

**PROCEEDINGS OF THE
EXECUTIVE POLICY BOARD OF THE
GRAND FORKS/EAST GRAND FORKS
METROPOLITAN PLANNING ORGANIZATION**

**Thursday, March 15th, 2007 – 12:00 Noon
East Grand Forks City Hall Council Chambers**

CALL TO ORDER

Chairman Steve Gander called the March 15th, 2007, meeting of the MPO Executive Policy Board to order at 12:08 p.m.

CALL OF ROLL

On a Call of Roll the following members were present: Chairman Steve Gander, Punky Beauchamp, Wayne Gregoire (Proxy for Dick Grassel), Gary Malm, Steve Adams, Warren Strandell, and Doug Christensen.

Staff present were: Earl Haugen, GF/EGF MPO Executive Director; Nancy Ellis, GF/EGF MPO Senior Planner; and Peggy McNelis, GF/EGF Executive Assistant.

Guests present were: Janelle Mulroy and Joe Martin, Brady Martz; and John Thompson, GF Assistant City Engineer.

DETERMINATION OF A QUORUM

Chairman Gander declared a quorum was present.

APPROVAL OF THE FEBRUARY 23RD, 2007, MINUTES

MOVED BY MALM, SECONDED BY BEAUCHAMP, TO APPROVE THE FEBRUARY 23RD, 2007, MINUTES OF THE MPO EXECUTIVE POLICY BOARD, AS SUBMITTED.

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

MATTER OF 2006 MPO AUDIT

Gander reported that representatives from Brady Martz, Janelle Mulroy and Joe Martin, are here today to present their findings on the 2006 MPO Audit.

Mulroy referred to copies of the 2006 MPO Audit that were included in the packet, and went over the information briefly. She explained that the audit was conducted in accordance with

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auditing standards generally accepted in the United States, and Government Auditing Standards issued by the Comptroller General of the United States.

Mulroy referred to the cover letter on pages 1 and 2 of the audit document, and explained that they did issue an unqualified, or clean opinion of the audit.

Mulroy continued to Pages 3 through 7 of the report, and stated that it is just a narrative summarization of the financial statements; including some financial highlights, a comparison of 2006 to 2005, some economic factors, and rate comparisons for next year.

Mulroy then referred to Page 8 of the report, and commented that it is the balance sheet, or statement of net assets. She pointed out that the total assets were \$167,542.00, the total liabilities were \$77,620.00, and the total net assets are \$89,922.00.

Mulroy stated that Page 9 is the statement of fund revenues, expenditures, and fund balances and combined statement of activities. She reported that it indicates that the total revenues were \$535,534.00, the total expenditures were \$518,270.00, thus leaving a change in that asset, or net income of \$17,265.00 for the year.

Mulroy commented that the next section of the report, Pages 10 through 14, are the notes to the financial statements. She stated that she would not go over that information, as it is just a summarization of the information in the financial statements.

Mulroy referred to Page 15, and reported that it is the budget to actual comparison. She pointed out that the total revenues were lower by \$205,776.00, that the total expenditures were lower by \$210,984.00, so overall there was an income of \$14,235.00. She stated that the reason for that variance was due to staff turnover, and lack of resources to complete the project.

Mulroy stated that Pages 16 and 17 is the Government Auditing Report, which is a little different than in the past in that they have two findings this year that are summarized on Pages 18 and 19. She referred to Page 18, and explained that the first finding involved testing compliance with NDCC 21-04-16, resulting in the discovery that the Organization's deposit balances were in excess of the \$100,000 FDIC coverage, thus were under-collateralized. She said that the recommendation was that the Organization contact their financial institution to obtain the necessary collateral to ensure the deposits were protected by at least ten percent more than the excess deposit. She added that staff has already been in contact with their financial institute to ensure the excess deposits were covered. She then referred to Page 19, and stated that the second finding is actually the result of a new auditing standard that went into effect in 2006. She explained that whenever they prepare, or propose an audit adjustment, or prepare financial statements, they are now required to issue this comment, so a large majority of their clients will receive this exact same comment. She said that the comment basically states that they did propose adjustments, and they did prepare the financial statements, and it is just not cost effective for most Organizations to maintain the staff and resources to do that on their own.

