

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT
BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 9, 2017
MCEDD OFFICE, 515 EAST SECOND STREET, THE DALLES, OR
OR CONFERENCE CALL

BOARD MEMBERS: Ken Bailey, Sue Knapp, Rod Runyon, Bill Schmitt, Gary Thompson, Dana Peck, Robert Kimmes, Stephanie Hoppe, Bob Hamlin, Humberto Calderon, Perry Thurston, Eric Proffitt

STAFF: Amanda Hoey (Executive Director), Jessica Metta (Deputy Director), Sherry Wickert (Finance Manager), Siri Olson (Finance Manager), Kathy Fitzpatrick (Mobility Manager)

GUESTS: Brent Olson (MCCOG/LINK), Jake Warr (ODOT), Dan Schwanz (GOBHI)

CALL TO ORDER/INTRODUCTIONS

Ken Bailey called the meeting to order at 3:00 p.m. A quorum was present. A round table of introductions took place.

CONSENT AGENDA

Approval of September 2017 MCEDD Minutes.

Motion to approve the consent agenda made by Gary Thompson. Eric Proffitt seconded the motion. Motion passed unanimously.

SERVICE EXPANSION COMMITTEE REPORT

Ken Bailey provided an overview of the Service Expansion Committee. He noted that the Committee operated with the intention that the potential modification to add the LINK would need to meet MCEDD's mission and that MCEDD's transportation services provided a good basis for moving forward. He stated that the committee also wanted to ensure that there would be no adverse impact to other MCEDD projects or the current MCEDD operation and that MCEDD needed to ensure it could effectively serve the new program. In reviewing LINK finances, Ken stated the committee initially found a few concerns: first, that the brokerage call center occupied a majority of building so an appropriate lease arrangement was essential and second, the need for ongoing payment of current staff as the distribution of wages for a couple of positions was heavily weighted to the brokerage. As GOBHI is the largest call center brokerage user, committee members discussed the concerns with GOBHI and from the letter GOBHI provided, the Committee was satisfied that operations could be assured for continuation. Finally, the committee also identified a need to address the outstanding debt created through an interfund transfer at MCCOG to provide match for the Transit facility construction. While MCCOG is still determining the mechanics of paying that debt, the committee's letter to MCCOG and the preliminary conversation indicate that it will move forward. Given the preliminary GOBHI discussion and preliminary agreements with MCCOG, Ken stated that he felt that taking on the LINK would not negatively impact other MCEDD projects.

Bob Hamlin joined meeting at 3:05 p.m.

Amanda Hoey provided additional detail and thanked those serving on the Service Expansion Committee, noting members including Board members Ken Bailey, Bob Benton, Perry Thurston and

Dana Peck. She noted that much thought was put into financial analysis to get securities in place that would best ensure MCEDD could sustain services for the long term. She reviewed contents of the packet provided for the meeting. She noted Board member Mark Zammiller's concern at the last board meeting related to the administration of the LINK and the relationship to the full board. She highlighted the Committee's recommendation to create a Transportation Administration Board (TAB). The TAB structure is modeled after the existing MCEDD Loan Administration Board (LAB) in which the LAB operates under policies and objectives established by the MCEDD Board and has autonomy for decision making within that framework. She noted the similar operation of the proposed TAB and noted that it would be regional and for all of MCEDD's transportation work, including support for the LINK.

Discussion: Eric Proffitt asked if the financial highlights included GOBHI/brokerage call center. Amanda stated that those accounts were removed from the overview, as was the facility construction, to provide the best proxy for LINK operations. For brokerage related components, it only includes revenue for the provided rides through the LINK for the non-emergency medical transportation component. Rod Runyon stated that he heard that David Meriwether is advocating MCCOG paying the debt from their funds. Ken Bailey corroborated that this was the ask from the MCEDD Service Expansion Committee as submitted in the letter (included in the board packet). Eric Proffitt noted that while he feels positive about the direction, there is always still a risk and wanted to know if we have an exit clause or strategy if these verbal agreements do not materialize. Amanda noted the need to finalize negotiations on lease agreements and the interfund loan balance. She stated that the draft resolution gives the MCEDD Executive Committee authority to negotiate those agreements. She stated that longer term we can look at restructuring, if necessary, to look at cost efficiencies, but the intention is to maintain services if the revenue continues to support those operations.

