



SUNSET EMPIRE TRANSPORTATION DISTRICT
PO Box 68, Warrenton, OR 97146
Phone (503) 861-7433 Toll (866)811-1001 Fax (503) 325-1606
www.ridethebus.org

BOARD MEETING MINUTES
February 25th, 2010 9:00 a.m.

Members Present: Chair Bline, Commissioners Gannaway, Goforth, Conner, Fenske, Gaebel

Members Absent: Commissioner Mendenhall

Staff Present: Executive Director Cindy Howe, Sarah Dailey, Roni Shaw, Lori Karl, Elisabeth Pietila, Tami Carlson

Meeting called to order 9:03 a.m.

COMMENTS FROM THE AUDIENCE

No audience present.

CHANGES TO THE AGENDA

Move New Business Item a. Grant Administrator Proposal to b. and add additional item a. Audit letter.

APPROVAL OF JANUARY MINUTES

COMMISSIONER GOFORTH MADE A MOTION TO APPROVE THE JANUARY 2010 MINUTES. COMMISSIONER GANNAWAY SECONDED. ALL WERE IN FAVOR AND MOTION PASSED.

REPORTS FROM CHAIR AND COMMISSIONERS

Commissioner Fenske reported some of the home health clients are confused between the Northwest Ride Center and Dial-A-Ride services. Some think Dial-A-Ride is only for seniors and people with disabilities and those receiving Medicaid benefits.

Director Howe shared the idea of combining services into a single access point has become increasingly important. We have already begun by starting to phase out one of the 800 numbers, and just using 866-811-1001. Both phone numbers direct callers to the same automated menu. Another idea being considered is to move the Northwest Ride Center and Dial-A-Ride together, and when the calls come in, everyone is nearby. Clients calling wouldn't even need to know right away if it's a Medicaid or Dial-A-Ride; they would just need to know the single number to call. This is the common model of six of the eight Medical Transportation Brokerages across the state.

Commissioner Gannaway asked if anyone can use a Dial-A-Ride.

Director Howe confirmed yes, however preference is given to seniors and people with disabilities who are traveling to medical appointments. Anyone can schedule a ride, however they are required to pay for the ride.

Commissioner Goforth reported attending the Special Districts Association of Oregon (SDAO) Annual Conference held in Seaside. She learned a lot and is glad she went. Many of the classes are repeated from previous years, so she likely won't attend every year. She thought SETD received scholarships to pay for the attendance, but saw in the financials SETD paid \$310. Since so much information was repeated from last year, she doesn't feel it's worth paying to attend each year. She also attended the caucus session, which she found interesting since there were a number of transportation districts. They do not have their own caucus and are considered part of the at large group. She also shared the Northwest Ride Center now has a lively group of members who attend the meetings ready and willing to participation in discussions. Her Seniors and People with Disabilities meeting was also good.

Chair Bline reported on attending the SDAO Annual Conference and added Matt Mumford from Tillamook County Transportation was pushing for transportation to have its own caucus, which he tried for last year as well, but no one has acted on the suggestion. He recently purchased a book 'How to Conduct Meetings and Proper Recordings' at the urging of Commissioner Gaebel. The book is updated every two years, but is also available online. The NWACT annual meeting is postponed until April, but he does have a regular meeting next week in Tillamook. They will be discussing the Freight Commission's request to increase the height of the Hwy 26 tunnel (along the sides because the ceiling is curved).

Commissioner Gaebel attended the SDAO Annual Conference. She has a handout that may be a good reference for everyone, if they'd like to make copies. The Bus presentation for Headstart was rescheduled due to a Headstart employee having a family event conflict. Elisabeth Pietila and Roni Shaw rescheduled and will bring goodie bags for the kids along with The Bus coloring books and other items including additional Spanish materials. Also, one of her neighbors commented she was happy to see The Bus serving the area near Fort Stevens. The neighbor is considering parking her car and taking The Bus instead. The neighbor also felt the nearby manufactured home park really needed the service, since many of its residents do not have a license or no longer drive.

