Faribault-Martin County Joint Transit Board
Martin County Human Services Building Community Room
115 West 1st Street
Fairmont, MN
July 22, 2015

The meeting was called to order at 8:30 a.m. by Chairman Elliot Belgard.

Joint Transit Board members present were: Faribault County Commissioners Young, Groskreutz, Roper, Loveall, and Warmka; Martin County Commissioners Mahoney, Flohrs, and Belgard. Martin County Commissioner Schmidtke was absent. Also present were Dawn Fellows and Lexi Scholten, Faribault County Central Services, Scott Higgins and Julie Walters, Martin County Coordinators Office, Jean Meyer, MnDOT Office of Transit, Jane Hennagir, MCIT, Jeremy Monahan, Faribault – Martin County Transit Director, and Jason Sorenson, Fairmont Sentinel

The agenda was approved by consensus.

Motion made by Commissioner Groskreutz, seconded by Commissioner Mahoney, to approve the minutes of the July 13, 2015 Faribault-Martin County Transit Board Executive Committee meeting. Motion passed unanimously.

Motion made by Commissioner Mahoney, seconded by Commissioner Loveall, to approve the minutes of the June 17, 2015 Faribault-Martin County Transit Board meeting. Motion passed unanimously.

Discussion turned to an update for the board on the Transit for our Future Grant. Monahan informed the board that he is still waiting for the executed contract. Commissioner Belgard asked Jean Meyer if there is anything the Board has to do yet or is able to do and she replied that the board has completed all the necessary steps, the contract is getting required signatures. She suggested to Monahan that he prepare a current Request for Funds and submit it to her as soon as the contract arrives or by the end of the week.

Discussion turned to an update for the board on the Request for Proposals. Monahan informed the board that he has almost completed the draft document and is waiting for some documentation for certain sections to get the proper language. He said he wants to have something for the board to review and approve in August so the solicitation can begin. Proposals will be due in September, the contractor will be chosen in October, there will be the required time for proposers that were not selected to have protests heard in November, and by December the contractor will be in place and working on the transition to start the new service in January. Monahan stated a few items that will need to be considered by the board are maintenance procedures and insurance coverages. Discussion ensued regarding the maintenance of the buses and whether the board should budget for and handle all of the maintenance and repairs or if the contractor should do that, as it is done by Martin County now. Commissioner Groskreutz noted that the mechanics for the Faribault County Highway Department, who do the current work on buses stored in Blue Earth, could possibly be contracted out by the contractor to do service. Commissioner Young stated concerns about having the private contractor in control of the

maintenance as a protection on the board's investments in the buses. It was also noted that buses could be transferred and brought to a mechanic in Fairmont if the contractor is in charge of scheduling maintenance and repairs. Further discussion will be had regarding the maintenance and insurance matters before the release of the RFP.

Discussion turned to the Personnel Policy Manual for the board. Monahan stated that with Faribault County recently completing their manual, which the board will base their Personnel Policy Manual on, he has begun working on a draft. He stated with the more pressing issues of the RFP and the 2016 budget needing to be addressed in August that the work on the manual will likely be put on hold for now and finalized later in the fall.

Discussion was held regarding the meeting times for the board in August. Motion made by Commissioner Groskreutz, seconded by Commissioner Flohrs to have the Executive Committee meet on August 6th at 9:00 am in the Martin County Courthouse and the Full Board meet on August 26th at 1:00 pm in the Blue Earth Law Enforcement Center. Motion passed unanimously.

Motion was then made by Commissioner Young, seconded by Commissioner Mahoney to have the Transit Director have the 2016 Operations budget to MnDOT by the August 15th deadline and to have the board be able to vote on a resolution approving the budget at the meeting on August 26th. Motion passed unanimously.

Discussion turned to the nominations for the Transit Advisory Committee. The Executive Committee passed a motion to ask the board to have their nomination to Monahan by the August full board meeting. Monahan will then have the TAC formed and contacted by September 1st. Commissioner Flohrs asked how many times a year the TAC would meet. Monahan replied no more than four times per year. Commissioner Warmka asked when the first TAC meeting will be held. Monahan replied he wants to have one this fall during the service planning to go over the plans and see and hear the opinions of the TAC.

Numerous nomination names were given to Monahan along with discussion of some missing demographics, like retail representatives. The remaining commissioners will get their names to Monahan as soon as possible.

Discussion turned to allowing the Executive Committee the authority to pay the bills for the board. This subject came up due to the date the credit card is due on a monthly basis and it is likely going to be needed in the future with the full board meeting frequency being reduced to quarterly.

Motion made by Commissioner Warmka, seconded by Commissioner Young to give the Executive Committee the authority to pay the bills for the board. Motion passed unanimously.

