

Management Committee

For the Metropolitan Council meeting of October 26, 2016

Subject: Adoption of Resolution 2016-26 on Expenditures of Public Funds in Accordance with the Public Purpose Doctrine

Proposed Action

That the Metropolitan Council approves Resolution 2016-26 expressing the Council's findings with regard to expenditures that comply with the public purpose doctrine and that the Regional Administrator implement new and update existing policies and procedures in accordance with these findings.

Summary of Committee Discussion/Questions

Deputy Regional Administrator Meredith Vadis presented Council Resolution 2016-26 to the Management Committee. Resolution 2016-26, when adopted, will supersede Council Resolutions 1996-16 and 1996-53. The Committee asked questions about current memberships under review as well as whether the public purpose doctrine applied to memberships that did not require a commitment of dollars. Deputy General Counsel Dave Theisen advised that non-monetary memberships might still require the commitment of resources, which have an associated cost and would therefore fall under the public purpose doctrine.

Vadis advised the Committee that under state statute, the Council lacks authority to join certain organizations, including most notably Chambers of Commerce, Greater MSP and other economic development organizations.

Committee members were also concerned about easing the process to provide reimbursement to advisory committee members and encouraged staff to use the clarified language in the resolution as momentum to address the current paper-based process of providing reimbursements. CFO Mary Bogie commented that there are several electronic options under consideration.

The Committee unanimously recommended adoption of the Resolution 2016-26, superseding Council Resolutions 1996-16 and 1996-53. Council Member Cunningham abstained due to his position on the board of Greater MSP.

Management Committee

Meeting date: September 28, 2016

Subject: Discussion and Resolution on Expenditures of Public Funds in Accordance with the Public Purpose Doctrine

District(s), Member(s): All

Policy/Legal Reference: Council Resolution Nos. 1996-16 and 1996-53

Staff Prepared/Presented: Meredith Vadis, Deputy Regional Administrator (651-602-1567)

Division/Department: Regional Administration

Proposed Action

That the Metropolitan Council approves Resolution 2016-26 expressing the Council's findings with regard to expenditures that comply with the public purpose doctrine and that the Regional Administrator implement new and update existing policies and procedures in accordance with these findings.

Background

In 1996, the Metropolitan Council adopted Resolution 1996-16, authorizing expenditures of public funds in accordance the Council's statutorily defined mission and the public purpose doctrine established by the Minnesota Supreme Court and embodied in the Minnesota Constitution. Later that year, the Council further clarified its authorization in Council Resolution 1996-53.

In early 2016, the Regional Administrator required a review of all memberships, both individual and enterprise, purchased with funds by the Metropolitan Council. Council staff determined that while some memberships can and do serve a public purpose, membership expenses were not expressly authorized under the previous public purpose resolutions adopted by the Council. Review of Council Resolutions 1996-16 and 1996-53 also found outdated language, incomplete description of current Council authorities and a lack of clarity around community engagement and advisory committee expenditures.

Rationale

An updated resolution pertaining to public purpose expenditures allows the Regional Administrator to implement a new procedure specifically related to membership expenses that standardizes these expenses across the enterprise.

Funding

No additional funding is required. Divisions account for necessary membership expenses in their annual budgets.

Thrive Lens

A clear and current resolution, complemented with a new procedure, will ensure Council staff efficiently and effectively use public financial resources in accordance with the public purpose doctrine and direction from the members of the Metropolitan Council. More robust language on expenditures related to community engagement and advisory committee activities will enhance equity by enabling more of the region's residents to participate in the policymaking process.

Known Support / Opposition

None

METROPOLITAN COUNCIL
390 Robert Street North, St. Paul, Minnesota 55101-1805

RESOLUTION NO. 2016-26

RESOLUTION AUTHORIZING EXPENDITURES OF PUBLIC FUNDS
IN ACCORDANCE WITH THE PUBLIC PURPOSE DOCTRINE

Whereas, the Metropolitan Council is a public corporation and political subdivision of the State of Minnesota and is responsible for performing regional planning functions, funding a regional parks system, operating the regional wastewater treatment system, administering housing assistance programs, and operating the regional transit system, and

Whereas, the Minnesota Legislature has placed the Metropolitan Council under the “supervision and control” of the seventeen-member governing body and granted the Metropolitan Council, in Minnesota Statutes section 473.129, all powers which may be “necessary or convenient” to enable the Metropolitan Council to perform and carry out the duties and responsibilities now existing or which may be imposed upon it by law; and

Whereas, the “public purpose doctrine” permits a governmental entity to expend public funds only if the primary purpose of the expenditure is public and the expenditure directly relates to the governmental purposes for which the entity was created; and

