

MINNESOTA VALLEY TRANSIT AUTHORITY
Regular Board Meeting
September 24, 2008 – 4:30 p.m.
Eagan Bus Garage

Board Members Present:

Elizabeth Kautz, Burnsville
William Droste, Rosemount
Ruth Grendahl, Apple Valley
Wally Lyslo, At Large
Jane Victorey, Savage
Will Branning, Dakota County
Meg Tilley, Eagan
Jon Ulrich, Scott County

Others Present:

Beverley Miller, Executive Director
Michael Abegg, Planner
Troy Beam, Scott County
Barb Ross, Best & Flanagan
Robin Selvig, Customer Relations Manager
Lois Spear, Finance Officer
Steve Mielke, Lakeville Administrator
David Pritzlaff, Farmington Councilmember
Holly Dahl, Lakeville Mayor
Tom Lovelace, Apple Valley TWG
Samantha Porter, Operations Manager
Arlene McCarthy, Met Council
Sam O'Connell, Dakota County
Steve Wischmann, KDV
Corrine Heine, Kennedy & Graven

I. Call to Order

The meeting was called to order at 4:30 p.m. by Chair Elizabeth Kautz.

II. Public Comments

There were no comments from the public.

III. Approval of Agenda

Motion by Ruth Grendahl and seconded by Will Branning to approve the agenda. Motion carried.

IV. Consent Agenda

Motion by Jon Ulrich and seconded by William Droste to approve the Consent Agenda. Motion carried.

V. Old Business

There was no Old Business.

VI. New Business

There was no New Business.

VII. Committee Reports

A. Finance – 2007 Financial Statements

Ruth Grendahl introduced Steve Wischmann of KDV to provide the annual review of financial statements. She indicated that it was a “healthy” audit and that all MVTA Board members should sleep well at night.

Steve Wischmann reviewed the Management Letter, highlighting several comments. He states there are three types of conditions to be reported in the Management Letter: Control issues (lowest level of concern), Inconsequential and Material weaknesses. The MVTA has no material weaknesses. Segregation of Duties is reportedly annually due to the small nature of the MVTA staff. The report was improved this year with the addition of an accountant to approve journal entries. The other area of concern is cash receipt entry for one of the bank accounts. However, less than \$200,000 per year is cycled through this account and the MVTA does not have the resources to add additional staff to segregate these duties. Ruth Grendahl said the Finance Committee is aware of the concern and believes it is manageable.

Wischmann also commented about several other conditions reported in the Management Letter, which are policy issues: Capital asset policy (bringing together documents into a comprehensive policy) and Deposit and investment policy (consider managing risk for future – not currently an issue for the MVTA). Ruth Grendahl indicated that the Finance Committee would tackle these policy areas.

He called attention to the graphics in the Management Letter and also the fact that the fund balance for MVTA grew from 2006 to 2007 by more than \$2 million due to good control of keeping expenses below budget. Both Ruth Grendahl and Elizabeth Kautz commended director Beverley Miller and her staff for doing a great job.

Wischmann referred to the audit and stated that it was a clean audit with an unqualified opinion, the highest that can be achieved. He stated that there were no issues in preparation of the audit and that the MVTA has a good financial/operational team. He suggested that Board members read the Management Discussion and Analysis section (prepared by MVTA) as it provides a good summary of the year's operations. There were no questions for Mr. Wischmann.

B. Finance – 2009 Operating Budget

Ruth Grendahl presented the 2009 Operational Budget. Motion by Ruth Grendahl and seconded by Meg Tilley to adopt the budget. Bill Droste raised several issues about standing loads and communications with customers about future plans to address these concerns as well as general service plans. Michael Abegg reviewed the recent changes that were implemented to address standing loads on Route 480 and U of M service. These changes were effective Sept. 22 (Droste mentioned phone calls he received during the weekend about service issues). He also questioned how people are supposed to know about bus routes when there are no shelters and/or signage on major roads to direct riders to bus stops. Lois Spear and Beverley Miller noted that funds have been budgeted for a demonstration project this year and gradually over the next several years to convert from a flag system to a route system.

