

Faribault-Martin County Joint Transit Board – Executive Committee  
Martin County Courthouse  
201 Lake Avenue Fairmont, MN 56031  
March 8, 2018

The meeting was called to order at 9:00 a.m. by Chairman Tom Loveall.

Joint Transit Board Executive Committee members present were: Faribault County Commissioner Groskreutz and Loveall and Martin County Commissioners Belgard and Mahoney. Also present was Jeremy Monahan, Faribault – Martin County Transit Director.

Board Chair started the meeting by asking for any additions to the agenda. Monahan noted that he had added some Administration Housekeeping items to discuss at the end of New Business from the agenda sent out to the group.

Motion made by Commissioner Belgard, seconded by Commissioner Groskreutz to approve the agenda as amended. Motion passed unanimously.

Monahan produced an Unpaid Bills report totaling \$22,969.27 and explained a number of the bills are still being worked on and then the normal regular and recurring bills that have not yet arrived would need to be authorized to avoid late payments.

Motion made by Commissioner Belgard, seconded by Commissioner Groskreutz 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 Bank Statements for the Transit Board. It showed that as of February 28, 2018 the Transit Board had \$196,355.03 for a bank balance. The statement showed fairly regular activity for a month with the exception of the check to the Office of State Auditor that was for over \$13,600 that was not a regular bill and of substantial size. Discussion regarding cash flow and upcoming expected payment from MnDOT and the FTA ensued.

Motion made by Commissioner Mahoney, seconded by Commissioner Groskreutz to accept the bank statement as presented. Motion passed unanimously.

Discussion turned to the System Design Review recently completed by MnDOT and the subsequent effort to gather public input regarding some of the proposed modifications. Monahan reported that the first public input meeting was held on February 26<sup>th</sup> at the Martin County Courthouse with modest attendance but favorable feedback from the public. Monahan also took the opportunity during a recent All Staff meeting to discuss the changes and get input from the staff's point of view. Monahan said the most prominent "new" suggestion was the idea of having buses and routes that are slated for Faribault County's use, in particular the Buccaneer Route running on Saturdays, have the ability to come to Fairmont when they are slow and the Fairmont Cardinal Route is becoming overwhelmed to assist in the load. Discussion ensued regarding pros and cons of that idea and it was noted to be discussed further at a later date.

Monahan noted that he will bring the idea up at the public input meetings to be held in Blue Earth and he also said he would like to hold one in Wells, especially to get input regarding potential changes to service for eastern Faribault County, more specifically the means to transport people to and from Albert Lea. Commissioner Groskreutz advised Monahan on potential locations, city staff to contact for assistance setting up the Wells public input meeting, and means for publication of the notice of the meeting. Monahan said he hopes to get the meetings done soon.

Discussion turned to New Business. Monahan wanted to discuss the idea of reducing the discount on the token packs that are currently sold at a 25 percent discount over cash prices (\$40 in tokens for \$30) to possibly 10 rides for the price of 9 (\$40 in tokens for \$36) in an effort to increase the ability to be revenue neutral or perhaps start developing a surplus in operational revenue. After discussion it was noted by all members of the Executive Committee that the risk of losing ridership that is being gained fairly regularly as of late is too great to outweigh the benefits of the potential increased revenue the discount reduction would give. Commissioner Groskreutz noted if a reduction in the discount is implemented, an idea to consider would be smaller incremental increases over time rather than a large increase at once.

Discussion turned to sale of token packs and providing rides that are funded by Human Services. Monahan said he understands that Human Services is reimbursed by the State of Minnesota to help fund payment for rides on the transit system. MnDOT has stated that since the transit rides can be provided for such a small cost to the rider due to a different State of Minnesota subsidy that rides funded by Human Services' state subsidy should be charged at a higher rate to reflect the actual ride cost rather than the subsidized fare. Commissioner Loveall noted that discussions between Human Services and MnDOT have been occurring for quite some time regarding matters like this. The Executive Committee agreed that discussions should occur between commissioners and Human Services staff to look into the situation more to see how the funding mechanisms work. For now, it was decided not to modify the means of doing business with Human Services until mandated to do so by the State.

