



SUNSET EMPIRE TRANSPORTATION DISTRICT

900 Marine Drive Astoria, OR 97103

SETD BOARD OF COMMISSIONERS

MEETING MINUTES

MARCH 28, 2013

1. CALL TO ORDER at 9:00 AM – PLEDGE OF ALLEGIANCE TO THE FLAG
2. ROLL CALL-
Present: Chair Paul Lewicki, Commissioner Vic Kee, Commissioner Carol Gearin, Commissioner Kathy Kleczek,
Excused: Commissioner Goforth and Commissioner Fenske
Staff Present: Jay Flint, Executive Director, Mary Parker, Executive Assistant, Lori Karl, Human Resources, Lis Pietila, Mobility Management, Scott Earls Operations, John Layton, IS, Julia Takko, Accounting Specialist
3. CHANGES TO AGENDA- Executive Director Flint asked to have the Connector Update removed from today's agenda and moved to the April meeting.
4. APPROVAL OF FEBRUARY MINUTES-
Commissioner Kee moved to approve Board minutes.
Commissioner Gearin seconded the motion.
Motion passed by unanimous aye vote.
5. REPORTS FROM CHAIR AND COMMISSIONER
Chair Lewicki- Reported that Commissioner Fenske had called and said she would be unable to attend and that Commissioner Goforth is in Ireland. Chair Lewicki reported that he attended a meeting with Jay, Janet and Jean Palmateer to discuss the upcoming reduction that Columbia County is facing.

Commissioner Kleczek- Reported that she is anxious for South County to receive more information about the Connector route.

Commissioner Kee- Reported that the Board had previously approved the concept of naming the transit plaza and that he will have an update on this project next month.

Commissioner Gearin- No report

6. PUBLIC COMMENT- None

7. FINANCIAL REPORTS- Jay reported that SETD still owes \$8800 to the Lewis and Clark National Park due overpayment for services in 2010. Since this money was allocated from a previous fiscal year, they have asked that we make the payment to the Lewis and Clark National Park Association which is the nonprofit that funds the book store at the park. The money will then be added to the John Bird Transportation Scholarship which funds student field trips to the park. John Bird had been a volunteer at the park and his family set up the scholarship in his memory. Commissioner Gearin asked if SETD will receive a receipt from someone with authority that says this account is paid in full saying that we have paid this account in full. Commissioner Kleczek also asked if the federal agency will recognize the donation to the foundation as payment to them. Jay said that they have been working on this for about 2 months. Chair Lewicki asked that the proposal be in writing so that we have an audit trail and a paid in full document. Commissioner Kleczek clarified that we need a paid in full document from the agency that we owe the money to. Commissioner Kee said based on past history, we are better served to just move ahead and pay the \$8800 and make sure that when the media reports on it that it doesn't look like we are not just donating but taking care of a past debt and this is the way we are doing it. Commissioner Gearin said she agreed with Commissioner Kee. Commissioner Kleczek said she agreed that we should pay what we owe and move on. Jay said that he will work with the park to make sure this is positive for SETD and the park as well.

Jay clarified that the \$ 10,000 balance in Miscellaneous income is the result of a \$2000 refund from Integra for overcharging, a refund of \$350 from our FSA account and a refund of \$8000 from SDAO due to compliance with best practices. Jay also received \$87 from Van Dusen beverages and a couple of small payments for employees serving on Jury duty. Jay said the professional services are about twice what we budgeted for due to the Connector services which were not included in the original budget. Jay said that he will make a full grant update and report at the next board meeting. Jay also reported that we are due \$802,000 in property taxes this year with a predicted 94% collection rate which would be approximately \$ 775,000. There is also \$20,000 in this account for payment to Fort James which is our portion of a payback that the County owes the Wauna Mill. Commissioner Kee asked about the Lenova charges were for computers. Jay said we bought several replacement computers. Commissioner Kee also asked if we had a contract with Ohana media. Jay said that we have a contract for the Connector project. Commissioner Kee said that he had heard sponsorship ads that were not for the Connector. Jay

explained that due to the amount spent for the Connector there were some free sponsorship spots that we can use.

