

SOUTHWEST TRANSIT COMMISSION MINUTES

December 17, 2014 – 5:30 PM
SouthWest Station
Commission Chambers

COMMISSION MEMBERS

Jerry McDonald
Jay Rohe
Nancy Tyra-Lukens
Dan Wilczek
Jody Collis King (*arrived at 5:37 pm*)
Bob Roepke (*arrived at 5:40 pm*)

ADVISORY BOARD

Ric Rosow, Attorney

EXECUTIVE STAFF

Len Simich, Chief Executive Officer
Dave Jacobson, Chief Operating Officer
Steve LaFrance, Maintenance & Facilities Director
Matt Fyten, Manager of Planning & Customer Experience
Dave Simoneau, Director of Driver Services &
Emergency Management

I. CALL TO ORDER

The meeting was called to order by Chair McDonald at 5:30 p.m.

II. PUBLIC COMMENT

III. APPROVAL OF AGENDA

Chief Executive Officer Simich requested changes to the order of the Agenda: move New Business Item B. Approve 2015 Budget to Item A; Item G. Approve FanMaker Contract to Item F; move X. Recognize 2014 Award Recipients to New Business Item K.

Motion: Rohe motioned, seconded by Wilczek to approve the agenda as presented. The motion carried 4-0-0.

IV. PAYMENT OF CLAIMS (motion and roll call vote)

Motion: Tyra-Lukens motioned, seconded by Rohe to approve the payment of claims. The motion carried 4-0-0. Roll Call Vote: McDonald, yes; Rohe, yes; Tyra-Lukens, yes; Wilczek, yes.

V. CONSENT

- A. Approve Minutes of 10/30/14 Meeting
- B. Accept Current Financial Statements
- C. Approve Official Newspapers & Depositories
- D. Approve 2015 Calendar
- E. Approve Renewal of AEM Contract
- F. Approve 2014 Budget Amendment

Motion: Tyra-Lukens motioned, seconded by Rohe to approve the Consent items. The motion carried 4-0-0.

VI. NEW BUSINESS

A. Approve 2015 Budget

Chief Executive Officer Simich stated that a preliminary expenditure budget totaling \$11,125,270 was presented to the Met Council in August and SWT staff met with them in September to review our preliminary estimates and discuss 2015 funding levels. SWT staff met frequently to continue to review the proposed operating budget and the equipment and facility need for 2015. The preliminary expenditure budget has been increased by \$273,000 to reflect the cost of service to be provided to the City of Carver. The total expenditure budget totals \$11,398,270.

Simich discussed difference between SWT and Metropolitan Council budget numbers; Met Council has assured SWT revenue model will be revised to add back in approximately \$869,000 to SWT revenue.

Motion: Rohe motioned, seconded by Tyra-Lukens to adopt Resolution 14-56 adopting the 2015 budget for these funds:

	Revenue &	
	Transfers In	Expenditures
General Fund	\$ 11,667,700	\$ 11,398,270
SW Village Debt	\$ 112,180	\$ 112,180
Energy Savings Debt	\$ 80,477	\$ 80,477
Development Fund	\$ 343,021	\$ 2,085,000
Capital and Equipment Fund	\$ 12,000	\$ 61,000

The motion carried 6-0-0.

B. Approve SW LRT Memo of Understanding

CEO Simich stated that Commission had previously determined that both SouthWest Transit's (SWT) bus operations and Southwest light rail transit line (SWLRT) should co-exist at the SouthWest Station in Eden Prairie.

To accomplish this, a number of joint operating details needed to be agreed upon and documented in a MOU which will provide the foundation to be used in the development of the future "binding" operating lease agreement between SWT and the Metropolitan Council (Council).

To date all issues related to site design, method to determine land/building compensation, branding, maintenance cost sharing, parking, current and local transit operations including funding have been agreed upon. Simich provided an overview of what has been agreed upon.

Attorney Rosow stated that the agreement indicates that there are more agreements to come, and specifically provides that either party can cancel.

