

Faribault-Martin County Joint Transit Board
Prairieland Facility Conference Room
801 East 5th Street
Truman, MN 56088
Friday June 14, 2019 10:00 a.m.

The meeting was called to order at 10:05 a.m. by Board Chairman Elliot Belgard.

Joint Transit Board members present were: Faribault County Commissioners Young, Roper, Warmka, and Groskreutz, Martin County Commissioners Smith, Flohrs, Koons, and Belgard. Missing were Commissioners Loveall and Mahoney. Also present was Jeremy Monahan, Faribault – Martin County Transit Director.

Commissioner Belgard asked if there were any other additions to the agenda. There were none.

Motion made by Commissioner Koons seconded by Commissioner Flohrs to approve the agenda. Motion passed unanimously.

Motion made by Commissioner Flohrs, seconded by Commissioner Koons to approve the minutes from the April 17, 2019 Faribault – Martin County Transit Board Meeting. Motion passed unanimously.

Motion made by Commissioner Groskreutz, seconded by Commissioner Young to approve both the minutes from the May 10 and June 7, 2019 Executive Committee Meetings. Motion passed unanimously.

Discussion of Old Business began with the Transit Facility construction project. Monahan reported that the Martin County Attorney, Recorder, and Coordinator have completed the document that was required by MnDOT and the Minnesota Office of Management and Budget to get the construction contract finalized and out for signatures. These documents were emailed back to MnDOT on June 6th and we are awaiting word to ensure that they were done correctly and completely. The construction contract should arrive shortly and will be signed and work will begin in earnest shortly thereafter.

Discussion regarding the Multi-Year Program Committee ensued. Monahan reported that the Committee did meet again after the last Full Transit Board meeting. There was also the MnDOT Office of Transit Spring Workshop since the last meeting where more conversation regarding the possible changes that could be made to operation and capital contracts and programs were held.

It appears that the desired reduction of 15 percent local share for Operations is not likely to occur beyond the amended contract in 2019 which reduced local share to 5 percent. This decision had to be made at the state level due to the operations contract applications being due in mid-July and transit systems had to know the proposed local share for budgeting purposes.

There are still discussions to be had with this committee regarding potential reduction in capital purchases, in particular interest for the Transit Board, vehicles, and the applications for those

purchases are not due until later this year once more discussion and analysis is completed. Also of note from the committee is a desire by a number of low density rural systems, like ours, to have as part of their fleet smaller vehicles (mini-vans) that would have smaller original purchase costs and potentially much lower maintenance costs. MnDOT had been reluctant to allow this type vehicle purchase with state share funding in the past but as part of the discussion in this committee, the door to discussions is back open. So we will keep working towards that and a lower capital purchase local share for vehicles in general. There was a small amount of discussion regarding smaller vehicles and maintenance costs of the larger buses.

Discussion regarding the Transit Advisory Committee (TAC) membership ensued. Monahan reported that the TAC is supposed to meet with the Transit Director ideally on a quarterly basis to discuss transit issues both from the system and from the TAC members that they are encountering. Should any system changes be desired, like our timing and route modifications last year, MnDOT will want to know the opinions of the TAC during their approval process. Monahan reported that getting our TAC together has been a challenge. We've met an average of once a year since our inception as a Joint Powers Board. Many meetings have been cancelled due to low expected attendance. The meetings that were held had an average of 4 of the 10 members present. There has also been a good amount of turnover from people retiring, moving out of the area, etc. It was noted that Commissioner Loveall has had two appointees move out of town and have to leave the TAC. Also that Commissioner Koons had not been able to be fully briefed on the TAC by Monahan to replace the TAC member appointed by former Commissioner Schmidtke. Discussion regarding where a commissioner's appointee should reside took place and it was noted that while it would be nice for a commissioner to be able to find someone from within their district, it is not required. It was also noted that recruitment had been difficult due to the lack of incentives available for TAC members, such as a per diem for attending a meeting. The Transit Board would have to shoulder that cost at 100 percent. The Board noted that any missing members or low attendance members would be looked at and hopefully a fuller roster will be available for a planned early fall meeting.

