

**PROCEEDINGS OF THE
EXECUTIVE POLICY BOARD OF THE
GRAND FORKS/EAST GRAND FORKS
METROPOLITAN PLANNING ORGANIZATION
Wednesday, March 18th, 2009 – 12:00 Noon
Grand Forks County Commissioners Chambers**

CALL TO ORDER

Gary Malm, Chairman, called the March 18th, 2009, meeting of the MPO Executive Policy Board to order at 12:00 p.m.

CALL OF ROLL

On a Call of Roll the following members were present: Gary Malm, Punky Beauchamp, Warren Strandell, Dick Grassel, Art Bakken, and Steve Adams.

Those members who were absent were: Doug Christensen and Greg Leigh.

Guests present were: Janelle Mulroy, Brady Martz and Associates; and Dean Rau, GF Assistant City Engineer.

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

DETERMINATION OF A QUORUM

Chairman Malm declared a quorum was present.

APPROVAL OF THE FEBRUARY 18TH, 2009, MINUTES OF THE MPO EXECUTIVE POLICY BOARD

HEARING NO CHANGES OR CORRECTIONS, CHAIRMAN MALM DECLARED THE FEBRUARY 18TH, 2008 MINUTES OF THE MPO EXECUTIVE POLICY BOARD WERE APPROVED AS SUBMITTED.

MATTER OF 2008 MPO AUDIT

Haugen introduced Janelle Mulroy, Brady Martz and Associates, and explained that she was here today to give a brief overview on the findings of the MPO's 2008 Audit.

Mulroy referred to copies of the 2008 Audit Report, included in the packets, and went over the findings briefly as follows:

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- Pages 1 & 2: Independent Auditor's Report - which basically states that Brady Martz and Associates conducted the audit in accordance with Generally Accepted Auditing Standards, Government Auditing Standards, and in accordance with Circular A133(which is used when an entity spends in excess of \$500,000). As a result of the audit Brady Martz and Associates issued a clean, or unqualified opinion.
- Pages 3-7: Management's Discussion and Analysis Section - which provides a lot of narrative information on the numbers from the financial statements. Referring to Pages 4 and 5, Ms. Mulroy pointed out that there is a condensed version of the Balance Sheet and Income Statement shown in a comparative format to allow for comparison of the 2007 numbers with 2008 numbers.
- Page 8: Balance Sheet or Statement of Net Assets – shows that the total assets are reported at \$240,589; and the total liabilities are reported at \$94,000 with a difference of \$146,000 in net assets.
- Page 9: Statement of Revenues, Expenditures and Changes in Fund Balance or the Statement of Activities – Reports total revenues of \$691,000. Of that balance a large majority, \$528,000, is federal monies. Total expenses are shown as being \$672,000, with a difference of \$19,581 in net assets.
- Pages 10-15: Notes on the Financial Statements – first few pages are just standard language concerning some of the accounting policies that are in place. Mulroy referred to Page 13, Note 2, and explained that the table illustrates the difference in the Capital Assets from the beginning of 2008 to the end of 2008. She pointed out that the basic difference is a depreciation of almost \$22,000. She referred to Note 3, and pointed out that it shows the difference between compensated absences from the beginning of 2008 to the end of 2008, with an increase of about \$6,800.
- Page 16: Budget to Actual Comparison – this shows the original budget, the final budget, what the actual revenue and expenditure numbers were, and the variances or differences between the final budget and the actual numbers. Mulroy pointed out that the total revenues were about \$14,478.00 less than the final budget, and the total expenditures were about \$43,090.00 less than the final budget. She stated that based on budget the actual numbers were about \$28,612.00 more in income than was in the final budget.
- Page 17: Schedule of Expenditures of Federal Awards – this shows that the MPO spend \$528,673.00 from the federal program in 2008.
- Pages 18-19: Mulroy reported that this is a standard letter that they are required to issue in accordance with Government Auditing Standards. She pointed out that they do state that there was one finding on internal controls in accordance with Government Auditing Standards, which she will explain more in the next couple of pages.

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Pages 20-21: Mulroy stated that, this, again is a letter they are required to issue in accordance with OMB Circular A133 over the federal program compliance. She said that there were no findings over compliance of the federal programs, it was a clean single audit.

Pages 22-23: Mulroy reported that this is a schedule of findings, and the responses to those findings. She referred to Page 23, and pointed out that this is where the finding over internal control is explained. She stated that this finding is similar to what was found last year, and is a direct result of an auditing standard they have that says that whenever they, as auditors, propose adjusting entries, and/or help in drafting the financial statements they are required to disclose that, so that is what the finding is a result of.

