

Faribault-Martin County Joint Transit Board – Executive Committee  
FM Transit Facility  
1023 North Dewey Street Fairmont, MN 56031  
October 6, 2023

The meeting was called to order at 8:00 a.m. by Board Chair Elliot Belgard. Joint Transit Board Executive Committee members present in person were: Faribault County Commissioners Young and Groskreutz and Martin County Commissioners Belgard and Bless. Also present was Jeremy Monahan, Faribault – Martin County Transit Director.

Board Chair asked for any changes to the agenda. There were none. Motion made by Commissioner Groskreutz, seconded by Commissioner Bless to approve the agenda as presented. Motion passed unanimously.

Monahan produced an Unpaid Bills report totaling \$88,472.47 and noted there will still be regular and recurring bills arriving in the coming weeks that will be due before the next Executive Committee meeting. This month's Unpaid Bills report has high balance largely in part because MnDOT had completed the audit of the 2020-2021 Operations Contract and as expected there was an overpayment made to the Board. The overpayment amount was \$58,469.07 which is less than expected and once Monahan sent a letter of agreement with the results an invoice for the overpayment was sent. The balance must be paid back within 30 days. The remaining bills were pretty standard although Monahan noted that a number of charges on the VISA bill for this month and the previous month will be able to be reimbursed by the Minnesota Transportation Alliance who funded Monahan's trip to Washington D.C. in September. Regarding the VISA bill it was asked what the "rewards" for the credit card could be used for as the balance of points was getting high. Monahan noted he had never used them before and he would look into their value and what uses would be allowed. There was brief discussion about some of the other bills.

Motion made by Commissioner Groskreutz, seconded by Commissioner Bless to approve payment of the Unpaid Bills as presented and to approve giving the Transit Director authority to continue to pay other regular and recurring bills at the discretion of the Transit Director upon receipt. Motion passed unanimously.

Monahan produced a Bank Statement for the Transit Board. It showed that as of September 29, 2023 the Transit Board had \$440,049.45 for a bank balance. Monahan noted that with 3 payrolls that were run in September, and larger than usual bills combined with no incoming funds aside from farebox revenue, fuel tax refund, and interest dividend caused a considerable decrease in the bank balance during the month of September.

Monahan transitioned this discussion into the Financial Reports which included both an updated Financial Position Summary Table and a Cashflow Analysis. The Financial Position showed updates with the Non-Transit Revenue Fund, also updated was the recent amendments to the vehicle contracts that now had updated local shares for the 2023 Vehicle Purchase along with the newly released application for the 2024 Replacement Vehicle Purchase. Lastly, the financing with the State was updated to show the repaid amount in 2023 for the 2020-2021 Operations Contract. However Monahan also had to report that while the 2020-2021 contract audit took

over 2 years to complete, the 2022 Operations Contract audit has unexpectedly been completed 6 months after close out and 2 weeks after completion of the 2020-2021 audit. The 2022 contract also had an overpayment, which was expected, of about \$85,000 but Monahan expected that audit to be completed sometime in 2024 as that is the usual timeframe. With MnDOT completing the audit so quickly, and so close to the other audit, they will be requesting repayment of both overpayments in a very short time frame. Cashflow is a definite concern when these amounts of money have to be taken out of the bank. Monahan ran a cashflow prediction model which had the \$58K repaid in October and the expected \$85K repaid likely in November. In addition, with 2023 spending being less than expected due to staff shortages earlier in the year, the 4<sup>th</sup> Quarter State payment is being analyzed for a reduction in an attempt to avoid an overpayment for 2023. With the expected timeframe of State and Federal payments for both the 2023 and 2024 Operations contracts along with the 4<sup>th</sup> Quarter reduction, the cashflow will be tested, especially towards the end of the 1<sup>st</sup> Quarter of 2024, but it should be adequate. However it should be noted that due to the funding mechanisms the Transit Reserve Fund balance, which is approaching \$200K, along with the cashflow loans from the Counties still being held by the Transit Board, are being used just to furnish cashflow for operations. It was also noted that once the 2021 Vehicle purchases finally start arriving cashflow will definitely be an issue and short term loans from the Counties will almost certainly be needed to cover the purchase costs while awaiting reimbursement of 90 percent of the price. No action was needed for this section, as it was just information and an update on the unexpected cashflow issue that may arise.