Elisabeth Pietila added reaching out to people in the community with limited English proficiency is another goal being added to SETD's Coordinated Plan.

FINANCIAL REPORTS FOR DECEMBER & JANUARY

No further discussion was necessary regarding the December minutes since a thorough discussion took place at the January Board meeting.

COMMISSIONER CONNER MADE A MOTION TO APPROVE THE DECEMBER FINANCIALS. CHAIR BLINE SECONDED. MAJORITY IN FAVOR; COMMISSIONER GAEBEL OPPOSED. MOTION PASSED. [Per a discussion at the March 2008 Board Meeting: Commissioner Gaebel votes no because she states she feels she has no control over what is happening as far as line items. She disagrees with a past motion made by

the majority of the board that allows fluctuation outside of the line items up to \$5,000. She feels she doesn't know where anything is at any one time. She feels she is abdicating her own responsibility and believes the board has abdicated their responsibility for oversight. She feels staff should not spend above and beyond the line items without first coming to the board. Therefore she states she is voting no to protect herself.]

Commissioner Goforth asked a couple questions in regard to the January financials. One is about the Miscellaneous income which currently shows a high dollar amount. One reason she learned from Brenda Higgins was because SETD was reimbursed for Federal Unemployment Taxes (FUTA). The second amount has to do with the Wauna Mill tax break. The funds were put into the LGIP account, and she needs to speak with the Auditor to find out how to correct the issue in QuickBooks, to show the money has been moved.

Director Howe explained that SETD is not required to pay Federal Unemployment Tax (FUTA), but the taxes were deducted anyhow when payroll was previously outsourced. Therefore, SETD has received reimbursement funds on the FUTA taxes, which were taken over the course of the last few years. The reimbursement needs to be shown as a journal entry credit back to payroll. The change will be shown in the February financials. It is currently shown in Miscellaneous line item in error. The Wauna money is being left in the LGIP account in case the District needs to repay it. The Donations, Gifts and Contributions line item is over budget because there are several items that should be charged to the Drivers Fund. The corrections should appear on the February financials. The Drug and Alcohol line item is over, and will end the year over-budget due to hiring more employees than previously anticipated. The increase makes the Drug and Alcohol screening pool fee higher, and also for each employee hired there is additional expense for fingerprinting and background check services. At budget time, SETD has to estimate how many employees will be in the pool for the new fiscal year, which is rarely accurate because the number fluctuates as new employees are hired and others resign. Recently two employees retired, two more resigned. In the next budget, extra funds will be included for Drug and Alcohol testing and background check fees. With the resignations and retirements, drivers have been working overtime to cover the driving schedule; that is why there is additional overtime this month.

There was a discussion about comparison shopping for background check, fingerprinting and drug and alcohol services.

Lori Karl explained she has tried other locations for the fingerprinting, but has not had any luck because the hours of operation are minimal and she needs the service done within two weeks of the employees' hire date. She has not checked around for alternative drug and alcohol agencies, but could. She knows of at least one place that opened in Astoria last year that does them.

Director Howe explained the State of Oregon Department of Revenue says that in government budgeting there are main appropriations categories: Materials and Services, Personal Services, Capital, Debt Service and Contingency. By law, the agency cannot exceed the budgeted amounts for those main categories. SETD has adopted a policy to pay attention to the line item budgets because it wants to remain on track in the overall budget, but it is not legally required to do so.

COMMISSIONER FENSKE MADE A MOTION TO APPROVE THE JANUARY FINANCIALS. COMMISSIONER CONNER SECONDED. MAJORITY IN FAVOR; COMMISSIONER GAEBEL OPPOSED. MOTION PASSED. [Per a discussion at the March 2008 Board Meeting: Commissioner Gaebel votes no because she states she feels she has no control over what is happening as far as line items. She disagrees with a past motion made by the majority of the board that allows fluctuation outside of the line items up to \$5,000. She feels she doesn't know where anything is at any one time. She feels she is abdicating her own responsibility and believes the board has abdicated their responsibility for oversight. She feels staff should not spend above and beyond the line items without first coming to the board. Therefore she states she is voting no to protect herself.]