Discussion turned to New Business. Monahan presented the draft budget for a new two-year operations contract application to the Transit Board. The application for the 2020-2021 operations grant is due on July 15, 2019 so approval of a budget would need to occur at this meeting. The budget has a baseline of the 2019 grant amount with inflationary increases of 3.4 percent a year per advisement from MnDOT. It was noted that in 2020 a number of line items have a larger than 3.4 percent increase due to increased expenses due to the operations of the system being moved fully to the Transit Facility in Fairmont and new burdens associated with ownership such as higher property insurance premiums and new phone service expenses. Staff wage increases were kept below the 3.4 percent annual increase and are proposed to maintain the historical 3 percent increase per year for all non-probationary employees. The increase from 2020 to 2021 was overall under 3 percent and the increase over the 2 year contract from 2019 to 2021 is 7.4 percent. Also of note, in 2018 the Transit Board approved a budget of \$1.299 million for the 2019 application. The total amounts for both 2020 and 2021 are below the approved amount for 2019 (\$1.242M in 2020 and \$1.275M in 2021). Monahan said there could still be adjustments to each line item after the application is submitted, but desired the presented budget to be approved for the application.

Motion made by Commissioner Groskreutz, seconded by Commissioner Roper to approve the proposed two-year budgets as presented. Motion passed unanimously.

As part of the application, the Transit Board must pass a resolution defining the agreement that will be implemented with MnDOT. This resolution defines that the Transit Board will be responsible for up to 15 percent of all Operations Expenses, up to 20 percent of all Capital Expenses, and 100 percent of all overages. Monahan reported that the language “up to” before each percentage is new this year and allows flexibility for MnDOT to reduce the local share if they deem it possible. The following is the resolution was presented to the Board with the Chair conducting a roll call vote:

**RESOLUTION IMPLEMENTING AGREEMENT WITH MNDOT AND
FARIBAULT – MARTIN COUNTY TRANSIT BOARD dba PRAIRIE LAKES TRANSIT
YEAR 2020-2021 PUBLIC PARTICIPATION OPERATIONS GRANT**

BE IT RESOLVED, the Faribault – Martin County Transit Board enters into an Agreement with the State of Minnesota to provide public transit services to the people of Faribault County and Martin County under the common name Prairie Lakes Transit;

FURTHER RESOLVED, that the Faribault – Martin County Transit Board agrees to provide a local share of up to 15 percent of the total operating costs and up to 20 percent of the total capital costs.

FURTHER RESOLVED, that the Faribault – Martin County Transit Board agrees to provide 100 percent of the local share necessary for expenses that exceed funds available from the State.

FURTHER RESOLVED, that the Faribault – Martin County Transit Board authorizes the Transit Director or Board Chairperson to execute the aforementioned Agreement and any amendments thereto.

BE IT FINALLY RESOLVED, upon a motion by Commissioner Groskreutz, and seconded by Commissioner Roper, and PASSED with 8 ayes and 0 nays.

Said Resolution was adopted this 14th day of June, 2019.

Next Monahan presented to the Board the specifications and prices for two different vehicles that are desired to be purchased with the 2019 Vehicle Purchase Contract with MnDOT. Monahan reported that they are two different buses with different prices. One is going to be based in Faribault County and is very similar to the style they have historically had in their fleet and the other will be based in Martin County and is like the last couple buses purchased by the Transit Board.

Discussion was led by Commissioner Warmka regarding some of the more costly maintenance and repair issues that the buses had been having the past couple years, in particular air conditioners. Monahan stated that he had talked extensively with the vendors about the repair problems and these vehicles have some options that are hopeful to reduce those expenses in the future, such as dual compressors for each air conditioning unit. It was also noted that the powertrain warranty would be handled by Ford who manufactures the chassis. Finally Commissioner Smith asked for clarity on the initial up-front financial contributions from each County and then the net amount each county would be responsible for with these purchases which is 20 percent of the grand total and Martin County responsible for 62 percent and Faribault County responsible for 38 percent of that 20 percent.

Motion made by Commissioner Flohrs, seconded by Commissioner Smith to accept the two presented buses to be purchased by the Transit Board with the 2019 contract. Motion passed unanimously.

