



Regular Board of Directors Meeting

Umpqua Public Transportation District

Monday, May 20, 2024, 5:30 p.m.

3076 NE Diamond Lake Blvd, Roseburg, OR 97470

APPROVED MEETING MINUTES

Meeting called to Order at 5:32 PM.

Roll Call

Sarah Thompson - P

Mike Baker - P

Lonnie Rainville - A

Janice Baker - P

Doug Mendenhall - P

Michaela Hammerson - P

Pledge of Allegiance

Consent Agenda

4.1 April 8, 2024 Regular Meeting Minutes

4.2 April 15, 2024 Special Meeting Minutes

4.3 April 22, 2024 Special Meeting Minutes

4.4 May 1, 2024 Special Meeting Minutes

4.5 May 7, 2024 Special Meeting Minutes

4.5 May 10, 2024 Special Meeting Minutes

4.6 March 2024 Preventive Maintenance Report

MOTION: Mike Baker motioned to approve the consent agenda. Doug Mendenhall seconded, no further discussion.

Motion carries. Vote: 4 – Aye, 0 – Nay, 0 – Abstain, 2 - Absent.

Financial Report was presented by Sheri Bleau

5.1 April Financial Report

April Balance Sheet, FY 23-24 P&L, April Financial Statement, P&L, Variance Sheet and Bank Statement were reviewed.

MOTION: Mike Baker motioned to approve the consent agenda. Janice Baker seconded, no further discussion.

Motion carries. Vote: 4 – Aye, 0 – Nay, 0 – Abstain, 2 - Absent.

FY 25 Budget Hearing

At the time the Budget Hearing was noticed, there were no changes to the Budget. The Budget being presented for the hearing is the Budget that was approved by the Budget Committee. After the Budget Hearing was noticed, additional information was provided which requires a change to the proposed Budget. After reviewing the Budget Manual, it is noted that the Board may adopt the Budget and then make changes or make changes and then adopt the Budget.

Budget Hearing Opened: 5:37 PM

No Public Comment – Board discussion included the steps to amend the Budget before or after adoption.

Budget Hearing Closed: 5:40 PM

6.1 Adopting Resolution 24-06

After the Budget Hearing was noticed, additional information was provided to the Board which requires changes to the proposed Budget. Changes may be made prior to or after adoption. The Board had previously chosen Scenario #6. Additional scenarios were provided to ensure the Board was able to make an informed decision and possibly choose an option that would provide a larger number of unappropriated funds. A summary of the changes that were made were read.

We corrected Networking Capital to 500,000 from 200,000

Corrected STIF to 2,040,397 from 2,463,802 (per Drew)

Added all income for Capital Projects

Correct Medical Transport Income - Volunteers only

Remove Executive Assistant

Remove 3 Medical Transportation Drivers Wages & Materials and Services

Remove 2 DAR Drivers

Remove \$522K in Cap Reserve

Add \$27,000 Match for 1 bus

Discussion followed. Concerns were voiced regarding passing any hardship on to employees. Concerns were voice regarding the need to build a reserve. Concerns were voiced regarding not having enough unappropriated funds to be able to survive anything unexpected, like a governmental shutdown. Discussion regarding impact to employees was discussed. Morale was discussed. We need to think about this as a company. There are a lot of “what ifs”. Challenges with the STIF Plan process were presented. Funding sources were discussed.

MOTION: Michaela made a motion to Adopt Resolution 24-06, incorporating scenario #6 with the bus match of \$3,000. Doug Mendenhall seconded. Discussion followed. Mike Baker states he can see their point and see the potential of additional funds, but they are not sure things and that’s what worries him. He recognizes that we are in trouble as an agency.

Motion carries. Vote: 3 – Aye, 2 – Nay, 0 – Abstain, 1 - Absent.

Public Comment for On Agenda Items Only – No public comment.

Old Business presented by Cheryl Cheas

8.1 Updated Bylaws

During the April 8, 2024, Regular Board Meeting, the Board Approved and Adopted Resolution 24-01, a Resolution Adopting the UPTD Action Plan. They also Approved and Adopted Resolution 24-05, a Resolution Resolving to Update Bylaws to Move the Monthly Board Meetings to the Third Monday of Each Month. The only change are the words “second” to “third” Monday. Informational only, no motion required.

