



Sunset Empire Transportation District
BOARD OF COMMISSIONERS
BOARD MEETING AGENDA
THURSDAY JULY 27, 2023
9:00 AM
900 MARINE DR, ASTORIA, OR

<https://us02web.zoom.us/j/5148435264>

1 253 215 8782

AGENDA:

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ELECTION OF OFFICERS (Chairperson, Vice-Chairperson, Secretary/Treasurer)
5. CHANGES TO AGENDA
6. PUBLIC COMMENT (3-minute limit)
7. APPROVAL OF BOARD MEETING MINUTES
8. REPORTS FROM CHAIR AND COMMISSIONERS
9. FINANCIAL REPORTS
10. CONTINUED BUSINESS
 - a. BOARD ELECTION CERTIFICATE PRESENTATION
 - b. RLS Report
11. NEW BUSINESS
 - a. COMMITTEE ASSIGNMENTS
 - i. TRANSPORTATION ADVISORY COMMITTEE
 - ii. EXECUTIVE DIRECTOR EVALUATION & COMPENSATION COMMITTEE
 - iii. NORTHWEST AREA COMMISSION ON TRANSPORTATION
 - b. NOVEMBER/DECEMBER MEETING DATE
 - c. HOLIDAY PARTY
 - d. APPROVAL OF GRANT AGREEMENT 35486 – 5310 funding for FY24
12. CORRESPONDENCE
 - a. RESIGNATION LETTER
13. EXECUTIVE DIRECTOR REPORT
14. LEADERSHIP TEAM REPORTS
15. ADJOURNMENT



**Sunset Empire Transportation District
Board of Commissioners
June 20, 2023
Draft Board Special Meeting Minutes**

1. CALL TO ORDER – Chair Debbie Boothe-Schmidt called the meeting to order at 9:00 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 with Commissioner Charles Withers and Commissioner Guillermo Romero.

Staff: Interim Executive Director Paul Lewicki, Chief Operating Officer Jennifer Geisler, Executive Assistant Mary Parker, Human Resources Manager Sue Farmer, and Mobility Manager Jason Jones
4. CHANGES TO AGENDA- Chair Boothe-Schmidt requested that Public Comment be added to agenda as #5
5. PUBLIC COMMENT (3-minute limit)- None
6. APPROVAL OF DRAW FROM OREGON TRANSPORTATION INFRASTRUCTURE BANK LOAN.

Commissioner Read moved to approve a \$225,000 draw from the Oregon Transportation Infrastructure Loan and give the Board Chair permission to sign for this draw and give the Board Chair permission to sign any subsequent draws of this loan up to \$500,000.

Commissioner Romero seconded the motion.

Discussion- Commissioner Nino asked if the funds would be used for something special or general operations? Interim Executive Director Lewicki said the funds would be used for general operations.

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	x	x	x	x	x	x	
Nay								

7-Aye

0-Nay

Motion passed unanimously.

7. MEETING ADJOURNED- Chair Boothe adjourned the meeting at 9:06 AM.

Secretary/Treasurer _____
Diana Nino

Date _____



**Sunset Empire Transportation District
Board of Commissioners
June 27, 2023
Draft Board Meeting Budget Hearing Minutes**

1. CALL TO ORDER: Chair Debbie Booth-Schmidt called the meeting to order at 9:00 AM.
2. PLEDGE OF ALLEGIANDE
3. ROLL CALL: Present: Chair Boothe-Schmidt, Secretary/Treasurer Diana Nino, Commissioner Pamela Alegria, Commissioner Charles Withers, Commissioner Rebecca Read and Commissioner Tracy MacDonald
Excused: Commissioner Guillermo Romero

Staff: Interim Executive Director Paul Lewicki, Executive Assistant Mary Parker, Operations Officer Jennifer Geisler, Human Resources Sue Farmer, Driver Supervisor, and Mobility/IT Jason Jones

4. CHANGES TO AGENDA- None
5. PUBLIC COMMENT- None
6. APPROVAL OF MAY 25TH BOARD MEETING MINUTES-

Commissioner Nino moved to approve the May 25th Board Meeting Minutes
Commissioner Read Seconded the motion

Discussion: Commissioner Nino said that on page 12 the comment that Commissioner Boothe-Schmidt said about signing the letter going to Executive Director Hazen should include her answer of “yes” when she answered the question that Commissioner Nino was asking. Mary will check the recording.
Commissioner Nino also said that on page 13 the minutes should be corrected to have the correct Route number of Route 20 the Cannon Beach Bus. Mary said she would check the recording. Commissioner Alegria said that the letters read under correspondence at the previous meeting should be connected to the minutes and it should say ”see attached”.

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	x	x	x	x	x	Excused	
Nay								

7. REPORTS FROM CHAIR AND COMMISSIONERS
 - a. Commissioner MacDonald- Reported that he might be challenged to stay for the entire meeting today
 - b. Commissioner Read- Nothing to report
 - c. Commissioner Alegria- Nothing to report
 - d. Commissioner Withers- Nothing to report
 - e. Commissioner Boothe-Schmidt- Reported that she had a meeting with Don Bohn, Clatsop County Manager who said that if we could have reached out before this had happened there might have been groups that could have gotten together and helped us. They have a group that meets that includes county managers and the city managers and they might have been able to brainstorm and come up with some help, however they also needed some leeway to do that. Bohn added that they would have been happy to send down an IT person and encouraged the new Executive Director to participate in these managers meetings. Commissioner Boothe-Schmidt will also be meeting with the City of Astoria Manager, Scott Spence. Commissioner Boothe-Schmidt cautioned the Board not to “replay all” to any group emails the

Board might receive as it could be considered a meeting and as discussed before she will be responsible for answering those group emails so that there are not 7 different answers. There was further discussion about the best way to have transparency in the activities of SETD and where customers should take their questions. Interim Executive Director Paul Lewicki said customers usually come directly to staff who usually takes care of customer service. If a request is sent to multiple people, we try not to have multiple people answer, but we also bring the correspondence to the Board, so the Board is aware. Paul said when he has had contact with a rider that has a complaint or comments, he encourages them to attend the next Board Meeting in person or on Zoom, so the Board can hear what is going on and the rider can voice their opinion. Commissioner Alegria said this is not a group bomb, but she has been receiving about 10 or 15 emails every day on her SETD email and her personal email and it is time consuming to delete, and she is afraid she is going to delete something that is important. Commissioner Boothe-Schmidt said that she had suggested to Commissioner Read that maybe Paul could refer her to Jason for assistance. She said she is receiving emails on her personal email not SETD. Commissioner Read said that someone is subscribing her to things on a specific email address she has for another organization too. Paul said he has put in a ticket with IFocus and talked to a technician who said there is nothing they can do for us because anyone can fill out a form to a vendor or a subscription, but we can go to a local vendor like the caterer used and let them know about the problem and ask if their IT people could find out the IP address to where the email came from. Commissioner Read said that unsubscribing has slowed things down. There was further discussion about being cautious not deleting our riders emails. Commissioner Nino asked if we did get some malware or a virus or something could IFocus give us support in fixing our devices. Paul said if you receive an email for your SETD email it will have gone through our server which will filter out most of that.

- f. Commissioner Nino- Reported that she wanted to thank the Budget Committee again. Commissioner Nino said everyone was very involved and said she was happy that so many good opinions and observations were made so that they could come up with a budget.

- 8. FINANCIAL REPORTS- Financial Office Kelly Smith reported that she had added a page to the financial reports which is a dashboard and is on page 38. Kelly explained it gives a snapshot of what things look like going forward and she said she put everything in there that was there in the past and continued with the exceptions report at this point. Kelly said she wanted to give the Board a snapshot of what things look like going forward so you know what to expect for June. Kelly also said there are 3 months' worth of credit card statements in the report because we have had trouble getting those in, so we should be good to go and be caught up. Kelly said we are making sure our fundings are recorded utilizing that line of credit ODOT has authorized as much as we can before that ends so that we can continue to be a little bit more comfortable going forward. We are still working with ODOT on our outstanding Grant reimbursements for the second and third quarters. Kelly said she will go ahead and do the fourth quarter reimbursements which are due by the end of August. Chair Boothe-Schmidt asked about the Balance Sheet on page 20 being off. Kelly said there are several issues on this page caused by Accufund and the audit that she and John are working through. Chair Boothe-Schmidt asked about the Cash Balance on the Credit Card Reconciliation report on page 28 being negative. Kelly said those are what we have charged throughout the year. Commissioner Alegria said looking at page 19 it says we have more expenses than revenue and are in the hole \$304,000 and payroll is 2 million something on there, how does this all fit? Kelly said we were a little bit in the hole which is what the Year-to-Date says because our expenses keep coming in and our Year-to-Date revenue that we planned for we don't have yet. Kelly said a lot of our revenue is Grant reimbursements and we have not received \$486,000 reimbursements owed to us, but our loan money came in so that money shows. Commissioner Alegria stated that no Grant money goes in the LGIP. Kelley verified it is just property taxes and timber revenue. Commissioner Alegria said the Board does not know and this perhaps may have caused some possible problems in the past so is there any way to show where the grant money has been deposited? Paul said Kelly has created the dashboard. This is her first attempt at giving you figures in a more meaningful way. If you recall, we talked about the dashboard at the last meeting with the purpose of the dashboard is to have in one place those indicators and data points the Board finds important to them. So if you want to see the local government account broken down, it can go on the dashboard. All that we would ask is that you have consensus among the Board of the items you want on this dashboard and Kelly can add them. Whatever you need so that you feel comfortable knowing that the district is where it should be but what is going to finance that? That is the purpose

of this report and should make an entire difference because you can tell Kelly what you want to see and what is important to you, have them explained and have them in the same place every month. Commissioner Alegria also asked what accrued labor system means. Kelly said that would have been the payroll for the Month of May. Commissioner Alegria asked that the wages and benefits are not spread out and are easier to read. Kelly said she and John are working on that. After further discussion Kelly said she will break down the funds going into the LGIP. Commissioner Read said we have said we are on a learning curve here and anticipating doing some additional training on our finances and budget and she is looking forward to that. Commissioner Read said she really appreciates what Kelly has done for us so far and that all of the questions that are bubbling up are really important and that's where the work starts for our supplemental training. Commissioner Read said she would like to see us get something scheduled as soon as we can. There was discussion about having the financial reports corrected prior to the training. Kelly said she and John are working on this. Commissioner Withers commented that we would not want to be training today or tomorrow because the report is like a moving target. I would rather we have the training once we have settled in on the indices of what we want to see, and the numbers are correct before training. Commissioner Nino said the revenue from the loan we received is not included on page 16, so where would that be? Kelly said she had not added it but can. Commissioner Nino said it really needs to be added because that is most of the money that we've been using to pay for labor and wages. Commissioner Nino questioned the revenue received for the Columbia Connector because that service had been suspended in April. Kelly explained that this was a payment for the April ticket sales that had gone through Amtrak. Commissioner Nino also asked about item 8170 on page 18 which is fuel says actual is \$3603.17, but on the bottom of page 27 item 22531 dated May 24th, it says \$15,000? Kelly said if you look at the date that was March bill that was paid in May and that report just gives you the checks printed during the month greater than \$5000. Commissioner Nino asked what was on page 18? Kelly said that was the invoice for fuel for the month of May. Commissioner Nino asked why credit card payments are called checks? Kelly said they are reference numbers, and we only write one check for payment. Commissioner Nino asked why there are separate accounts listed for several employees for Adobe and why there is not just one. Kelly said she was just contacted by Adobe about placing all users under one account and will be contacting them about this. Commissioner Nino said that on page 23 under Credit Cards and this is just for the sake of transparency, there are some payments from the month of February to Sun River Resort for staff and Board members and it is a hefty amount and Commissioner Nino said she wanted to clarify that this was for the annual Special Districts Association of Oregon's Conference in Bend and the Board members actually asked if we had the money to attend in person and we were told yes, so that is the only reason that those of us who decided to go went and stayed in the hotel. Commissioner Nino explained if we had known that our finances were so low, all of us would have agreed to attend virtually and added that she just wanted to put that out there that it was not us getting payments or getting perks. We were told that this was budgeted and that is why those expenses are there. Commissioner Nino said she really appreciates the report on page 38, but towards the bottom under outstanding ODOT Grants # 3 Transportation Options Bike Grant Innovative Mobility Grant should have \$300 more in it because if you look on pages 21 and 22 where there are 2 payments received. Commissioner Nino said adding the second payment brings the total to Transportation Options Grant to \$21,052.48 and the total outstanding ODOT Grant to \$487,122.48. Chair Boothe-Schmidt said she really likes the new dashboard but asked if it would be possible starting this new year to include the individual grants we receive and what is paid into them and out of them each month. Kelly said it is something we are working on. John has given me a spreadsheet which shows the monthly grant expenses, income and resources, which will then roll into the quarterly and annual reports. Chair Boothe-Schmidt said that part of what we missed over this last year, or more is that we had grants coming in that were specified for certain things and all of the things that were supposed to be paid for out of these grants never got done this year and that money was spent elsewhere. Chair Boothe-Schmidt, if there is nothing else we will enter the June Financials into the minutes.

9. BUDGET HEARING AND BUDGET ADOPTION- Chair Boothe-Schmidt opened the Public Budget Hearing for Fiscal Year 2023-2024. No comments were received. Chair Boothe Schmidt closed the Public Budget Hearing and asked if there should be a motion before discussion. Commissioner Nino asked if we are having discussion or a motion. Chair Boothe-Schmidt said discussion. There was discussion and clarification about the date the budget was approved. Paul explained that due to the funding we will be receiving, there may be changes that will need to be made by submitting a Supplemental Budget. Paul said he wanted to thank everyone involved in getting to this point on this budget. Commissioner Nino asked if the Resolution should state Interim Executive Director instead of Executive Director. Chair Boothe-Schmidt read Resolution 2023-01 for the record.

BOARD RESOLUTION

IN THE MATTER OF ADOPTING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2023-2024, MAKING APPROPRIATIONS, IMPOSING AND CATEGORIZING TAXES

RESOLUTION AND ORDER NO. 2023-01

BE IT RESOLVED that the Board of Directors of the Sunset Empire Transportation District hereby adopts the budget for fiscal year 2023-2024 in the sum of **\$3,251,808** is now on file at the administrative offices of the Sunset Empire Transportation District at 900 Marine Drive, Astoria, Oregon.

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2023, and ending June 30, 2024, and for the purposes shown below are hereby appropriated as follows:

(Note – Numbers are rounded)

Personnel Services	\$	1,817,720
Materials and Services	\$	709,000
Capital	\$	0
Unappropriated Ending Balance	\$	0
Debt Service	\$	310,000
Contingency	\$	415,088
Interfund Transfer	\$	0
 Total Department	 \$	 3,251,808

BE IT RESOLVED that the Board of Directors of Sunset Empire Transportation District hereby imposes the taxes provided for in the adopted budget at the rate of \$0.162 per \$1,000 of assessed value; and that these taxes are hereby imposed and categorized as follows for the tax year 2023-2024 upon the assessed value of all taxable property within the district.

	General Government	Excluded from Limitation
General Fund	\$0.162/\$1,000	0

BE IT RESOLVED that the Interim Executive Director will hereby certify to the Clatsop County Assessor the imposed taxes made by this resolution and file with the Assessor a copy of the Budget as finally adopted by July 15, 2023.

ADOPTED AND APPROPRIATED by the Board of Directors on June 27, 2023

Commissioner Withers moved to approve that the Sunset Empire Transportation District Board of Commissioners approve Resolution 2023-01 adopting the 2023-2024 Budget and making appropriations to propose the tax levy for the local government.

Commissioner Nino seconded the motion

Discussion- None

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	x	x	x	x	x	Excused	
Nay								

Aye-6
 Nay-0
 Excused-1

Commissioner Withers move that the Sunset Empire Transportation District Board of Commissioners adopt property taxes for the 2023-2024 fiscal year at a rate of \$.162 per \$1000 of assessed value for the permanent tax levy.

Commissioner Nino seconded the motion

Discussion-None

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	x	x	x	x	x	Excused	
Nay								

Aye-6
 Nay-0
 Excused-1

10. CONTINUED BUSINESS

- a. Recruitment Update- Sue Farmer reported that she has been working with George Dunkel on the Executive Director’s Job Description that is in the Board Pack today and which will need to be approved today and the Benefits Committee (Commissioner MacDonald, Commissioner Nino and Chair Boothe-Schmidt) has completed the benefits package which is also in the Board Pack and needs approval today. Also the Selection Process and Timeline will need to be approved by the Board today.

Executive Director Job Description

Commissioner Read moved to approve the Executive Director Job Description
 Commissioner Nino seconded the motion

Discussion- Commissioner Withers once this goes out to the public will it be available on our website? How will this Job Posting go out to the public? Sue said that it is part of the process and the job posting, job description and the “generous benefits package” information will be out there. Once the candidates have been selected the benefits will be openly discussed with them. Commissioner Alegria said in the first paragraph on the second line of the Job description it should say ensuring instead of assuring. Also in the second paragraph in the second line add SETD employees. Alegria also suggested that under essential functions on the second line of the number one should be added as another number, Evaluate and Oversee should be separate. Alegria also said all the verbs should end in “s” and goals should be added to #3. Interim Executive Director Lewicki said he thinks the statement is ok the way it is. Commissioner Withers said he did not want to wait a month to get these changes added in and hold you guys back in doing the search. We can still go ahead and approve this, but I do not want to wait until July to come back and approve this. Chair Boothe-Schmidt also said this has gone through George Dunkel. Commissioner Alegria asked then why are you asking us to discuss this then. Chair Boothe-Schmidt said because we have to approve it. Commissioner Withers said he understands your impressions and making corrections, but I hope the corrections can be added and you guys can go on and start doing the search and not have to come back and approve this in July, because we will have missed a month of search time. Paul also said that this has been vetted by Sue, me, and Special Districts and we’ve in effect contracted with Special Districts to handle this process for us. If we make changes, we are going

to have to run this by George and he may have his own reasons for the way it is written exactly the way it is. Paul said he thought the Job Description is sound and complete and if we make changes, as Charles said, we may be putting ourselves into another waiting period and he believes is supposed to open on July 1st. Paul also added that unless it is a significant change that will have material impact, we should go with what SDAO has presented. Commissioner Alegria said she had no more questions; this is either open to discussion or it is not. Commissioner Read said she has read through this and has served on the Executive Director Evaluation committee and said she knows we can go into great detail about every different aspect of what the duties are but she said thought this is a very through outline of what those duties are and we will still have opportunity to work with the Executive Director and discuss and add input to this. She said she agreed we are on a timeline and need to move forward with this.

Commissioner Withers called the question.

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	Excused	x	x	x	x	Excused	
Nay								

Aye-5
 Nay-0
 Excused-2

Executive Director Benefit Package-

Board Chair Boothe-Schmidt said the committee compared wages and benefit packages of like transit districts. This will be negotiated at the time of hire.

Commissioner Read moved to accept the benefit package for the Executive Director as provided
 Commissioner Withers seconded the motion

Discussion- None

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	Excused	x	x	x	x	Excused	
Nay								

Aye-5
 Nay-0
 Excused-2

Sue read the timeline that has been proposed and will send the Board a copy.