Whereas, Minnesota Statutes section 473.127 authorizes the Metropolitan Council to reimburse members of its advisory committees for their reasonable expenses as determined by the Metropolitan Council and Minnesota Statutes section 473.129, subdivision 10, authorizes the Metropolitan Council to “provide a program for health and wellness services for council employees and provide necessary staff, funds, equipment, and facilities”; and

Whereas, the governing body of the Metropolitan Council has determined it is necessary or convenient for the fulfillment of the Metropolitan Council’s statutory responsibilities for the governing body to authorize discretionary expenditures of public funds for certain employee training and development activities and other public purposes related to the performance of the Metropolitan Council’s statutory duties and responsibilities; and

Whereas, in 1996 the Metropolitan Council adopted Resolution No. 96-16 authorizing expenditure of public funds for certain public purposes and subsequently modified Resolution No. 96-16 with Resolution No. 96-53; and

Whereas, Minnesota Statutes section 473.125 identifies the Regional Administrator as the “principal administrative officer” for the Metropolitan Council and requires the Regional Administrator to ensure all policy decisions of the Metropolitan Council are carried out and recommend to the Metropolitan Council for adoption measures deemed necessary for efficient administration of the Metropolitan Council.

NOW, THEREFORE, BE IT RESOLVED, the governing body of the Metropolitan Council makes the following public purpose findings and determinations:

1. It is in the public interest to recruit, select and develop an effective, skilled, productive and responsive workforce to operate and maintain the regional transit and wastewater systems, administer housing programs, development grant programs and parks funding, perform the regional planning functions, and to execute other Council functions as determined or permitted by law.
2. Training and development programs for Metropolitan Council employees serve a public purpose when those training and development programs are directly related to the performance of the employees' job-related duties or are directly related to the governmental functions for which the Metropolitan Council is responsible and which may become job-related duties of the employee.
3. Payment of certification and licensure fees for employees serves a public purpose when those certifications and licensures are job requirements, directly related to the performance of employees' job-related duties, reasonably deemed necessary by management in order for the employee to perform job duties and are directly related to the governmental functions for which the Metropolitan Council is responsible.
4. Payment of employee work-related expenses, including travel, lodging, non-social event attendance fees and meal expenses, serves a public purpose when those expenses are reasonably incurred by Metropolitan Council employees in connection with their actual work assignments or official duties and those expenses are directly related to the performance of the governmental functions for which the Metropolitan Council is responsible.
5. Appropriate employee health, wellness and safety programs serve a public purpose because they result in healthier and more productive employees and reduce certain costs to the Metropolitan Council, taxpayers, rate and fare payers of the metropolitan area, including various costs associated with workers compensation and disability benefits claims, insurance premiums and lost time from employee absences.
6. Public expenditures for appropriate employee recognition programs, pursuant to Metropolitan Council Resolution No. 98-19 (adopted July 23, 1998), serve a public purpose because formally recognizing employees who make significant contributions and demonstrate their commitment during performance of their duties results in better retention, higher morale and increased productivity among all Metropolitan Council employees and therefore permit the Metropolitan Council to fulfill its statutory responsibilities in an efficient and cost-effective manner.
7. Public expenditures for food and refreshments associated with official Metropolitan Council functions serve a public purpose when the provision of food and refreshments is an integral part of a Metropolitan Council function and the provision of food or refreshment is necessary to ensure meaningful participation by the participants.
8. Public expenditures for appropriate community and customer engagement, public education and similar activities serve a public purpose when those expenditures are necessary or convenient for the Metropolitan Council to advance the efficiency its regional systems, promote the availability and use of regional services, promote regional planning activities, and engage the public in decision-making processes through public hearings and other public involvement efforts.

9. Public expenditures for memberships in organizations serve a public purpose when the purposes of the organizations are directly related to the functions and purposes for which the Metropolitan Council was created and the Metropolitan Council reasonably expects it will directly and demonstrably benefit from the memberships.

Based on these findings, the Metropolitan Council authorizes its Regional Administrator to establish administrative procedures and policies that are consistent with these findings and the following guiding policies:

