

Metro Cities News

June 30, 2023

2023 Metro Cities Policy Committees

Metro Cities 2023 policy committee meetings will begin in late July, and committees will review and recommend legislative policies for Metro Cities for 2024. Participation is open to member city elected officials and staff and your participation is encouraged! Committee information and schedules are on Metro Cities' website. Please be sure to sign up for the committee(s) in which you would like to participate. We look forward to seeing you!

Legislative Auditor Releases Report on SWLRT

The Office of the Legislative Auditor (OLA) came before the Legislative Audit Commission this week to present their latest report on the Metropolitan Council's Southwest Light Rail Transit project. A <u>special review released in September of 2022</u> focused on the project's budget and timeline and a <u>program evaluation released in March of 2023</u> concerned project management. This evaluation focuses on the Metropolitan Council's oversight of project contractors.

Key findings:

- The Metropolitan Council's original civil construction contract did not provide sufficient mechanisms to enforce contract requirements.
- The Metropolitan Council has not adequately enforced several aspects of key construction contracts.
- The Metropolitan Council does not have adequate documentation to support some project decisions.

The OLA's presentation first covered change orders, of which there were 658 between March 2019 and October 2022. The OLA found that most of the change orders increased project costs. The report finds that the Council did not hold the civil construction contractor accountable for requirements in its contract to estimate change order costs and that in several cases the Council paid for change work even though it had not fully validated that the contractor had incurred claimed costs. The OLA recommends changes to contract language, more robust enforcement of contractors' contractual obligations, limits on changes where costs are not approved in advance, and improvements to cost verification procedures.

The second major area of the report describes the Metropolitan Council's work with the consultant responsible for providing Independent Cost Estimates (ICEs). The OLA report finds that the Council directed its cost estimating consultant to systematically increase its ICEs. The report recommends that the Council hold its cost estimating contractor accountable for delivering acceptable estimates and that the Council reforms its process for determining final change order costs.

Finally, the report analyzes how the Metropolitan Council handles nonconforming work, which is a work product that does not meet the requirements defined in the project contract or agreement. The report finds that although the Council has the authority to deduct or withhold payment in response to nonconforming work done by the contractor, they did not sufficiently track costs related to these incidents and failed to document its decisions on these matters. This makes it difficult to deduct the appropriate amount of money from the contractor for nonconforming work.

The OLA recommends that the Metropolitan Council improve its documentation practices regarding nonconforming work.

Metropolitan Council Chair Charlie Zelle testified before the Audit Commission and submitted a written response to the OLA's findings. In their written comments, the Metropolitan Council stated that the OLA's recommendations do not align with federal guidance or construction law and that they are not appropriate for a project as large and complex as the SWLRT. Chair Zelle told commission members that the Council is committed to improving and plans to implement recommendations resulting from a peer review conducted by the Minnesota Department of Transportation. Click HERE to view a recording of Wednesday's Audit Commission meeting. Click HERE to view the OLA's report. Click HERE to view the OLA's previous reports regarding the SWLRT project.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Learn About State Funding for Shared Mobility

The Minnesota Shared Mobility Collaborative will host its Summer 2023 convening on Thursday, August 2. Speakers will present information on regional transportation coordination councils (RTCCs), highlights from the recently passed Transportation bill at the Minnesota Capitol including state-level funding opportunities for shared mobility initiatives, and MnDOT's forthcoming Moving Greater Minnesota Forward program.

Confirmed Speakers include:

- Karen Onan, Director, Regional Transportation Coordinating Council (RTCC), East Central Regional Development Commission
- Mike Lund, Government Relations Specialist, Metro Cities
- Meredith Klekotka, Shared Mobility Program Manager, Metro Transit
- Erik Rudeen, Director of Government Affairs, MnDOT
- Elliott McFadden, Greater Minnesota Shared Mobility Coordinator, MnDOT

The webinar is free to attend, but <u>registration is required</u>. Once you have registered, you will receive an email confirmation with a Zoom link.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Federal Grant Opportunities

The U.S. Department of Transportation opened its streamlined application process for several federal transportation funding programs with a total of \$5.5 billion being made available. Applications for three major programs are being solicited together under a single name: the Multimodal Project Discretionary Grant program. Available funding includes \$1.8 billion for the National Infrastructure Project Assistance (Mega) program, \$3.1 billion for the Infrastructure for Rebuilding America (INFRA) program, and \$675 million for the Rural Surface Transportation Grant (Rural) program. Some Minnesota projects were successful in receiving funding under these programs during their FY2022 solicitations. Final applications must be submitted by 11:59PM on August 21, 2023.