Discussion turned to the service planning that Monahan has been working on. He presented to the board some maps and tables explaining the proposed deviated routes, stop points for the routes, rural trip zones, timing schedules. He stated that this plan will need the riders to adjust their schedules to the bus. It is more transit than taxi like. The board noted that there are going to be some trial and error and modifications can and will likely be made to the service. Jean

Meyer noted that MnDOT will likely give routes at least a year to try and catch on and reach service amount standards. The board asked numerous questions about the plans. Commissioner Roper asked about the ability for the buses to make stops at the County Fairs. Monahan said that in Blue Earth the Fairgrounds is along the deviated route so anyone needing to take the bus to the fairgrounds would just need to state that as their destination or call in for a pick-up and the bus would be able to deviate off the route. For Martin County a Special Event type bus would likely need to be utilized as the Fairgrounds are not within the deviation buffer. Dial a ride buses would also be able to arrive or depart from the Fairgrounds in each county.

Jean Meyer stated in regards to the planned trips to Albert Lea that it is okay to go there but it is not okay to perform public transit while in Albert Lea. Commissioner Loveall said that perhaps sometime in the future we can coordinate with Freeborn County or other counties. Meyer also addressed concerns of drivers performing more duties than curb to curb service, like making sure riders get inside their destination without a problem or bringing their packages in for them. Liability concerns limit those activities greatly.

Discussion turned to the 2016 Operational budget. Monahan stated that he has been working on a Draft budget. It will be submitted to MnDOT for review by August 15th. He wanted the board to be aware of the potential budget for the new system being $1.4 million annually. Currently the combined budgets for each county are just under $1 million. Commissioner Loveall noted the exposure amount for each county. Discussions noted that with near doubling of service in Faribault County, doubling the current shortfall would still only be around $10,000. Monahan stated that in the fare structure design, consideration would be given to the having income in the amount needed to cover the 15 percent which the board is responsible. Fares would also need to be set high enough to cover the 15 percent without losing customers. Fares also could not be lowered too much on routes with the majority of the users to reduce income too much. Monahan stated he is still working on the fare structure.

Discussion turned to payment of bills due.

Motion made by Commissioner Warmka, seconded by Commissioner Young to authorize payment of the bills due. In discussion, Commissioner Groskreutz noted the board is still holding payment due to both Martin County and Faribault County until the TFF funds are available. Motion passed unanimously.

At this time, Jane Hennagir from the Minnesota Counties Intergovernmental Trust (MCIT) spoke to the board. Her presentation was in regards to MCIT coverage for transit vehicles. MCIT is in discussions to change their policy to not allow coverage for transit buses that are driven by contracted employees which is what the FM Transit Board intends to do. This is a result of a contracted driver of another system getting into an accident and the liability claims that resulted. It is a significant difference in premium cost where MCIT rates are around 10 percent of the amount the private contractors need to pay for insurance on the vehicles. The feeling is that if the drivers are not board employees there is no control by the board and limited oversight. The only recourse the board would have is a breach of contract suit. Hennagir pointed out that government entities have a cap on the amount of damages that can be awarded in a suit where private contractors do not. If MCIT is to continue allowing vehicles driven by contracted drivers

and allows the FM Transit Board the coverage, it will have to allow all entities that run transit with a third-party contractor providing the drivers the coverage, including the large metro area services. She noted that the premiums may be lower than necessary but the nature of MCIT is to spread the costs over many services. It was pointed out then that the premium may not stay at this low rate in the future. Commissioner Belgard noted that the cost for insuring the vehicles will be in the budget regardless of the provider and the amount. Commissioner Young asked to confirm that MCIT is currently covering the vehicles for Faribault County which they are because the buses are driven by county employees. Monahan pointed out that the insurance cost is built into the operations budget and the current estimate includes the contractor purchasing the insurance at the higher rate. Hennagir suggested exploring the possibility of having estimates with MCIT coverage and estimates without or explore having the board hire drivers. It was pointed out that cost analysis was already completed when deciding whether to use a third-party or not. Commissioner Loveall stated the board should stay on track with the plan for a third-party contractor operating the system and that the board can explore the issue as time passes and more is learned about MCIT options and the board employing drivers after the initial two-year contract is over. Commissioner Groskreutz noted that the expenses should be analyzed during the first year of operations. Commissioner Warmka asked about Martin County's current operations and Scott Higgins gave an overview of Martin County and Fairlakes Transportation's operations as it relates to insurance. Monahan was instructed to look into some of the costs for each option but to continue with the RFP process. The board thanks Hennagir for her time and information.

The next meeting of the Faribault-Martin County Joint Transit Board Executive Committee is set for 9:00 a.m. on Thursday August 6, 2015, in the Martin County Courthouse Sisseton Conference Room.

The August Full Board meeting for the Joint Transit Board is scheduled for 1:00 p.m. on Wednesday – August 26, 2015 in the Faribault County Law Enforcement Center in Blue Earth, MN.

With no further business to wit, the Board Chair adjourned the meeting at 10:20 a.m.

JOINT TRANSIT BOARD
FARIBAULT-MARTIN COUNTIES

Elliot Belgard

Elliot Belgard, Joint Transit Board Chair

ATTEST: Tom Mahoney

Tom Mahoney, Board Secretary