1. **Employee Training and Development Programs.** The Metropolitan Council may pay reasonable registration fees and travel expenses for conferences, seminars, workshops and may pay tuition assistance for job-related courses. The Council may pay tuition assistance for retraining which is based on an organizational change plan and a formal development plan. The Council will not provide tuition assistance for degree program courses, except for courses directly related to current job requirements or a retraining plan.
2. **Expenses Related to Work Assignments.** The Metropolitan Council may pay reasonable and necessary expenses related to the performance of official Metropolitan Council activities including expenses associated with travel, lodging, meals, non-social event attendance and appropriate incidental expenses related to the performance of official work activities.
3. **Employee Safety, Health and Wellness Programs.** The Metropolitan Council may pay reasonable and necessary expenses related to appropriate employee safety, health and wellness programs when the benefit of those programs is clearly demonstrated and the programs are not primarily of a social or recreational nature.
4. **Employee Recognition Programs.** The Metropolitan Council may pay reasonable expenses related to employee recognition and appreciation programs, including service awards to recognize employee performance, length of service and retirement.
5. **Food and Nonalcoholic Refreshment.** The Metropolitan Council may pay reasonable food and nonalcoholic refreshment expenses when:
 - a. the cost of a meal or refreshment is part of a structured agenda of a conference, workshop, seminar or meeting that directly relates to the official business of the Metropolitan Council; or
 - b. refreshments are part of a Metropolitan Council-hosted event, meeting, conference or workshop and the majority of the participants are not Metropolitan Council employees; or
 - c. the cost of refreshments or meals are part of a formal meeting that consists primarily of Metropolitan Council employees when the refreshments or meals are an integral part of the formal meeting and are necessary to sustain the flow of the meeting and to retain the captive audience; or
 - d. Refreshments or meals are provided in connection with official meetings of the Metropolitan Council or official meetings of Metropolitan Council committees, task forces, work groups or advisory committees, provided the provision of refreshments or meals is necessary to sustain the flow of the meeting. Official meetings include meetings of subcommittees task forces, work groups or advisory committees authorized by the Metropolitan Council.

All meetings shall be scheduled to minimize inclusion of meals.

6. **Community Outreach.** The Metropolitan Council may pay reasonable expenses for community engagement and outreach activities including fees for reserving space, limited refreshment costs, event-specific transit passes, materials, and other reasonable costs to enable a member of the public to participate in community outreach and engagement activities. Expenditures for employee open houses, block parties and picnics are prohibited.
7. **Memberships in Organizations.** The Metropolitan Council may pay for memberships in organizations which provide industry- or trade-related information, training, and access to expertise that directly and demonstrably relate to the performance of the governmental functions for which the Metropolitan Council is responsible and where the membership is expected to enhance Council Members' or employees' ability to perform their job-related duties. The Metropolitan Council may not pay for:
 - a. memberships in organizations whose purposes do not materially or directly relate to the Metropolitan Council's governmental functions and responsibilities; or
 - b. memberships and membership expenses referenced in Minn. Stat. § 471.961 that are expressly authorized for certain governmental entities, not including the Council; or
 - c. memberships that primarily benefit individual employees.
8. **Advisory Committee Expense Reimbursements.** Unless permitted by law, members of Metropolitan Council advisory committees shall serve without compensation but they may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. Reasonable expenses are actual costs advisory committee members incur and request reimbursement for in connection with their attendance at Council advisory committee meetings or in connection with their participation in authorized advisory committee functions and may include travel costs, parking fees and, in appropriate cases, dependent care costs.

This resolution supersedes and rescinds Metropolitan Council Resolution Nos. 96-16 (adopted June 13, 1996) and 96-53 (adopted November 14, 1996).

Adopted this _____ day of _____, 2016.

Adam Duininck, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
Mears Park Centre, 230 East Fifth Street, St. Paul, Minnesota 55101
612 291-6359 TDD 612 291-0904

REPORT OF THE
FINANCE COMMITTEE

DATE: June 7, 1996

TO: Metropolitan Council

SUBJECT: Adoption of Resolution No. 96-___ Authorizing Expenditures of Public Funds for Certain Organizational Functions, Employee Development Activities and Other Public Purposes and Delegating Certain Authority.

SUMMARY OF COMMITTEE DISCUSSION:

There was no significant discussion.

RECOMMENDATION:

That the Metropolitan Council adopt Resolution No. 96-___ authorizing expenditures of public funds for certain organizational functions, employee development activities and other public purposes and delegating certain authority.

Submitted by:

Dede Wolfson
Committee Chair

Richard Johnson
Associate Regional Administrator

Finance Committee Meeting of June 6, 1996

METROPOLITAN COUNCIL
Mears Park Centre, 230 East Fifth Street, St. Paul, Minnesota 55101
612 291-6359 TDD 612 291-0904

DATE: May 29, 1996

TO: Chair and Members of the Finance Committee

FROM: Richard Johnson, Associate Regional Administrator

SUBJECT: Resolution No. 96-___ Authorizing Expenditures of Public Funds for Certain Organizational Functions, Employee Development Activities and Other Public Purposes and Delegating Certain Authority

EXECUTIVE SUMMARY

ISSUE: To adopt findings and guidelines consistent with the public purpose doctrine which provide direction to the organization for the expenditure of public funds for certain organizational functions, employee development activities and other public purposes.

POLICY IMPLICATIONS: None

FUNDING IMPLICATIONS: None

PREVIOUS ACTIONS: The outline for this policy was previously discussed with the Finance Committee as a follow up to the audit report issued by the State Auditor on Transit Operations and in March, 1996.