As part of the Capital Purchase Grant Purchase Process, the Transit Board must pass a resolution defining the specific vendor(s) and vehicle price(s) that is to be submitted to MnDOT as part of

the purchase agreement with the selected vendor. The following resolution was presented to the Board with the Chair calling a roll call vote:

**RESOLUTION AUTHORIZING PURCHASE OF NEW TRANSIT VEHICLE FOR FARIBAUT – MARTIN COUNTY TRANSIT BOARD
dba PRAIRIE LAKES TRANSIT**

WHEREAS, the Faribault – Martin County Transit Board operates a transit system; and
WHEREAS, the Faribault – Martin County Transit Board desires to purchase, through the State of Minnesota Cooperative Procurement Process, a vehicle to be used in the transit system; and
WHEREAS, the vehicle cost is allocated 20% local share and 80% State/Federal share of the “contract amount”; and
WHEREAS, the Faribault – Martin County Transit Board staff has reviewed the vehicle options offered by approved multiple contracting vendors; and
WHEREAS, the staff recommends purchasing two vehicles from North Central Bus and Equipment for the reasons of best value and past vendor performance, and
NOW, THEREFORE, BE IT RESOLVED the Faribault – Martin County Transit Board hereby authorizes the purchase of a new transit bus from North Central Bus and Equipment in the approximate amount of \$81,103 and a new transit bus from North Central Bus and Equipment in the approximate amount of \$84,534.
BE IT FINALLY RESOLVED, upon a motion by Commissioner Groskreutz, and seconded by Commissioner Smith, and PASSED with 8 ayes and 0 nays.
Said Resolution was duly passed and adopted this 14th day of June, 2019.

Discussion regarding the system ridership report ensued. Monahan presented charts and explained April was a great recovery from a slow late winter marred by bad weather and closings. April system wide was the highest April ridership total since the merger and for the Faribault County routes, April showed the highest monthly ridership amount ever with just fewer than 1,200 rides provided.

May had another very strong month from Faribault County routes, but on the flip side showed the worst performance in Martin County routes for May in the system’s history. System wide it was pretty much right in the middle of a very narrow range of historical monthly ridership amounts.

Monahan reported that staff has begun analysis of what could be causing the ridership drops in Martin County and Fairmont in particular as the city routes have started to perform noticeably lower than previous months. It was discovered that in May alone there were over 300 cancellations in the system. It is still being analyzed as to what routes and times and other relevant data can be extracted from the analysis but the goal is to discover anything that the transit system can control that is causing these cancellations. If a person’s plans change, there isn’t much to be done but if the cancellation is due to our performance, hopefully it can be discovered and rectified. Initially it does not appear to be late arrivals as our on-time percentage (within our accepted window of 5 minutes for route deviations and 15 minutes for demand response) is around 85 percent. This analysis and marketing and community outreach will continue this summer.

Monahan presented the Bill Payment Report showing all bills paid since the last Full Board meeting on April 17, 2019. There was brief discussion regarding a few specific bills, in particular larger vehicle repair bills, some of which were due to incidents that caused damage and would be reimbursed through insurance claims. Monahan concluded by saying that by the end of the year the Board should consider reducing the discount given for token pack purchases and subscription rides. Doing this could help reduce or eliminate revenue target shortfalls and

cash flow shortages, which are predicted to continue to be an issue moving forward, especially with a 15 percent obligation for operation expenses

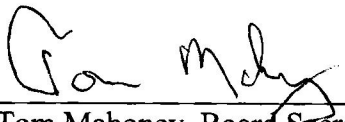
The next Executive Committee meeting is on Tuesday July 9, 2019 at 8:00 a.m. at the Martin County Courthouse in Fairmont. The next Full Transit Board meeting is scheduled for August 21st at the Faribault County Human Services Conference Room in Blue Earth.

With no further business to wit, a motion was made by Commissioner Groskreutz, seconded by Commissioner Young to adjourn, the Board Chair adjourned the meeting at 11:20 a.m.

JOINT TRANSIT BOARD
FARIBAULMARTIN COUNTIES



Elliot Belgard, Joint Transit Board Chair

ATTEST: 

Tom Mahoney, Board Secretary