



Sunset Empire Transportation District
BUDGET COMMITTEE MEETING
FISCAL YEAR 2025-2026
May 22, 2025, 10:00 AM
DRAFT Budget Meeting #2 Minutes
Astoria Transit Center, 900 Marine Drive Astoria, OR

1. CALL TO ORDER- Budget Chair Paul Lewicki called the meeting to order at 12 Noon.
2. PLEDGE OF ALLEGIANCE-
3. ROLL CALL: Interim Board Chair Rebecca Read, Secretary/Treasurer Paul Lewicki, Commissioner Tracy MacDonald, Commissioner Pamela Alegria, Commissioner Debbie Boothe-Schmidt, Commissioner Charles Withers and Commissioner Romero Guillermo excused

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

Staff- Interim Executive Director Debbie Boothe-Schmidt, Finance Officer Kelly Smith, Executive Assistant Mary Parker, Mobility Manager Jason Jones

4. PUBLIC COMMENT- None

5. APPROVAL OF May 8, BUDGET COMMITTEE MEETING MINUTES (02:23)

Commissioner MacDonald moved to approve May 8, 2025, Budget Meeting Minutes
Interim Director Rebecca Read seconded the motion.
Motion passed by unanimous aye vote

(03:09)

6. BUDGET OFFICER REPORT – Budget Officer Kelly Smith thanked everyone attending and reported that there had been no changes made to the budget since the last meeting. Kelly said she wanted to touch bases on a couple of questions that were brought up. Kelly said one of them was the interest rate on our contingency account which is 1.76 % as of our last statement. Kelly said that Tita Montero had asked if the payroll tax we receive, which is our STIF funding, is stable. Kelly said she looked into it at the state level and said there is one side that says they want to take STIFF money and move it into roads and bridges and there's the other side that says let's increase taxes. Kelly said she had not found anything major and asked if anyone else had found something more significant. Kelly reported that she had also talked with Arla and Debbie had talked with Brian in Tillamook. Kelly said at this point in time she is asking that we move forward with the budget as it sits. If the state comes back later after the legislature and there is a change, we can look at doing a supplemental budget. Tita said her advice was not to change the budget but as long as this is an idea anywhere in the legislature, that we have members of the board and community communicate with our Senator and our state representative that we are opposed to it and that it will affect our rural bus service very negatively. Debbie said she wrote a letter last week but needs to tweak it a little more because of something Jim said today that I want to add to it. Debbie said she will send it to the transportation committee and representatives. Kelly said she has it on her radar and will be watching for any information. John Lansing commented that communication needs to happen pretty quickly because around June 20th they shut it down. There was further discussion about communicating

and checking with SDAO to see if their lobbyists are involved. John also suggested checking with George Dunkel.

Budget Chair Paul Lewicki commented that during the budget 2 years ago it was agreed by the staff and the board that we would have a mandatory second budget meeting every year to give the committee and the community a chance to mull over what we have put together as a budget. Chair Lewicki said he thought Kelly and the staff had done a great job putting this budget together and this is the time for any questions or discussion.