DISCUSSION: The proposed resolution provides guidance to staff as to what are acceptable expenditures as endorsed by the Council in pursuit of its statutory responsibilities and which comply with the requirements of the public purpose doctrine. In addition we have put together factual and other background information which demonstrates the public benefits that result from the types of expenditures that may be made under the proposed guidelines and which support the findings contained in the proposed resolution.



Employee Development and Training Programs

Employee development and training is a long recognized activities of public and private employers and is included within the authority of public organizations. For instance, the Minnesota Supreme Court concluded in a 1930 case entitled *Tousley v. Leach* that reasonable expenditures of public funds for conventions, conferences and similar information-gathering meetings are consistent with the public purpose doctrine when the training and information received at the meetings result in substantial benefits to the governmental agency. The Minnesota Legislature has expressly authorized certain public agencies, including the Minnesota Department of Employee Relations and cities and counties, to establish and administer training and continuing education programs for their public employees to improve the quality of service provided by the employees. The Office of the Legislative Auditor in its *Best Practices Review of State Employees Training*, issued in April, 1995 notes that

Training experts, ..., suggest that agencies should continuously plan for and support training that is linked to their mission, goals and objectives; assess current and future training needs of all employees; ensure that appropriate training activities are provided; and evaluate and utilize the results.

An April 1996 in-house analysis prepared by the Learning and Organizational Development staff discusses potential types of employee development and training programs and the potential impacts and benefits associated with expenditures for these types of programs.

The proposed resolution would require that all Council employee development and training programs be directly linked to the performance of the employees' official job duties and directly relate to the governmental purposes for which the Council was established.



Employee Safety and Health Programs

Studies conducted for private and public organizations as reported in the May 1989, July 1990, April 1992 and September 1992 issues of *Personnel Journal* verify that wellness programs can decrease medical costs and increase productivity. The program promotions envisioned under the proposed resolution are preventative in nature and are based on research in other organizations where demonstrable results or benefits have been obtained.



Employee Recognition Program

A two-year study by Ernst and Young in the U.S. Labor Department which was reported in June 1995 identifies that the surest way to profits and productivity is to treat employees as assets to be developed rather than costs to be cut. In a 1975 case entitled *Douglas v. City of Minneapolis*, the Minnesota Supreme Court determined it is consistent with the public purpose doctrine and appropriate for public entities to consider employee morale

and similar factors when making certain types of decisions involving discretionary expenditures of public funds. The proposed resolution provisions authorizing certain employee recognition and appreciation programs are intended to recognize significant employee contributions and performance and consequently encourage greater efficiency and productivity among all Council employees.



Food and Refreshment

Expenditures for this purpose will be made only under very specific circumstances with clear guidance to ensure the expenditures are directly related to the performance of official Council business and primarily serve a public purpose. The guidance contained in the proposed resolution is based on the Special Expense Policy issued by the Minnesota Department of Employee Relations on February 20, 1991 which establishes clear guidelines and criteria for determining when expenditures of public funds for food and refreshment are appropriate and serve public purposes. The guidance contained in the proposed resolution also is intended to ensure that meetings which frequently are scheduled to accommodate a public participation process and the busy work schedules of various public and local officials can be conducted in a manner which promotes meaningful and productive participation by the participants and the public.



Community Outreach

The Council has responsibilities to serve various customers and constituents through its regional systems and the performance of its regional planning functions. The Council's statutory responsibilities frequently require the Council to perform a coordinating and consensus-building role and require the Council to ensure the general public, regional system users, developers, government officials and others understand and appreciate the Council's policies and actions in a number of areas including metropolitan land use, implementation of the Metropolitan Livable Communities Act, and development of the regional transit and wastewater treatment systems. In addition, the Council has regional facilities located in a variety of communities and neighborhoods throughout the region. Outreach in these neighborhoods is an effective tool for encouraging future customers as well as recruiting future employees and helps establish the Council as an employer of choice.

This resolution will be forwarded to the State Auditor's Office after adoption.

RECOMMENDATION: That the Metropolitan Council adopt Resolution No. 96-____ authorizing expenditures of public funds for certain organizational functions, employee development activities and other public purposes and delegating certain authority.

METROPOLITAN COUNCIL
Mears Park Centre ☞ 230 East Fifth Street ☞ Saint Paul, Minnesota 55101-1634

RESOLUTION NO. 96-16

**RESOLUTION AUTHORIZING EXPENDITURES
OF PUBLIC FUNDS FOR CERTAIN ORGANIZATIONAL FUNCTIONS, EMPLOYEE
DEVELOPMENT ACTIVITIES AND OTHER PUBLIC PURPOSES
AND DELEGATING CERTAIN AUTHORITY**

WHEREAS, the Metropolitan Council is a public corporation and political subdivision of the State of Minnesota and has statutory responsibility for performing regional planning functions, operating the regional wastewater treatment system and operating the regional bus and transit systems; and

