

Faribault-Martin County Joint Transit Board
Prairieland Facility Conference Room
801 East 5th Street
Truman, MN 56088
Friday August 16, 2019 10:00 a.m.

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

Joint Transit Board members present were: Faribault County Commissioners Young, Roper, Loveall, and Groskreutz, Martin County Commissioners Mahoney, Flohrs, Koons, and Belgard. Missing were Commissioners Smith and Warmka. 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 Mahoney, seconded by Commissioner Flohrs to approve the agenda. Motion passed unanimously.

Motion made by Commissioner Flohrs, seconded by Commissioner Roper to approve the minutes from the June 14, 2019 Faribault – Martin County Transit Board Meeting. Motion passed unanimously.

Motion made by Commissioner Groskreutz, seconded by Commissioner Mahoney to approve the minutes from the July 9, 2019 Executive Committee Meetings. Motion passed unanimously.

Motion made by Commissioner Mahoney, seconded by Commissioner Groskreutz to approve the minutes from the August 7, 2019 Executive Committee Meetings. Motion passed unanimously.

Discussion of Old Business began with the Transit Facility construction project. Monahan reported that a few more loose ends had to be worked out at the state level and some documents signed by Martin County staff and officials. The MnDOT Project Manager reported to Monahan that the contract is going through its final drafts and should arrive shortly. It will be signed and work will begin in earnest shortly thereafter. MnDOT staff has also provided a template RFP for a firm to do final design and construction management services. The template is currently under review and being revised by staff with help from MnDOT staff and will be completed after the contract is signed and then presented to the Executive Committee before solicitation begins. The construction contract should arrive shortly and will be signed and work will begin in earnest shortly thereafter.

Discussion regarding the Transit Board's Financial Position ensued. Monahan presented the Board with a table explaining the current financial liabilities of the Transit Board to each member county and to the State of Minnesota. There was discussion regarding some of the specific dollar amounts and how they came to be. Commissioner Loveall asked about the cash flow loans and if they were an even split or followed the 62/38 Martin County/Faribault County split that is used in regards to each County's liability. It was noted that they were an even split between the counties. Commissioner Loveall also noted that one reason this exercise was asked

of Monahan was to determine current liabilities, especially in relation to the loans that were given to the Transit Board back in 2015 and 2017 for the Transit for the Future Grant and for cash flow operations which had already been paid back to Martin County through a reduction of their Transit Reserve Fund that was transferred to the Board in 2017. Since all TFF and 2017 loans had been repaid to Martin County there was a desire to see if it was financially feasible to repay Faribault County the remaining amount of their share for those loans so there was a level field again. Monahan showed three scenarios of the impact to the Transit Board cash flow where different levels of loan and liabilities were paid back. First, there is a projected \$192,000 overpayment from 2017 operations from MnDOT that is expected to become due in the fall of 2019. That loan was repaid in all scenarios analyzed but the timing and exact amount will not be known until MnDOT completes their audit. The other two scenarios showed paying back Faribault County the approximate \$42,000 that is still due to them from their original TFF and 2017 cash flow loans that Martin County had been repaid through the Reserve Fund transfer and also to repay all loans and liabilities to the State, Martin County and Faribault County. Each scenario showed projected cash flow issues at different time periods depending on the amounts repaid. It was noted by Commissioner Groskreutz that all scenarios will eventually lead to a cash flow issue where County assistance will be needed again. Discussions regarding the expectation that ongoing loans from the member counties might be necessary moving forward instead of keeping liabilities on the books of the Transit Board ensued. Commissioner Belgard noted that decisions did not need to be made today and that this report was for information purposes and that once the MnDOT overpayment is repaid, the analysis of position and repayments can be looked at again with a clearer picture.

