

Faribault-Martin County Joint Transit Board
Faribault County Human Services Center Conference Room
412 North Nicollet Street
Blue Earth, MN 56013
Tuesday June 28, 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, and Young, and Martin County Commissioners Smith, Forshee, Belgard, Flohrs, and Koons. Missing was Faribault County Commissioners Anderson and Loveall. Also present in person was Jeremy Monahan, Faribault – Martin County Transit Director.

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

A motion was made by Commissioner Flohrs, seconded by Commissioner Forshee to approve the meeting minutes for the April 26, 2022 Full Board meeting. Motion passed unanimously.

A motion was made by Commissioner Belgard, seconded by Commissioner Groskreutz to approve the meeting minutes for the May 10, 2022 Executive Committee meeting. Motion passed unanimously.

A motion was made by Commissioner Groskreutz, seconded by Commissioner Smith to approve the meeting minutes for the June 10, 2022 Executive Committee meeting. Motion passed unanimously.

Discussion turned to Old Business and an update on the min-van vehicle purchases for 2020. Monahan reported the vehicle has been delivered to the vendor, North Central Bus and Equipment. He is working with MnDOT and the vendor to finalize the procurement process. He noted that this is not a typical vehicle purchase process as the Request for Proposals was put out by the Transit Board, not the State. Therefore we have to complete post-delivery inspections and certifications that are necessary to complete the procurement. The estimate is that the vehicle will be delivered mid-July and put into service as soon as possible. Monahan summarized the funding again with the cost totaling \$61,538, and 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. Monahan also noted he does not anticipate any need for county assistance in financing the purchase while waiting for the 80 percent reimbursement from the State.

Discussion turned to the contract close out of the 2020-2021 Operation Contract. Monahan explained that previously he had reported an estimated and unofficial underpayment from MnDOT was \$35,000 for the 2020-2021 contract period. However when MnDOT created the official matrix which calculates over and under payments, it showed an over payment to the

system of almost \$68,000 due back to MnDOT. The explanation for the miscalculation was because originally the 2 year period was looked at as a whole. Instead the two year contract had to be broken into two sections which caused the misunderstanding. Part of the contract had the regular parameters for January and February of 2020, the remaining 22 months had the 100 percent coverage, less any farebox revenue earned, paid to the system. The calculation of over and under payments was not done like normal years because of the complexity of the CARES amendment funding and the timing of the amendments. The Executive Committee reviewed this information with our MnDOT Transit Project Manager at their meeting in June. In the end the over payment of almost \$68,000 was deemed to be correct and will eventually have to be repaid to the state at the completion of the contract audit. This should be sometime in mid-2023 and the funds should be able to be repaid without issue.

Discussion turned to New Business and the proposed 2023 Operations Budget. Monahan presented the board with a line item detailed budget proposal for 2023 with comparisons to budget amounts for the 2022 contract. He noted that he is proposing a step increase plus a 3.75 percent cost of living increase for both full-time staff and a 10 percent overall increase from current wages for all part-time staff. He noted most line items assumed a 10 percent increase but there were some that could be lower than 10 percent or even kept flat, like Corrective and Preventative Maintenance. Fuel however is very much unknown at this time. Monahan noted he is fairly confident in knowing how much fuel will be used throughout the year however the cost per gallon for 2023 is still unknown. MnDOT suggested using \$3.55 per gallon per the State Economist which is almost a 16 percent increase of the 2022 budgeted amount. There was discussion about what would happen should the price of fuel be much higher than the budgeted amount and Monahan noted they would have to pull money from other line items to cover it, such as selected Advertising. It was also noted that if it gets way out of hand, it will be like that for all systems in the state and that MnDOT would have to likely contribute to a solution. There was more discussion regarding a few of the line items and the total. Monahan also noted the Executive Committee had reviewed the proposed budget earlier in the month and passed a motion recommending it be passed. The deadline for the submission is July 1st, 2022.