WHEREAS, the Minnesota Legislature has placed the Metropolitan Council under the ☞supervision and control☞ of a seventeen-member governing body and granted to the Metropolitan Council all powers which may be ☞necessary or convenient☞ to enable the Metropolitan Council to perform and carry out the duties and responsibilities now existing or which may be imposed upon it by law; and

WHEREAS, the Metropolitan Council is a major public employer in the seven-county metropolitan area and the State of Minnesota and employs approximately 3,600 public employees; and

WHEREAS, the ☞public purpose doctrine☞ permits a governmental entity to expend public funds if the primary purpose of the expenditure is public and the expenditure relates to the governmental purposes for which the entity was created; and

WHEREAS, the governing body of the Metropolitan Council has determined it is necessary and convenient for the fulfillment of the Metropolitan Council's statutory responsibilities for the governing body to authorize discretionary expenditures of public funds for certain employee training and development activities and other public purposes related to the operation and functions of the Metropolitan Council; and

WHEREAS, Minnesota Statutes section 473.125 identifies the Regional Administrator as the ☞principal administrative officer☞ for the Metropolitan Council and requires the Regional Administrator to ensure all policy decisions of the Metropolitan Council are carried out and recommend to the Metropolitan Council for adoption measures deemed necessary for efficient administration of the Metropolitan Council.

NOW, THEREFORE, BE IT RESOLVED, having reviewed and considered the appropriate factual and other background materials, the governing body of the Metropolitan Council makes the following public purpose findings and determinations:

1. It is in the public interest to recruit, select and develop an effective, skilled, productive and responsive work force to operate and maintain the metropolitan wastewater treatment system, operate and maintain the regional bus and transit systems and perform the regional planning functions for which the Metropolitan Council has statutory responsibility.
2. Training and development programs for Metropolitan Council employees serve a public purpose when those training and development programs are directly related to the performance of the employees' job-related duties and are directly related to the governmental purposes for which the Metropolitan Council is responsible.
3. Payment of employee work-related expenses, including travel, lodging and meal expenses, serves a public purpose when those expenses are necessarily incurred by Metropolitan Council employees in connection with their actual work assignments or official duties and those expenses are directly related to the performance of the governmental functions for which the Metropolitan Council has statutory responsibility.
4. Appropriate safety and health programs for Metropolitan Council employees serve a public purpose because they result in healthier and more productive employees and reduce certain costs to the Metropolitan Council and the taxpayers of the metropolitan area, including various costs associated with workers compensation and disability benefit claims, insurance premiums, and lost time from employee absences.
5. Public expenditures for appropriate Metropolitan Council employee recognition programs serve a public purpose because formally recognizing employees who make significant contributions and demonstrate their commitment during the performance of their duties result in higher morale and productivity among all Metropolitan Council employees and therefore permit the Metropolitan Council to fulfill its statutory responsibilities in an efficient and cost-effective manner.
6. Public expenditures for food and refreshments associated with official Metropolitan Council functions serve a public purpose when the provision of food or refreshments is an integral part of an official Metropolitan Council function and the provision of food or refreshment is necessary to ensure meaningful participation by the participants.
7. Public expenditures for appropriate community and customer outreach and similar activities serve a public purposes when those expenditures are necessary for the Metropolitan Council to ensure the efficient operation of its regional systems, promote the availability and use of regional resources including the regional transit and wastewater treatment systems, and promote coordinated regional planning activities among and between the public and the private sectors.

Based on these findings the Metropolitan Council authorizes its Regional Administrator to establish administrative procedures and policies that are consistent with these findings and the following guiding policies:

1. **Employee Training and Development Programs.** The Metropolitan Council may pay reasonable registration, tuition and travel expenses for conferences, seminars, workshops and similar employee training and development opportunities when those training and development

activities are directly related to the performance of the employees' official job duties and directly related to the performance of the Metropolitan Council's statutory duties.

2. **Expenses Related to Work Assignments.** The Metropolitan Council may pay reasonable and necessary expenses related to the performance of official Metropolitan Council activities

including expenses associated with travel, lodging, meals and appropriate incidental expenses related to the performance of official work activities.

3. **Employee Safety and Health Programs.** The Metropolitan Council may pay reasonable and necessary expenses related to the operation of appropriate employee safety and health programs when the benefit of those programs is clearly demonstrated and the programs are not primarily of a social or recreational nature.

4. **Employee Recognition Programs.** The Metropolitan Council may pay reasonable and necessary expenses related to employee recognition and appreciation programs, including service awards to recognize employee performance and length of service.

