

Metropolitan Council

Metropolitan Council Chambers, 390 No. Robert St., St. Paul, MN 55101

**Special Meeting of the Central Corridor Management Committee
August 24, 2011**

Members Present	Susan Haigh, Chair	Kathleen O'Brien	Reynaldo Aligada
	Chris Coleman	Toni Carter	Matt Kramer
			Rafael Ortega
Members Absent	Paul Krause	Jon Commers	Keith Bogut
	Scott McBride	R. T. Rybak	Jon Commers
	Peter McLaughlin		

1. CALL TO ORDER

Chair Haigh called the August 24, 2011 meeting of the Central Corridor Management Committee to order at 2:05 pm at the Metropolitan Council Chambers at 390 North Robert St., St. Paul.

2. CCLRT Contingency Discussion

Chair Haigh thanked members for attending this special meeting of the CCMC. She noted that the purpose of this meeting is to give the CCMC background on contingency issues prior to the CCMC advising action to MC Transportation Committee and the Metro Council at their upcoming meetings.

Mark Fuhrmann presented this item. He stated that the FTA has guidelines and requirement on how to manage contingency funds. He reviewed the FTA Cost Contingency Hold Points put in place by the FTA to prevent a project from spending too much contingency too early in the project. The CCLRT is assumed to be at the 20% milestone in July 2011, which will allow the FTA to release \$76M of accessible contingency money. Some of the contingency money is required for Programmed Change Order Reserve, Project Enhancements, and Project Requirements/Exposures. In addition to the remaining project contingency available, there is also \$34M in additional savings from project underrun, making the total contingency available for policy consideration = \$63.4M.

Fuhrmann presented the guiding principles for distributing contingency, that are similar to the guiding principles that the CCMC adopted in 2007. He also presented the various categories for the demand for contingency money, focusing on 2011 distribution and needs. There will be a list similar to this at the next step of contingency distribution (50% milestone).

There is a deadline of 9/29/11 to exercise an option to purchase light rail vehicles under the Siemens contract at the base unit price. There are escalators built into this contract that will increase the price per LRV by \$214,000 (16 LRVs needed = \$3.4M) after 9/29/11. Fuhrmann stated that CTIB was briefed on this last week and was in favor of spending contingency on the 16 LRVs at this time. Chair Haigh stated that CCMC will make a recommendation to the Council at its 9/14/11 meeting.

In response to committee member requests, Fuhrmann will provide the original list of contingency requests that were prepared and prioritized by agencies and reviewed by staff for eligibility.

Aligada questioned what the FTA boundaries are for the geographic limits for streetscape and livability projects. Fuhrmann stated that the boundaries are generally the project limits as described on the environmental documents submitted to the FTA.

Ortega stated he strongly favors a 70/30 split of contingency between St. Paul and Minneapolis and noted that Ramsey County is consistently giving a large share to all categories of contingency need. The RCRRA will receive this presentation on 9/06 and will have an opportunity to discuss this.

Coleman asked whether there will be an opportunity to reimburse entities for their previous commitments of advance funding for enhancements so that they could be included in the construction contracts (\$4M). Fuhrmann stated that these are eligible for contingency, and Haigh stated they are being looked at; the issue is in the timing of the reimbursements if the decision to invest in 16 LRVs is made at this time. It is possible that the advance funding for enhancements could be reimbursed with contingency at a later FTA milestone, i.e. 50%.

Kramer questioned what the previous plan was for financing start-up costs, if there hadn't been contingency. Fuhrmann answered that the \$957M project was at its limit in order to earn a strong CEI from the FTA. At that time, the alternative to fund start-up costs would have been to seek 50% from the Legislature and 50% from a CTIB operating grant. Fuhrmann also noted that there will be start-up costs in 2013 & 2014 as well, as the phases of the project advance, totaling \$9.6M over the life of the project. Regarding the enhancements and marketing: Kramer asked how the project will be deployed (perhaps RFP?) in order to make decisions spending contingency money wisely. Fuhrmann said the process will be available in a few weeks.

As a recap, Chair Haigh said that Fuhrmann will provide a full list of contingency requests to all members, and that the CCMC is expected to make a recommendation to the Council at its 9/14/11 meeting.

3. ADJOURNMENT

Chair Haigh adjourned the August 24, 2011 Special CCMC meeting at 3:00 p.m.

4. Next Meeting – September 14, 2011 @ 1:00 pm

Respectfully submitted, LuAnne Major