

Faribault-Martin County Joint Transit Board  
Martin County Human Services Center Conference Room  
115 West 1<sup>st</sup> Street  
Fairmont, MN 56031  
Tuesday April 26, 2022 9:00 a.m.

The meeting was called to order at 9:00 a.m. by Board Chair Greg Young.

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

Board Chair asked if there were any other additions to the agenda. There were none. Motion made by Commissioner Groskreutz, seconded by Commissioner Forshee to approve the agenda as presented. Motion passed unanimously.

A motion was made by Commissioner Belgard, seconded by Commissioner Flohrs to approve the meeting minutes for the February 22, 2022 Full Board meeting, March 4, 2022 and April 8, 2022 Executive Committee meetings. Motion passed unanimously.

Discussion turned to Old Business and an update on the 2020 vehicle purchases. Monahan reported that the two replacement vehicles (cutaway buses) purchased under the 2020 contract have been delivered and are having finishing touches completed before putting them into service. These finishes include graphics and radio installation work primarily.

Payment was made for both vehicles, totaling \$184,531 on April 14<sup>th</sup> and a Request for Funds was immediately submitted to MnDOT. This request will reimburse 90 percent of the cost up to the \$92,000 contract amount. The request for reimbursement was for \$165,600 total. There was \$531 spent on both buses combined over the contract amount that will be covered by the Transit Reserve Fund. It is anticipated this reimbursement will arrive within 30 days and the counties will be repaid their \$60,000 financing assistance upon receipt.

The accessible mini-van contract was executed in early March with North Central Bus and Equipment. The total for that vehicle will be \$61,538 total. The contract was for \$55,000 with a 20 percent local share and 100 percent local share for anything over the contract amount. So the Transit Board Reserve Fund will be using \$17,538 for the purchase of this vehicle and \$44,000 will be reimbursed by the State after delivery and payment is made. It is not anticipated that county financing assistance will be needed for the payment of this vehicle. Optimistic estimates have the van arriving something late summer but it is not being anticipated realistically until mid-fall.

Discussion turned to potential contracts with Mayo Clinic and United Health District for Prairie Lakes Transit riders' fares to be paid by the medical entities. Monahan reported initial calculations were completed in 2019 and there was an effort to begin negotiations in March of

2020 which was stopped at the onset of the pandemic. The recent Stronger Together meetings has shown that both facilities are still very interested in this type of agreement and hope it will allow for more frequent and easier access to healthcare for the community, especially for preventative care.

The preliminary annual (12 month) contract offer to Mayo Clinic would be \$7,700 which is based on average ridership in both winter months and summer months within the past year. It includes a 10 percent ridership growth due to the free ride aspect and has a 5 percent service fee for the Board to ensure financial coverage. The preliminary annual contract offer to UHD would be \$3,700 and has the same factors as the Mayo offer. Both offers are based on trips to current Mayo and UHD facilities on both our Demand Response and Deviated Routes.

Discussion questions included Commissioner Koons asking if the 10 percent raise in ridership estimate is adequate since when the system was fare free there was quite an increase in ridership that dropped after the fares returned. Commissioner Groskreutz asked if perhaps a contract that only ran to the end of the year and then was reevaluated would be better and Commissioner Roper asking if the contract renewal should occur after data from both summer time and winter time ridership numbers have been gathered and then a new contract amount could be determined.

After discussion a motion was made by Commissioner Belgard, seconded by Commissioner Koons to have Monahan approach each medical entity with the dollar amounts as presented and ensure that recalculations based on actual ridership can be done for any contracts in subsequent years. Motion passed unanimously.

Discussion turned to New Business and an opportunity for purchasing a low or no emissions vehicle for the transit fleet. Monahan explained that MnDOT had made us aware of recently regarding an application for a grant they are working on to fund low or no emission vehicles for public transit systems, including rural systems. The Executive Committee was informed that MnDOT is just asking systems if they would be interested in having an electric bus within their fleet and if so do they have an idea of a route or routes that a limited range vehicle would work on. There was discussion regarding the concerns of electric vehicles and the benefits of having no emissions from vehicles. The Executive Committee expressed their interest in having the Transit Director proceed with alerting MnDOT of our interest in the project and to see what is possible.

Since the Executive Committee meeting the Transit Director did express interest and noted which route would likely be a good candidate for an electric vehicle and was informed by MnDOT that a limited number of systems have expressed interest. Due to that it is likely that the local share portion for the purchase, which could be close to a \$280,000 vehicle and a minimum 10 percent local share, would likely be covered by State funds. Meetings are scheduled with MnDOT staff in the coming weeks as they work on the grant proposal. There was discussion regarding electric vehicles and infrastructure necessary for charging stations. Monahan will proceed with the project with MnDOT.

Discussion turned to possibly hiring Non-CDL drivers. Monahan explained that there is potential to have Non-CDL drivers on staff with the imminent delivery of the mini-van and the

discovery of a backup bus in Blue Earth only having 10 seats and therefore not requiring a CDL to operate. These drivers would only need to be included in the Random drug testing pool. The Executive Committee discussed this topic at their April meeting and the pros and cons of this idea. It was decided that it is still desired that all drivers are at least working to obtain their commercial driver's license so they can operate any vehicle in the fleet at any time. Therefore a motion was passed to allow hiring people that do not have their CDL under the stipulation that they are working to obtain that license and are successful within 6 months. If the CDL is not obtained the staff member will have the ability to re-apply for the position and can be re-hired if circumstances warrant an extension of employment. There was limited discussion regarding the topic but no objections to the Executive Committee's action.