Tita Montero said she had a question about something that came up at the board meeting earlier when Pamela mentioned it and it had to do with Microtransit. Tita said in looking at this again, on page 2 between lines 21 and 22 which is the general fund resources, it lists year to date actuals from last year as \$50,000. Tita asked if that was the money mentioned at the board meeting for being dedicated to Microtransit? Kelly said yes. Tita said if that's the case, why hasn't it been brought over into the budget for this year if it hasn't been spent. Kelly said it is brought over as a whole within the budget, but the district will not receive any new Microtransit funds in 2025. Tita asked if it was invisible in the budget? Kelly said it fits within, the same as the 5311 and the 5310 fit within operations and personnel services. Kelly said Microtransit will also have operations, personnel services, and all those kinds of things, but it doesn't stand alone. Kelly said we will not receive any new funding for it. Tita said she understood that, but she did not think the budget proposal meant it was new funding, it means it's a resource that will be used during that year, but Tita said she didn't know where it sits so that the budget committee will know that this money is available. Kelly said it is already in our funds in our available cash to begin with for fiscal year 2025. Kelly said it will not be new funding in Fiscal Year 2026, so this page as proposed by the budget officer are the resources that we expect to receive in Fiscal Year 2026. Kelly said she did not expect to receive any more funding for Microtransit in Fiscal Year 2026. Budget Chair Lewicki said what you are saying is that \$50,000 from last year is already in the beginning cash for FY 2026 and that is where it shows. Tita asked how would we know that because the line number one says available cash on hand and you say proposed cash on hand is \$ 449,851. That's money being brought forward from the past year, it is not new funding. Kelly said right and that \$50,000 is included in that money. John Lansing asked where does it show that it is good to go and be used and available? Kelly said it doesn't specifically show it and it does not show that we have 5310 and 5311 within that either. It also does not show that we have money from LGIP from property taxes. Kelly said it is a lump sum the same as we've done every year. Commissioner Alegria said the problem is that the \$50,000 is for transit and it is not a general fund item. Kelly said it's in the general fund and it's tagged for Microtransit, so as Microtransit needs to spend it that's where the funds will come from. Kelly said as it is used, we will have other reports showing what it was used for. Tita said if we expect to spend that \$50,000 for Microtransit, is it sitting in the requirement side of the budget as an expenditure? Kelly said yes within personnel, materials and service. Tita said that does not tell anybody that it is earmarked. Tita said she has a problem with it not being earmarked and not being shown specifically that it's microtransit funds on the inside and on the outside. Commissioner Alegria said it's dedicated funding. Kelly said yes, it is dedicated funding within SETD.

(14:29)

Budget Chair Lewicki commented that he was reminiscent of some things we got into a few years ago and yet we can't open up a new bank account for every type of spending, so he said his input to this is that the budget committee is aware of this and the board is very aware what this money is for and that we need to be mindful, but he did not know how else your going to flag it other than to make it an account.

Commissioner Alegria said she did not think Lewicki meant bank account but what you're saying is a line item so it does not get spent somewhere else, because if you put it in the general fund you can spend it however you want and there is no indication that the \$50,000 is dedicated. Tita said it does have a revenue code of 5810 so it a line item of it's own so it should have a line item going in and going out. John Lansing said it needs a debit and a credit. Tita agreed and said yes so it basically zeroes out and we

know we have it and we know that it's earmarked. Kelly explained that the line item would just say for transit, and it wouldn't say material and services it will just say what it was spent on.

Tita asked if it is not in the budget that way, why is it in the financials that way. Budgets and financials should be reflective of each other. Kelly said it is in the financials as money showing that it was brought in for fiscal year 2025, the same as it shows in the budget. Tita asked when you use that money, is it going to debit 5810? Kelly said no it will not, the 5810 account just shows that it was brought in, you do not do a debit. After further discussion John Lansing commented the need to resolve this conversation because it is not going anywhere. Kelly said, going forward you will see in our Board meetings that we will discuss Microtransit and how money is being spent.

(17:40)

Budget Chair Lewicki acknowledged that it's a good point but probably not the place where we are going to work out the mechanics of accounting, suffice it to say that everybody is aware of the situation at this point and if Kelly comes up with a way to codify that for monthly reporting it will be done. Budget Chair Lewicki added that he did not think we can design that functionality right here, but the point is recorded in the minutes, and he said it is a good one and we have been there before, so we want to be cautious with the way we report, and I hope that gives you some level of comfort.

Tita Montero said the level of comfort that she will get is because the minutes from this meeting are not necessarily read by the board at the next board meeting and not necessarily acted upon.

Tita said she would like to see us make a recommendation that the board review of this be included on the board's monthly dashboard and this be a monthly discussion with the board.

Tita Montero moved the budget committee make this recommendation to the SETD Board.

Commissioner MacDonald seconded the motion

Discussion: Paul Putkey said he was with her (Tita). I don't like the way this is, it doesn't seem to be right where you're just trapped, where your taking \$50,000, putting into cash available in the General Fund where it is just sitting there and we're not voting on where it is actually going. Paul Putkey said she (Tita) has a valid point. I don't know why there isn't a requirement for a valid description on page three listed in there for Microtransit \$50,000 in the budget and \$50,000 Microtransit out of the budget.

