



SUNSET EMPIRE TRANSPORTATION DISTRICT

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BOARD MEETING MINUTES -SETD BOARD OF COMMISSIONERS

Thursday, May 26, 2011 9:00 A.M.

ASTORIA TRANSIT CENTER, 900 MARINE DRIVE, ASTORIA, OR 97103

1. CALL TO ORDER; PLEDGE OF ALLEGIANCE TO THE FLAG

2. ROLL CALL

3. PUBLIC COMMENT

4. CHANGES TO AGENDA

5. APPROVAL OF APRIL MINUTES

6. REPORTS FROM CHAIR AND COMMISSIONERS:

Commissioner Gaebel reported that she was asked by MTC director, Julie Gassner to speak to several of the SETD employees that had been laid off. There had been a rumor that SETD was going to start rehiring, so some of the SETD employees that had been laid off were not participating in programs that are available to them. Commissioner Gaebel took a copy of the budget and the restructure plan and discussed SETD's current status with them.

Commissioner Gaebel said that the employees would like a letter that they can give to employers that confirm that they were laid off from SETD through no fault of their own. The letter will be written from the entire Board and authorize Chair Bline to sign on our behalf.

Commissioner Gaebel made a motion that the board prepare a generic letter made available to all employees that have been laid off that states that they were laid off at no fault of their own and that the letter comes from the entire SETD Board and is signed by Chair Ron Bline.

Commissioner Fenske seconded the motion

Discussion: It was recommended by Commissioner Fenske and Commissioner Kee that there is an understanding that the letters will be specifically made out to in each employee's name.

Motion passed

Commissioner Goforth reported that the Astoria Bicentennial Celebration was a great success and there were many compliments given by those who attended. All of the dancers preformed beautifully and the vendors and local businesses were very busy. 1500 cupcakes were given out. There was a general good feeling from everyone who came and was involved with the Celebration and the Route #11 has taken in about \$15,000.

Commissioner Kee said that everyone was very appreciative of using the Transit Center's park like setting. The Hawaiian dancers had 5 costume changes so they really appreciated the use of the Transit Center.

7. FINANCIAL REPORTS :

Brenda is still working on Quick Books. Interim Executive Director Schwanz and Mary Parker will be going to Salem to an audit preparation class being sponsored by Boldt Carlisle and Smith on June 10th. Chair Bline reported that we are making progress in paying down our accounts payable.

8. OLD BUSINESS

a. SDAO Workers Compensation Insurance and Accounts Payable Agreement:

Interim Executive Director Schwanz said that he has had several conversations with Special Districts Association of Oregon (SDAO) about SETD's outstanding accounts. The recent letter received from them shows a proposed payment schedule that is very aggressive but from the conversations he has had with them they are probably not expecting any big payments from us until later in the year. We are waiting on a payment from ODOT which will be used to make two payments towards the medical premiums. This payment is STF money that we would have received in 2012-2013 and 2013-2014. Interim Executive Director Schwanz said he believes SDAO should receive a letter from the Board acknowledging what SETD owes them and that paying them is our priority. We will focus on staying current for the rest of this year but the bulk of what we owe will be paid next year after we receive tax money. Interim Executive Director Schwanz will write a letter to SDAO acknowledging our debt to them and that we would also like to make payments towards the liability insurance that we owe as soon as we can. Commissioner Gaebel pointed out that the money we owe SDAO has been extended to SETD interest free.

Commissioner Gaebel made a motion that SETD send a letter to SDAO acknowledging that we owe them money and that repaying them is a priority and will be done as quickly as possible.