New Business

9.1 UPTD Action Plan - Internal Controls - Job Descriptions – Becky Stafford

Becky states everyone was sent the job descriptions a couple of weeks ago and just needs to know if the Board has any input. She continues on to state she is working on the Employee Handbook. Mike Baker offers his comments in writing. At Becky’s request, goes over his notes verbally with the Board and provides suggestions. Robust discussion follows regarding

requirements, degrees, experience and wording as well as duties, core job functions and making the job descriptions. Revisions are requested by next meeting with employees having a signed job description by 7/1/2024.

Michaela Hammerson makes a motion to table to the next meeting. Seconded by Janice. Chair Thompson tables to next meeting.

Project Updates presented by Cheryl Cheas.

10.1 STIF Project Updates

GM has combined information from the Finance Manager's spreadsheet which shows expenditures for Project 1, Tasks 1-8, which is page one of this update.

Next page is just Project 1, Task 1 for the Call Center and includes information from the actual STIF Plan which is where we started finding discrepancies between the plan and what is actually available. "Other State" was the former STF funding which was already expended by the time the plan was put in place. For Task 1, that's \$53,100. If we didn't have another funding source available, we would be in trouble.

The bottom of the page gives the outcome measures.

Task #2 – Mercy Express Demand Response was put into our plan prior to knowing that they were not going to continue providing service. This project was intended to be the match for the 5310. Now we will utilize the money from this project for the match for the Call Center as the match for 5310.

Task #3 – City of Reedsport – On the plan we had intended for Reedsport to be fully STIF funded but with the change to the Mercy contract, we had to change direction and Reedsport is now funded primarily by 5310 and this STIF project is the match. Director Baker inquires about how Reedsport is doing. GM states they want their vehicles replaced so we are now going to get the titles back to them so they can make us the secondary lien holder. We weren't able to order replacement vehicles for them when we were ordering vehicles as they had not put us on the titles. Now that they are putting us on the title, we don't have the ability to order for them.

Other information that is most concerning that you need to know right now is there are three projects, 5, 6 and 7. They are all capital projects and every quarter at the beginning of the quarter when we receive STIF, we are supposed to take that funding and put it off to the side in reserve. It's built into our STIF plan and we have not been doing that, so that's another piece that we need to correct. The bus reserve was expended on all of the vehicles for all of the previously discussed reasons, they came in higher than anticipated with higher match and over and above the grant amount, so all of the bus replacement funding has been expended and we are in the negative about \$319,000. The capital projects reserve was built into the plan because that's the direction we were going. So, we are talking about not doing the capital projects but we have a project that is building that reserve and we still need to do that because it is in our plan and it can only be used for capital projects, so we're going to have to fix that. The final one is the bus shelter that is only \$10,000 but it had a \$23,000 carryover so there should be \$33,000 in the bank right now for bus shelter match. So, these are the things we are going to have to work through and bring back to you and figure out what the end result will be. Director Baker asks why we wouldn't go to the Oregon Infrastructure Bank for these capital projects. GM responds that in one of our

meetings with ODOT it indicated that the Region has to give the green light for one of those loans and with our financial status the way that it is, they would not recommend us for the loan the way that we are currently. We actually have to have a reserve, be able to pay our bills on time, know that we are going to make payroll and not worry that we are not going to be able to continue to provide service. But, by the time that we are that point, our status might be different. All of these things have come to my attention have to be corrected. Chair Thompson asks what we are doing with these funds that are supposed to be put into reserve. GM responds that right up until this last payment, it has not been put into reserve. It has been put into General Fund and utilized as if it were available like any other funds. So what Sheri is going to do is create another fund, a reserve fund and draw that money to the side so it does not look like it can be expended. Reporting to the Board will happen on that piece.

10.2 Action Plan Updates presented by Cheryl Cheas.

Following the UPTD Financial Site Review, the UPTD Board met in a Special Board meeting to review and discuss the observations and recommendations that resulted from the site review. The UPTD Board voted unanimously to submit the Action Plan to ODOT.

The General Manager has been asked to provide ongoing updates to the plan. In the packet tonight, the format of the Action Plan has been changed to include the ongoing updated to make it easier to track the changes on each item.

#2 – Internal Controls – Position Descriptions presented on Agenda tonight – New Business tonight so we met that piece.

#6 – OPTIS Report Reconciliation – Unallocated Expense Report attached – When we get to that one, Sheri created a report for unallocated expenses that we can look at.

