



**Sunset Empire Transportation District
Budget Committee Meeting
Fiscal Year 2024
May 24, 2023 10:00 AM
Corrected Minutes**

1. CALL TO ORDER – Chair Debbie Boothe-Schmidt called the meeting to order at 10:02 AM.
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL: Present: Chair Boothe-Schmidt, Vice Chair Tracy MacDonald, Secretary/Treasurer Diana Nino, Commissioner Pamela Alegria, Commissioner Rebecca Read, Commissioner Guillermo Romero and Commissioner Charles Withers.

Budget Committee Citizen Members- Tita Montero, John Lansing, Christine Lolich, Mary Ann Brandon, Melinda Ward, and Paul Putkey Clark Powers Absent

Staff- Interim Executive Director Paul Lewicki, Finance Officer Kelly Smith, Executive Assistant Mary Parker, Mobility Manager Jason Jones
4. SELECTION OF BUDGET COMMITTEE CHAIR- Melinda Ward nominated Tita Montero as Budget Committee Chair. John Lansing seconded. Montero accepted the nomination.
5. SELECTION OF BUDGET COMMITTEE SECRETARY- Budget Chair Tita Montero asked for nominations for Budget Committee Secretary. Tracy MacDonald nominated Pamela Alegria. John Lansing seconded. Alegria accepted the nomination.
6. APPROVAL OF THE MAY 19, 2022, BUDGET MEETING MINUTES-
Commissioner MacDonald moved to approve the minutes then amended to approve the corrected minutes
Commissioner Debbie Boothe-Schmidt seconded the motion then amended to second the amended motion.
Discussion- Page 33 top of page remove word “for” in second sentence
All -Aye
Motion passed unanimously.
7. **BUDGET OFFICER PRESENTATION OF BUDGET MESSAGE-** Interim Executive Director Paul Lewicki

Dear Budget Committee Members:

Although the District enjoyed encouraging performance numbers during the first three quarters of Fiscal Year 23, on April 29th, we were forced to suspend service due to lack of cash. The leadership team and the Board were unaware of this grave financial crisis until the special Board meeting held on April 18. It was during that Board meeting that the Executive Director made the recommendation to suspend service beginning the following day, April 19. That recommendation was not adopted by the Board which favored a greater effort be made by staff to secure financing to carry the district through the end of the fiscal year, and into the next fiscal year.

At the time when it became apparent that funds had been exhausted, ODOT suspended reimbursements and other payments to SETD pending an audit. These funds included 5311 monies amounting to \$153,000, and other reimbursements for a total of \$259,000.

On May 3, Executive Director Jeff Hazen resigned his position.

On May 5, the Board installed Paul Lewicki as the Interim Executive Director to serve until the Board can identify and hire a new Executive Director.

With support from the Oregon Transportation Commission (OTC), Oregon DOT, Public Transportation Division (PTD), and the Oregon Transportation Infrastructure Bank (OTIB), a loan in the amount of \$505,000 was

proposed to and accepted by the Board. The loan came with the possibility of a second \$505,000 loan in June based on our service plan going forward and our use of the funds from the initial loan. It also came with conditions of specific reporting requirements such as a core business plan through June 30, 2023, copies of bi-weekly statements of every bank and Local Government Investment Program (LGIP) account, copies of monthly income statements, balance sheets and statement of cash flow, copy of the year-to-date general ledger detail report, copies of monthly accounts receivable again and accounts payable, a narrative report of the month's service levels and routes, and a plan for service level and route plans for upcoming month routes.

Early on, an expectation of ODOT was communicated to the district that Paratransit services must be restarted by May 8th. This was accomplished and included the recall of two furloughed drivers and the Paratransit Supervisor, who also functions as the dispatcher for the Paratransit service.

Further, weekday fixed route service was restarted on May 15th. This service provides modified Route 101 service, Monday through Friday, from 5:50 am to 8:00 pm. This service includes two loops on each of two shifts which include service to Emerald Heights on each loop, and Cannon Beach on the 2nd and 3rd loops. This provides service to those who live in North County and work in South County or vice versa.

