

Faribault-Martin County Joint Transit Board – Executive Committee  
Martin County Courthouse  
201 Lake Avenue Fairmont, MN 56031  
April 5, 2019

The meeting was called to order at 8:00 a.m. by Board Chair Elliot Belgard.

Joint Transit Board Executive Committee members present were: Faribault County Commissioners Young and Groskreutz, and Martin County Commissioner Belgard. Missing was Martin County Commissioner Mahoney. Also present was Jeremy Monahan, Faribault – Martin County Transit Director.

Board Chair started the meeting by asking for any additions to the agenda. Commissioner Groskreutz asked that the May Executive Committee meeting date be set.

Motion made by Commissioner Young, seconded by Commissioner Groskreutz to approve the amended agenda. Motion passed unanimously.

Monahan produced an Unpaid Bills report totaling \$40,996.03 and as usual a number of the regular and recurring bills have not yet arrived and would need to be authorized for payment to avoid late fees. The D&R Repair bill was discussed. There was discussion to ensure that parts that are installed on the vehicles that have any warranty with them have the warranty utilized if possible among some other cost saving strategies. The other large bills were for the Office of State Auditor for the 2017 Audit that was recently completed and some earthwork at the Transit Facility to deal with poor driveway conditions.

Motion made by Commissioner Groskreutz, seconded by Commissioner Young to approve payment of the Unpaid Bills as presented, and to approve giving the Transit Director authority to continue to pay other regular and recurring bills at the discretion of the Transit Director upon receipt. Motion passed unanimously.

Monahan produced Bank Statements for the Transit Board. It showed that as of March 29, 2019 the Transit Board had \$134,136.52 for a bank balance. There was a large \$60,000 deposit which was the cash flow loans of \$30,000 from each county on the statement otherwise there were no unusual or particularly noteworthy transactions.

Monahan reported that the preliminary submittal to close out the 2018 Operations contract was completed. It showed that there was a revenue shortfall over \$37,000 in 2018 for local share. There was also an underpayment from MnDOT of over \$50,000 from their share. He noted that there is over \$118,000 due from the Quarter 4 Federal share for the 2018 Operations. Also, the 2019 Quarter 2 funds from MnDOT are due by the end of the month and the processing of that payment has been initiated. These funds will be more than \$248,000 in total. Discussion regarding the overpayment from 2017 of approximately \$190,000 ensued regarding paying that back to the state and how it may be difficult on cash flow again due to the timing of funding

received from the state and federal shares. County assistance may be necessary again. There will be further discussion and decisions on how to proceed when the final amount is determined.

Discussion turned to Old Business and the Facility Construction Contract Update. Monahan reported that MnDOT was ready to send out the Capital Contract for the construction project at the Transit Facility but realized that the property transfer recording had not yet been completed and submitted to them. Therefore the contract is being held until the recording of the property transfer is completed. Jean Meyer of MnDOT notified Monahan and Scott Higgins of Martin County and they have contacted the Martin County Attorney to work on completion of this task. MnDOT says once that is completed and submitted the contract will be able to be signed shortly thereafter and work construction related work can begin.

Discussion regarding the 2019 Vehicle Purchase contract ensued. Monahan said the contract to purchase two vehicles has been signed and executed. The vehicle vendors are being delayed due to some steps that needed to be completed before they can solicit to transit systems but once those steps are completed, MnDOT will notify the transit systems and the vendors and the purchasing process can begin. Commissioner Belgard asked about the local share amount, which is up to \$17,000 per bus. Monahan said these funds will not be needed until the vehicles are delivered which by now could be in 2020 due to the delayed contracts. It was also noted that the entire purchase amounts would again be needed to be fronted from each county to pay for the purchases and then paid back once the 80 percent is reimbursed from the state. Monahan noted he worked with each county for them to budget in 2019 for the gross money to be budgeted to pay for the entire purchase and then the net money for each county to handle the local shares. This was also done for the construction project funding which is reimbursable in nature.