Commissioner Alegria said another thing is memory fades and what's to prevent it from being spent on another item? Budget Chair Lewicki said we are going to carry the recommendation forward if the motion passes and we have the monthly financial dashboard we use for our meetings and we can add this to that dashboard so that there's monthly awareness. John Lansing asked if this would be enough to satisfy everyone so that they can vote on the total budget with this little divot sitting out there. Abstain vote was due to not knowing enough about issue and it needing to be more in depth.

Name	Boothe-Schmidt	MacDonald	Lewicki	Alegria	Withers	Read		
Aye	x	x	x	x	x	x		
Nay								

Name	Montero	Putkey	Ahlberg	Deeter	Wilson	Lansing		
Aye	x	x			x	x		
Nay			x					
				abstained				

Aye-10

Nay-1

Abstain-1
Motion Passed

(23:00)

Commissioner Alegria recommended that the titles of the line items be consistent and recommended that the resources be put in alphabetical order. Commissioner Alegria also asked if contingency carries over or is it the same situation as Microtransit was in because it is not carried over on page 5. Kelly said the funds on page 5 are available to be spent. Commissioner Alegria asked how do you say that you have \$500,000 in contingency. Tita asked where she could find the contingency listed in the budget. Kelly said her thought process is that it would show as available cash on hand and it would then come out at the bottom. Tita said no, you have to have a line that says contingency, you cannot use this year that's sitting there to be used for the following. John Lansing said this looks like a slush fund to be used at the public's discretion. Budget Chair Lewicki said that the contingency fund is in a separate account at the bank and there was a policy established at the last budget cycle that no expenditures would be allowed out of that fund without Board approval. Commissioner Alegria said that is not the issue, it is part of it and that is good, the issue is that you don't see the contingency amounts separate and the Executive Director could write a check. Budget Chair Lewicki said the Executive Director can't write a check for more than \$10,000 and it takes 2 signatures, and board chair is one of them. Commissioner Alegria said that she understood but a board member should be able to see the amount of money in contingency. It should be visible and not buried into the general fund. Budget Chair Lewicki said he did not mean to be argumentative, and I agree the budget should balance through its forms, but you know we have the contingency report included on the dashboard presented every month at the Board Meeting. Interim Executive Director Boothe-Schmidt also explained that Paul as Board Secretary/Treasurer also receives copies of the bank statements directly from the bank every month.

(29:23)

Tita commented that it doesn't matter how many people in this room get any of that. If the public doesn't know it, if the public doesn't see it the public will not trust us. And the public needs to know what's happening and what's going on with their tax dollars and with their transit dollars. Tita said she found line item 9210 in the budget is the contingency, it is in the financials, and it says \$500,000 year to date on there. Tita said if you look at the budget on page 5 line 29, operating contingency predicts zero for our next budget year as operating contingency, meaning we are not giving ourselves any leeway, any money that can be spent contingently. You cannot put your contingency funds into your general fund in one lump sum. Tita also said if there is a separate bank account for contingency, which is what needs to be on that line showing that this is the contingency that we predict will be available to us during the coming year. Tita added that it doesn't mean you have to use it, it just means that's the cushion just in case we don't need it. Kelly asked where Tita was saying that the contingency needs to go as a resource, because you have to show that it's there because it's not and I'm not getting any new contingency money, and it is not available funds. Tita said it is not a resource it is an expenditure. Kelly said if I put it in as an expenditure, my budget doesn't balance. Tita said it does balance because you subtract it from other things. Kelly said the contingency is not part of the available funds, so it is not part of the current resources. Tita said it needs to be part of the available funds, so let's make it real simple. Charles asked if someone else could talk. Tita said let's talk Charles. Charles asked Tita what she wanted and what line she wanted it to be on. Tita said she wanted it on the line for contingency funds which is page 5 line 29. Kelly said she understands what Tita is saying, but where does she show that as money available before I show it as money we can expend. Tita said available cash is all the money and a resource and a requirement is how you spend your resource. You're going to put it in different pockets and one of those pockets is called contingency. Usually in the past we have discussed if we were putting this money in contingency or in reserve with reserve meaning we don't touch it during the coming year.