Beverley Miller also noted that the MVTA is using fund balance in both 2007 and 2008 to provide funds to react to overloads and critical needs of the system. Arlene McCarthy of the Met Council also noted that throughout the region there are concerns about full buses and overloads. She indicated that the MVTA has been asked for information to combine with other information from across the region to help prepare the funding request to the legislature to maintain service and address capacity concerns. She said the MVTA would be asked to support this proposal. Robin Selvig agreed to prepare an article for an upcoming issue of *News That Travels* (passenger newsletter) focusing on future plans for the MVTA. It was noted that before a service expansion took place, it would be back before the Board for approval. Motion carried.

C. Finance – 2009 Capital Budget

Ruth Grendahl then discussed the capital budget. It was noted that this plan will be submitted to the Met Council for inclusion in the regional capital plan. The regional plan will be available in

October and be open for public comment. Arlene McCarthy of the Met Council indicated the MVTA might want to provide formal comment on the region's plan.

Bill Droste questioned why Rosemount and Savage should stay in the MVTA given the small amount of return on their investment (specifically referring to the transit tax being paid by the cities). He also questioned how the MVTA's strategic goals match up with the capital plan. Beverley Miller explained that the funds being collected by the transit tax is levied by the Met Council and is used to support the regional bonding request that is made annually, and that the legislature has not kept pace with the needs of the system. The MVTA does not collect the funds from the transit tax, but has input on the capital plan submitted to the region. Bill also questioned how to get a shelter or more permanent structure in Rosemount. It was noted that a Rosemount station is included in the plans, but that the competitive process makes it difficult to score high enough to qualify for funds. Sam O'Connell indicated that Dakota County has some funds available for amenities such as bike racks, lockers and shelters so may be able to partner with the MVTA to help address the needs of Rosemount and other MVTA communities.

Elizabeth Kautz invited Bill Droste to join the Finance committee in order to participate in the meetings and planning discussions so his concerns are heard at the Committee level.

Ruth Grendahl raised her concerns about the future of a Park & Ride at 140th & Cedar and that better connections be addressed from Cedar Avenue to the Palomino Hills Park & Ride. Motion by Ruth Grendahl and seconded by Meg Tilley to adopt the capital budget with the aforementioned change. Motion carried. Elizabeth Kautz thanked the Finance committee for their work and Ruth Grendahl thanked the members of the committee for working hard to get three major things done in time for this Board meeting.

D. STA

It was noted that STA will meet on Thursday, Sept. 25.

VIII. Staff Reports

Arlene McCarthy of the Met Council asked the Board about the ownership issue of the Apple Valley Transit Station, believing it would be on the agenda following a meeting that took place on Monday, Sept. 22. Elizabeth Kautz, Beverley Miller and Ruth Grendahl were anticipating a Meeting on Oct. 10 based on an e-mail distributed by LuAnne Major shortly after 12 noon on Tuesday, Sept. 23 (see below).

"I'm trying to set up a 1 hour meeting with Arlene McCarthy, Peter Bell, Tom Weaver from Metro Council and Burnsville, Apple Valley & MVTA reps.

"Arlene will be out of town mid-October (tom & Peter are also out sporadically) and would like the meeting prior to her leaving. The only time Peter, Tom & Arlene are free is Friday afternoon October 10 from 2:30 – 3:30

"I have put a "hold" on the Metro Council rep. calendars for that date/time.

"Please indicate whether you would be able to make this meeting. I can send a confirmed appointment then"

MVTA invited Corrine Heine to participate in the meeting with Peter Bell and Tom Weaver. McCarthy expressed urgency in resolving the issue due to the deadline for CTIB applications. The Board agreed to plan a special Board meeting for Monday, Oct. 13 to address the solution

reached at the Oct. 10 meeting. The special Board meeting will begin at 8 a.m. and be held at the Eagan Bus Garage. Notice of the meeting will be posted immediately.

IX. Adjournment

The meeting was adjourned by acclamation at 6:30 p.m.

Minutes Prepared By: Robin L. Selvig

Next Regular Meeting Scheduled: October 22, 2008, 4:30 p.m. Eagan Bus Garage

Special Board Meeting: October 13 at 8 a.m. at the Eagan Bus Garage

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: _____