



**SUNSET EMPIRE TRANSPORTATION DISTRICT**  
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**BOARD MEETING MINUTES**

**February 24, 2011 9:00 a.m.**

**Members Present:** Chair Bline, Commissioners: Bob Gannaway, Rae Goforth, Lylla Gaebel, Marcia Fenske and Victor Kee

**Members Absent:** Commissioner Susan Conner

**Staff Present:** Tami Carlson, Scott Earls, Elisabeth Pietila, Lori Karl, Mary Parker

**Interim Executive Directors:** Bill Anderson and Dan Schwanz

**CALL TO ORDER 9:00 a.m.**

**COMMENTS FROM THE AUDIENCE**

There were no comments from the audience.

**CHANGES TO THE AGENDA:** Interim Executive Director Bill Anderson asked to add discussion about extension of a leave of absence under Other Business.

**APPROVAL OF MEETING MINUTES :** Commissioner Gaebel noted the omission of a motion authorizing Interim Executive Director Anderson to rescind the NNWB contract by Bill Anderson, the grammatical correction on page 3 and the correct spelling of Carole Richardson's name.

**Commissioner Goforth made a motion to approve the January minutes as corrected**

**Commissioner Gaebel seconded he motion**

**Discussion: None**

**Motion Passed**

**REPORTS FROM CHAIR AND COMMISSIONERS**

**Chair Bline** –Chair Bline introduced Dan Schwanz who is the Executive Director for Hood River Transit and Mid Columbia Governmental Council in the Dalles. He will be working with operations, budgetary changes and evaluations to help determine the modifications we are going to make. Ron said that while attending the SDAO convention in Eugene he met with several people from SDAO and Michael Ward from the ODOT Public Transit Division to discuss how we were going to approach our problems. Michael Ward suggested that we bring Dan in to evaluate our schedules and the costs of running our routes and getting them in line with our budget. Neal Winters from SDAO will also be assisting us with Quick Books as we will not be

using the MIP program. ODOT is providing assistance to SETD to help cover Dan's expenses for the next 3 months. Both SDAO and ODOT want to see us get through our current problems and that between now and the current budget cycle will be the toughest time.

**Interim Executive Co-Director Dan Schwanz-** Dan reported that he will be spending 2 days a week at his other 2 jobs, and plans on being at SETD the other 3 days a week. He believes SETD has some serious problems and this is going to be a painful process, but he will do his best to help SETD through this. Dan said that he had received a very good reception from the managers and staff here and has known some of the staff and some of the board throughout the years.

Interim Executive Co-Director Bill Anderson explained that Dan will concentrate on the operational side and Bill will concentrate on the Board. They will form a tag team and take a team approach to all issues. Bill said Dan speaks for me and I speak for Dan and they will support what each other says. .

Chair Bline said that the Co-Director's want to receive feedback from the board. Chair Bline asked that 3 of the board members attend the meeting being planned for next week. Commissioners Goeforth, Gable and Gannaway volunteered with Chair Bline as back up if one them cannot attend.

Chair Bline said there will be an Executive Session Meeting on March 3, 2011. Judy Clark will make a presentation and Ron Downs will teleconference in for the meeting. Chair Bline sent a letter to Ms. Howe announcing the meeting and her right for open session. Ms Howe will then have the right to due process which will be another Executive Session meeting tentatively scheduled for March 15 at 11 am at the Transit

**Commissioner Gannaway** –No Report

**Commissioner Goforth-** No Report

**Commissioner Gaebel** – Commissioner Gaebel reported that she, Lori Karl, HR Director and Interim Executive Co-Director Anderson had interviewed Mary Parker for the Executive Assistant position yesterday. Commissioner Gaebel said that previously this position had strictly answered to the Executive Director however, there have been changes made to the job description and as advertised requires the Executive Assistant to answer part time to the Executive Director, part time to the Board of Commissioners and provide assistance to the Mobility Manager as well. Commissioner Gaebel noted that the new Executive Assistant's job description and the North West Ride Center's Lead job descriptions are listed for approval under New Business on today's agenda. Commissioner Gaebel said that Mary did an excellent job during her interview and that they were all impressed with her answers. Mary did have some questions. She wanted to make sure that because of the dual reporting that either a contract or the job description specifically describes who the ultimate authority is in case of conflicting direction between the Board and the Executive Director. Commissioner Gaebel said she would expect that the Board has the ultimate authority but this needs to be clarified and documented.