OLD BUSINESS

a. SETD Board Policy Draft

Chair Bline said the board policy draft is included in your packets for review. Commissioners Mendenhall and Gannaway, and he reviewed the chapters. Sarah Dailey then updated the draft with the suggested revisions. The beginning copy was used from the Special Districts Association of Oregon general board policy, which can then be tailored to individual boards. He stated that he wants the remaining board members to review the draft policy so it can be put on next month's agenda for discussion.

Commissioner Gaebel asked if the policy would include language in the draft such as 'ideally' and 'should' which tells how to write the manual and what should be included.

Chair Bline said when the review committee previously discussed the manual, it was decided to leave the language, as they felt the manual should be as complete as possible. The language and subjects that are not frequently used were included, in case someday they need to be referenced.

Commissioner Gannaway said an example is the chapter on disbanding districts. There are no plans to use it, but the information may be needed someday. It is intended to be a reference guide.

Commissioner Gaebel shared concerns over the manual including specific tasks, such as approving an annual strategic plan. She is not complaining, but wants to be sure everyone is aware those items and some may not be regular procedures used by the district.

There was a discussion that the district does do strategic planning each year. Last year the MEAD document was distributed, and approved by the board.

Director Howe said we will resend the MEAD document to the board. She said the board can send questions regarding the draft board policy to Sarah Dailey.

Sarah Dailey said she will comprise a list of all the questions, which will then be given to the board members for discussion at the next meeting.

b. Free Ride Day-January 28th 2009- In conjunction with Project Homelessness

Roni Shaw reported the ridership for free ride day. Total rides for Route 15 was increased by 200 and overall ridership was up by 300 for a total of 1,545. Ridership totals were also higher throughout the following week, so the event likely recruited some new riders.

Elisabeth Pietila reported the event was a huge success. SETD had the most popular booth, and she visited with at least 80 people. Clatsop Community College (CCC) had the booth next to SETD's, which provided her an opportunity to discuss bus routes with the CCC staff. There was some confusion about bus service to the Performing Arts Center, which she was able to provide clarification. She also had some time to visit with other social agencies that were present.

Commissioner Gaebel said the CCC newspaper featured an article about CCC and the local neighborhood fighting over parking issues. It mentioned the bus service not being very effective. **Director Howe** said the comment was made by the editor, and didn't have any reflection on the head of student services; we followed up on the comment when we read the article.

Commissioner Fenske commented there are still a lot of people driving to CCC, so there are still cars parked on the side streets. She also commented that Clatsop Community Action had hoped even more people would attend Project Homelessness Connect, and they are hoping to make it an annual event.

Elisabeth Pietila said George Sabol from Clatsop Community Action was very appreciative of SETD coordinating free ride day with the event, and hopes SETD will be willing to do the same for next year's event.

Director Howe said if the board would like to, they can make that decision, and make a motion to formalize it.

COMMISSIONER CONNER MADE A MOTION TO HAVE SETD'S ANNUAL FREE RIDE DAY IN CONJUNCTION WITH PROJECT HOMELESSNESS CONNECT. COMMISSIONER GOFORTH SECONDED. ALL WERE IN FAVOR; MOTION PASSED.

Commissioner Bline thanked Roni Shaw for having Route 101 go to the Transit Center before going to CCC.

Roni Shaw said there were quite a few written complaints regarding that, so the change has worked out really well. She's received about seven calls from happy riders about the change. But she has also received about ten calls from unhappy people who are not getting to CCC on time. When the schedules are revised again, the 101 Express may be adjusted slightly, to leave Seaside five minutes earlier, allowing it to get to CCC with a few more minutes before the top of the hour. At the moment it arrives with only two minutes to spare.

Commissioner Gaebel asked what the Cannon Beach Transportation Plan is. She recently heard something and wasn't sure what they were referring to.