On May 20th we are restarting the Pacific Connector for service between the Astoria Transit Center and Cannon Beach. This service includes five loops and provides service from 8:10 am to 9:07 pm. This schedule is designed to best interface with the connector service from Tillamook County Transportation District (TCTD) which terminates in Cannon Beach. These restarted services required recalling two more furloughed fixed route drivers to cover the AM and PM shifts on the weekend as well as covering one shift each of weekday service.

It is expected that we will bring back the next driver in seniority who is able to drive Paratransit as well as fixed routes and will provide a flexible resource to cover short vacancies as soon as funding is identified and available. It is this service level that staff expect to use for budgetary purposes for the entire fiscal year 2024 as financial resource levels for the year at this point are not certain.

Our 5310, 5311 and STIF grants are being rewritten to better support the district's recovery through the upcoming biennium.

It is by design and with the support of ODOT Public Transportation Division that we submit this budget, recognizing that it is based on uncertain funding numbers, and that following a forensic audit by ODOT, and dependent upon its findings, funding availability will be identified and quantified. This is expected to permit the development and submittal of a supplemental budget reflecting potential additional services for the remainder of fiscal year 24.

Committee Discussion:

Lewicki also added that SETD does not have any certain funding dates available to us at this point. It is primarily based on how well we do on with the first loan we received. Our next funding would be a second loan if the state decides to offer that one to us. As far as reimbursements for the requests made in the current fiscal year, we have been notified there will be no funds coming from the state until the audit is complete, which may take a month or two. As far as funding for fiscal year 2024, there have been statements made of certain funding coming early in July, but we have nothing in writing. We have stood up minimum service that provides service from one end of the county to the other on weekdays and weekends. Paratransit also provides services for those that cannot use fixed routes. We plan on going forward providing this level of service until we get a commitment of funds we can count on and then we will add what service we can afford going forward. The worst thing we could do is to start to add service and then fall again, so we want to be cautious. Lewicki also added that ODOT has reminded him that without an approved budget on June 30th we will close because we will not have authority to spend any money. Our objective here is to reach an agreeable budget with the understanding that we will do a Supplemental Budget in August or September once we know what money is available and what services we are going to restore. Lewicki said if anyone has a better strategy than this, he would be open to that.

Budget Chair Montero asked if the 2024 Supplemental Budget hearing would be at the Board level or would there be a reconvening of the Budget Committee. Lewicki said it would be a Board Meeting but would keep the Budget Committee in the loop. Montero asked if there had been a Supplemental Budget passed to accept the \$505,000 loan received from ODOT in May. Lewicki said we have not. We have been in this situation for two and a half weeks and much of the time has been spent standing up the services, recalling the staff needed and meeting with attorneys about layoffs, terminations, and furlough to make sure our employee rights are protected so some of the

other points have not been addressed yet. Montero suggested that the Board see to that since you are already spending funds out of that \$505,000 you really need a Supplemental Budget to allow you to spend those funds. Montero asked how the district plans on repaying the loan. Lewicki said for the first loan the Board decided to go with a 4-year repayment plan which comes in at about \$38,000 a quarter for the next four years. With our reduced service level, I do not foresee a problem with repayment. If we take the second loan for the same amount and the interest is the same and the amortization should be the same. Montero asked what the interest rate is? Lewicki said three percent.

Budget Chair Montero asked if the district is caught up on paying out the obligation for the employee payroll deductions for the employees. Lewicki said Kelley has paid all that is owed to employees. Montero said she meant what is owed on behalf of the employees like insurance. Kelley said we have paid all but a portion of the medical benefits, which we will finish paying in June and all the other benefits have been paid. Lewicki said in the interest of transparency, for those that separate from the district, we will be liable for their accrued vacation time with the maximum exposure for the district being about \$62,000 which is not included in the spreadsheets.

John Lansing asked how we found ourselves in this position. Lewicki said many of us have our own ideas, but I think it would be unfair to say today that this is what happened and not have the evidence. When the forensic audit is completed, we will have a report of the facts which will be public record and we will all know what the findings are. Lewicki said we want to stay alive; we want to provide services to our riders and call back as many employees as we can afford to. We want to demonstrate an enhanced transparency going forward for the Board, the Budget Committee, for ODOT and for our riders so we don't end up in a situation down the road that nobody had any foresight of. Board Chair Debbie Boothe Schmidt said that on April 14th Hazen had told her he miscalculated some of the STIF funds. Commissioner Withers said he thought we should refrain from guessing and trying to assume in the public spectrum what has happened and that it is prudent that we wait until we have received the audit.

