



**AGENDA AND NOTICE OF SPECIAL MEETING
MINNESOTA RIVER VALLEY TRANSIT JOINT POWERS BOARD**

Tuesday, August 25, 2020 – 2:30 p.m.

Virtual Meeting Only – See log-in information below

- I. CALL TO ORDER
- II. APPROVAL OF AGENDA
- III. ROLL CALL
- IV. NEW BUSINESS
 - A. 2021 Capital Grant Application
- V. ADJOURNMENT

As provided for in M.S. 13D.021, public meetings may be conducted by telephone or other electronic means under certain conditions. This meeting of the Minnesota River Valley Transit Board will only be accessible electronically using GoToMeeting software which is available at no charge (link below) or by calling as indicated below. This works best utilizing Google Chrome or Microsoft Edge as your browser. Here is the information necessary to access the meeting electronically:

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Access Code: 468-583-109



TO: Todd Prafke
Saint Peter City Administrator

DATE: 08/24/20

FROM: Wayne Albers Sandi Owen
Compliance Manager Operations Manager

RE: 2021 Capital Grant Application

ACTION/RECOMMENDATION

Approve submission of the 2021 transit capital grant application to the Minnesota Department of Transportation (MnDOT), Office of Transit and Active Transportation.

BACKGROUND

One of Minnesota River Valley Transit (MRVT) goals for 2021 is to continue growing service in the Saint Peter and Le Sueur areas while improving the efficiency of that service. Given the number of miles driven per year, the long range plan had been to replace one bus every year. The 2020 Capital Grant application for the replacement of a bus was not approved by MnDOT last year.

MnDOT capital grant funds are used for the replacement of buses. The deadline for submission of 2021 capital grant applications is August 30, 2020. A capital grant would allow MRVT to order new buses in 2021 with an expected delivery date of late 2021 or early 2022. MnDOT uses a service life expectancy for the class of buses operated by MRVT of five years or 150,000 miles. The process of ordering a bus would begin in late spring or early summer of 2021. Our current fleet of nine buses includes two buses that have over 150,000 miles and two with about 130,000 miles. It is estimated that our annual total miles will be 150,000 to 160,000.

After a review of the age of our buses and current mileage, the MnDOT matrix shows that MRVT has three buses that are eligible for replacement. MnDOT has recently announced that they have received a \$4.4 million federal grant to replace buses for small urban and rural transit systems including MRVT. This recent award comes as the grant application process winds down, but before MnDOT has been able to determine how specifically to use the federal grant funds. MnDOT staff has advised us to apply for replacement buses without regard for the local share to allow the greatest flexibility after MnDOT decides how to use the federal money. In early 2021 when the contracts are let we would have the opportunity to change the number of buses to be purchased based on the local share determined by MnDOT in the next several months. Under the current funding rules, the share of the cost covered by the 2021 capital grant is 90%. A MnDOT capital grant would fund 90% of the per bus cost up to \$95,000 or \$285,000 for three buses.

The breakdown of costs would be as follows:

(90%)	\$256,500	State and Federal Share
(10%)	\$ 28,500	Local Share
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	\$285,000	Projected Total Replacement Cost

If the grant application was approved and a contract executed, the process of equipping and pricing the buses will begin in early 2021 with a final decision on purchase of buses in May or June of 2021. If the required revenue to pay the local share is not available at that time, the Board could choose not to place the order or order only one bus. Local funds are only obligated when an order is placed.

Should this application not be approved for submission, MRVT would likely face a substantial increase in repair costs associated with keeping the aging fleet serviceable.

FISCAL IMPACT:

Projected revenue is anticipated to be sufficient to meet the required match if the funding application from the State is approved. MRVT does have ample cash and reserves to cover the local share if needed.

ALTERNATIVES/VARIATIONS:

Do not Act: Staff will wait for your direction, however the transit grant application must be submitted no later than August 30, 2020.

Negative Vote: Staff will wait for your direction, however the transit grant application must be submitted no later than August 30, 2020.

Modification of the Resolution: This is always an option of the Joint Powers Board.

Please feel free to contact us should you have any questions or concerns about this agenda item.

MINNESOTA RIVER VALLEY TRANSIT

RESOLUTION NO. 2020-

**STATE OF MINNESOTA)
COUNTY OF NICOLLET)
CITY OF SAINT PETER)**

**RESOLUTION AUTHORIZING SUBMISSION OF TRANSIT CAPITAL GRANT APPLICATION
FOR 2021**

WHEREAS, Minnesota River Valley Transit (MRVT) operates a transit system that is funded by a combination of State Department of Transportation funds and fares; and

WHEREAS, grant funds are available through the State for capital purchases for the transit system; and

WHEREAS, a capital grant application for 2021 has been completed which outlines the need for additional buses; and

WHEREAS, State grant applications require a resolution approving the submission of an application; and

WHEREAS, Minnesota River Valley Transit finds the transit system to be a valuable benefit to the residents of the communities.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE MINNESOTA RIVER VALLEY TRANSIT, THAT:

1. Staff is hereby authorized to submit a grant application to the Minnesota Department of Transportation, Office of Transit and Active Transportation for the purchase of three (3) transit buses in 2021.
2. Minnesota River Valley Transit agrees to provide a local share of ten percent (10%) of the capital costs of the transit system.
3. The MRVT Compliance Manager and the City of Saint Peter Finance Director are hereby authorized to execute such documents as may be necessary for MRVT to secure a transit capital grant for purchase of transit buses in 2021.

Adopted by the Board of Minnesota River Valley Transit this 25th day of August, 2020.

Mark Huntington
Chairperson

ATTEST:

Todd Prafke
Saint Peter City Administrator