Motion: Rohe motioned, seconded by Wilczek to approve the Memo of Understanding (MOU) related to the joint occupancy of SouthWest Station and authorizes the CEO to execute the MOU. In addition to the future agreements identified in the MOU that are subject to future approval by the parties, SWT's approval of this agreement is in reliance on the Met Council revision of the revenue model to add back in approximately \$869,000 to SWT's revenue. The motion carried 6-0-0.

C. Authorize Investment of SWT Funds

CEO Simich stated at a previous meeting, Commission requested staff to contact local banks regarding investing SWT funds. Six banks were contacted; two responded.

Simich stated that the investment of SWT monies for a longer period of time will increase the rate of return from .45% for the current money market account to interest rates ranging from .80% - 1.20% for the investment period from 30 to 48 months.

Motion: Roepke motioned, seconded by Collis King adopt Resolution 14-54 authorizing the investment of \$1,000,000 each with Americana Community Bank and Beacon Bank in investments that mature in 30 to 48 months. The motion carried 6-0-0.

D. Approve City of Carver Contracts (service & facility cleaning)

CEO Simich stated that SWT Staff and City of Carver Staff have finalized service plan scheduled to begin January 5, 2015.

Contracts have been drafted to provide transit services and to provide cleaning services at Carver Station.

In response to questions from Commission, Simich stated that any changes to service requested by Carver would be discussed with SWT staff, and that SWT has control over amount of service offered.

Motion: Tyra-Lukens motioned, seconded by Wilczek to authorize the CEO to enter into two separate three year contracts with the City of Carver for the purpose of providing transit services to the City at a billable amount not to exceed \$273,417 annually; and to provide cleaning services five times per week at the Carver Station park and ride at a cost not to exceed \$13,000 annually. Both contracts will commence on January 1, 2015, and expire on December 31, 2017. The motion carried 6-0-0.

E. Approve City of Plymouth Contract

CEO Simich stated that over the past three months SWT has provided management services to the City of Plymouth for the purpose of overseeing daily operations related to Plymouth Metrolink transit service and outlined tasks SWT is responsible for under its arrangement with the City of Plymouth.

Commission voiced concern as to overextending SWT staff with additional time needed to service Plymouth Metrolink.

Motion: Collis King motioned, seconded by Rohe to approve an agreement with the City of Plymouth to provide contract management services for the period January 1, 2015 through December 31, 2015, for a fee of \$10,000 per month and authorize the CEO to execute the agreement. The motion carried 5-1-0. Commissioner Wilczek voted "no" stating that he feels the fee is not adequate for the services being provided by SWT staff.

F. Approve FanMaker Contract

CEO Simich stated that staff is proposing to establish a rider reward program for 2015 to be advertised as a one-year program. The program will be evaluated towards end of 2015 and should Commission find value and determine this program should remain beyond one year, it will then be established as part of 2016 agency operations budget.

Staff has proposed to cover the entire cost of the program through revenues generated through bus wrap agreement with AllOver Media (AOM).

Motion: Tyra-Lukens motioned, seconded by Wilczek to (1) authorize its CEO to enter into a one year contract with FanMaker for a cost not to exceed \$20,000 for the purpose of developing a customer reward program for the period January 1, 2015 through December 31, 2015 and (2) approve program awards in an amount not to exceed \$25,000. The motion carried 6-0-0.

G. Approve AllOver Media Contract

CEO Simich requested that Commission approve amendment to current contract with AllOver Media (AOM) through December 31, 2015 to increase total number of vehicles available to AOM to wrap each month by one. By allowing the additional bus SWT will receive trade valued at \$25,000 to be used in conjunction with its customer reward program.

Simich also requested striking clause 3B to clarify/clean up confusion existing in current agreement.

Motion: Rohe motioned, seconded by Collis King to an amendment to the current contract with AllOver Media (AOM) through December 31, 2015 that allows AOM to increase the total number of vehicles available to wrap by 1, or 12 annual units, bringing the total annual number of bus units available to wrap up in a 2015 to 132 units or 11 buses per month. However, the maximum number of buses allowed to be wrapped in any given month will not change from the 15 currently allowed.

