



**Minutes of Board Meeting**

**Wednesday, July 20, 2022 – 8:30 a.m.**

**Location: 303 S. 2<sup>nd</sup> Ave, Suite A, Okanogan, WA**

**<https://us06web.zoom.us/j/94229007551?pwd=MGJjOINTbHk2OGJRbzVRMwVHR0VkcOT09>**

**Or by phone: (253) 215 8782; Meeting ID: 942 2900 7551 / Passcode: 893096**

**Attendees:**

\*Cindy Gagne, Mayor, City of Omak, (Chairperson)  
\*Wayne Turner, Council Member, City of Okanogan  
Kelly Hook, Mayor, City of Pateros  
Tim Rieb, Council Member, City of Brewster  
Jon Neal, Mayor, City of Oroville (joined at 9:01 a.m.)  
Aaron Studen, Council Member, Town of Twisp

**Guests:**

Eric Leonhardt, CLA, Wealth Advisor  
Jamie Fontaine, CLA, Wealth Advisor

**Staff:**

\*Brent Timm, General Manager (GM)  
Jackie Gleason, Finance/HR Director  
Paula Brantner-Thomas, Clerk of the Board  
Sarah Croskey, CLA Treasurer  
Scott DeTro, Attorney

**Absent:** Andy Hover, Okanogan County, Commissioner (Vice-Chair); Rene Maldonado, Mayor, City of Tonasket; Sally Ranzau, Mayor, Town of Winthrop

\*These attendees attended in-person

**Call to Order and Introductions**

Chairperson Cindy Gagne called the meeting to order at 8:31 a.m. Introductions were given.

**Approval of Consent Agenda**

**Motion:**

Board Member Wayne Turner moved to approve the Consent Agenda as presented. The motion was seconded by Board Member Kelly Hook.



Chairperson Gagne called for the vote; the motion passed unanimously.

- Agenda
- Minutes from June 15, 2022, Regular Meeting, and June 17, 2022, Special Meeting
- Financial Reports
  - June 2022/July 2022 Voucher Certification – OCTA Treasurer
- Voucher/Warrants: The following vouchers/warrants/electronic payment are approved for payments:

Checks	8752-8828	\$156,925.64
Payroll	DD3475-DD3506	\$48,551.32
ACH/EFT/E-Pay		\$40,095.57
<b>Total</b>		<b>\$245,572.53</b>

**Public Comment:**

There was no public comment at this time.

**Old Business**

**Action: Resolution #2022-17 - A Resolution of the Okanogan County Transit Authority Board of Directors Establishing a Policy for Outstanding Accounts Receivables and Delegating Authority to the General Manager or Finance/HR Director to Write-Off Certain Outstanding Accounts Receivables and to Retain a Collection Agency as provided in RCW 19.16.500**

**Motion:**

Board Member Wayne Turner moved to approve Resolution #2022-17 as presented. The motion was seconded by Board Member Tim Rieb.

GM Timm reminded the Board this Resolution was regarding the bad debt policy, which was discussed at last month’s meeting. Attorney Scott DeTro entered the agreed upon fees and this was the final draft, ready to be approved.

Chairperson Gagne called for the vote; the motion passed unanimously.

**Discussion: Investment Options - CLA Wealth Advisors**

CliftonLarsonAllen (CLA) Financial Advisor, Jamie Fontaine, reported that due to the way interest rates are rising and the current market, OCTA’s portfolio is down 1.76% and the bond market is also down. She stated an investment option for OCTA is a US Treasury Bond which would attempt to increase the yield up to 2.76-2.79%. This type of bond is a shorter duration but larger pay out.



With Spring Mountain Capital (SMC), the portfolio manager, they handle investment bonds. She stated they would eliminate BlackRock Investment Company and start investing new monies into the Treasury. As exiting bonds mature, they would then be transferred to the Treasury's to get the higher yield. The cost is minimal, around .32-.35%, and would include active management and is less of a time commitment.

Finance/HR Jackie Gleason asked if this was just regarding the Vehicle Replacement Account or all of OCTA's investments. Ms. Fontaine stated it could be done either way. There was the option of moving all existing money to the Treasury. The current monies from the Vehicle Replacement Account would be invested in a US Treasury Bond and as existing investment monies mature, it could be transferred in kind. All existing bonds could be moved from BlackRock to SMC, but they would stay in the existing form they are in. This is to try and get a better yield on existing money and also new money with the strategy they are proposing. She stated there was no cost to move the money.