Commissioner Gearin asked if Jay could have an updated donation report by the April meeting.

Commissioner Gearin moved to accept the financial report as presented

Commissioner Kleczek seconded the motion

Motion passed by unanimous aye vote.

8. OLD BUSINESS-

- a. Connector Budget- Update (moved to April Board meeting)
- b. Audit Deficiency Report: Jay reported that the 2011 – 2012 Audit Deficiency Report is much shorter than those of previous years and that most of the findings have to do with the lack of internal controls for accounting procedures. Jay noted that most of the findings have been resolved since hiring our CPA Gretchen Mather. Jay said he will continue to work with Julia and Gretchen until all are resolved and procedures are in place that provide an audit trail. Chair Lewicki asked that once the findings have been corrected that report be shaded to show completion as on the previous Audit Deficiency Reports.

9. CORROSPONDENCE-

- a. **Thank you-** SETD received a thank you call from Maya Firebaugh about the caring service she had received when she had received the wrong bus schedule information and missed her bus. Driver Steve Smith informed Supervisor Steve Weinert about the schedule mix up and he went and picked up the woman to make sure she got safely home.
- b. **Aeovironment Report-** SETD received a small payment for the electric charging station. Mary reported that a new charging station is operating in Cannon Beach and that there is one being installed in Westport and soon to be one in Scapoose. She also said that a there is going to be one in Longbeach Washington in the near future.

10. NEW BUSINESS-

- a. Budget Committee Appointments- Jay said that Mary will be contacting the budget committee members to confirm if they will be available to serve on the committee again this year; however it does look like we will be needing about 3 new committee members. Jay asked that any suggestions for new committee members be emailed to Mary.
- b. Credit Card Policy Changes- Jay asked the Board to approve a change to the Credit Card Policy to allow 2 more credit card users. The original policy only allowed 4 employees to have credit cards. Jay would like approval to issue credit cards to Jason Jones, NWRC manager (\$1000 limit) and John Layton, IS (\$2000 limit). Jay said that this will increase the allowable amount on the credit card account so Clatsop Bank may require signatures from the board.

Commissioner Kee moved to approve adding 2 more employee credit cards

Chair Lewicki seconded the motion

Discussion: Commissioner Gearin commented that even though this is an operational policy one of the functions of the Board is to watch out for the finances of the public so I think Jay was correct to bring this to the Board. Commissioner Gearin asked if each employee that is a cardholder is still turning in receipts every month for charges. Jay said yes the policy requires that a receipt be turned into accounting for every charge listed on the monthly statement. If a receipt is missing they are required to complete the explanation form which is approved by Jay. Statements and receipts are connected to the checks so the board member signing the checks can easily view them.

Commissioner Kleczek asked if the new card holders will have to sign that they have read and will abide by the policy because the Credit Card Policy is very good and thorough especially the part that it has for lost receipts. Jay said yes that they will receive a copy of the policy and sign verification that they will follow the policy. Chair Lewicki said it makes sense to move ahead like this as it defeats the purpose if an employee has to use another employee's credit card.

The motion was approved by unanimous aye vote

- c. Board Member Resignation- Chair Lewicki reported that Commissioner Gassner had submitted her resignation due to her accepting a new job. Chair Lewicki said that the Board is asked to accept the resignation.

Commissioner Gearin moved to accept Commissioner Gassner's resignation

Commissioner Kleczek seconded the motion

The motion passed by unanimous aye vote

Chair Lewicki said that time being what it is the Board should appoint someone for the vacated position now. Chair Lewicki said since we have 3 people who have registered to run and 2 of them have registered for the same position. The one uncontested position would be the one that Neal Smith has registered for. Chair Lewicki recommended Neal's appointment to the Board vacancy take place today. Commissioner Kleczek said that the Board has just approved a policy and procedure of how to appoint somebody to the board and we should do our best to follow that procedure and not deviate having just gone through that process. Commissioner Gearin said she disagreed since we know within 2 months Neal is going to win and we do not know about the other 2 positions. She continued saying that we do not need to spend tax payers money advertising and spend the committee time going through a process. Commissioner Gearin also said that the Board had made the policy and they could set it aside because it is logical that Neal is going to win. Commissioner Kleczek said she thought it was premature because there are all kinds of other things that could happen and it shows favoritism to appoint someone and not follow our own procedure. Jay commented that this is exactly why I suggested a simpler board approval process because this is the exact scenario that came up when we were discussing the original approved