By allowing the additional bus (12 annual units), SWT will receive trade valued at \$25,000 to be used in conjunction with its customer reward program.

Also to clarify/clean up some confusion that exists in the current agreement, SWT also agrees to strike clause 3B that states: "payment of the greater of the \$125,000 annually or \$1,750 per bus per month (\$210,000 for 10 buses)". This clause was put in when the agreement was with the Trans Media Group, which had indicated they may want to reduce the number of buses allowed to be wrapped in years 3-6 of the contract. The motion carried 6-0-0.

H. Approve Change Order: Maintenance Facility Bay Door Replacement

Maintenance & Facilities Director LaFrance stated that SWT EP Garage B has two garage bay doors that need to be reinstalled due to settling in the building which has damaged the doors.

The doors will arrive in late December, 2014. Installation will take place January, 2015.

Motion: Roepke motioned, seconded by Tyra-Lukens to adopt Resolution 14-52 authorizing the Chief Executive Officer to execute a change order agreement with Twin City Garage Door Company in the amount of \$78,000.00 for Maintenance Facility Bay Door Replacement. The motion carried 6-0-0.

I. Approve Two-Way Bus Radio Replacement

Chief Operating Officer Jacobson stated that there is a need to backfill the remaining on-bus voice radios, including spares, whose useful lives come to a close around the end of the calendar year with the existing revenue fleet. This purchase will also meet the SWT Asset Management Plan for radio replacements moving forward. Two-way radios are installed in each bus to provide communications between the bus and the dispatcher, as well as emergency services when needed and are mandated by the State of Minnesota. If a radio does not work that bus must be taken out of service.

Motion: Tyra-Lukens motioned, seconded by Roepke to adopt Resolution 14-53 authorizing the Chief Executive Officer to execute an agreement with Paul's Two Way Repair in the amount not to exceed \$27,500.00 for procurement of ten (10) Two-way Bus Radio Replacements. The motion carried 6-0-0.

J. Appoint Nominating Committee for 2015 Commission Officers

CEO Simich stated that in December of each year the Commission appoints a Nominating Committee to put forth a slate of Officers for consideration at its first meeting of the New Year. The slate of officers include: Chair; Vice Chair; Secretary/Treasurer.

Motion: Collis King motioned, seconded by Roepke to appoint Commissioners Tyra-Lukens, Rohe and McDonald to serve on the Commission's Nominating Committee. The motion carried 6-0-0.

K. Recognize 2014 Award Recipients

CEO Simich stated that in November, an evaluation Committee consisting of Chair McDonald, Commissioner Tyra-Lukens and Commissioner Rohe met to discuss the 2014 SouthWest Transit Awards. It was determined in this meeting that two awards were warranted this year: one for an Outstanding Political Champion, and one for a Career/Distinguished Achievement. Senator David Osmeck and Mayor Tom Furlong were selected to receive the awards.

Senator David J. Osmeck

Outstanding Political Champion

For significant contributions provided to SouthWest Transit through policy, legislative initiative, and leadership.

Mayor Tom Furlong

Distinguished Service Award

In appreciation and gratitude for the years of leadership and dedication provided to SouthWest Transit.

Motion: Roepke motioned, seconded by Wilczek to present the Commission's 'Outstanding Political Champion Award' for 2014 to Senator David J. Osmeck; and its "Distinguished Service Award" to Chanhassen Mayor and former SWT Chair Tom Furlong for the contributions they have made to SouthWest Transit. The motion carried 6-0-0.

VII. UPDATES

VIII. COMMISSION AND CITY COMMENTS

IX. ADJOURNMENT

Chair McDonald adjourned the meeting at 7:25 p.m.

December 17, 2014 SouthWest Transit Commission Minutes Prepared By: Linda Spevacek

Approved by: Linda Spevacek
recording
secretary

Date: 1/22/15