

Faribault-Martin County Joint Transit Board
Faribault County Human Services Center Conference Room
412 North Nicollet Street
Blue Earth, MN 56013
Wednesday December 22, 2021 10:00 a.m.

The meeting was called to order at 10:20 a.m. by Board Chairman Elliot Belgard.

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

Commissioner Belgard noted there would be a closed meeting added to the end of the meeting to discuss a personnel matter and asked if there were any other additions to the agenda. There were none. Motion made by Commissioner Koons, seconded by Commissioner Anderson to approve the agenda as amended. Motion passed unanimously.

A motion was made by Commissioner Loveall, seconded by Commissioner Young to approve the meeting minutes for the October 20, 2021 Full Board meeting. Motion passed unanimously.

A motion was made by Commissioner Groskreutz, seconded by Commissioner Forshee to approve the meeting minutes for the November 5 and December 10, 2021 Executive Committee meetings. Motion passed unanimously.

Discussion turned to an update on the vehicle purchases for 2021. Monahan reported that at the October Full Board meeting, the Executive Committee was given the authority, due to a timing issue, to approve a resolution noting the price, model, and vendor of each vehicle being purchased. At the time it was noted that the Full Board will give the authority to pass the purchase authorization resolution to the Executive Committee and at the December Full Board meeting a report on all purchases will be made and the resolutions can be accepted by the Full Board. There were two resolution passed. One for the 5311 funding which was the 90/10 split and where there were 6 vehicles purchased from North Central Bus and Equipment. The other resolution was for one vehicle purchased from United Bus Sales. This utilized the 5339 funding which was 100 percent funding at the state and federal level with no local share needed. Five buses were purchased for \$94,987 and one bus for \$94,967 totaling \$569,902 with a 10 percent local match required. One bus was purchased for \$99,991 and will not have a local share. Monahan shared copies of the resolutions, the vehicle order forms, and the vehicle floor plans.

Motion made by Commissioner Loveall, seconded by Commissioner Smith to accept the two resolutions regarding vehicle purchases passed by the Executive Committee with authority from the Full Transit Board. Motion passed unanimously.

Discussion turned to a Revised Accounting Policies and Procedures Manual. Monahan reported that the current policy has caused a number of findings during audits in previous years. Certain language was missing regarding specific policies, specifically cash policies, net position, and

compensated absences. Language would need to be added correctly to bring the manual into compliance. After consulting a number of other systems and entity's manuals a draft was made that satisfied the Office of State Auditor provided the Full Board adopts the manual. Adoption will remove the finding from future audits and satisfy it for our current audit. Commissioner Loveall asked if these were policies already being followed, just not documented and Monahan noted that was the case. The methods and policies just needed to be formally documented and adopted. It was noted that at the December meeting the Executive Committee passed a motion recommending that the Full Board approve the proposed changes and adopts the new Accounting Policies and Procedures Manual.

Motion made by Commissioner Koons, seconded by Commissioner Flohrs, to approve and adopt the Revised Accounting Policies and Procedures Manual as presented. Motion passed unanimously.

Discussion turned to the Revised Procurement Policy manual passed by the Full Transit Board in December of 2020 so the 2020 audit would be able to have a procurement policy audit included. Monahan noted that the policy was patterned after another transit system's policy that was approved by MnDOT but OSA found certain language missing in their policy and so ours was missing the same language. After consulting the other system on changes they needed to make to be in compliance a draft was made that satisfied the Office of State Auditor provided the Full Board adopts the manual. Doing so will remove the finding from future audits and satisfy it for our current audit. It was also noted that at the December meeting the Executive Committee passed a motion recommending that the Full Board approve the proposed changes and adopts the new Procurement Policy Manual.

Motion made by Commissioner Loveall, seconded by Commissioner Anderson, to approve and adopt the Revised Procurement Policy Manual as presented. Motion passed unanimously.

Discussion turned to Full Time staff wage adjustments for 2022. Monahan presented to the Board the Transit Board's Grade and Step matrix. This scale was agreed to be used for Transit Board full-time staff members which are the Transit Director and the Operations Manager. It was also discussed that any Cost of Living Adjustment for Full Time Transit Board staff in 2022 would be an average of both counties annual COLA. Martin County is expected to adopt a 2.5 percent COLA and Faribault County is expected to adopt a 3.0 percent COLA for 2022 leaving an average of a 2.75 percent COLA for Transit Board staff. The Transit Director is slated to increase to Step 4 on Grade 17 with a 2.75 percent COLA for \$40.18 per hour and the Operations Manager is slated to increase to Step 4 on Grade 10 with a 2.75 percent COLA for \$23.61 per hour. Monahan noted that these wage amounts were included in the 2022 Operation Budget. It was noted that the Executive Committee discussed these wage amounts but has not made any formal recommendations. Monahan asked that any wage adjustments begin on January 2, 2022 as that is the beginning of the first full pay period in 2022. There was discussion about the difference in wage amounts. Monahan noted that a consultant that worked with Martin County was hired by the Transit Board to review the job descriptions of each position and establish the different grades which have different pay rates.

Motion made by Commissioner Loveall, seconded by Commissioner Flohrs, to approve the proposed wage adjustments for Full Time staff of \$40.18 per hour (salaried) for the Transit Director and \$23.61 (hourly) for the Operations Manager.

Discussion turned to the Ridership Report. Monahan noted that Faribault County is starting to see a pre-pandemic ridership level which was very encouraging. Martin County ridership has been increasing as staffing levels are improving and more service has been available. Monahan also noted he will be working with MnDOT and the Board in 2022 on possible redesign of some underutilized hours of service. A goal put forth in the 5-year plan is to begin service to Mankato and that will be explored in depth as to how feasible and practical it will be. There was discussion about local companies providing competition to the transit system as well.