Director Howe said she is not sure. She heard a radio ad referring to an article about it, featured in the Columbia River Business Journal, but isn't sure what it's about.

Commissioner Fenske asked if we had an idea about how much Cannon Beach bus service is costing us now, and if we were going to meet with the city manager to discuss it. **Director Howe** said we are still working on it, so we have not scheduled a meeting yet. It's not as simple as saying we operate this many hours and this is how much you should pay. The approximate cost per hour is \$55 and per mile is \$2.90. Since everyone pays property taxes, we have to look at other factors such as ridership, how much we would have collected in fares, and operating on Sundays.

CORRESPONDENCE

There is a copy of last month's letter to the board from Judy Richmond.

Commissioner Fenske asked if SETD had received a thank you card from the Commission on Children and Families. One was recently sent for the free ride day and there should have been one for the Winter Coat Drive.

Director Howe said we also received a thank you card from the Seniors and People with Disabilities office for sending them candy and flowers for the grand opening of their new office building.

NEW BUSINESS

a. Audit Letter

Chair Bline discussed some history that helps understand the Audit Letter the SETD Board received. He spoke with the auditor's supervisor, who said they simply wanted to ramp up the attention to a little higher authority in the organization. There are exceptions to the audit findings, but there it is a process issue, not a fraud issue. The draft audit is finished and available. Sarah Dailey can email the draft to the rest of the board members upon request. The simplest way to address the findings is through the Management and Discussion Analysis, with Cindy providing it by next week so the Auditor can present the final audit at the March meeting. Not everything is going to be agreed upon, as the Auditors have one interpretation of accounting and policies, as do Cindy Howe and Brenda Higgins. It is the job of the Auditing agency to disclose information about what they think is going on. The findings are to not to penalize but to assist the district in being in compliance with the law. SETD did require an extension to address the findings. The auditor was ill at the first deadline, so the audit agency asked for an extension, and now SETD has asked for another to deal with some of the single audit issues. The auditors plan to get SETD board members copies of the final audit prior to the next board meeting.

Director Howe suggested the board pay close attention to the last eight pages of the final audit, as that section pertains directly to the single audit.

Commissioner Gaebel suggested we check with SDAO for advice on where to go in this situation. It may be helpful to see if they have suggestions that may be helpful in response to the draft audit findings.

Chair Bline responded the next discussion item is related to that suggestion. The auditor said the findings are not unusual they just simply need to be addressed by the board and organization. Since there is no conflict or risk management factor, the Board Officers would like to take another approach, other than involving SDAO at a high cost when unnecessary. **Director Howe** responded that she is currently working on the response to the draft. She does have evidence that SETD is in compliance with a few things that the auditor noted as exceptions but she doesn't know if it will change anything because it is the auditor's role to be objective and not to just do what SETD wants.

Chair Bline will write to the auditor and request they attend the March SETD Board meeting. He asked for it to be an item on the agenda, near the start of the meeting.

b. Grant Administrator Proposal

Chair Bline explained the Board Officers would like to hire a Grant Administrator on a professional services contract. The individual would be responsible for organizing the grants and a grant tracking process. They would also assist in streamlining SETD's books. The Board Officers would like to use Sharon Williams, who also has similar roles with Coastal Family Health Center and Tillamook Transportation District. Her rate is \$50 per hour and should work approximately 20 hours per month. That would mean roughly \$1,000 per month for the rest of this fiscal year.

Commissioner Gaebel asked why the position is not being advertised.

Director Howe responded the position is a professional services contract; advertising is not required.

Chair Bline added she would not be a SETD employee and the position is not permanent.

Director Howe said the contract states the wages will not exceed \$5,000 for this fiscal year, and Exhibit A shows a list of things she is expected to help with. This is not a complete list, as we can't be sure what should and shouldn't be listed until she begins to assist SETD. With the issues faced by SETD with using QuickBooks, she will simplify the reports to help the board and staff get information in a more user-friendly format. She will also be able to establish a grant tracking system. The grants have specific reporting requirements and currently we don't have anyone besides Brenda working on it and she has clearly stated she is not comfortable with doing it and she does not have the expertise. Sarah and Roni prepared the last quarterly report which took two days and a lot of work. With all the grants SETD has received and the expectation that there will be more in the future, getting someone on board focused on this is so important.

