

MINNESOTA VALLEY TRANSIT AUTHORITY

Regular Board Meeting
December 4, 2019 – 4:30 p.m.
Burnsville Bus Garage

Board Members Present:

William Droste, Rosemount
Bob Coughlen, Savage
Clint Hooppaw, Apple Valley
Chris Gerlach, Dakota County
Lisa Freese, Scott County,
for Jon Ulrich
Dan Kealey, Burnsville
Casey McCabe, Prior Lake,
for Kevin Burkart
Gary Hansen, Eagan
Jay Whiting, Shakopee

Others Present:

Luther Wynder, MVTA
Tania Wink, MVTA
Richard Crawford, MVTA
Heidi Scholl, MVTA
Steve LaFrance, MVTA
Dawn McGuire, MVTA
Aaron Bartling, MVTA
Samantha Porter, MVTA
Dan Rudiger, MVTA
Tyre Fant, MVTA
Sue Borgerson, MVTA
Chad Deegan, MVTA
Nene Israel, MVTA
Shaun LaFrance, MVTA
Ben Picone, MVTA
Bill Forbord, Schmitt and Sons
Josh Feldman, Eagan
Joe Morneau, Dakota County
Chris Marshall
Jim Thomson, legal counsel

I. Call to Order

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

II. Approval of Agenda

Chair William Droste noted that two items were being added to the Consent Agenda. Item IV.I.M. was a Grant Agreement with the Metropolitan Council for 2019 Eagan Bus Garage Debt Service and Item IV.1.N. was An Amendment to Contract with Redpath and Company.

A motion by Gary Hansen and seconded by Dan Kealey to approve the agenda. The Agenda was approved unanimously.

III. Public Comments

There were no public comments.

IV. Consent Agenda

Whiting requested that the two added Consent Agenda items be pulled for separate votes. A Motion by Whiting and seconded by Kealey to approve the Consent Agenda. A roll call vote was taken.

Hooppaw – Aye	Coughlen – Aye	McCabe – Aye
Kealey – Aye	Gerlach – Aye	Droste – Aye
Hansen – Aye	Whiting – Aye	

IV. Grant Agreement with the Metropolitan Council for 2019 Eagan Bus Garage Debt Service

Heidi Scholl, MVTA Contract and Personnel Manager, noted that the Grant Agreement with the Metropolitan Council for 2019 Eagan Bus Garage Debt Service was a routine item that will allow MVTA to seek reimbursement from the Metropolitan Council for Eagan Bus Garage debt service expenses.

A motion by Whiting and seconded by Hansen. A roll call vote was taken.

Hooppaw – Aye	Coughlen – Aye	McCabe – Aye
Kealey – Aye	Gerlach – Aye	Droste – Aye
Hansen – Aye	Whiting – Aye	

IV. Amendment to Contract with Redpath and Company

Heidi Scholl, MVTA Contract and Personnel Manager, explained that the cost of the amendment was minimal but since the total contract exceeded \$50,000 it needed Board approval.

A motion by Whiting and seconded by Kealey. A roll call vote was taken.

Hooppaw – Aye	Coughlen – Aye	McCabe – Aye
Kealey – Aye	Gerlach – Aye	Droste – Aye
Hansen – Aye	Whiting – Aye	

V. Old Business

A. Regional Solicitation Update

Acting Planning Manager Aaron Bartling provided an update on the 2020 Regional Solicitation process. Every two years, projects are evaluated through the Regional Solicitation process to allocate federal transportation funds to local projects. Throughout the summer, the regional Transportation Advisory Board and a series of subcommittees met to consider changes to the Regional Solicitation process. Proposed changes were made available for public comment in September. Applications for the 2020 Regional Solicitation will be due in April 2020.

At the October MVTA Board meeting, the Board approved a letter that was submitted to the Metropolitan Council regarding MVTA's concerns with the proposed changes. MVTA's letter raised concerns with the creation of a category – specifically Arterial BRT – that is managed by one agency. MVTA expressed support for a broader interpretation of BRT that would allow multiple agencies to compete for funds.

In addition to a letter submitted by MVTA on the proposed changes, the cities of Apple Valley, Burnsville and Eagan and Scott County submitted letters commenting on the proposed changes to the Regional Solicitation process.

VI. New Business

None.

VII. Committee Reports

A. STA Update

Luther Wynder, MVTA Executive Director, said the next Suburban Transit Authority meeting is scheduled for Dec. 16. At the November 25 STA meeting, STA representatives met with the Metropolitan Council Transportation Committee. Wynder said Clint Hooppaw, who serves as the STA chair, provided an overview of funding concerns for the STA. Wynder said the STA would like suburban providers to be factored into future funding discussions including for capital needs to allow agencies to maintain facilities in a State of Good Repair. Hooppaw said the Metropolitan Council Transportation Committee has many new members with a good portion of them representing suburban areas. He said the STA would like to maintain discussions with the Transportation Committee and he said he was “cautiously optimistic” about ongoing discussions.