policy with our attorney Jeanyse Snow. Jeanyse recommended that we cut out the 6 month restrictions and comply with ORS 198, 320, but she also talked about what happens if you have a resignation after March 21st but before June 30th because your policy does not speak to this scenario. Jay said if we open the process for the next month and have committee make a recommendation we could have appointment at the May 24th Board meeting they would only sit for the June meeting and then in July the newly elected board member would take their spot. Commissioner Kleczek said if someone saw the opening and were very motivated and they run a write in campaign that allows them to win the seat then they are going to keep it. Commissioner Kleczek said she thought it presumptive of to assume that just because someone is running unopposed that they are going to stay unopposed. Commissioner Kleczek said she agrees that we did not build this situation into the policy but we did adopt the policy and it doesn't look right to adopt a policy and in 2 months throw it out the window the next time it comes up. Chair Lewicki said first of all he really appreciates the value Commissioner Kleczek put in the policies that we create as a board but he has to repeat what Jay said because he was also there and what he heard is that SETD is not going to be able to write a policy that is going to cover all the possibilities and when something comes up that is not covered by policy, you are still going to have to make a decision, and that is where we find ourselves today. Chair Lewicki said it is our responsibility to fill the vacancy quickly and our attorney has said you can write your policy but what it comes down to is the Board has to fill the position. Chair Lewicki said that all concerns are noted for the record but he would still encourage the board to consider making the appointment today and avoid the expense and the time. This does not preclude somebody being a write in, but if we don't appoint today and there is no write in then we may miss the opportunity to appoint someone who we can bring up to speed will continue to be with us for 3 years.

Kevin Widener asked to make a comment and said he has no problem with appointing Neal Smith, however he said you have established a policy and in his opinion the policy is flawed. You clearly are speaking to ORS 255.245 but he said he thought the process has been flawed from the start however for expediency purposes he said he believed that Neal was the only person that could be appointed.

Neal Smith asked to speak and said he agreed that when you write a policy you follow a policy. Neal propose that the Board add an additional step to the policy to clarify that when there is a resignation within 3 months of an election the Board can appoint with the understanding that the appointee will only serve until the election no matter what the case is and after the election they are off the board. Neal also agreed that you can never write a policy that covers everything and the more you write the worse it gets. Chair Lewicki thanked Kevin and Neal for their input and Commissioner Kleczek position but he recommended that the Board act on this today and that we look into that policy again to make ensure that it is serving the District the way it should.

**Chair Lewicki moved to appoint Neal Smith to the SETD Board of Commissioners
Commissioner Gearin seconded the motion**

Discussion- Commissioner Klecyek said she would feel less strongly about following the policy if we actually make it official that we are going to look at that policy again and it will be worked on after the election.

Chair Lewicki said he would make that a commitment.

Commissioner Kee said that he had a possible conflict of interest due to Neal Smith doing contract work for him. Jay said that this was not a direct conflict with the district and that Commissioner Kee could vote.

The motion passed by unanimous aye vote.

- d. Transfer of Bank Funds- Jay said that SETD has used several banks in the last few years for various reasons. What the interim directors did was put the NWRC funds in Bank of Astoria to keep the account visibly separate from the SETD accounts. Jay said that the District had continually worked with and developed a solid relationship with Clatsop Bank so he is asking for the authority to consolidate all District accounts at Clatsop Bank. Commissioner Gearin said she could have a conflict of interest due to being a shareholder in Clatsop Bank. Commissioner Kee said he supports the consolidation as it lessens the chance of any errors when you are transferring from one bank to another. Commissioner Kleczek asked if closing accounts would affect our credit rating. Jay said our credit rating is already low.

e.

