

MINNESOTA VALLEY TRANSIT AUTHORITY

Board Meeting

December 15, 2021 – 4:30 p.m.

Meeting conducted via video conference

Board Members Present:

Clint Hooppaw, Apple Valley
Jon Ulrich, Scott County
Tammy Block, Rosemount
Dan Kealey, Burnsville
Gary Hansen, Eagan
Josh Feldman, Eagan
Kevin Burkart, Prior Lake
Gene Abbott, Savage
Jay Whiting, Shakopee

Others Present:

Luther Wynder, MVTA
Richard Crawford, MVTA
Heidi Scholl, MVTA
Tyre Fant, MVTA
Aaron Bartling, MVTA
Ben Picone, MVTA
Grace Vriezen, MVTA
Vicky Loehrer, MVTA
Mandy Flum, MVTA
Samantha Porter, MVTA
Dan Rudiger, MVTA
Nene Israel, MVTA
Jason DeMoe, MVTA
Dawn McGuire, MVTA
Cooper Ristau, MVTA
Ethan Wenzel, MVTA
Lisa Freese, Scott County
Jenni Faulkner, Burnsville
Alyssa Olson, Shakopee
Tom Lovelace, Apple Valley
Victoria Pena, Schmitt and Sons
Bill Forbord, Schmitt and Sons
Ben Reber, Legal counsel

I. Call to Order

The meeting was called to order at 4:33 p.m. by Chair Clint Hooppaw. A quorum was present.

II. Approval of Agenda

A motion by Jon Ulrich and seconded by Gene Abbott to approve the agenda. The motion was approved unanimously.

III. Public Comments

There were no public comments.

IV. Consent Agenda

A motion by Jay Whiting and seconded by Dan Kealey to approve the items on the Consent Agenda. A roll call vote was taken.

Hooppaw – Aye
Feldman – Aye

Burkart – Aye
Kealey – Aye

Ulrich – Aye
Block – Aye

Whiting – Aye
Abbott – Aye

V. Old Business

A. Approval of C-10163 for Burnsville Bus Garage (BBG) Modernization Phase II (Morcon Construction Co., Inc.)

1. Heidi Scholl, Director of Administration, presented a contract for approval with Morcon Construction Co., Inc. (Morcon) for the modernization of BBG. She noted that MVTA received six bids, but the low bidder was deemed nonresponsive due to an inability to meet Disadvantaged Business Enterprise (DBE) goals. Morcon was then considered the low, responsive, and responsible bidder. MVTA was awarded \$3.5 million through the 2020 Buses and Bus Facilities Grant Program for the garage modernization. A maximum budget of \$4.5 million was announced at the bid opening.
2. Jay Whiting asked for additional details regarding DBE goals. Heidi Scholl stated DBE goals were set at 7% for the project by the Metropolitan Council, due to its federally funded status.
3. MVTA staff recommended provided delegation of change order/amendment authority to the Chief Executive Officer; for an amount not to exceed \$449,400 (~10%).
4. Jay Whiting questioned whether the project should be re-bid due to the wide range of bid proposals for the project. Luther Wynder stated that due to the current environment bid results would more than likely not result in a lower bid. Samantha Porter also stated that supply chain issues also would hinder better pricing.

A motion by Dan Kealey and seconded by Gene Abbott to approve the contract. A roll call vote was taken.

Hoopaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

VI. New Business

A. Fall 2021 Park-and-Ride Facility Usage

Luther Wynder, Chief Executive Officer, provided an overview of the annual Fall Park-and-Ride count conducted in the metro area to track usage of facilities in the region. The Fall 2021 count showed that MVTA and Suburban Transit Providers are leading the region in park-and-ride usage. Overall, Suburban Transit Association providers accounted for 51 percent of park-and-ride usage for the region.

Wynder also noted that third-quarter ridership provides additional indications of the suburban ridership rebound as the region recovers from the pandemic. MVTA experienced 64% year-over-year ridership growth. Metro Transit experience 15% growth in bus ridership for the period.

As the region continues to recover from the pandemic, Luther Wynder said express bus ridership is expected to continue to increase.

Commissioner Tammy Block said she's hearing riders also have concerns about employee safety in Minneapolis. Luther Wynder said MVTA has increased security patrols at stations in our service area and as employers resume office work in Minneapolis there will be continued communication on restoring more public and private security measures.

B. Approval of Ionization System

Heidi Scholl, Director of Administration, and Dan Rudiger, Fleet Manager, presented information on procurement plans for a bipolar ionization system to improve safety/health concerns on buses.