5. **Food and Refreshment.** The Metropolitan Council may pay reasonable and necessary food or refreshment expenses when:

(a) the cost of a meal or refreshments is part of a structured agenda of a conference, workshop, seminar or meeting, the employee is authorized to attend the conference, workshop, seminar or meeting and the topic of the conference, workshop, seminar or meeting relates to the official business of the Metropolitan Council; or

(b) refreshments are part of a department-sponsored meeting, conference or workshop and the majority of the participants are not Metropolitan Council employees; or

(c) the cost of refreshments, meals and other conference costs are part of a department-sponsored event, registration fees are charged and the majority of the participants are not Metropolitan Council employees; or

(d) the cost of refreshments or meals are part of a formal meeting that consists primarily of Metropolitan Council employees when the refreshments or meals are an integral part of the formal meeting and are necessary to sustain the flow of the meeting and to retain the captive audience, but only if the meeting is one of the following:

(i) a division-wide annual or quarterly staff meeting of all employees;

(ii) a division senior management/cabinet planning or organizational meeting;

- (iii) an agency- or division-wide annual or quarterly staff meeting for all managers; or
- (iv) a structured training session, available to employees generally, but only if the training has been approved by the Learning and Organizational Development Unit.

Except for structured training sessions, the meetings described above shall be held no more frequently than once each quarter. All meetings shall be scheduled to minimize inclusion of meals.

(e) refreshments or meals are provided during official meetings of the Metropolitan Council or official meetings of Metropolitan Council committees, task forces, work groups or advisory committees, provided the provision of refreshments or meals is necessary to sustain the flow of the meeting. Official meetings include meetings of subcommittees authorized by the Metropolitan Council, task force, work group or advisory committee. All meetings shall be scheduled to minimize inclusion of meals.

(f) refreshments or meals are provided during official meetings of the Metropolitan Parks and Open Space Commission or official meetings of the Metropolitan Radio Board for which the Metropolitan Council has administrative responsibilities, provided the provision of refreshments or meals is necessary to sustain the flow of the meeting. Official meetings include meetings of Commission or Board committees appointed pursuant to their respective bylaws.

6. **Community Outreach.** The Metropolitan Council may pay reasonable expenses related to community and customer outreach and similar activities when the expenses are necessary to ensure the efficient operation of its regional systems, promote the availability and use of regional systems, or promote coordinated regional planning activities.

Adopted this 13th day of June, 1996.

Curtis W. Johnson, Chair
Secretary

Sandi L. Lindstrom, Recording

METROPOLITAN COUNCIL
Mears Park Centre 230 East Fifth Street -- St. Paul, Minnesota 55101-1634

RESOLUTION NO. 96-53

RESOLUTION FOR PROVIDING REVISED AUTHORITY FOR EXPENDITURES OF PUBLIC FUNDS FOR CERTAIN ORGANIZATIONAL FUNCTIONS, EMPLOYEE DEVELOPMENT ACTIVITIES AND OTHER PUBLIC PURPOSES AND DELEGATING CERTAIN AUTHORITY

WHEREAS, the Metropolitan Council is a public corporation and political subdivision of the State of Minnesota and has statutory responsibility for performing regional planning functions, operating the regional wastewater treatment system and operating the regional bus and transit systems, and

WHEREAS, the Minnesota Legislature has placed the Metropolitan Council under the “supervision and control” of the seventeen-member governing body and granted to the Metropolitan Council all powers which may be “necessary or convenient” to enable the Metropolitan Council to perform and carry out the duties and responsibilities now existing or which may be imposed upon it by law; and

WHEREAS, the Metropolitan Council is a major public employer in the seven-county metropolitan area and the State of Minnesota and employs approximately 3,600 public employees; and

WHEREAS, the “public purpose doctrine” permits a governmental entity to expend public funds if the primary purpose of the expenditure is public and the expenditure relates to the governmental purposes for which the entity was created; and

WHEREAS, the governing body of the Metropolitan Council has determined it is necessary and convenient for the fulfillment of the Metropolitan Council’s statutory responsibilities for the governing body to authorize discretionary expenditures of public funds for certain employee training and development activities and other public purposes related to the operation and functions of the Metropolitan Council; and

WHEREAS, on June 13, 1996, the Metropolitan Council adopted Resolution No. 96-16 authorizing the expenditure of public funds for certain public purposes; and

WHEREAS, the Metropolitan Council has determined it is necessary and appropriate to modify certain portions of No. 96-16, and

WHEREAS, Minnesota Statutes section 473.125 identifies the Regional Administrator as the “principal administrative officer” for the Metropolitan Council and requires the Regional Administrator to ensure all policy decisions of the Metropolitan Council are carried out and recommend to the Metropolitan Council for adoption measures deemed necessary for efficient administration of the Metropolitan Council.

