

THESE MINUTES ARE IN DRAFT FORMAT AND REQUIRE APPROVAL BY THE COUNTY BOARD.

COMMITTEE OF THE WHOLE
MINUTES
OCTOBER 19, 2017

MEMBERS PRESENT: Vetsch, Husom, Daleiden, Potter, Borrell and L. Kelly

OTHERS PRESENT: Asleson, Dahl, Goodrum, Hiivala, K. Johnson
Scott Enter, Chair, Wright County Area Transportation Board

I. TRANSIT

Vetsch said there have been numerous meetings with the Wright County Area Transportation (WCAT) Board. He referred to the initial version of the Wright County Area Transportation Joint Powers Agreement (attached). WCAT will review this draft, provide input, and return the second version to the County Board by November.

Vetsch said the Joint Powers Agreement (JPA) would give Wright County 50% of the weighted voting power for the WCAT Board. WCAT currently has two seats on the Trailblazer Transit Board. According to the JPA, a Wright County representative, appointed by the County Board, would fill one of them.

Wright County would pay 50% of the WCAT Board's unfunded operating expenses and capital expenditures in 2018. In 2019, the County would pay 60% of the same expenses, 70% in 2020, 80% in 2021, and 90% in 2022. Each City would pay a proportionate share of the WCAT Board's remaining unfunded operating expenses and capital expenditures, with a total cap of \$100,000 for each year. The pro rata share for each City would be based upon the number of rides originating in the City during the prior year as compared to the total number of rides originating in all of the Cities during the prior year (the "Ride Share"). During 2022, or at such earlier point in time as agreed by all member governmental units, a transition plan would be agreed upon to govern WCAT going forward.

Vetsch said he wants to see how the first year fiscal transition goes. It's possible the full transition to Wright County could be done within two years.

There was discussion regarding how much individual cities and WCAT as a whole have contributed. Vetsch said the challenge is finding a way to determine equitable contributions between entities. Vetsch said the State funds 85% of the operation, and 5% comes from ridership. That leaves 10% to the local share spread out between the cities. He said everywhere else in the State, regional transportation is managed by counties, and not cities.

Borrell said Trailblazer charges more for rides than River Rider did. Vetsch said Trailblazer provides more services. Husom said there is a high demand for public transportation.

Vetsch said Risk Manager Tim Dahl had indicated it may be February before insurance could be put in place. Dahl said WCAT is a legal entity composed of cities, but is not insured. If WCAT continues to operate, he recommends that the County insure it. The process takes time. He is exploring insurance through the Minnesota Counties Intergovernmental Trust (MCIT) and the League of Minnesota Cities (LMC). Budgetary information and bylaws need to be provided to the carrier. Dahl said WCAT could possibly be dissolved in two to five years. If regional transportation then becomes a County function, there will be no need for additional coverage for WCAT, as current County insurance would take over. This could be stipulated in the JPA.

Borrell asked why the complete transfer of WCAT to the County couldn't take place right away. Vetsch said the members of WCAT have invested a lot of effort and money in regional transportation. Asleson said a legal agreement is required to take over a legal entity. In this instance, the County would be taking over an entity that does not have insurance.

Husom suggested moving forward using 2018 as a transition year to iron out the details by 2019. Vetsch said WCAT members want to be involved over the next few years to assist in planning for future service needs, such as additional buses.

Potter said there are two different Joint Powers Agreements: One with WCAT, and one with Trailblazer. The transition to the WCAT JPA will allow time for details to be worked out. A new JPA between Trailblazer and the County won't happen quickly. This is a critical year for transit with pending funding cuts. Potter said the transition should be done correctly so that both WCAT and Trailblazer are on board to ensure that an optimum level of State funding is received. Vetsch said if the County has a good service base for 2019, funding should be good for five years. Potter said WCAT should have at least 20 buses by 2018 (up from the current fleet of 14) to demonstrate to the Minnesota Department of Transportation (MnDOT) that there will be sufficient service for riders in the future. If that isn't achieved, the County's transit funding could plateau for years.

