

Faribault-Martin County Joint Transit Board  
Faribault County Human Services Center Conference Room  
412 North Nicollet Street  
Blue Earth, MN 56013  
Tuesday February 22, 2022 9:00 a.m.

The meeting was called to order at 9:00 a.m. by Board Secretary Bill Groskreutz with the absence of Board Chair Young and Board Vice-Chair Forshee.

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

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

A motion was made by Commissioner Belgard, seconded by Commissioner Loveall to approve the meeting minutes for the December 22, 2021 Full Board meeting, January 7, 2022 and February 4, 2022 Executive Committee meetings. Motion passed unanimously by roll call vote.

Discussion turned to Old Business and an update on the min-van vehicle purchases for 2020. Monahan reported that one proposal was received before the deadline of December 21, 2021 from North Central Bus and Equipment. The cost proposal, which totaled \$61,538, was discussed by the Executive Committee. The contract amount is for \$55,000 with a 20 percent local share (\$11,000). Anything over that amount is 100 percent local responsibility, or an additional \$6,538 for a grand total of \$17,538 local share. Funds for the local share are planned to be taken from the Transit Reserve fund to cover that portion.

Since only one proposal was received, there was no need to complete a scoring exercise on multiple proposals. Monahan has been working with MnDOT to ensure that the protocols for a single proposal are followed. The Executive Committee passed a motion directing work to continue towards getting an agreement with the proposer and completing the necessary procurement work for MnDOT. The Full Board would have the option in February to cancel the project if desired due to cost. If the project is cancelled Monahan stated all the work already done, which has been extensive and groundbreaking work that other transit systems are looking at to see how it went, will be for nothing. Also the chances of receiving another capital contract for a mini-van in the future will be unlikely if the project is cancelled.

Monahan also explained that like other vehicle purchases, MnDOT is asking for a resolution passed by the Full Board authorizing the purchase of the specific vehicle and the specific vendor with their cost proposal. After brief discussion the following resolution was considered:

**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 a Limited Modification Accessible 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 100 percent local share of anything over the “contract amount”, and  
WHEREAS, the Faribault – Martin County Transit Board staff put out an Request for Proposals in November 2021 for a Limited Modification Accessible Vehicle to a number of qualified vendors and received one proposal before the deadline of December 21, 2021 from North Central Bus and Equipment, and  
WHEREAS, after reviewing the proposal staff recommends purchasing the proposed Limited Modification Vehicle received 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 one Limited Modification Accessible Vehicle from North Central Bus and Equipment in the approximate amount of \$61,538 total cost.  
BE IT FINALLY RESOLVED, upon a motion by Commissioner Smith, and seconded by Commissioner Koons, and PASSED with 7 ayes and 0 nays by roll call vote.  
Said Resolution was duly passed and adopted this 22nd day of February, 2022.

Discussion turned to an update on the vehicle purchases made in June of 2021 for the 2020 contract to replace two buses. Monahan reported the two vehicles purchased are about to be ready for delivery. The local share will total \$18,931 or 10 percent plus 100 percent over the contract amount, which is planned to be covered by Transit Reserve Funds. Monahan also explained that if both vehicles arrive simultaneously there will be over \$184,500 due within 30 days of vehicle acceptance. Looking at the cashflow financial reports it may be difficult to make that kind of payment with the available funds for the Transit Board at this time. There might be a need for a short term loan from each county to cover a portion of the costs. For example if \$60,000 was borrowed from each county totaling \$120,000 the payment could be made without much concern for cashflow. The state would reimburse their share of \$165,600 and the \$60,000 would be promptly repaid to each county upon its receipt.

There was brief discussion about how the accounting for a short term loan and the vehicle payments would be accomplished. A motion was made by Commissioner Loveall, seconded by Commissioner Smith to have Monahan approach each county for a short term \$60,000 loan to cover a portion of the costs for each replacement vehicle. This loan would be repaid to the counties upon receipt of the 90 percent reimbursement from the State. Motion passed unanimously by roll call vote.

