Approved Minutes Regular Board Meeting

Monday, January 8, 2024, 5:30 p.m.
3076 NE Diamond Lake Blvd, Roseburg, OR 97470

1. Meeting called to order at 5:32 by Chair, Tom Trotter

2. Roll Call taken by General Manager, Cheryl Cheas.

PRESENT: Tom Trotter, Mike Baker, Janice Baker, Lonnie Rainville**,** Michaela Hammerson
ABSENT: Sarah Thompson, Doug Mendenhall

3. Pledge of Allegiance recited.

4. Consent Agenda

4.1 December 11, 2023 Regular Meeting Minutes
4.2 December 2023 Preventive Maintenance Report
MOTION: Lonnie Rainville motioned to approve the consent agenda. Mike Baker seconded, no further discussion.
Motion carries. Vote: 4– Yay, 0 – Nay, 0 – Abstain, 3- Absent.

5. Financial Report

December Financial Report - Sheri Bleau, Finance Manager, stated we should be using 50% of our budgeted expenses. We are in line with our budget. Tom Trotter questioned Medical Transportation is at 38.77%, do you think we will hit the $550,000 income budgeted? Discussion followed, we have taken on more drivers, so we anticipate going over the budgeted amount.

The General Manager went over the letter provided in the packet, regarding conversation with ODOT, discussion regarding concerns over not having enough money in the bank to pay for the vehicles outright. In addition, looking at STIF expenditures and the cross over between Operations and Capital Reserves.

Jennifer Boardman, Region 3 Regional Transit Coordinator, provided input regarding what led up to the meeting and ODOT's concerns as well as goals that were set for the agency and status of reimbursement requests. She recommended the Financial Training to be able to see the red flags. More discussion followed. Jennifer also stated on a good note, Cheryl put in for COVID funding and that was awarded today. UPTD will receive $518,360 for Fixed Route and $230,000 for Demand Response ParaTransit. Final approval came at PTAC today.

Discussion followed regarding the difference what we anticipated paying for the Capital Grants and the actual payment with the price increases. Tom requested financial reports in Excel format.

MOTION: Lonnie Rainville moved to approve the December Financial Report, Seconded by Mike Baker. No further discussion.
Motion carries. Vote: 5 – Yay, 0 – Nay, 0 – Abstain, 2 - Absent.

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

7. Old Business

7.1 Line of Credit update – Letter from Bond Counsel was provided. General Manager provided information regarding the questions Umpqua Bank had regarding UPTD's adopted budget. Discussion followed regarding utilization of the line of credit. The GM indicated that there was no plan to utilize the line of credit for operations and that through the budget

process, training for staff and accurate projections a plan can be put in place to get us back on track and determine whether we have expanded beyond our means due to the increase in the price of providing service. We need to determine whether we need to cut service or where do we need to cut costs. Having the new vehicles will reduce the preventive maintenance costs. Lonnie questioned the attorney fee and then in addition, the fees and if we take any money on the line of credit there are also fees so the cost will be beyond $12,500. What is the percentage rate on the line of credit? The response was that we don't have the terms, the attorney is the one that would be helping us put the terms together to get that amount. Discussion followed as terms were provided in the October Meeting. Lonnie indicated that he is not a fan of the line of credit has not been from the gate and especially in lieu of what has been discussed tonight. He does not like the idea of having a line of credit until our finances are squared away. Cheryl agrees and disagrees in that not having puts us in a place where we have no alternative but to use the operations dollars while we are waiting for reimbursement on capital, kind of like we are now with utilizing capital dollars while we are waiting for reimbursement of operations. Lonnie stated the way he looks at that is using your credit card to pay off your loan, not somewhere we want to go. Discussion followed regarding growing too quickly with a short history of how the District Finances started with a minimal reserve of approximately $200,000 was shared. More discussion followed. What sources of revenue can be utilized to pay these fees needs to be determined, like fare box revenue which can't be utilized for match and medical transportation and advertising but we need to seek other revenue streams. Need a revenue plan. Possibly future legislative action or through OTA.

MOTION: Lonnie Rainville made a motion based on information shared tonight, to rescind the approval and hold off on the line of credit. Seconded by Michaela.

Motion carries. Vote: 4– Yay, 1 – Nay, 0 – Abstain, 2- Absent.

Mike Baker, clarifying interpretation provided, that we are going to continue to move forward but not sign anything until we have more information.

Lonnie – To clarify my motion – Motion is that we rescind the approval to authorize the signing of the line of the credit (with the letter) until we get additional information about the circumstances and at that point, we can make a new motion to allow for approval.

7.2 Approve Budget Timeline

Budget Timeline was presented with updates regarding delivery of the Budget to Budget Committee. Budget Timeline includes "Appoint a Budget Officer" at the January Board Meeting. Chair Trotter brought Appoint Budget Officer to the table.

Appoint Budget Officer

MOTION: Lonnie Rainville moved to appoint Sheri Bleau as Budget Officer, seconded by Michaela. Discussion followed. Mike Baker questioned why we would appoint not appoint Cheryl as ultimately responsibility for the Budget rests with the General Manager.

Lonnie rescinds his motion to appoint Sheri and makes a motion to appoint Cheryl Cheas as the Budget Officer. Michaela seconds. No further discussion. Motion carries. Vote: 5 – Yay, 0 – Nay, 0 – Abstain, 2 - Absent.

Approve Budget Timeline

MOTION: Mike Baker moves to approve the Budget Timeline as presented. Seconded by Lonnie.