NOW, THEREFORE, BE IT RESOLVED, having reviewed and considered the appropriate factual and other background materials, the governing body of the Metropolitan Council makes the following public purpose findings and determinations:

1. It is in the public interest to recruit, select and develop and effective, skilled, productive and responsive work force to operate and maintain the metropolitan wastewater treatment system, operate and maintain the regional bus and transit systems and perform the regional planning functions for which the Metropolitan Council has statutory responsibility.
2. Training and development programs for Metropolitan Council employees serve a public purpose when those training and development programs are directly related to the performance of the employees' job-related duties and are directly related to the governmental purposes for which the Metropolitan Council is responsible.
3. Payment of employee work-related expenses, including travel, lodging and meal expenses, serves a public purpose when those expenses are necessarily incurred by Metropolitan Council employees in connection with their actual work assignments or official duties and those expenses are directly related to the performance of the governmental functions for which the Metropolitan Council has statutory responsibility.
4. Appropriate safety and health programs for Metropolitan Council employees serve a public purpose because they result in healthier and more productive employees and reduce certain costs to the Metropolitan Council and the taxpayers of the metropolitan area, including various costs associated with workers compensation and disability benefit claims, insurance premiums and lost time from employee absences.
5. Public expenditures for appropriate Metropolitan Council employee recognition programs serve a public purpose because formally recognizing employees who make significant contributions and demonstrate their commitment during the performance of their duties result in higher morale and productivity among all Metropolitan Council employees and therefore permit the Metropolitan Council to fulfill its statutory responsibilities in an efficient and cost-effective manner.
6. Public expenditures for food and refreshments associated with official Metropolitan Council functions serve a public purpose when the provision of food or refreshment is an integral part of an official Metropolitan Council function and the provision of food or refreshment is necessary to ensure meaningful participation by the participants.
7. Public expenditures for appropriate community and customer outreach and similar activities serve a public purpose when those expenditures are necessary for the Metropolitan Council to ensure the efficient operation of its regional systems, promote the availability and use of regional resources including the regional transit and wastewater treatment systems, and promote coordinated regional planning activities among and between the public and the private sectors.

Based on these findings the Metropolitan Council authorizes its Regional Administrator to establish administrative procedures and policies that are consistent with these findings and the following guiding policies:

1. **Employee Training and Development Programs.** The Metropolitan Council may pay reasonable registration, tuition and travel expenses for conferences, seminars, workshops and may pay tuition assistance for job-related course work or course work if related to an employee's current job family; and tuition assistance for retraining as part of planned organizational change which is based on an organization change plan and a formal development plan. The Council will not provide tuition assistance for degree program courses, except for those courses related to current job requirements.
2. **Expenses Related to Work Assignments.** The Metropolitan Council may pay reasonable and necessary expenses related to the performance of official Metropolitan Council activities including expenses associated with travel, lodging, meals and appropriate incidental expenses related to the performance of official work activities.
3. **Employee Safety and Health Programs.** The Metropolitan Council may pay reasonable and necessary expenses related to the operation of appropriate employee safety and health programs when the benefit of those programs is clearly demonstrated and the programs are not primarily of a social or recreational nature and the program does not exceed the State program.
4. **Employee Recognition Programs.** The Metropolitan Council may pay reasonable and necessary expenses related to employee recognition and appreciation programs, including service awards to recognize employee performance and length of service.
5. **Food and Refreshment** The Metropolitan Council may pay reasonable and necessary food or refreshment expenses when:
 - (a) the cost of a meal or refreshment is part of a structured agenda of a conference workshop, seminar or meeting, the employee is authorized to attend the conference, workshop, seminar or meeting and the topic of the conference, workshop, seminar or meeting relates to the official business of the Metropolitan Council; or
 - (b) refreshments are part of a department-sponsored meeting, conference or workshop and the majority of the participants are not Metropolitan Council employees; or
 - (c) the cost of refreshments, meals and other conference costs are part of a department-sponsored event, registration fees are charged and majority of the participants are not Metropolitan Council employees; or
 - (d) the cost of refreshments or meals are part of a formal meeting that consists primarily of Metropolitan Council employees when the refreshments or meals are an integral part of the formal meeting and are necessary to sustain the flow of the meeting and to retain the captive audience, but only if the meeting is one of the following:

- (i) a division-wide annual or quarterly staff meeting of all employees;
- (ii) a division senior management/cabinet planning or organizational meeting;
- (iii) an agency- or division-wide annual or quarterly staff meeting for all managers; or
- (iv) a structured training session, available to employees generally, but only if the training has been approved by the Learning and Organizational Development Unit.

Except for structured training sessions, the meetings described above shall be held no more frequently than one each quarter. All meetings shall be scheduled to minimize inclusion of meals.

(e) refreshments or meals are provided during official meetings of the Metropolitan Council or official meetings of Metropolitan Council committees, task forces, work groups or advisory committees, provided the provision of refreshments or meals is necessary to sustain the flow of the meeting. Official meetings include meetings of subcommittees authorized by the Metropolitan Council, task force, work group or advisory committee. All meetings shall be scheduled to minimize inclusion of meals.