At this time Commissioner Young arrived. However he agreed to let Commissioner Groskreutz continue to run the meeting as Chair.

Discussion turned to New Business and an explanation of a policy change regarding Joint Powers Board Expenses. Monahan explained that MnDOT sent out a memo on January 4<sup>th</sup> 2022 explaining that in their compliance research they have learned that Federal Statute CFR Part 200, which the Transit Board is contractually obligated to follow all rules and regulations within, has a part that deems per diem and mileage payments to Advisory Committees as ineligible for the Operations Contract. Commissioners serving as governing boards for Joint Powers Boards also fall under this description because they were assigned to the JPB Board as a result of their county election, not directly elected to the JPB. The per diems can be paid but not with operations funds, farebox funds, advertising revenue, basically any funding garnered directly or indirectly as a result of operating a transit system. In addition payments that were made for the just concluded 2020-2021 Operations Contract will need to be “paid back” to the Transit Board and shown as not counting towards expenditures on the operations contract. This could be as much

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at \$12,000 to \$13,000 over the two year period, final calculations are still pending. Monahan also pointed out that according to State statute counties are allowed to pay per diems and mileage if desired with their own funds, as they do for other committees. Also that the original Joint Powers Agreement, signed in 2015 and amended in 2017 for a matter regarding property ownership, had the intention that the counties would pay the commissioners for their per diems and mileage out of county funds. However it was explained to the Board, when it asked MnDOT in 2015, that the per diems could be charged to the Operations contract if that is what the board desired. That has now changed. The Executive Committee discussed this matter in January with MnDOT staff and again in February. No formal action was taken but the committee is recommending to the Full Board that the Federal statute is followed to stay in compliance and the counties take over payment of per diems and mileage as of January 1<sup>st</sup>. The Transit Director will work with MnDOT as the 2020-2021 Operations Contract is closed out to determine the exact amount "owed" and then the board can discuss, likely in April, how they would like that repayment to be accomplished.

There was discussion regarding the matter but the consensus was that there was not really anything that could be done at this level as it is a federal rule and the Board is obligated to follow it. The board discussed how they will follow the regulations and have the individual counties pay the per diem and mileage effective January 1, 2022. The payback of the unallowable expenses will be determined once the totals are known at the April Full Board meeting. It was noted that the funds would not be paid back by reducing the current \$30,000 loans from each county that the Transit Board has in its funds for cashflow assistance.

Discussion turned to an update on the Safety Manager position which opened up in December. Monahan explained the delay in finding a replacement was so the job description could be rewritten to more accurately reflect the responsibilities of the Safety Manager. Also to make sure the position is done more in cooperation with the Transit Director and Operations Manager. Lastly, the delay was due to establishing a probationary hiring wage for the position. This had never been considered because both assistant manager positions had been filled by the same individuals since the system took over in 2016. The Executive Committee discussed this matter in February and since the non-probationary wage for the positions is \$17.63 per hour currently the probationary wage will be \$17.00 per hour. The Full Board has the option to change that amount if they wished but there was no action taken by the Full Board in regards to the probationary wage. There was brief discussion regarding the position and hiring schedule.

Discussion turned to an update on a claim that was made under the Dishonest Employee coverage that the Transit Board has with MCIT. The maximum amount of a claim is \$5,000 per occurrence, which describes an action or series of actions by a single employee. Monahan reported that on January 18<sup>th</sup> a conviction was obtained on a former employee for illegal transfer of movable property without permission, which is a misdemeanor. This conviction played a large part in MCIT paying the maximum amount of \$5,000 for the claim. There was what they considered solid documented evidence of \$5,365 missing.

