



**Sunset Empire Transportation District  
Board of Commissioners Meeting Minutes  
APRIL 25, 2019**

1. CALL TO ORDER- Chair Kathy Kleczek called the meeting to order at 9:30 AM.
2. ROLL CALL:  
Present: Chair Kathy Kleczek, Vice Chair Bryan Kidder, Secretary/Treasurer Lylla Gaebel, Commissioner Kevin Widener, Commissioner Tracy MacDonald, Commissioner Pamela Alegria. Commissioner Gearin was excused.  
  
Staff: Executive Director Jeff Hazen, Financial Officer Tracy Lofstrom, Human Resources, Tami Carlson, Executive Assistant Mary Parker
3. CHANGES TO AGENDA-Executive Director Hazen requested to add under 9.d the Board's authorization for the Executive Director and the Board Chair to sign the STIF Plan Certification of Agreement.
4. PUBLIC COMMENT- No comments
5. APPROVAL OF THE MARCH 20, 2019 BOARD MEETING MINUTES-  
Commissioner Gaebel moved to approve the March 28th Board minutes.  
Commissioner MacDonald seconded the motion  
Discussion- correction on page 6, line 8; change "has gave" to given  
Motion passed unanimously  
  
Commissioner Gaebel moved to approve the March 13th Board Work Session Minutes  
Commissioner MacDonald seconded the motion  
Discussion-a typo correction page 9 line 5 change "Executie" to Executive  
Motion passed unanimously
6. REPORTS FROM CHAIR AND COMMISSIONERS
  - a. Commissioner Alegria-No Report
  - b. Commissioner Widener- No Report
  - c. Commissioner MacDonald- No Report
  - d. Secretary/Treasurer Gaebel- No Report
  - e. Vice Chair Kidder- Commented that he had recently traveled to area in Louisiana with a population of about 120,000 and noticed that the public transportation service there only used the smaller buses and asked to learn more about our selection of bigger buses over smaller buses. Hazen explained that the larger Blue Bird buses we have were purchased for the Lewis and Clark bicentennial and as we replace buses, we are purchasing the smaller buses. Hazen also said as we purchase more, we will right size them from class A to class B and C buses.
  - f. Chair Kleczek-. Reported she had attended orientation for the SDAO Board where there was also information from SDIS which has a Tele-med or E-med option where members can call in or email a doctor and receive medical help. There is no copay and no waiting for an appointment. This service will be shared with staff and drivers at the next driver's meeting.
7. FINANCIAL REPORTS- Financial Officer Tracy Lofstrom reviewed the March financial statements.  
Commissioner Kidder moved to approve the financials as presented  
Commissioner Widener seconded the motion  
Discussion- Chair Kleczek asked about a \$288 charge that was made for food. Tracy will check but thought it was probably for a hotel charge. Commissioner Alegria asked why the utilities are so high.

Tracy said that we have an old system and she and Mary have been turning the heating systems off at night to cut cost.

Motion passed unanimously

## 8. OLD BUSINESS-

- a. **FY 2018 Sunset Empire Transportation District Audit Presentation-** Brad Bingenheimer from Boldt Carlisle and Smith reviewed the SETD Audit report by teleconference. Each Board member received a copy of the FY 2018 Financial Report prior to the meeting. Brad reported that the District net position was \$4,855,420 which was a decrease \$168,215 from 2017. Brad stated there were three findings concerning overspending and internal controls. He also said it sounds like there are actions being taken to resolve these findings.

Findings:

- b. 2018-001-Lack of segregation of duties related to the monthly journal entries, which are prepared and posted to the general ledger without supervisory review or approval. Response: *The finance officer will add a step to include the Executive Director's approval before the journal entry is made.*
- c. 2018-002-Transactions that cross fund should include a due to or due from in order to ensure that each fund is in balance at any given time of the year. Quick Books is not fund driven and we have found through research that is almost impossible to balance funds within Quick Books. Response: *The District is in the process of purchasing a new financial software package by July 2019 that is fund driven, thus reducing this problem all together.*
- d. 2018-003-The required documentation supporting the costs claimed in reimbursement requests were not maintained. The District will purchase new financial software for the 2019-2020 FY. Response: *The chart of accounts will be set up specifically to facilitate grant reporting, which will enable the District to report more accurately.*

Brad said that this is the third year of the same audit findings found in 2018-01 and 2018-02.