**Commissioner Gaebel made a motion that the Board offer the position and if accepted hire Mary Parker as the SETD Executive Assistant.  
Commissioner Goforth seconded the motion.**

**Discussion:** Commissioner Fenske said she believes in hiring from within but that Lis and Mary have been working as partners in the Mobility department and she wonders how this will affect going forward with the program.

Interim Executive Director Anderson said that he knows it is important for Lis and Mary to continue with the program, but he sees 3 needs. The Board is conducting a lot of business for the District without assistance and that needs to be corrected. He is looking at this as a confidential position which gives both the Board and the Executive Director support and better access to each other through the Executive Assistant.. Since Mary has been here she has taken a great load off of me and hopefully she will do the same with the Board and at the same time continue to be available to Lis. We are also able to offset some of Mary's costs out of the Mobility grant that we want to continue.

Commissioner Gaebel said that Mary has extensive experience in writing policy and procedures which is something this District needs and her resume shows that she has extensive background in doing just the things we need. Commissioner Gaebel said that Mary identified that she will need training in parliamentary procedure to better help the Board. Interim Executive Co-Director Anderson said that he and the Board will develop a work plan for Mary that can be used as part of her evaluation which the Board will be participate in. Commissioner Gaebel noted that Mary will not be carrying a company cell phone.

**Motion passed.**

**Commissioner Fenske – Nothing to report**

### **FINANCIAL REPORT**

- a) Interim Executive Co-Director Bill Anderson reviewed the draft Expenditure Report explaining that he wanted to emphasize that it remains in draft form because we are continuing to work on the accuracy of the numbers submitted. He reported that when the last budget was put together the revenue was overstated by quite a bit. There is a large part of the expected grant money that we are not going to qualify for primarily because of the required match which we decided we are not going to pay. The Intercity Grant which covers the bus to Westport, shows reimbursement based on expected ridership of 40,000 however this estimate is not accurate as we are being reimbursed on ridership numbers closer to 400 to 500.
- b) We have a budget on the revenue side that looks pretty healthy but not all of the predicted income is going to come in. The expenditure side doesn't look that bad, but you have to keep your eye on your actual revenue versus expenditures.

We have some potential fatal flaws in how this document was constructed and the major one is that we comingled the NWRC budget into the SETD budget. When I ask our

accounting department if we have enough money to make payroll we have to be careful because in our revenue account is the grant money received from ODOT as well as DMAP money we have received for reimbursement. When DMAP funds were transferred into this account we went outside of the scope of your budget document and created an alien document to your budget. We are going back today and restate your budget as it was intended in the original budget document. We need to separate the DMAP reimbursements into a separate bank account.

Commissioner Fenske asked why these accounts were put together.

Interim Executive Co-Director Anderson said that it was administratively done.

Commissioner Fenske said she thought that the NWRC was made a department of SETD but they were supposed to be totally separate

Interim Executive Co-Director Anderson said that there is a difference in the glossary of terms that SETD may have used and what DMAP is using. I have looked in the DMAP agreement and it says that the revenue from DMAP will be kept in a separate account. I asked DMAP to clarify if the funds could just be separate and they said it has to be a separate bank account. We should have known this.

I am asking the Board to make a motion to physically move the NWRC account to a separate banking institution and that this account requires 2 Board members signatures to transfer funds. Two separate accounts will help us manage the account, and DMAP will know that we are serious and taking aggressive efforts to set things up correctly.

At the same time we are also restructuring all of our revenues and expenditures back into Quick Books. Neal Winters has been assisting with this. This effort will take a long time as we will have to re-enter all of our revenues and expenditures into the accounts.