Vetsch said even with an 85 % subsidy, there are still costs to operate the regional transit system. WCAT needs \$600,000 as the local share of operating expenses by 1-01-18. He explained that the money is a reserve account for expenses, and earns interest. Potter asked for an estimate of additional expenses that may be needed. The State requires 25% of the operating budget to be placed in an account. Enter said the money has to reside with Trailblazer.

Health & Human Services Director Jami Goodrum said her Department is currently paying a premium for Medical Assistance rides for clients. Her Department does not have the time to arrange rides or bill Medical Assistance for small transportation providers. She said Health & Human Services supports a more robust transportation infrastructure.

Vetsch said the JPA would dissolve by 12-31-22. Potter said if things go well, this could easily be done sooner. Vetsch asked the other Commissioners whether they were comfortable allocating the \$600,000 to WCAT on 1-01-18, even though there may be no insurance coverage until February. Dahl said the biggest risk is a liability claim, such as misappropriation or discrimination. The worst case would be an uncovered claim, in which case the entities would have to agree on sharing any incurred costs. Although the individual entities within WCAT are insured, the entity comprised of the group would not automatically be covered.

Vetsch said ideally the WCAT Board will vote on the JPA in November, the member cities will vote, and then the County Board. After that, it will be sent to Trailblazer for their approval.

Potter recommended that the Board authorize \$600,000 in a reserve account for operations, plus \$100,000 additional as necessary for 2018. County Coordinator Lee Kelly said the money will be pulled from reserves, as the 2018 budget has already been set. The consensus was that Potter and Vetsch will serve as liaisons to WCAT.

RECOMMENDATIONS:

- 1) Authorize allocation of \$700,000 to WCAT for 2018 (\$600,000 in a reserve account for operations, plus \$100,000 additional as necessary);**
- 2) Potter and Vetsch will work with WCAT as representatives of the County Board; and**
- 3) Move forward with the current draft of the Wright County Area Transportation Joint Powers Agreement, with modifications as necessary.**

**WRIGHT COUNTY AREA TRANSPORTATION
JOINT POWERS AGREEMENT**

The parties to this Agreement are municipal corporations under the laws of the State of Minnesota and located in Wright County, Minnesota (the parties to this Agreement are hereafter referred to individually as a "City" or "Wright County" and collectively as the "Cities" or as "governmental units").

RECITALS

WHEREAS, Minnesota Statute §471.59 authorizes the joint and cooperative exercise of powers common to the Cities governmental units; and

WHEREAS, the Cities governmental units desire to provide for an agreement between and among them to establish a joint powers board for Transportation for the purpose of providing a coordinated service delivery and funding source for public transportation; and

WHEREAS, each City governmental unit has adopted a Resolution finding that it is in the best interests of the citizens of each City governmental unit to enter into this Agreement.

NOW THEREFORE, IT IS MUTUALLY AGREED AND UNDERSTOOD AS FOLLOWS:

1. General Purpose. Pursuant to the authority of the Joint Powers Act, the Cities governmental units desire and intend to provide affordable Public Transportation to their communities. The goal of the Cities governmental units is to provide people in their communities with mobility and access to employment, community resources, medical care and recreational opportunities, while reducing the impact of road congestion, travel times, air pollution, the cost of road maintenance and repair, and energy and oil consumption for their communities.
2. Joinder of Wright County Political Subdivisions. The undersigned Cities governmental units hereby agree to join together for the purpose of coordinating the delivery of public transportation services and establishing a joint funding source for said services through establishment of a Wright County Area Transportation Joint Powers Board ("WCAT Board"). ~~This Agreement shall become effective upon adoption of a resolution by the governing body of no less than three Cities, and shall be binding on all the Cities who have joined through adoption of a resolution by their respective governing bodies through August 1, 2014, unless otherwise extended or amended by the Parties.~~ Any Party governmental unit seeking to join the WCAT Authority after ~~August 1, 2014~~ January 1, 2018, shall do so only on an affirmative vote of a majority of the WCAT Board members. The WCAT Board shall determine voting authority and contribution requirements for any Parties governmental units joining after ~~August 1, 2014~~ January 1, 2018.
3. WCAT Board Composition. Each City governmental unit shall appoint annually a representative to the WCAT Board. Each City governmental unit may appoint an alternate representative who may act in the place and stead of an absent representative from that Party governmental unit. Members to the board may be appointed or removed at the pleasure of the Party governmental unit, with each member serving until their successor is appointed and qualified as provided by each Party governmental unit.