#6 – APR Reports for Q1, Q2 and Q3 attached. SPR Q3 Projects 1-7 Attached and gives a running balance.

#6 – Grant Reimbursement Request Jan-April attached.

#1 Organizational Structure. We've already provided the ORG chart, we've instituted the hiring freeze. Comment references the original budget that we were looking at that needed to cut about \$700,000 that included the projected positions back in March. On 4/8 the Board made a motion to start replacing the Transit Supervisor recommendation was made to include the Executive Assistant in the Budget. Since then, that recommendation has been removed from the Budget. The Board authorized the hiring of a Transit Supervisor. After reviewing the NEMT actual income and expenses by mode the decision was made to layoff those 5 positions.

Michaela brings up that our bylaws state that the Chair shall appoint the Executive Assistant to the General Manager as the Recording Secretary. Do our bylaws need to be changed if we don't have an Executive Assistant? Chair Thompson states "Probably." Michaela questions, is the motion valid to not include the Executive Assistant if we're required to have an Executive Assistant per our bylaws? Chair Thompson comments that the bylaws don't suggest we're required to have one it just states that person is supposed to be the Recording Secretary but we can appoint somebody else as the Recording Secretary if we want to. Michaela comments she thinks "shall" means we have to. Mike states we should change our bylaws because he doesn't

think that was the intent. Chair Thompson suggests changing it to “designee”. Discussion continues to add to the GM job description, GM or designee shall serve as the Recording Secretary. Change bylaws to remove appointed by the Chair. Standing position.

#2 Internal Controls. The Internal Control Policy for the Board is our Financial Policy. It says the Board recommends updating this policy now that there are more staff, to ensure adequate separation of duties. The question is, does now mean now or does now mean later with the other ones that are due in September? Chair Thompson states now means when the rest of the policies are due, when she wrote it the thought was now that we have enough people. Wants to clarify when she wrote this Internal Controls for Fiscal Responsibility and Internal Controls for employee segregation. Fiscal Policy separates duties but what she thinks the intent was, hearing from RLS, is there needs to be a greater separation of duties from all staff. GM states that she reached out to ODOT because it says “ODOT uses a series of internal control standards that should be implemented by every subrecipient transit agency. These controls include elements such as sufficient segregation of duties to ensure a system of supervision and approvals for agency expenditures.” It is very specific to Finance. She reached out to ODOT to find out if there was a separate internal control policy that we should have that I am not aware of and the confirmation that I received is that it is referring to our Financial Policy. Chair Thompson asks, Didn't we just revise this? Not too long ago, right? GM confirms it was updated but is now out of date. We no longer have an Executive Assistant and a lot of things point to the Executive Assistant. Chair Thompson believes it will be ok to wait on this policy to be done with the rest of them. GM states she did ask Becky to prioritize that one. Becky states her issue with that is though it is that it only applies to a couple of people and all the rest of the policies apply to everyone. Jennifer Boardman pointed out that the Financial Policy is the big piece because there has been a repeat finding on our Audits.

GM states there needs to be clarification on the piece that states Transition of duties from the General Manager needs to be clarified as there are some situations that have come up where there are those that feel that the GM is not supposed to directly interact with employees or supervisors. Chair Thompson states that she believes the idea behind that was because the GM has been doing the duties of everybody for so long, that now that you have your management staff in place, that the duties that you were doing before that fall under their job descriptions is that those official duties fall to the employees that are responsible for those duties. Discussion follows offering solutions.

#3 Financial Management Systems – We haven't done a lot on this one yet. Sheri does have the name of another company that she can reach out to for a quote or a demo.

#4 & #5 Single Audit and Single Audit Findings- To ensure compliance with timeliness of audit completion, ALL documentation needed for the audit shall be submitted to the auditors no later than October 31st of each year. Sheri has been consistently uploading documents in a timely manner. Chair Thompson asks if there's a standard list of documents that they need for the audit? Yes, there's a tracker that is in the Drop Box and Sheri uploads everything that's on the Tracker.

There are some notes in the plan that explain some of the history. FY19 did not meet the threshold for an audit and was complete as "Report in Lieu of Audit. RFP to engage with an Auditor was complete November 2020. UPTD contracted with UVF and portal was created to upload documents 12/2020.