Commissioner Goforth said in Brenda's defense she is an accounting clerk and has been overloaded. It's more than she is able to handle, and she was very impressed with Sharon Williams and her ability to consolidate some things SETD is struggling through.

Commissioner Gaebel feels the concept is great, however she is very uncomfortable as a public entity that one person is sought out and no one else is talked to at all. This is the public that is represented.

Commissioner Goforth asked Chair Bline to look in his reference book regarding boards, and see if SETD has to advertise.

Commissioner Gaebel said she is not saying SETD has to; we represent the public.

Director Howe said we have to deal with this now. We just sent in our quarterly report, which took Roni Shaw and Sarah Dailey away from their regular duties to complete. Sharon Williams needs to be up to speed before our next quarterly report is due. If we are not in compliance, we will not receive funds.

Commissioner Gannaway said in his opinion this will be the best \$5,000 this agency has ever spent. We need to hire her right now.

Commissioner Fenske agreed that SETD now knows of some issues that need addressed, and she can respond and help SETD work through them. And the initial contract is just for the remainder of this fiscal year.

Director Howe said she feels we are acting in the best interest of the public by dealing with the issues right now and hiring her.

Chair Bline said Sharon Williams is planning on retiring at the end of the next fiscal year. If the board is unhappy with her work, then her contract does not have to be renewed.

Commissioner Gaebel commented that she is just uncomfortable with how this is being done.

Commissioner Goforth said this is a proven product.

Commissioner Gaebel said that gets people in trouble a lot of times.

Commissioner Goforth said she doesn't think it's going to get us in trouble.

Director Howe said none of the things that would get SETD in trouble are happening; Sharon Williams is a professional that is very good at what she does. We are lucky to have the opportunity of having her work for us for a short period of time. She said that she has seen her work personally as the financial person for the Coastal Family Health Clinic and she was very impressed with how Sharon took that organization's books and turned it around to the point where the board is very comfortable with how the organization is operated. There is nothing wrong with SETD's books, but if we don't get a handle on things now it's going to be very difficult to take on any more projects or grant funds. **Director Howe** said that she would hate to miss out on funding because we weren't able to compete. Chair Bline commented that he is also familiar with her work.

Commissioner Fenske said the Board Officers have actually met with her, so she is aware of our needs and the timeliness of them.

Chair Bline stated that part of what Sharon will do is review the audit and spend time with the bookkeeping staff. She will suggest necessary changes for improvements, all of which will lead to better reports and understanding for everyone. He said if the board still would prefer it, he will call SDAO and get a list of suggested people, but it will most likely be CPA's for \$300 per hour or more.

Director Howe said we applied for \$20 million in additional grants funds, and if awarded any of that money this spring, we need to have a better tracking system in place.

Commissioner Goforth said we should remember that Sharon Williams will not be an employee, so there are no benefits being paid out at additional cost.

Commissioner Fenske said she does like the contract being for a limited time, for the remainder of this fiscal year, so the board can see how things will work and what is still needed.

There was a discussion about whether a CPA should be considered, to assist Brenda Higgins. It was noted that CPA's can dislike bookkeeping, and leave it to other staff to do alone. Brenda Higgins enters the information into the books, but having to maintain a grant tracking process was too much.

COMMISSIONER CONNER MADE A MOTION TO ACCEPT THE AGREEMENT BETWEEN SETD AND SHARON WILLIAMS FOR THE DUTIES OF GRANTS ADMINISTRATOR. COMMISSIONER GOFORTH SECONDED. CHAIR BLINE THEN ASKED FOR DISCUSSION.

Commissioner Gaebel said she will support this motion under one condition. At the end of this contract, there be some advertising to see if anyone else would like to submit proposals, before renewing Sharon Williams' contract beyond this fiscal year.