Each member shall serve without compensation, health or medical benefits provided by the WCAT Board.

4. Funding. The WCAT Board is authorized to procure such State and Federal funding as is available toward financing the costs of providing public transportation services for the Cities governmental units. Wright County shall pay 50% of the WCAT Board's unfunded operating expenses and capital expenditures in 2018. For 2019, Wright County shall pay 60% of the WCAT Board's unfunded operating expenses and capital expenditures. For 2020, Wright County shall pay 70% of the WCAT Board's unfunded operating expenses and capital expenditures. For 2021, Wright County shall pay 80% of the WCAT Board's unfunded operating expenses and capital expenditures. For 2022, Wright County shall pay 90% of the WCAT Board's unfunded operating expenses and capital expenditures. ~~For each year, each~~ City agrees to pay a proportionate share (the "Pro Rata Share") of the WCAT Board's remaining unfunded operating expenses and capital expenditures, with a total cap of \$100,000 for each year. The pro rata share for each City shall be based upon the number of rides originating in the City during the prior year as compared to the total number of rides originating in all of the Cities during the prior year (the "Ride Share"). ~~Each City shall also pay an annual fee to provide for the proper operations of the WCAT Board. Each City shall pay an initial \$1,000 fee to cover the WCAT Board's projected expenses during the first year of operation. For 2015 only, operating and capital expenses shall be based upon the projected total number of rides during 2015 as determined by the WCAT Board prior to January 1, 2015 and such expenses shall be allocated proportionately among the Cities with each City paying its Pro Rata Share. Within 90 days after December 31, 2015, the WCAT Board shall perform a reconciliation of operating and capital expenses based upon each City's actual 2015 Ride Share, and funds shall be payable from or reimbursed to each City based upon the difference between each City's initial payments and reconciled 2015 Ride Share amounts. The WCAT Board may from time to time adjust the operating and capital expenses as it deems appropriate. During 2022, or at such earlier point in time as agreed by all member governmental units, a transition plan shall be agreed upon to govern WCAT going forward.~~

5. Meetings. The WCAT Board shall meet at least annually on a schedule determined by the WCAT Board. All meetings of the WCAT Board shall be conducted in a manner consistent with the Minnesota Open Meeting Law, Minn. Stat. §13D.01, et. seq., as amended. Special meetings may be called by the WCAT Board Chair or upon written request of three (3) or more members of the WCAT Board. Written notice of any special meetings shall be sent to all WCAT Board members and to the City Clerk or County Coordinator of each City governmental unit to comply with posting requirements.

6. Powers and Duties. The powers and duties of the WCAT Board include, but are not limited to, expending funds for the purpose of establishing, funding, coordinating, administering and operating a public transportation service including:

- a. Apply for, receive and expend State and Federal funds available for said purpose, as well as funds from other lawful sources, including fares, donations or gifts for the purpose of providing public transportation services and such supplemental services deemed advisable by the WCAT Board.
- b. Approve an annual budget.
- c. Adopt and implement a management plan to carry out the WCAT Board's purpose.

d. Enter into contracts with public or private entities as the WCAT Board deems necessary to accomplish the purpose for which the WCAT Board is organized, including, but not limited to, the hiring of any consultants.

e. Obtain such insurance as the Board deems necessary for the protection of the WCAT Board, members of the WCAT Board, member cities, and its property.

f. Exercise all other lawful powers necessary and incidental to the implementation of public transportation services and the purposes and powers set forth herein.

h. The WCAT Board has no authority to obtain or operate an independent transit service without the express approval of a majority of the Parties.

i. The WCAT Board has no authority to levy taxes or issue debt for operating capital or debt service purposes unless approved in writing by the governing body of all Partiesgovernmental units.

j. The WCAT Board has no authority to issue debt that exceeds the term of this Agreement.