Motion carries. Vote: 5 – Yay, 0 – Nay, 0 – Abstain, 2 - Absent.

Additional information: We have 14 confirmed Budget Committee Members.

8. New Business

8.1 Establishing a cash reserve – Information provided regarding Cash Reserve Policies. Most healthy companies have a one-year reserve. Does the Board want to make a motion to create a policy or do they want us to bring a policy back to them for approval. With current budget of 4.2 million, a 3-month operating reserve would be just over a million dollars. We would need a financial plan to achieve that. All of the funding that is coming to us for this fiscal year is already allocated so it cannot go into a reserve. However, we can put income into a reserve and in our budgeting process, look at what we could remove. Chair Trotter asks when would we utilize a reserve? Discussion followed. Reserve would be used in the event of a situation just like we are right now. In the event of increased costs or we've made a mistake or funding is reduced which is actually a possibility. 5310 funding, which we receive approximately $900,000/biennium, may be reduced if whatever was authorized at the Federal level to increase that funding is not re-authorized. 5310 funding could be reduced by half. Chair Trotter suggests it might be a good idea to start small, like 3 months which would already be a massive improvement. Possibly use Medical Transportation to build cash reserve. Farebox is always applied to operations. Can reserve be put in a high interest CD? Key is it would have to be accessible. Jennifer Boardman shared what other agencies have run into when putting reserve into high interest accounts. Have to be careful.
Lonnie makes a motion that establish a reserve that is 25% of operational costs and debt service. Mike Baker seconds.
Discussion follows: Do we know how much that is? About $1.1 million. Chair Trotter repeats Lonnie has made a motion that we adopt a policy to have a cash reserve of 25% of operational costs and debt services.
Motion carries. Vote: 5 – Yay, 0 – Nay, 0 – Abstain, 2 - Absent.

8.2 STAC/STIF Timeline - The requirement is for the STIF/STAC Committee to meet a minimum of two times; however, it is optimal to meet quarterly to provide updates and training. In order to be effective, meetings need to occur in alignment with the grant cycles. Discussion followed. The timeline has not been discussed with the committee. It will be communicated once we approve the timeline. Michaela asks for clarification on how the Committee members are chosen. Briefly went over the requirements for representation for Seniors and People with Disabilities, Veterans, Pedestrians and there is a list of openings on our website. They apply through the STIF STAC Committee, the committee votes to move the selection forward for appointment by the Board. Is there a cost associated with the committee? No costs.
Motion: Janice makes a motion to approve the STIF STAC Committee meeting timeline. Lonnie seconds.
Motion carries. Vote: 5 – Yay, 0 – Nay, 0 – Abstain, 2 - Absent.

8.3 Goals for the agency – Cheryl states that in looking at goals for the agency, we need to look at the goals that were recently established in the Transit Master Plan and our Coordinated Plan. The four goals from the Transit Master plan were provided. Discussion followed. Lonnie made a motion to approve Agenda Item 8.3 Establishing Agency Goals. Tom shared his thoughts regarding the prioritization of goals and feels safety should be the number one goal. Discussion followed. Prioritization was recommended as follows:

1. Safety
2. Financial Sustainability
3. Board Training
4. Increase Ridership
5. Implementing STIF Projects
6. Applying for grants to improve facilities and shelters
7. Improve bus stop facilities
8. Staffing succession plan
9. Representing transit.

Lonnie made a motion to approve priorities as presented. Janice seconds.
Motion fails. Vote: 2 – Yay, 2 – Nay, 0 – Abstain, 3 - Absent. Tabled to next meeting for a detailed draft.

9. **Project Updates**

9.1 Project Next Door – Grant# 35335, 5339 Capital – NEPA moved forward to FTA but there has been no decision or response.

9.2 Lo-No Project – Grant# 35395 – Received a letter from Proterra. 1/8/2024, was the court hearing for the new ownership to be approved, Phoenix Motorcars. This was passed and approved in federal court today in Delaware, so effective by January 11, 2024, they will have new ownership and most likely a new name to go with this change.

9.3 STIF Project Updates - No new presentation provided. Going forward it is the intent of the General Manager to provide

10. **General Manager Report –** General Manager, Cheryl Cheas asked for questions. Comments and discussion included increase in ridership at Sunshine Park and the new website is really nice, more user friendly. Lost an Executive Assistant but we have interviewed and made an offer. Seems like Roseburg Route ridership has increased more than others. Where does the ride count if they are getting on in Roseburg and going back to Winston? Is there software available to help with data collection.

11. **ODOT Update –** Jennifer Boardman – The new PTD Administrator will be making a presentation to the Transportation Committee and part the information that she will be presenting are the gaps or issues that providers have had which can include inflation, COVID, people moving away from cities and other things that have increased costs. She will be presenting success stories and gaps. Looking for training opportunities as they have training dollars available. ODOT PTD is filling vacant positions. New round of funding applications will be completed in OPTIS. Read the guide for help.

12. **Not on Agenda –** Acronyms, could we get the document with acronyms and the first usage of an acronym in a document be spelled out.

13. **Public Comment (Limit to 10 minutes total)** – No public comment provided.

14. **Agenda Build –** Next Regular Meeting February 12, 2024 – Goals for the agency, Line of Credit, STIF Quarterly Reports, Executive Session for Review, Quick Training for New Budget Members at Budget Committee Meeting
15. **Executive Session ORS 192.660(2)( ):** No Executive Session

16. **Adjournment –** Meeting adjourned at 7:29 PM.