Commissioner Fenske asked when the audit would be done. Interim Executive Director Anderson said he is hoping that the auditors will show a little leniency when they see what we are trying to do. He is hoping to have a report by the end of the month however usually auditors arrive with 2 people for a couple of days, they called for 4 people and were here for 5 days. We are hoping for a clear snapshot but there may be some things that they do not have answers to.

**Commissioner Gaebel made a motion to authorize the Interim Executive Directors to open up a separate bank account for DMAP revenues at Bank of Astoria.**

**Commissioner Key seconded the motion**

**Discussion: None**

**Motion passed**

Commissioner Gaebel presented a copy of the TualatinValley Fire's financial reports as they are presented at their board meetings. The example came from Carole Gearin who is planning to run for one of the SETD Board vacancies.

Interim Executive Director Anderson said that in the future the Board will be receiving up to date financial reports and approving the bills to be paid every month..

**OLD BUSINESS- None at this time**

**CORRESPONDENCE**

There was a copy of a letter that had been published in the Letters to the Editor in the Daily Astorian thanking Lis and Mary for teaching Travel Training to the Lives in Transition groups at Warrenton and Seaside High Schools.  
There was also a Thank you to SETD for their donation of \$500 to the Downtown Historical Association.

**NEW BUSINESS**

a) **Board Secretary/Executive Assistant Job Description changes**

- a. Commissioner Gaebel said that the changes and expectations had been discussed earlier in the meeting when discussing Mary Parker's interview and new job expectations. Commissioner Gaebel said she had explained to Mary at the time of the interview that the job description would probably evolve as changes were made at SETD.

**Commissioner Gaebel made a motion to approve the Executive Assistant revised Job Description.**

**Commissioner Gannaway Seconded the motion**

**Discussion-None**

**Motion passed**

b) **NWRC Lead Job Description**

- a. Interim Executive Director Anderson explained that there needs to be some oversight at the NWRC. Currently there is no supervisor designated for the day to day supervision at the NWRC and this is causing problems. This will take one of the employees and put them in a lead position.

**Commissioner Goforth made a motion to approve the NWRC Supervisor Job Description**

**Commissioner Fenske seconded the motion**

**Discussion- None**

**Motion Passed**

c) **Budget Committee**

- a. Interim Executive Director Anderson explained that we need to get moving on setting dates on a budget calendar beginning in March and selecting new members for this year's budget process. Mary will update and verify those on the list. Commissioner Goforth knows several people interested so she will check with them and if agreeable will send their contact information to Mary. Chair Bline read Jim Coffee's resignation letter from the budget committee.

**d) Intergovernmental Agreement ODOT**

- a. Chair Bline reported that he and Interim Executive Director Anderson met with Seaside Mayor Don Larson, Seaside City Manager Mark Winstanley, Seaside Commissioner Don Johnson and Mary Blake General Manager Seaside Parks and Rec. to inform them that SETD will be asking ODOT to withdraw them from the Intergovernmental Agreement (IGA). Interim Executive Co-Director Anderson said that a letter has been prepared that Chair Bline will sign asking ODOT to release SETD from the IGA. He explained that the original agreement required SETD to provide a 20% physical match which was about \$900,000 in addition SETD would be responsible for any costs for construction that exceeded the \$3.9 million. ODOT has been waiting for verification of the match money, but it is not there. Also listed in the IGA grant application was a secondary grant that could cover the required match, but this grant was unavailable. In addition the District agreed that they would have reserve funds if they did not receive the secondary grant match. We do not have the funds. We are still responsible for the site evaluation costs by OTAK but we are also asking ODOT to help us with those costs as well. We owe OTAK about \$27,000.

**Commissioner Gaebel made a motion that we authorize the Chair Bline to sign a letter that will be sent to ODOT requesting the release from the Intergovernmental Agreement Grant.**

**Commissioner Goeforth seconded the motion.**

**Motion Passed**

**e) Parking Fee Increase:**

Interim Executive Director Anderson said the current cost of our parking spaces is \$35 a month. He would like to see that increased. He will do a survey and have a proposal at the next meeting.