Discussion turned to the Bill Payment Report and Financial Reports. Monahan noted some of the bills paid were from the Construction Contract. There was brief discussion regarding a few other bills.

Monahan also noted that moving forward there will be updated versions of some financial reports to show a better picture of some of the Transit Board's finances. First is a General Summary of the Financial Position. This matrix has been presented before and has been updated to include financing for recent vehicle purchases. This shows that the Transit Board is still holding \$30,000 from each county from the 2019 cashflow loans. It also shows that each county owes the Transit Board a total of \$54,000 for the 20 percent local share of the Facility Construction Project. This will be split in the regular 62 percent from Martin County and 38 percent from Faribault County. This money was budgeted for by the counties likely in 2019 but due to the project's many delays and the Transit Board's adequate bank balance has not been needed yet. There was discussion about the Martin County Transit Reserve funds that were transferred to the Transit Board after the merger and how operation revenue shortfalls have been tracked for 2016-2018. In 2019 there was not a shortfall, rather a surplus which went into the Transit Board's Reserve Funds. Some of those funds will be used to handle the \$12,000 plus over the contract amount for the Facility Construction project. There was discussion about the \$54,000 still owed to the Transit Board from the Counties and the \$60,000 the Transit Board still owes the counties to repay for cashflow loans.

Second is the cashflow projection matrix. This has also been presented before but has been updated to reflect the actual bank balance at the beginning of November. Many expenses are estimates but fairly typical amounts. Farebox revenue amount estimates are very conservative. It was shown in a more small scale analysis through January and then uses monthly estimates through June of 2022. This matrix does show the counties paying the \$54,000 to the Transit Board in the near future but cashflow estimates show it would not be completely necessary at this time. It will likely be needed before the end of April 2022 to maintain an adequate bank balance for all cashflow needs. The matrix did not include the \$60,000 outstanding due to the counties yet. There was discussion if that should be done soon. Monahan noted that the matrix shows that even with the \$54,000 payment received from the counties, in late April cashflow can be lower than desired. If \$60,000 more was removed from that amount it would be much lower than desired for some time. Monahan suggested the best time to repay the counties would likely be in June when cashflow would be able to sustain the repayment.

Faribault – Martin County Transit Board

Full Transit Board Meeting Minutes

December 22, 2021

After discussion it was decided that the first thing that needed to happen would be the Transit Board receiving the County's shares for the Facility Construction project. A motion as made by Commissioner Koons, seconded by Commissioner Smith to have Monahan approach each County board and request the funds owed for the Facility Construction project. Motion passed unanimously.

Finally a report on the 2020-2021 Operation Contract funding and expenditures was presented. It illustrates the reasoning behind the 4th Quarter State funding reduction to avoid an overpayment. It also shows the projected total expenditures and revenue for the 2-year contract. This will not be a frequent report but will likely be able to be produced towards the end of each Operations Contract. Commissioner Smith asked when the next Transit Board Reserve fund update will occur. Monahan noted that at the end of 2020 MnDOT did not want to do a Reserve fund recalculation since it was the middle of an operations contract. With the 2020-2021 contract being closed out by March 2022 Monahan expects he will have an updated Reserve Fund amount in April.

Discussion turned to the 2022 Board Officer Elections. Commissioner Belgard noted the four positions that will be voted on, also noting that this year the Board Chair and Secretary should be Faribault County Commissioners, and Vice-Chair and Treasurer should be Martin County Commissioners. He started by asking for nominations for Board Chair.

Motion made by Commissioner Anderson, seconded by Commissioner Loveall to nominate Faribault County Commissioner Greg Young as Board Chair. Commissioner Belgard asked three times if there were any other nominations. There were none. Motion passed unanimously.

Motion made by Commissioner Loveall, seconded by Commissioner Groskreutz to nominate Martin County Commissioner Jim Forshee as Board Vice-Chair. Commissioner Belgard asked three times if there were any other nominations. There were none. Motion passed unanimously.

Motion made by Commissioner Loveall, seconded by Commissioner Young to nominate Faribault County Commissioner Bill Groskreutz as Board Secretary. Commissioner Belgard asked three times if there were any other nominations. There were none. Motion passed unanimously.

Motion made by Commissioner Koons, seconded by Commissioner Groskreutz to nominate Martin County Commissioner Elliot Belgard as Board Treasurer. Commissioner Belgard asked three times if there were any other nominations. There were none. Motion passed unanimously.

The newly elected Board Officer's terms will begin on January 1, 2022.

Discussion turned to Special Business. Per Minnesota Statue 13D.05 Sub. 3 this section of the meeting is closed to the public for personnel matters. A motion was made by Commissioner Smith, seconded by Commissioner Groskreutz to move the meeting into closed session at 12:10 pm. Motion passed unanimously.

A motion was made by Commissioner Loveall, seconded by Commissioner Koons to end the closed meeting at 12:38 pm. Motion passed unanimously.

Motion by Commissioner Loveall, seconded by Commissioner Koons to pursue criminal charges against a former employee for an alleged theft of farebox revenue. Motion passed unanimously.

The next Executive Committee meetings will be held on January 7th and February 4th. The next Full Board meeting will be held in February. Meeting time and location and whether to keep piggybacking with Human Services meetings is yet to be determined.

With no further business to wit, a motion was made by Commissioner Smith, seconded by Commissioner Koons to adjourn and the Board Chair adjourned the meeting at 12:40 p.m.

JOINT TRANSIT BOARD
FARIBAULMARTIN COUNTIES

Elliot Belgard
Elliot Belgard, Joint Transit Board Chair

ATTEST:

James Forshee
James Forshee, Board Secretary