- b. Loan Update- Paul reported that we received the first \$505,000 loan from ODOT. ODOT approved a second loan which was an amendment to the first loan for another \$505,000 that can be accessed through a draw mechanism as we need those funds. I made a request to ODOT for \$420,000 and ODOT responded that we accept \$225,000 going forward with justification they were concerned about the debt for the district going forward and, in their analysis, they felt that the money they had promised forthcoming and reimbursements and other grants would see us through. We received the \$ 225,000 and put it into the loan account and have transferred from the loan account into the general account to pay accounts payable. Paul said he is still in negotiations with ODOT on the balance of what I had originally requested. There is a million dollars available in the loan and I do not think we need the million dollars, but he would like to get the balance of his most recent request and get us up to \$420,000 because he would like us to be certain that we can get through to September through November when we get our property taxes. Paul said he wanted to be very honest with the Board explaining there is a 1% fee for any

draw that we take, and the cost of the loan is 3% to us annually and Paul said he considers those both to be insurance against having a cash shortage again as we wait for property taxes. Paul said he will continue to try and get the other part of loan however we have funds in the bank to get us through the 4th of July and we are expecting STIF funding at some point in July. Paul said we have to access the funds that are available to us by July 31st.

- c. Paul Lewicki Contract-Chair Boothe-Schmidt reported that Interim Executive Director Lewicki’s contract will expire on July 31st so she is recommending that we extend that out to October 31st. Paul has asked for Friday’s off so will be working 32 hours per week but will be available if needed.

Commissioner Read moved to approve the updated contract between Paul Lewicki’ and SETD.
 Commissioner Nino seconded the motion
 Discussion- Commissioner Alegria said she thought that you corrected the contract and thought that #5 was gone. Chair Boothe-Schmidt said it was #11 which was changed to a 15-day notice by either party to terminate. Commissioner Nino said that the dates in the contract need to be updated starting on July 1st and going through October 31st. Chair Boothe-Schmidt said she would update it before signing. Commissioner Alegria said she is concerned on the speed of getting another Executive Director and understands the timeline, but you should have a wide circle of time for people to read it and fill out an application and it is an unrealistic deadline for such an important decision. There was further discussion about the recruitment agreement and timeline and that it could happen faster or slower than the December hiring date.

Commissioner Read amended her motion to approve the updated contract between Paul Lewicki and SETD and to change the start date of May 5, 2023, to July 1, 2023, and for the Board Chair to sign.
 Commissioner MacDonald seconded the motion
 Discussion- None

Name	Boothe-Schmidt	MacDonald	Nino	Alegria	Withers	Read	Romero	
Aye	x	x	x	x	x	Excused	Excused	
Nay								

4- Aye
 1-Nay
 Motion passed

- 11. NEW BUSINESS- None
- 12. CORROSPONDENCE-None
- 13. EXECUTIVE DIRECTOR REPORT- Review of submitted Report
- 14. LEADERSHIP TEAM REPORT-Review of submitted reports
- 15. ADJOURNMENT

Meeting was adjourned 11:00 AM

Mary Parker, Recording Secretary

Secretary/Treasurer _____
Diana Nino

Date _____

Sunset Empire Transportation District

Available Balances as of 07/18/2023 (Cash on Hand):

General Checking:	\$	5,757.44
Payroll Account:	\$	1,073.07
LGIP:	\$	47,874.55
ODOT Loan Funding:	\$	49,661.57
Total Funds Available	\$	104,366.63

Monthly Expenditures:

AP Week of 7/3/23 **Funds are already removed from above numbers**	\$	55,892.38
<i>Projected</i> AP Week of 7/17/2023 **Funds are already removed from above numbers**	\$	40,000.00
Payroll 7/14/2023 w/Taxes	\$	34,928.47
<i>Projected</i> Payroll 7/28/2023 w/Taxes	\$	40,000.00
Total Projected Expenditures	\$	170,820.85

Outstanding ODOT Grants (Reimbursements Requested):

5311 Funding	\$	382,086.00
5310 Mobility Management/Preventative Maintenance	\$	37,019.00
Transportation Options/Bike Grant/Innovative Mobility Grant	\$	21,052.48
STIF Discretionary (Reimbursement)	\$	40,253.00
Total Outstanding ODOT Grants Due to SETD:	\$	480,410.48

Statement of Activity Exceptions:

- 8001 - Professional Services: *Interium Director expenses*
- 8060 - Travel/Training: *Canceled travel*
- 8076 - Election Fees: *Fees higher than expected*
- 8100 - Insurance: *Budgeted in May, paid in June*
- 9100 - Transfer In: *No Capital Reserve funds to transfer in*
- 9110 - Transfer Out: *No STIF funds to transfer out*
- 9210 - Contingency: *No funds available for contingency*

Follow-up:

Consolidated Statement of Activity - MTD and YTD
June 30, 2023

	<u>M-T-D</u> <u>Actual</u>	<u>M-T-D</u> <u>Budget</u>	<u>Variance</u>	<u>Y-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Budget</u>	<u>Variance</u>
<u>Revenues</u>						
4010 FIXED ROUTE FARES	3,888.52	12,000.00	(8,111.48)	110,166.81	141,000.00	(30,833.19)
4015 LOWER COLUMBIA CONNECTOR	0.00	9,500.00	(9,500.00)	83,597.54	92,000.00	(8,402.46)
4021 MEDICAID FARES - IGA	0.00	5,000.00	(5,000.00)	52,071.00	69,500.00	(17,429.00)
4022 PARATRANSIT FARES	1,529.05	1,300.00	229.05	12,593.71	17,000.00	(4,406.29)
4030 CONTRACTED SERVICES-IGA	0.00	5,500.00	(5,500.00)	0.00	35,500.00	(35,500.00)
4110 NW NAVIGATOR	224.64	300.00	(75.36)	2,221.05	3,150.00	(928.95)
4120 GREYHOUND	0.00	100.00	(100.00)	0.00	1,200.00	(1,200.00)
4130 OTHER-VENDING	0.00	0.00	0.00	352.91	650.00	(297.09)
4205 PROPERTY TAXES	18,803.84	17,000.00	1,803.84	1,128,092.48	1,133,000.00	(4,907.52)
4206 PRIOR YEAR TAXES	1,014.41	2,000.00	(985.59)	18,116.46	24,000.00	(5,883.54)
4207 PROPERTY TAX INTEREST	41.41	50.00	(8.59)	471.84	1,000.00	(528.16)
4310 TIMBER SALES	0.00	0.00	0.00	291,543.22	210,000.00	81,543.22
4315 MASS TRANSIT ASSESSMENT	0.00	0.00	0.00	120,377.05	90,000.00	30,377.05
4410 BILLBOARD LEASE	0.00	0.00	0.00	1,200.00	1,200.00	0.00
4420 PARKING SPACE LEASE	712.50	760.00	(47.50)	9,090.93	9,120.00	(29.07)
4425 CHARGING STATION	0.00	60.00	(60.00)	142.78	180.00	(37.22)
4505 INTEREST EARNED ON BANK ACCT	0.00	168.00	(168.00)	5,050.87	2,000.00	3,050.87
4605 OTHER INCOME	379.59	17,800.00	(17,420.41)	12,728.40	41,000.00	(28,271.60)
5010 ODOT LOAN DISBURSEMENT REVENUE	235,000.00	735,000.00	(500,000.00)	735,000.00	735,000.00	0.00
5201 OREGON STF FUNDS	0.00	0.00	0.00	69,699.00	92,932.00	(23,233.00)
5202 OREGON STIF FUNDS-DISCRETIONARY	0.00	0.00	0.00	191,948.00	520,000.00	(328,052.00)
5203 OREGON STIF FUNDS-FORMULA	0.00	0.00	0.00	346,131.00	724,824.00	(378,693.00)
5205 OREGON PLANNING	0.00	0.00	0.00	0.00	60,000.00	(60,000.00)
5301 5311 ADMIN/OPERATIONS	0.00	0.00	0.00	724,979.00	551,344.00	173,635.00
5302 5310 MOBILITY MGT/PM	0.00	0.00	0.00	114,202.00	159,443.00	(45,241.00)
5304 TRANSPORTATION OPTIONS	0.00	0.00	0.00	80,281.05	97,775.00	(17,493.95)
5306 CARES ACT	0.00	125,262.00	(125,262.00)	207,237.00	501,054.00	(293,817.00)
5401 5339 CAPITAL PURCHASE	0.00	660,000.00	(660,000.00)	0.00	1,056,215.00	(1,056,215.00)
Total Revenues	261,593.96	1,591,800.00	(1,330,206.04)	4,317,294.10	6,370,087.00	(2,052,792.90)

	<u>M-T-D</u> <u>Actual</u>	<u>M-T-D</u> <u>Budget</u>	<u>Variance</u>	<u>Y-T-D</u> <u>Actual</u>	<u>Y-T-D</u> <u>Budget</u>	<u>Variance</u>
<u>Expenses</u>						
6010 WAGES	58,632.96	683,885.00	625,252.04	2,162,569.82	2,631,785.00	469,215.18
6111 TAXES	23,394.00	94,366.00	70,972.00	276,592.02	400,166.00	123,573.98
6210 BENEFITS	10,288.85	128,961.00	118,672.15	579,330.74	700,086.00	120,755.26
SUB TOTAL WAGES/TAXES/BENEFITS	92,315.81	907,212.00	814,896.19	3,018,492.58	3,732,037.00	713,544.42
7010 VET PROVIDER RIDES	0.00	834.00	834.00	4,058.04	10,000.00	5,941.96
8000 AUDIT	0.00	0.00	0.00	14,000.00	25,000.00	11,000.00
8001 PROFESSIONAL SERVICES	12,330.00	3,500.00	(8,830.00)	36,687.04	77,000.00	40,312.96
8002 LEGAL COUNSEL	0.00	20,437.00	20,437.00	23,075.58	25,000.00	1,924.42
8003 BANK/MERCHANT FEES	57.24	174.00	116.76	2,087.55	2,000.00	(87.55)
8010 EQUIP LEASE/RENT	201.80	225.00	23.20	2,768.40	2,700.00	(68.40)
8015 COMP/FURNITURE/DURABLE GOODS	0.00	4,725.00	4,725.00	17,650.42	51,600.00	33,949.58
8020 B&M	1,731.73	3,850.00	2,118.27	30,840.07	46,400.00	15,559.93
8023 BUILDING LEASE	158.00	1,250.00	1,092.00	11,659.61	15,000.00	3,340.39
8024 SANITATION	0.00	300.00	300.00	2,264.86	3,600.00	1,335.14
8031 ONLINE SUB/IT SERVICES	11,511.00	23,700.00	12,189.00	115,222.38	118,400.00	3,177.62
8040 TELEPHONE/INTERNET	2,685.89	6,100.00	3,414.11	35,739.27	38,000.00	2,260.73
8041 UTILITIES	2,623.57	5,930.00	3,306.43	33,277.00	38,000.00	4,723.00
8050 HR/EMPLOYEE RECOGNITION	109.50	2,000.00	1,890.50	27,553.63	33,500.00	5,946.37
8060 TRAVEL/TRAINING	(2,471.70)	11,900.00	14,371.70	32,349.86	40,000.00	7,650.14
8076 ELECTION FEES	8,491.65	0.00	(8,491.65)	8,491.65	5,000.00	(3,491.65)
8080 OUTREACH/PRINTING	0.00	3,350.00	3,350.00	25,841.00	40,000.00	14,159.00
8090 DUES, SUBSCRIPTIONS	10,000.00	16,250.00	6,250.00	35,169.50	30,000.00	(5,169.50)
8091 IGA-DUES	0.00	0.00	0.00	9,000.00	15,500.00	6,500.00
8092 FEES/TAXES/LICENSES	93.47	350.00	256.53	1,931.78	4,000.00	2,068.22
8100 INSURANCE	23,349.50	0.00	(23,349.50)	94,484.67	87,000.00	(7,484.67)
8105 UNINSURED LOSS	0.00	13,250.00	13,250.00	23,398.00	27,000.00	3,602.00
8110 LEGAL ADS	927.50	575.00	(352.50)	1,772.75	1,500.00	(272.75)
8112 MEETING EXPENSE	0.00	125.00	125.00	1,606.37	1,500.00	(106.37)
8116 OFFICE SUPPLIES	1,206.91	1,250.00	43.09	13,427.82	15,000.00	1,572.18
8170 FUEL	5,680.67	42,000.00	36,319.33	311,330.24	475,000.00	163,669.76
8171 VEHICLE REPAIR/OUTSIDE SERVICES	204.35	11,750.00	11,545.65	106,022.83	150,000.00	43,977.17

	<u>M-T-D</u>	<u>M-T-D</u>	<u>Variance</u>	<u>Y-T-D</u>	<u>Y-T-D</u>	<u>Variance</u>
	<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
8180 SHOP SUPPLIES	(22.42)	7,250.00	7,272.42	8,501.27	10,000.00	1,498.73
SUB TOTAL MATERIALS/SERVICES	79,011.16	181,100.00	102,088.84	1,029,462.35	1,387,700.00	358,337.65
9100 TRANSFER IN - CAPITAL RESERVE	0.00	106,650.00	(106,650.00)	0.00	(106,650.00)	(106,650.00)
9110 TRANSFER OUT - STIF	0.00	800,000.00	800,000.00	0.00	800,000.00	800,000.00
9200 CAPITAL EXPENSE	0.00	720,000.00	720,000.00	28,365.97	1,332,000.00	1,303,634.03
9210 CONTINGNECY	0.00	125,000.00	125,000.00	0.00	125,000.00	125,000.00
Total Expenses	171,326.97	2,839,962.00	2,455,335.03	4,076,320.90	7,270,087.00	3,193,866.10
Excess Revenue Over (Under) Expenditures	90,266.99	(1,248,162.00)	(3,785,541.07)	240,973.20	(900,000.00)	(5,246,659.00)

Consolidated Balance Sheet
SUNSET EMPIRE TRANSPORTATION DISTRICT
For 6/30/2023

	This Year
Assets	
1010 OVER/UNDER	(4.75)
1020 GENERAL CHECKING LC BANK	47,379.06
1030 LGIP - GENERAL FUND	(19,173.42)
1040 PAYROLL ACCOUNT LC BANK	(72,755.75)
1050 MONEY MARKET LC BANK	(5,672.27)
1060 ODOT LOAN LC BANK	180,661.57
1095 CASH RECEIPTS CLEARING SYSTEM	(937.33)
1099 EFT CLEARING SYSTEM	(2,325.17)
1210 ACCOUNTS RECEIVABLE SYSTEM	480,364.38
1251 PASS TRANSIT RECEIVABLES	580.00
1425 PREPAID WORK COMP	(811.47)
	607,304.85
Total Assets	607,304.85
Liabilities and Net Assets	
2010 ACCOUNTS PAYABLE SYSTEM	16,564.77
2019 ACCOUNTS PAYABLE OTHER	(263.92)
2050 CREDIT CARD PAYABLE	57,748.54
2059 CREDIT CARD PAYMENT CLEARING	(66,503.67)
2060 PAYABLE TO NWN	(1,137.57)
2080 OVER PAYMENTS/UNAPPLIED CREDITS	(17.50)
2100 ACCRUED LABOR SYSTEM	(116,543.34)
2110 SOCIAL SECURITY TAX-EMPLOYEE	(285.69)
2111 SOCIAL SECURITY TAX-EMPLOYER	(285.69)
2112 PR SUTA	(591.55)
2113 OR STATE W/H	(369.00)
2114 FED W/H TAX PAYABLE	(3,017.87)
2115 MEDICARE TAX-EMPLOYEE	(66.81)
2116 MEDICARE TAX-EMPLOYER	(66.81)
2122 OREGON TRANSIT ASSESSMENT	(4.61)
2123 OR-WBF ASSESSMENT	(0.30)
2124 BENEFITS MEDICAL SDIS	(301.94)
2125 PAID LEAVE OREGON	846.09
2133 GARNISHMENTS	715.38
2135 MASA	14.00
2141 RETIREMENT-ER 457	(115.20)
	(113,682.69)
Total Liabilities	(113,682.69)
Change in Net Assets	720,987.54
Total Net Assets	720,987.54
Total Liabilities and Net Assets	607,304.85

SUNSET EMPIRE TRANSPORTATION DISTRICT
A/R Aging as of 6/30/2023

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<u>Customer</u>	<u>Due Date</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Description</u>	<u>Current</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>Total</u>
[6009] ALLSTATE INSURANCE AGENCY	7/01/2023	1709	6/01/2023	Jun 2023 Parking Spaces #3-5	142.50	0.00	0.00	0.00	142.50
[6011] ANDI WARREN INSURANCE AGENCY	7/01/2023	1710	6/01/2023	Jun 2023 Parking Space #14	47.50	0.00	0.00	0.00	47.50
[6494] ANGI WILDT GALLERY	3/31/2023	1647	3/01/2023	Mar 2023 Parking Space #12	0.00	0.00	0.00	0.50	0.50
[6494] ANGI WILDT GALLERY	5/01/2023	1665	4/01/2023	Apr 2023 Parking Space #12	0.00	0.00	47.50	0.00	47.50
[6494] ANGI WILDT GALLERY	5/31/2023	1695	5/01/2023	May 2023 Parking Space #12	0.00	47.50	0.00	0.00	47.50
[6494] ANGI WILDT GALLERY	7/01/2023	1718	6/01/2023	Jun 2023 Parking Space #12	47.50	0.00	0.00	0.00	47.50
[6291] CURRY & COCO THAI EATERY	5/31/2023	1690	5/01/2023	May 2023 Parking Space #1	0.00	47.50	0.00	0.00	47.50
[6291] CURRY & COCO THAI EATERY	7/01/2023	1712	6/01/2023	Jun 2023 Parking Space #1	47.50	0.00	0.00	0.00	47.50
[6112] HOMESPUN QUILTS	7/01/2023	1713	6/01/2023	Jun 2023 Parking-Spaces #8 & 9	95.00	0.00	0.00	0.00	95.00
[6113] HOXIE, RONALD	5/01/2023	1667	4/01/2023	Apr 2023 Parking Space #7	0.00	0.00	47.50	0.00	47.50
[6113] HOXIE, RONALD	5/31/2023	1692	5/01/2023	May 2023 Parking Space #7	0.00	47.50	0.00	0.00	47.50
[6113] HOXIE, RONALD	7/01/2023	1714	6/01/2023	Jun 2023 Parking Space #7	47.50	0.00	0.00	0.00	47.50

<u>Customer</u>	<u>Due Date</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Description</u>	<u>Current</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>Total</u>
[6153] ODOT	3/22/2023	1643	12/31/2022	Innovative Mobility Grant	0.00	0.00	0.00	300.00	300.00
[6153] ODOT	3/22/2023	1644	12/31/2022	Bike Grant	0.00	0.00	0.00	2,188.83	2,188.83
[6153] ODOT	3/21/2023	1675	12/31/2022	Q2 FY23 5311 34997	0.00	0.00	0.00	158,525.00	158,525.00
[6153] ODOT	5/10/2023	1700	12/31/2022	Q2 FY23 5311 #34415	0.00	0.00	6,958.00	0.00	6,958.00
[6153] ODOT	5/14/2023	1701	3/31/2023	Q3 FY23 #35108	0.00	0.00	40,253.00	0.00	40,253.00
[6153] ODOT	5/13/2023	1702	3/31/2023	Q3 FY23 5311 #34415	0.00	0.00	30,240.00	0.00	30,240.00
[6153] ODOT	6/29/2023	1703	3/31/2023	Q3 FY23 TO Reimbursement	0.00	18,263.65	0.00	0.00	18,263.65
[6153] ODOT	6/29/2023	1704	3/31/2023	Innovative Mobility Grant	0.00	300.00	0.00	0.00	300.00
[6153] ODOT	6/29/2023	1705	3/31/2023	Q3 FY23 MM/PM 5310 #35192	0.00	43,731.00	0.00	0.00	43,731.00
[6153] ODOT	6/29/2023	1706	3/31/2023	Q3 FY23 5311 34997	0.00	186,363.00	0.00	0.00	186,363.00
[6162] OREGON EMPLOYMENT DEPT	10/31/2022	1586	10/01/2022	Sep Bus Passes-Astoria STEP	0.00	0.00	0.00	200.00	200.00
[6162] OREGON EMPLOYMENT DEPT	12/01/2022	1587	11/01/2022	Oct Bus Passes-Astoria STEP	0.00	0.00	0.00	120.00	120.00
[6162] OREGON EMPLOYMENT DEPT	3/31/2023	1685	3/01/2023	Feb Bus Passes-Astoria STEP	0.00	0.00	0.00	140.00	140.00
[6162] OREGON EMPLOYMENT DEPT	5/01/2023	1686	4/01/2023	Mar Bus Passes-Astoria STEP	0.00	0.00	220.00	0.00	220.00
[6162] OREGON EMPLOYMENT DEPT	5/31/2023	1687	5/01/2023	Apr Bus Passes-Astoria STEP	0.00	100.00	0.00	0.00	100.00
[6583] Sondra Carr	5/01/2023	1668	4/01/2023	Apr 2023 Parking-Space #10	0.00	0.00	47.50	0.00	47.50