Pages 24-25: Mulroy stated that the final two pages of the report are a list of prior audit findings, and the responses made. She referred to Page 24, and pointed out that last year they noted that the organization's deposits were undercollateralized, and that has been addressed with the MPO becoming part of the pledge pool at Alerus Financial, so all of the deposits are adequately collateralized in 2008. She stated that the last page, again, are the findings they are required to issue because of the auditing standards that say that if they propose audit adjustments, or draft a report, they have to disclose that, so that is a repeat finding.

Strandell asked about the GASB ruling regarding Post-Employment Health Benefits, and how it might affect this organization. Mulroy responded that she doesn't think it would affect this organization as, to her knowledge, it doesn't offer any post-employment health care or benefits such as that. She added that, although not related to GASB, they do disclose what would be paid if someone were to terminate employment at the end of the year, which is listed as compensated absences, or accrued vacation and sick leave. Strandell commented that he thinks the MPO's situation is similar to Polk County's, whereby they don't provide any post-benefits either, but they have been told that they have to have close to \$2,000,000 in some reserve account. Mulroy asked if they offer employees the ability to purchase health care after termination. Strandell responded that they do offer that to employees at their own cost. Mulroy responded that there would then be a potential that they would have some disclosures because there are discounts built into their rate being offered that they probably wouldn't get if they were to go out and purchase their premiums on their own, so the value of that discount would probably need to be counted and disclosed. Strandell stated that, to him, this seems like another unnecessary cost. Mulroy asked if the MPO offers post employment health insurance benefits to employees. Strandell responded that they don't supply it, but employees can purchase it. Mulroy stated, then, that this might be something they should look into further.

Mulroy referred to the letter to the Audit Committee, and explained that this is the result of a requirement that they communicate with the board on the audit. She stated that it basically explains what their responsibilities are under the auditing standards; the fact that there are estimates in the financial statements, which in this case it would be the depreciation expenses; and the fact that they did propose some audit adjustments, which were basically setting up end of

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the year accruals. She added that these were all approved by management, and have been posted, and there are no uncorrected misstatements that they are aware of.

MOVED BY BAKKEN, SECONDED BY ADAMS, TO APPROVE THE 2008 MPO AUDIT REPORT AS SUBMITTED.

***Voting Aye: Strandell, Beauchamp, Adams, Grassel, Malm, and Bakken.
Voting Nay: None.***

MATTER OF UPDATE ON STIMULUS PROJECT

Haugen reported that on the North Dakota side we were formally notified that we would be receiving \$3,474,397 in stimulus monies for streets, and \$1,176,567 in stimulus monies for transit. He stated that we have already taken action to approve a T.I.P. amendment to reflect projects that will utilize those funds.

Haugen stated that on the Minnesota side, if you will recall, at our last meeting we were less than excited about the funding of street projects; and then we received communication from MNDOT stating that, based on how the actual final federal rule was written, so much money needed to be spent in communities having a population of 5,000 to 200,000 so MNDOT had to re-evaluate and essentially select projects in those types of communities to be funded. He said that since the time this packet was mailed out we were told that that re-evaluation did not result in any project being funded in the MPO area on the Minnesota side.

Haugen commented that we did receive \$159,770 in transit funds on the Minnesota side, however we are still waiting for MNDOT to officially allocate, or sub-allocate to East Grand Forks. He stated that they have been told that that announcement will be made on March 23rd, after which we will need to convene again to officially amend our T.I.P. to bring those revenues in.

Haugen stated that after last month's meeting, an e-mail was circulated asking if the Board would agree to authorize the Finance Committee to act on their behalf to approve any amendments required to the T.I.P. in order to bring in stimulus funding. He asked if that is still the Board's desire. He added that Mr. Bakken also made him aware that Grand Forks has made some decisions concerning both street and transit projects that may cause reprioritization and cost updates to some of those projects, so if we do meet it is expected that it would have to occur after March 23rd, after MNDOT has made their announcement, but it would be nice to hold it prior to March 27th. He commented that the action required would be to bring in the transit monies on the Minnesota side, and to make adjustments to projects on the North Dakota side.

MOVED BY BAKKEN, SECONDED BY ADAMS, TO APPROVE AUTHORIZING THE FINANCE COMMITTEE TO ACT ON BEHALF OF THE MPO EXECUTIVE POLICY BOARD TO APPROVE T.I.P. AMENDMENTS DUE TO STIMULUS FUNDING.

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Voting Aye: Strandell, Beauchamp, Adams, Grassel, Malm, and Bakken.

Voting Nay: None.

