

**PROCEEDINGS OF THE  
MPO FINANCE COMMITTEE OF THE  
GRAND FORKS/EAST GRAND FORKS  
METROPOLITAN PLANNING ORGANIZATION**

**Monday, March 22, 2004 – 12:00 Noon  
Grand Forks City Hall Planning Conference Room**

Dick Grassel, Chairman, called the meeting to order with the following members present: Gary Malm. Staff present were: Earl Haugen, Executive Director and Peggy McNelis, Administrative Specialist.

A quorum was present.

**APPROVAL OF MINUTES**

*Moved by Malm, seconded by Grassel, to approve the February 6, 2004, minutes of the MPO Finance Committee, as read. Motion carried unanimously.*

**MATTER OF INCREASED DEFINED CONTRIBUTION RATE**

Haugen reported that the MPO, for about the last six-years, used the City of Grand Forks' Defined Contribution Plan for it's retirement program for MPO employees. He explained that the City of Grand Forks has spent the last year or so looking at their two plans, the Defined Contribution and Defined Benefit Plans, and how they can bring equity to the two plans, and their analysis has led them to conclude that the Defined Contribution Plan needs to up the amount of contribution to 5% rather than the 4% currently allowed. He stated that this will be acted on at tonight's meeting, and it is anticipated that it will receive final approval the April meeting, with implementation occurring on May 1<sup>st</sup>. He added that the MPO is kind of required to bring this into it's benefit plan since we participate with the City's plan, and, if we were to decide not to do this, we would have to look at setting up our own plan.

Grassel asked if the MPO was under both the Defined Contribution and the Defined Benefit plans, or just one. Haugen responded that, as the Executive Director, he is actually in a separate plan for Department Heads, however, all the other MPO employees are under the Defined Contribution Plan. He explained that when he first started with the MPO, all City employees were under the Defined Benefit Plan, but then the City decided to create a separate retirement system for employees hired after a certain date, thus the Defined Contribution Plan was developed. He pointed out that the Defined Contribution Plan allows employees to handle their own investments, while the Defined Benefit Plan is handled as a group. He went on to explain that just prior to the Flood of 1997, it was determined that the MPO employees were not being given the same benefits as City Employees, so the MPO was allowed to join the City's Defined Contribution Plan.

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Malm asked if this increase would affect the budget at all. Haugen responded that it wouldn't, that there are ample funds to cover this increase. He then gave a brief overview on how the MPO's budget works.

*Moved by Malm, seconded by Grassel, to approve increasing the Defined Contribution Rate to 5%, subject to adoption by the City of Grand Forks. Motion carried unanimously.*

Haugen reported that this agenda item will actually be submitted to the Executive Policy Board for further action at its April 16, 2004, meeting.

**MATTER OF AUTHORIZING COMPUTER PURCHASE UP TO \$3,000**

Haugen explained that the Finance Committee was given the authority, per the MPO By-Laws, to approve purchases costing up to \$5,000, and we are requesting approval to purchase a new lap-top computer.

Malm asked what happens to the existing lap-top. Haugen responded that it would be passed on to Peggy McNelis, Administrative Specialist, to see if it is something she would be interested in using. He explained that the existing lap-top does not have adequate memory for the software programs he uses, however, because Ms. McNelis uses mostly word processing and spreadsheet software, it would be adequate for her use.

*Moved by Malm, seconded by Grassel, to forward a recommendation to the MPO Executive Policy Board to approve the purchase of a new computer at a cost up to \$3,000. Motion carried unanimously.*

**OTHER BUSINESS**

A. **UPDATE ON RE-AUTHORIZATION OF THE HIGHWAYBILL**

Haugen reported that he received an e-mail just today announcing that the House of Representatives is going to approve the Re-Authorization of the Highway Bill, in the amount of \$275 Billion in funding, which is \$100 Billion less than it originally proposed. He stated that the congressional leaders have apparently been very tight lipped about who the winners are, and who the losers are, with this decision.

Grassel commented that Mr. Haugen had, at one time, indicated that there might be a possibility that we could receive more monies than in the past, and he wondered if that were still true. Haugen responded that the Senate's version indicated that both North Dakota and Minnesota

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came out winners, however, the House's version most likely will show that Minnesota will do better than North Dakota, but we won't know how the \$100 Billion will be cut, and how that will impact the different programs, as well as how the 5,500 earmarked projects, still included in the \$275 Billion, may affect the core highway and transit programs that we get our revenue funding through. He stated that, should the House pass the \$275 Billion, and they go to Conference Committee, with the Senate at \$318 Billion, some kind of compromise will need to be reached on how many of those 5,500 earmarked projects will be funded.

Haugen commented that for MPOs in particular, it seems like we will be getting more responsibilities, which will broaden our requirements for looking at more environmental types of issues. He added that it also appears that we may be receiving more funding as well.

Grassel asked how things were going with our attempt to get more funding from Fargo and Bismarck. Haugen responded that what happened was that Grand Forks took a \$60,000 hit from them when the 2000 Census results came out. He explained that each State has to reach an agreement with the MPOs as to how the money is split between the MPOs, and in Minnesota they did a "hold harmless" agreement whereby no one got less than they did before, and we even got a little more; but North Dakota weren't quite as kind, with Fargo and Bismarck taking as much as they could since the division was based on population, which meant they each got more than we did. He said that we tried to get the base, which is currently \$30,000, and which was set ten years ago as the amount required for a Planner, increased to \$60,000 because of the increase in wages for a Planner, but the other two MPOs wouldn't agree to that and it was retained at \$30,000. Haugen added that he feels that once the new bill is completed, we can request a review of the distribution of funds because of the possible increase in funding.

Information only.

**ADJOURNMENT**

*Moved by Malm, seconded by Grassel, to adjourn the meeting. Motion carried unanimously.*

Respectfully submitted by,

Peggy McNelis  
Administrative Specialist, Senior