Commissioner Kleczek moved to approve moving all SETD and NWRC bank accounts to Clatsop Bank.

Commissioner Kee seconded the motion

The motion passed by unanimous aye vote.

Commissioner Gearin abstained from voting due to a possible conflict of interest

- f. SETD Records Retention Policy- Executive Assistant Mary Parker explained that this policy will be used by each department to make sure that the District's complies with the state requirements for special districts record retention laws. This policy also supports the Board policy on records retention. The Records Retention Policy delineates the necessary procedures for identifying what District records have to be retained and then provides the process for storing, archiving and or destruction of records that are no longer require retention. Each department will keep a list of the documents that are required to be retained, how long each document will be retained and where the document will be located during the process. Mary said the District has rented two secure heated storage units that are out of the tsunami zone in Warrenton. One unit is for SETD and one for the

NWRC. Each will contain shelving that allows easy storage, good air flow and has room to organize the records by need and destruction date. The records retention policy also includes the processing requirements for public records viewing and release requests. There will be a separate policy developed for Records Retention for the NWRC that will be specific to medical records retention requirements.

- g. Board Policy Committee: Board Duties and Responsibilities- Chair Lewicki said the Board Policy committee has completed and is asking for Board approval of the Board Duties and Responsibilities policies # B-301 through #B-311. Chair Lewicki said he would like to pull policy #B-307 for more work before approving it. Commissioner Kleczeck said that considering our discussion earlier in the meeting she would like to have #B-308 Board also pulled for more work.

Commissioner Gearin moved to approve the B-300 policies except B-307 and B-308.

Chair Lewicki seconded the motion

Discussion: Commissioner Kleczek asked that line #11 in policy B-302 be changed so it is clearer.

Chair Lewicki asked that the motion be amended to add the change to policy #B-302 line #11 to include "in the absence of"

Motion passed by unanimous aye vote

11. EXECUTIVE DIRECTOR'S REPORT

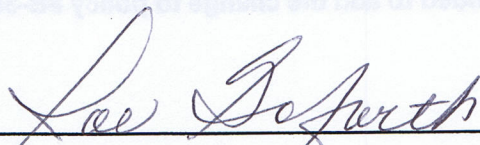
Management Report for February 2013 –

1. SETD Donated Services Application Process- Jay reported that the public application process for donated transit service will begin in April and go through May. Applications will be reviewed by the Board with final selection and approval being made at the June Board meeting. The Board will determine the annual donations that will be allowed during the budget process.
2. Federal Lands Access Grant- Scott and Jay have been working with the Lewis and Clark Historical Park staff and ODOT to design a new bus route that will provide access between Fort Clatsop, Fort Stevens and Fort Columbia. Jay said that there is a focus on access to local trails as well
3. CC Rider- Jay reported that Columbia County Rider is cutting back their services due to a 64% reduction in transit funding. We are still waiting for their new route schedule which will begin on April 1st. Jay said that we have posted announcements for our riders that a change is going to happen soon and we are prepared to do what we need to do including going to Clatskanie so we do not let our riders down. There are many unanswered questions about how the Connector routes are going to work. Commissioner Gearin asked if SETD would need an MOU to go into Columbia County. Chair Lewicki said we would be happy to enter into an MOU however if there is a delay in that happening we will still serve our riders. Jay said that CC Rider currently comes

into Clatsop County every day and he has done research and found no laws in place that say you need an MOU to provide transportation in another county. You do need an MOU if you are providing contracted services for another county. We are currently applying for an Intercity Grant that will allow SETD to have a route to Portland every day. The route would follow Hwy 30 and connect with Amtrak in Longview and Portland.

4. SDAO Conference- Jay attended the SDAO conference that was held in Portland and reported that it was very informative.
5. Jay reported that ridership is up 20% from last year.
6. Commissioner Kleczek reported that Google Transit is not working correctly for our area. Jay will let John Layton know.

Meeting was adjourned at 11:30 AM Mary Parker, Recording Secretary



SETD Board Secretary/Treasurer

Date 5-2-13