

Minutes

Equity Advisory Committee



Meeting date: August 19, 2025

Time: 6:00 PM

Location: Virtual

Members present:

- Co-Chair, John Pacheco Jr., District 5
- Co-Chair, Carmeann Foster, District G
- Yassin Osman, District 7
- Dr. Tyronne Carter, District 3
- Toni Carter, District 14
- Michael Luseni, District A
- Vacant, District B

- Samirra Isse, District C
- Anita L. Urvina Davis, District D
- Zakariya Abdullahi, District E
- Vacant, District F
- Vacant, District H
- Vacant, at large

- Mitchel Hansen, at large
- Markeya Knight, at large
- Astrid Benedetto, at large
- Vacant, at large
- Vacant, at large
- Vacant, at large
- Vacant, at large
- = present, E = excused

Dakota Land, Water, and People Acknowledgment

The Metropolitan Council acknowledges that the land we currently call Minnesota and specifically the seven-county region is the ancestral homeland of the Dakota Oyate who are present and active contributors to our thriving region. As part of the Metropolitan Council's commitment to address the unresolved legacy of genocide, dispossession, and settler colonialism and the fact that government institutions, including the Metropolitan Council, benefitted economically, politically, and institutionally after the forceable removal of the Dakota Oyate, the Metropolitan Council is dedicated to instilling Land, Water, and People Commitments in regional policy. These commitments support the Dakota Oyate, the eleven federally recognized Tribes in Minnesota, Ho-Chunk Nation, and the American Indian Communities representing over 150 diverse Tribal Nations that call the seven-county region home.

Call to order

A quorum being present, Co-Chair John Pacheco called the regular meeting of the Equity Advisory Committee to order at 6:03 p.m.

Dakota Land, Water, and People Acknowledgment

The Dakota Land, Water, and People Acknowledgment was read by Co-Chair John Pacheco.

Agenda approved

It was moved by CM Dr Tyronne Carter, seconded by Anita Davis to approve the agenda. Committee Members did not have any comments or changes to the agenda. **Motion carried.**

Approval of minutes

It was moved by CM Toni Carter, seconded by Co Chair Carmeann Foster to approve the minutes of the July 15, 2025, regular meeting of the Equity Advisory Committee. **Motion carried.**

Public invitation

No conversation here.

Information

1. A Way to Prompt Payment, Jon Tao, Senior Small Business Specialist and Gilbert Odonkor, Manager of Construction Procurement, Hennepin County
2. Presentation Overview
 - Current construction payment methods create **delays, cash flow issues, and lack of transparency**, often leading to bankruptcies and disputes.
 - Project **Bank Accounts (PBAs)** are ring-fenced trust accounts ensuring timely, secure, and simultaneous payments to primes and subs.
 - PBAs deliver **faster payments (5–7 days)**, cost savings, transparency, and reduced financial risk for all project stakeholders.
 - Stakeholder **benefits** include stronger trust (owners), smoother cash flow (primes), reliable payments (subs), and reduced insolvency exposure (suppliers).
 - Challenges **in the U.S.:** fragmented laws, limited bank familiarity, industry resistance, and lack of government mandates/incentives.
 - Best **practices:** target large/long projects, establish trustee roles, engage banks, use standard contract templates, and educate stakeholders.
 - Key **takeaway:** PBAs improve trust, reduce disputes, and strengthen financial outcomes, with successful global models (UK, Australia) showing proof of impact.

Presentation Discussion

CM Toni Carter- Thank you very much for such a complete presentation on this. What I believe is an incredible opportunity for Metropolitan Council to, in its role, really lead in showing an example in our region of what can happen. Clearly the devil is in the details, as they say. But you have seen this working in other areas. As I really appreciate your bringing it forward and the reception that it has received so far at the Metropolitan Council, as far as I can tell, has been quite good. I am not answering a question, but I am asking a question. I want to see, and I've heard other Council members also were on this call and on the Council having heard about it. The project bank accounts from our own staff believe it was Ashanti Payne who shared this information and has been preparing the Metropolitan Council for its reception after it goes through the regional administrator and the cabinet to come back to actually vote to implement a project. A small project, the Right Size project which can be a trial and of course, even though things have been through trials in another area, it has to be our trial in order for everyone to believe it and move forward with it in other areas. So, I'm looking forward to hearing the response from the cabinet. Understanding then. How will the approval come before the Metropolitan Council? And knowing that we've heard from this team. Our EAC, having heard about this also from Ashanti, I believe, I hope I'm not. Replacing things in my head, but I'm pretty sure we heard about that here at this table as well, although not as much detail. And the Council has heard the EAC's real appreciation of this work. So I'm thinking that it is in process and that before too long we should have an opportunity to see this moving forward at the Metropolitan Council. Take some time, but I hope not too long. I'm hoping it's in that process right now and receiving the support of community and as you say, those who prime contractors and Subs. Would stand to benefit. I think everybody benefits because it's high transparency and visibility. It does create trust in all the things that you've talked about. It's also high accountability, because it puts everyone in agreement and with the KP is added as you've talked about, it helps us to be able to track the results of projects and the efficiency and management of projects over time to see documentation.

