

42 6. Presentation of Utah Local Government Trust Accountability Award - Jason
43 Waterson, ULGT: The Trust Accountability Program (TAP) award is for the year
44 2017. The award has to do with safety; the purpose of the program is to incentivize
45 organizations to get programs in place to avoid risk and loss. ULGT is serious about
46 risk management and loss prevention, so they offer a discount on some of their
47 premiums to organizations that meet certain requirements. ULGT also does risk
48 lookovers—they observe drivers and facilities; CVTD staff insists that they do
49 surprise visits and just drop in. Jason Waterson presented the award to CVTD.

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51 7. Presentation of FY2017 Financial Audit - Jeannie Simmonds: Jeannie Simmonds
52 went over the audit. The audit went well; there were no findings. The system is
53 running efficiently and to the letter of law. Jeannie highlighted a few items on the
54 budget to actual. The sales tax income was 109% of what was expected, so there was
55 an increase. Interest income was also quite a bit what was anticipated (projections are
56 kept conservative). Payroll and benefits were 8% under-budget. Professional and
57 technical fees, which included the Short Range Transit Plan and legal fees, was
58 under-budget as well. Most items were under-budget in Operational expenses aside
59 from a spike in software expenses; this was due to an unanticipated upgrade.
60 However, equipment costs were kept down in order to cover the expense, as the
61 upgrade was more critical than the equipment. There were a couple of items over in
62 Preventative Maintenance: Towing and Supplies for vehicles. Supplies for vehicles
63 were running higher based on usage; staff is monitoring this increase. The rise in
64 towing costs was due to one large towing bill to Salt Lake City, which was paid for
65 by insurance. Preventative Maintenance was under-budget overall. Facility
66 maintenance was also under-budget. Capital Outlay expenses were under-budget;
67 these expenses included the purchase of two buses and the bus lift replacement. Most
68 projects were completed with the only outstanding project being a bike and ride site-
69 engineering project that will carry over into 2018. Curtis Roberts, CVTD Finance
70 Director, answered questions from Lloyd Berentzen, Norman Larsen, Cecelia
71 Benson. Currently the FTA defines large bus life as 12 years or 500,000 miles; CVTD
72 generally gets 14 years out of their buses. Two buses were sold last year. A company
73 out of California bought them; they became acquainted with CVTD a couple of years
74 back when they repaired one of our buses that needed extensive repair (\$80,000
75 worth). They were impressed with the overall condition of the bus, so they like to buy
76 our buses to refurbish and resell (refurbished buses last about 7 years and are more
77 for emergency acquisition). Norman Larsen asked if there was a shelf life on money;
78 Jeannie Simmonds replied that reserve cash is used for grant matching, bus
79 replacement, and match for a new building, so no shelf life. Jeannie Simmonds
80 continued to highlight different areas of the audit. No items of concern; no findings of
81 note. The auditors are required to look at internal controls; they felt that the internal
82 controls in the accounting system were good. Lloyd Berentzen asked if there was a
83 possibility that the population was being under-served (in regards to the extra income

84 from sales tax). Jeannie Simmonds answered that the additional tax revenue was
85 completely unexpected and that budgeting is based on a steady growth pattern. Craig
86 Wright commented that using that money for service could prove problematic
87 because it could be committing to operations that cannot be maintained if the income
88 amount drops. Curtis Roberts added that the sales tax bump was likely due to a
89 purchase of a plane and increased construction work going on which is not tax
90 exempt. So far, income this year has not been equal to last year. Curtis commented
91 that he is nervous about the current trends, so he is keeping estimates lower. Rodger
92 Pond asked if staff could factor the highest priority capital projects for the board.
93 Curtis Roberts replied that there are thirteen buses that need replacing in the near
94 future (to maintain existing service), funds to look attractive to federal grants (80/20
95 match), and a new building. Ridership fluxes up and down; CVTD should be ready
96 for the next flux up. Todd Beutler commented that across the nation during the
97 recession there was a 25% cut in service because there was less money coming in,
98 even though demand was up because of the recession. It is the reason why CVTD
99 manages conservatively, so that they can sustain consistent service. Roger Jones
100 requested that if board members have questions about the audit later they bring those
101 questions back to the next meeting instead of each asking the staff individually. Roger
102 asked for a motion to accept the audit report as presented. Jeannie Simmonds moved;
103 Norman Larsen seconded. Vote unanimous.

