



SUNSET EMPIRE TRANSPORTATION DISTRICT

900 Marine Drive Astoria, OR 97103

SETD BOARD OF COMMISSIONERS

MEETING MINUTES

October 25, 2012

1. CALL TO ORDER – Chair Lewicki called the meeting to order at 9:07 AM.
2. ROLL CALL-
Present: Chair Paul Lewicki, Commissioner Rae Goforth, Commissioner Ron Bline, Commissioner Julie Gassner, Commissioner Marcia Fenske and Commissioner Carol Gearin
Excused: Commissioner Victor Kee
Staff Present: Jay Flint, Executive Director, Mary Parker, Executive Assistant, Lori Karl, Human Resources, Lis Pietila, Mobility Management, Scott Earls Operations, John Layton IT, Julia Takko, Accounting, Jason Jones, NWRC Manager, Amy Mallory, NWRC Billing and Customer Service Rep., Tami Carlson, Paratransit Supervisor
3. CHANGES TO AGENDA- Chair Lewicki placed agenda item “Other Comments” directly following Reports from Chair and Commissioners as courtesy to Doug Barker.
4. APPROVAL OF SEPTEMBER 2012 MINUTES-
Commissioner Bline moved to approve the September 2012 Board minutes.
Commissioner Gassner seconded the motion.
Discussion- None
Motion passed by unanimous aye vote.
Commissioner Fenske abstained due to her absence at the September meeting.
5. REPORTS FROM CHAIR AND COMMISSIONER
Chair Lewicki- Expressed his gratitude to Jay and the staff for the Board Workshop last Saturday. He said he thought it was very effective and was happy to be a part of it.

Commissioner Goforth- Agreed that the Board Workshop was very good.

Commissioner Gassner- Reported that she would like to echo the previous comments about the Board Workshop and was astonished that she came in third place in the SETD Trivia game. Julie also said that a staff member at Tongue Point had asked her about weekend bus service from Emerald Heights. Julie said she was able to

confirm that SETD does not have service to Emerald Heights on the weekends but wanted the Board to know that this service would be greatly appreciated when and if we get to that point.

Commissioner Fenske- Reported that the Board Workshop was really fun and that it was good to learn some new things and to accomplish things. She also reported that she had attended this year's Forestry Tour and it was very interesting. Marcia said she also recently given out several Paratransit applications.

Commissioner Bline- Reported that he had also attended the Board Workshop and enjoyed winning first prize in the SETD Trivia game, but he forgot to wear his first place award to the meeting today.

Commissioner Gearin- Reported that she has also attended the Board Workshop and it was a lot of fun and she was able to get to know some of the board members better. Carol also reported that she had been working on the Board policies which Paul will present later in the meeting.

6. OTHER ITEMS-

Doug Barker commented that he has been watching what has gone on the last couple of years with the Transit District and wanted to compliment everyone on turning things around. He also requested the use of the SETD Streetcar on December 14th for the Christmas Light Tour. He said the tour is very popular and everyone enjoys riding in the Streetcar. Scott Earls said the approximate cost for fuel would be about \$60.

Commissioner Goforth made a motion to allow the use of the SETD Streetcar on December 13th in Seaside.

Commissioner Goforth amended her motion to be on December 14th.

Commissioner Gearin seconded the amended motion.

Discussion- None

Motioned passed by unanimous aye vote.

7. PUBLIC COMMENT-None

8. FINANCIAL REPORTS-

Commissioner Bline said that the finances are looking good and it is commendable that we are actually making a little interest. Commissioner Goforth asked about all of the training expenditures. Jay said that training has been budgeted for this year and many of the staff are participating in on line courses as well. Jay said he also authorized Julia to take accounting classes this year at Clatsop College. Jay said that training fees will be a little higher at the beginning of the fiscal year but will drop off as we go on.

Commissioner Gearin motioned to accept the financial report as presented

Commissioner Fenske seconded the motion

Discussion- None

Motion passed by unanimous aye vote

9. OLD BUSINESS-

DHS Stipulated Settlement-

Jay reviewed the DHS Audit process of the Northwest Ride Center. Jay reported that the audit process had taken nearly a year and a half and involved extensive staff time producing records and documentation. The initial DHS Audit was for years 2007-2008-2009, but Jay said he requested that 2010 be added to this audit so the District would have full knowledge of the entire amount owed to DHS. The initial Audit findings showed that the District owed DHS a total of \$2.9 million. This was broken down in two parts. The first part was based on cost statements resulting in \$1.6 million. The second part was based on a random sampling of 30 rides of which DHS initially found a 57% discrepancy resulting in charges of \$1.3 million. Jay said Jason and John produced records that verified and resolved all of the ride discrepancies and eliminated the \$1.3 million owed. Jay said that due to our complete cooperation with DHS they were able to forgive another \$455,019 with the stipulation that the next DHS Audit is clean. This results in a final settlement agreement of \$1,115,000. Jay said the initial down payment of \$242,762 will be made from \$185,000 that was left in the NWRC account from 2010-2011 and \$62,000 from a DHS payment that was not received in 2010 due to a lost check. Jay said that the District will begin making quarterly payments of \$36,342.25 starting in January 2013 and continuing through October 2018.