The question was posed to Attorney DeTro as to if Board action was required regarding a change in investments. Attorney DeTro stated the safest way would be to do an oral Board Resolution. Both Finance/HR Gleason and GM Timm stated they would feel more comfortable with the Board taking an action as a whole.

**Motion:**

Board Member Aaron Studen moved to form a Resolution to move funds from BlackRock to a US Treasury Bond. The motion was seconded by Board Member Kelly Hook (Note: the motion was subsequently amended).

GM Timm informed the Board there was 1.3 million in the Vehicle Replacement Account and he would like to do some type of short-term investment with this money. This is the "new" money that was just talked about. Ms. Fontaine clarified there would be two separate accounts to differentiate between the two.

Board Member Studen asked if the average maturity is about 9-10 months, was GM Timm comfortable with that time period. GM Timm stated yes, he was, because if buses were ordered now, there is a delay of 2-4 years before receipt. He stated as the supply chain gets straightened out, they would then have a better idea as to when to stop investing. Ms. Fontaine reminded the Board this type of investment was a ladder program, from 3-18 months in maturity from the date of purchase, therefore it would constantly be coming due. In addition, it could be sold at any time and would be liquid within 2 days if needed.

Finance/HR Gleason asked the Board how often they want money to be moved over, e.g., monthly, quarterly, etc. Ms. Fontaine also stated the agency can add additional money at any time they want, but just need to let them know. When a specific monthly amount was determined to be transferred via a Resolution, it would happen automatically each month. If additional monies were requested



to be transferred, it would only occur that one month and the subsequent months would revert back to the regular specified monthly amount. Board Member Studen suggested monthly transfers were the best way to make money on interest and more often would be better. The Board agreed on monthly transfers.

Board Member Studen asked to amend his previous motion and include language in this Resolution to include the 1.3 million in the Vehicle Replacement Account. Board Member Hook agreed to add this language to the previous motion.

Finance/HR Gleason asked the Board to specify what amount they want to invest. Chairperson Gagne stated the Board is directing staff to eliminate BlackRock and move funds into Treasury. In addition, to move the monies in the Vehicle Replacement Account into Treasury. Finance/HR Gleason asked the Board how much of the 1.3 million they wanted to invest. The consensus of the Board was to invest the entire 1.3 million.

Chairperson Gagne called for the vote; the motion passed unanimously.

**Action: Resolution #2022-18 - A Resolution of the Okanogan County Transit Authority Authorizing a Separate Depository Bank Account at North Cascades Bank Designated as "OCTA Vehicle Replacement Account" and Directing the Amount of the Funds to be Placed in Such Account, and Repealing Resolution No. 2017-09**

**Motion:**

Board Member Jon Neal moved to approve Resolution #2022-18 as presented. The motion was seconded by Board Member Kelly Hook.

Finance/HR Gleason reported that looking at the cost of the buses x 50% of the manufacture price and another 10% for inflation, the total cost would be \$153,450 per bus, times 10 buses, divided by 5 years = \$25,575 per month. This money would go into the Vehicle Replacement Account each month for the next 5 years. The Board agreed on \$25,575 to be deposited every month and agreed to backdate the deposits to January 1, 2022.

Chairperson Gagne called for the vote; the motion passed unanimously.

**Action: Resolution #2022-19 – A Resolution of the Okanogan County Transit Authority Amending Resolution #2016-17 to Increase the Maintenance Amount in the Revolving Account at North Cascades National Bank (now North Cascades Bank)**

**Motion:**



Board Member Wayne Turner moved to approve Resolution #2022-19 as presented. The motion was seconded by Board Member Jon Neal.

Finance/HR Gleason reminded the Board this was a follow up to last month's discussion as \$225,000 was the maximum to be kept in the agency's checking account to make necessary payments. She asked for an increase to \$300,000 to meet the agency's monthly obligations so this was the final Resolution ready to be approved.

Chairperson Gagne called for the vote; the motion passed unanimously.