<u>Customer</u>	<u>Due Date</u>	<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Description</u>	<u>Current</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>Total</u>
[6583] Sondra Carr	7/01/2023	1719	6/01/2023	Jun 2023 Parking-Space #10	47.50	0.00	0.00	0.00	47.50
[6583] Sondra Carr	5/31/2023	1723	5/01/2023	May 2023 Parking-Space #10	0.00	47.50	0.00	0.00	47.50
[6214] TILLAMOOK COUNTY TRANSPORTATION DISTRICT	3/31/2023	1682	3/01/2023	Feb 2023 Bus Passes	0.00	0.00	0.00	700.00	700.00
[6214] TILLAMOOK COUNTY TRANSPORTATION DISTRICT	5/30/2023	1699	4/30/2023	MED BILLING 04/01-04/30/2023	0.00	0.00	6,753.00	0.00	6,753.00
[6214] TILLAMOOK COUNTY TRANSPORTATION DISTRICT	6/30/2023	1708	5/31/2023	MED BILLING 05/01-05/31/2023	740.00	0.00	0.00	0.00	740.00
[6244] WEDDLE, DIANNA	5/11/2023	1641	5/01/2023	May 2023 Parking Space #6	0.00	0.00	47.50	0.00	47.50
[6244] WEDDLE, DIANNA	6/11/2023	1730	6/01/2023	Jun 2023 Parking Space #6	0.00	47.50	0.00	0.00	47.50
[6414] West Coast Artisans	6/11/2023	1731	6/01/2023	Jun 2023 Parking-Space #2	0.00	47.50	0.00	0.00	47.50
Total					1,215.00	249,042.65	84,614.00	162,174.33	497,045.98

SUNSET EMPIRE TRANSPORTATION DISTRICT
AP Aging as of 06/30/2023

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<u>Invoice</u>				<u>Original</u>	<u>Amount</u>	<u>Not Yet</u>	<u>Less Than</u>	<u>Less Than</u>	<u>More Than</u>
<u>Date</u>	<u>Invoice Number</u>	<u>Due Date</u>	<u>Description</u>	<u>Amount</u>	<u>Owed</u>	<u>Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>60 Days</u>
[6001] ACCUFUND INC									
6/26/2023	20231561	7/26/2023	CLOUD ACCESS - Debbie Booth-Schmidt	40.00	40.00	40.00	0.00	0.00	0.00
[6007] ALLDATA									
6/24/2023	INVC03018954	6/25/2023	2023/24 ANNUAL SUBSCRIPTION	1,500.00	1,500.00	0.00	1,500.00	0.00	0.00
[6033] CARD SERVICE CENTER									
6/07/2023	0342 06072023 (1)	7/02/2023	STMT - 5/09 - 6/07/2023	206.33	206.33	0.00	206.33	0.00	0.00
[6603] CIT - FIRST-CITIZENS BANK & TRUST									
6/20/2023	42636959	7/10/2023	Copy Lease - Astoria	215.93	215.93	215.93	0.00	0.00	0.00
[6046] CITY OF ASTORIA									
6/23/2023	009947-000 06232023	7/15/2023	4/01 - 5/31/2023 WATER SRV TC ACCT 009947-000	562.64	562.64	562.64	0.00	0.00	0.00
[6084] DEL'S OK POINT-S TIRE									
6/07/2023	1082822	7/10/2023	Flat Repair - Bus 1702	70.00	70.00	70.00	0.00	0.00	0.00
[6096] EO MEDIA GROUP									
6/10/2023	383964	7/10/2023	6/10/23 Budget Committee Hearing Ad	245.00	245.00	245.00	0.00	0.00	0.00
[6121] JACKSON & SON OIL INC									
6/30/2023	99916 (1)	7/30/2023	05/2023 Fuel	245.27	245.27	245.27	0.00	0.00	0.00
[6579] KELLEY, HAGLUND LLP									
5/31/2023	14674.002	6/30/2023	Legal Advise	600.00	600.00	0.00	600.00	0.00	0.00

<u>Invoice</u>				<u>Original</u>	<u>Amount</u>	<u>Not Yet</u>	<u>Less Than</u>	<u>Less Than</u>	<u>More Than</u>
<u>Date</u>	<u>Invoice Number</u>	<u>Due Date</u>	<u>Description</u>	<u>Amount</u>	<u>Owed</u>	<u>Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>60 Days</u>
[5063] LEWICKI, PAUL									
6/16/2023	13	7/16/2023	Interium Ex Director - 6/05 - 6/16/23	3,960.00	3,960.00	3,960.00	0.00	0.00	0.00
[6148] NW NATURAL									
6/19/2023	770728-4 06192023	7/10/2023	06/2023 GAS SRV - OPS	73.42	73.42	73.42	0.00	0.00	0.00
[6141] NW NAVIGATOR LUXURY COACHES									
6/10/2023	R06102023	6/20/2023	Sales Week Ending 6/10/2023	76.50	76.50	0.00	76.50	0.00	0.00
6/17/2023	R06172023	6/27/2023	Sales Week Ending 6/17/2023	104.04	104.04	0.00	104.04	0.00	0.00
6/24/2023	R06242023	7/04/2023	Sales Week Ending 6/24/2023	172.89	172.89	172.89	0.00	0.00	0.00
[6172] O'REILLY AUTO PARTS									
6/20/2023	3920-304398	7/20/2023	Sensor - Bus 21	88.35	88.35	88.35	0.00	0.00	0.00
6/20/2023	3920-304414	7/20/2023	Core Rtn - Bus 21 Nozzle/Vac Connect - Shop	(62.42)	(62.42)	(62.42)	0.00	0.00	0.00
[6176] PACIFIC POWER									
6/14/2023	23157628001 1 06142023	6/30/2023	5/12 - 6/13/2023 ELECTRICITY - OPS	605.18	605.18	0.00	605.18	0.00	0.00
[6177] PACIFCSOURCE ADMINISTRATORS									
6/02/2023	2023-11	7/02/2023	Pay period ending 5/27/2023,FSAHealth	125.00	125.00	0.00	125.00	0.00	0.00

<u>Invoice</u>				<u>Original</u>	<u>Amount</u>	<u>Not Yet</u>	<u>Less Than</u>	<u>Less Than</u>	<u>More Than</u>
<u>Date</u>	<u>Invoice Number</u>	<u>Due Date</u>	<u>Description</u>	<u>Amount</u>	<u>Owed</u>	<u>Due</u>	<u>30 Days</u>	<u>60 Days</u>	<u>60 Days</u>
[6193] SDIS									
6/02/2023	2023-11	7/02/2023	Pay period ending 5/27/2023,DentalBen,LTDBen ,LifeBen,MedicalBen,STDBen, WorkComp,DentalDed	9,004.84	9,004.84	0.00	9,004.84	0.00	0.00
6/16/2023	2023-12	7/16/2023	Pay period ending 6/10/2023,DentalBen,Medica lBen,WorkComp,DentalDed	7,739.86	7,739.86	7,739.86	0.00	0.00	0.00
[6240] SECURITY ALARM CORP (SAC)									
6/05/2023	1356303	6/06/2023	7/01 - 9/30/2023 ALARM SRV	219.29	219.29	0.00	219.29	0.00	0.00
[6201] SOLUTIONS YES LLC									
5/08/2023	INV360580	5/23/2023	COPIER LEASE - 02/07 - 05/06/2023	613.66	613.66	0.00	0.00	613.66	0.00
[6226] VAN DUSEN BEVERAGES									
6/27/2023	200906	7/27/2023	Cancel Water Service	(32.00)	(32.00)	(32.00)	0.00	0.00	0.00
6/27/2023	200907	7/27/2023	Cancel Water Service	(80.00)	(80.00)	(80.00)	0.00	0.00	0.00
[6227] VERIZON WIRELESS									
6/23/2023	9937303418	7/10/2023	5/2023 CELL PHONE/TABLET SERVICE	907.22	907.22	907.22	0.00	0.00	0.00
[6237] WILCOX & FLEGEL									
5/31/2023	CL83085	6/30/2023	05/2023 Fuel	3,462.78	3,462.78	0.00	3,462.78	0.00	0.00
Report Total				30,663.78	30,663.78	14,146.16	15,903.96	613.66	0.00

SUNSET EMPIRE TRANSPORTATION DISTRICT
Check Listing as of 6/30/2023

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<u>Check Number</u>	<u>Date</u>	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>	<u>Check Amount</u>
22537	6/07/2023	[6033] CARD SERVICE CENTER - Invoices 0342 04072023 , 0342 085082023	CREDIT CARD PAYMENT CLEARING	5831.36	5,831.36
22561	6/07/2023	[6620] SAIF - Workers Comp 7/01/2023-7/01/2024	WORKER'S COMP SDIS INS WORKER'S COMP SDIS INS WORKER'S COMP SDIS INS	154.26 328.29 5862.89	6,345.44
22562	6/07/2023	[6193] SDIS - Invoices 04.28.2023, 2023-09, 2023-10, 2023-10, 2023-12, 2023-12	PREPAID WORK COMP BENEFITS MEDICAL SDIS	4754.92 46450.29	51,205.21
22563	6/07/2023	[6193] SDIS - Quarterly Insurance - Liability, Auto, General	GENERAL LIABILITY PROPERTY AUTO	5370.38 3735.92 14243.20	23,349.50
22564	6/07/2023	[6193] SDIS - Workers Comp Apr-Jun 2023	WORKER'S COMP SDIS INS WORKER'S COMP SDIS INS WORKER'S COMP SDIS INS	237.69 521.10 9306.18	10,064.97
22569	6/07/2023	[6237] WILCOX & FLEGEL - Invoices CL74879-2, CL78922 (1)	FUEL FUEL FUEL FUEL	5737.66 621.41 3958.56 10141.01	20,458.64
22580	6/23/2023	[6116] IFOCUS CONSULTING - Invoices 15435, 15444, 15472	WEB/ONLINE SW SUB IT SERVICES/CONTRACTS	563.00 4615.00	5,178.00
22583	6/23/2023	[5063] LEWICKI, PAUL - Invoices 0011, 0012, R06072023, R06082023	PROFESSIONAL SERVICES OFFICE SUPPLIES HARDWARE/SOFTWARE TRAVEL-MODE	7490.00 699.99 147.50 33.98	8,371.47
22594	6/23/2023	[6237] WILCOX & FLEGEL - 04/2023 Fuel	FEES/INTEREST CHRGS FUEL FUEL FUEL FUEL	156.88 1821.09 324.22 2626.51 7092.87	12,021.57

Total Checks	142,826.16
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**SUNSET EMPIRE TRANSPORTATION DISTRICT
Reconciliation - CREDIT CARD**

Run: 7/17/2023 @ 10:26 AM

Page: 1

Closing Balance from Previous Statement.....	5/08/2023	-1,852.68
0 Deposits and Other Additions Totaling.....		0.00
13 Checks and Other Withdrawals Totaling.....		206.33
1 Adjustments Totaling.....		1,852.68
0 Voids Totaling.....		0.00
Service Charge.....		0.00
Interest Earned.....		0.00
Closing Balance for this Statement.....	6/07/2023	-206.33
Difference.....		0.00

Cash Balance from General Ledger.....	6/07/2023	-191,841.28
Open Activity from Bank Register.....		5,831.36
Adjustment for Service Charges and Interest.....		0.00
General Ledger Reconciliation to Statement.....		-197,672.64

Date	Check	To	Check Description	Amount
✓ 2/14/2023	0000285	CRAFTGUIDELINE.COM	Hazen - Monthly Fee - Final	6.90
✓ 5/08/2023	0000285	BPUBLISHING.ORG	Hazen - Monthly Fee - Final	5.85
✓ 5/10/2023	0000284	DROBOX.COM	Jones - Monthly Storage Fee	31.99
✓ 5/11/2023	0000284	ADOBE ACROBAT	Jones - Monthly Photography Plan	9.99
✓ 5/16/2023	0000269	ADOBE ACROBAT	Parker - Monthly Fee	12.99
✓ 5/23/2023	0000284	OMNI HOTEL	Jones - Hotel Partial Refund - 2023 CTAA Conference	-10.95
✓ 5/31/2023	0000259	AMAZON	Parker - Refund/Amazon Prime Membership Fee	-139.00
✓ 5/31/2023	0001365	ADOBE ACROBAT	Geisler - Monthly Fee	19.99
✓ 6/01/2023	0001209	BOLI	Farmer - Reequred Postings	102.00
✓ 6/05/2023	0000284	ZOOM	Jones - Monthly Service Plan	140.00
✓ 6/07/2023	0000342	CC CHARGES	Late Fee	25.00
✓ 6/07/2023	0000342	CC CHARGES	Charge Dispute	-91.90
✓ 6/07/2023	Interest	CC CHARGES	Interest Charged	93.47
Total Unmarked Checks:			0.00	Total Checks: <u>206.33</u>

Date	Reference	Adjustment Description	Amount
✓ 6/09/2023	GC22537	Payment made from Gen. Ck. for Statement ending 05/08/2023	1,852.68
Total Adjustments:			1,852.68

Date: July 21, 2023

From: Paul Lewicki

To: Board of Commissioners

RE: Agenda Item 11b - RLS Compliance Review Report

The Compliance Review occurs every three years. This year's review was modified in format by ODOT to address the particular financial situation in which the District finds itself. This report contains important information regarding District practices and offers recommendations for improvement where appropriate. Staff receive this report with the expectation that its contents provide guidance toward greater fiduciary responsibility and a more sustainable management approach to reliable, responsible transportation service delivery.

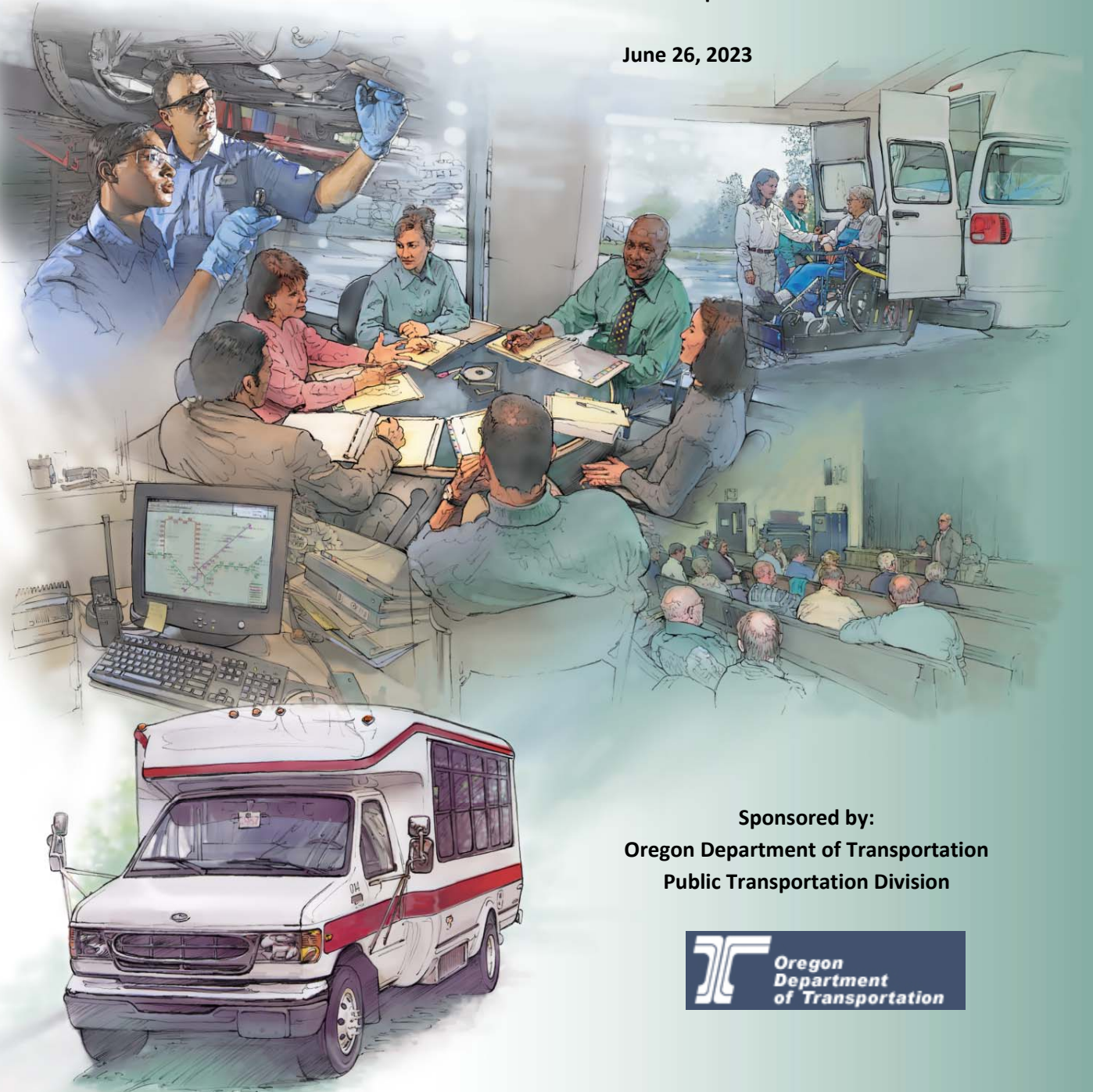
No Board action is required.



Compliance Review of Sunset Empire Transportation District

Final Report

June 26, 2023



Sponsored by:
Oregon Department of Transportation
Public Transportation Division



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Exhibit 1. Compliance Review Participants

No.	Name	Title	Organization	Phone	Email
(1)	Debbie Booth-Schmidt	Board Chairperson	Sunset Empire Transportation District	(503) 861-7433	debbieb@ridethebus.org
(2)	Paul Lewicki	Interim Executive Director	Sunset Empire Transportation District	(503) 861-7433	paul@ridethebus.org
(3)	Kelly Smith	Director of Finance	Sunset Empire Transportation District	(503) 861-7433	kelly@ridethebus.org
(4)	Mary Parker	Executive Assistant	Sunset Empire Transportation District	(503) 861-7433	mary@ridethebus.org
(5)	Arla Miller	Regional Transit Coordinator	ODOT	(541) 258-4222	Arla.Miller@odot.state.or.us
(6)	Myung Crossler-Laird	Regional Transit Coordinator	ODOT	(971) 18-3947	myung.crossler-laird@odot.oregon.gov
(7)	Joe Heberlein	Capital Program Coordinator	ODOT	(971) 375-3917	Joseph.k.heberlein@odot.oregon.gov
(8)	Matt Bussey	Senior Associate	RLS & Associates, Inc.	(617) 510-2485	mbussey@rlsandassoc.com
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Oregon DOT Compliance Monitoring Program

Scope of the Review

The Oregon Department of Transportation's (ODOT) Public Transit Division (PTD) is responsible for the implementation and oversight of ODOT's federal and state transit grant programs. The Compliance Monitoring Program is designed to assist the PTD and public transportation providers with the assessment of how transit agencies in Oregon meet the varied compliance requirements imposed by the state, as stipulated in the latest version of the *State Management Plan for Public Transportation Programs*. This document summarizes federal and state requirements for PTD-administered grant programs.