Discussion- Commissioner Kidder asked if since this is the third year on the findings will this trigger any other oversight or reporting? Brad said that because you have these findings, you need to develop a corrective action plan which is provided to the state and federal government because they will want to see that you are making progress on the plan and would hope that these findings go away. However, there is a cost involved and it may become management's decision on the segregation of duty Brad said what they definitely do not want to see is the finding on the federal awards. If they see this has not been corrected overtime, you may get some inquiry from the state of the federal government on how you can fix those.

Chair Kleczek asked if this is a finding that is seen when services are using QuickBooks? Brad said having an accounting program that is set up for government helps but it must be set up and used properly to achieve clear documentation. Commissioner Gaebel asked about the report on page 96 that stated that the expenditures exceeded the award. Brad explained that if the expenditures exceeded the award it will be covered by other funds. Commissioner Gaebel stated that employees in RideCare were paid for their sick leave when it closed, where does that leave us. Brad asked what the policy says? Commissioner Gearin said it is not to pay. Brad said that the Board could retroactively approve that, or the Board could go to those employees and ask for repayment, but this is usually not very successful. Brad suggested having it retroactively approved by the Board. Chair Kleczek said it had already been retroactively approved.

Brad announced that Boldt Carlisle and Smith will no longer be able to serve as the District's auditor. He thanked the District for having them as their Auditor's for so many years, adding that it was a difficult decision. Executive Director Hazen thanked Brad from the staff standpoint you and your staff have been very helpful.

Commissioner Gaebel stated that the Board had asked that the Audit presentation be done in person and asked why it was not. Executive Director Hazen apologized and said he did not know why Brad could not make it.

Commissioner Kidder moved to approve the fiscal presentation for the SETD 2018 Audit  
Commissioner Widener seconded the motion

Discussion- Chair Kleczek said she thinks it is important that we make the corrections needed to the internal controls because in some of our funding agreements we were required to have audits that had no findings and the internal control one has been one of the issues. Chair Kleczek said we have worked hard to correct a lot them and not having the funding documentation is a significant back step in our internal controls, so we just need to keep going. Commissioner Gaebel said she thought we were having someone review the journal entries. Tracey said it was not working and difficult. Commissioner Gaebel asked if there is a written Corrective Action Plan. Tracy said yes, a letter went to the state and the feds. Hazen said he thought it was in the report. Commissioner Gaebel said the Board should have a copy and she did not recall seeing it. Commissioner Gaebel asked why we have elected not to use the 10% as listed on page 99 #2? can Executive Director Hazen said he and Tracy discussed this and have decided to use the 10%. Pamela asked if the difficulties could be resolved in the future. Tracy said she believes the new software system will help. Hazen said we have changed the Journal Entry process. Tracy now lets me know when she is preparing a journal entry. Pamela suggested hiring someone part time. Tracy said we are discussing that.  
Motion passed unanimously

Chair Kleczek called for a 5-minute break at 10:15 AM

Chair Kleczek called the meeting back to order at 10:22 AM

- e. **Adoption of Strategic Priorities Plan-** Executive Director Hazen said the Board had developed the Strategic Priorities Plan for the upcoming 2019-2021 biennium and staff recommends the Board adopt the plan.

Commissioner Widener moved to adopt the Strategic Priority Plan

Commissioner MacDonald seconded the motion

Discussion- None

Motion passed unanimously

## 9. NEW BUSINESS

- a. **Creation of Statewide Transportation Improvement Funds-** Executive Director Hazen explained that ORS 732-040-0020 requires that we set up separate funds for the STIF program. Staff recommends that the Board approve the creation of the STIF Formula Fund, STIF Discretionary Fund and STIF Intercommunity Fund.

Commissioner Alegria moved to approve creation of the STIF Formula, STIF Discretionary and the STIF Intercommunity Funds

Commissioner Gaebel seconded the motion

Discussion- Commissioner Kidder asked what these funds were going to be used for.

Executive Director Hazen said the formula fund is the \$1.8 million that we prioritized recently, and the other ones will be for the new Portland route, but we do not know which fund we will receive. Hazen said he will budget it into the fund he requested, but if the funds are received differently, he will have to move the funds using a supplemental budget.

Motion passed unanimously

- b. **Letter of Commitment for Low or No Grant-** Information only, no action required.