Commissioner Alegria said on page 35 there is supposed to be a business plan through June 30, 2023, and asked what the status is of that report. Lewicki said he drafted that plan yesterday and forwarded it to our Regional Transportation Coordinator, Arla Miller and she forwarded it to ODOT for their review and input. We will take their input and refine the draft. Kelley has developed spreadsheets to support that plan. There was discussion on when the report would be made public. Lewicki said since it is a draft and term of the loan and everything right now is so fluid, he would hate to put out something that locked us into a position where we could not continue to be flexible. If it is a legal requirement that it be made public, we will. At this point the plan is being used for negotiations with ODOT on a transaction we are trying to finalize. but we will do whatever is required by law to do. Commissioner Alegria also stated that she strongly recommends that the Budget Committee meets when we meet for the Supplemental Budget since these numbers are not set in stone and the real decision will be made. Alegria also said she does not think it is fair if the Budget Committee is not present to give comments on the Supplemental Budget and be part of the process instead of having to ask questions as a public person.

Commissioner Nino said she supports what Commissioner Alegria is saying that we reconvene the Budget Committee, because the more eyes, the more opinions and the more people looking over the budget would be better. So, if we could reconvene and our volunteer members would be willing to come back, I think it would be a very good idea. Nino also asked if the loan we have received only covers the budget for this fiscal year or will there be money left over for the new fiscal year. Kelly said the original loan will take us to the middle of June which is why we are looking for additional funding to take us through the end of the biennium. Nino asked how far the second loan will take us. Kelly said the second 505,000 will take us farther than the first \$505,000 did because the first loan was used to catch up which we will not have to do and our service levels are lower now, so our payroll is much lower, and taxes are lower and things like that. Nino asked if the vacation was paid out of the first loan. Nino asked when we will receive the second loan. Kelly said we are in process of getting them the information they are asking for and getting the plan to go forward to them and a couple other things. With our current loan we are sending statements from our bank accounts for them to look at. Kelly said after this goes forward there will be some different service reporting. They want to make sure we are doing our appropriate reporting and want to look at our financials for forecasting what we look like with the funding and what we look like without the funding. They have not an idea when or if they are going to give us that funding. Commissioner Nino asked in terms of funding, ODOT has suspended our reimbursements. Which of our fundings have been suspended? Kelly said ODOT has only suspended our grants, so we will still get our timber revenue, taxes, Mass

Transit funding and fares. Commissioner Nino said that the previous director said that we were out of cash. What happened to the grants for specific programs like Mobility and Transportation Options? Lewicki said that he does not want to second guess what the audit will show but funds were deposited to the district and funds were spent against our payables. What happened in the middle is the question. Lewicki also explained that at the first special meeting ODOT said there was \$800,000 that they could throw in because we had been reporting to them for the whole biennium that we had a project in STIF that we still had the money for. That was the money that ODOT was going to release to us. However when we went to look for that money it had already been spent. So we were reporting to ODOT that we still had that project that had no expenditures against it, but we had nothing to back that up. John Lansing commented that we got co-mingled. Lewicki said that may well turn out to be true. Commissioner Nino asked if we would have to look for money to repay that grant? Lewicki said he does not believe that is going to happen. In a normal world that may happen, but we are in such an unusual situation, which according to the state has never happened in Oregon before. Lewicki said that he had the opportunity to testify in front of the Oregon Transportation Commission and let them know what is happening here and what we are doing. Many other transit programs and people have offered us help and expertise. Most of our riders are supportive and understanding. Lewicki said he does not think there will be an effort for us to reimburse. We spent money we had, we may not have spent it where we thought we were spending it, but Lewicki said he does not think we spent money we did not have. Commissioner Nino asked how many drivers have been hired? Lewicki said 6. Commissioner Nino asked if we must pay severance where will that money come from. Lewicki said he was not sure, but we do have insurance with SDAO for financial liability.

Commissioner MacDonald said he agreed with Commissioner Alegria and would highly endorse the Budget Committee be reconvened for the Supplemental Budget and asked that it be discussed at the Board meeting tomorrow.