Each Compliance Review assesses how an agency's management is complying with federal and state laws, rules, requirements, and regulations. The Program's overall goal is to improve an agency's compliance with applicable regulations while strengthening management's abilities in those areas.

Procedures for conducting this review follow the process described in the Compliance Field Guide for conducting Oregon Compliance Reviews, developed by RLS & Associates, Inc. (RLS). ODOT contracted with this firm to conduct these reviews. This report documents the results of a Compliance Review conducted of the Sunset Empire's transit program.

The review was conducted on-site from May 15, 2023, to May 16, 2023, by Mr. Matt Bussey and Ms. Amy Rast of RLS. Ms. Arla Miller, Mr. Myung Crosslet-Laird, and Mr. Joe Heberlein of ODOT also participated in and observed the review.

This review did not conform to the normal scope of work guiding the development of compliance monitoring reports. Due to a financial crisis experienced by this transit system prior to the scheduled review, ODOT requested the review consultant to provide intense focus on the financial management and capacity of Sunset Empire. The review also addressed program and operations management, as necessary, to thoroughly develop a comprehensive understanding of the financial condition of the agency.

SETD Service Area

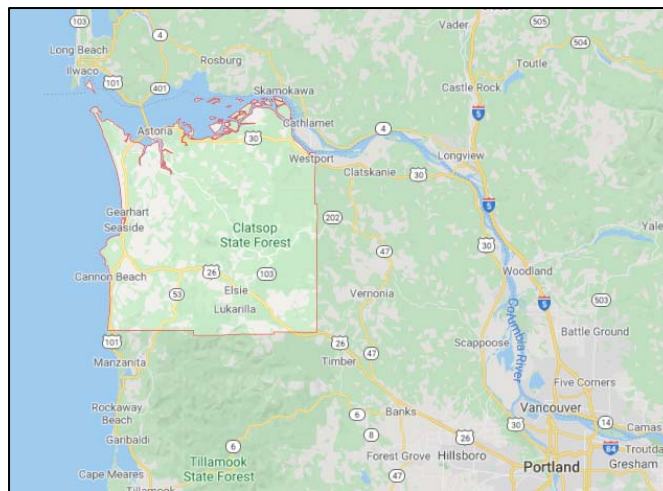
The Sunset Empire Transportation District (SETD) provides transportation services in Clatsop County, which is located in the northwest corner of Oregon. The county seat and largest city is the port city of Astoria, located where the Columbia River meets the Pacific Ocean. The County's total area is

approximately 830 square miles in size and has a population of about 37,000 residents. The resulting population density is approximately 45 residents per square mile.

The County’s road system consists of approximately 250 miles of roads, three ocean beach approaches, and 68 bridges including the 4.2-mile (6.8 km) Astoria–Megler Bridge connecting to neighboring Washington State across the river. State Highway 30 runs west to east parallel to the Columbia River and connecting to Clatsop and Columbia counties, while US Route 101 travels south to north along the coast connecting Clatsop and Tillamook Counties. State Route 202 and US Route 26 cut across the County diagonally, with south-north Route 53 connecting Route 26 with Route 101. The principal industries are manufacturing, fishing, timber, trade, and travel and tourism.

The City of Astoria is the oldest city in the state of Oregon and the first American settlement west of the Rocky Mountains. The County is named for the Clatsop tribe of Native Americans who lived along the Pacific coast before European settlement. Clatsop County shares a border with Columbia County to the east and with Tillamook County to the south. Its western border is the Pacific Ocean on the Oregon coast, and the Columbia River forms the county’s northern border.

Exhibit 2. Clatsop County



Astoria is a port of call for cruise ships. Its primary tourist attractions include the Astoria Riverfront Trolley, Fort Clatsop, the Upperton Firefighters Museum, and the Columbia River Maritime Museum.

Description of the Transit Service

SETD provides fixed route and paratransit services throughout selected areas of Clatsop County, connecting Tillamook County to the south and Columbia County to the east. All services are open to the general public. Routes operate within and connect the County’s five incorporated cities (Astoria,

Warrenton, Gearhart, Seaside, and Cannon Beach) along the Highway 101 and Highway 30 route corridors. Fixed route services operate Monday through Friday from 5:45 a.m. to 10:23 p.m. SETD has one intercity route (the Lower Columbia Connector/Route CC) which provides service between Astoria and Portland on Route 30. An SETD - Washington State connection exists via the Pacific Transit System out of Raymond, Washington with bus routes 24 and 50 stopping at the Transit Center in Astoria.

SETD is a ticketing agent for NW Navigator, a motorcoach company under contract with ODOT providing POINT service from Astoria to Portland via US Routes 26 and 101. This intercity route differs from the SETD intercity route from Astoria to Portland which utilizes US Route 30.

Fares range from \$1.00 to \$15.00 and are based on the origination/destination of the passenger. SETD offers fixed route services in the form of four (4) weekday routes, two (2) weekend routes, and one (1) intercity route which operates Monday through Sunday. During the tourist season (June through September), one (1) additional weekday route and three (3) additional weekend routes are added.

As required by the Americans with Disabilities Act (ADA), SETD offers complementary paratransit services (ADA Paratransit) to persons with disabilities with unconditional, conditional, or temporary disabilities that preclude the use of the accessible fixed route bus services.

Those seeking paratransit services are required to complete an application to determine eligibility. Paratransit services are advertised as curb-to-curb service and vehicles are wheelchair accessible and comparable to the existing SETD bus services being operated within the designated service area. Individuals certified with conditional eligibility are encouraged to use regular fixed route bus service whenever possible.

ADA Paratransit services must be scheduled on a next-day advance reservation basis and are available on the same days and hours of operation as SETD's fixed route bus service (excluding commuter routes). All trips must have an origination and destination within $\frac{3}{4}$ of a mile of the fixed route.

Additionally, SETD offers Dial-A-Ride service for shopping, appointments, social engagements, and other trip purposes. Dial-A-Ride is a curb-to-curb service provided beyond the service area of regular fixed route and paratransit service. It is designed to provide transportation to customers who are currently not served or who are underserved from the Warrenton/Hammond and Jeffers Garden/Miles Crossing areas or the John Day/Svensen and Knappa areas. Trips must be scheduled at least two days in advance with destinations in the Astoria and Warrenton areas and within 20 miles from the original pick-up.

Funding

SETD is an Oregon Special District for Transportation as designated per ORS Chapters 198 and 267. As a Transportation District, SETD has access to its own tax base which is distributed by the County and split

among the Special Districts. SETD also receives transportation funding from several federal and state sources, including:

- ◆ Federal Sections 5310, 5311, 5311(f), and 5339
- ◆ Oregon Special Transportation Fund (STF) and Statewide Transportation Improvement Fund (STIF)

Limited Scope Compliance Review

Background on the Fiscal Crisis Confronting SETD

At the March 23, 2023, SETD board meeting, the Executive Director to SETD, provided budgetary briefing materials to the District's Board of Directors. The materials included omissions, and several documents identified anticipated receivables as zeros. The Board Chairperson inquired about the reported zeros and the Executive Director responded that SETD was waiting for certain anticipated revenues.

At the April 14, 2023 SETD board meeting, the Executive Director stated to the Board Chairperson that the agency did not have the funds to continue operating. He requested permission to apply for a \$400,000 loan from the Lewis & Clark Bank. However, the Board Chairperson does not have the authority to unilaterally approve the loan application but recommended the application proceed and the matter be scheduled for review by the full board. However, a full board review of a loan application never occurred; based on a review of meeting minutes; it is understood that the bank denied consideration of the loan based on preliminary paperwork submitted by SETD.

At a board meeting called for on April 18, 2023, ODOT expressed concern regarding STIF funds; approximately \$800,000 has been programmed for specific STIF projects which ODOT understood had not been initiated. When the Executive Director informed the board that SETD did not have funds to operate through the end of the week, this was a circumstance inconsistent with ODOT's understanding of project balances. Subsequent investigation suggests that SETD relied on and expended these funds earlier in the year to cover operating deficits; as a result, it was recommended that the board vote to cease operations. The board voted unanimously at a subsequent meeting on April 27, 2023, to discontinue operations indefinitely and to furlough employees. Importantly,

Subsequent to this vote, the Oregon Department of Transportation made arrangements to provide interim funding, on a loan basis, to permit the continuation of public transit services in the County. The Board initiated separation from the Executive Director, and an interim Director was hired to assist the Board navigate this transition.

SETD Issues in Context with Nationwide Issues in Transit

The COVID-19 pandemic and the ensuing public health emergency have had critical impacts on public transportation nationwide. Beginning in March 2020, the nation was subject to various protocols, including the closure of many businesses, lockdowns, and stay-at-home orders. At the same time, individuals who worked in critical positions (particularly in healthcare) were deemed essential workers. Transit workers, most notably bus operators, were also in the essential worker category.

Transit ridership and farebox revenues plummeted during this period, though it is arguable rural transit agencies saw the same dramatic drop in ridership (some systems reported a 70% decline in ridership) and fare collection as their urban counterparts.

According to the Urban Institute, transit agencies reduced services by approximately 35% across the nation to reflect reduced demand. However, to ensure continued access to transit services for essential workers, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in March 2020 to offset economic damage caused by the public health emergency. Approximately \$25 billion in additional transit funding (all at 100% federal participation); rural areas saw an infusion of \$2.2 billion in additional new financial assistance – an amount double the traditionally apportioned funds to the states under 49 U.S.C. § 5311.

In addition to significantly enhanced federal funds, Statewide Transportation Improvement Funds (STIF) were introduced in Oregon, generally coinciding with the 2019 biennium. While public transportation has endured economic challenges, and ridership has not returned to pre-pandemic levels for most agencies, the level of financial assistance available to public transit systems since March 2020 is at unparalleled levels.

Thus, in an era of unprecedented financial assistance from federal and state sources, the fact that SETD did not have sufficient operating funds to close out the fiscal year demands answers as to how the organization found itself in this predicament.

Scope of the SETD Review

ODOT and the review consultant agreed on a limited scope of work for this review. ODOT conducted a site visit to SETD and obtained, to the extent possible, all relevant financial records for the two years prior to the financial crisis. This information, and data collected during the site visit, combined with detailed interviews with other key SETD staff members was used to diagnose how this longstanding provider of public transit services found itself in financial trouble.

Review of Documents Obtained by ODOT

Bank Statements

ODOT was able to provide bank statements for three banking accounts maintained by SETD with Lewis & Clark Bank – Astoria Branch. These accounts are federally insured. While the accounts were not specifically identified, it appears the accounts can be described as follows:

- Account XXXXX3943: This is the primary checking account for SETD. For the period March 1, 2021, through March 30, 2023, the average daily balance in this account was \$ 149,170.66.
- Account XXXXX3950: This is an account used to process payroll; SETD transfers funds into this account for generating payroll on a monthly basis. Given the purpose of this account, the average daily balance is significantly lower, at \$28,546.41 over this same period.
- Account XXXXX2455: This is a money market account. This account was closed in October 2022. The balance in the account was \$5,672.99 at the time of closure. During the period from March 1, 2021, through closure, no deposits were made to this account.

Based on the data reviewed, SETD has been in a precarious financial position during the entire period under review. In 12 of the 25 monthly statements, withdrawals exceeded deposits. Over the entire review period, deposits slightly exceeded withdrawals by \$22,646.78, suggesting that SETD carefully had to monitor payments to ensure there were no overdrafts. With average monthly expenses of \$369,445.06 and an average daily balance of approximately \$150,000, SETD did not have sufficient funds in its primary checking account to meet expenses.

Local Government Investment Pool

In addition to these accounts, SETD participates in the Local Government Investment Pool (LGIP). This fund is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision, or public corporation of the State that by law is made the custodian of, or has control of, any public funds. Unlike the three accounts noted above, the LGIP is not collateralized and may be subject to credit risk. Deposits to this account are made by Clatsop County.

Statements for the period March 31, 2021, through March 31, 2023, indicate that SETD was gradually decreasing the level of fund balances in this account. The account exhibits distinct cyclical characteristics, with the peak amounts of funding in November of each year. Account balances are at their lowest between August and November of each year. Unfortunately, in 2023, the fund did not have sufficient revenues to get the agency through the low points in the year; the fund balance was less than \$35,000 at the start of the typical low period in March 2023.

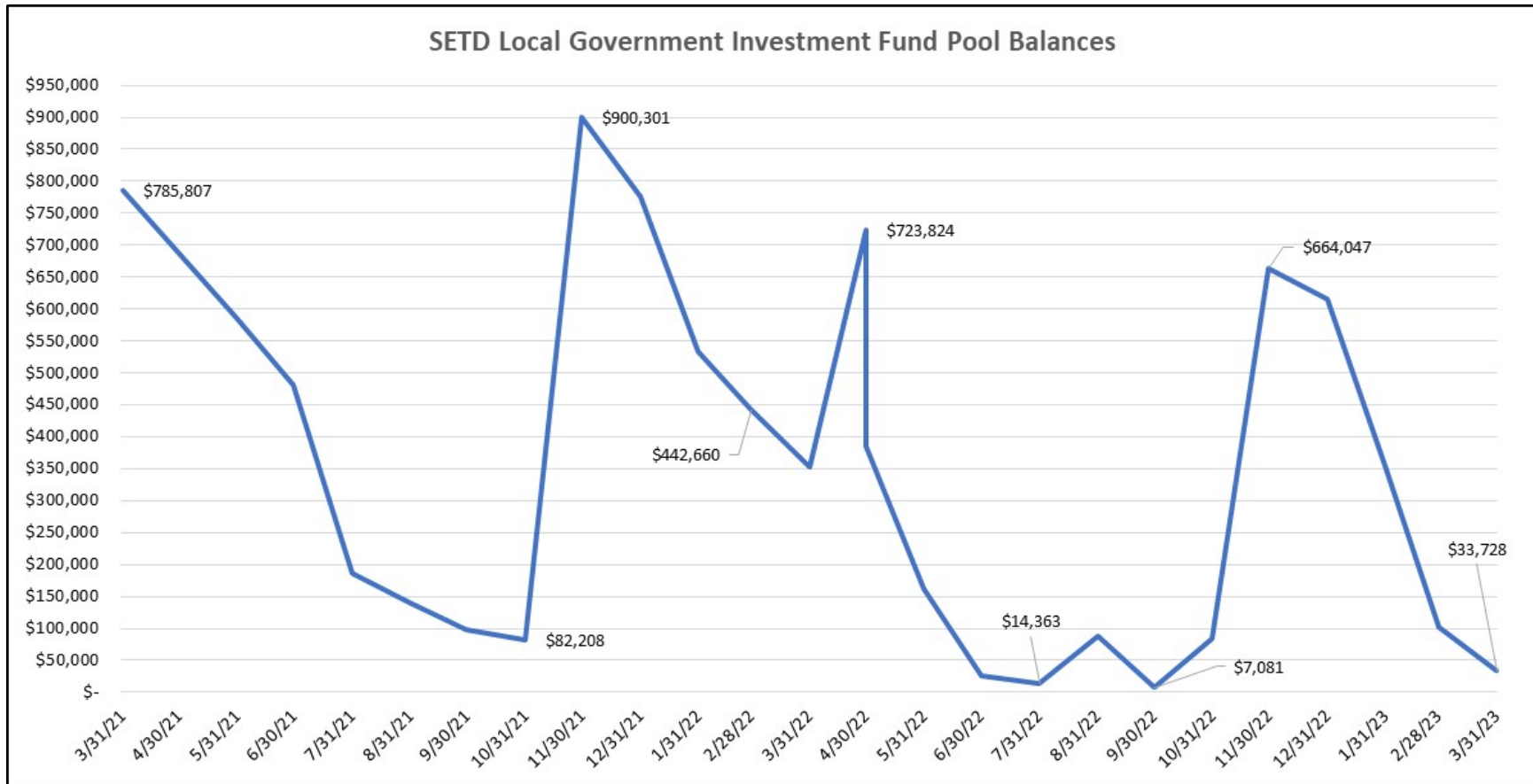
Exhibit 3. SETD Peak LGIP Balances

Period	Peak Balance Month	Balance
March 2021 to December 2021	November	\$900,301,.25
January 2022 to December 2022	November	\$664,047.07
January 2023 to March 2023	January	\$354,400.95

Source: SETC monthly LGIP statements.

The cycle nature of these revenues is shown in Exhibit 4.

Exhibit 4. SETD LGIP Monthly Balances, March 2021 through March 2023



Source: SETC monthly LGIP statements.

Credit Card Statements

ODOT provided records for one credit card account; based on the review of monthly statements, there were multiple authorized users for this account. Records were reviewed for the period March 9, 2021, through March 8, 2023. Due to the limited scope of this review and inability to verify source documentation and the minimal information provided on card statements, it was not possible to determine if misuse of credit cards (one of the most commonly observed issues in improper management of grant funds among rural transit agencies) had occurred. Nevertheless, some observations can be made.

- Charges generally are consistent from month to month, suggesting the entity was not engaged in financing current obligations by paying the item via the credit card account.
- Where monthly changes were observed to be above the monthly average, it was found that travel expenses (for one or more employees) were typically the source of the higher-than-expected charges.
 - There appears to be a higher-than-expected level of travel expenses on the credit card statements. There are no databases on which to evaluate these expenses, so this is a subjective assessment on the part of the reviewer. However, given that some of these expenses occurred during the public health emergency when travel was more limited, it is a noteworthy observation.
 - In most Oregon rural transit agencies, travel is to in-state destinations. For larger agencies, it is not uncommon to attend a national conference (e.g., CTAA, National RTAP) as this is consistent with professional development goals. In reviewing SETD travel charges, it was observed that out-state-travel to events other than these recognized national conferences occurred. It appears that the Executive Director had sole authority to travel under his authorization without appropriate oversight.
 - It was also observed that the amounts charged appeared excessive (greater than GSA rates). Consistent with 2 CFR § 200.474(a), any such travel costs are only an eligible expense under SETD's federal awards to the extent that they are incurred while the individual in travel status is conducting official business of the non-Federal entity and that charges are consistent with the written travel policies of the organization. It is recommended that if forensic accounting work is performed, the audit firm should verify
 - Was the trip undertaken consistent with the official business of SETD?
 - Were reimbursed expenses limited to those consistent with the organization's written travel reimbursement policies?
- There were a higher-than-expected number of credits on the statements; more than six percent of all transactions were credits. This could reasonably be due to expected cancellations of travel activity during the COVID-19 pandemic; however, this requires further investigation to confirm. Other explanations include the return of merchandise due to unauthorized purchases or lack of

procurement capacity (purchase of items where the entity’s purchasing specifications did not meet actual needs).

- It was observed that there were some exceptionally large video conference call charges on the reviewed statements; this is another category that requires further investigation.

Payroll Register

The reviewer was advised by ODOT that a 2021 transition from QuickBooks to AccuFund accounting software was problematic. ODOT reports that due to implementation difficulties, the payroll process was not handled through AccuFund. A payroll processing software was used; no reportable observations were derived from a review of these records covering the period December 17, 2021, through August 26, 2022.