CM Toni Carter- Of what we have been able to secure in these projects. And so, I'm a big supporter. And I think you've got big supporters on the line here. Are there any catch 22's that we are not aware of that you may be able to share with us in terms of dangers or pitfalls that we need

to understand and remedy? And that is my question. I am hoping for the very best. And expediting the implementation of a project here at met Council. And thank you.

Gilbert Odonkor - If the question is about any pitfalls, I think you were right in saying that the devil is in the details. Pilot project will prove that out, but one of the areas that is often a question for prime contractors or of consent is a sabb completed a. A scope of work. I've included the amount in my pay application and let's say I want to stop that payment. Because for whatever reason. I want to stop that payment. I think it's something to discuss, usually with regular pay applications, the standard process once the pay application is made. The owner pays that amount. The money goes into the primes account. The prime controls the money. Now if the prime thinks a sub is delinquent on some work and they want to penalize them or have them submit some information that they have a delinquent on, they have a little bit of control. In doing that, so that is at least one area that I think needs to be worked out, to make sure that. Once that pay application is in, you have no way of turning it back because they will get paid and maybe the adjustment. The answer is that the adjustment will be made on subsequent pay applications, so there's some burden of proof or work on the prime and the Subs to make sure that that pay application and the work that it supports. Is completed well before it's approved because once it's approved that there's no correction there. It has to be paid out, so that's the one area, I feel it needs to be discussed because I can see that would be an area of concern to prime contractors.

Carmeann Foster - OK. Before we continue with more questions, I do want to make sure that we're using our lovely Robert's rules and all that good stuff. And I do want to thank our presenters, John and Gilbert, for your thorough presentation. And so, as we open the floor for continued questions, just reminder to us to our committee members to make sure that we are limiting our questions that we all get to ask the questions that we have. And yes. So, I see Michael Lucieni's hand up and the chair recognizes Michael Lucieni.

CM Carter, Tyrone- Yes, mine is more of a comment and I certain things as a former. Contract specialist for the Department of Defense. I've known about these issues for a while and I the idea that we are looking at some models overseas and taking some great things away of course. The pilot program is going to really tell us more about how this glove fits our fingers. But I just want to say that the issue and of fairness and equity when it comes to payment, I'm glad that's being addressed and hopefully if we can use this to go forward and benefit the minority and small business contractors, subcontractors also. A big part that I has already been stated, the audit trail is going to. Tell you a lot and I'm hope we're going to learn from each post started of these contracts. Once we set up a pilot to try to improve the system going forward. So, I just want to say thank you for all the work that was put into this and this. This is definitely a positive step.

Carmeann Foster- Thank you. I actually had a question and a comment. This sounds like a really amazing project and some really great work has gone into it and it'll really improve things for subcontractors. I wonder first if there are plans underway for how you all are going to do that community engagement piece of this work often are smaller and contractors of color don't necessarily know the right people. Bowl that helped them navigate these things all the time, and I do know that there are some different cohorts and things that are taking place across the state of Minnesota and wondered if your team has plans around engaging with the minority developers, cohorts and things that are taking. Place.

Gilbert Odonkor - Yeah, I think we mentioned earlier that we have run this by the National Association of Minority Contractors, the AWC and I believe the Agcs also aware. But with Hennepin County, we do have resources for small businesses where they can. Tap into for explanation of contract documents, bid documents, etcetera. We have legal counsel and it's 25 hours of free services. If you're within Hennepin County, you can access 25 hours of legal advice on this stuff for free. So, let's say we put out a solid station document and you need to understand the implications to your business. You can sign up 25 hours of legal services. Explain this to you without any cost to you. We used to have funds for a cohort for training. For project management bidding, estimating now the fence is dried up a little bit, but we are still fighting to have more money for those. Services or resources are made available, so we do that. There are organizations that we definitely will work with that will champion this to all their members.