B. Management Committee

1. 2020 Budget – 2020 General Fund Operating Budget

Tania Wink, MVTA Finance Manager, reported that the Management Committee met Nov. 21 to review the 2020 General Fund Operating Budget. The 2020 General Fund revenue budget totals \$29,297,891. The General Fund Revenue budget was prepared with the following assumptions:

- MVTA estimates a decrease in cash fares and passes of 10 percent or \$500,000. Fare Box Revenue accounts for 15 percent of MVTA’s Revenue Budget. Factors contributing to this decrease include 35W Construction, historical inclement weather (which accounts for school closings), and lower gas prices.
- The Motor Vehicle Sales Tax Revenue (MVST) is based on the Minnesota Department of Revenue projection of the sales tax to be collected for public transportation services in accordance with Minnesota Statutes. In Fiscal Year 2020, Statutory MVST accounts for approximately 54 percent (\$16.3 million) of the MVTA’s Revenue Budget.
- Regionally Allocated MVST will see an increase of 15 percent with the forecasted amount bringing in an additional \$465,000 for 2020.
- Grants and Appropriation will see a decrease due to the elimination of State General Fund allocation and the expiration of various service grants.
- Metropolitan Council continues to fund the Red Line and Cedar Express service with revenue estimated at \$2.5 million in 2020.
- Local Government and private contributions received for Route 495 and 498 bring in about \$1.7 million.

The 2020 General Fund expenditures budget totals \$30,717,926 for 2020. During the development of the 2020 expenditure budget, MVTA managers were instructed to maintain spending limits.

- Salaries and Benefits will see an increase of \$180,000 due to a Cost of Living Adjustment and annual performance merit increases.
- Professional Services will see a decrease of approximately \$400,000. This decrease is primarily due to the completion of the Apple Valley Transit Station Modernization Project. Compared to 2018, Professional Services is in line with actual expenditures.
- Other expenses, which include Dues and Subscriptions, Travel, Training and Tuition Reimbursement, and Capital Outlay will see a decrease of 19 percent, this is primarily due to the reduction in Capital Outlay.
- Bus Operations - MVTA has not received the 2020 Fuel Contract amounts from the State of Minnesota. At this time we are estimating a reduction in fuel costs but will likely know more by the middle of February.
- Insurance will see a slight increase of 2 percent due to premium rises for property and workers compensation coverage.

Wink noted that the overall General Fund Expenditure budget will see a reduction of approximately 5 percent from 2019. The reduction is primarily due to the completion of the Apple Valley Transit Station renovation. The proposed operating budget results in MVTA's fund balance being at 3 months or 27 percent of next year's expenditures, which is under MVTA's policy of 4 months but within Met Council's policy of 25 percent – 35 percent.

Clint Hooppaw noted that the 2020 budget is contingent on funding decisions made during the 2020 legislative session.

A motion by Kealey and seconded by Gerlach to approve the 2020 General Fund Operating Budget consisting of revenues of \$29,297,891 and expenditures of \$30,717,926, resulting in an increase to the fund balance of \$79,965. A roll call vote was taken.

Hooppaw – Aye	Coughlen – Aye	McCabe – Aye
Kealey – Aye	Gerlach – Aye	Droste – Aye
Hansen – Aye	Whiting – Aye	Freese – Aye

2. 2020 Budget – 2020 Debt Service Fund and 2020-2025 CIP

Tania Wink, MVTA Finance Manager, reported that the Management Committee met Nov. 21 to review the 2020 Debt Service Fund consisting of \$524,900 and Capital Improvement Plan consisting of Capital Project Fund totaling \$2,300,000.

The Debt Service Fund accounts for the debt service payments relating to the 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 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 which is identified as Capital Improvement Projects. Funding sources along with the timing of funding agreements (appropriations), revenue recognition and project expenditures are budgeted for each project.

A motion by Hooppaw and seconded by Hansen to approve the Debt Service Fund Budget consisting of \$524,900 of revenues and \$524,900 of expenditures and to approve the authorization of the Capital Project Fund through the 2020-2025 Capital Improvement Plan consisting of \$2,300,000 in capital projects for fiscal year 2020. A roll call vote was taken.

Hooppaw – Aye	Coughlen – Aye	McCabe – Aye
Kealey – Aye	Gerlach – Aye	Droste – Aye
Hansen – Aye	Whiting – Aye	Freese – Aye

3. 2020 Employee Benefit Review

Heidi Scholl, MVTA Contract and Personnel Manager, indicated the Management Committee had reviewed 2020 employee benefits, including a cost of living increase and cafeteria plan allotment. MVTA’s suggested cost of living adjustment was 3 percent and was based on a review of member cities and county’s anticipated adjustments in 2020.

