

DULUTH TRANSIT AUTHORITY

2402 West Michigan Street * Duluth, MN * (218) 722-4426

Board of Directors Meeting Minutes

Wednesday, October 30, 2019

DTA Board Room

Directors Present: Aaron Bransky, President Rondi Watson, Vice President Henry Banks, Secretary/Treasurer Julie Zaruba Fountaine Tom Szukis	Mike Casey Ed Gleeson	Directors Excused: Joshua Smerdon Krystal Brandstatter	Directors Absent:
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DTA Staff Present: Phil Pumphrey, General Manager Carla Montgomery, Director of Finance Rod Fournier, Director of Operations Chris Belden, Director of Planning & Grants	Lisa Paczynski, Administrative Assistant David Clark, Director of Marketing Aleda Johnson, Director of Information Technology Nancy Brown, Procurement Manager
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Others Present: Jim Heilig, DTA Consultant Nick Promponas, First Transit Ben Herr, First Transit	Ron Chicka, MIC Trecia Ellis, STRIDE
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Call to Order

President Bransky called the meeting to order at 4:03 p.m.

Consent Agenda Approval

Vice President Watson requested the following reports be removed from the Consent Agenda to New Business for further discussion: Farebox Recovery, Accident Frequency, On-Time Performance and General Manager (BizPak Advertising Update). Director Casey made a motion to accept the Consent Agenda as amended and to approve the August 28, 2019 Board of Directors Meeting and October 8, 2019 Special Board of Directors Meeting minutes. Director Banks seconded the motion. Motion carries.

- Board of Directors Meeting Minutes – September 25, 2019
- Special Board of Directors Meeting Minutes – October 8, 2019
- General Manager Report
- Marketing Report
- Operations Report
- STRIDE Report
- Farebox Recovery Report
- Accident Frequency Report
- On-Time Performance Report

Public Comment Period

None.

Financial Statement Review

Staff person Montgomery highlighted key areas of the Financial Statement and distributed the September check register.

Action Items

- * Resolution No. 290 – Financial Management Procedures (DTA Staff, N. Brown): Due to a Triennial Review finding, the DTA's financial management procedures were revised as follows: 1) to incorporate allowable costs as defined in 2 CFR Part 200.403; 2) added language from 2 CFR Part 200.404 to define reasonable costs; 3) added language to cooperate with any person(s) providing oversight on behalf of the DTA Board of Directors. After further discussion, a motion was made by Director Szukis and seconded by Director Gleeson to approve the Board of Directors October 30, 2019 Resolution No. 290 approving the revisions to the Financial Management Policy as presented. Resolution carried unanimously.

OCTOBER 2019 - RESOLUTION NO. 290

Concerning the Financial Management Policy.

Whereas, DTA staff has identified amendments to the Financial Management Procedures to incorporate definitions for Allowable Costs and Reasonable Costs as required in 2 CFR Part 200.403 and 200.404; and

Whereas, the DTA also pledges to provide all necessary documents and records to designated parties by the DTA Board of Directors to conduct required FTA oversight of the DTA under FTA Circular 5010.1E, as may be amended from time to time.

Now, therefore be it resolved, the DTA Board hereby accepts the changes to the DTA Financial Management Procedures as presented herein.

PASSED AND ADOPTED THIS 30TH DAY OF OCTOBER 2019 BY THE BOARD OF DIRECTORS OF THE DULUTH TRANSIT AUTHORITY.

- * Resolution No. 291 – Legal Service (DTA Staff, N. Brown): The DTA contracts for outside legal counsel for cases that are outside of the City Attorney's expertise (i.e. workman's compensation claims, property transactions, large accident claims). DTA staff issued an RFP twice for such legal services, and each time received one response, therefore this is a sole-source procurement. DTA staff conducted a price analysis, and Hanft Fride was determined to be the most responsible, responsive bidder. A motion was made by Secretary/Treasurer Banks and seconded by Vice President Watson to approve the Board of Directors October 30, 2019 Resolution No. 291 concerning a contract with Hanft Fride for legal counsel services. Resolution carried unanimously.

OCTOBER 2019 - RESOLUTION NO. 291

Concerning the Contract for Legal Services.

Whereas, the DTA has solicited seven area legal service providers twice and has advertised for providers in the newspaper and on the DTA website and only received one response;

Whereas, potential providers indicated no barriers in the RFP that prevented them from proposing;

Whereas, the costs for legal services are allowable under our policy;

Whereas, Hanft Fride is responsive and responsible and has successfully provided legal services to the DTA for forty years; and

Whereas, DTA staff has determined that the proposed hourly rates are fair and reasonable.

Now, therefore be it resolved, that the DTA Board of Directors hereby awards the contract for Legal Services to Hanft Fride in the amount presented herein.

PASSED AND ADOPTED THIS 30TH DAY OF OCTOBER 2019 BY THE BOARD OF DIRECTORS OF THE DULUTH TRANSIT AUTHORITY.

- * Resolution No. 292 – Security Camera Installations (DTA Staff, N. Brown): Some of the security cameras at DTA properties outdated and additional cameras are needed. An RFP was sent out and two bids were received. After reviewing both bids, DTA staff determined that DSC Communications is the low, responsive and responsible bidder and the proposed purchasing cost is fair and reasonable. A motion was made by Director Gleeson and seconded by Director Szukis to approve the Board of Directors October 30, 2019 Resolution No. 292 approving awarding the security camera installations to DSC Communications. Resolution carries.