Discussion turned to Old Business and an update of the part-time Employee Safe and Sick Time (SST) policy. Monahan reported he had been researching what different options the Board has to implement a policy to provide SST for the part-time staff beginning in January 2024 to be in compliance while also working to stay within the budget as much as possible. Monahan proposed that the minimum amount of 48 hours per year be given to each employee, front loaded and available at the beginning of the year. At the end of the year, any unused balance will be paid out to the staff and a new 48 hour bank will be loaded in January. With this there will not be a need for any carryover of hours, which by law would result in a maximum amount of 80 hours. Monahan calculated that if no staff were to use their SST the maximum cost to pay out all unused hours would be about \$20,000 total. Monahan also noted that the SST can only be used by part-time staff when they are scheduled to work. If they do call in sick, or if the system shuts down due to weather, the likelihood of another staff replacing them on their shift is small, so there will not be too many double payments of a shift for the person who is out sick and the person who is working the shift. Therefore the amount is budgeted for regardless. After discussion Monahan said he will have a formal policy that the Executive Committee can review and approve for recommendation by their December meeting and then it will be presented to the Full Transit Board at their December meeting for consideration of approval.

Discussion turned to New Business and an update on the projections for 2023 spending. Monahan noted again that spending for 2023 was coming in less than expected due to staff shortages earlier in the year. As a result he is working with MnDOT on a reduction in the 4<sup>th</sup> Quarter State funding amount to reduce or eliminate a funding overpayment for the 2023 contract. In addition, he has been analyzing expenditures that may be possible with the excess funds that would be allowable under the Operations contract. The past two years at the October

Full Board meeting Monahan has proposed to the Board that the part-time staff receive their January wage increase at the beginning of November instead of waiting until January. It would be done as a means to show appreciation by giving them a raise before the holidays. Monahan calculated the budget impact doing the proposed 2024 wage increase of 6 percent for part-time staff would have on the 2023 budget in November and December. It would cost just under \$4,800 in additional wages if every hour were worked by all part-time staff. This amount could be absorbed without problems in the 2023 budget. The Executive Committee discussed the matter and decided to have Monahan bring the proposal to the Full Board in October but decided not to have a motion of a formal recommendation either for or against.

Discussion turned to the 2024 Replacement Vehicle Application. Monahan reported that he was notified that the applications for 2024 replacement vehicle purchases were open. For 2024 the Transit Board will have one vehicle that will be eligible to be replaced. All other vehicles either have been replaced and are awaiting their replacement or are one of the newer vehicles that have yet to reach their useful life. The projected cost for a Class 400 vehicle in 2024 has risen to \$232,000 and there will be a 10 percent local share by State statute. Monahan wished to pursue this application, despite the increased cost, because the vehicle fleet is so important to keep up to date and will become more difficult to replace vehicles in the future as costs continue to rise. He did note that completing the application does not guarantee that a vehicle will be awarded, nor does it commit us to one if there is a need to back out.

A motion was made by Commissioner Bleess, seconded by Commissioner Young to authorize Monahan to pursue the 2024 Replacement Vehicle Application. Motion passed unanimously.

Discussion turned to the Transit Director Annual review. October is the month this is typically completed every year. There was brief discussion regarding the review and last year's review. The actual review will take place at the Full Board meeting on October 31<sup>st</sup>.

Discussion turned to the ridership report. Monahan reported that September was not as successful as expected. However the routes that were expected to have increases, especially those in Faribault County, did perform much better than the summer months. The remaining routes are believed to have steady ridership amounts from August however there were 3 fewer operation days in September and that was the big difference. From previous years there is still a small but consistent growth which is encouraging.

Discussion turned to the Washington D.C. Fly-In summary. Monahan summarized his trip for the Executive Committee which included meetings with staff from almost the entire Minnesota Congressional Delegation and meeting a few of the elected members themselves. He said it was a great experience and that he felt it was incredibly productive in terms of raising awareness of rural transit and the continued need for funding. There was brief discussion regarding the trip.

Discussion turned to the scheduling of the next two Transit Board meetings. With the October Full Board meeting, the plan was to hold the meeting in Blue Earth at 9:00 am. However the Martin County Board has had to schedule a Public Hearing for that same date at 11:00 am. In an effort to not have to rush the Full Transit Board meeting moving the meeting to Fairmont was suggested.

A motion was made by Commission Groskreutz, seconded by Commissioner Young to move the October 31<sup>st</sup> Full Transit Board meeting to the Fairmont Transit Facility. Motion passed unanimously.

The November Executive Committee was originally planned for November 10<sup>th</sup> which is the Veteran’s Day Holiday Observed.

A motion was made by Commissioner Bless, seconded by Commissioner Young to move the November Executive Committee to Thursday November 9<sup>th</sup> at 8:00 am at the Fairmont Transit Facility. Motion passed unanimously.

With no further business to wit, a motion was made by Commissioner Groskreutz and seconded by Commissioner Young, to adjourn and the Chair adjourned the meeting at 9:30 a.m.

JOINT TRANSIT BOARD  
FARIBAULMARTIN COUNTIES

  
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Elliot Belgard, Joint Transit Board Chair

ATTEST:   
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Jaime Bless, Board Secretary