Dan Rudiger gave an overview of bipolar ionization, which is a new form of air sanitation system to purify air on buses. The system creates positive and negative oxygen ions to neutralize particulate matter, including virus cells. MVTA staff issued a request for bids and received two bids – the lowest being from ABC Companies for \$150,800. Adding the systems on MVTA buses is another measure to improve safety of customers and the technology is chemical free.

A motion by Gene Abbott and seconded by Jay Whiting to approve the procurement of onboard bipolar ionization systems. A roll call vote was taken.

Hooppaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

VII. Committee Reports

A. Suburban Transit Association

Luther Wynder provided a recap of the November 8, 2021 and December 13, 2021 Suburban Transit Association meetings. Messerli and Kramer was approved to continue to be the lobbyist for the STA. Luther Wynder also noted that STA has selected recipients of legislative awards and is preparing for a February 7, 2022 legislative breakfast.

B. Management Committee

1. 2022 Budget

a. Operating Budget – Revenue and Expenditures

Tania Wink, Director of Finance, presented the proposed 2022 Operating Budget consisting of \$25,233,457 in revenues and \$34,627,570 in expenditures, resulting in a projected ending fund balance of \$9,008,819.

Background

Tania Wink provided background on MVTA operations during the COVID-19 pandemic. MVTA has kept service running while ensuring the cleanest, healthiest commute possible for our customers.

As the region rebuilds from the impacts of the COVID-19 pandemic, MVTA is also rebuilding and reimagining service by maintaining and developing public transit infrastructure in ways that ensure reliable and safe service.

Tania Wink said the 2022 budget has been prepared with the goal of delivering a fiscally prudent balanced budget that is in compliance with financial policies.

At the time of budget development, the Metropolitan Council had not released the November 2021 MVST forecast. MVTA utilized the February 2021 Forecast to identify projected MVST revenue for FY2022. Based on that forecast, MVST is projected to increase 4.3 percent compared to 2021 budgeted. MVTA is prepared to realign priorities and expenses once the February 2022 forecast becomes available.

Luther Wynder presented on the agency's budget development goals. He said MVTA plans to return service levels to 90 percent of pre-pandemic levels as ridership recovers. The agency also plans to focus on state of good repair for facilities and invest in customer amenities. MVTA has a lot of unmet needs and seeks federal funds currently held by the Metropolitan Council to help meet those needs. Luther Wynder noted that MVTA historically has



realized more actual revenue than what is budgeted, in part, because the agency has been proactive in going after grant funding.

Luther Wynder also noted that the agency continues to innovate and a systemwide transit network design will come to fruition in 2022. MVTA also plans to study the need for a Bus Rapid Transit line on County Road 42 in the coming year.

Tania Wink reviewed 2022 proposed expenditures and noted that MVTA expenditures typically come in lower than projected due to a conservative approach that is taken throughout the year. Also, due to the timing regarding some of the revenue MVTA receives from the Met Council, spending is restrained.

The proposed 2022 Operating Budget results in a decrease to MVTA's fund balance to 3 months or 26 percent of next year's expenditures assuming 2021 and 2022 results come in as projected. This is below MVTA's policy of maintaining 4 months of operating expenditures yet meets the Metropolitan Council's minimum policy level of 3 months.

Gene Abbott noted that MVST represents 84 percent of MVTA revenue and asked for more information about the MVST forecast for 2022. Luther Wynder said that MVTA received the November 2021 forecast on December 14, 2021 and it is showing revenues higher than what was projected in MVTA's 2022 budget proposal. Luther Wynder said MVTA held to its proposed budget and plans to wait for the February MVST forecast to adjust the budget as needed. Clint Hooppaw added that the MVST funding makes MVTA's budget more fluid than other government agencies and said that's why MVST status needs to be reviewed often and adjustments need to be made accordingly.

Dan Kealey asked what the net increase in investment was expected to be for MVTA Connect service in the coming year. Tania Wink said expenditures for MVTA Connect in 2022 are expected to increase to \$3 million from \$500,000 in 2021. Dan Kealey said he supported the larger investment in MVTA Connect services.

Tania Wink said staff will present amendments to the budget as needed and will provide the board up-to-date actuals as the year progresses.

Tania Wink noted the proposed 2022 Operating Budget was recommended for approval by the MVTA Management Committee.

A motion by Dan Kealey and seconded by Tammy Block to approve the General Fund Operating Budget. A roll call vote was taken.

Hooppaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

b. Capital Budget

Tania Wink presented an overview of the 2022 – 2026 Capital Improvement Plan and Debt Service Fund Budget.

Background

Tania Wink explained that 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 Gross Revenue Refunding Bond, Series 2021, originally funded for the Eagan Bus Garage construction.

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 and other local government 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 which is identified as Capital Improvement Plan.

The budget for the 2022 Debt Service Fund consists of revenues of \$384,622 (2022 NTD balance drawdown) and expenditures of \$384,622 (principal of \$340,000 and interest of \$44,622). Capital Project Fund-Capital Improvement Plan 2022-2025 MVTA developed a Capital Improvement Plan (CIP) for fiscal years 2022-2026. Included in this plan are the capital expenditures necessary to sustain and improve the equipment, facilities, and technology of the MVTA. Tania Wink said the items were reviewed by the MVTA Management Committee with a recommendation that the MVTA Board approve the Debt Service Fund consisting of \$384,622 of revenues and \$384,622 of expenditures and the 2022-2026 Capital Improvement Plan with authorization for the period 2022-2026 in the amount of \$9,902,402 and authorizing staff to request grants from Met Council for the 2022 NTD projects as presented.

A motion by Kevin Burkart and seconded by Gary Hansen to approve the General Fund Operating Budget. A roll call vote was taken.

Hooppaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

2. 2022 Cost of Living Adjustment

Heidi Scholl, Director of Administration, presented information regarding a cost-of-living adjustment for MVTA staff for 2022. Heidi Scholl explained that MVTA collects information from various sources, including partner cities, to establish the upcoming year's cost-of-living adjustment recommendation. Local area prices reported for the region were up more than 5% from the prior year. Based on the information, MVTA's Management Committee recommended a 2022 COLA increase of 3%.

A motion by Kevin Burkart and seconded by Gene Abbott to approve the 2022 Cost of Living Adjustment. A roll call vote was taken.

Hooppaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

3. 2022 Board of Commissioners and Management Committee Schedule

Heidi Scholl, Director of Administration, presented the proposed 2022 schedule for MVTA Management Committee and MVTA Board meetings that was recommended by the MVTA Management Committee.

A motion by Kevin Burkart and seconded by Jay Whiting to approve the 2022 MVTA Board of Commissioners and MVTA Management Committee Meeting Schedule. A roll call vote was taken.

Hooppaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

4. 2022 Election of Officers

Richard Crawford, Public Information Manager, informed the MVTA Board that the first order of business at the January MVTA Board Meeting will be the election of officers. All three current office holders, Clint Hooppaw – Chair, Kevin Burkart – Vice Chair, and Jon Ulrich – Secretary/Treasurer, have served two consecutive one-year terms and are not eligible to run for the same position again, based on MVTA Bylaws. Commissioner Burkart indicated a willingness to serve as MVTA Board Chair and Commissioner Block has indicated an interest in serving in any leadership position.

Commissioners interested in seeking leadership positions were invited to alert the MVTA Management Committee prior to the January Board Meeting.

5. Chief Executive Officer 2021 Performance Review

Heidi Scholl, Director of Administration, outlined a performance review schedule for Luther Wynder, Chief Executive Officer for the MVTA Board to follow.

A motion by Jay Whiting and seconded by Gene Abbott to approve the Chief Executive Officer 2021 Performance Review. A roll call was taken.

Hooppaw – Aye	Burkart – Aye	Ulrich – Aye	Whiting – Aye
Hansen – Aye	Kealey – Aye	Block – Aye	Abbott – Aye

VIII. Board and Staff Reports/Updates

A. Stuff the Bus

Richard Crawford, Public Information Manager, provided a recap of the 2021 Stuff the Bus collections supporting Dakota County and Scott County food shelves. MVTA and Schmitt & Sons collected more than 1,800 pounds of food and \$2,300 for 360 Communities and the CAP Agency food shelves. MVTA partnered with local Cub, Hy-Vee and Lunds & Byerly's grocery stores during the two-week collection period in December.

IX. Adjourn

A motion was made by Gene Abbott and seconded by Jay Whiting to adjourn the meeting at 6:12 p.m. The motion passed unanimously.

Minutes Prepared by: Richard Crawford

Next Regular Meeting is Wednesday, January 19, 2022 - 4:30 p.m., to be hosted via video conference. All regularly scheduled MVTA Board meetings will be held at the posted time and location unless otherwise notified.

Approved by: Kevin Burkart

Date: 01/21/2022