7. Voting. ~~Prior to January 1, 2015, each Party shall have one vote on the WCAT Board. Beginning January 1, 2015, Wright County shall be entitled to 50% of the weighted voting power for the WCAT Board. The remaining 50% of the weighted voting power for the WCAT Board shall be apportioned among the Cities as follows:~~ Each PartyCity shall be entitled to one vote plus one additional vote per each 3,000 rides originating in that City during the previous year. Prior to the first meeting in March the Secretary of the WCAT Board shall determine the number of votes for each Party in accordance with this section and certify the results to the Chair. A quorum shall consist of a simple majority (51%) of representatives from the Cities governmental units. A simple majority vote of the WCAT Board members present at the meeting with a valid quorum shall be required by the WCAT Board to take action unless otherwise provided in this Agreement or by law.

WCAT currently has two seats on the Trailblazer Transit Board. One of these seats shall be filled by a representative appointed by Wright County.

8. Officers. There shall be a chair, a vice chair, and a secretary elected from the members of the WCAT Board at the initial meeting of each year. The officers shall be elected from different member Citiesgovernmental units. The WCAT Board may elect or appoint such other officers as it deems necessary to conduct its meetings and affairs.

9. Effective Date/Termination. This Agreement shall become effective as of January 1, 2018 and stated in Paragraph 2 of this agreement. ~~This agreement~~ shall continue in effect through December 31, 201922. This Agreement shall remain in effect for each respective party governmental unit until that party governmental unit hereto gives notice to the WCAT Board of its intention to withdraw. Notice of withdrawal must be given by April 1 of a given year. If notice of withdrawal is given after April 1 of a given year the withdrawal shall be effective on December 31 of the following year. A withdrawing party governmental unit shall be responsible for its respective share of any debts or liabilities outstanding as of the effective date of withdrawal. Termination will be effective at the conclusion of the fiscal year. This Agreement shall remain in effect as to the remaining members provided that there are three or

more members who desire to continue operating the WCAT Board. The withdrawing member shall not be entitled to compensation or distribution of any assets of the WCAT Board. In the event of dissolution of the WCAT Board, any property owned or held by the WCAT Board shall be sold for fair market value. All remaining funds after satisfaction of all WCAT Board debt, payments and other financial obligations shall be returned to the Parties governmental units in the same manner in which the Parties governmental units contributed funding to the WCAT Board in the last full calendar year prior to dissolution.

10. No Waiver. Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to any City governmental unit, whether set forth in Minnesota Statutes, Chapter 466 or otherwise.

11. Severability. If any section, subdivision or provision of this Agreement shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, subdivision or provision shall not invalidate or render unenforceable any of the remaining provisions.

12. Amendment. Any amendments to this Agreement must be in writing, signed by all of the Cities governmental units, following approval of their respective City Councils governing bodies.

13. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Minnesota.

14. Liability and Insurance. Each City governmental unit shall be liable for its torts and the torts of its employees, agents and consultants in undertaking its respective individual responsibilities as described in this Joint Powers Agreement. Notwithstanding any language to the contrary, the Cities governmental units agree that liability arising out of the activities of the WCAT Board and the Cities governmental units shall be subject to the requirements of Minnesota Statutes §471.59, Subdivision 1a. (b), as it may be amended. The Cities governmental units intend that the WCAT Board be insured for its tort liability and general liability as a Joint Powers Board. Nothing herein shall be construed to waive or limit any immunity from, or limitation on, liability available to any City governmental unit, whether set forth in Minnesota Statutes, Chapter 466 or otherwise.

15. Default. The failure by any Party governmental unit to observe or timely perform any covenant, condition, obligation or agreement herein shall constitute Default of the Agreement. Whenever a Default occurs, the WCAT Board shall provide thirty (30) days written notice to the defaulting Party governmental unit of the default which notice includes the nature of the Default and the manner in which the Default may be cured. If the Default is not timely cured, the WCAT Board may take any action available, including legal, equitable or administrative action, to enforce this Agreement.

16. Disputes. The Cities governmental units agree that they will submit any disputes under this Agreement to mediation prior to resorting to an action in Court.

By signing this Agreement, the parties governmental units hereto certify that the same has been approved by their respective City Councils governing bodies.

By _____
Chair, County Board

ATTEST:

County Coordinator

By _____
Mayor

ATTEST:

City Administrator