Discussion follows regarding whether we will continue to have a finding due to using QuickBooks.

#6 Untimely Submission of Reports – Updates: Reimbursements will be timely: Finance Manager has submitted monthly reimbursement requests for 3rd quarter and April.

Quarterly reports will be submitted 5 days early: Report was submitted on time, not early. Reports attached for Q3.

Finance Manager and General Manager met with Drew Orr to discuss discrepancies. Finance Manager is working on changes. GM is currently reviewing unallocated expenses. Unallocated expenses go clear back to when we were making UCAN whole. GM was able to provide all of the documentation for the invoices that were reviewed.

Grant reimbursement requests from Jan-April are attached for review.

The Quarterly APR for Q1, Q2 and Q3 as well as the SPR for Q3 for the 7 projects are all attached for review.

#7 Cash Flow Analysis – Initially we had done an analysis for Winston and Sutherlin with a date of 7/1 but after meeting with ODOT they had asked us to move that timeline up. Randy and I talked, and we had moved that date to 6/1 and then we had the next meeting with ODOT, there was concern that it needed to happen sooner so that's how we ended up with three dates but now it's complete.

The detailed analysis is what the Board approved as 7A, 7B and 7C that provided the detailed information for the cost savings for the months of May and June in the current fiscal year. Those are included as the next 3 pages in the report.

#8 Review of Records and Report - Finance Manager will provide profit and loss statements and trending variance reports Board packets beginning 4/8/2024. She did this and will continue. It asked for the General Manager to draft a Resolution for the 4/8 meeting to change the Board bylaws which we did. It asks for the Board packets to be complete 7 days before the meeting. GM states she has no excuse other than we've had a lot of meetings. Michaela states for this piece you won't get everything 7 days before but having part of it. Mike states for him it's the agenda. If other things come later that's fine but sometimes it's just knowing what we're going to talk about. Sarah adds that if there's something to vote on that it come out sooner than the consent agenda. The most important stuff would be helpful. Discussion followed.

#9 Liquidity Analysis – Some of this one is a repeat of others. In the updates, the General Manager and Finance Manager Have provided numerous scenarios for the Board to make an informed decision regarding building the cash reserve. Resolution 24-06 was provided for Board Approval of Travel in 4/8 Board Packet. Storage unit is emptied and cancelled. Researching the lease has not happened. Foot traffic through downtown office has been received but has not been reviewed yet but it will be available by the next Board meeting.

#10 Improve Communication – We have a recurring Management Team meeting on the calendar and have met 3 of 5 Thursdays. The expectation has been set that policies in the employee handbook need to be revised utilizing the SDIS Government template as those policies will protect us. Progress on the policies was provided tonight. Position descriptions were provided to the Board tonight. Discussion followed regarding policies.

General Manager Report – Cheryl Cheas – We changed phone systems and there was a lot of time involved in that. It was not a friendly transition from Mitel to Ring Central. We are starting to get the fallout from the Dial A Ride fare change. A social worker reached out to me today and gave a few examples of low-income challenges. The other one was when I met with Douglas County Senior Services. They were looking for partnership to get people to the dining sites and the \$5 fare is cost prohibitive. They were also looking for a low-income solution. Discussion followed. Mike asks for a recommendation. Press release for the Board position went out. Michaela requests the application be posted on the website in a more prevalent spot. News Review interview was discussed. Ridership was discussed. Fixed Route is over 102,000 for the first time since pre-COVID, a 40% increase. Redline and Greenline STIF funded expansion was up 103% from 335 to 1,089 rides. Umpqua Rides was up to 26,000. Volunteer drivers did 815 rides in April.

ODOT Update – Jennifer Boardman – ODOT has all 5 vans spoken for so UPTD will only have the one vehicle. Conference is in October this year. There is a Local Government Investment Pool that we could check into for reserve funds to draw more interest. Thank you to Cheryl, Sheri and Sarah for attending the Action Plan update meetings. All of the payments are processed. Discussion followed regarding Conference registration.

Not on Agenda - None

Public Comment (Limit to 10 minutes total) - None

Agenda Build – Next Regular Meeting June 17, 2024 – Position Descriptions, Bylaws, Candidate Interviews, Executive Session

Executive Session ORS 192.660(2)(i) ORS 192.660 (8): Postponed by Chair to June meeting.

Adjourned – 8:35 PM