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QUESTIONS/COMMENTS:

Beauchamp referred to Page 8, and asked about compensated absences, whether that referred to vacation and sick leave. Mulroy responded that that would be correct.

***MOVED BY GREGOIRE, SECONDED BY STRANDELL, TO APPROVE THE 2006 MPO
AUDIT REPORT AS SUBMITTED.***

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

MATTER OF MPO RENTAL AGREEMENTS

Haugen reported that staff is asking for approval of the new rental rates for both the Grand Forks and East Grand Forks offices. He commented that the standard agreement that we have had in the past is for three years, with an additional two-year option, and is based on square footage, using the same cost factor for both offices. He added that that cost is adjusted after the three-year period based on the CPI at that time.

***MOVED BY BEAUCHAMP, SECONDED BY MALM, TO APPROVE THE OFFICE
SPACE RENTAL AGREEMENTS FOR GRAND FORKS AND EAST GRAND FORKS.***

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

**MATTER OF AMENDMENT TO TRANSIT SECTION OF ALTERNATIVE
TRANSPORTATION MODE PLAN**

Haugen stated that this is the last step of a process that we started in December 2006. He explained that we need to amend our transportation plan to make it compliant with SAFETEA-LU. He said that the first step will be to bring our Alternative Transportation Mode section up to compliance, and then later this year we will bring our Street and Highway section up to compliance as well, which will then make us compliant with SAFETEA-LU.

Haugen reported that the power point presentation he will be giving highlights why we are doing the amendment; including the need to add new financial information, to add new funding programs that we need to be able to access, and to incorporate the new Human Services Coordination Plan we adopted as a stand-alone document last fall.

Presentation ensued (a copy of which is include in the file, and available upon request).

Haugen referred to the financial analysis document included in the packet, and explained that prior to SAFETEA-LU's passage we had been receiving a very flat amount of federal funds year after year, and now we are receiving a 5% increase. He stated that most recently congress was

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debating if they should freeze funding at 2006 levels or approve the SAFETEA-LU authorized 2007 levels, and they decided to pass the 2007 authorized levels so the 5% increase is on target. He added that another bit of information on the North Dakota side is that one chamber has passed a bill that increases the registration fees another \$3.00, which is trickled down to transit systems across the state, so there is a potential for more funding.

Haugen stated that, in summary, what we are doing is finalizing the steps we started to make the transit section of our Long Range Transportation Plan SAFETEA-LU compliant. He said that when we do this action today we will open the door to be able to access funds to help augment our transit system. He added that both Grand Forks and East Grand Forks have processed this report, and have amended their City Comprehensive Plans, with public hearings occurring in December and January, and now we have to amend our Long Range Transportation Plan as well.

MOVED BY BEAUCHAMP, SECONDED BY ADAMS, TO APPROVE AN AMENDMENT TO THE ALTERNATIVE TRANSPORTATION MODE PLAN – TRANSIT SECTION OF THE 2030 LONG RANGE TRANSPORTATION PLAN.

Malm said, if we are talking about this, what effect does the talk going on about a mono-rail have on this, and what about the old-folk village out south of town in Grand Forks, would these have any effect on this kind of a program if we have these kinds of monies available. Haugen responded that if we were to seek funds for a mono-rail, we would have to bring the possibility of a mono-rail into the plan document, just like any other project we want to use federal funds for, but currently no such request has been made to the MPO. He said, however, that the one thing he is aware of, when the plat for the Alerus Center Complex was done, there was some reserved right-of-way for a mono-rail included along 42nd, but if this is something the City wants moved forward for federal funds, we would have to amend our Transportation Plan to do so.