Dana Peck noted the advantages to both Oregon and Washington as picking up this transportation skill set could help strengthen regional transportation and MCEDD overall. Perry Thurston stated that he had initial concern over the vehicle fleet but that concern was alleviated after viewing the vehicles and understanding their maintenance schedule. He stated his opinion that in future all wheel drive access vehicles may be needed in certain areas. Amanda Hoey directed the Board to review ODOT's letter which includes a listing of assets, including the vehicles. She noted that staff met with our insurance agent to review and pointed out the upcoming vehicle replacement grant agreement. She also noted that there will be a number of policies the Board will need to adopt. Ken Bailey encouraged that the main players, including ODOT and GOBHI, want to see this transition successfully and have been willing to work together with MCEDD.

Sue Knapp asked about TAB development and oversight. Amanda Hoey reviewed the similarities to the LAB structure wherein the Board sets policies and procedures and the LAB reports to the full Board at least quarterly. For the membership, she noted that the draft resolution includes three Board members and up to four non-board members. TAB will have autonomy in making decisions based on full Board policies and procedures adopted.

Gary Thompson stated that he was in favor of the transfer but noted that all but one of the rolling stock is older than he would like to see and thought that six will need to be replaced in next three years. He stated concern about value of those vehicles. Brent Olson noted that the standard for the useful life is when a vehicle reaches 5+ years and 150,000+ miles. He

stated that the oldest one is still around 125,000 miles and all are well maintained. Dan Schwanz provided historical perspective that before ARRA, vehicles were operated much older and with higher mileage. Many of the vehicles currently with LINK were purchased with resources through ARRA to update the fleet. The vehicles are operated mostly in the City of The Dalles, so few miles are accumulated even though they may be older vehicles. Amanda Hoey also clarified that MCEDD does not place a valuation on the vehicles as MCEDD is not purchasing the LINK but only transferring administration Gary Thompson also noted the variation in revenue, expense and profit over time and asked why it has carried so much over time. Amanda Hoey reviewed some of the historical changes noted within the overview.

Rod Runyon noted time is of the essence and supports going to smaller group for ongoing decision making. He sought clarification on which aspects would be reviewed by the Executive Committee and which would be reviewed by the TAB. Amanda Hoey reviewed the draft resolution and noted that initial agreements would be confirmed through the Executive Committee. The MCEDD Board would be expected to make TAB appointments at the December Board meeting based on recommendation from the MCEDD Executive Committee.

ADOPTION OF RESOLUTION 2017-5

Amanda Hoey presented resolution 2017-5 to authorize transfer of the LINK transportation system and establish the Transportation Administration Board.

Motion to adopt Resolution 2017-5 made by Rod Runyon. Bill Schmitt seconded the motion. Motion passed unanimously.

AUTHORITY TO TRANSFER ASSETS/AGREEMENTS

Amanda Hoey noted that this agenda item was included in the event that we needed to address any items with ODOT today. As there are no further required for today, future activity will be presented to the Executive Committee as authorized by the resolution.

OTHER NEW BUSINESS

Amanda Hoey formally introduced Siri Olson, MCEDD's new Finance Manager, and noted Sherry Wickert's retirement party on November 20, 2017. She also noted the recent hire of Lauren Hernandez as Office Administrator. Lauren starts part time with MCEDD in December.

ADJOURNMENT: Meeting adjourned at 3:35 p.m.

Respectfully submitted by Jessica Metta, Deputy Director