Commissioner Fenske seconded the motion

Motion passed

b. Executive Director Job Description, Selection Timeline and Benefit Package Process:

Commissioner Goforth said that the Executive Director Search Timeline document condensed the necessary information very well. Interim Executive Director Schwanz said that the timeline was going to be condensed even more because the recruitment ads are going to direct applicants to our website for the job description and application requirements. Commissioner Gaebel, Chair of the Executive Director Search Committee, said that Commissioner Goforth and Commissioner Conner were on the original committee but Commissioner Conner could not attend the meeting so Commissioner Gaebel asked Chair Bline to be on the committee. Commissioner Gaebel said SDAO also volunteered to assist with the search and interview selection process. Both George Dunkel and Bill Anderson from SDAO attended the first Executive Director Search Committee meeting and assisted with the original search time line and draft of the Executive Director's job description. There was one follow up meeting where final changes were made to the job description. Commissioner Gaebel reviewed the Essential Qualifications and Desired Qualifications of the Executive Director's job description. The benefit package will be based on the region but will be negotiated between the Board and the applicant. Commissioner Gaebel said according to the timeline we will be hearing public comment about the Executive Director Search process today and the recruitment ads will be placed on June 1st. The ad will be small and will state job opening and wage range and will direct those interested to the SETD website for the complete Job Description and application requirements. Commissioner Gaebel said that applicants will mail or email resume and cover letter to SDAO for the initial screening after which applications will be sent to each of the SETD Board members to be ranked. The ranked applications will then be returned to Mary Parker by July 14th to be compiled into a matrix that the Board will utilize to determine selection of the final candidates for interview.

Commissioner Gaebel said that George Dunkel from SDAO said that it is important for the entire SETD Board to be present at the interviews. Commissioner Gaebel will not be back from vacation until August so the interview date will be changed to August 15th. George Dunkel also said that if Interim Executive Director Dan Schwanz cannot stay at SETD until the new Executive Director starts then Bill Anderson will fill in. Mary will have the matrix completed by July 20th. The Board will then hold a Board Meeting at 8 am on July 21st that will go into Executive Session to approve the final candidates for interview. Candidates will be called on July 21nd and scheduled for interview on August 15th. There will be two panels of interviewers. One panel will be made of experts in the transit field and one panel will be SETD Board members. All interviews will be done in person.

c. Public Input:

Commissioner Gaebel asked if there was any public input towards the Executive Director Search process. Kevin Widener said that he had a concern about the Port authority having any influence on this selection. He said he was well aware of Mr. Bland's qualifications but said he is not sitting on this board. He said we have run into problems with the charter service and the Port Authority and Mr. Bland miraculously came out of nowhere the minute that deal went bye bye. Commissioner Gaebel said that Mr. Bland's involvement is actually as an individual. When we are talking with him we communicate with him on a personal level using his home phone and personal email. He is not representing the Port. He has a great deal of experience in transportation. Kevin said Mr. Bland is not a board member here but he is a member on the Port Authority. He found out about this before it was even advertised and there is only one way he could have found out about this and that is if Susie or Bruce told him because it had not been made public at that point and I don't believe in coincidence. Commissioner Gaebel said what had been made public was that we were going to be looking for a new Executive Director and we hadn't nailed down our process. Mr. Bland actually called Dan "out of the blue" and volunteered based on his past very lengthy experience in transportation. Kevin said that he had written down that Mr. Bland wanted to be involved in the recruitment. Commissioner Gaebel said he would be on an advisory board to the Board of Directors, and would not be involved in making the final decision. Kevin said you can do what you want to but I am expressing a concern. I am talking about ethics and other things that are going on here. The deal with the charter service went back to a deal that Cindy made years ago when the Port Authority and was not real ethical and we had problems with them. Commissioner Gaebel asked if Kevin was at the last meeting where we did vote to end the service to the cruise ships at the end of the year. Kevin said he also heard a comment that he recommended that it should be terminated. Kevin said he agreed it should be terminated at the end of the month. Kevin also said he knew that there is an audit from the Federal Government through ODOT. I do not want to risk my service on that. Commissioner Fenske said that she understood his concern because she was also surprised that "out of the blue" someone from the Port called and wanted to be involved in this process. Because of his experience in transportation his input would be valuable but she said I am taking that with a grain of salt personally. Kevin said none of the 5 people that spoke at that meeting had ever met Mr. Bland. They had received phone calls and they were reading a resume. He did mention that he would not interview for the director's position by skype. He wanted to meet them in person. Commissioner Gaebel said this is something the whole board needs to talk about and I appreciate your input on it. There was discussion about Mr Bland being part of the interview process. Interim Executive Director Schwanz said that Mr. Bland has volunteered his services and has given good advice but he made it clear he would take no offense if his services were not needed. Commissioner Gaebel said that she would write a letter to Mr. Bland from the board saying that due to public input the SETD Board felt it was prudent that we eliminate any kind of appearance of possible conflict.