Discussion turned to New Business. Monahan started by reporting that the previous day he had received word from MnDOT that the 2020-2021 application that was submitted in July for the \$2.516 million that was asked for and was presented to the Board in June was approved. Monahan then presented to the Transit Board the proposed details of the Capital and New Service application for 2020 which is due on August 30, 2019. There are four different projects proposed for the pending applications. The plan includes the purchase of two replacement buses at an approximate cost of \$88,000 each and a local share of 10 percent. Two vehicles will be applied for instead of the traditional one because of the reduction in local share to 10 percent and the ability to get twice as many vehicles for the same financial commitment. It was noted this is part of the intent of MnDOT lowering the local share, to increase the speed of replacement of vehicles. There is a plan to expand service to have Monday through Thursday evening service added to the City of Fairmont with a Demand Response route. With the hours calculated to accomplish this and the assumed cost per hour to operate in 2020 the total cost to add that service is approximately \$41,000 annually which, if approved by the State, would be added to the 2020-2021 Operations Contract where the local share will be 15 percent. Finally to conduct the new service efficiently it is proposed to add a Class 200 (accessible mini-van) to the fleet which has a range of prices but a conservative figure of \$50,000 is being used for planning. These type vehicles are not allowed to replace any current fleet vehicles so in order to get MnDOT's participation in the purchase price, it has to be part of the New Service application. This type of capital purchase has a local share of 20 percent. Discussion ensued regarding the New Service and the Class 200 mini-van merits and if this is additional hours or a reworking of existing hours. Monahan reported that this is being applied for as strictly new hours of service. Commissioner Loveall asked if this would change the 62/38 percent split and Monahan said it might but with

less than 900 hours annually out of over 28,000 current service hours the change would be minimal. There was discussion about if the New Service is approved without the Class 200 vehicle and it was decided to wait to see what comes of the application. Finally Monahan noted that a random survey of Fairmont routes asking if people would likely utilize a service on weekday evenings until 10 pm and over 80 percent responded that they would.

Motion made by Commissioner Groskreutz, seconded by Commissioner Flohrs to approve the projects as presented for the applications. Motion passed unanimously.

Discussion regarding the system ridership report ensued. Monahan presented charts and explained how July continued the unprecedented pace that has been fairly consistent throughout 2019 for Faribault County and for the Martin County routes ridership improved to an average amount compared to previous years. Due to the higher ridership July 2019 was the highest overall ridership ever for a July for the system.

Monahan noted that the routes serving the City of Fairmont have been on a decline this year causing Martin County's numbers to be so much lower than previous years and affecting the entire system ridership amounts. It appears that the decline has leveled off for now but work is being done still to determine what may be causing the decline. Some of the analysis includes a pinning / mapping study of ridership comparisons from January when ridership on the Fairmont routes was high to June when the amounts seemed to have reached their low point. These comparisons are hoped to show if there are any specific areas of origin or destination that have had a significant decrease and efforts can be made to recapture those riders if possible. Other thoughts that might be causing the decline is area competition along with customer satisfaction and ways to gauge and quantify that variable such as a satisfaction survey or something like that which will be developed and deployed by staff to identify if there are any potential reasons customer dissatisfaction may be the cause for the decline in ridership. Monahan noted complaints are pretty rare and the recent launch of the system's Facebook page by the Operations Manager has resulted in some very positive feedback so far. Discussion regarding the typical decline in summer riders and the cause of that followed. Monahan noted that June 2019 was a terrible unexpected drop in ridership but with the recovery in July and the trend for August to have higher ridership than July it is hoped that ridership and revenue are on the increase again.

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, including discussion regarding the replacement of the Carbon Monoxide detection and removal system at the Fairmont Transit Facility. It was also noted that Jay's Shop in Blue Earth had an increase in vehicle work for the Transit Board and Commissioner Roper had spoken to them regarding the new business they were getting. Monahan said they had emerged as a cost effective option for some of the vehicle repairs and maintenance.

The next Executive Committee meeting is on Tuesday September 10, 2019 at 8:00 a.m. at the Martin County Courthouse in Fairmont. The next Full Transit Board meeting is scheduled for October 16th at the Faribault County Human Services Conference Room in Blue Earth following the Human Services Board meeting.


With no further business to wit, the Board Chair adjourned the meeting at 11:25 a.m.

JOINT TRANSIT BOARD
FARIBAULMARTIN COUNTIES



Elliot Belgard, Joint Transit Board Chair

ATTEST:



Tom Mahoney, Board Secretary