Financial Exceptions & Information Report

This is a report prepared by SETD management for dissemination to the SETD Board of Commissioners. The report contains the following information:

- A preliminary general fund “profit and loss” narrative; however, it was noted that the information conveyed in this section did not report actual report profit/loss. Rather, this statement only compared income to the budget amount and Materials and Services object classes (not Personnel costs) to the budget amount. Actual profit/loss for the accounting period was not reported.
- A bullet point summary with management’s observations on various object classes and individual line results for the accounting period. Again, actual revenues are contrasted with projected expenses, which will not permit the governing board to gain insights into whether the entity had positive or negative changes in its financial position.
- A variance report comparing both month-to-date and year-to-date transactions to budgeted amounts. This is a useful report, but it is not the only information that should be reported to the governing board.
- A consolidated balance sheet showing assets and liabilities for the current year compared to the prior year.

The information provided in these management reports do not provide full disclosure of performance results. The fact that expenses were not exceeding budgeted amounts is useful; but when total expenditures are consistently greater than total revenues, the organization will run into significant cash flow issues.

Audit Reports

The review searched for audit reports for the last three years. The results are as follows:

- FY 2022 – The audit report could not be found on the Secretary of State’s local government audit search website. This is consistent with SETD reports that the audit was not yet available.
- FY 2021 – This audit was available from the Secretary of State. Key elements include:
 - In the schedule of assets and liabilities, the net position of SETD decreased by \$352,502 over FY 2020.
 - Revenues declined by \$599,711 in FY 2021 from FY 2020.
 - Expenses increased by \$325,621 in FY 2021 from FY 2020.
 - Audit Finding 2021-001, Timeliness of Record Preparation and Availability (Repeat finding)
 - The District was unable to prepare the original information needed to support the financial statements in a timely manner.
 - The reviewer believes that this is likely to be a repeat finding in FY 2022 audit and may be the reason for late delivery (the report was due March 30, 2023)
 - Management’s Response: Management cites errors in the prior year ending balances as the source of the problem and made a corrective entry to remedy.
- FY 2020 - This audit was available from the Secretary of State. Key elements include:
 - In the schedule of assets and liabilities, the net position of SETD increased by \$396,313 over FY 2019.
 - Revenues increased by \$1,222,565, in FY 2020 from FY 2019.
 - Expenses increased by \$170,116 in FY 2020 from FY 2019.
 - Two outstanding loans were retired in FY 2020.
 - Audit Finding 2020-001 Segregation of Duties
 - A single person at the District has the ability to perform most of the accounting functions and make changes within QuickBooks without approval.
 - Management’s Response: We have implemented a new financial software program for FY 2021. This software has a good audit tracking system, so an auditor and our executive director can track changes made in the system. Due to our size, we delegate accounting duties the best we can and will make every effort to utilize the new software to its fullest potential in properly segregating duties.
 - Audit Finding 2020-002 Fund Accounting
 - Each transaction that crosses funds should include a due to or due from in order to ensure that each fund is always in balance.
 - Management’s Response: We have implemented a new financial software program for FY 2021. The new system, once fully operational, will keep our funds separated and will use the transfers and due to/due from accounts to keep funds balanced when interfund activities occur.
 - Audit Finding 2020-003 Timeliness of Record Preparation and Availability

- The District was unable to prepare the original information needed to support the financial statements in a timely manner
- Management’s Response: With the implementation of a new software system, closing the periods (quarterly and annually) will be handled in a more timely manner.

The audit reports contain information of great interest to the current investigation. Among key observations:

- There are audit findings in each report examined; one of which is a repeat audit finding.
- Management’s response to the audit findings is not consistent with federal guidance.
 - 2 CFR § 200.511(c) stipulates that the auditee’s corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. None of SETD’s responses to the audit findings follow these requirements.
 - Management’s response in one finding only suggests a future action, but there is no definitive statement that would enable the auditor to evaluate whether the necessary corrective actions were taken.
 - In at least one case (Finding 2020-001) regarding the segregation of duties, the management response places some burden on the auditor to ensure the accuracy of reports, which is the sole responsibility of the auditee. How financial functions will be distributed to different District employees to introduce the necessary segregation is not addressed.
- Through the period ended June 30, 2020, revenues exceeded expenses and the organization’s net position was typical for an organization of this size. Thereafter, the FY 2021 audit details a significant reduction in net position, a trend that is likely to be exhibited in the FY 2022 audit. This is the first instance that the financial standing of the organization was heading in an unsustainable direction.
- The repeat finding from both the 2020 and 2021 audits (Timeliness of Record Preparation and Availability) calls into question the financial capacity of the organization to manage federal awards.

Consolidated Statement of Activity

These reports are generated by SETD and were provided to the contractor. The frequency and distribution of these reports is unknown. Analysis of this data reflects several key factors that partially explain the District’s financial problems.

Based on the District’s report results for the periods FY 2021, FY 2022, and FY 2023 Year-to-Date (through March 31, 2023), SETD expended more than \$700,000 over its actual revenues. This means that the District was forced to draw upon liquid financial reserve to meet needs. After two successive

years of expenditures, SETD reports a considerable surplus of revenues over expenses in FY 2023 (Exhibit 5).

Exhibit 5. SETD Consolidated Statement of Activity

Category	FY 2021	FY 2022	FY 2023 YTD
Revenues	\$3,515,735.18	\$3,728,829.97	\$3,909,338.29
Expenses	\$3,884,698.95	\$4,065,422.94	\$3,267,958.56
Revenues Over Expenses	\$(368,963.77)	(\$336,592.97)	\$641,379.73

Source: SETD Consolidated Statement of Activity, FY 2021, FY 2022, and FY 2023 YTD.

Given that SETD staff reported to the board that it has insufficient funds to continue operations in April 2023, the data that reflects an operating balance of close to \$650,000 seem contradictory to management’s assertions to the board. A closer examination of individual revenue sources revealed an anomaly in the data. For FY 2021, SETD reported annual Section 5311 revenues (administration and operations) of \$516,608; for FY 2022, this amount was \$562,825. For only nine months in FY 2023, SETD reports Section 5311 revenues of \$1,124,940, a 99.9% increase over FY 2022 levels. In discussing this matter with the ODOT RTC, the reported revenue does not match any reimbursement figure in state records, causing doubt on the accuracy of this entry. If the normal amounts of Section 5311 financial assistance are applied, there is no revenue surplus in FY 2023. This aligns more closely with the reported financial position of the entity in its April report to the board. All other revenue entries are consistent with prior year levels.

Observations Derived from Staff Interviews

Director of Finance

The Director of Finance was hired in January of 2021. Her role was to produce accounts receivable and accounts payable financials every month. She was not involved with the processing or payments of accounts receivable/accounts payable nor was she involved with grants except for grant reimbursements. She also had very little involvement with the preparation of the agency’s budget. The Executive Director would develop the budget and the Director of Finance would edit to make non-substantive revisions.

The Director of Finance attended monthly briefings to brief the board of directors; however, it was reported her role was almost exclusively as an observer, and received negative feedback from the Executive Director if she attempted to participate. It was stated that at board meetings “you were supposed to be seen and not heard”.

Shortly before being hired in 2021, SETD procured a financial/grants management platform known as AccuFund to replace QuickBooks. Ms. Smith had no background in AccuFund and was never trained on the platform except for several hours of tech support. Financial duties were effectively unsupervised, and she could go for a week without ever interacting with the Executive Director.

The Director of Finance began to think that the agency's financial situation was tenuous in the spring of 2022, as SETD approached the end of its fiscal year (June 30), when she saw that existing funds did not seem adequate to guarantee payroll. However, she had only been at SETD for a year and a half, had come from a private sector background, and was unsure what was "normal" at a public transit agency. As a consequence, this individual did not relay these concerns to anyone else.

Executive Assistant to the Executive Director

The Executive Assistance has worked at SETD since 2010. In her role as Executive Assistant, she takes care of all public records requirements and acts as the clerk to the board. She opens the mail and tracks incoming payments from rental space, ADA complementary paratransit rides, and refunds. During the pandemic, she began working from home but comes in part-time in the evenings.

During an on-site interview, the Executive Assistant did not indicate that there were financial issues; however, she began to surmise such issues existed after being told the District was spending too much on supplies. Despite being in charge of press releases and advertising, the amount of funding available to her became more and more limited. It was noted that after having printed route maps and distributing them at various shelters and in the reception area, the Executive Director admonished her for using too much paper. Further indications of financial difficulties were apparent when the staff was instructed not to buy coffee or donuts for the February and March board meetings in 2023, presumably due to the need to reduce spending. In closing, it was stated, "I was in a box that kept getting smaller and smaller."

Interim Executive Director

After separation from the Executive Director, SETD sought to find interim management after ODOT provides loan funding to continue some level of operations. The Interim Executive Director had worked previously at SETD in operations and procurement. While tasked with purchase orders and specification development, it was reported that no orders were given relative to the curtailment of expenses. Nevertheless, he recalls being told funds were "tight."

Despite the funding crisis and other staff being directed to reduce spending, there is no evidence of deferred vehicle maintenance, a common occurrence in similar situations. To test this, the reviewer examined a substantial sample of vehicle preventive maintenance records and verified that preventive maintenance events were occurring at over 80% on-time performance.

Summary Notes Based on Interviews and Workplace Observations

Board Composition and Oversight

The SETD board is an elected board comprised of seven members. There is currently one vacancy. Interview descriptions of the board composition suggest it is comprised of well-intentioned community volunteers that may not possess the requisite financial management or grants management experience to critically evaluate management reports. This is best illustrated by the fact that the typical routine at monthly board meetings did not result in board questions or management explanations of key data elements provided in financial reports. As noted previously, the construction of these monthly reports did not provide for full disclosure of financial results. Whether the reports were purposefully constructed not to provide full disclosure or represented a failure in report design could not be established during this review.

Ultimately, it is the board's responsibility for exercising sufficient fiduciary oversight of the organization. As board members are elected, management has no input in the selection of members who have governmental or financial experience. In such situations, it is a best practice that management provide board member training.

Travel Expenses

Interviewed staff stated that all travel was legitimate but may have been excessive. The Executive Director had numerous aspirational programs that were only tangentially related to transit but not directly related to day-to-day operations at SETD. Numerous trips and retreats, hotel stays, and travel expenses were reported, consistent with the observations made in a review of credit card statements. It was further reported that, in some cases, these events were held at resorts or fashionable locales, where travel costs were more than GSA established per diem rates.

Based on interviews with staff, it was understood the organization had agreed to reimburse SETD for "some or all" of the expenses associated with all travel. With the limited scope of this project, the review could not establish what were agency travel policies, whether written authorization of such travel was authorized by the board, whether entity incurred expenses were not paid to the Executive Director, and were reimbursement rates consistent with the written policies of SETD. Interviews with the Executive Assistant could not conclusively establish such reimbursement rates. As such, these are elements that should be part of any subsequent forensic audit.

Financial Software

All staff with knowledge of/or use of the AccuFund software criticized it as an inadequate platform for conducting financial duties and grants management. This is a widely known accounting package,

although the product was developed primarily for application in the nonprofit sector. While company literature suggests that local governments and special districts also use this platform, it appears that most of the company's efforts are dedicated to nonprofit organizations.

The reviewer does not render opinions on the functionality of accounting software products, but the dissatisfaction of SETD staff cannot be overstated. However, SETD bears some responsibility for the poor deployment and implementation of this software product. Foremost among these concerns is that the Director of Finance has had no formal training on this software platform. Additionally, SETD should have hired consulting assistance to facilitate the installation and conversion of QuickBooks data. Finally, it is possible the repeat audit finding about the untimely delivery of financial statements could be caused due to the lack of user familiarity with the operation of the software.

Staff interviews further indicate dissatisfaction with customer service and technical support was reported to be difficult to access and not helpful. There is little doubt staff would like to have different software. Any transition of accounting software will be disruptive to the organization and result in substantial new costs.

All federal grant funds and Oregon DOT Statewide Transportation Improvement Fund (STIF) grants must adhere to financial management system requirements of 2 CFR § 200.302(b)(1) – (5) detail specific requirements for a non-federal entity's financial management system. If the AccuFund system is not capable of readily meeting these requirements, then SETD would be well-served in seeking a replacement system.

Lack of Internal Controls

Interviews and workplace observations reveal that ongoing issues on the segregation of duties existed during the pandemic when the Executive Assistant worked from home. However, the agency both lacked the required policy on the allowability of costs found in 2 CFR § 200.302(b)(7). This appears to be evident in the fact that no substantive review of the Executive Director's expenses was taking place

Work Environment

Based on interviews, the Executive Director did not adequately interact with or supervise staff. His Director of Finance, whose job description stated that she was supposed to work jointly with him on many financial duties, reportedly could go for over a week without any interaction. The current Interim Executive Director stated that he limited interaction with the Executive Director as well (less than 10 hours per month). This is not characteristic in most small rural transit agencies, where frequent daily interaction among administrative staff is the norm.

More troubling than the lack of interaction with staff, is the former Executive Director's abusive behavior towards staff and, in one instance worthy of immediate termination, his behavior exhibited towards an SETD customer.

Interviews revealed that the staff were intimidated; the Executive Director would openly berate employees in front of other staff. He admonished employees who spoke up at board meetings. Employees did not feel that they could report harassment to the board, as it was perceived he enjoyed favorable relationships with board members and its constituent members.

In at least one instance, the Executive Director resorted to physical violence toward a customer. A senior citizen rider had a dispute with an SETD operator in front of the SETD facility. The Executive Director left the facility to speak to the rider and an argument ensued. He then took the individual's mobility aid (a walker) and hurled it into the parking lot. This event, captured and documented by SETD's video surveillance system, should have resulted in suspension or termination.

Commingling of Funds

Federal funds awarded can be used for a wide range of eligible public transportation projects and expenses. STIF funds, on the other hand, must be expended on specific projects in accordance with those listed in a state-approved STIF plan. According to ODOT, SETD did not undertake any of the projects listed in its STIF plan; rather it appears that STIF funds were used to support ongoing transit deficit operations. This is a violation of ORS 732-042-0005, which requires recipients of STIF (Qualified Entities (QE)) to develop a plan on how the entity will expend STIF funds.

SETD appeared to treat STIF funds more like a block grant rather than a plan-driven use as required by statute. This impermissible approach to grant fund management led the organization to believe it had more general operating money than it had.

Other Miscellaneous Observations

The following additional information was also gleaned during the reviewer's on-site visit:

- In the lead-up to the board meetings where the board was advised there was a fiscal crisis, numerous expenses went unpaid. These included \$90,000 for vehicle insurance, \$107,000 in SDAO dues, and payroll taxes.
- SETD had high credit card limits (\$18,500). Some employees questioned the use of credit card purchases as unsound; for example, purchasing office supplies at local vendors rather than lower-priced state pricing agreements.
- The Executive Director reportedly requested expedited reimbursement of expenses from SETD's ODOT Regional Transit Coordinator as the end of the FY 2022 and FY 2023 fiscal years approached. This is consistent with observed bank and fund balances near the end of the fiscal year and the previous observation that available cash revenues were insufficient to meet current obligations.

- The adopted budget on the SETD website was reportedly inconsistent with the budget presented to the board of directors.

Summary Observations and Recommendations

This limited-scope review did not find any specific instances of theft or misuse of funds; however, there are areas of interest that should be reviewed by an independent audit firm for further investigations.

The review has established that various red flags existed long before the crisis date of April 2023; indications of revenue shortfalls were present at the close of FY 2022. The Board of Commissioners and ODOT were insufficiently aware of the before this time; key recommendations contained herein are designed to ensure adequate board and state oversight.

Recommendations or Actions

Board of Commissioners' Recommendations

Board members must be trained on all aspects of their fiduciary responsibilities in the management of the district. Adopting principles for nonprofit organizations, the three “duties” or responsibilities include:

- **Duty of Care:** Take care of the District by ensuring prudent use of all assets, including facility, people, and goodwill;
- **Duty of Loyalty:** Ensure that the District's activities and transactions are, first and foremost, advancing its mission; Recognize and disclose conflicts of interest; Make decisions that are in the best interest of the District corporation; not in the best interest of the individual board member (or any other individual or for-profit entity).
- **Duty of Obedience:** Ensure that the District obeys applicable laws and regulations; follows its bylaws; and that the District adheres to its stated purposes/mission.

SETD management is responsible for ensuring that newly elected board members receive appropriate training. A new board orientation curriculum should be developed and instituted. The focus should be on the financial roles of the board.

Similarly, it must be emphasized that the Executive Director serves at the pleasure of the Board. The Board must engage in annual performance evaluations based on established performance criteria.

SETD must ensure that all available resources of the Special Districts Association of Oregon (SDAO) are fully utilized. Specific training should be provided on the reading and understanding of agency financial reports. Importantly, board members should be encouraged to question all elements contained in management-provided reports.

Finally, if the board lacks members with specific expertise in special district financial management, the Board should hire outside expertise to specifically assist in evaluating SETD financial performance and eliminate the current practice of relying solely on reports – without the narrative analysis – provided by the former Executive Director.

Accounting Software

Based on discussions with staff, it is understood that SETD arrangements with AccuFund are that the agency subscribes to the company and they provide the software as a service (SaS). This means that the agency has not invested significant capital costs in the platform, reducing the financial burden in any decision to change accounting software.

The key requirements of any accounting software for SETD should be the criteria in the previously cited 2 CFR § 200.302(b)(1) – (5). Any new software should be evaluated based on its ability to:

- (1) Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and federal award identification must include, as applicable:
 - a. the CFDA title and number
 - b. Federal award identification number
 - c. Federal award year
 - d. Name of the Federal agency
 - e. Name of the passthrough entity
- (2) Provide accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements
- (3) Maintain records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest and be supported by source documentation.
- (4) Maintain effective control over, and accountability for, all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.
- (5) Compare expenditures with budget amounts for each Federal award.

An assessment should be undertaken, in consultation with professional audit services, as to whether AccuFund can meet these requirements. If not, the software should be replaced regardless of the cost implications.

Clarify the Director of Finance Responsibilities and Provide Training

All financial reports presented to the Board should be prepared by the Director of Finance and be predicated on actual financial results (e.g., readily auditable to the general ledger). This report should be reviewed jointly by the Director of Finance and the Executive Director before presentation to the Board.

Each schedule or report presented to the Board should be accompanied by management's analysis so the data. This analysis should be jointly prepared by the Director of Finance and the Executive Director.

Importantly, the Director of Finance must receive adequate training on the use of whatever software platform the agency elects to use. Similarly, ODOT should facilitate peer-to-peer technical assistance to ensure that the Director's transition from private sector accounting to governmental accounting is complete.

Develop a Policy to Determine the Allowability of Costs

Federal regulations at 2 CFR § 200.302(b)(7) stipulate that every recipient of federal funds develop a written policy that describes how the organization applies the cost principles contained in the 2 CFR § 200.400 – 200.475 to daily accounting and ensures that requests for payments under the entity's federal awards meet those standards. This review could not establish that SETD has this required policy.

Establish a Written Travel Policy

While it cannot be cited as a causal factor in the financial crisis, the lack of adherence to an adopted travel policy is evidence of a misguided management policy and lack of knowledge of federal grants management requirements.

SETD must adopt a travel policy, complete with the following elements:

- Board policy on what constitutes the official business of the District
- Procedures for granting authorization for employee and Board travel
- Requirements of advance payment of employee and Board member travel expenses
- Protocols for seeking reimbursement of employee incurred expenses on official business
- Procedures for granting authorization for out-of-state travel
- Reimbursement limits
- Procedures when a third-party sponsors employee travel on official business

This last bullet point is important, as any third-party payments should be directed to SETD, not the employee.

