

Faribault-Martin County Joint Transit Board
Martin County Courthouse
201 Lake Avenue
Fairmont, MN 56031
Wednesday June 16, 2021 10:00 a.m.

The meeting was called to order at 10:00 a.m. by Board Chairman Elliot Belgard. This meeting was held with teleconference attendance capabilities under Minnesota Statute 13D.021 which allows for teleconference meetings while in a state of emergency during a health pandemic.

Joint Transit Board members present in person were: Faribault County Commissioners Groskreutz, Roper, and Young and Martin County Commissioners Belgard and Forshee. Participating Board Members via internet teleconference were Martin County Commissioners Koons and Flohrs and Faribault County Commissioners Loveall and Anderson. Missing was Martin County Commissioner Smith. Also present in person was Jason Sorenson, Fairmont Sentinel, and Jeremy Monahan, Faribault – Martin County Transit Director.

Commissioner Belgard asked if there were any additions to the agenda. There were none. Motion made by Commissioner Groskreutz, seconded by Commissioner Young to approve the agenda as presented. Motion passed unanimously by roll call vote.

A motion was made by Commissioner Forshee, seconded by Commissioner Groskreutz to approve the meeting minutes for the April 21, 2021 Full Board meeting, May 5 and June 4, 2021 Executive Committee meetings. Motion passed unanimously by roll call vote.

Discussion turned to the Transit Board Financial Position Matrix update. Monahan reported the matrix has been updated to include the new Reserve Fund balance at the beginning of 2020 which was \$81,175 due to the 2019 Operations Contract being changed to a 5 percent local share. Anything earned over that 5 percent was able to be put into the Reserve Fund. Also updated was the over / under payment statuses for 2018 and 2019 contract years. MnDOT had underpaid the transit board by \$55,262 from the 2018 operations contract. The contract audit was delayed but finally completed and payment from MnDOT arrived in April of 2021. Also it was calculated that for 2019 the board was overpaid by \$4,723 which will have to be paid back upon the completion of the 2019 contract audit. Monahan said it is likely to come due in mid to late 2022.

Newly added to the matrix is the county and transit board responsibilities' for local share of the construction project. Each county had committed in 2019 to bear the burden of 20 percent local share for the project. That amount was \$54,000 total with 62 percent coming from Martin County and 38 percent coming from Faribault County. At this point the contract has gone \$12,592 over the \$270,000 contracted amount with MnDOT. Any overage would need to be covered 100 percent locally. The Reserve Fund balance could handle that overage but the matrix also presents what each county could be responsible for if the counties were to bear the burden of the overage. Monahan reported that at their April meeting the Executive Committee passed a motion to recommend to the Full Transit Board that they approve utilizing the Transit Reserve Fund to handle any overage amounts from the construction project.

After discussion a motion was made by Commissioner Groskreutz, seconded by Commissioner Koons, to follow the Executive Committee recommendation and rely on the Transit Reserve Fund to cover any cost overages above the \$270,000 that will not be covered by the contract with the state at 80 percent or the 20 percent local share to be split proportionally by each member county. Motion passed unanimously by roll call vote.

Commissioner Flohrs left the meeting at this time for another commitment.

Commissioner Loveall brought up for discussion the section of the matrix that shows what is still owed to each county for cashflow loans provided by each county in previous years. Much of Martin County's share was paid off by utilizing the Martin County Transit Reserve Fund before turning it over to the Transit Board however Faribault County's loans had only been reduced by their share of any operating shortfalls for 2016 – 2018 contract years. They were still owed \$41,990 from the original \$70,000 from the 2015 and 2017 cashflow loans. Both counties were still owed \$30,000 from cashflow loans in March of 2019. There had been discussions in the past that once the 2018 contract underpayment was received, which it was in late April 2021, consideration would be given to repaying the original balance of \$41,990 to Faribault County which would then allow the balance owed to each county for cashflow loans to be even at \$30,000 each.

After discussion a motion was made by Commissioner Young, seconded by Commissioner Forshee, to have the Transit Board repay \$41,990 to Faribault County to satisfy the loans for cashflow from 2015 and 2017. Motion passed unanimously by roll call vote.

It was noted that the local share funds for construction from each county will be physically paid by the counties to the Transit Board upon completion of the project. This way there is a more defined paper trail of money changing hands and for what reasons. For now the Transit Board has adequate funds in their bank account to handle making the payments to the contractors and receiving the 80 percent reimbursement from the state and can wait for the 20 percent local share from the counties. More discussions on these payments will occur in future meetings.