Resolution 2012-07 approving terms of DHS Stipulated Settlement Agreement approved by roll call vote. Please see attached document.

Clatsop Community Bank Loan Consolidation-

Jay explained that the \$150,000 Line of Credit from July of 2010 and two other loans from Bank of Astoria have been refinanced into one \$450,000 loan at Clatsop Community Bank. Monthly payments will be approximately \$6,574 for 7 years. Collateral for the loan is a trust deed on the Astoria Transit Center and a cash deposit of \$75,000 that will be held in a reserve account at Clatsop Community Bank. Jay said the \$75,000 may only be used for loan payment and will be reimbursed after the District has demonstrated its cash flow is stable. Jay said he has been in negotiations with Clatsop Community Bank for about 6 months which has resulted in a consolidated loan with lower monthly payments and less interest. Jay said this is the final negotiated debt that we needed to take care of.

Resolution 2012-06 allowing execution of loan documents by Executive Director Jay Flint approved by roll call vote. Please see attached document.

10. CORROSPONDENCE-

Jon Rahl, Director of Tourism and Marketing from the Seaside Visitor's Bureau sent a thank you letter for running the Streetcar in Seaside during the summer. Jon also included a promotional recap of their website and Facebook page (which had 7200 likes) and several comment pages. Mary Parker reported that she and Lis Pietila met with Jon and exchanged ideas of how to increase service with the Streetcar to 7 days a week next year as well as other ideas of enhancing and expanding services.

11. NEW BUSINESS-

Chair Lewicki reported that the Board Policy Committee which includes Commissioner Gearin, Mary and Jay have continued working on Board policies. Chair Lewicki said he hoped that the Board had been able to review the #400- Board Ethics Policy and the #800- Board Financial and Budget Policy drafts included in this month's board packs. Chair Lewicki asked the board to keep in mind that these policies are an initial effort to establish Board Policies which are brief and concise and address things that we need to establish positions on and approach as a Board. He said staff will continue to develop SETD Operational policies based on the Board policies.

Commissioner Gearin encouraged the board to download a copy of A Guide For Public Officials. She said the latest version is from 2010 and can be found on the Oregon.gov website. Chair Lewicki said it is the Board Policy Committee's recommendation that these policies be accepted. Jean Palmateer, Regional Director from ODOT commented that adopting these policies will go a long way on clearing the audit findings that we have been watching for 2 years. Jean said that she and Jay are going to work on clearing a few more findings today. Jean also said the Federal Transit Administration does contact her about the status of SETD so she said that it will give her great pleasure to be able to give them the updated audit report and the documentation provided in the board pack which will be a wonderful report for this month. Commissioner Gearin told Jean that the Board Policy Committee meets monthly and has a list of policies that they are working on. Jean said she was thrilled. Chair Lewicki called for a vote of approval by board of the Ethics and Financial policies and received unanimous approval.

Connector Fare Policy-

Jay asked that this be postponed until next month.

12. EXECUTIVE DIRECTOR'S REPORT

- a. New Northwest Ride Center- Jay introduced new employee Amy Mallory. Amy is the new Billing Clerk/Customer Service Representative. Amy has previously worked at Medix and other medical billing experience as well. Jay said we now have the staff in place to move forward with many of the changes we have wanted to make at the NWRC.
- b. SETD Financial Audit- Jay reported that the auditors have completed their in house audit. The preliminary news is that there still will be some audit deficiency findings. Jay said we have come a long way and have dealt with the major issues, but there was just more than we could clean up in 1 year. Jay said what this audit will probably show is that we may need to bring in an outside firm to do an evaluation of our processes and help us set up a better system.
- c. Jay attended the National Conference on Rural and Intercity Transportation in Salt Lake City. His trip was paid for by the Northwest Oregon Transit Alliance. He was part of a panel of 3 that gave a presentation about innovative funding strategies. The organizers were impressed and asked him to come to the next conference.
- d. AED Training- Commissioner Gearin asked if the board could also be included in the AED training when it is presented.

- e. Commissioner Fenske asked about the new debit card reimbursement system for gas vouchers. Jay said the debit card system allows for a simplified reimbursement process into a debit card account and frees up this money which can be used for any kind of purchase and eliminates the gas voucher only type of reimbursement. Jay said we have been selected to implement, but there is still a lot of work to do before we have it set up.
- f. Board Strategic Planning Workshop- Jay reported that the workshop went very well and that Cyndi is still working on compiling the final results. He said the board identified 36 items to prioritize.
- g. Management Report- See attached report

13. EXECUTIVE SESSION- At 10:25 AM Chair Lewicki announced that the SETD Board would be entering into Executive Session under ORS 192.66(2)(f) to discuss legal matters.
Executive Session ended 11:10 AM.

14. SETD Board meeting reopened at 11:10 AM

15. Meeting was adjourned at 11:11 AM

Next Meeting- November 29, 2012

Mary Parker, Recording Secretary

Date

SETD Board Secretary/Treasurer