There was discussion about the possibility that ODOT may not fund SETD. Lewicki said he thinks ODOT is making sure SETD has improved the way we handle our grants and finances and ODOT is also making some changes in how they distribute grants which will reprioritize controls and accountability which is the prudent thing to do.

John Lansing said you have been dealing with a state agency and said he was curious what our dialogue has been with our state representatives and senators and bringing them up to speed? Board Chair Schmidt said that she had reached out to Senator Weber, **Congresswoman Bonamici**, Representative Javadi, and Governor Kotek. Senator Weber contacted Boothe-Schmidt on Saturday that the district shut down and said she was going to start working with ODOT and the governor and by Tuesday they were working together on the loan. Boothe-Schmidt said she had several conversations with Weber and her staff and had spoken with the governor and they are all supporting us, but they want to be sure we are doing what we need to be doing.

8. DISCUSSION OF FUNDS-

Updated Budget forms with highlighted changes were handed out to the Budget Committee. Budget Chair Montero asked for clarification of what month the year-to-date actuals were to. Kelly said to the end of March. Budget Officer Lewicki clarified that there was no previous work started on the budget and that he and Kelly put this budget together the best they could. There was a question of why there was not an accounting of the ODOT loan just received in the budget. Budget Chair Montero clarified that this budget is for fiscal year 2024 and it will not show the \$505,000 Loan that SETD has already received from ODOT because it was not added to the FY 2023 Budget with a Supplemental Budget, and it was also spent in the 2023 fiscal year. Kelly said the next \$505,000 loan expected from ODOT will need to be added by supplemental budget, but it is included in this FY 2024 Budget.

Budget Officer Lewicki and Finance Officer Kelly Smith reviewed and discussed the updated SETD FY 2024 Budget Funds Forms.

RESOURCES

General fund

Line 1-5 No change

Line 7- Fares will decrease due to the decrease in ridership

Line 8- No change

Line 9- Rentals include parking and sign on top of Transit Center

Line 19- No change

Line 11- Timber Revenue- based amount on previous years

Line 12- Kelly will add this payroll tax back in.

Line 13- No change

Line 14- Chair Montero commented that she does not like the use of “Other” used without an explanation and would prefer an explanation for entries.

Commissioner Withers asked about buses that were on back order. Did we cancel those or did we get penalized for not getting them? Lewicki said that we had 8 to 10 buses that we had applied for and had been awarded. This started in 2020. The Grants had a 20% match required. Our match on the buses we had on order was over a million dollars. We had 8 buses that were affected by the “no shipping”. The grants were extended but they did expire. Lewicki said we also ordered 2 buses for the Columbia Connector route. They arrived and were ready for us to pick up, but we did not have the match and we were no longer running that route, so the buses were released back, and we were not penalized.

Lines 15-24 Paul Putkey said he is looking at the Budget we adopted last year and the YTD actuals on the ODOT lines and YTD money we have received. Several of the lines from 15 through 24 have significant differences in what we have received. Putkey asked why? Smith explained that these are reimbursable grants which means we have to spend the money and then apply to be reimbursed. Smith explained that there is \$158,000 from the 5311 grant that we have spent and have requested reimbursement for and ODOT has not sent that to us yet. Plus there is also the third quarter reimbursements that we have not received yet and would show. we were due and we have not received it yet. Paul asked if that was the \$200,000 that Kelly was talking about earlier. Kelly said yes. Putkey said he was looking at one category on line 18 Operations and there is a \$300,000 difference. Putkey asked, “Did we not need that \$300,000?” Smith said we do need that \$300,000 and the \$158,000. Kelly explained we spent our money, and then we send in for our reimbursements. Kelly said when she sent in the reimbursement request for the 5311 grants after December, ODOT did not send us those funds. Then we crashed and now ODOT is holding those funds and all the other funds we should have received for reimbursements until ODOT does an audit. So funds we would have normally received for money we had spent they are not allowing us to have. Chair Montero requested a list of the ODOT reimbursements that have been applied for and not paid YTD. Paul Putkey said I am just looking at one category that is \$300,000 short and it is just odd to me. Are they holding more than \$200,000 is what I am asking? Putkey asked Kelly if she could find out what that number was. Kelly said she did not have that number at the moment but can get it.