- c. **Letter in Opposition to HB 3099-** Executive Director Hazen said that this is a follow up from the call that the SDAO legislative committee put out in regards HB 3099 that if wording was changed could involve Special Districts. Hazen said Commissioner Widener, Commissioner Gearin and I sent out letters to our legislators. HB 3099 passed the House and has moved to the Senate and had the first reading yesterday. It is now sitting on the president's desk. Hazen said that we have two letters one to Representative Mitchell which is now mute because she already voted no, which we appreciate, and one to Senator Johnson.

Staff is asking the Board to approve a letter be sent to Senator Johnson, a Thank You letter be sent to Representative Mitchell and that the Board Chair be authorized to sign both.

Commissioner MacDonald so moved

Commissioner Widener seconded the motion

Discussion- Commissioner Kidder asked what is driving this. Hazen said that this was a Happy Valley issue. Commissioner Gaebel asked that when if we send another letter that we send one to Witt as well. Widener said that Witt has already voted in favor. Hazen asked that the motion be amended to allow him to also write Witt if the HB 3099 goes back to the House.

Commissioner MacDonald amended his motion to include a letter to Witt

Commissioner Widener amended his second

Motion passed unanimously

Chair Kleczek clarified that the motion was to approve that the Chair sign the letters being written by the Executive Director. The Board all verbally responded with yes.

- d. **Board's authorization for the Executive Director and the Board Chair to sign the STIF Plan Certification of Agreement.** Executive Director Hazen asked that the Board approve this STIF Plan Agreement and authorize Board Chair and the Executive Director to sign.

Commissioner Kidder moved to approve the Statewide Transportation Improvement Fund Formula Fund STIF Plan Certification Agreement and allow the Board Chair and the Executive Director to sign

Commissioner Widener seconded the motion

Discussion- Commissioner Gaebel said after reading did not think that the Board Chair needed to sign. Executive Director Hazen said that it in 2015 we had a compliance review and it was recommended that the Board Chair sign grant agreements.

Motion passed unanimously

10. CORRESPONDENCE-The resignation letter from Boldt Smith and Carlisle was given to the Board. Chair Kleczek said she received a letter from a rider concerning the safety of a flag stop on Hwy 101 near Glenwood Village which Operations has investigated and approved a change which will make it be safer for everyone.
11. EXECUTIVE DIRECTOR REPORT- Executive Director Hazen reviewed the report he had submitted. Commissioner Gaebel asked about having an emergency button in the buses. There was discussion with staff reporting that the video system on the buses has an emergency alarm.
12. LEADERSHIP TEAM REPORTS- Reports submitted: Operations- Paul Lewicki, Ride Assist- Jennifer Geisler, Marketing and Outreach- Mary Parker, Mobility Management- Jason Jones, Human Resources-Tami Carlson and Transportation Options- Matthew Weintraub. Chair Kleczek asked where we are at with schedules. Hazen said he is reviewing schedule changes that Paul has given him and will give them to Mary who is working on updating the schedules.
13. PUBLIC COMMENT- Mary thanked the Board for the flower she received for Administrative Assistant Day. Chair Kleczek thanked Mary for the work she does for the Board and staff.
14. EXECUTIVE SESSION- At 10:46 AM Chair Kleczek announced and opened Executive Session for the purpose of ORS 192.660 (2)(i) to review and evaluate the job performance of a chief executive officer, other officers, employees and staff, if the person whose performance is being reviewed does not request an open hearing. Chair Kleczek also announced Executive Session for the purpose of ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations. All others than except designated staff were asked to leave the meeting room.
15. 12:12 PM Chair Kleczek closed the Executive session and called the regular meeting back to order
16. OTHER ACTIONS-

Commissioner Gaebel moved to approve the Union Contract between Sunset Empire Transportation District and the Amalgamated Transit Unit Local #757, for it to be in effect until June 30, 2022 and authorize the Board Chair and the Executive Director to sign.

Commissioner Widener seconded the motion

Discussion- Chair Kleczek thanked staff for their work and said we are grateful to have an attorney that could negotiate this special contract on our behalf.

Motion passed unanimously

Commissioner Gaebel moved to authorize the Board Chair and Vice Chair to meet with the Executive Director to formalize the evaluation and offer a 2.5% cost of living increase effective July 1, 2019.

Commissioner MacDonald seconded the motion

Motion passed unanimously

Meeting was adjourned at 12:15 PM

Mary Parker, Recording Secretary

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Secretary Treasurer Lylla Gaebel

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Date

An audio recording of the Sunset Empire Transportation District's Board Meeting is available at: [www.ridethebus.org](http://www.ridethebus.org)-Board of Commissioners- Monthly Meeting Minutes- April 25, 2019