A motion was made by Commissioner Forshee, seconded by Commissioner Groskreutz to approve the proposed budget to be submitted with the 2023 Operations Grant Application. Motion passed unanimously.

Discussion turned to the Financial Agreement Resolution with MnDOT for the 2023 Contract period. Monahan explained that each year a resolution must be passed stating that the Transit Board is agreeing to receive funding from MnDOT along with agreeing to certain local share percentages. While the resolution will state that Operations local share can be "up to" 15 percent, like it normally is, for 2023 the local share for Operations will be 5 percent. Likewise the resolution will state that for Capital local share can be "up to" 20 percent, it is anticipated that there will be a 10 percent local share requirement for most vehicle purchases. The resolution was considered as follows:

**RESOLUTION IMPLEMENTING AGREEMENT WITH MNDOT AND
FARIBAULT – MARTIN COUNTY TRANSIT BOARD dba PRAIRIE LAKES TRANSIT
YEAR 2023 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 Smith, and seconded by Commissioner Roper, and PASSED with 8 ayes and 0 nays.

Said Resolution was adopted this 28th day of June, 2022.

Discussion turned to the Ridership Report. Monahan noted April and May ridership are showing the typical spring and summertime declines in ridership. However there are increases over the previous year amounts. Faribault County has steadily recovered to pre-pandemic level ridership, even with occasional service reductions due to staffing shortages. With the return of a staff member on extended medical leave, staffing issues are improving in Faribault County.

Martin County routes continued to have problems with staffing shortages but there has continued to be monthly increases since the relatively flat 2021 monthly ridership numbers. For the summer months we have been able to bring on some local school bus drivers to help fill in for the summer months which are a great help.

Monahan did note that the planned New Service application for Regional Service to Mankato has been put on pause for 2023 due to an inability to guarantee adequate staffing and equipment to complete the new service. With MnDOT's scoring system for New Service applications it is not likely that the minimum number of points would have been attained with our application. Planning efforts will continue. Monahan noted that at the Executive Committee meeting the MnDOT TPM stated that each year there is an amount of money set aside to provide for new service application requests and the application could be submitted for the 2024 contract.

Discussion turned to the Bill Payment Report and Financial Reports. Monahan noted on the Bill Payment list the repayment of \$60,000 to each county for the short term loan provided by them for the replacement vehicle financing. He expressed how it did help with cashflow during the payment period while waiting for the 90 percent reimbursement from the State. Once the reimbursement was received the loans were promptly repaid as was the plan. The remaining bills shown were just business as usual bills.

Monahan presented an updated Expenditure to Date by Line Item report. It showed that some line items, like Fuel are being spent at a pace quick than desired. However other line items, like Utilities are back to a normal pace with the Natural Gas bill being reduced dramatically with the garage space and office space not needing heat in the summer months.

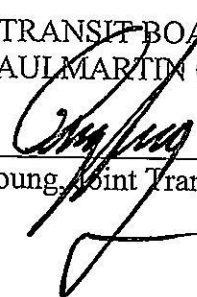
Lastly Monahan presented an updated cashflow projection matrix. He also noted that the projected farebox estimates are still conservative but the actual amounts have been larger since December. He said these are simply projections but are pretty typical of monthly expenditures and revenue along with the regular funding payments from the State and Federal shares. He

noted that the \$60,000 loan in 2019 of county funds for cashflow are still being used as the MnDOT quarterly payments are about to be paid. Without the funds from the counties, there could be times when the bank balance would go below \$100,000 and that is not a comfortable buffer and should be avoided if at all possible. For now the county funds will remain with the Transit Board bank account.

The next Executive Committee meeting will be held on July 8th. The next Full Board meeting will be held on August 23rd in Fairmont and possibly at the Fairmont Transit Facility. There was brief discussion regarding remote access to meetings.


With no further business to wit, the Board Chair adjourned the meeting at 9:50 a.m.

JOINT TRANSIT BOARD
FARIBAUL MARTIN COUNTIES



Greg Young, Joint Transit Board Chair

ATTEST:



William Groskreutz Jr., Board Secretary