There was discussion about the timeline and it was approved with the changes made earlier in the meeting. Commissioner Gaebel suggested a couple more changes. One was changing the weight requirement to 40 pounds and the other was changing the expectation that all Policy Manuals would be updated annually.

Commissioner Gaebel suggested that the Benefit Package options remain open to negotiations at time of job offer. Commissioner Gaebel said she and Mary will make changes and prepare documents for job opening and recruitment ads.

Commissioner Gaebel made a motion to approve the amended Executive Director Time Line, Job Description and Benefit Package.
Chair Bline seconded the motion
Discussion: No discussion
Motion passed

9. CORRESPONDENCE

Government Ethics Commission Response to Michael Ward

Chair Bline said that SETD has received a copy of a letter written in response to Michael Ward from the Oregon State Ethics Committee in response to a complaint that Michael Ward from ODOT had sent to them. Commissioner Gaebel asked that the letter be read into the minutes. Chair Bline read the following letter:

May 2, 2011

Dear Michael,

The Oregon Ethics Committee has received your correspondence concerning Cindy Howe of Sunset Empire Transit District.

The information you have provided appears to be sufficient to open a preliminary review. The purpose of any preliminary review is to determine whether or not there is cause to investigate possible violations of Government Ethics law.

Due to the Commissions current number of pending cases, a preliminary review on the information you have provided cannot be initiated at this time. Your complaint will be reconsidered on a regular basis and uninitiated when the investigative workload will allow.

A copy of this letter along with copies of the information you submitted, is being provided to Cindy Howe. The Commission will not make public comment on this matter as all preliminary review materials are considered confidential.

I apologize that the Commission is unable to address your complaint at this time. Please feel free to contact this office if you need additional information regarding this process.

Sincerely,

Ronald A Bersin

Executive Director, Oregon Government Ethics Commission

10. NEW BUSINESS

a. Schedule SETD Board Meetings to twice a month:

There was discussion about going to 2 SETD Board Meetings a month. Interim Executive Director Schwanz said that with all of the specific meetings coming up in July and August that the Board consider having 2 meetings a month after the new Executive Director is hired. Carol Gearin suggested that the first part of the meeting on July 21st be used for swearing in Board Members. Carol also suggested that the Board consider having one meeting as a work session every month and then having a regular scheduled meeting as well. Chair Bline suggested that we table the issue at this time.

b. City of Astoria, Transportation System Plan Advisory Committee:

Chair Bline received an email from Brett Estes from the City of Astoria department of Community Development asking SETD to appoint someone to the steering committee. Ron went last night representing South County. A consultant will be gathering data through the summer so the next meeting will be in October. This will be a 2 year commitment. Commissioner Gaebel said that she would like to

see Chair Bline on the committee due to his extensive experience. Commissioner Fenske said she could be a back up as needed.

c. SETD 2010-2011 Budget Modification and Supplemental Budget Hearing

Interim Executive Director Schwanz has reviewed the 2010-2011 Budget. He said we knew that we were not going to get all the revenues listed in the budget or spends all the revenues in the budget however it was increased by over 10% so the required public notice was placed in the paper. This allows us to receive and spend the \$375,000 from ODOT and an additional expense of \$100,000 for professional services to cover Sharon's, Bill's and Dan's time.

Chair Bline asked for Public Comment on the Supplemental Budget. There were no comments.