Director Howe questioned whether the board would want to make that a condition of the vote? There is only 4 months left in this fiscal year and we would be most likely need more time than that. She added that it is expensive to advertise and we would have to write a proposal.

Commissioner Gaebel said she feels it's fair to the public and we already have the proposal.

Director Howe replied we aren't sure if the proposal would need revisions, and won't know until Sharon Williams has worked for awhile. She is not disagreeing with Commissioner Gaebel; she would prefer the conditions not be hard and fast as that could mean we have to start the process of proposals just two months from now in order to rewrite the proposal, advertise, reviews interview and then hiring someone. If that is to be one of the conditions, she asked that SETD be allowed to continue relations with Sharon Williams through the end of next fiscal year and then go out for proposals.

Commissioner Gaebel said she is not comfortable with that.

Commissioner Gaebel feels we keep too many things secret from the public. **Commissioner Conner** said this is a public meeting and they could be sitting here. **Commissioner Goforth** said we are the public.

Director Howe said it's on the agenda, and it's on the website, there's nothing being kept secret. Anyone can attend the meetings to find out what the agenda items are about.

ALL WERE IN FAVOR EXCEPT COMMISSIONER GAEBEL WHO OPPOSED. MAJORITY IN FAVOR; MOTION PASSED.

OTHER ITEMS

a. Operations, Human Resources, and NWRC Reports

Director Howe reported she has a public transit advisory meeting, a Connect III meeting and an Oregon Transportation Brokerage meeting this coming month so she will be out of the office quite a bit. Sarah Dailey, Elisabeth Pietila and Sharon Williams will be attending a class in Redmond at the end of March called Principles of Transit Management. The content includes significant content about financial management. The class is no cost to the district other than mileage and evening meals since they are staying with family and friends in the area.

SETD did receive the Veteran's Van. There were additional funds available from that grant, so the local VA coordinator is selecting some other useful items for the van, such as graphics and tire chains.

Chair Bline asked how the arrangement works once they have possession of the vehicle.

Director Howe said it will still be our van, and SETD leases it to the VA program for \$1 per year. The Clatsop County VA coordinator will drive it, and take Veterans to Portland. We will still do the reporting on it, so our logo will go on it as well. The VA program has its own vehicle insurance.

Commissioner Goforth asked if the Astoria Senior Center van has graphics yet. We need to do some publicity about that.

Commissioner Gaebel asked if they have to show proof of maintaining the vehicle.

Director Howe said the program will need to certify they will maintain it and keep the proper records. That way if ODOT does an audit on our maintenance department, the VA program can present the necessary records.

Elisabeth Pietila reported on the Mobility Coordination program. She has been attended several meetings and will be attending the Coffee with the Commissioner meeting in Cannon Beach next month. Roni Shaw will attend with her, to discuss ridership and how SETD does route planning. She has been working with a client in the RIDEPAL program to learn to use fixed route service rather than Dial-A-Ride, which is working very well. She is doing some preliminary planning for the official launch of RIDEPAL, to coordinate with Older Americans Month. She also commented she feels in her position in the Mobility program, she would really benefit from a

grants administrator because her program is funded by several different grants, which can be confusing at times.

There was a discussion about which commissioners are up for election the next year. Commissioners Conner, Gaebel, Mendenhall and Goforth are up for election.

Commissioner Goforth attended the SDAO conference session regarding boards, and they discussed what to do when members are not attending regularly. Their guideline suggests having three be the maximum number of missed meetings, but unless the member resigns the only remaining option is recall. If the member resigns, the board can appoint another person to serve the remainder of the term. She is concerned about Commissioner Mendenhall not being able to attend regularly.

There was a discussion that she does face some personal health issues, and cares for other family members with health issues. The other option would be to ask her to step down. Board members' not attending regularly is becoming quite a problem. With the ongoing reports, grant projects and the financials, the board needs active participation.

Meeting Adjourned at 10:55 a.m.

Sarah Dailey
Recording Secretary

Commissioner Goforth, Secretary/Treasurer