Tita said we have had this discussion before. So we need to determine what pockets we're going to put those resources in. Kelly said I will make an adjustment. It will take me a moment to increase our available cash. Tita said no you're not increasing your available cash. You're not increasing your resources, you only have so much money coming in. Jim suggested that Kelly increase the available cash by \$500,000. Kelly said our available cash does not include contingency money because that money is not available to spend, Our Board has asked us to put the money in a separate account, so it is separated. Kelly said when she did the budget, she did not put the contingency in available funds, therefore it is not in as expenditure. Kelly said she was happy to add it to available funds and add it as an expenditure, so it shows for the committee and for the public but if I add it as an expenditure then I have to show it as a resource somewhere, which would be available cash, yes? Jim said everybody knows what it is, and you have already locked it up in a separate account.

(35:11)

Budget Chair Lewicki said I hear the point being made but he said he just doesn't know if we are going to get anywhere on it today, however but if we don't, it means a third meeting, which is fine, and it has been built in. We have the time reserved. Kelly would have the opportunity to research and see how this is handled. She is following the state budget guidelines and has other rural properties she can check with and come back for a third meeting and let you know how it is done. Kelly said she understands what Tita is saying but on the flip side you can't expend it if you don't show it as available in a resource.

Commissioner Withers moved to adjourn the Budget Committee meeting and return with a solution at the third Budget Committee meeting previously scheduled.

Tita Montero seconded the motion

Discussion- Kelly said she could fix this in two minutes, but the committee doesn't agree with my fix. Jim Ahlberg said it is the semantics of it. Tita commented that it's not just semantics, you cannot add to your resources if you can't tell us where it comes from. Kelly said I can tell you. Jim said it is all earmarked. It's set aside. It's there and it's not going to be spent. It's not going anywhere, and you can footnote it on this statement any way you want it. Everybody knows it is there. Kelly said she did not have a problem changing it and showing it that way but she asked what the committee expectations are of her and what are you expecting those funds to show within our resources when I bring it back?

Karen commented that she was new to this and asked for more information and what the history is on this line item and if there was a precedence for it. Kelly explained that last year the plan for FY 2025 was to put \$500,00 into contingency however the \$400,000 that had been put into contingency in FY 2024 was not brought forward. Tita said if you look on page 5 on historical data which must be reported, in 2023-2024 it showed \$415,000 in contingency and in 2024-2025 it shows \$500,000 in contingency. Tita also said when you say you're not putting anything into contingency you are saying we don't have any extra money that if something bad happens then we can go to and take funds out.

(40:00)

Paul Putkey said in the 2024-2025 budget last year there was a contingency that was listed on line 29 now there is 0. Kelly said she has no problem fixing that and my apologies that that is the way that it reads. I did not read it that way when I wrote the budget, which is why it sits that way. Kelly said her question is where do you want me to show in resources that \$900,000 that we have in the bank, because when we come back to do this again, I want it to go much smoother. Paul Putkey said he was not implying, what I am looking at is there was \$500,000 in contingency last year, there must have been \$500,000 contingency somewhere else in the budget so where did that money go? Kelly said it is in a bank account. Paul Putkey said I am looking at the paper. I am looking at a checkbook, I am looking at a balance that you want me to approve. Whether it is in a bank with a checking account that's fine. But if you are asking me to approve a budget that shows that there's \$500,000 contingency last year and now there's not \$500,000 this year, where's is the \$500,000. Interim Director Boothe-Schmidt said if we look at line 29 and look at year 23-24, we