Haugen commented that in terms of the Senior Complex south of town, no recommendation has been made to provide service, but as it is planned, and built, a request may be forthcoming at which time we would have to look to see how we can bring that request into the planning document, and have this body adopt it into the plan in order for it to have access to federal funds.

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

MATTER OF TRANSIT STUDY SCOPE OF WORK

Haugen reported that this is an activity that we included in the MPO's Annual Work Program to be completed in 2007. He stated that part of what you just did with the transportation plan amendment brought in the possibility of applying for, and using JARC and New Freedom funds. He said that part of the following power-point presentation will highlight where we are at with this request, and this is the scope of work we will follow to try to determine how, when, and where we will utilize those funds if we desire to do so.

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Presentation ensued (a copy of which is included in the file, and available upon request).

Christensen asked about the local tax of 29%. Haugen responded that that is the 4.8 mills that the public voted for back in the early 1980s. Christensen asked if that was true in both Grand Forks and East Grand Forks, or just Grand Forks. Haugen responded that it only occurred in Grand Forks. Haugen added that the chart does not show the East Grand Forks breakdown of it's cost and revenue sources, only Grand Forks. Christensen commented, however, that East Grand Forks only contributes 10% to the cost of the program. He asked if there is a breakdown of the number of riders from East Grand Forks versus Grand Forks was available. Haugen referred to a slide, and explained that it shows Routes 10 and 11, which are East Grand Forks only routes, however, for most of the system the transfers to get across the river only take place at the Transfer Center in Downtown Grand Forks, so out of 242,000 rides, those that are on Route 10/11 is 10,000 to 15,000.

Gander commented that this request is asking to extend service into the Industrial Park and the Aurora Medical Park areas. Haugen responded that that is correct. He added that the history on how we came up with this request is because the Human Services Coordination Plan we recently completed, and adopted, states that we had a request to service the Industrial Park and 42nd Street Event Complex, and another to service the Aurora Medical Complex on the south of town. He stated that we applied for funds to try to do these services, and in our work program we said that before we would execute this we would do a detailed study of how to best get it accomplished. He said that we did receive what we requested to do the fixed route to the Industrial Park and 42nd Street, and we also received funds to do the earlier Saturday service, but were not awarded any funds to do the Sunday service.

Christensen asked what the grant is for. Haugen responded that it is for operations. He explained that we have 50% of the cost estimated for the most costly manner of providing the service, which is what we asked for in the grant, and now we are going to follow up with a study to determine exactly what service we are going to provide, and how much it will cost. He stated that we do have enough federal funds available to cover us, but the less we have to spend the better.

Haugen reported that the Route 8/9 Split Study, or how we get to the Industrial Park, is what we are about to engage in, and that is what the Scope of Work included in the packet is for. He stated that the current route structure does not provide service to South 42nd Street, nor to the Industrial Park. He said that we have had close to 2,000 jobs created since our 2004 Transit Development Plan exercise, and there is talk of even more growth occurring, and they are requesting transit service so this study will help determine how to best accomplish filling that request. He added that the Aurora Medical Complex is also about to expand, and has also requested service as well.

Haugen commented that the alternatives include everything from adding another bus operate out there, which is the most costly alternative, although we do have the funds necessary to do so. He added, however, that there are other alternatives available as well, including contracting someone to provide a shuttle-like service.

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Haugen referred to a copy of the proposed timeline, and explained that they are hoping to have the approval process completed by April, with approval of the final report by this body in May. He stated that the Technical Advisory Committee did review this, and recommend approval.

MOVED BY CHRISTENSEN, SECONDED BY ADAMS, TO APPROVE THE TRANSIT STUDY SCOPE OF WORK.

Christensen stated that, when we get the study completed, let's make sure that we have a study that tells us what it is going to cost to do all of this, that it gives us good cost estimates to provide the service.