Discussion turned to the 2023 contract applications update. Monahan noted that with the attendance at the MnDOT Spring Workshop the week before he learned that the 2023 contract applications with MnDOT are coming up soon. These applications are for funding both operations in 2023 and any capital projects, like bus purchases. Operations for 2023 are easing back into having a local share and will require a 5 percent local contribution. This amount should be able to be covered by local farebox and ad sale revenue and still allow for additions to the Transit Reserve account.

There were seven replacement vehicles ordered in 2021 and their delivery date is very much unknown. There was not an application submitted to purchase a vehicle for the 2022 contract. For 2023 there will likely be 2 to 3 vehicles eligible to be replaced. This decision on the application can be discussed further in June with more data available. The decision on what is awarded is based on a formula considering age and mileage of vehicles in the fleet to determine replacement eligibility.

For the 2023 Operations contract, MnDOT is encouraging an application for a New Service Expansion to the contract. This service will be regional in nature and provide service for local residents to Mankato. Many details are yet to be worked out as it was thought this would be accomplished with a Service Redesign of underutilized routes. The service to Albert Lea might still be part of a Service Redesign for 2023 but Mankato will need to be New Service. It is estimated to be 50 hours of service per week, 51 service weeks, meaning approximately 2,550 annual hours. Currently operating cost is about \$50 per hour so approximately \$127,500 annual cost could be added to the contract to add service to Mankato. This will be funding at the 95 / 5 percent split like the rest of operations. There was lots of discussion regarding this new service and taking people out of the service area for tasks such as shopping. Also discussed was the benefits of expanding our capability to get people to more comprehensive medical services that are available in Mankato that are not available in Fairmont or Blue Earth.

Monahan will be working closely with the Executive Committee and MnDOT in the coming months and the Full Board will have the final approval of new service, capital applications, and operations budget, which will have preliminary wage estimates for 2023, at their June meeting.

Discussion turned to the Ridership Report. Monahan noted ridership for the system in February and March had strong gains as we move into spring. March was one of the highest ridership totals ever for Faribault County routes. Martin County is struggling and part of that is due to the

difficulties of the driver staff shortage. Monahan noted that he has completed a number of interviews and offered jobs to people contingent on them getting their CDL learners permit and they do not complete that task. There was limited discussion on the ridership report.

Discussion turned to the Bill Payment Report and Financial Reports. Monahan presented the Bill Payment report of all payments made since the last Full Board meeting in February. He noted the large amount is mostly due to the payment made for the two new vehicles in April. There were a few questions regarding clarifying regarding who and what some of the vendors are for.

Also included was the updated Financial Position Matrix. Some new additions to the matrix include the Ineligible Expenses paid for by the Transit Board in 2020 and 2021 for Commissioner Per Diems and mileage reimbursements. These totaled \$12,473.31 in total from both counties over the two year contract period. Repayment of these expenses will have to be figured out in the near future. Also, included in the Matrix and other reports are the estimated financial figures at the closing out of the 2020-2021 Operations Contract.

The total Non-Farebox revenue collected during the 2020-2021 contract period totaled \$36,051 which will be added to the Transit Reserve Fund. Also noted were the two uses of the Transit Reserve Fund during the contract period. First, \$9,000 was spent on the used vehicle from the Minneapolis American Indian Center in May of 2020. Second was the \$12,592 to cover the contract overage for the Facility Construction project. Based on these additions and uses combined with the beginning balance at the start of 2020 it is estimated that the balance of the Transit Reserve Fund at the beginning of 2022 will be \$95,634. This amount will grow substantially during 2022 as all revenue including fare revenue will be added to the Reserve Fund at the completion of the 2022 contract. The matrix notes that the local share for the Accessible Mini-Van project, which will be completed in 2022, will be \$17,538 and Reserve Funds are planned to be used to cover that expense.

Also presented was the projected over / under payment from MnDOT for the 2020-2021 contract period. Preliminary calculations show that the Transit Board was under paid during the contract period by approximately \$34,576 which will be repaid to the Board at the completion of the contract audit, which will likely be 18 to 24 months from now.

Next is a budget line item and actual expenses by month report for January through March 2022. This report shows the actual expenses by budget line item and the percent of the yearly budget used to date. It also shows which line items might be spending at a quicker pace than expected and an explanation can be given if there is one. For example, 100 percent of the annual insurance budget was spent in January, however there is not expected to be any more insurance premium bills for the entire year. Also utility fund use has been higher than expected but the natural gas bill is much higher in January and February than it will be in June and July so the bills will be much smaller and less percentage of the total budget will be used in those months.

Finally, there is a report showing a comparison of system revenue from January through March for the past 6 years going back to 2018. The 2022 figures show a healthy recovery of revenue despite the lower than desired ridership. Some of these dollar figures in 2022 include Exterior


Ad Sale revenue. The amounts for 2020-2021 do not include any non-farebox revenue those amounts are presented in the financial position matrix.

There was limited discussion regarding each report but it was noted it was appreciated and more comprehensive than previous reports. The Board Chair asked if there was a formal motion to accept the financial reports as presented and a motion was made by Commissioner Koons, seconded by Commissioner Flohrs to accept the financial reports. Motion passed unanimously.

The next Executive Committee meeting was rescheduled for Tuesday May 10<sup>th</sup> at 8:00 am due to conflicts for Monahan and some commissioners. The next Full Board meeting will be held on June 28<sup>th</sup> in Blue Earth at the Human Services conference room.

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

JOINT TRANSIT BOARD  
FARIBAULT/MARTIN COUNTIES

  
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Greg Young, Joint Transit Board Chair

ATTEST:

  
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William Groskreutz Jr., Board Secretary