had \$415,088 that we put into contingency that year, correct? Then the next year for 24-25 we put an additional \$500,000 which made our \$900,000. Tita said no it was not additional. Boothe-Schmidt said yes it was, and those 2 amounts equal the \$900,000 we have in contingency now. Budget Chair Lewicki said he was kind of in with what Jim said about footnoting this. Can we do that? Charles asked if we could vote on his motion. Budget Chair Lewicki said we will. There was discussion of adding footnotes but there was a comment that she's not going to approve that. John Lansing asked what the motion was on the floor. Lewick said it is for the third meeting. Charles said let's talk to Kelly like she is an adult, and she knows what she is doing, and we get the figures fixed and we come back and go through it. Charles also said we're not going to have a meeting and start throwing things at her. Tita said we didn't see this budget. Charles said let me finish talking, because we had the budget. Kelly said we had the budget out 2 weeks ago. Charles said he did appreciate Tita letting him finish because when you were talking I was in order. I expect that to be what I expect. Karen asked if the motion could be changed to consider the footnote idea because it was an important point and some people might want to consider. Chair Lewicki said I think we will have time to consider it between now and the next meeting. The motion was for the Budget Committee to return on June 12th at 10:00 am for a third meeting.

Name	Boothe-Schmidt	MacDonald	Lewicki	Alegria	Withers	Read		
Aye		x	x	x	x	x		
Nay	x							

Name	Montero	Putkey	Ahlberg	Deeter	Wilson	Lansing		
Aye	x							
Nay		x	x	x	x	x		

6 Aye

6 Nay

Tita explained that a tied vote results in the motion being defeated.

(48:00)

Budget Chair Lewicki said this was supposed to be easy and he is not sure how the committee wants to proceed. Chair Lewicki said he was kind of with Kelly on this, so where do you want these numbers to show and we will build it that way. Kelly is using her resources and her professional context to come up with what she presented, and it sounds like the committee is not comfortable approving it.

Debbie Boothe Schmidt moved to approve the SETD budget of 2025-2026 fiscal year in the amount of \$4,921,191 with the footnote for the contingency monies on the budget and the contingency continue to show on the dashboard of all board reports.

Commissioner MacDonald seconded the motion

Discussion- commissioner Alegria asked if the \$900,000 would show on that. Kelly said yes.

Name	Boothe-Schmidt	MacDonald	Lewicki	Alegria	Withers	Read		
Aye	x	x	x	x	x	x		
Nay								

Name	Montero	Putkey	Ahlberg	Deeter	Wilson	Lansing		
Aye			x	x	x	x		
Nay	x	x						

Aye- 10

Nay- 2

Motion Passed

Tita said per Robert's Rules she is allowed to say her extreme disagreement with the passage of this budget and sending it to the Board. Tita said the reasoning behind it is because I believe it is not built correctly, and it does not reflect accuracy, and I don't think it is according to accounting principles.

Budget Chair Lewicki told Tita he appreciated and respected her comments.

Commissioner MacDonald that the SETD Budget Committee approve and recommend that the SETD Board of Commissioners adopt the property tax rate for the fiscal year 2025-2026 in the amount of 16.2 cents per thousand \$1,000 of assessed value for the permanent tax levy.

Tita Montero seconded the motion

Name	Boothe-Schmidt	MacDonald	Lewicki	Alegria	Withers	Read		
Aye	x	x	x	x	x	x		
Nay								

Name	Montero	Putkey	Ahlberg	Deeter	Wilson	Lansing		
Aye	x	x	x	x	x	x		
Nay								

Aye- 12

Nay- 0

Motion Passed

Budget Chair Paul Lewicki thanked the Budget Committee for their participation and also said that although we may not have all had the exact outcome we were looking for, but I think the spirit of this meeting has brought us to a necessary valid point and I am happy to have been part of it and thank you all for all your participation.

Commissioner MacDonald thanked everyone for their participation and encouraged everyone to persevere as we do the best we can to keep the buses on the road.

Charles Withers thanked Kelly for the hard work she does. It is hard putting the numbers together and getting everything right and having everyone agree with you. It can be frustrating when you do your hard work, and something is not right or perceived as wrong. I just want you to know we appreciate your hard work.

Karen Deeter thanked Charles and thanked Kelly and said she did an amazing job. Karen also said she wanted to thank you, and I am new to this board, but I really appreciate the discourse and the honest discussions you have. I am so glad I'm not part of a board that rubber stamps things without further and thorough discussions. So thank you again for allowing me to take part.

Commissioner Alegria said she appreciated the budget being clear and understandable and that's what we are trying to say and a footnote is not exactly what I wanted but it is at least there and is part of the budget.

Meeting adjourned at 11:00 AM

Budget Chair Paul Lewicki
