



Sunset Empire Transportation District

BUDGET COMMITTEE MEETING

FISCAL YEAR 2025-2026

May 8, 2025, 10:00 AM

Budget Meeting Minutes

Astoria Transit Center, 900 Marine Drive Astoria, OR

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL: Present: Interim Board Chair Rebecca Read, Secretary/Treasurer Paul Lewicki, Commissioner Tracy MacDonald, Commissioner Pamela Alegria, Commissioner Debbie Boothe-Schmidt, Commissioner Charles Withers and Commissioner Guillermo Romero

Budget Committee Citizen Members Present- Tita Montero, Paul Putkey, Jim Aalberg, Karen Deeter, Lauren Wilson, and John Lansing excused.

Staff- Interim Executive Director Debbie Boothe-Schmidt, Finance Officer Kelly Smith, Executive Assistant Mary Parker, Mobility Manager Jason Jones
4. CHANGES TO AGENDA- Addition of Election of Budget Committee Chair FY 2026.
Paul Putkey moved to approve the agenda
Guillermo Romero seconded the motion
Motion passed unanimously
5. ELECTION OF BUDGET CHAIR
Paul Putkey nominated Charles Withers
Charles Withers declined the nomination
Paul Putkey nominated Rebecca Read
Rebecca Read declined the nomination
Charles Withers nominated Paul Lewicki
Paul Putkey seconded the nomination
Paul Lewicki was approved as Budget Committee Chair
by unanimous aye vote by the Budget Committee
6. APPROVAL OF May 23, 2024, BUDGET COMMITTEE MEETING MINUTES (07:23)
Commissioner MacDonald moved to approve May 2, 2024, Budget Meeting Minutes
Commissioner Romero seconded the motion.
Motion passed by unanimous aye vote
7. PUBLIC COMMENT- None

(9:09)

8. BUDGET OFFICER REPORT – Budget Officer Kelly Smith read and reviewed the FY 2025-2026 Budget Statement that was included in the Budget Meeting Pack message previously distributed to the Budget Committee.

Tita Montero commented that she had just read that the legislature is looking at cutting or repurposing more than \$739 million in state funding that was for things like public transit, bicycle projects etc. and moving that straight to ODOT and asked if we knew the status of what that potential hit would do to us. Kelly said that Debbie had talked to Arla at ODOT and that Arla did know what that was going to look like. Tita commented that since this is a republican lead initiative, we might want to make sure and let our representative and senator know how if approved this would hurt SETD.

Tita Montero also asked if the 4 buses have been ordered? Kelly said yes but there are a few adjustments that need to be made to the buses before delivery. Kelly said she hopes that they will be delivered at the end of the month so they will be paid for in this fiscal year. Kelly added that on the off chance that they are delivered after the end of the fiscal year, we will be able to extend those funds.

Jim Aalberg asked if SETD is following GAAP and FASB -requirements and asked what the interest rate is on the loan. Kelly said yes, we comply, and the interest rate is 3%. Jim also asked if the interest was 2% on the Contingency Account. Kelly said she would have to check. Kelly also said that the agreement with ODOT is that we will pay the loan back out of our STIF plan, but we can make extra payments too. Jim asked if the STIF plan could fund the district too. Kelly explained it can, if you write the STIF plan that way, however we have allocated those funds for paying the loan and if you allocate them somewhere else you cannot use them until the next biennium.

Tita asked if the meeting was being recorded as she had not seen that verified. Kelly said yes, it was verified.

(20:45)

Paul Putky asked what federal grants have not been received. Kelly said we have received all our payments and are at the start of a new biennium so we will be looking for reimbursements of the 5311 and 5310 grants in November. Kelly also said these grants are predicted to be delayed until the end of 2025, which Kelly said would be over a million dollars.

Debbie asked Kelly if she had verified that the Contingency Account was protected by FDIC. Kelly said yes, it is.

Tita said she had also just read that the Republicans are still looking to cut and redirect all the revenue from the STIF Payroll tax to ODOT, so Tita said as we develop the budget, we really need to look at the STIF payroll tax revenue line because it was supposed to increase from 1.0% to 1.8% and now it will go to ODOT not transit. Kelly said our STIF was 2.1 million for the last biennium and 1.7 million for this biennium. Tita said we should look at not getting the 1.8 % you had mentioned. Paul Lewicki pointed out that public transit is a department of ODOT and the fact that they are re-labeling where the money will go does not mean it will not be available for transit.

(24:34)

Tita said they are being specific and redirecting the revenue to roads and bridges. Kelly said she will contact Arla right away, but this would affect our budget drastically.