**Discussion: OCTA 2022 Monthly Financial Statements**

GM Timm informed the Board this was a follow up from last month's meeting and that Attorney DeTro wrote a letter to CLA as it was felt there was a breach of contract as they were not fulfilling their contractual obligations. He reported CLA subsequently did provide the 2020 changes on the Financial Statements; they are working on the 2021 close out statements and he still has not received any Financial Statements for 2022. He stated in CLA's response letter, they claimed without the closing of 2020 and 2021, they were not able to provide any 2022 statements, however that was in question, and he didn't understand why they could not produce those. He stated both he and Finance/HR Gleason have emails to rebut statements CLA alleged. GM Timm asked if CLA Treasurer Sarah Croskey could provide input as to why the 2022 Financial Statements could not be provided.

CLA Treasurer Croskey stated all 2022 Financial Statements were sitting in review and they had not yet been released for disbursement. She stated they are getting feedback for the 2021 Statements to avoid material misstatements and that was causing a delay. The 2021 Statements were currently at the second review and once the review notes were cleared, they would be produced. After that, all of 2022 goes through review which will happen quicker as it's not the annual review. She stated they also wanted to make sure the movement to cash basis and full conversion happened, so they needed to make sure all entries were made.

Chairperson Gagne asked CLA Treasurer Croskey for an expected completion date. CLA Treasurer Croskey stated she didn't have an exact date as she didn't work with the quality team, as Stacy Short works with the quality team as principal in charge. GM Timm stated he believed in CLA's July 9, 2022, response letter they stated it would take 3-4 weeks to clear 2021, once 2020 was completed. Both he and Finance/HR Gleason did approve 2020 and his understanding was CLA was now working on 2021.

Chairperson Gagne stated it appeared the best-case scenario would possibly be the end of August to receive 2022 Financial Statements per CLA's response letter. CLA Treasurer Croskey confirmed. GM Timm expressed frustration of waiting until the end of August to receive any



financials from 2022 and he felt this was unacceptable. He stated it has been difficult for Finance/HR Gleason to get her job done and the 2022 statements are crucial to ensure accurate accounting. Chairperson Gagne stated she understood the conversion issue, but not receiving these statements was a liability, fiscally and fiducially was not correct, and showed a lack of responsibility. She stated the agency needed something in at least draft form. GM Timm also expressed concern of the SAO audit beginning next week and the agency not having any Financial Statements for 8 months of 2022.

CLA Treasurer Croskey stated she just sent an instant message to the quality team asking if she could release January-May drafts. She stated the June draft was one day away from being completed. She stated she understood their frustration and she would be frustrated also. \* CLA Treasurer Croskey subsequently reported she was authorized by the quality team to release January-May drafts today.

#### **Discussion: June 17, 2022, Strategic Planning Board Workshop**

GM Timm stated TranGO's draft Strategies and Goals were included in the Board Packet and will be included in the Transit Development Plan (TDP). He asked the Board to provide feedback or ask any questions about the 5-year Strategies and Goals outline. Council Member Wayne Turner stated the Workshop Minutes captured the meeting very well.

Finance/HR Gleason informed the Board that the preliminary budget on the TDP was due by September 1, 2022. She stated she was working on expenditures and would also need to do an amendment to the budget. GM Timm stated the budget needs to account for the expansion and take into consideration where the agency wants to be in 5 years.

Council Member Studen asked for clarification in the June 17, 2022, Workshop Minutes regarding facility needs and not taking tax generating revenue from towns. GM Timm explained when looking for a building or property, they don't want to take away potential sales tax revenue from other retail business space.

#### **New Business**

#### **Discussion: OCTA 2020 Final Financial Statements**

GM Timm reported CLA provided 2020 Financial Statements for approval. He and Finance/HR Gleason submitted questions to Deborah Hutchinson with CLA regarding several mistakes that were sent to the SAO the first time. Ms. Hutchinson responded, and they were able to get things cleared up. However, neither understood the answer given regarding a question about the retirement system and liabilities.

Finance/HR Gleason stated she worked with Ms. Hutchinson and compared the old 2020 statements to the new 2020 and made sure to include information regarding the CARES Act for



the audit. She was told the only change made to the statements was regarding the CARES money, however upon review with Ms. Hutchinson, she did find other things that had been changed.