The USDOT also announced its <u>Rural and Tribal Assistance Pilot Program</u> which will make \$10 million available over 5 years. \$3.4 million will be available in the first two years. This program is intended to help communities increase their capacity to develop projects with funding for

necessary technical, financial, or legal costs. There is no local match required for these grants. Click <u>HERE</u> for the full notice of funding opportunity document and <u>HERE</u> for slides from a recent webinar on the pilot program. Applications can be submitted beginning on August 14, 2023. **The deadline to apply is September 28, 2023**.

Contact Mike Lund at michael@metrocitiesmn.org or 651-215-4003 with any questions.

Homeownership Education Program RFP Reopened

The <u>Homeownership Education</u>, <u>Counseling and Training</u> (HECAT) Request for Proposals has been reopened by Minnesota Housing as a result of additional funding passed by the Legislature for the program. \$4.2 million in grant funding is now available in the program for FY 23-25.

Minnesota Housing advises both new and already submitted applicants to consider increasing their funding request. For applicants who have already applied, Minnesota Housing suggests applicants update their submission and will not require a new application for resubmissions. The RFP is open until Friday, July 14 at 3 pm CT. For the Instructions, click <u>HERE</u>, and for the application, click <u>HERE</u>.

If you have any questions, contact Ania McDonnell at ania@metrocitiesmn.org.

Metropolitan Council Member Appointments

This week, Governor Walz announced the appointment of Metropolitan Council members, including the re-appointment of members. See below for the list of Council members by district.

Judy Johnson - Plymouth, MN

Metropolitan Council District 1 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Reva Chamblis - Brooklyn Park, MN

Metropolitan Council District 2 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Tyronne Carter – Minnetonka, MN

Metropolitan Council District 3 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Deb Barber – Shakopee, MN

Metropolitan Council District 4 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

John Pacheco Jr. - Minneapolis, MN

Metropolitan Council District 5 Representative Effective: July 3, 2023

Term Expires: January 4, 2027 Replacing: Anjuli Cameron

Robert Lilligren - Minneapolis, MN

Metropolitan Council District 6 Representative Effective: July 3, 2023

Term Expires: January 4, 2027 Replacing: John Pacheco Jr.

Yassin Osman – Minneapolis, MN

Metropolitan Council District 7 Representative Effective: July 3, 2023

Term Expires: January 4, 2027 Replacing: Robert Lilligren

Anjuli Cameron - Edina, MN

Metropolitan Council District 8 Representative Effective: July 3, 2023

Term Expires: January 4, 2027 Replacing: Yassin Osman

Diego Morales - Coon Rapids, MN

Metropolitan Council District 9 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Peter Lindstrom - Falcon Heights, MN

Metropolitan Council District 10 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Gail Cederberg - Mahtomedi, MN

Metropolitan Council District 11 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Replacing: Susan Vento

Susan Vento - Maplewood, MN

Metropolitan Council
District 12 Representative
Effective: July 3, 2023

Term Expires: January 4, 2027

Replacing: Gail Cederberg

Chai Lee - St. Paul, MN

Metropolitan Council
District 13 Representative
Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Toni Carter - St. Paul, MN

Metropolitan Council District 14 Representative Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Tenzin Dolkar - Inver Grove Heights, MN

Metropolitan Council
District 15 Representative
Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Wendy Wulff - Lakeville, MN

Metropolitan Council
District 16 Representative
Effective: July 3, 2023

Term Expires: January 4, 2027

Reappointment

Metro Cities News is emailed periodically to Metro Cities member mayors, councilmembers, city managers/administrators, and city staff to keep officials and staff abreast of important metro city issues.

If you'd like to sign up to receive Metro Cities News, please email newsletter@metrocitiesmn.org and provide the following: Name, Title, Employer and Email address. Thank you!