Haugen reported that with the action taken at our last meeting there were four projects identified for enhancement monies in North Dakota. He stated that through the evaluation for the final appropriation out of Federal Highway Administration, North Dakota has re-opened the solicitation of enhancement projects statewide, with a deadline for submittal of March 27th. He said that we may have to react to new projects coming into our MPO area for those funds, but that would occur after the 27th, so those projects we may be able to wait to act on until our regular April meeting as those projects are not subject to a specific timeline such as those that have a 120-day or 180-day project, but will, if selected, have until March of 2010 to be obligated so there shouldn't be a huge rush for us to take action, but he did want to make everyone aware that while we did amend our T.I.P. for four projects, there may be other projects coming in to compete, and there might also be a need for reordering of, or reprioritization of those new projects. He added that the selection of those projects will be handled in the same manner enhancement projects are normally selected in North Dakota, which is by a 13-member task force that meets to review all applications, and then makes recommendations to the Director of the DOT as to which projects they feel should be awarded funding.

Haugen commented that last fall we submitted an enhancement project that will now be included with the four projects approved at the last meeting for stimulus funding, so there may be five projects competing for stimulus funds in the Grand Forks area, and there is still an opportunity for additional projects to be brought forward until March 27th.

Grassel stated that, from what he can gather from engineering, is that no projects in Northwest Minnesota were approved for stimulus funding even though we had projects that were ready to go. Strandell responded that that isn't quite correct as Highway 1, from Warren to Thief River Falls will be overlaid, at a cost of over \$11,000,000. Grassel said that he is talking about projects from East Grand Forks. Haugen responded that we had some great projects that were submitted for consideration, but the selection process was handled by only a few people, and quite frankly not done in a very open manner. Grassel stated that from what he can gather, Bemidji did not have any projects ready before, but then all of a sudden they did and they were awarded funds for that project.

Discussion ensued.

Grassel asked if there was any chance at all that East Grand Forks could still get some funds. Haugen responded that the only chance would be if any of the allocated monies were not obligated within their timeline, which means there would be very little chance of East Grand Forks receiving any funds.

Haugen commented that on the North Dakota side, yesterday the Legislature was briefed on the stimulus package, and some of the things we are hearing are that the State wants to use these federal funds to replace State funds, and that of course is not making the Delegation very happy,

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and they are suggesting that rather than banking money, they put money into road and bridge infrastructure. He added that whether or not that could make it more feasible, just as likely for East Grand Forks to get monies during the second go-around, for Grand Forks to have more funding available for roads remains to be seen.

Haugen reported that on the North Dakota side, just as Minnesota found out that they were short in funding projects within the 5,000 to 200,000 population, when North Dakota released the funding tables for their cities and counties, and they added them up, it was found that there is \$14,000,000 that isn't going into the proper sub-allocated areas, and he has asked them to show him where that \$14,000,000 is, but no response has been received to-date.

After some discussion it was determined that the Finance Committee would meet on Wednesday, March 25th, at 12:00 noon in the Grand Forks County Commissioner's Chambers.

MATTER OF 2008 OBLIGATED PROJECT LIST

Haugen reported that he was hoping to have a document that the Board could approve, but we do not have all the obligated totals at this time so he would recommend tabling it until the April meeting.

MATTER OF SCHOOL SAFETY STUDY SCOPE OF WORK

Haugen stated that we identified in our 2008 Work Program that we would be working with the local elementary schools to help improve their safety. He said that this has been done for several years now, with the assistance of Advanced Traffic Analysis Center out of NDSU, and the School District.

Haugen reported that they have identified the three schools that they will be studying this year; Lewis and Clark, West, and New Heights. He explained that New Heights is located in East Grand Forks, adding that this is the first time we will be studying an East Grand Forks School.

Haugen commented that the Scope of Work will engage A.T.A.C. to complete the study, and has been approved by the Technical Advisory Committee and Staff, and they are recommending that this body approve it as well.

MOVED BY GRASSEL, SECONDED BY BEAUCHAMP, TO APPROVE THE SCHOOL SAFETY STUDY SCOPE OF WORK.

Voting Aye: Strandell, Beauchamp, Adams, Grassel, Malm, and Bakken.

Voting Nay: None.

MATTER OF RFP FOR AERIAL PHOTOS

Haugen reported that staff has been working with a lot of agencies to identify additional revenue sources, plus the fly zone, which is shown on Page 69 in the packets. He pointed out that the fly

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zone is not exactly the same as it was last time, with a small portion to the south being eliminated due to lack of development, and a small portion to the north being added due to the new landfill being sited there.

Haugen referred to Page 57, and stated that he would like to note that the MPO budget is in error. He explained that we have \$50,000 identified in our work program; however we have replaced \$5,000 with monies received from the State of North Dakota, and we just received \$10,000 from the USGS, so we will have \$15,000 coming in to help offset the cost of this project. He stated that we will use the \$15,000 first, and then cover the remaining costs with the monies budgeted.

MOVED BY BAKKEN, SECONDED BY GRASSEL, TO APPROVE THE AERIAL IMAGERY PROJECT RFP.