MVTA also surveyed member agencies regarding annual allotments for cafeteria plans and suggested an annual allotment for MVTA employees of \$18,900 (\$1,575 per month).

Scholl noted the 3 percent cost of living increase and the cafeteria allotment of \$18,900 aligns MVTA with partner cities and counties and will assist in retaining current employees and provide a competitive benefits package when hiring new employees.

A motion by Hooppaw and seconded by Coughlen to approve the cost of living increase and 2020 cafeteria allotment. A roll call vote was taken.

Hooppaw – Aye	Coughlen – Aye	McCabe – Aye
Kealey – Aye	Gerlach – Aye	Droste – Aye
Hansen – Aye	Whiting – Aye	Freese -- Aye

3. 2020 Board and Management Committee Schedules

Richard Crawford, MVTA Public Information Manager, noted the Management Committee had reviewed the 2020 MVTA Board Meeting and Management Committee meeting calendar.

A voice vote was taken on the calendar and was approved unanimously.

4. 2020 Board Nominations

Richard Crawford, MVTA Public Information Manager, noted that the Board will be asked at the January meeting to approve new leadership positions – chair,

vice chair and secretary-treasurer. Chair William Droste is completing his second one-year term and is not eligible to be re-elected. Crawford noted that vice-chair Clint Hooppaw has indicated interest in serving as chair and Kevin Burkart, current secretary-treasurer, has indicated interest in serving as vice chair. The Management Committee will be making recommendations for leadership positions to be considered by the Board in January and commissioners were directed to notify Crawford if they had interest in the positions.

5. Executive Director Review

Heidi Scholl, MVTA Contract and Personnel Manager, reviewed the timeline for the 2019 Executive Director's Performance Review. Scholl indicated she will be distributing performance review materials to the Board and commissioners will have through Jan. 6, 2020, to completed and return their performance review evaluation documents. Review documentation will be reviewed by the Board at the Jan. 29, 2020, Board meeting in closed session.

C. Partnership Committee Update

Richard Crawford, MVTA Public Information Manager, said that committee assignments for 2020 will be overseen the new Board Chair that will be elected at the January meeting. Crawford noted that the Partnership Committee had difficulty establishing meeting times that worked for the committee in 2019 and new times will be explored.

VIII. Board and Staff Reports

A. Introduction of New Employees

Acting Planning Manager Aaron Bartling introduced Ben Picone, MVTA's new Transit Planner, and Heidi Scholl, Contract and Personnel Manager, introduced Shaun LaFrance, MVTA's new IT Support Technician.

B. Route 420 – Dakota County Technical College Update

Luther Wynder, MVTA Executive Director, reported that Dakota County commissioners voted to end the Route 420 pilot extension to Dakota County Technical College effective May 25 – at the end of the current DCTC school year. Wynder noted that the pilot originally was scheduled to run through August so the county will be saving some funding by reducing the length of the pilot. Acting Planning Manager Aaron Bartling said ridership on DCTC trips was about 20 per day this fall.

Chris Gerlach said the Dakota County Board had delayed reducing the term of the pilot for about two months. He said county officials were concerned that ridership was below what was hoped for. He said maintaining service to DCTC through May will fulfill the bulk of the pilot and allow some funding to be left over.

Wynder said there will be additional conversations regarding service to DCTC, including discussions about potential funding for a new vehicle to support the route.

C. Apple Valley Transit Station Modernization

Samantha Porter, MVTA Transportation Director, informed the Board that the first two levels of the Apple Valley Transit Station Ramp were scheduled to open on Monday Dec. 16.

IX. Adjournment

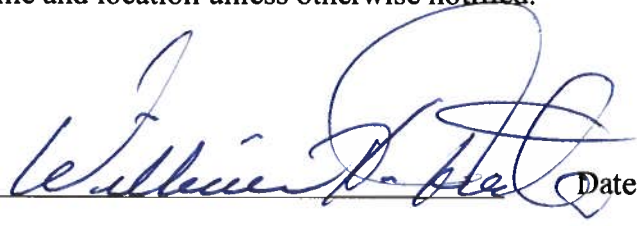
A Motion was made by Kealey and seconded by Droste to adjourn the meeting at 5:50 p.m. The motion passed unanimously

Minutes Prepared by: Richard Crawford

Next Regular Meeting Scheduled Wednesday, Jan. 29, 4:30 p.m., at Burnsville Bus Garage, 11550 Rupp Drive, Burnsville, MN.

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: _____

1/29/2020