitan Council, Minnesota Department of Transportation (MnDOT) and other agencies. MVTA does not prepare a budget for the Capital Projects Fund. Instead, individual capital project budgets are prepared for existing and potential capital assets for a five-year period.

As each year progresses, the Finance Department submits applications to numerous funding sources to secure funds to pay for various projects in the capital budget.

A Motion by Burkart and seconded by Kealey to approve the Debt Service Fund Budget consisting of \$526,650 of revenues and \$526,650 of expenditures. It is further recommended that the Board approve the authorization of the Capital Projects Fund through the 2021-2025 Capital Improvement Plan consisting of \$4,800,000 in capital projects for FY2021. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

#### **4. 2021 Cost of Living Adjustment and Cafeteria Plan**

Heidi Scholl, MVTA Director of Administration, presented the proposed 2021 Cost of Living Adjustment (COLA) and Cafeteria Plan. Scholl said MVTA collects information from member cities and counties and other sources to determine trends within the market and establish the upcoming year's cost of living adjustment. Based upon the data received, MVTA staff recommend a COLA increase that aligns with member agencies at 3 percent for 2021. This percentage has been calculated into the 2021 Operating Budget.

MVTA also has a Cafeteria Plan established for employer paid benefits. Each year MVTA evaluates sources to determine the Cafeteria Plan allotment. The sources include: Cafeteria Plan allotment history, dental premium increase/decrease, and medical premium increase/decrease.

While medical premiums will increase in 2021, a transition in insurance carriers will result in a dental premium decrease. Based upon this 2020 to 2021 benefit adjustment, MVTA Staff are recommending no adjustment to the Cafeteria Plan annual allotment of \$18,900 (\$1,575 per month). This allotment has been calculated into the 2021 Operating Budget.

A Motion by Abbott and seconded by Burkart to approve the 2021 Cost of Living Adjustment and Cafeteria Plan. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

#### **5. 2020 Vacation Bank Abatement/Reduction**

Heidi Scholl, MVTA Director of Administration, presented a proposal for a one-time exception of 2020 employee vacation bank abatement/reduction. As 2020 ends, some MVTA employees carry large vacation time balances, in part because time devoted to facility beautification and COVID-19 issues. MVTA staff are requesting MVTA Board approval to allow a one-time exception to the current policy. The revised options proposed include:

1. Identify a plan to use excess vacation time by the end of March;

2. Cash-out vacation time balance (minus the maximum carryover amount allowed);
3. Contribute vacation time balance into a Minnesota State Retirement System (MSRS) – Health Care Savings Account (HCSP);
4. or a combination of option 1 through 3.

Eligible employees will be given these options and a plan must be identified; this plan cannot be revised after confirmation (must be received by Dec. 21). An estimated payout balance of \$33,000 is currently calculated.

MVTA’s contracted legal firm conducted research pertaining to 2020 vacation bank abatement/reduction; findings revealed that all agencies, excluding one, were requesting a one-time exception in regards to 2020 vacation balance carryovers. A cash-out option has been advised due to a lower rate if paid within 2020. All employees will be notified that a vacation bank abatement/reduction, in the form of a payout, will not be an option in 2021. MVTA’s contracted audit team has reviewed the recommendation and are in support.

A Motion by Hansen and seconded by Kealey to approve the 2020 Vacation Bank Abatement/Reduction. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

**6. 2021 Board and Management Committee Schedule**

Richard Crawford, MVTA Public Information Manager, presented the MVTA Board and Management Committee 2021 meeting schedule that was reviewed by the Management Committee.

A Motion by Hansen and seconded by Abbott to approve the 2021 Board and Management Committee Schedule. A roll call vote was taken.

Hooppaw – Aye	Gerlach – Aye	Abbott – Aye
Burkart – Aye	Kealey – Aye	Imihy – Aye
Ulrich – Aye	Hansen – Aye	Droste – Aye

**7. 2021 Board Nominations**

Richard Crawford, MVTA Public Information Manager, reported that the first order of business at the January MVTA Board Meeting will be to elect a chair, a vice chair and a secretary-treasurer for the board in 2021. The current chair shall facilitate these elections.

Currently, Chair Hooppaw, Vice Chair Burkart and Secretary-Treasurer Jon Ulrich are all eligible to serve an additional year in their positions because they all are completing the first year of their terms.

The Management Committee was supportive of recommending all three for re-election in January.

**VIII. Board and Staff Reports**

- A. Vicky Loehrer, new MVTA Program Administrator, was introduced to the board.

**IX. Adjournment**

A Motion was made by Gerlach and seconded by Burkart to adjourn the meeting at 5:55 p.m. The motion passed unanimously.

**Minutes Prepared by: Richard Crawford**

**Next Regular Meeting Scheduled Wednesday, Jan. 20, 4:30 p.m., at Burnsville Bus Garage, 11550 Rupp Drive, Burnsville, MN.** All regularly scheduled Board meetings will be held at the posted time and location unless otherwise notified.

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_