Discussion turned to the Multi-Year Program Committee update which is a statewide committee facilitated by MnDOT Office of Transit and is a number of transit system managers working on formulating new ideas on how to do operating and capital contracts. Monahan said no decisions have been made by the committee but that there are lots of ideas being put out there, including Monahan's desire to have local shares reduced, and he wanted to know if the Executive Committee members had anything they would like Monahan to bring to the table. It was noted that a reduction in local share would be very helpful, especially while the system is still experiencing a shortfall in operations local share and the member counties have to shoulder the entire capital local share for each project. Commissioner Groskreutz asked if new services that are proposed and implemented could be paid for completely by the state. Monahan noted that the last time new service expansion was done, which the transit board did not apply for any expansion projects, the additional capital needs were paid for in full by the state and the operations were paid for in full less the farebox amounts that were captured. For example if the fareboxes only made up 5 percent of the cost of the new service expansion costs, MnDOT would pay for 95 percent of the costs so there was no gap. This funding method though is not in perpetuity however and would eventually be run like normal operations with a 15 percent local share. Monahan said the next meeting of the committee is in late April and local share amounts are to be the main topic of discussion.

Discussion turned to New Business. Monahan recounted how Commissioner Groskreutz had asked at the previous meeting if the checking account where the Transit Board funds are kept is interest bearing and if not, could it be. Monahan worked with staff from CCF Bank to determine what is allowed for accounts with public funds. They reported that as long as the Transit Board by-laws did not forbid having interest earning accounts, they are allowed. Monahan produced pages from the Accounting Procedures Manual for the Transit Board on how to deal with Accruals such as interest earned from bank accounts, so it is allowed by the Board by-laws and procedures to have such accounts. CCF has an interest bearing checking account that has a 0.5 percent Annual Percentage Yield (APY). He also noted that there are Certificate of Deposit (CD) options that have a higher APY. Commissioner Belgard noted that a CD would not be wise at this time as it restricts access to funds and the Transit Board has occasions where it needs to be able to utilize all available funds or even borrow from the member counties. The Executive Committee did however think switching to an interest bearing checking account would be wise and decided it should be discussed and considered by the Full Board later in the month at their meeting.

Discussion turned to an idea for generating sales of vehicle exterior advertisements. Monahan asked MnDOT if it would be allowed to select a vendor, instead of going through another fruitless solicitation, which would be able to be paid a set dollar amount per advertising contract signed, provided that the yearly total paid to this vendor does not exceed \$3,499 which is the micro-purchase threshold where solicitation is not required. MnDOT replied that it would be acceptable but expressed a desire to contact multiple vendors to ensure fair prices. Discussion ensued regarding different ways to approach a vendor that would be responsible for finding advertisers and dollar amounts to be paid per contract. Monahan reported that if 10 contracts are signed for one year it will result in \$24,000 in system revenue for only \$3,500 spent. The Executive Committee wished to have this topic discussed by the Full Board but was generally supportive of the idea.

Discussion turned to Personnel Actions. There were four actions to consider. Transit Driver Duane Anderson had completed his probationary period and was taken off probation and is now paid the regular driving wage. Transit Dispatcher Barbara Freeman-Caven needed to go on a leave of undetermined amount of time. Lastly, two new Probationary Transit Drivers were hired named Mark Hinz and Dan Schmidtke.

Motion made by Commissioner Groskreutz, seconded by Commissioner Young to accept all four Personnel Action requests. Motion passed unanimously.


Monahan produced the tables for system ridership. March had a good recovery from the past few months, even with a very cold start. Faribault County experienced its highest monthly ridership total ever since the merger. Martin County ridership was lower than previous years but it was noted that the previous two years had more days of operation than 2019 and if the average amount of daily ridership was added to the fewer days the amounts would have been similar to the previous two years. So it was shown that the numbers of days open and operating does really affect the monthly ridership totals. Monahan also showed a route by route chart of passengers per hour which showed that most routes are on a definite upward trend of ridership the past few months, so that trend is hoped to be continued.

The next Executive Committee meeting was decided to be held Friday May 10th at 8:00 a.m. at the Martin County Courthouse. The next Full Transit Board meeting is scheduled to follow the Human Services Board meeting on Wednesday April 17th in the Faribault County Human Services Conference Room in Blue Earth.

With no further business to wit, a motion was made by Commissioner Groskreutz, seconded by Commissioner Young to adjourn. Motion passed unanimously and the Board Chair adjourned the meeting at 9:20 a.m.

JOINT TRANSIT BOARD  
FARIBAULT-MARTIN COUNTIES

  
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Elliot Belgard, Joint Transit Board Chair

ATTEST:   
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Tom Mahoney, Board Secretary