Resolution 2011-06

Commissioner Gaebel moved that we resolve to accept the 2010-2011 Supplemental Budget as presented today

Commissioner Fenske seconded the motion

Discussion: No discussion

Vote by roll call

Motion passed

11. EXECUTIVE DIRECTORS REPORT

Boldt, Carlisle & Smith's Recommendation Allocation of Funds Policy:

Interim Executive Director Schwanz said that the auditors want us to be in compliance with Government Accounting Standards 54 which requires a policy on how we spend funds. Resolution 2011-05 defines how we will commit and expend the most restricted funds first on what they are restricted to, followed by committed funds followed by unassigned funds. It also defines what restricted funds, special revenue funds and unassigned funds are. The SETD Board of directors are to be the authorizing agency that allows these payments.

Resolution 2011-05

Commissioner Fenske made a motion to adopt Resolution 2011-05 defining SETD funds are spent.

Commissioner Gaebel seconded the motion

Discussion: No discussion

Vote by roll call

Motion passed

Federal Transportation Administration Letter:

Interim Executive Director Schwanz reported that SETD received a copy of a letter from the Federal Transit Administration stating that they have initiated an investigation of possible violations of charter bus service regulations. The letter assumed that we were innocent and did not know that we were doing wrong. Interim Executive Director Schwanz said he is working on a response letter back to them addressing the issues that the Board was aware of and how they have been corrected. Star of the Sea has been halted and we are under new management.

Scott Smith retired SETD Operations Manager suggested that one of the major problems in the past was that there was not a chain of command that allowed employees to resolve problems specifically when the executive director is the problem. There was no one to talk to except the executive director. He could go no farther. He suggested having an up to date chain of command clearly outlined in the new policies that we are writing.

Interim Executive Director Schwanz said he had reviewed all of the Star of the Sea records and not only were we providing services to Star of the Sea there were also dinners and other events where charter services were supplied. Often the Board was made aware of trips after the fact. The FTA can fine us for

each individual act of chartering. Chair Bline asked that SETD send a letter notifying the cruise hosts that SETD will be discontinuing the temporary fixed route service as of December 2011. He said that now that there are so many more ships maybe a private charter company will be able to provide the services needed. Commissioner Goforth said that we are bringing in busses but no one can move the number of people that are on the ships. Commissioner Gaebel asked Commissioner Goforth what she meant by “we” when she is talking about bringing in busses. Commissioner Goforth said she meant the cruise hosts. Commissioner Gaebel said that there should be an official letter sent to the Cruise Hosts.

Ridership Report:

Weekly Ridership without including Route 11 has been running fairly consistent with 3200 riders on the high end and 2600 on the low end between April 1 and May 21st. Commissioner Gaebel asked if it would be helpful if the Board established the priorities that are used when making adjustments to the routes. Scott Earls, Operations Manager and Interim Executive Director Schwanz both said it would. Scott said that there are ways to determine this information pretty closely.

Commissioner Gaebel made a motion that we ask SETD Operations to give priority to workers first, students second and tourists and all other riders third when adjusting routes.

Discussion: Elizabeth Pietila asked that the disabled also be added to the list of priorities.

Commissioner Gaebel asked that the motion be amended to also include people with disabilities as a priority.

Commissioner Fenske seconded the motion.

Nae: Commissioner Goforth and Kee

Yea: Commissioners Bline, Goforth, Fenske

Commissioner Gannaway unavailable

Motion passed

12. OTHER ITEMS

Commissioner Gaebel asked about the \$1500 HRA. Interim Executive Director explained that the \$1500 is set aside and is budgeted for each employee as well as the \$600 monthly allowance for medical coverage. The \$1500 can basically be used to cover deductible fees on charges that are covered by Pacific Source, but there are limitations. Employees currently voted to change their coverage to a higher deductible to allow for reduced premiums and then being able to pay their spouse or family.

Meeting adjourned at 11:35 AM

Next Meeting:

Special Board Meeting and Executive Session July 21, 2011 8:00-10:00 AM

SETD Regular Board Meeting July 28, 2011 at 9:00 AM