(f) refreshments or meals are provided during official meetings of the Metropolitan Parks and Open Space Commission or official meetings of the Metropolitan Radio Board for which the Metropolitan Council has administrative responsibilities, provided the provision of refreshments or meals is necessary to sustain the flow of the meeting. Official meetings include meetings of Commission or Board committees appointed pursuant to their respective bylaws.

6. **Community Outreach:** Expenditures for police and transit open houses, wastewater plant open houses, block parties and picnics are prohibited.

Adopted this 14th day of November, 1996.

Curtis Johnson, Chair

Sandi Lindstrom, Recording Secretary

**GUIDELINES FOR IMPLEMENTATION
OF
METROPOLITAN COUNCIL'S PUBLIC PURPOSE POLICY**

- All Metropolitan Council expenditures must demonstrate that they will meet the Public Purpose Doctrine.
- While all expenditures need to be justified as to their purpose, several categories of expenditures regularly raise questions. More specific guidance for these expenditures is presented below as to permitted expenditures by the following categories:
 - Food and refreshments
 - Employee development
 - Expenses related to work assignments
 - Employee rewards/recognition
 - Safety and health
 - Community outreach
- Expenditures in these categories must be budgeted.

The Public Purpose of the event or expenditure must be related to specific authorization or documented prior to authorization with appropriate approvals.

Food and Refreshment

1. Full cost of a meal when it is a part of the structured agenda of a conference, workshop, seminar, or meeting which the appointing authority has authorized the employee to attend (this does not include routine staff meetings)
2. Refreshments for department sponsored meetings, conferences or workshops where the majority of participants are not Council employees.
3. Refreshments, meals or other conference costs for department sponsored events where registration fees are charged and the majority of the participants are not Council employees.
4. Refreshments and/or meals for meetings that consist primarily of Council employees when the refreshment and/or meals are an integral part of the event and are necessary to sustain the flow of the meeting and to retain the captive audience, and if the meeting is one of the following:
 - a) A division-wide annual-quarterly staff meeting for all employees
 - b) A division senior management/cabinet planning or organizational meeting
 - c) An agency- or division-wide annual/quarterly staff meeting for all managers
 - d) A structured training session, available to employees generally, provided it has

been approved by the Learning and Organizational Development Unit.

e) With the exception of structured training sessions, the meetings described shall be held no more frequently than once each quarter. All meetings shall be scheduled to minimize inclusion of meals.

5. Refreshments and/or meals may be provided during official meetings of the Council, Council committees, task forces, advisory committees and commissions. Official meetings include meetings of sub-committees provided that such meetings are authorized by the full Council, task force, advisory committee or commission. All meetings shall be scheduled to minimize the inclusion of meals.
6. Refreshments for recognition of special one-time or once per year events, i.e. Be-Bop Day, Combined Fund Drive may be provided at a modest level, with prior approval.

Employee Development:

1. Registration, tuition fees and travel for conferences, seminars and workshops. Prior approval is required.
2. Tuition assistance for job-related course work or course work if related to an employee's current job family; and tuition assistance for retraining as part of planned organizational change which is based on an organizational change plan and a formal development plan. This does not include electives and the core curriculum of a degree program must be related to job requirements to be eligible.

Expenses Related to Work Assignment:

1. In travel status, permitted expenses may include:
 - a. Out of Area:
 - Hotel
 - Air fare - coach
 - Meals - including tips and gratuities *(per diem schedule)
 - Cabs, Subways, buses, rail fares
 - Baggage handling
 - Mileage to and from the airport
 - Parking
 - Car rental if necessary
 - Toll charges
 - Council related phone calls
 - Council related fax charges.
 - b. Local:
 - Mileage allowance
 - Parking

- Tolls
- Bus Fares
- Meals when necessary in performance of Council activities, when Council members or other outside officials are present and when business cannot be conducted at an alternate time.

- c. Non-allowable expenses:
- Spouses and other family member expenses
 - Alcoholic beverages
 - Flight insurance
 - Other entertainment
 - Traffic violations
 - Dependent care for employees

2. See Travel and Meeting Reimbursement Procedure (5.3.1) for details.

Employee Rewards and Recognition:

1. At the discretion of the Council, awards for individual or group achievements which are limited to non-cash/non-negotiable items of nominal value as provided under IRS guidelines (currently \$25.00).
2. Reasonable costs for annual official agency/institution employee recognition events.
 - Up to 100% meal reimbursement for employees being recognized.
 - No reimbursement for other guests.
 - No travel reimbursement or payment for alcoholic beverages.

Safety and Health:

1. Activities which do not exceed the State program.
2. Wellness program expenses related to the intervention and support activities identified in a formal health risk assessment which address employee safety and workers' compensation issues and where projected savings exceed the cost of the program.
3. In-kind benefits such as T-shirts, tickets, cups, etc. are not permitted expenditures.

Community Outreach:

Expenditures for police and transit open houses, wastewater plan open houses block parties, and picnics are prohibited.