Discussion turned to an update on the Facility Construction project. Monahan reported that the facility construction project is not yet completed after encountering a large number of delays, particularly in product supplies. This issue is very common recently in many industries. Phase 1 which entailed all the new construction spaces being completed has been primarily finished. Staff has moved from the old existing spaces into their new offices and operations are continuing. The existing spaces are in the midst of their refurbishment for repurposing the spaces to a meeting room and copy room with kitchenette. Monahan noted that Martin County IT staff has been instrumental in assistance with maintaining phone and internet connections in the new office spaces. There are a few short term fixes in terms of phone and internet service with planning for a longer term solution underway that will be apart from the construction process upon its completion. APX Construction currently plans to be fully completed by early July after the Independence Day holiday.

Discussion turned to New Business regarding the purchase of two new cutaway buses for the Transit Board. Monahan reported that for 2020 the transit board was awarded two cutaway buses and one accessible mini-van. The mini-van purchase is not able to be completed yet as there are more details to work out with procurement processes with MnDOT. Notice to proceed

for the purchase of the two cutaway buses was received in mid-May of 2021, which was quite a delay, and there is a 60 day deadline to submit the purchases to MnDOT. Part of that submittal must include a resolution by the Full Board noting the vendor(s) that were chosen and the exact cost of each vehicle.

Monahan has had discussions with multiple vendors on the phone and pricing from all vendors is accessible from a database of all costs for buses and options online which he has analyzed for base vehicle costs and specific options desired on the Transit Board buses after discussions with staff. After the analysis and receiving quotes from multiple vendors it was decided to pursue the purchase of two cutaway buses with North Central Bus and Equipment.

The Executive Committee passed a motion at their April meeting to recommend that the Full Board approve the purchase of two cutaway buses from North Central Bus and Equipment at a price to be determined before the meeting but that will be approximately \$92,000 each. Since that meeting Monahan has refined the options with North Central and the two vehicles will cost approximately \$92,348 and \$92,183 total. Each contract has a maximum of \$92,000 in state and federal funds with a 10 percent local share. Anything over the contract amount, in this case approximately \$531 total has to be paid 100 percent locally. Monahan noted it is best to utilize as much of the MnDOT contract amount as possible with these purchases and then utilize a small amount of the reserve fund if necessary, which would be the case for these purchases. To approve the purchase the following resolution was considered and passed by the Transit Board:

RESOLUTION AUTHORIZING PURCHASE OF NEW TRANSIT VEHICLE FOR FARIBAULT – 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 10% local share and 90% 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 two new transit buses from North Central Bus and Equipment in the approximate amounts of \$92,348 and \$92,183 total.

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

Said Resolution was duly passed and adopted this 16th day of June, 2021.

Discussion turned to the 2022 proposed Operations budget to consider for the contract application due at the end of June. Monahan reported that for 2022 MnDOT is soliciting for a one-year contract rather than continuing with a two-year contract at this time. Also, MnDOT has committed to funding 100 percent of the operations cost with 0 percent local share. However to afford this financial commitment MnDOT will only allow approximately a 2 percent increase over the 2021 budgeted amount from the 2020-2021 operations contract. They also stated that they will be very open to allowing use of Transit Reserve Funds to handle any expenses over the 2 percent allowed. MnDOT has sent the Transit Board a revised expected 2022 budget amount of \$1,351,000 based on the 2021 budgeted amount and some anticipated larger increases in certain line items like potential wage increase and insurance costs.

Monahan stated that due to a severe worker shortage it is necessary to consider an enhanced increase in part time staff wages in order to make the positions more attractive and in order to retain existing staff. Work has been done on different scenarios for wage increases from the typical cost of living 2.75 percent to a wage that would be similar in line with the grade and step scale that full time staff was put on in 2020. Monahan presented a table summarizing how much overall budget would be needed to accommodate three different levels of part-time employee wage increases. The 2.75 percent cost of living, which Monahan believed is too low to increase attractiveness of the positions, a modest increase ranging from 5 to 9 percent depending on the job title, and being close to the step scale full-time employees are currently on which had increases approaching 18-20 percent, which is likely too much of a one-time increase.

During the Executive Committee meeting in April, the \$1.351 million expectation was closer to \$1.3 million and there were discussions about how much reserve funds may need to be used based on the different wage increase amounts being considered. At the meeting a motion was passed to recommend to the Full Board that they approve a 2022 budget for the application with the “modest” increase in wages for part time staff included, or about 5-9 percent, rather than the low end of 2.75 percent or the high end of the grade and step scale. The Reserve Fund is expected to have approximately \$90,000 at the beginning of 2022 and is estimated to grow by \$142,000 in 2022 due to the 0 percent local share and all revenues being able to be added to the Reserve Fund. With the updated budget figures from MnDOT, the modest wage increase is possible with only planning to use approximately \$24,000 in reserve funds. Monahan also noted that 2022 wages are not being decided today. Rather the proposed budget and line item details are being considered for the 2022 operations contract to ensure that enough money is budgeted for each line item, especially potential wage increases. Actual wage increases will be decided in December when the 2022 budget is known and performance evaluations are completed.