***Voting Aye: Strandell, Beauchamp, Adams, Grassel, Malm, and Bakken.
Voting Nay: None.***

MATTER OF DRAFT FREIGHT STUDY

Haugen stated that staff is requesting approval of the Draft Freight Study. He explained that a year ago, when we were going through our compliance with SAFETEA-LU, North Dakota required us to do a profile of our freight industry, which is what this report does. He stated that with the Board's approval of this draft document, a public meeting will be held prior to your April meeting, and final approval will then be sought at the April meeting.

Haugen reported that there really isn't anything too shocking in the plan, however there is some information that he wasn't aware of before, specifically that high amount of train and/or truck traffic there is at certain terminals, but it is just a profile and doesn't recommend any specific project or expenditure of funds to correct any identified problem.

Beauchamp referred to the maps on Pages 80-87, illustrating the high amount of truck traffic, particularly in the Twin Cities area, and noted that if it continues to increase there soon won't be room for cars.

Discussion on truck traffic issues ensued.

MOVED BY BEAUCHAMP, SECONDED BY ADAMS, TO APPROVE THE DRAFT FREIGHT STUDY.

***Voting Aye: Strandell, Beauchamp, Adams, Grassel, Malm, and Bakken.
Voting Nay: None.***

MATTER OF UPDATE ON DRAFT DOWNTOWN PLAN

Haugen reported that they have received preliminary approval of the Draft Downtown Plan from both Planning Commissions and City Councils. He stated that he would like to bring this body up-to-date on some traffic information.

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Haugen explained that they did have to go into their traffic forecast model and make some modifications as to how the downtown was coded and configured on the network. He added that that analysis was included in the packets.

Haugen reported that they shifted some parking, particularly where some of the Central High School students park. He explained that they shifted parking from the Civic Auditorium parking lot to the two upper floors of the Central Parking Ramp.

Haugen stated that, essentially, traffic volumes in the downtown is progressing pretty rapidly, and while we do have a good traffic signal timing plan in place, we have programmed \$2,000,000 in 2012 to upgrade that equipment, at which time the signals will then be put on a coordinated plan, so even though the traffic will continue to increase, with those updates we should be able to accommodate that traffic fairly smoothly.

Haugen commented that they also looked at the Civic Auditorium site, and the question of whether or not the 1st Avenue through movement needed to continue was discussed, and it was determined that the volumes aren't that critical so it really wouldn't matter one way or the other so the Civic Auditorium site can be redeveloped with or without it being opened. Grassel asked where they would cut it out. Haugen responded that it would be closed after the motel entrance to 6th Street.

Haugen stated that the last thing identified in this plan is, on Page 124 it discusses the Sorlie Bridge reconstruction/replacement. He explained that what they are telling us is that we are going to have a lot of traffic on the Sorlie Bridge, that it is getting to the point where it will reach it's capacity soon, and they are also acknowledging that we do have additional bridges on either side of the Sorlie that have a lot of capacity to them, so part of our future strategies for the downtown will include trying to shift some of the traffic currently on the Sorlie to those other bridges.

Haugen reported that a public open house is scheduled for Tuesday, March 24th, 2009, from 6:30 p.m. to 8:30 p.m. at the River Walk Center to update the public, as well as to receive any comments from the public. He stated that final approval will be sought from this board at your April meeting.

Information only.

MATTER OF HOUSEBILL 1340

Haugen reported that both the House and the Senate have passed House Bill 1340, which allows MPO employees in the state to be eligible for NDPERS. He said, however, that it has not yet been forwarded to the Governor yet for his signature, but there doesn't appear to be any reason for him not to sign it.

Haugen added that once the Governor does sign the bill it will become active August 1st, so at some point after the Governor signs it we will need to have a discussion as to whether or not we wish to exercise our ability to join NDPERS.

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Information only.

OTHER BUSINESS

1. Minnesota/4th Avenue Letter

Haugen reported that a letter was drafted and submitted to the City of Grand Forks encouraging them to program the Minnesota/4th Avenue Corridor project as soon as they can. He added that we also offered all of our resources, and staff to assist them in doing so. He said that Councilmember Bjerke did bring the letter up as an example of why he doesn't like approving studies because then people want them followed up on and implemented.

Information only.

ADJOURNMENT

MOVED BY STRANDELL, SECONDED BY BAKKEN, TO ADJOURN THE MARCH 18TH, 2009, MEETING OF THE MPO EXECUTIVE POLICY BOARD AT 12:50 P.M.

Voting Aye: Strandell, Beauchamp, Adams, Grassel, Malm, and Bakken.

Voting Nay: None.

Respectfully submitted by,

Peggy McNelis,
Executive Assistant