**OTHER ITEMS**

**a) Interim Executive Co-Director Bill Anderson's report**

- a. SDAO: SDAO provides medical and liability insurance to the District. We have been behind since last October. SDAO has been fronting the premiums for us, but they are asking that we catch up to January and they will continue working with us. They understand if we paid all of it we would not be able to make payroll. We are making a payment today. Interim Executive Director Anderson said with the Boards permission he would draft a letter from the Chairman thanking SDAO for working with SETD.
- b. We are still working with the 5 County Consortiums on the Dept of Energy Livability Grant. We are an important link in the chain in this project. We will continue to be interested as long as there is no financial drain on our services to do it. There is a lot of political investments in this project. We may be able to use some of this money to keep a bus running. Interim Executive Co-Director Schwanz said one of the problems is that we would have to continue service on

Saturdays and possibly on Sunday, but Saturday service is one of the services that may have to cut. We would have to go back to them and ask them to help us with that. They also want us to take on another Hybrid bus which at the moment we don't really want to do. He also said that this is ARRA money and the reporting on that is extensive. Commissioner Fenske said that her understanding was that the grant would pay for that Hybrid bus and pay for us to run those services temporarily. Executive Interim Co-Director Anderson said the way the budget was structured that money was not put into operational costs. We have to restructure the budget but in all fairness we need to get our hands around this grant now that we have the IGA. Commissioner Gaebel said the good thing about this grant is that there is no match. Interim Director Anderson said we do not want this to go away but we do not want to take this on if there are other costs or services that we cannot deliver. There has been a hold up in Columbia County at the counsel level. Chairman Bline said that he had a call from Cal Colvin to inform him that this probably does not have all the purse strings that you think it has.

- c. DMAP is auditing audit the NWRC. We are looking at this as a way to help us get back on track. They have requested an extensive list of reports and documents by March 18<sup>th</sup>.
- d. Greg Baker is the Executive Director of SDAO. He has been here two times evaluating our cash flow. His estimates that we are spending \$70,000 to \$80,000 a month over what we are taking in. Our aging account is like a tsunami behind us. Greg is developing a strategy to get us out of this. His plan that will probably put us on a diet for 18 to 24 months. He thinks we can get caught up in 24 months and that we may be able to start adding services but will probably never have the services that we have had.
- e. I talked to ODOT and found out that writing a bus pass policy is more complex than I thought. We need to develop a Fare Box Policy which will take more time to develop. I will work with Scott and Mary and have something for you next month.
- f. I have been invited to attend the Mayor's Diversity Task Force meeting at the hospital today. We will also be seeing a new policy on bus conduct as well.

**b) Parking Contract:**

Commissioner Gaebel asked that the Bicentennial Festival Committee provide a contract with documentation of liability insurance to the District for their use of the SETD parking lot. Commissioner Goforth will provide the documents required.

**c) Operations: Scott**

d) **Mobility/Marketing:**

Lis reported that she and John had received a lot of assistance from ODOT while completing the SETD Grant. They mailed the CD that contained all the requested Grant documentation to ODOT , however somehow the CD arrived without any information on it. Lis said ODOT have been very understanding of our situation and she was able to resend the needed information. Interim Executive Co-Director Schwanz said that he has talked to Michael Ward at ODOT and he said that what is out there now is fairly stable and will be there next year.

e) **NWRC Reports**

f) **HR Report:**

Lori Karl read a letter from an employee requesting an extension of medical leave for 90 more days. The employee is also applying for Cobra benefits.

**Commissioner Fenske made a motion to extend medical leave to employee for 90 days with and end date of May 31, 2011 and with the understanding by employee that employee is subject to any and all department layoff schedules.**

**Commissioner Gaebel seconded the motion.**

**Discussion- None**

**Motion passed**

Lori said she and Bill will be participating in a phone hearing tomorrow concerning Sarah Daily's claim for unemployment.

Meeting was adjourned at 10:30 am.

Mary Parker  
Recording Secretary

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Commissioner Goforth, Secretary/Treasurer