Motion made by Commissioner Koons, seconded by Commissioner Loveall, to approve the proposed budget totaling \$1.35 million for the 2022 Operations application realizing that to accommodate a modest wage increase for part-time staff, some reserve funds may need to be utilized. Motion passed unanimously by roll call vote.

As part of the 2022 Operations Contract application, a resolution must be considered and passed by the Transit Board to agree to certain terms such as the maximum local share required for doing business with MnDOT to provide transit services for our area. The following resolution was considered and passed by the Transit Board:

***RESOLUTION IMPLEMENTING AGREEMENT WITH MNDOT AND FARIBAULT – MARTIN COUNTY TRANSIT BOARD
dba PRAIRIE LAKES TRANSIT***

YEAR 2022 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 cost 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 Young, and seconded by Commissioner Anderson, and PASSED with 8 ayes and 0 nays.

Said Resolution was adopted this 16th day of June, 2021.

Faribault – Martin County Transit Board
Full Transit Board Meeting Minutes
June 16, 2021

Monahan noted that even though the resolution states “up to 15 percent” for operations and “up to 20 percent” for capital in 2022 the local share for operations will be 0 percent, and the local share for vehicle capital purchases is expected to remain 10 percent.

Discussion turned to the Ridership Report. Monahan noted that ridership has dropped in the last few months. Part of this is the expected reduction due to warmer weather months. Part of it is still due to less people needing to be brought to employment. This is particularly prominent in the effect the closing of MRCI in Fairmont has had on the transit system. The routes that are subject to the biggest reductions are the routes that had robust subscription ridership with the MRCI work center.

There is still a strong base of people needing rides for shopping and medical appointments. USC preschool ridership is close to being back at pre-pandemic levels. Monahan also noted that the system entered into an agreement with Faribault- Martin County Human Services to do a daily transport of documents, materials, etc. between the Fairmont office and the Blue Earth office which is invoiced to them as a round trip on the Gold Route.

Ridership is down in systems statewide to differing degrees. We are about in the mid-range from anecdotal evidence of ridership reductions. Some systems have bounced back more while some are still struggling to a greater degree. Fare collection suspension was obviously driving some ridership numbers higher than normal.

Commissioner Young asked since there is daily transport of documents for Human Services if the transit system would be allowed to do other deliveries such as prescriptions. Monahan noted that would be allowed with the charge of a fare but the concerns to be aware of is the transit drivers are not allowed to cross thresholds into buildings, particularly private residences, so the sender and receiver would need to be aware of this condition as part of the delivery. Commissioner Groskreutz asked if transferring of books between libraries would be allowed and Monahan noted again that it would be allowed, with the charge of a fare. He also noted that if package deliveries begin to disrupt the primary purpose of transporting people, the delivery service may need to be delayed or scaled back. An example would be when the transit system did Meals on Wheels for a few months during the pandemic to keep volunteer drivers safe at home and still keep the Meals on Wheels program operating. Eventually it became too difficult to commit a route for those deliveries as ridership increased and they were transitioned back to local volunteer groups for delivery. Commissioner Koons asked if there are any plans to revisit the proposed contracts with Mayo Clinic and United Hospital District that were on the verge of being completed when the pandemic started. Monahan said the data available to calculate a proper contract amount based on assumed rides is old and pre-pandemic so he was hesitant to approach them with potentially incorrect data. It was noted though that since 100 percent of the operation costs are covered in 2022, a contract where the transit system is possibly underpaid would not be so detrimental. Then the contract could be renegotiated for 2023 and beyond based on more current ridership data. Monahan said he would look into all three ideas for the transit system.

Discussion turned to the Bill Payment List. Monahan presented a report showing all bills paid since the April 21, 2021 Full Transit Board meeting. There was little discussion regarding the bills that had been paid recently.

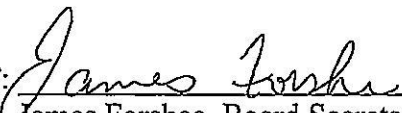
It was noted the next two Executive Committee meetings are scheduled for Friday July 9th and Thursday August 5th at 8:00 a.m. at the Martin County Courthouse in Fairmont with the potential for teleconference attendance. Commissioner Young asked if the refurbished Transit Facility would be able to accommodate the July Executive Committee meeting, especially with possible attendance by the contractor and architect for the commissioners to ask them questions. Monahan was not sure if it would be ready in July but as soon as possible meetings at the Transit Facility can be considered. The next Full Transit Board meeting date is scheduled to take place in August following the Human Services meeting. That meeting may be held entirely in person and would likely be held in Blue Earth at the Human Services conference room.

With no further business to wit, a motion was made by Commissioner Koons, seconded by Commissioner Young to adjourn and after a unanimous roll call vote the Board Chair adjourned the meeting at 11:15 a.m.

JOINT TRANSIT BOARD
FARIBAULT MARTIN COUNTIES



Elliot Belgard, Joint Transit Board Chair

ATTEST: 

James Forshee, Board Secretary