

Faribault-Martin County Joint Transit Board
Faribault County Human Services Center Conference Room
412 North Nicollet Street
Blue Earth, MN 56013
Tuesday June 27, 2023 9:00 a.m.

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

Joint Transit Board members present in person were: Faribault County Commissioners Groskreutz, Roper, and Young and Martin County Commissioners Belgard, Flohrs, Smith, and Bleess. Missing were Martin County Commissioner Koons and Faribault County Commissioners Loveall and Anderson. 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 Groskreutz, seconded by Commissioner Flohrs to approve the agenda as amended. Motion passed unanimously by roll call vote.

A motion was made by Commissioner Flohrs, seconded by Commissioner Roper to approve the meeting minutes for the April 25, 2023 Full Board meeting. Motion passed unanimously.

A motion was made by Commissioner Groskreutz, seconded by Commissioner Young to approve the meeting minutes for the May 5 and June 9 2023 Executive Committee meeting. Motion passed unanimously.

Discussion turned to Old Business discussion regarding the 2024 Operations Contract Application Budget. Monahan noted that this usually would be new business but since there had been discussion regarding the 2024 local share in past meetings, and information shared has been updated, he felt it should stay in Old Business despite proposed actions needing to be taken. Monahan noted that it was previously reported that MnDOT had notified rural transit systems that the local share for Operations contracts would be 8 percent rather than the 15 percent they had previously stated may be necessary. This was a relief as 8 percent is a much more attainable amount through farebox and current other revenues and not relying on the Transit Reserve Fund or County Levy funds. Since then, the Minnesota legislature has passed a number of transportation funding laws including one that mandates MnDOT keep the local share for all transit systems for 2024 and 2025 at 5 percent for Operations and at 10 percent for Capital purchases. MnDOT had to regroup to determine how much funding would be available for transit systems after being required to supply the extra percentage, but also after being given more and larger streams of revenue to draw from. Last week they opened up the 2024 application process after the unexpected delay and have announced the award amount for each system beforehand, which reflects a 3 percent increase over the 2023 awarded amount and \$1,531,200 in total. So the 2024 budgets will have to fit within this grand total. Any expenditures we wish to have over and above this amount, which is allowed and for many systems is very necessary, would have to be funded through either our reserve fund, any excess revenue over the 5 percent we earn in 2024, or from another source of revenue to be determined.

Monahan presented a Draft line item budget for the board. The grand total expenditures proposed were \$1,547,036 which is over \$15,000 over the awarded amount. It showed 2024 projected expenses with a 3 percent increase for most line items including part-time staff wages with a few exceptions that were explained for being higher or lower than the benchmark 3 percent increase. Full-time staff wages were budgeted for a step increase and a 3 percent cost of living adjustment. Many line item amounts can be modified before the submittal but a 3 percent increase give or take a percent or two is expected and permissible by MnDOT and the grand total amount awarded will not change. Discussion ensued regarding staff wages in particular part time staff wages. The commissioners discussed if the proposed increase and 2024 amounts were sufficient enough, they were curious to know the impact to the budget of perhaps a 6 percent increase, which would be about \$1 per hour increase for part time staff, would have on the overall budget. It was pointed out that any increase in proposed expenses would be added to the \$15,000 overage already proposed or would need to be taken from line items that were already increased by slim 3 percent margins. However Monahan said he will continue to analyze a number of different part time wage scenarios, including potential bonus wage for working on holidays when the system is open, and present it to the board at a future meeting for consideration.

The Executive Committee met and discussed the proposed Draft 2024 Operations budget in a meeting immediately before the Full Board meeting and passed a motion recommending the Full Board approve the Draft budget as proposed for the application.

After additional discussion a motion was made by Commissioner Roper, seconded by Commissioner Flohrs, to approve the Draft 2024 Operations budget of \$1,547,031 as proposed for the MnDOT application. Motion passed unanimously.

Discussion turned to the Annual Financial Agreement Resolution with MnDOT. Monahan reported that each year the Board must pass a resolution stating the terms in which it will do business with MnDOT in regards to accepting funding and agreeing to local match funding. The resolution was read and acted upon as follows:

**RESOLUTION IMPLEMENTING AGREEMENT WITH MNDOT AND
FARIBAULT – MARTIN COUNTY TRANSIT BOARD dba PRAIRIE LAKES TRANSIT
YEAR 2024 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 5 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 Groskreutz, seconded by Commissioner Bleess, and PASSED with 7 ayes and 0 nays. Said Resolution was adopted this 27th day of June, 2023.

Discussion turned to New Business and an update to the Federal Holiday Policy for the Transit Board. Monahan reported the Transit Board was not able to enact any official policy changes regarding the Juneteenth federal holiday before June 19th this year. Since this is now a

recognized Federal and State holiday, and both counties have recognized the date as a paid holiday, the Transit Board should discuss whether to adopt similar recognition.

In addition, due to the delay the Board can consider if this year's Juneteenth paid holiday can be paid retroactively should it decide to recognize the holiday. Both full time staff worked on June 19th this year as a regular workday. Logistically the easiest way to compensate for the missed holiday is either to award a "Floating Holiday" for the remainder of 2023 for each full time benefits eligible staff.