Jon Tao - I would add to that that I would be wrong if I did not acknowledge the support that we have from neon. Warren over at neon and the support that he's given us throughout this process. We've been transparent in.

Jon Tao - Talking about this and wanting to share information about this and getting his feedback and he's been a champion at getting the community members that he's in touch with.

Jon Tao - And the folks that he's in touch with? So I have much gratitude to him and it's these types of relationships that will that we want to build more of these transparent relationships with these organizations. So, we definitely want to add to it and if there are any requests for any organizations that want to learn more about this, we're more than happy to create opportunities to engage and answer questions about this as well.

Carmeann Foster- Fantastic. Thank you. Are there other hands? Otherwise, I did have another question. This model sounds like a great opportunity to support subcontractors and getting paid. I wonder if there are similar models or other models under consideration that move our small and minority contractors closer to being the primary as opposed to. Supporting them in their subordinate position.

Gilbert Odonkor- Yeah, that's a very good question especially. In the horizontal construction world it is a challenge we are really short of primes that are small business in our marketplace across the board. And last year we started a collaborative effort with MnDOT, the state city of Minneapolis and Penn County. The one thing city of Saint. Paul is involved, but most of the infrastructure, public agencies, so to say, Met Council included, Ashanti is at the table with us talking about how we can build capacity for small businesses in our marketplace from certification to programs that we can put in place. Particularly on the transportation or the horizontal work area? On the vertical side, I think we have some small businesses with good bonding capacity, some of them have 30 million, some 20 million and when you look at the horizontal side, it's not the same. We all end up being self-contractors. And so how do we build that so that that's a very good question. We're working on how we can collaborate amongst these agencies to make sure that we have a standard for inclusions. If we have work, we want to be able to promote that same project to Med councils DBE firms or to Mendez DB firms. How do we create based on next codes? Firms that can do that work. So, let's take work we should have a group of firms that have the experience. Doing corporate work so that we can promote that to that group irrespective of whether they're DBE or SB or any other certification that is the only way we can build that capacity is going to be competitive. But you will have the chance to do more. Of any agency's work to build your capacity so that you're not limited to mend that, or to Med council, or to city of Minneapolis. So that work is on our way. That's a great question. It's in our marketplace; we have adequate small businesses with that capacity.

Gilbert Odonkor - Thank you for that question. But it reinforces the need for us to keep working on that. So, I appreciate it.

CM Yassin Osman- You ever heard about? First, I want to thank you guys. This creative presentation really makes. A lot of. Changes to the industry when it comes to payment. As we all know that the. The biggest barrier that small businesses have is cash flow. Once we have a solution for that, I think we will take a big step. My question is, do we engage the banks or the financial institutions? How do they see such an account? Especially we have. We have a Met Council for those who are familiar. With the management committee, we have seven or nine community banks that do business with Med Council. So, we started a conversation regarding this account. And thank you for the presentation.

Jon Tao - Yes. Chair and Council member, I can answer that one and I think we've. Began doing engaging with our finance department. They would be the channel that we would need to go through to help facilitate that type of conversation with the banks because they have a better understanding of the landscape and then some of the past relationships. But we would definitely need to engage all of the banks that we work with about this and, see if it's within some of their capabilities. That they can do. And then I think it would be beneficial for us too for some of the finance folks to be able to reach out to some of these larger banks that already have these



systems in place to better understand these services, so that. Ww have an idea about what is expected. And what's the paperwork or documentation that's needed to establish something this with the bank?

Gilbert Odonkor - I want to add to it, so chair and Council member, and I apologize for failing to address you as such in the past, but. Yeah. So, chair and Council member. So, Hennepin County, we work very closely with met Council on infrastructure projects, and we definitely, when we started talking about PBAS, took it internally to see if we could equally find a pilot project. At the time we did that, we weren't getting good traction about this whole process or this undertaking. But if once the instructions we're willing to equally explore the possibility of being the ones to have a pilot project to try it out. I believe our leadership will. Be happy to try this out once we share it with them we're sharing it with you here. So and that would lead to probing. What banking relationships we have and all the whole process, the whole 9 yards of educating our folks and hoping the processes we have to make sure that it works. Thank you.

Announcement

New members have been selected and interviewed.

Adjournment

Business completed; the meeting adjourned at 8:15 p.m.

Certification

I hereby certify that the foregoing narrative and exhibits constitute a true and accurate record of the Equity Advisory Committee meeting of August 19, 2025.

Approved this 16 day of September 2025.

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