Melinda Ward asked why there was nothing entered on the spread sheet for Line 21 and why were so many of the grant year to date totals missing since they were always there in the past. Kelly said it was her mistake

Arla Miller ODOT Regional Transit Coordinator sent the SETD grant totals for the next Biennium starting July 1, 2023, through June 30, 2025, to Jason Jones to read them to the Budget Committee.

ODOT Grant Totals for Biennium

5310 -\$ 323,187

5311- \$1,550,045

LCC 5311- \$562, 277

STIF \$2,102,861

Chair Tita Montero said it appears we are going to have to get corrected spreadsheets after today and asked Arla to review the reported funding.

Arla said that ODOT is holding SETD funds until after the audits are completed because the grant funds were comingled. ODOT needs to know how these state funds were paid because if they were paid with

state formula funds it is as if they have already been reimbursed. We need to have audits going in and try to figure out as best as possible how these funds were paid. Arla also said it may not be possible because of them being comingled.

Arla reported that ODOT is holding about \$259,000 of reimbursements owed to SETD until after the Audit.

Chair Montero asked Arla if this is what funds would be available in the 23-24 Budget year? Arla said the fund totals given are for 2 years so basically half of those funds would be available for the 2023-2024 fiscal year.

Kelly asked Arla if ODOT was going to be releasing the funds that have been allocated to them. Kelly said she did not add them to the budget because she did not know if they would be released as the time came. Arla said she would budget for those funds coming in. You're already going to have to do a revised or supplemental budget, so if something changed, which I don't see happening, you will be receiving these funds as allocated, however you could always go back and change things if you needed to. These are the funds allocated for Sunset Empire Transportation District.

Commissioner Nino asked if any funds linked to the Cares Act is done or is there any funding still linked to the pandemic that we are getting. Kelly asked Arla if there was still some funds in the 5311 grant that had to do with the Cares Act that does not require a match. Arla said there is a discretionary out now that SETD would not fare well in for the remainder of the Cares Funds. Arla said President Biden has said the Covid pandemic is over and so those funds need to go back to the Department of Treasury and the Cares Funds are now being called Recovery Funds are over.

Chair Montero said that makes line 20 correct at \$0.

Melinda reported the formula dollar amounts are also not on the spread sheet.

Kelley said she will fix that.

Jason read a comment submitted from Mary W. from Astoria: "You are holding riders hostage? When is this audit going to happen?" Chair Montero thanked Mary for her comment.

Kelly said that ODOT is currently looking for a CPA that can do an audit on public funds which is something that is not easy to find in the audit world right now. Kelly said a lot of auditors and auditing firms were lost during Covid, however maybe Arla has an update. Arla said they had found an auditor and they are working on the scope of work with them right now and coming to an agreement on a contract. Arla said they are hopeful to start in the early part of June. We do not know how long it will take or how many phases it will be in.

Chair Montero asked who will be paying for the auditor. Arla said the ODOT will be paying for the auditor.

Lines 15 and 21- Melinda said these are refundable programs from ODOT so why aren't you running these programs if that is the case. Kelley said the marketing plan on line 15 was a special marketing plan which was specific, and we are not going to be going forward with that plan. Lewicki said the marketing plan was a huge project that included rebranding.

Line 22- Bus and Bus facilities. Lewicki said he had talked about putting an amount in there because it takes so long to get vehicles and because most of our buses have over 400,000 miles on them which is well over their expected life expectancy. If we don't put money away now and wait until next year, we add another year on to the process which usually takes a year or two, however Lewicki said we will wait to make sure that we are able to provide service through the next fiscal year first and if there is excess, we will put that in for purchasing buses. Chair Montero asked where the funding would come from. Lewicki said grants.

Line 23- The Transportation Options plan is not 100% reimbursable so we are not going forward with that. Melinda asked what percentage was reimbursable. Kelley said she did not know off the top of her head.

Lines 24 and 25- Lewicki said that we will not be doing these programs due to current staff and funding issues.

Line 27- Discussion of the change in amount from \$1,200,000 to \$700,000 and discussion of where the funds were transferred from. Chair Montero said we would come back to this when we get to where the funds were transferred from.

Line 29- Melinda commented there is no previous information on Capital Reserve fund

Total Resources-

Kelley will make changes and corrections and update the calculations.