After discussion, a motion was made by Commissioner Bleess, seconded by Commissioner Young to recognize Juneteenth as a paid holiday for the Transit Board full time staff and to retroactively award a floating holiday for 2023 to compensate for missing the June 19th holiday in 2023. After discussion the motion passed unanimously.

Discussion turned to two out of state travel requests. First Monahan noted that the fall conference for the Minnesota Public Transit Association will be held jointly with Wisconsin this year in October in LaCrosse, Wisconsin. Due to the location being out of state, he is requesting permission for him and the Operations Manager to attend the conference. The Executive Committee passed a motion at their regular June meeting recommending the Full Board approve this request.

A motion was made by Commissioner Roper, seconded by Commissioner Flohrs to approve the out of state travel request for the Transit Director and the Operations Manager to attend the Fall Public Transit Conference in LaCrosse Wisconsin. Motion passed unanimously.

Next Monahan reported that an opportunity had very recently come up for him to attend an annual Fly-In event to Washington DC in September to meet with the Federal congressional delegation from Minnesota along with other federal congress members involved in transportation. They are always asking for a large group to go which will show a larger interest to the elected officials. The costs associated with this trip will be reimbursed by the Minnesota Public Transit Association, of which Monahan is a newly appointed Board member. In the Special Executive Committee meeting prior to the Full Board meeting a motion was passed recommending the Full Board approve the travel request.

After discussion regarding the benefits of the trip and the expenses a motion was made by Commissioner Flohrs, seconded by Commissioner Young to approve the out of state travel request for the Transit Director to attend the Congressional Fly-In Event in September in Washington DC. Motion passed unanimously.

Discussion turned to the Ridership Report. Monahan noted ridership for the system to date in 2023 is very much a cause for optimism. He noted that Faribault County Routes continue to have all-time high monthly amounts regularly. The Martin County routes and the system as whole show steady increases from previous years for most months. Looking at May the past three years showed about a 14 percent increase for the system each year and about a 10 percent increase per year for the Martin County based routes.

With summer months starting there will be the inevitable dip in ridership with the loss of pre-school riders in Faribault County however we are hoping to replace at least a portion of those rides with some STEP ridership demand we had not been able to serve due to the timing of their need and the already scheduled pre-school routes in Blue Earth. Also it is well known that with warmer weather, public transit ridership decreases everywhere as those with limited income will often times choose to walk during nicer weather rather than spend money on the transportation.

With the preschool rides returning in the fall, the prospect of increasing service for STEP, along with the overall steady yearly increase the ridership numbers should be a cause for optimism, but definitely not complacency. We have lots of capacity when our system is fully staffed and it is hoped that we would be able to have even more riders in the near future.

Discussion turned to the Financial Reports. Monahan produced the Bill Payment Report from the last meeting in April 2023 and noted that there was nothing out of the ordinary other than the final 2021 Office of State Auditor bill. Next shown was an updated Financial Position Matrix showing a number of financial statistics for the Transit Board. He noted updated costs for the 2021 vehicle purchases and the local shares after renegotiated contracts with MnDOT and reworking the vehicle specs with the vendor to reduce the prices. Also this matrix showed that the 2022 contract was closed out with an over payment from MnDOT of over \$85,000 that will need to be repaid likely in 2024 after the contract audit is completed. He reminded the Board of the 2020-2021 contract overpayment of almost \$68,000 that will need to be repaid upon the completion of that contract audit. Usually those are finished about 18 months after the end of the contract so it could be soon. Due to this timing, the next report was a Cashflow Matrix Report. It showed simple historically expected monthly expenses for operations and payroll along with conservative revenue estimates. It also shows the 2020-2021 Operations Repayment along with a scenario where the outstanding cashflow loans of \$30,000 to each county is repaid. Also shown is a "stressed" expenses column to show if expenses are greater than expected, both repayments are still made, and the April 2024 MnDOT funding arrives late. These factors would cause what is considered a cashflow "issue" by the Transit Director's standards by dropping the bank account balance below \$100,000 at any given time. Because of that repayment of the cashflow loans still might not be in the best interest of the Transit Board.

Lastly is shown a Year to Date expenses report with the percent of the budget expended through May 2023. The end of May represents 42 percent of the year completed so anything that has more than 42 percent of the yearly budget has been highlighted for explanation. There was brief discussion about the expenditures to date.

Monahan also pointed out that through May the Transit Board had cover 7.9 percent of their expenditures with local revenue. For 2023 the local share is 5 percent so the local share is being covered by the farebox and other sources of transit generated revenue at this time.

The next Executive Committee meetings will be held on July 7th. The next Full Board meeting will be held on August 22nd in Fairmont at the Transit Facility conference room.

With no further business to wit, a motion was made by Commissioner Young, seconded by Commissioner Bleess to adjourn and the Board Chair adjourned the meeting at 10:20 a.m.

JOINT TRANSIT BOARD
FARIBAULMARTIN COUNTIES



Elliot Belgard, Joint Transit Board Chair

ATTEST: 

Jaime Bleess, Board Secretary