Tita said Arla can only report, but we should testify to the legislature and send letters to Javity and Weber about how this will hurt us, because if we do not say anything we are not helping ourselves or our community. Tita also said the article said that all the transit funds would be transferred out and the cities could pick up those costs. Paul Putkey suggested that we join in with Tillamook and write a letter. Debbie

said she has a meeting with Brian at Tillamook tomorrow and they will be discussing this. Tita added that everyone in the legislature is looking for money for ODOT.

(30:30)

Kelly said she will just move forward with the proposed budget and as is required by Board Policy explained that there will be a second budget meeting in two weeks to review and approve the budget.

Kelly reviewed each of the budget documents as presented in the Budget Pack.

Kelly noted that the incoming Executive Director's salary is included, and that she estimated employee payroll at the top of their pay scale and included the July 1st, 2.5% COLA. Paul Putky questioned the increase in FTE's but he does not see a bump up in payroll. Kelly explained there has been a 6-month period that we have not had an Executive Director and 3 months where we did not have the Human Resources salary either. Debbie also said we are down two drivers. Tita suggested to further understand the FTE's comparison is to look at what is the actual FTE count average for this year versus what you are proposing for next year because what I am hearing from you is that not all the FTE's we budgeted for were in fact filled. Kelly said that was correct and some of the ones that were filled were not filled for the entire fiscal year. Kelly said we are at 26 FTE's right now.

Commissioner Alegria asked if the cost of the new HR office space at the Transit Center has been included in the budget. Debbie said she has been unable to get an estimate from a contractor yet, but she estimates it will cost about \$12,000. Kelly said that this has been added to the budget. Tita asked what line item is it under? Kelly said the office will be added inside of the Transit Center and it is under building and grounds.

Commissioner Alegria asked if there had been or could be a survey done on new financial programs. Kelly said at this point Accufund is serving its purpose, so I am not planning on changing programs this fiscal year. Kelly said that she, Maday in HR and Debbie would be doing research later. Kelly also said she had already reached out to Tillamook.

Paul Lewicki said we might want to focus on the line items on the budget instead of processes or projects. Paul Putky asked why the loan debt service amount had been carried across the Requirements Summary before it was approved. Kelly said that was a mistake and she would remove those numbers from those next columns until approved.

Kelly reported the Capital Reserve Fund has the amount we budgeted for last year. It is earmarked for that amount, and we are not adding anything to it and not spending any of it.

Kelly reported we do not have a STIF Discretionary Fund anymore because it was for our Portland route, and we no longer offer it. We will need to maintain this form until all the columns are at 0.

Kelly reported that the Special Transportation Fund has rolled into the STIF which we did not budget for last year and did not budget for this year. It is just set to stay until all columns on the left are zeros.

Tita Montero asked Kelly to verify that SETD would lose \$115,000 if ODOT took all the 1% payroll tax that SETD has been receiving.

Kelly explained that the process is for the Budget Committee to meet again for a second meeting to approve the agenda. This gives the committee time to go over the discussion and for the public to make comments.

Tita Montero asked if in fact we know we are not going to get certain funding and we need to reduce our resources. Have you got some thoughts on where we can possibly do any reductions on the requirement side? Commissioner Lewicki said that is something that we are all really concerned about Tita and why we built in the period between this meeting and the next meeting. Paul said the director and finance officer have not had an opportunity to digest the information that you have been giving us this morning. Paul said that one of the agenda items at the next committee meeting should be to discuss this very option and give Kelly an opportunity to do a couple of “what if” scenarios to answer your concerns. Tita said, just wondering if there has been thoughts already if we must squeeze due to our funding being not as stable as we would like. Kelly said that is what I stated earlier in the Budget Message, I have already asked staff to start squeezing and looking twice before making purchases that we do not have to have right now. Tita thanked Kelly.

Commissioner Withers said from his standpoint he thought it was time to conclude the meeting. Withers said he has worked on a lot of budgets, and he thought Kelly had done an excellent job. You have been conservative on revenues forecasting and you have been conservative on the expense side of this equation too.

(1:08)

Commissioner Lewicki thanked everyone for their comments and questions. Lewicki said if the committee has more questions, they can email them to Kelly or bring them to the next Budget Committee meeting on May 22nd at 12 noon. Kelly said she would bring the questions she receives to the next Budget Committee Meeting.

Fiscal Year 2025-2026 Budget

Total Resources \$4,921,191
Total Payroll- \$2,805,206
Total Material and Services-\$865,150
Capital Outlay-\$720,000
Total Requirements Not Allocated- \$530,835
Total Requirements- \$4,921,191
STIF Resources- \$1,068,788
STIF Total Requirements- \$1,068,788
Capital Reserve- \$100,000
Special Transportation Improvement Fund \$0
Special Transportation Fund- \$0

Budget Committee Meeting adjourned at 11:08 AM

PAUL LEWICKI, BUDGET CHAIR

MARY PARKER, EXECUTIVE ASSISTANT