Discussion on need ensued.

Christensen commented that he would also like to see a recommendation that the employers who really see a need to have transit service to that area, because we would like to help them, and because we have helped them so much already; that they try to find a way to help defray the costs somehow.

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

MATTER OF ANNUAL LISTING OF OBLIGATED PROJECTS

Haugen reported that with SAFETEA-LU, we are now required to produce a separate stand-alone document that shows the public, and the agencies that we coordinate with, what was actually spent on the projects we programmed versus what we thought would be spent. He explained that we have to mirror the format used in the T.I.P., so what you have before you is the 2006 T.I.P. tables with an added line for each project that shows what was obligated versus what was programmed.

Haugen stated that one thing we need to remember is that when we programmed the first years of all the T.I.P. documents, those estimates are two years old by the time the T.I.P. is adopted, so by the time the projects are completed those estimates are already old, based on concepts, while the final project has gone through more detailed project development, therefore we know more by that time, so very rarely will the programmed amount match the obligated amount, unless there is a cap on the federal dollars.

Haugen referred to copies of information concerning the Point Bridge project, which were included in the packet, and explained that he just handed out updated information that was needed based on yesterday's Technical Advisory Committee meeting. He commented that the new information essentially reports that the total project cost was \$2.2 million dollars, that Grand Forks was able to access \$850,000 in federal funds, that East Grand Forks was able to access \$375,000 in federal funds, and that East Grand Forks and Grand Forks had an agreement that East Grand Forks would provide \$325,000 in local match dollars, and Grand Forks would provide the remainder in local match dollars, approximately \$648,000. He stated that other than

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the aforementioned change, the rest of the document was approved by the Technical Advisory Committee.

Haugen said that the last thing to make note of is that SAFETEA-LU requires us to make note of whether sidewalks or bike/ped facilities were a part of a project, or stand-alone projects.

MOVED BY MALM, SECONDED BY BEAUCHAMP, TO APPROVE THE ANNUAL LISTING OF T.I.P. FY2006 OBLIGATED PROJECTS.

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

MATTER OF MPO PLANNING REGULATIONS

Haugen commented that he alluded to this at the last MPO Executive Policy Board meeting, explaining that FHWA and FTA promulgated new rules or regulations for us to follow, and that the good news is they actually followed SAFETEA-LU fairly closely. He added that these rules had not been updated since the passage of ISTEA in the early 1990s, and we have had conflicting provisions of US code and Regulations.

Haugen stated that there was one significant issue, and that pertains to the required financial plan. He explained that we have always had a fiscal constraint issue, and we can't have projects that we have no revenue for, so what we have done in the past is to take a constant year of cost and a constant revenue and use those for the out-years. He said, however, that we are now required by this new rule to use an inflation factor, or to use the year of expenditure cost estimates for revenues and expenses, which makes things a little more difficult.

Haugen pointed out that this rule has a December timeline for implementation, while everything else under SAFETEA-LU has a timeline of July 1st, so we are all asking how we can be in compliance by July 1st if everyone is trying to figure out how to deal with the December timeline as well. He added that the FHWA's Division Offices are as confused as we are.

Haugen stated that when we do the revenue forecasts we also have the dilemma, as you may have heard, that there isn't enough money coming in to cover what is going out. He pointed out that if everything remains as it is, by the Year 2010 we will be looking at an \$18,000,000.00 cut in expenditures because there won't be enough revenue coming in to pay for the projects.

Haugen reported that he also included ASHTO's basic resolution to part of the problem, and that is to raise the federal gas tax by ten-cents. He said that ten-cents sounds familiar to the Minnesota side because their State Legislature is looking at a ten-cent increase to their state gas tax as well.