The sentence for the conviction provided for a request for restitution. The Transit Board is not able to claim the \$5,000 it was paid but MCIT is able to sue for that entire amount. They filed an affidavit for the entire \$5,000 claim of restitution. The Transit Board had an option to claim the

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\$365 it had not been reimbursed by the claim but it was decided not to pursue this amount due to the amount of time and effort it would take compared to the possible return.

There was discussion regarding this topic and the steps taken to try and ensure it does not happen again. There was discussion regarding whether the Board's restitution should have been applied for regardless of the effort needed. In general Monahan believes the controls now in place will catch an issue like this much quicker than before.

Discussion turned to the 2022 meeting schedule. Monahan reported the Executive Committee discussed in January options for their meeting times and the scheduled times for Full Transit Board meetings. It was decided that piggybacking with Human Services, while convenient because everyone is already together, had become cumbersome due to the later than expected start times. This would lead to the total of both meetings sometimes lasting until into the afternoon. After discussion, it was decided to plan for the Executive Committee meetings on the first Friday of the month after the first Tuesday. This way the earliest the meeting could be held is the 4<sup>th</sup> of the month when a good number of the regular and previous month's bills have arrived and can be reviewed. The latest the meeting would be held is the 10<sup>th</sup> which would not be too late to make payments on the previous month's bills. For the Full Transit Board meeting, rather than piggybacking every even month with Human Services, it was decided to meet on even months on the fourth Tuesday. The meetings would still be held in Human Services conference rooms due to capacity however they will be alternated between Blue Earth and Fairmont.

Discussion turned to the Ridership Report. Monahan noted ridership for the system in 2021 came in at a 16 percent reduction from 2020 when most of the year the system did not collect fares. When comparing the system to 2019 before the pandemic, there was a 51 percent drop in ridership. Faribault County has recovered nicely from the pandemic and has increased ridership over 2020 by 8 percent however there is still a 20 percent drop from 2019 with just under 11,000 annual rides compared to 2019 when there were just under 13,000 annual rides in 2021. Martin County routes have seen the biggest decline with a 64 percent drop from 2019 and a 27 percent drop from 2020 when we were fare free. However Martin County ridership has been statistically flat for almost all of 2021 after the fares were reinstated. So it is a steady amount but there is capacity and an obvious desire to increase the ridership for the Martin County based routes. Monahan repeated how he will be analyzing in 2022 potential changes to service hours and service areas that might attract more riders and generate more revenue.

Discussion turned to the Bill Payment Report and Financial Reports. Monahan noted the last of the bills from the Construction Contract have been paid and all reimbursements from the State have been received. There was brief discussion regarding a few other bills.

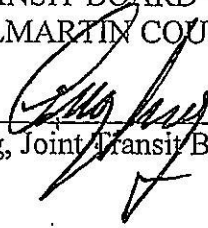
Monahan also presented an updated cashflow projection matrix. He noted the bank balance for the beginning of February has been corrected to the actual amount. He also noted that the farebox estimates are still conservative but the actual amounts have been larger since December. Commissioner Smith noted that the report could have projections for the future but actuals for the past month or two to illustrate the cashflow better. Monahan said he will adjust the report to

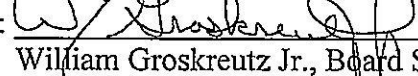
do this and there was discussion to perhaps produce another type of report to show actual expenditures versus budgeted amounts.

The next Executive Committee meetings will be held on March 4<sup>th</sup>. The next Full Board meeting will be held on April 26<sup>th</sup> in Fairmont at the Human Services conference room. Monahan will work to try and have better audio and visual available for those attending remotely for that meeting.

With no further business to wit, a motion was made by Commissioner Belgard, seconded by Commissioner Young to adjourn and the Board Secretary acting as Chair adjourned the meeting at 10:30 a.m.

JOINT TRANSIT BOARD  
FARIBAULT MARTIN COUNTIES

  
\_\_\_\_\_  
Greg Young, Joint Transit Board Chair

ATTEST:   
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William Groskreutz Jr., Board Secretary