SPECIAL FUND RESOURCES AND REQUIREMENTS-

Kelley will change the total from \$700,000 to \$2,102,861.

STATEWIDE TRANSPORTATION IMPROVEMENT FUND DISCRETIONARY FUND-

Arla Miller explained that STIF Discretionary program is funding for intercity and inter community funding that is awarded by application. Arla said SETD has STIF Discretionary funding for the Lower Columbia Connector available but not the expansion for going to PDX. The LCC grant is bundled with 5311 F Inter City grant and is \$562,277. Arla said she is working with others to develop a plan for funding. Lewicki said we were not going to run the Columbia Connector due to cost. Arla said ODOT feels that this is an important route that serves Columbia County and their services as well as Clatsop County. The funding is being worked on because Columbia County had to pull back services and the Lower Columbia Connector provides a needed service through Columbia County. Lewicki said we need to have a conversation about this.

Commissioner Nino asked if there could be more explanation when we meet at the second meeting about why and how we transfer funds.

CAPITAL RESERVE FUND

Changes made to Historical Data first column: Second Preceding Year 2020-2021

- 2. \$10,045
- 6. \$5,102
- 10. \$10,5557

There are no funds being put into the Capital Reserve Fund. Budget Officer Lewicki said one of our guiding principles here has been to have an amount in reserve to operate for 3 months. Currently we are focused on paying bills, restoring service, paying on a loan, and putting money in the bank at the same time. Lewicki said he would hope after the first or second year we would have a million dollars in the bank. A million dollars does not go very far these days. This is one of the things we are looking at. If we have an opportunity to put money in capital reserves or build a reserve that we can use other than for capital, I think it might be better. When you tie up money in Capital Reserve another requirement comes along. Your faced with a special Board meeting, a supplemental budget, discussion if we should move it or not. I think we are trying to be prudent and maintain some flexibility. going forward to use to dig out if necessary.

Melinda asked if the capital reserve and contingency are different things, what happened to the money that should have been in capital reserve. Budget Officer Lewicki said it was gone.

Meeting Break

11:45 AM Chair Montero called a 45-minute recess before going through the Requirement Report.

12:40 PM Budget Chair Tita Montero called the Budget Meeting back to order.

Commissioner Withers requested that we try not to get bogged down on small things. I am hoping we can move ahead quickly.

REQUIREMENTS SUMMARY

Allocated General Fund

Budget Officer Lewicki and Financial Officer Smith went over report lines

Personnel Services

Lines 2-6 Budget Officer Lewicki said we lowballed this because we were not sure of funding. Now we can look at bringing back more employees so payroll and employee benefits will increase. We will leave it at 18 FTE's and make sure the total personnel services reflect that. Chair Montero asked to see historically what the FTE's have been.

Sue Farmer HR reported we had 46 full-time employees. After service reductions we currently have 15 employees that are not working full-time hours.

Audit- Commissioner Alegria asked why the audits went up almost doubled. Kelly said remember it was \$45,000 last year and when they talked about doing them again, they said it would be \$30,000. Alegria said is that for the one that is a year late? Kelley said she did not have anything to do with that and unfortunately, we do not want to look at getting a new auditor now because it is very difficult. Commissioner Alegria said it seems a little unfair to get something a year later for double the money. Kelley said we only paid for half of the last audit because the audit is not finished so that is the why there is the \$14,000 showing. Budget Chair Montero asked if this is something that SDAO can help with. Lewicki said no not the annual audit or the single audits. Montero said by help I mean do they have any a coterie of auditors or recommend or have any leverage. I can't see any taxing district not having access to auditors and not having the audits done in a timely manner. Lewicki said it is like other commodity shortages we are seeing these days. People are leaving industry and whoever is left is overburdened whether it is accountants, doctors or teachers they are just in short supply.

Chart of Accounts- Chair Montero said she had noticed Kelly and Interim Executive Director Lewicki asking questions back and forth while reporting on the requirements. She suggested that they develop a chart of accounts where you list and define every account you have. Then you can share this with the Budget Committee and Board. Lewicki said Kelly had started that but did not finish but we will have for next meeting.