OCTOBER 2019 - RESOLUTION NO. 292

Concerning the contract for Security Camera Installations.

Whereas, the DTA has sufficient grant funds for upgrading and replacing security cameras at DTA properties;

Whereas, the costs are allowable under our policy;

Whereas, the project has been competitively procured; and

Whereas, DSC Communications is the low responsive and responsible bidder and DTA staff has determined that the proposed cost is fair and reasonable.

Now, therefore be it resolved, that the DTA Board of Directors hereby awards the contract for Security Camera Installations to DSC Communications in the amount of \$56,610.00 as presented herein.

PASSED AND ADOPTED THIS 30TH DAY OF OCTOBER 2019 BY THE BOARD OF DIRECTORS OF THE DULUTH TRANSIT AUTHORITY.

Old Business

- * Board of Directors Retreat (Gen. Manager, P. Pumphrey/R. Watson): Since Barb Caskey is not available to serve as the facilitator for the Board Retreat, Vice President Watson has sent an email to four other prospects requesting rates, etc. If any Board members have any other suggestions, please contact Vice President Watson.

New Business

- * BizPac Settlement: Manager Pumphrey announced that this law suit has been settled to avoid any unnecessary legal fees. In addition, based upon First Amendment ground, legal counsel recommended that the language in the DTA's Advertising Policy be strengthened. The revised Policy will be brought back to the Board of Directors for review and approval.
- * Farebox Recovery Ratio (DTA Staff, Chris Belden): Farebox recovery ratio is the fraction/percentage of operating expenses which are met by the fares paid by passengers. It is computed by dividing the system's total fare revenue by its total operating expenses. Mr. Belden reviewed a chart which compares the DTA's farebox recovery ratio to other similar transit systems. This data was obtained from the FTA's 2017 National Transit Database Transit Agency Profiles. In 2017, the DTA's farebox recovery ratio was 15.1%, and the national average is around 14%.

- * *Accident Frequency Report*: The National Safety Council defines a preventable accident as: A “Preventable Accident” is one in which the driver failed to exercise every reasonable precaution to prevent the accident. This is irrespective of whether there is property damage. The DTA’s preventable accidents per 100,000 miles is low; a peer-to-peer comparison is challenging to conduct because there are so many variables to take into consideration (service area density, number of service days/hours, weather conditions, etc.) Mr. Belden added that there is a performance target identified in the Transit Development Plan (TDP).
- * *On-Time Performance (OTP)*: OTP is a measure of the bus’s arrival time at “every” timepoint along the route. On time is considered between 1 minute early and 3 minutes late which is industry standard. Obviously, weather, road construction, accidents, etc. have an effect on-time performance. It is expected that next summer’s road construction projects on Superior Street, First Street, Lake Avenue and the I35/Can of Worms project will affect DTA routes considerably. DTA staff has asked the City to consider making Michigan Street a two-way street from 3rd Ave. W. to 5th Ave. W. during the construction projects.
- * *Compliance Manager Job Description (DTA Consultant, J. Heilig)*: As was discussed at the Special Board of Director’s Meeting, the FTA is requiring the DTA to hire a non-DTA sub-corporation employee and non-First Transit employee to provide oversight of the DTA’s compliance with federal regulations. A few options to consider are to hire a part-time person (temporary); an individual via an Independent Contractor/Personal Services Contract; or existing City of Duluth staff. One concern with hiring existing City of Duluth staff is the fringe benefit costs are higher than the DTA’s. After much discussion regarding each option, President Bransky made a motion to send a letter to the FTA requesting further clarification on what is required before deciding which option to choose. Director Szukis seconded the motion. Motion carries.
- * *MnDOT Conditional Capital Award (DTA Staff, C. Belden)*: MnDOT announced the preliminary award; the DTA still hasn’t received the official award. Mr. Belden reviewed the proposed awards for capital projects. The last three (beyond 2023) projects were not funded. Manager Pumphrey explained the need for better security updates at the main Operating Center. In response to Director Casey’s question regarding bike passengers, Manager Pumphrey stated the DTA has been tracking the number of times riders have been passed by, and no occurrences have been recorded. The transit industry no longer manufactures 3-position bike racks because of interference with the bus headlights. Capital projects will be discussed further once the official award is made.
- * *Homeless Shelter Transportation (Gen. Manager, P. Pumphrey)*: As was done last winter, DTA staff would like to offer free transportation to area warming shelters. The City of Duluth is currently designating where the shelters will be located, and there is the possibility that the City will designate three warming centers. No formal action needs to be taken by the Board of Directors at this time; however, Board members agree with allowing General Manager Pumphrey to continue working with the City of Duluth.

Announcements

- * *November Employee of the Month:* The Employee of the Month Committee has selected Jeff Piri as the Employee of the Month for November. The DTA commends Jeff for his dedicated professionalism and congratulates him on being selected Employee of the Month.
- * *November Board of Directors Meeting:* The next meeting will be held on Wednesday, November 20, 2019 beginning at 4 p.m.
- * *December Board of Directors Meeting:* The next meeting will be held on Wednesday, December 18, 2019 beginning at 4 p.m.

Adjournment

With there being no further business, a motion was made by Director Gleeson and seconded by Director Szukis to adjourn the October 30, 2019 regular Board of Directors Meetings. The motion was unanimously carried – meeting adjourned at 6:10 p.m.

Respectfully submitted,
Lisa Paczynski

Aaron Bransky, President

Date