Haugen stated, again, we are moving forward with our Transportation Plan update, but are still wrestling with these new rules, with the new provision of fiscal constraint and how it can be met

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and implemented. He said that there are some reports that they have softened the July 1st deadline, that the Association of Metropolitan Planning Organization (AMPO) found some language that they feel gives us a little wiggle room in that it says that they will approve our T.I.P. as being compliant with SAFETEA-LU even though the plan may not be complaint as long as the plan process seems to be in compliance with SAFETEA-LU.

Haugen reported that another possible escape clause is that they may also be allowing for cost ranges, or cost bands, which, when you get to the outer-years allows a wider range of what costs might be, although it isn't clear as to whether we can allow the same spread for revenues.

Haugen reiterated that the good news is that they are following SAFETEA-LU closely, but the bad news is that they have thrown this wrinkle into our financial plan, and are still trying to resolve what it all means, and how to implement it, so it may not be until mid-April until we get more clear guidance of what to do.

Information only.

OTHER BUSINESS

1. Matter Of East Grand Forks Transportation Enhancement Project

Haugen reported that there is a Transportation Enhancement Project for East Grand Forks that was originally a grade separation located near the Sherlock Campground, on 4th Street, which would have involved the construction of an underpass. He explained that this application was submitted in 2002, and the cost estimate at that time did allow for some wiggle room, but due to inflation when we recently began the final project development plan the cost was beyond the reach of the grant request, so the City of East Grand Forks is looking at alternative ways to address the crossing concern at 4th Street. He stated that one option Floan-Sanders found was these embedded crossing lights.

Haugen commented that these embedded crossing lights are a new technology in which the lights are placed within the pavement that are activated on demand rather than having a continuous flashing overhead light like we had previously.

Haugen stated that the ATP received this request, which would be the first of it's kind in the State of Minnesota, and they asked that Floan-Sanders bring the project to the Technical Advisory Committee for assistance in fleshing out this type of technology. He added that they were favorable to modifying the grant request so that we can maintain the funds awarded, but would like more information, a little more detail, before they approve it.

Haugen reported that Floan-Sanders did meet with the Technical Advisory Committee yesterday, and everyone was quite impressed with the system, but they, too, asked for a little more information before approving, so right now we are still on-line to access the federal funds in 2007 to improve the crossing, but are still trying to determine exactly what the final product will be.

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Haugen commented that one thing we found when researching this was that it was determined that it does lose some of its effectiveness over time, so they recommend adding some hardscape as well, including maybe putting in some bulb-outs, a median in the center of the crossing, or raise the crosswalk, etc., in addition to the lights. He added that in terms of maintenance, the issue isn't so much a problem with snowplows, but with frost heaves, etc., that might cause a need to do repair to the system.

Information only.

2. Discussion On Revenue From Jefferson

Christensen referred to the Detailed City of Grand Forks Public Transportation handout, Table 3.32, and asked what the revenue from Jefferson, in the amount of \$39,000.00, is. Haugen responded that Jefferson is the equivalent to Greyhound, that provides service to northern Minnesota. He said that Jefferson approached the public transportation staff and let them know that they are in the process of dissolving their current contract with the depot on Gateway Drive, and are interested in using the City's transfer center downtown as a location to do their transfers as well, so as part of the standard agreement they have with other communities, they also asked the City staff to be their ticket agent, which would entail the City getting a percentage of those ticket sales, so the table reflects the amount of sales currently being generated by Jefferson.

Christensen asked if this was something the City Council approved. Haugen responded that this has not yet been presented to the City Council, but is going through the approval process, and will be presented soon.

ADJOURNMENT

***MOVED BY MALM, SECONDED BY BEAUCHAMP, TO ADJOURN THE MARCH 15TH,
2007, MEETING OF THE MPO EXECUTIVE POLICY BOARD AT 1:10 P.M..***

Voting Aye: Beauchamp, Gregoire, Gander, Malm, Strandell, Adams, and Christensen.

Voting Nay: None.

Respectfully submitted by,

Peggy McNelis
Executive Assistant