Adopt Whistleblower Policy

The management style embraced by the former Executive Director limited the ability of employees to communicate meaningful concerns about the business operations of SETD. While not common in rural transit agencies, the culture at SETD must be changed. This can be accomplished, in part, by the SETD Board adopting a whistleblower protection policy. The policy should:

- Ensure the anonymity of the individual reporting the issue
- Create an easy path for reporting
- Ensure that disclosures are protected
- Prohibit retaliation
- Require board investigation and action (as appropriate)
- Require reporting to ODOT during any period when SETD is classified as a high-risk subrecipient
- Establish recordkeeping practices, enabling the identification of repeated claims

The policy should be communicated to all employees. Most importantly, the board should demonstrate its commitment to the policy upon introduction to SETD employees.

Adopt New Audit Response Policy

It appears that the Executive Director developed management's response to any audit finding generated from the annual audit of SETD. As noted previously, these responses did not meet the requirements for the auditee's response. Additionally, the corrective actions noted in the responses were not adequate to address the identified significant deficiency or material weakness.

All audit responses should be jointly developed by the Director of Finance, the Executive Director, and the Board of Commissioners. The responses must state the corrective action plan, provide the name(s) of the contact person(s) responsible for corrective action, and the anticipated completion date. The Board must monitor staff to ensure the actions are completed.

Enhance Internal Controls

The 2020 audit noted a lack of segregation of duties which demonstrates inadequate internal controls. Interviews with staff also indicate many expenses were authorized without being subject to approval.

Additional internal control policies should be instituted to ensure:

- Purchasing authority is established for all personnel responsible for agency purchases
- Approval of all purchases should require approval of the requesting party and a supervisor to the requesting party
- Any changes made to an entry in the accounting system have appropriate approval authority

Prepare and Implement an Abbreviated EEO Program

In the course of this review, it was found that SETD meets the requirements in FTA Circular 4704.1A to prepare an abbreviated Equal Employment Opportunity program. SETD has not developed this document. SETD must develop and submit this program to ODOT for review and approval.

Scope of Transit Services During Loan Repayment Period

SETD is responsible for the repayment of the loan provided by ODOT to sustain public transportation services in the service area. This will prove challenging, dictating that the agency focuses on only essential transit services and mobility during the repayment period. Any service expansion plans must be placed on hold until the organization's finances are stabilized. Additionally, the utmost scrutiny and caution be exercised in the acquisition of goods, supplies, and services during this same period. SETD must carefully scrutinize the sources of its acquisition to ensure it is achieving the best value. The use of state purchasing agreements is encouraged.

Recommendations for Oregon DOT

Consistent with the requirements in 2 CFR § 200.205(c), ODOT should place SETD into a high-risk category for the next two years. Thereafter, ODOT should formally assess whether the organization's finances have stabilized to the point they can be treated as a non-high-risk subrecipient.

As a high-risk subrecipient, ODOT should require the following:

- SETD must submit all audit reports and if there are any findings, submit management's corrective action plan to ODOT.
- SETD must submit monthly financial schedules, as follows:
 - Fund balance/statement of net position
 - Copy of the general ledger

It is also recommended that the ODOT RTC attend all Board of Commissioners meetings, either in-person or virtually, for the next two years.

Finally, it is recommended that SETD be scheduled for a full compliance review in mid-year 2024 to ensure compliance with the recommendations in this report and other federal requirements.

Summary

A summary of key recommendations and actions is contained in Exhibit 5.

Exhibit 5. Summary of Recommendations and Actions

Area	Action
Board of Commissioner’s Recommendations	1. Conduct Board training on the: <ul style="list-style-type: none"> • Board’s fiduciary responsibilities • Reading/understanding financial statements
	2. Develop new board member training course
	3. Initiate annual performance evaluations of the Executive Director
	4. Ensure full advantage of SDAO resources for board training are utilized
	5. Consider hiring a financial consultant to advise the board during the loan period
Accounting Software	1. Conduct an assessment of existing software’s ability to readily comply with financial management system requirements of 2 CFR § 200.302(b)(1) – (5)
Clarify the Director of Finance Responsibilities and Provide Training	1. If a decision is made to retain AccuFund, ensure sponsored training on the use of the software is provided to the Director of Finance
	2. Assign responsibility to the Director of Financial for all Board financial reports
	3. Ensure the Executive Director and Director of Finance review all reports jointly before submission to the Board
	4. Develop a format for a narrative explanation of each month’s performance for the Board
Develop a Policy to Determine the Allowability of Costs	1. Establish policy consistent with 2 CFR § 200.302(b)(7) and ensure all expenses billed to SETD federal award meet allowability criteria
Establish a Written Travel Policy	1. Adopt Board policy on what constitutes the official business of the District
	2. Develop procedures for granting authorization for employee and Board travel
	3. Adopt policy on advance payment of employee and Board member travel expenses
	4. Develop protocols for seeking reimbursement of employee-incurred expenses on official business
	5. Develop Board procedures for granting authorization for out-of-state travel
	6. Develop reimbursement limits for travel, lodging, and per diem charges
	7. Adopt procedures when a third-party sponsors employee travel on official business
Adopt Whistleblower Policy	1. Foster great communication between District employees and the Board by adopting a whistleblower policy that: <ul style="list-style-type: none"> • Ensures the anonymity of the individual reporting the issue

Area	Action
	<ul style="list-style-type: none"> • Creates an easy path for reporting • Ensures that disclosures are protected • Prohibits retaliation • Requires board investigation and action (as appropriate) • Requires reporting to ODOT during any period when SETD is classified as a high-risk subrecipient • Establishes recordkeeping practices, enabling the identification of repeated claims
Adopt New Audit Response Policy	<ol style="list-style-type: none"> 1. Amend internal procedures for response to single audit findings that address: <ul style="list-style-type: none"> • The corrective action plan • Provides the name(s) of the contact person(s) responsible for corrective action • States the anticipated completion date 2. Ensure that all management responses to audit findings are approved by the Board prior to submission to the auditor
Enhance Internal Controls	<ol style="list-style-type: none"> 1. Enhance internal controls to ensure: <ul style="list-style-type: none"> • Purchasing authority is established for all personnel responsible for agency purchases • Approval of all purchases should require approval of the requesting party and a supervisor to the requesting party • Any changes made to an entry in the accounting system have appropriate approval authority
Prepare and Implement an Abbreviated EEO Program	<ol style="list-style-type: none"> 1. SETD must prepare an abbreviated EEO program consistent with the requirements of FTA Circular 4704.1A
Scope of Transit Services During Loan Repayment Period	<ol style="list-style-type: none"> 1. Delay implementation of any service expansion plan until the ODOT loan is satisfied 2. Exercise sound business judgment on the need for, and acquisition of goods, services, supplies, and services during the loan period
Recommendations for Oregon DOT	<ol style="list-style-type: none"> 1. Assign this subrecipient to the high-risk category consistent with 2 CFR § 200.205(c) requirements 2. Require the subrecipient to submit required monthly financial statements and copies of the general ledger to ensure proper oversight during the loan period

Area	Action
	3. Require the ODOT-assigned RTC to attend all SETD Board meetings (in-person or virtually)

July 20, 2023

November/December Board Meeting

Thanksgiving this year falls on November 23, 2023, which is the fourth Thursday of the month, the same day as when the November 2023 Board Meeting would be held. The December Board meeting would be scheduled for Thursday December 28th, which is the week after Christmas. The Board has been combining the December and November meetings and scheduling a combined meeting earlier in December. Please check your calendars and see what day would work for you for a combined November/December Board Meeting.

Thank you,

Mary

July 20, 2023

Sunset Empire Transportation District employees look forward to spending time together at the annual Holiday party. It has been held at the American Legion in Seaside for several years. The Legion is very accommodating, and the price is reasonable. I usually make the reservations early so we can get the date that works best for us. Things are different this year so let's throw some ideas around about how we can get together for the holidays.

Thanks,

Mary

PUBLIC TRANSPORTATION DIVISION OREGON DEPARTMENT OF TRANSPORTATION

This Agreement is made and entered into by and between the **State of Oregon**, acting by and through its Department of Transportation, Public Transportation Division, hereinafter referred to as "State," and **Sunset Empire Transportation District**, hereinafter referred to as "Recipient," and collectively referred to as the "Parties."

AGREEMENT

1. **Effective Date.** This Agreement shall become effective on the later of **July 1, 2023** or the date when this Agreement is fully executed and approved as required by applicable law. Unless otherwise terminated or extended, Grant Funds under this Agreement shall be available for Project Costs incurred on or before **June 30, 2025** (the "Expiration Date"). No Grant Funds are available for any expenditures after the Expiration Date. State's obligation to disburse Grant Funds under this Agreement shall end as provided in Section 10 of this Agreement.
2. **Agreement Documents.** This Agreement consists of this document and the following documents, all of which are attached hereto and incorporated herein by reference:

Exhibit A: Project Description and Budget

Exhibit B: Financial Information

Exhibit C: Subagreement Insurance Requirements and Recipient Insurance Requirements

Exhibit D: Summary of Federal Requirements, incorporating by reference Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Agreements ("Certifications and Assurances") and Federal Transit Administration Master Agreement

Exhibit E: Information required by 2 CFR 200.332(a), may be accessed at <https://www.oregon.gov/odot/RPTD/Pages/index.aspx>, Oregon Public Transit Information System (OPTIS), as the information becomes available

In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedence shall control. The precedence of each of the documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: Exhibit D; Exhibit E; this Agreement without Exhibits; Exhibit A; Exhibit B; Exhibit C.

3. **Project Cost; Grant Funds; Match.** The total project cost is estimated at **\$360,178.00**. In accordance with the terms and conditions of this Agreement, State shall provide Recipient an amount not to exceed **\$323,187.00** (the "Grant Funds") for eligible costs described in Section 6.a. hereof. Recipient shall provide matching funds for all Project Costs as described in Exhibit A. Recipient will be responsible for all Project Costs not covered by the Grant Funds.
4. **Project.** The Grant Funds shall be used solely for the project described in Exhibit A (the "Project") and shall not be used for any other purpose. No Grant Funds will be disbursed for any changes to the Project unless such changes are approved by State by amendment pursuant to Section 11.a hereof.
5. **Progress Reports.** Recipient shall submit quarterly progress reports to State no later than 45 days after the close of each quarterly reporting period. Reporting periods are July through September, October through December, January through March, and April through June. Reports must be in a format acceptable to State and must be entered into the Oregon Public Transit Information System (OPTIS), which may be accessed at <https://www.oregon.gov/odot/RPTD/Pages/index.aspx>. If Recipient is unable to access OPTIS, reports must be sent to ODOTPTDReporting@odot.state.or.us. Reports shall include a statement of revenues and expenditures for each quarter, including documentation of local match contributions and expenditures. State reserves the right to request such additional information as may be

necessary to comply with federal or state reporting requirements.

6. Disbursement and Recovery of Grant Funds.

a. **Disbursement Generally.** State shall reimburse eligible costs incurred in carrying out the Project, up to the Grant Funds amount provided in Section 3. Reimbursements shall be made by State within 30 days of State's approval of a request for reimbursement from Recipient using a format that is acceptable to State. Requests for reimbursement must be entered into OPTIS or sent to ODOTPTDReporting@odot.state.or.us. Eligible costs are the reasonable and necessary costs incurred by Recipient, or under a subagreement described in Section 9 of this Agreement, in performance of the Project and that are not excluded from reimbursement by State, either by this Agreement or by exclusion as a result of financial review or audit.

b. **Conditions Precedent to Disbursement.** State's obligation to disburse Grant Funds to Recipient is subject to satisfaction, with respect to each disbursement, of each of the following conditions precedent:

- i. State has received funding, appropriations, limitations, allotments or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to make the disbursement.
- ii. Recipient is in compliance with the terms of this Agreement including, without limitation, Exhibit D and the requirements incorporated by reference in Exhibit D.
- iii. Recipient's representations and warranties set forth in Section 7 hereof are true and correct on the date of disbursement with the same effect as though made on the date of disbursement.
- iv. Recipient has provided to State a request for reimbursement using a format that is acceptable to and approved by State. Recipient must submit its final request for reimbursement following completion of the Project and no later than 60 days after the Expiration Date. Failure to submit the final request for reimbursement within 60 days after the Expiration Date could result in non-payment.

c. Recovery of Grant Funds.

- i. **Recovery of Misexpended Funds or Nonexpended Funds.** Any Grant Funds disbursed to Recipient under this Agreement that are either (i) disbursed but unexpended as of the Expiration Date ("Unexpended Funds") or (ii) expended in violation or contravention of one or more of the provisions of this Agreement ("Misexpended Funds") must be returned to State. Recipient shall return all Misexpended Funds to State no later than 15 days after State's written demand. Recipient shall return all Unexpended Funds to State within 15 days after the earlier of expiration or termination of this Agreement.
- ii. **Recovery of Funds upon Termination.** If this Agreement is terminated under either Section 10(a)(i) or Section 10(a)(v) below, Recipient shall return to State all funds disbursed to Recipient within 15 days after State's written demand for the same.

7. Representations and Warranties of Recipient. Recipient represents and warrants to State as follows:

a. **Organization and Authority.** Recipient is duly organized and validly existing under the laws of the State of Oregon and is eligible to receive the Grant Funds. Recipient has full power, authority, and legal right to make this Agreement and to incur and perform its obligations hereunder, and the making and performance by Recipient of this Agreement (1) have been duly authorized by all necessary action of Recipient and (2) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of Recipient's Articles of Incorporation or Bylaws, if applicable, (3) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which Recipient is a party or by which Recipient or any of its properties may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by Recipient

of this Agreement.

- b. **Binding Obligation.** This Agreement has been duly executed and delivered by Recipient and constitutes a legal, valid and binding obligation of Recipient, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.
- c. **No Solicitation.** Recipient's officers, employees, and agents shall neither solicit nor accept gratuities, favors, or any item of monetary value from contractors, potential contractors, or parties to subagreements, except as permitted by applicable law. No member or delegate to the Congress of the United States or State of Oregon employee shall be admitted to any share or part of this Agreement or any benefit arising therefrom.
- d. **No Debarment.** Neither Recipient nor its principals is presently debarred, suspended, or voluntarily excluded from this federally-assisted transaction, or proposed for debarment, declared ineligible or voluntarily excluded from participating in this Agreement by any state or federal agency. Recipient agrees to notify State immediately if it is debarred, suspended or otherwise excluded from this federally-assisted transaction for any reason or if circumstances change that may affect this status, including without limitation upon any relevant indictments or convictions of crimes.

The warranties set in this section are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

8. **Records Maintenance and Access; Audit.**

- a. **Records, Access to Records and Facilities.** Recipient shall make and retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with all applicable generally accepted accounting principles, generally accepted governmental auditing standards and state minimum standards for audits of municipal corporations. Recipient shall require that each of its subrecipients and subcontractors complies with these requirements. State, the Secretary of State of the State of Oregon (Secretary), the United States Department of Transportation (USDOT), the Federal Transit Administration (FTA) and their duly authorized representatives shall have access to the books, documents, papers and records of Recipient that are directly related to this Agreement, the funds provided hereunder, or the Project for the purpose of making audits and examinations. In addition, State, the Secretary, USDOT, FTA and their duly authorized representatives may make and retain excerpts, copies, and transcriptions of the foregoing books, documents, papers, and records. Recipient shall permit authorized representatives of State, the Secretary, USDOT and FTA to perform site reviews of the Project, and to inspect all vehicles, real property, facilities and equipment purchased by Recipient as part of the Project, and any transportation services rendered by Recipient.
- b. **Retention of Records.** Recipient shall retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement, including, without limitation, records relating to capital assets funded by this Agreement, the Grant Funds or the Project for a minimum of six (6) years, or such longer period as may be required by other provisions of this Agreement or applicable law, following the Expiration Date. If there are unresolved audit questions at the end of the six-year period, Recipient shall retain the records until the questions are resolved.
- c. **Expenditure Records.** Recipient shall document the expenditure of all Grant Funds disbursed by State under this Agreement. Recipient shall create and maintain all expenditure records in accordance with generally accepted accounting principles and in sufficient detail to permit State to verify how the Grant Funds were expended.
- d. **Audit Requirements.**
 - i. If Recipient expends \$750,000 or more in federal awards during the Recipient's fiscal year, the Recipient must have a single or program-specific audit conducted for that year in accordance with the provisions of 2 CFR Part 200, Subpart F (Audit Requirements). Recipient, if subject to this requirement, shall at Recipient's own expense submit to State, Public Transportation Division, 555 13th Street NE, Suite 3, Salem, Oregon, 97301-4179 or to ODOTPTDReporting@odot.oregon.gov, a copy of, or electronic link to, its annual audit subject to this requirement covering the

funds expended under this Agreement and shall submit or cause to be submitted, the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of Recipient responsible for the financial management of funds received under this Agreement.

- ii. Recipient shall indemnify, save, protect and hold harmless State from the cost of any audits or special investigations performed by the Secretary with respect to the funds expended under this Agreement. Recipient acknowledges and agrees that any audit costs incurred by Recipient as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between Recipient and State.

This Section 8 shall survive any expiration or termination of this Agreement.

9. Recipient Subagreements and Procurements

- a. **Subagreements.** Recipient may enter into agreements with sub-recipients, contractors or subcontractors (collectively, "subagreements") for performance of the Project.
 - i. All subagreements must be in writing executed by Recipient and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the subagreement(s). Use of a subagreement does not relieve Recipient of its responsibilities under this Agreement.
 - ii. Recipient shall require all of its contractors performing work under this Agreement to name State as a third-party beneficiary of Recipient's subagreement with the contractor and to name State as an additional or "dual" obligee on contractors' payment and performance bonds.
 - iii. Recipient shall provide State with a copy of any signed subagreement, as well as any other purchasing or contracting documentation, upon request by State. This paragraph 9.a.iii. shall survive expiration or termination of this Agreement.
 - iv. Recipient must report to State any material breach of a term or condition of a subagreement within ten (10) days of Recipient discovering the breach.
- b. Recipient shall review the *Best Practices Procurement Manual*, a technical assistance manual prepared by the FTA, available on the FTA website: www.fta.dot.gov/grants/13054_6037.html
- c. **Subagreement indemnity; insurance**
 - i. ***Recipient's subagreement(s) shall require the other party to such subagreements(s) that is not a unit of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless State and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to Recipient's subagreement or any of such party's officers, agents, employees or subcontractors ("Claims"). It is the specific intention of the Parties that the State shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the State, be indemnified by the other party to Recipient's subagreement(s) from and against any and all Claims.***
 - ii. **Any such indemnification shall also provide that neither Recipient's subrecipient(s), contractor(s) nor subcontractor(s) (collectively "Subrecipients"), nor any attorney engaged by Recipient's Subrecipient(s), shall defend any claim in the name of the State or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that Recipient's Subrecipient is prohibited from defending State or that Recipient's Subrecipient is not adequately defending State's**

interests, or that an important governmental principle is at issue or that it is in the best interests of State to do so. State reserves all rights to pursue claims it may have against Recipient's Subrecipient if State elects to assume its own defense.