Discussion turned to the progress of selling advertisement space inside and outside of the transit system vehicles. Monahan stated that this project has been taking quite some time and is very complex. One reason for its duration is that fact that when an RFQ for a broker was distributed to agencies that specialize in selling transit ads, no responses were received. The agencies stated they did not have the staffing levels needed to increase their client load at the time the RFQ was out. Monahan said while that is an inconvenience, it does mean that more of the revenue will be able to be kept by the transit system. Discussion regarding how to go about producing a contract for renting the space on the vehicles ensued. It was noted that Monahan should seek out other similar contracts or boiler plates, consult with MnDOT Transit Project Manager Jean Meyer regarding similar contracts that are used by other systems, develop a draft contract, and then ask the Martin County Attorney for assistance in finalizing it.

Monahan updated the Executive Committee on recent staff hiring with the Transit Board. After discussion regarding information regarding the new staff member, Monahan asked for Board approval of the hiring for the following staff:

Timothy Meyer

Motion made by Commissioner Mahoney, seconded by Commissioner Belgard to approve the hiring of the preceding individuals from the Transit Board. Motion passed unanimously.

Discussion regarding April Full Transit Board meeting ensued. Monahan stated that the regularly scheduled date of April 18<sup>th</sup> is now conflicting with the MnDOT Spring Workshop in St. Cloud, of which Monahan is required to attend. It was discussed if having the meeting following the Prairieland Board Meeting on April 13<sup>th</sup> in Truman would be acceptable and it was decided it would work.

Motion made by Commissioner Belgard, seconded by Commissioner Mahoney to approve the rescheduling of the April Full Transit Board meeting to April 13, 2018 at 10 a.m. in Truman at the Prairieland Facility following their Board meeting. Motion passed unanimously

It was noted that the Executive Committee will still plan to meet as scheduled on April 4<sup>th</sup> to allow for approval of bills and other regular business.

Discussion turned to some administration housekeeping issues Monahan wished to report on.

First, the tax penalty abatement request for inadvertently missing a month's Federal tax payment in the 3<sup>rd</sup> Quarter of 2017 was approved by the IRS. The fines will be refunded to the Transit Board but the interest charged of \$44.52 cannot be refunded by law.

Second, Monahan reported that the 2018 transit vehicle purchased in 2017 is schedule to arrive likely by the end of March. Monahan said payment is due in full within 30 days of delivery. The total cost of the vehicle this year is \$77,547 which the Transit Board likely will not have enough cash on hand to make the payment and wait for the 80 percent to be reimbursed without having a potential cash flow issue in April. Discussion ensued regarding borrowing funds from the individual counties to make the payment and then regarding paying back either 100 percent of the funds with the Transit Board's reserves handling the 20 percent share, or 80 percent of the funds with each county contributing the 20 percent share at the proportion agreed upon of 62 percent from Martin County and 38 percent from Faribault County. It was noted that the loan should be divided by the same percentage for payment this year to make calculation of any repayment less complicated.

Motion made by Commissioner Belgard, seconded by Commissioner Groskreutz to have Monahan approach each County Board in the coming weeks to explain the need for borrowing funds, the proposed split of 62/38 for funding, and discuss the payback options of 80 percent or 100 percent. Motion passed unanimously.

Finally Monahan discussed with the Executive Committee the need for the Faribault County Attorney to provide a letter to the Office of State Auditor stating that they know of no litigation against the Transit Board. Martin County's attorney had produced their letter and Monahan had thought that could be sufficient for the OSA, but they are requiring Faribault County to produce the letter as well before release of the audit can be done. Discussion regarding the recent staffing turnover and challenges in the Faribault County Attorney's office ensued and it was noted that the letter would likely be able to be produced soon. Monahan was asked to contact the Faribault County Attorney again regarding the letter.

The next Executive Committee meeting is scheduled for Wednesday April 4<sup>th</sup> at 9:00 a.m. in Fairmont at the Martin County Courthouse. The next Full Transit Board meeting has been rescheduled to Friday April 13<sup>th</sup> at 10:00 a.m. in the Prairieland Facility Conference Room in Truman following the Prairieland Board meeting.

With no further business to wit, a motion was made by Commissioner Belgard, seconded by Commissioner Groskreutz to adjourn, the Board Chair adjourned the meeting at 10:55 a.m.

JOINT TRANSIT BOARD  
FARIBAULT-MARTIN COUNTIES

  
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Tom Loveall, Joint Transit Board Chair

ATTEST:   
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William Groskreutz Jr., Board Secretary