Finance/HR Gleason asked CLA Treasurer Croskey to confirm the 2020 Final Financial Statements have been reported to the State Auditor's Office (SAO). CLA Treasurer Croskey stated she would look into that.

**Discussion: Transportation Development Plan (TDP)**

GM Timm reminded the Board the agency's goals and objectives will be put into the TDP which is due in September so they can expect to receive these as they are developed. He reported there have been recent changes to the Omak and Winthrop routes and there are plans for expansion. He stated there needs to be a Public Hearing regarding the TDP which will be on next month's meeting agenda. He had hoped to have a draft ready for this month's meeting, however due to the agency's server going down, it took longer as he didn't have enough time to recreate documents that were lost.

**Discussion: Supplemental Paratransit/Special Needs Formula Grant Distribution**

GM Timm reported the agency received a formula grant of \$10,932 after WSDOT went back and recaptured extra money they had in their formula account. He will work on a Scope of Work as to how this money will be used and will then work on an amendment letter.

**Discussion: 2022 Green Transportation Capital Grant Supplemental Funding**

GM Timm reported this grant is the Zero-Emissions Grant Fund he applied for and reported at last month's meeting. The agency will receive \$80,000 from WSDOT and there is a 20% match on the agency's end. He reminded the Board that this is a requirement by the FTA to receive any federal funds and the state is also moving in the same direction to receive state funds. He stated there were numerous things that could be charged under this, including staff time as matching funds. He plans to hire a consultant as this project involves quite a bit of planning. He will develop a Scope of Work and submit to the state who will then submit a contract and it will be up to the Board to approve that contract.

**Committee Reports**

**Finance Committee:**

Nothing to report currently.

**Facilities Committee:**

Nothing to report currently.



**Personnel Committee:**

**Discussion** - Employee Evaluation for Finance/HR position. Finance/HR Gleason stated the Personnel Committee will need to set up a meeting to evaluate her position. She will work on scheduling this.

**Planning Committee:**

Committee Chair Turner reported there was a close out meeting with Tom Moore from Clarity Consulting regarding the Board Workshop.

**Executive Committee:**

Nothing to report currently.

**General Manager's Report:**

General Manager Timm reported the following:

- He has been working on the server issue to replace lost files. This has been frustrating, and he is considering changing IT companies as certain tasks were not being performed as was expected.
- The building air conditioning has been replaced and is now up and running.

GM Timm had nothing further to report other than what was provided in his written Manager's Board Report.

**Operations Manager Report:**

Operations Manager Mike Foth provided a written report but was not present at this meeting.

GM Timm reported on the following:

- The Omak Southbound route has changed and is now coming all the way down Ash St. which has been well received and appreciated. In addition, they have added a stop at the Winthrop Library which has also been appreciated.
- Operations Manager Foth is working on a more secure door in the office reception area.
- SCJ Alliance is still working on the bus shelters, and they hope to have them up soon. They are waiting for a few additional things from the surveyor.





**Finance/HR Director's Report**

Finance/HR Director Gleason reported the following:

- 2019-2021 Audit – She listed some concerns in her written report. She has been through 4 audits in this position, in addition to Twisp and many others. She will work with the auditors the best she can.
- Accounting Conversion (Tyler Technologies) – It has been uploaded on the cloud and will get a new project manager soon.
- Hiring – The Driver Supervisor/Trainer position was advertised, and 3 internal interviews will be conducted on Thursday, July 21, 2022. Also, a recent ad was posted for a full-time driver in Twisp, which closes August 10, 2022.
- She provided snapshots on sales tax revenue and investments. Investments are down. Regarding sales tax, when compared at the 6-month mark to last year, are currently \$407,000 ahead. GM Timm reported he received information from WSDOT that the sales tax equalization funds will no longer be received as the agency no longer qualifies due to receiving a large increase in sales tax revenue.

**Adjourn:**

There being no further business to come before the Board, Chairperson Gagne adjourned the meeting at 9:48 a.m.

**APPROVED:**

  
Chairperson or Acting Chair

  
Brent Timm, General Manager

**ATTEST:**

  
Paula Brantner-Thomas, Clerk of the Board