- iii. Recipient shall require the other party, or parties, to each of its subagreements that are not units of local government as defined in ORS 190.003 to obtain and maintain insurance requirements provided in Exhibit C to this Agreement. Recipient may specify insurance requirements of its contractor(s) above the minimum insurance requirements specified in Exhibit C. Recipient shall verify its contractor(s) meet the insurance requirements in Exhibit C.
- d. **Procurements.** Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, as applicable, including all applicable provisions of the Oregon Public Contracting Code and rules, and in conformance to FTA Circular 4220.1F, Third Party Contracting Requirements including:
 - i. All applicable clauses required by federal statute, executive orders and their implementing regulations are included in each competitive procurement;
 - ii. All procurement transactions are conducted in a manner providing full and open competition;
 - iii. Procurements exclude the use of statutorily or administratively imposed in-state or geographic preference in the evaluation of bids or proposals (with exception of locally controlled licensing requirements);
 - iv. Construction, architectural and engineering procurements are based on Brooks Act procedures unless the procurement is subject to ORS 279C.100 to 279C.125.
- e. **Additional requirements**
 - i. Recipient shall comply with 49 CFR sections 37.77(c) and 37.105 regarding "Certification of Equivalent Service" when purchasing vehicles under this Agreement. If non-accessible vehicles, as defined by the Americans with Disabilities Act, are being purchased for use by a public entity in demand responsive service for the general public, Recipient will certify to State at the time of applying for a project that, when viewed in its entirety, the demand responsive service offered to persons with disabilities, including persons who use wheelchairs, meets the standard of equivalent service.
 - ii. Recipient shall comply with 49 CFR 663 regarding pre-award and post-delivery reviews. Every Recipient purchasing rolling stock or facilities under this Agreement must certify to State that a pre-award and post-delivery review has been conducted in accordance with ODOT requirements. This review ensures compliance to bid specifications including, but not limited to, FTA requirements, State requirements, and Federal Motor Carrier Safety Standards, as applicable to the type of project. Each Recipient's certification must include assurance that required documents have been received from manufacturers or vendors of products, or from both, and that Recipient possesses such documents. Acceptable certification forms are available from State. Recipient must provide certification forms to State when reimbursement is requested for vehicles. For facilities projects, Recipient must provide pre-award certifications to State at time of first payment, and post-delivery certifications upon completion of the post-delivery review, and in no event later than with Recipient's request for final payment.
 - iii. Recipient shall comply with 49 CFR 604 in the provision of any charter service provided with vehicles, facilities, or equipment acquired with FTA assistance under this Agreement.
 - iv. Recipient shall submit an annual vehicle inspection report to State for any vehicle purchased under this Agreement. Vehicle inspections shall be conducted by a vehicle maintenance technician certified by a nationally recognized organization in the field of vehicle service and maintenance. Reports covering required areas of inspection shall be submitted on forms provided by State.
 - v. All drivers of vehicles purchased with FTA funds under this Agreement must

complete a standard defensive driving course before operating an FTA-funded vehicle, and are advised to complete a standard defensive driving course before operating a State-funded vehicle.

- vi. Recipient shall maintain all vehicles, equipment, and facilities purchased under this Agreement in good condition per manufacturer's recommendations. Recipients are required to develop preventive maintenance plans for all rolling stock and facilities and to provide the plans to State upon request.
 - vii. Recipient shall be the owner of the property for facility construction projects and of vehicles purchased under this Agreement. Such ownership shall be recorded on real property deeds for facility construction projects and on vehicle titles. If Recipient contracts the operation of vehicles to a third party, then the third party may be shown as the owner or lessee with Recipient listed as the second security interest holder or lessor. In all cases, Oregon Department of Transportation, Public Transportation Division shall be shown as the first security interest holder on vehicle titles. If Recipient fails to show Oregon Department of Transportation, Public Transportation Division as the first security interest holder, Recipient shall pay any expenses to re-submit the necessary documents to Oregon Department of Transportation, Driver and Motor Vehicle Services (DMV). If a vehicle is damaged or destroyed at any time when Recipient fails to show Oregon Department of Transportation, Public Transportation Division, as the first security interest holder, Recipient shall be liable to State for any damage in an amount in the same manner as if Oregon Department of Transportation, Public Transportation Division, were shown as the first security interest holder.
 - viii. Recipient shall bear the cost of insuring assets purchased under this Agreement.
 - ix. Recipient shall file a restrictive covenant with the property deed for all construction projects and purchases of real estate, with the exception of passenger shelters, amenities, and right-of-way infrastructure improvements. The restrictive covenant will limit the use of the building and property to the stated purpose specified in the statement of work associated with this Agreement.
 - x. Recipient shall complete all purchases, including installation, and all construction of capital assets funded under this Agreement prior to the Expiration Date of this Agreement. If local circumstances prevent purchase, installation, or construction by the specified date, Recipient will notify State in writing of the circumstances regarding the delay. Such notification must be received at least forty-five (45) days prior to the expiration of the Agreement. Agreement amendment for time will be considered in extenuating circumstances.
- f. **Conflict of Interest.** Recipient's public officials shall comply with Oregon's government ethics laws, ORS 244.010 et seq., as those laws may be subsequently amended.

10. Termination

- a. **Termination by State.** State may terminate this Agreement effective upon delivery of written notice of termination to Recipient, or at such later date as may be established by State in such written notice, if:
 - i. Recipient fails to perform the Project within the time specified herein or any extension thereof or commencement, continuation or timely completion of the Project by Recipient is, for any reason, rendered improbable, impossible, or illegal; or
 - ii. State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement; or
 - iii. Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement; or
 - iv. The Project would not produce results commensurate with the further expenditure of funds; or
 - v. Recipient takes any action pertaining to this Agreement without the approval of

State and which under the provisions of this Agreement would have required the approval of State.

- b. **Termination by Recipient.** Recipient may terminate this Agreement effective upon delivery of written notice of termination to State, or at such later date as may be established by Recipient in such written notice, if:
 - i. The requisite local funding to continue the Project becomes unavailable to Recipient; or
 - ii. Federal or state laws, rules, regulations or guidelines are modified or interpreted in such a way that the Project is no longer allowable or no longer eligible for funding under this Agreement.
- c. **Termination by Either Party.** Either Party may terminate this Agreement upon at least ten days' notice to the other Party and failure of the other Party to cure within the period provided in the notice, if the other Party fails to comply with any of the terms of this Agreement.

11. General Provisions

- a. **Amendments.** This Agreement may be amended or extended only by a written instrument signed by both Parties and approved as required by applicable law.
- b. **Contribution.**
 - i. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or Recipient with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
 - ii. Except as otherwise provided in Paragraph 11.c below, with respect to a Third Party Claim for which State is jointly liable with Recipient (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of the State on the one hand and of the Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.
 - iii. Except as otherwise provided in Paragraph 11.c below, with respect to a Third Party Claim for which Recipient is jointly liable with State (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to

correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

c. Indemnification.

- i. Subject to any limitations imposed by State law and the Oregon Constitution, Recipient agrees to the following contract-related indemnification for all projects authorized under this Agreement:
- ii. Where Recipient contracts for services or performs project management for a project, Recipient shall accept all responsibility, defend lawsuits, indemnify, and hold State harmless, for all contract-related claims and suits. This includes but is not limited to all contract claims or suits brought by any contractor, whether arising out of the contractor's work, Recipient's supervision of any individual project or contract, or Recipient's failure to comply with the terms of this Agreement.

Sections 11.b and 11.c shall survive termination of this Agreement.

- d. **Insurance.** Recipient shall meet the insurance requirements within Exhibit C.
- e. **Dispute Resolution.** The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
- f. **Responsibility for Grant Funds.** Any recipient of Grant Funds, pursuant to this Agreement with State, shall assume sole liability for that recipient's breach of the conditions of this Agreement, and shall, upon recipient's breach of conditions that requires State to return funds to the FTA, hold harmless and indemnify State for an amount equal to the funds received under this Agreement; or if legal limitations apply to the indemnification ability of the recipient of Grant Funds, the indemnification amount shall be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount received under this Agreement.
- g. **Duplicate Payment.** Recipient is not entitled to compensation or any other form of duplicate, overlapping or multiple payments for the same work performed under this Agreement from any agency of the State of Oregon or the United States of America or any other party, organization or individual.
- h. **No Third Party Beneficiaries.** State and Recipient are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly or indirectly, to a third person unless such a third person is individually identified by name herein and expressly described as an intended beneficiary of the terms of this Agreement.

Recipient acknowledges and agrees that the Federal Government, absent express written consent by the Federal Government, is not a party to this Agreement and shall not be subject to any obligations or liabilities to the Recipient, contractor or any other party (whether or not a party to the Agreement) pertaining to any matter resulting from the this Agreement.

- i. **Notices.** Except as otherwise expressly provided in this Agreement, any communications between the Parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, email, or mailing the same, postage prepaid, to Recipient Contact or State Contact at the address or number set forth on the signature page of this Agreement, or to such other addresses or numbers as either Party may hereafter indicate pursuant to this subsection. Any communication or notice personally delivered shall be deemed to be given when actually delivered. Any communication or notice delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine, and to be effective against State, such facsimile transmission must be confirmed by telephone notice to

State Contact. Any communication by email shall be deemed to be given when the recipient of the email acknowledges receipt of the email. Any communication or notice mailed shall be deemed to be given when received.

- j. **Governing Law, Consent to Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between State (or any other agency or department of the State of Oregon) and Recipient that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within the Circuit Court of Marion County in the State of Oregon. In no event shall this section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. EACH PARTY HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURT, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY CLAIM THAT SUCH FORUM IS AN INCONVENIENT FORUM.
- k. **Compliance with Law.** Recipient shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement or to the implementation of the Project, as applicable to Recipient, including without limitation as described in Exhibit D. Without limiting the generality of the foregoing, Recipient expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
- l. **Independent Contractor.** Recipient shall perform the Project as an independent contractor and not as an agent or employee of State. Recipient has no right or authority to incur or create any obligation for or legally bind State in any way. State cannot and will not control the means or manner by which Recipient performs the Project, except as specifically set forth in this Agreement. Recipient is responsible for determining the appropriate means and manner of performing the Project. Recipient acknowledges and agrees that Recipient is not an "officer", "employee", or "agent" of State, as those terms are used in ORS 30.265, and shall not make representations to third parties to the contrary.
- m. **Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.
- n. **Counterparts.** This Agreement may be executed in two or more counterparts (by facsimile or otherwise), each of which is an original and all of which together are deemed one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart.
- o. **Integration and Waiver.** This Agreement, including all Exhibits, constitutes the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The delay or failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by that Party of that or any other provision. Recipient, by the signature below of its authorized representative, hereby acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.
- p. **Survival.** The following provisions survive termination of this Agreement: Sections 6.c., 8 and 11.

The Parties, by execution of this Agreement, hereby acknowledge that each Party has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

The Oregon Transportation Commission on October 20, 2010, approved Delegation Order Number OTC-01, which authorizes the Director of the Oregon Department of Transportation to administer programs related to public transit.

On March 1, 2012, the Director approved Delegation Order Number DIR-04, which delegates the authority to approve this Agreement to the Public Transportation Division Administrator.

SIGNATURE PAGE TO FOLLOW

Sunset Empire Transportation District, by and through its

By _____
(Legally designated representative)

Name _____
(printed)

Date _____

By _____

Name _____
(printed)

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

(If required in local process)

By _____
Recipient's Legal Counsel

Date _____

Recipient Contact:

Paul Lewicki
900 Marine Drive
Astoria, OR 97103
1 (503) 861-5364
Paul@ridethebus.org

State Contact:

Arla Miller
555 13th St SE
Salem, OR 37301
1 (503) 949-5415
Arla.MILLER@odot.state.or.us

Signed Agreement Return Address: ODOTPTDReporting@odot.state.or.us

State of Oregon, by and through its Department of Transportation

By _____
Karyn Criswell
Public Transportation Division Administrator

Date _____

APPROVAL RECOMMENDED

By _____ Arla Miller

Date _____ 07/12/2023

APPROVED AS TO LEGAL SUFFICIENCY

(For funding over \$150,000)

By _____
Assistant Attorney General

Name _____ Sam Zeigler by email
(printed)

Date _____ 02/01/2023

EXHIBIT A

Project Description and Budget

Project Description/Statement of Work

Project Title: 5310 Sunset Empire Transportation District 35486				
<i>Mobility Management, Preventive Maintenance, and Signs</i>				
P-23-2004-01 Item #1: Mobility Management - 5302(a)(1)(L)				
	Total	Grant Amount	Local Match	Match Type(s)
	\$266,087.00	\$238,760.00	\$27,327.00	Local
P-23-2004-02 Item #1: Preventive Maintenance				
	Total	Grant Amount	Local Match	Match Type(s)
	\$47,046.00	\$42,214.00	\$4,832.00	Local
P-23-2004-03 Item #1: Preventive Maintenance				
	Total	Grant Amount	Local Match	Match Type(s)
	\$47,045.00	\$42,213.00	\$4,832.00	Local
Sub Total	\$360,178.00	\$323,187.00	\$36,991.00	
Grand Total	\$360,178.00	\$323,187.00	\$36,991.00	

1. BACKGROUND

Mobility management projects are planning, training, and management activities for improving coordination among public transportation service providers, including human service agencies and private providers. These projects build coordination among existing public transportation providers and increase service options that would not otherwise be available for seniors and individuals with disabilities.

2. PROJECT DESCRIPTION

Mobility Management

Provide funding for Mobility Managers salary as well as to provide travel orientation to seniors and individuals with disabilities, as well as anyone in need of travel training. Project funds include outreach and education to all riders.

Recipient will oversee and monitor the services and performance of any consultants or contractors used in the project.

Preventive Maintenance

Provide funding for preventive maintenance on vehicles in the provision of public transportation. Proper maintenance ensures assets are kept in good condition per manufacturer's recommendations and that safety standards are met.

Preventive maintenance reimbursed in this Agreement is for assets used in the provision of public transportation services for the general public, seniors, or individuals with disabilities. This Agreement does not provide for maintenance on staff vehicles, vehicles used for business of Recipient, or maintenance vehicles.

3. PROJECT DELIVERABLES and TASKS

Mobility Management

Recipient will continue to train and reach out to potential and current riders to ensure that people feel comfortable riding transit whether it is ADA Complimentary Paratransit, Demand Response, or Fixed Route service.

Preventive Maintenance

All preventive maintenance tasks must be completed prior to the expiration date of this Agreement.

Preventive maintenance expenses include activities, supplies, materials, labor, services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner. Preventive maintenance includes, but is not limited to the following: oil changes; engine tune-ups; tire purchases; tire maintenance; annual vehicle inspections; scheduled or routine maintenance; and associated parts, supplies, and labor.

Preventive maintenance under this Agreement does not include repairs resulting from motor vehicle accidents covered by insurance, repairs on vehicles or components under warranty, or repairs which are paid for in other agreements or contracts.

Recipient must provide to State a plan for proposed preventive maintenance, unless a plan is already on file with State. Reimbursement requests must match the activities or purchases described in Recipient's plan.

A major component replacement (such as an engine or transmission), that keeps an asset within useful life (overhaul), or extends the useful life (rebuild) may be eligible for reimbursement under this Agreement, pending verification of conformance to Recipient's adopted maintenance plan and requirements detailed in Federal Transit Administration Circular 5010.1E (Award Management Requirements), Chapter IV.

A vehicle must meet at least 40 percent of its useful life to be considered for an overhaul. Recipient must obtain pre-approval from State prior to any vehicle overhaul. Vehicle rebuilds must extend the useful life of the vehicle by at least four years.

If local circumstances change, for example, vehicle type or asset disposition, Recipient's maintenance plan must be updated to reflect that change and submitted to State within 90 days of the change.

Mobility Management

The following measure(s) are established to evaluate the effectiveness of the project:

Gaps in Service Filled: for purposes of this project, Unduplicated Passenger or Client Count (UPC) is defined as the actual or estimated number of individuals served who are:

- a) All passengers or other project clients; and*
- b) Seniors and individuals with disabilities, who are provided mobility services developed by these projects. Individuals served can include transit passengers and/or persons served through mobility training.*

Recipient will track and report the UPC. Methodology for identifying the UPC is at the discretion of the Recipient, and shall be documented in writing and provided with the quarterly progress report.

4. PROJECT ACCOUNTING, MATCHING FUNDING AND SPENDING PLAN

Eligible mobility management expenses are administrative costs to develop new projects and do not include capital costs other than durable equipment, supplies or the cost of operating public transportation services. Incidental durable equipment is an eligible expense up to \$5,000 of the total project cost. Recipient may not count the same costs twice if they have multiple agreements for which these costs may be eligible.

Sources of funding that may be used as Recipient's matching funds for this Agreement include local funds; Special Transportation Formula Funds; service contract revenue, advertisement and other earned income; cash donations; and verifiable in-kind contributions integral to the project budget. In-kind contributions claimed as matching funding must be reported to State. Recipient may not use passenger fares as matching funding.

Spending Plan

State's obligation to disburse Grant funds to Recipient under this agreement is contingent upon the availability of appropriated funds from which payment can be made. Therefore, Grant Funds shall be disbursed according to the following disbursement schedule. This schedule is based on the standard Agreement term of two fiscal years, each running from July 1 through June 30.

Disbursement Schedule

First year maximum disbursement: no more than 50 percent of the total grant amount regardless of the amount of any reimbursement request. A partial payment may be made by State if Recipient requests more than this amount in the first fiscal year period.

Second year maximum disbursement: no more than 50 percent of the total grant amount plus any remaining portion from the first fiscal year.

5. REPORTING and INVOICING REQUIREMENTS

Mobility Management

Recipient will submit a quarterly narrative project progress report and a fiscal report in addition to the regular quarterly report required by State. For each task, Recipient will report:

- a. The task status, including any issues encountered and the planned resolution.*
- b. Hours expended on the tasks to date.*
- c. The cost for each task and the percentage of completion.*

Task costs will specify labor, non-labor expenses including staff travel and professional consultant expenses, as applicable. Labor expenses shall be reported as an hourly labor rate multiplied by the number of hours expended to date on the task.

Preventive Maintenance

Recipient will request reimbursement for covered expenses incurred during each period as prescribed by State and described in Recipient's submitted preventive maintenance plan for this Agreement. Recipient must maintain and provide supporting documents detailing the total expenses for allowable maintenance activities incurred during the period. Recipient may list costs on a form provided by State, or provide vendor invoices.

Additional Reporting Requirements

Preventive Maintenance

- Recipient shall attach to reimbursement request the Preventive Maintenance Worksheet or similar document with all the required elements. Required elements are as follows:

- o Date*
- o VIN*
- o Mileage service/repair was performed.*
- o Description of work performed.*
- o Cost of parts used ~ notation if used from stock, if used from stock zero out cost of part.*
- o Labor cost*
- o Total cost of repair*
- o Total of all cost at bottom of worksheet*

- Stock parts may be purchased and reimbursed. Recipient shall attach invoice to reimbursement request.

Match Documentation

- Recipient shall attach to reimbursement request showing funding where source of match came from.

EXHIBIT B

FINANCIAL INFORMATION

The information below will assist auditors to prepare a report in compliance with the requirements of 2 CFR part 200, subpart F.

This Agreement is financed by the funding source indicated below:

Federal Program 49 U.S.C. 5310	Federal Funding Agency U.S. Department of Transportation Federal Transit Administration 915 Second Avenue, Suite 3142 Seattle, WA 98174	CFDA Number 20.513 (5310)	Total Federal Funding \$323,187.00
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Administered By Public Transportation Division 555 13th St SE Salem, OR 37301

EXHIBIT C

Insurance Requirements

1. GENERAL.

1. a. GENERAL REQUIREMENTS

Recipient shall require in its first tier subagreements with entities that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the subagreement commences, and ii) maintain the insurance in full force throughout the duration of the subagreement. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to State. Recipient shall not authorize work to begin under subagreements until the insurance is in full force. Thereafter, Recipient shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Recipient shall incorporate appropriate provisions in the subagreement permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Recipient permit work under a subagreement when Recipient is aware that the contractor is not in compliance with the insurance requirements. As used in this section, "first tier" means a subagreement in which the Recipient is a Party.

2. TYPES AND AMOUNTS.

a. WORKERS COMPENSATION.

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide **Workers' Compensation Insurance** coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). The coverage shall include Employer's Liability Insurance with limits not less than \$500,000 each accident. **Contractor shall require compliance with these requirements in each of its subcontractor contracts.**

b. COMMERCIAL GENERAL LIABILITY.

Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury and property damage and shall include personal and advertising injury liability, products and completed operations, and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track, roadbed, tunnel, underpass or crossing, the Contractor shall provide the Contractual Liability - Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy.

Amounts below are a minimum requirement as determined by State:

Coverage shall be written on an occurrence basis in an amount of not less than **\$1,000,000** per occurrence.

Annual aggregate limit shall not be less than **\$2,000,000**.

c. AUTOMOBILE LIABILITY.

Automobile Liability Insurance covering Contractor's business-related automobile use covering all owned, non-owned, or hired vehicles for bodily injury and property. Amount below is a minimum requirement as determined by State:

Coverage shall be written with a combined single limit of not less than **\$1,000,000**.

This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

d. EXCESS/UMBRELLA LIABILITY.

A combination of primary and Excess/Umbrella Liability Insurance may be used to meet the required limits of insurance.

e. ADDITIONAL INSURED.

The liability insurance coverages, except Professional Liability or Workers' Compensation/Employer's Liability, if included, must include the **"State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees"** as an **endorsed** Additional Insured but only with respect to the contractor's activities to be performed under the Subagreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations. Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Recipient.

f. "TAIL" COVERAGE.

If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance or pollution liability insurance, the contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the Subagreement, for a minimum of twenty-four (24) months following the later of : (i) the contractor's completion and Recipient's acceptance of all Services required under the Subagreement or, (ii) the expiration of all warranty periods provided under the Subagreement. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then the contractor may request and State may grant approval of the maximum "tail " coverage period reasonably available in the marketplace. If State approval is granted, the contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace.

3. NOTICE OF CANCELLATION OR CHANGE.

The contractor or its insurer must provide thirty (30) days' written notice to Recipient before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s). **The Recipient shall immediately notify State of any change in insurance coverage.**

4. CERTIFICATE(S) OF INSURANCE.

Recipient shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the Subcontract. The certificate(s) or an attached endorsement must specify: i) all entities and individuals who are endorsed on the policy as Additional Insured and ii) for insurance on a "claims made" basis, the extended reporting period applicable to "tail" or continuous "claims made" coverage.

Recipient Insurance Requirements

1. GENERAL.

a. GENERAL REQUIREMENTS

Recipient shall obtain at Recipient's expense the insurance specified in this exhibit prior to performing under this Agreement and shall maintain it in full force and at its own expense throughout the duration of this Agreement, as required by any extended reporting period or continuous claims made coverage requirements, and all warranty periods that apply. Recipient shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. Coverage shall be primary and non-contributory with any other insurance and self-insurance, with the exception of Professional Liability and Workers' Compensation. Recipient shall pay for all deductibles, self-insured retention and self-insurance, if any.

b. INSURANCE REQUIREMENT REVIEW.

Recipient agrees to periodic review of insurance requirements by State under this Agreement and to provide updated requirements as mutually agreed upon by Recipient and State.

2. TYPES AND AMOUNTS.

a. WORKERS COMPENSATION.

All employers, including Recipient, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Recipient shall require and ensure that each of its subcontractors complies with these requirements. If Recipient is a subject employer, as defined in ORS 656.023, Recipient shall also obtain employers' liability insurance coverage with limits not less than \$500,000 each accident. If Recipient is an employer subject to any other state's workers' compensation law, Contactor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

b. COMMERCIAL GENERAL LIABILITY.

Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury, death, and property damage and shall include personal and advertising injury liability, products and completed operations and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track, roadbed, tunnel, underpass or crossing, the Contractor shall provide the Contractual Liability - Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy. Commercial General Liability Insurance shall not be less than the following amounts as determined by State:

Coverage shall be written on an occurrence basis in an amount of not less than **\$1,000,000** per occurrence.

Annual aggregate limit shall not be less than **\$2,000,000**.

c. AUTOMOBILE LIABILITY.

Automobile Liability Insurance covering business-related automobile use on all owned, non-owned or hired vehicles for bodily injury and property. Automobile Liability Insurance shall not be less than the following amount as determined by State:

Coverage shall be written with a combined single limit of not less than **\$1,000,000**.

This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

d. EXCESS/UMBRELLA LIABILITY.

A combination of primary and Excess/Umbrella Liability Insurance may be used to meet the required limits of insurance.

e. ADDITIONAL INSURED.

The liability insurance coverages, except Professional Liability or Workers' Compensation/ Employer's Liability, if included, must include the "**State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees**" as an **endorsed** Additional Insured but only with respect to the Recipient's activities to be performed under this Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations. Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Recipient.

f. WAIVER OF SUBROGATION.

Recipient shall waive rights of subrogation which Recipient or any insurer of Recipient may acquire against the department or State of Oregon by virtue of the payment of any loss. Recipient will obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the State has received a waiver of subrogation endorsement from the Recipient or the Recipient's insurer(s).

g. CONTINUOUS CLAIMS MADE COVERAGE:

If any of the required liability insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, then Recipient shall maintain continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of this Agreement, for a minimum of 24 months following the later of:

- i. Recipient's completion and State's acceptance of all project work required under the Agreement, or
- ii. State or Recipient termination of this Agreement, or
- iii. The expiration of all warranty periods provided under this Agreement.

3. NOTICE OF CANCELLATION OR CHANGE.

Recipient or its insurer must provide 30 days' written notice to State before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

4. CERTIFICATE(S) AND PROOF OF INSURANCE.

Recipient shall provide to State Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Agreement. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. The Certificate(s) shall also include all required endorsements or copies of the applicable policy language effecting coverage required by this Agreement. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance State has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Agreement.

5. STATE ACCEPTANCE.

All insurance providers are subject to State acceptance. If requested by State, Recipient shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to State's representatives responsible for verification of the insurance coverages required under this **Exhibit C**.

EXHIBIT D

Summary of Federal Requirements and Incorporating by Reference Annual List of Certifications and Assurances for FTA Grants and Cooperative Agreements ("Certifications and Assurances") and Federal Transit Administration Master Agreement ("Master Agreement")

Recipient and Recipient's subrecipient(s), contractor(s), or subcontractor(s), at any tier, if any, must comply with all applicable federal requirements contained in the Certifications and Assurances available at www.transit.dot.gov. The Certifications and Assurances, including as they may be changed during the term of this Agreement, are by this reference incorporated herein.

Recipient further agrees to comply with all applicable requirements included in the Master Agreement that is signed and attested to by State. This Master Agreement is incorporated by reference and made part of this Agreement. Said Master Agreement is available upon request from State by calling (503) 986-3300, or at www.transit.dot.gov. Without limiting the foregoing, the following is a summary of some requirements applicable to transactions covered by this Agreement and the funds described in Exhibit A:

1. Recipient shall comply with Title VI of the Civil Rights Act of 1964 (78 State 252, 42 U.S.C. § 2000d) and the regulations of the United States Department of Transportation (49 CFR 21, Subtitle A). Recipient shall exclude no person on the grounds of race, religion, color, sex, age, national origin, or disability from the benefits of aid received under this Agreement. Recipient will report to State on at least an annual basis the following information: any active lawsuits or complaints, including dates, summary of allegation, status of lawsuit or complaint including whether the Parties entered into a consent decree.
2. Recipient shall comply with FTA regulations in Title 49 CFR 27 Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance which implements the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act of 1990, 49 CFR 37, and 49 CFR 38.
3. Recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any USDOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of USDOT-assisted contracts. Recipient's DBE program, if applicable, as required by 49 CFR part 26 and as approved by USDOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to State of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).
4. Recipient must include the following language in each subagreement Recipient signs with a subcontractor or subrecipient:

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. The contractor, subrecipient, or subcontractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of USDOT-assisted contracts. Failure by the contractor, subrecipient, or subcontractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as Recipient deems appropriate.

5. Recipient and contractors receiving in excess of \$100,000 in federal funds, other than Indian tribes, must certify to State that they have not and will not use federal funds to pay for influencing or attempting to influence an officer or employee of any federal department or Agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any federal grant, cooperative agreement or any other federal award. If non-federal funds have been used to support lobbying activities in connection with the Project, Recipient

shall complete Standard Form LLL, Disclosure Form to Report Lobbying and submit the form to State at the end of each calendar quarter in which there occurs an event that requires disclosure. Restrictions on lobbying do not apply to influencing policy decisions. Examples of prohibited activities include seeking support for a particular application or bid and seeking a congressional earmark.

*****EXTERNAL SENDER*****

Hello

It is with mixed feelings that I write this letter today Tuesday June 20 2023

I writing to formally notify Sunset Empire Transportation Staff and Management that I will be no longer an employee of the district.

I have excepted a position with Providence Seaside Hospital as a Patient Service Specialist effective July 10th 2023.

I look forward to this new opportunity

it is not at all lost on me were I got my start and my eighteen years of success with SETD I will always be grateful for the strong foundation I received with the district.

I would also like to express my heart felt thanks to all the co workers for all the support and love and care shown to me.

You will never be far from my heart and thoughts moving forward.

I look forward to continuing to work with staff and riders who use the bus in my new role with the hospital whenever needed.

I will be in contact with Para,transit continuing to be an active rider as soon as possible to set a routine to my new work schedule.

I ALSO need to set a time in the near future to retrieve some of my personal belongings left at the Seaside office.

Again thank you it has been a pleasure working with you and an honor and a privilege to serve our community as a dedicated Transportation Professional

Best wishes for a successful future

Eric E Barton
Seaside Oregon
971 601 0705 Cell

Please read as correspondence to the board at the next meeting.

Interim Executive Director Report

July 2023

Our limited fixed route service continues to operate smoothly. Heavier than expected visitor traffic and road construction in Seaside presented challenges to our reliability during certain periods, but overall, we are continuing to run on time. We provided 3,904 rides in June! Having created a list of temporary employees has helped maintain our driver schedule, even permitting two of our drivers to take vacation time without causing overtime or schedule interruptions. We have brought back one supervisor as a temporary employee and he was able to cover the Transit Center for six days, allowing Stephanie to take a much-deserved vacation. The temp supervisor, Rick Yelton, is also receiving training in processing payroll in case Donna needs to take time away from the office.

While much time last month was spent working with vendors and past due accounts payable, this month finds the District current on all payables! Due to diligent efforts by Kelly and her staff, help from John Dreeszen from CC Rider, and Arla Miller from ODOT, and our loan from OTIB, all our liabilities have been met. However, we have not received any other funds from ODOT in the form of grant reimbursements or other quarterly payments. I am currently working with OTIB to execute one more draft against our loan that will carry us well into September. This may be critical if no other funding is forthcoming from ODOT during that time period.

Having contacted our landscape maintenance provider last month, we have drafted a new contract and are discussing a path forward that will yield the well-trimmed appearance we need while not interfering with the green foliage and nice flowers now adorning our grounds. The process may take until next spring to catch up on all missed maintenance tasks. The monthly cost of \$406 that we have been paying has not changed.

We have received the grant agreement for our 5310 funding. It will go before the July Board meeting for approval and signature. This funding is for Mobility Management and preventative maintenance and brings the District \$323,187 **over the biennium**. With it comes a match requirement of \$36,991 over the same period.

I have asked Operations staff to begin developing options for expanding service. Again, although adding any service is likely months away, we may, at some point, find ourselves in a position to do just that. Due to competing priorities in Operations, those options have not yet been fully developed, but the effort is ongoing.

Among the recommendations contained in the RLS report is the acquisition of a Vehicle Maintenance System to track and report maintenance tasks in support of our grant reimbursements. We have selected RTA as our platform based on its successful use in Columbia County. CC Rider uses reports generated by the RTA product in its reimbursement requests, and ODOT is pleased with the clarity and completeness of the data produced. We plan to have this program implemented by August 1, 2023. We may be able to utilize our temporary supervisory employee to help stand this program up.

I attended the monthly NWOTA meeting in Tillamook on July 14th. Among the discussions were the state of our website, and recommended improvements, as well as the situation at SETD. I must report that the NWOTA partnership represents a dedicated team of transportation professionals which also happen

to be great team players. They offer so much technical and moral support for our District and our current challenges. It is immensely encouraging to be a part of such a positive group of folks.

Lastly, NWOTA is hosting its members to the Zero Emissions Bus Conference, on September 26-28 in San Diego. NWOTA is handling registrations and will reimburse SETD for airfare and hotel costs for Jennifer to attend. Our main interest in this conference is the discussion around hydrogen fuel technology. What would the infrastructure look like for our region? Where could the fuel be manufactured? How would it be transported? Although this technology may be a distant likelihood for SETD, the groundwork is being done now in our industry, and we need exposure to the discussion to judge its relevance for our operations. (I have written confirmation of NWOTA's commitment to reimburse members for travel expenses.)

**Human Resources
JULY 2023 Board Report
Sue Farmer, Human Resources Manager**

TRAININGS ATTENDED:

None

ACTIONS:

- Updated the contract for the Interim Executive Director.
- Prepared COLA Payroll Change Forms for employees. The ATU bargaining agreement provided a 2.5% COLA to bus drivers and mechanics. Unrepresented employees were also granted a 2.5% increase beginning the new fiscal year July 1, 2023.
- Worked with several laid off employees experiencing difficulty receiving their funds from Corebridge (VALIC/AIG). Corebridge Representative Terry Helland visited the District on Wednesday, June 28th. He has also attempted to resolve the issues for our employees but is also having difficulty since the buyout of VALIC/AIG by Corebridge. It has been very frustrating for our laid off employees to not be able to access funds for living expenses.
- Prepared a list of laid off employees for recall purposes.
- Phoned all employees on the layoff list to see if they would be interested in being on a TEMP list when the District needs someone to fill-in when an employee goes on vacation or is out sick. Prepared a TEMP list in order of seniority for operations to use to fill-in for drivers or others who are out on vacation or sick leave.
- Held a ZOOM meeting for Board members on the Executive Director Recruitment Committee to discuss salary and benefits. Prepared a salary and benefits survey of 7 (seven) comparable districts and provided the data to the committee to help them assess a salary and benefits package to accompany the job posting for the executive director position.
- Prepared and processed Workshare Weekly Claim reports for the month of June.
- Attended Budget Meetings on June 16th and a Board Meeting on June 27th.
- Prepared a Paid Leave Oregon (PLO) policy. PLO benefits will begin September 3, 2023. PLO is a new program paid by the Oregon Employment Department from funds collected through payroll from employees and employer. PLO works mostly in tandem with OFLA/FMLA ensuring individuals and families have the time and support they need to care for themselves and their loved ones.
- Attended TEAM Meetings on June 15th and July 13th.

NEW EMPLOYEE ORIENTATIONS:

None

WORKPLACE DEMOGRAPHICS:

Male	7
Female	8
	15
Hispanic/Latino	2
Native American/Indian	0
White	13
Two or More Races	
	15

Updated: 7-10-2023

RIDE ASSIST
July 2023 Report
Nicholle Searle

- In June, Ride Assist provided a total of 491 rides. ADA Paratransit had 466 rides, we provided 21 Medicaid rides for Northwest Rides, 0 VETP and had 17 escorts. There were 4 Dial A Rides. We had 0 food box deliveries.
- There were zero ride denials in June.
- June was a very busy month for Paratransit. Paratransit continues to receive a steady flow of Paratransit applications. Although this transition has been hard on our riders, I get daily compliments from riders about office staff and drivers.
- ADA Paratransit Report for June.

Number of completed applications received: 15

Number of incomplete applications received: 0

Number of interview/assessments scheduled: 0

Number of interview/assessments completed: 0

Number of determinations made:

 Within 21 days: 15

 More than 21 days: 0

Determination by type:

 Unconditional: 11

 Conditional: 1

 Temporary: 3

 Not eligible: 0

Number of appeals requested: 0

Number of appeals heard: 0

- There were no on-site travel training but five phone calls that I would consider enhanced phone-based customer service.
- At least one Veteran is in crisis daily in Clatsop County, and we have a driver ready and willing to help. If you know of a Veteran needing help, please forward this information to them: www.veteranscrisisline.net, Call 1-800-273-8255, and Press 1, Text 838255. If you know of a Veteran who is homeless or at imminent risk of homelessness, please encourage them to contact the National Call Center for Homeless Veterans at (877) 4AID-VET (877-424-3838) for assistance.
- In the month of June, I worked to help the operations staff in a variety of capacities such as: fixed route driver supervisor, answering phones, inputting ride requests for Paratransit, filling in for staff time off, assisting the shop, keeping just a small outpost for Mobility Management (checking in on past trainees, maintaining customer information and producing a weekly outreach transit update for the community called, the Transit Focus) and providing light assistance with IT-like related items. Other duties as requested.
- We are monitoring multiple ODOT/City road maintenance projects throughout the summer and hope to be ready for any disruptions these projects may cause. Operations Officer and I are in constant contact regarding any notices we receive regarding the projects that will affect our Route and Paratransit drivers to mitigate any route issues that may come up.

Marketing, Outreach and Education
June 2023 Report
Mary Parker, Executive Assistant

- Prepared Minutes for June 20th Special Board Meeting
- Prepared Public Notifications and Legal Notices June 29th Supplemental Budget Hearing
- Prepared Board pack for Supplemental Budget Hearing.
- Assisted Board with several clerical needs.
- Prepared Public announcements (English & Spanish) for July 4th Services and posted in all SETD shelters.
- Attended Employee BBQ on June 28th at OPS in Warrenton
- Updated all shelter postings and removed 4th of July posters.
- Prepared Minutes for the June 29th Supplemental Budget Hearing.



July 2023 Operations

Jennifer Geisler

Due to the highway project in Seaside the Seaside McDonalds bus stop is still temporarily moved north to Seaside Parks and Recreation District building (old Seaside Middle School) and across the street from First Ave. The project is expected to be completed by August 1st. Drivers have already shared how the improvements made will positively impact the routes through Seaside.

I will be attending the Zero Emission Bus (ZEB) Conference in September. The focus of the conference is to provide education from battery behavior to utility rate structures to hydrogen fueling infrastructure. There will be facility tours, lessons in ZEB transition planning and the world's largest all zero-emission bus showcase. Northwest Oregon Transit Alliance (NWOTA) will take care of the registration and post conference reimbursement for travel will be through Tillamook County Transportation District (TCTD.)

Route 101 broke a record for ridership early last week. The AM driver had 101 riders between 6am and 1pm! The Pacific Connector continues to average 84 riders every weekend. Paratransit has continued to provide rides for ADA Paratransit and Dial-A-Ride and be available for North West Rides for one or two Medicaid rides a day if needed. We are averaging 23 riders per day with requests ranging from 5:15am to 8pm. As we continue to see a request in rides there is a demand for additional drivers to maintain no overtime, stay on time and not tire out the regular two drivers. With vacation requests, scheduled days off and RideAssist ridership increase we have called and scheduled temporary drivers to help with the needs. It has been encouraging to see their names on the schedule.

I will be in Salem on July 27th and 28th for the FTA Drug and Alcohol Transit Training. Through the Oregon State Rural Transportation Assistance Program Scholarship, the mileage and hotel accommodation will be reimbursed after the two-day training.

At the end of June, we had an all-staff BBQ at the Warrenton bus yard. The food was provided by the management team, and we enjoyed burgers and good stories. Paul spoke encouraging words of how far we have come in two hard months.

Alex, the shop mechanic, has done an amazing job with staying on top of all the added daily duties. He cleans bus shelters, washes buses, performs regular fleet maintenance including the buses that are not used daily and facility cleaning and maintenance. Last weekend he was called in to fix the Astoria Safeway bus shelter. The shelter glass was broken, and Alex swept it and removed it from the shelter sight and did a great job in making sure there were no sharp edges left. He called Glasco on Monday and they are in the process of having the glass replaced.