Materials and Services

Lines 8-12- No changes

Line 13- Building lease in Seaside may change

Line 14-Computer and Tech no change

Line 15- Conferences and Training- SDAO training only

Line 17- Dues \$24,000 seems high

Line 18-23 No changes

Line 24- Check fuel rate- Based on reduction of operating 9 buses daily to 1

Line 25- Insurance

Line 26-28 No changes

Line 29- Meeting Expense-Board will rotate

Line 30- ODOT Loan payment- \$38,000 Arla said loan payment will be taken out of STIF
Line 34- May need to increase professional services
Lines 35-38 No change
Line 39- Vehicle Maintenance May be increased
Line 40- Shop Tools No change

Capital Outlay
Lines 44-47 No change

Lewicki discussed the problems with Accufund and the need and suggestions from RLS that it be replaced in the future. Commissioner Alegria and Commissioner MacDonald suggested asking other Transit providers what systems they use.

Chair Montero said the Budget Committee could make a recommendation to the Board to pursue a new accounting program

Commissioner MacDonald so moved

Commissioner Alegria seconded the motion

Discussion- Arla Miller said SETD will be receiving more planning money coming up and could do a feasibility study and decide what program is for you.

Motion passed unanimously

REQUIREMENT SUMMARY

Not allocated General Fund

Lines 1-28 no entry
Line 29- should be \$430,401
Line 30- should be 0
Line 31- 33 no change
Line 35- Total requirements \$2,927,071

Commissioner Alegria said she had asked that the Operating Contingency be put on the monthly financial reports. She said she was told that was not necessary.

Commissioner Alegria also said that she thought it was required that anytime there is a transfer of funds the Board is to be notified, but she does not think that happened.

Chair Montero said if the transfer is more than 10% of the budget the Board must vote on it first.

If the transfer is less than 10% the Board should be notified.

Lewicki suggested that what Commissioner Alegria was asking for was more transparency. Chair Montero recommended that she make a motion at the next Board meeting about both requests.

Christine Lolich said Jeff Hazen has resigned. I hope that the Board has the valuable information from the Audit report in front of you when you discuss its severance package, so you know what to do going forward.

Paul Putkey asked if the ending fund balance should be determined by using a percentage. Chair Montero said that could be one of the scenarios that the committee looks at on June 7th. Kelly said you can also look at what you think you will need depending on when you receive your funding. Chair Montero said that is the information that you will want to bring to the next meeting. The reasonable amount you will need to set aside for July and August of 2024.

9. PUBLIC COMMENT- Jason read a public comment from chat asking, "Will fares be increased to make up the deficit of the district?" Interim Director Lewicki said he has no plans to increase fares. It has been the vision of SETD whether spoken out loud or not to move towards a fare free system. Our fares account for less than 10% of revenue these days. Lewicki said again there are no plans to increase fares.

Christine Lolich asked if Jeff Hazen received a severance package where would that money come from. Interim Director Lewicki said that issue is with the attorney's. The contract was written how it was written and is beyond anyone here's power to make changes. Christine asked again, but where would the money come from? Lewicki said it would have to come out of the general fund or maybe contingency. Christine added that people out there are really hurt and upset. All the medical people, the food bank people and it goes on and on and that hurt will never go away.

Jason Jones read another chat comment: "This is Sheila Rickert, and I am glad to hear from the Board that you are not about the money. I know it requires it to run but not mandating increasing fares to make up the deficit I am proud to hear". The Budget Committee thanked Sheila.

Jason read a comment from Nichole Searle- I just want to say I am proud to be part of this organization. Thank you to the Board for all your hard work. Thank you to Paul for all his hard work. Thank you to Arla and the rest of the staff. We are really here for our community and please bear with us.

- 10. Next Meeting- Chair Montero said the second Budget Committee Meeting will be on June 7th at 10:00 AM. She asked Kelly and Paul to have a Chart of Accounts for the committee. If another Budget meeting is needed it will have to be scheduled before the June 30th Board Meeting.

Melinda Ward said that usually the Budget has a few years of P&L statements included in the Budget report. She asked if the Budget Committee could get copies of the P&L reports for the last few years before the next meeting.

The committee had a round table discussion about the Budget process.

Meeting was adjourned 2:30 PM

Mary Parker, Recording Secretary

Pamela Alegria, Budget Committee Secretary

Date _____