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105 8. Discussion of District Board bylaws - Norman Larsen: Norman Larsen wanted to
106 have a discussion to further understand the bylaws. Norman commented that in the
107 board policy manual (3.4.6) it talks about members being properly prepared for
108 meetings; board members should have information 48 hours ahead of time. Norman
109 said that there was not enough time to examine the letter of support for the Local
110 Option Transportation Sale Tax (adopted in the previous meeting). Roger Jones
111 replied that as he read it, they did not necessarily mishandle the adoption of the letter.
112 An item may be removed from the agenda, or delayed, with a motion by a board
113 member and the concurrence of the majority. There was some urgency involved with
114 the letter because the County was taking action soon. Norman suggested that process
115 be flipped—instead of motioning to remove an agenda item, the board should instead
116 motion to put it onto the agenda (if there are not 48 hours given). Craig Wright
117 commented that it could essentially tie the board's hands in times where there is
118 urgency and a board member can still motion to hold off on an item. Erik Ashcroft
119 stated that it might not tie the board's hands; they can still motion to accept and it
120 would create more pressure to present documents within 48 hours of board meetings.
121 Roger Jones assigned the PEP Committee to look into the matter further.

122
123 9. Consider for adoption General Manager's interpretation of policy 2.2 - Ron Natali:
124 Craig Wright presented as Ron Natali was out of town. There was some discussion
125 about if board members felt that the surveys were an effective method to review the

126 interpretations. This system tries to balance giving board members access and an
127 opportunity to provide input, but also the ability to move quickly in board meetings.
128 Craig reminded board members about the two-step process—first board members
129 would read the interpretations and make comments; then after the interpretations are
130 approved, they will receive the supporting documents to review. It was decided
131 awhile back that it was too much effort for the General Manager to come up with all
132 the documentation without understanding what the board was expecting of him. By
133 reviewing the interpretations first, the reports that will be given to the board will be
134 more in line with what the board expects (versus being off the mark). Lloyd
135 Berentzen feels like this process is thorough and long. Cecelia Benson expressed that
136 she feels like the process is efficient. Craig Wright mentioned that the PEP committee
137 did not feel there was any particular reason to dive deeply into the interpretation for
138 2.2 (most board members approved of the interpretations on the unofficial ballot), but
139 board members were welcome to express any concerns as they moved through the
140 sections. Roger Jones asked that instead of approving each interpretation separately
141 they'd be approved in one vote. Craig Wright moved through each interpretation (2.2,
142 2.2.1, 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6) to see if there was input or questions from the
143 board. Jeannie Simmonds questioned about if a handbook was proof of
144 implementation because it is not data. Craig Wright said that it is enough proof from
145 his perspective; if they see a rise in accidents or the like, the board can ask for more
146 proof. Todd Beutler commented that after the board accepts the interpretations, he is
147 fine with the board giving further input on the documentation they'd like to see
148 during the next step of the process (without changing the interpretations). Sue
149 Sorenson added that sometimes the proof are the policies, as it is evidence that a
150 policy is in place; the PEP Committee decided to change the wording of the question
151 in the survey from “data” to “documents” i.e. “Do the documents demonstrate
152 achievement of policy?” Sue Sorenson moved that the board accept the General
153 Manager’s interpretation of Policy 2.2 (overall) and to amend the motion as
154 documented (added the employee satisfaction survey to the supporting documents for
155 2.2 and 2.2.2; clarified “employee handbook” to “the applicable section(s) of the
156 employee handbook” in 2.2 and 2.2.1; and corrected a grammatical error in 2.2.6 i.e.
157 “encourage” to “encourages”). Rodger Pond seconded. Vote unanimous.

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159 10. Board Chair report: Roger Jones asked Todd Beutler to go over a comparison of
160 benefits with other entities in the valley. Todd reviewed some of the differences in
161 insurance and retirement. A good benefits package aids in attracting and retaining
162 people. Employees are paid less of a starting salary with a healthier benefit package
163 because when they have asked employees which they value more they choose
164 benefits over a higher starting wage. Management looks at total compensation. CVTD
165 does not participate in the Utah Retirement System, or with Social Security, which
166 creates some differences. There was some discussion about social security. Roger
167 Jones asked if there were any further comments or questions before they moved on.

168 Roger mentioned the Cache County Council meeting on May 8, which three board
169 members attended; he asked Holly Broome-Hyer to share on that. Holly said that she
170 was concerned about the comments made by the other board members during the
171 meeting. Holly commented that board members should be careful to offer complete
172 information. Particularly in regards to a comment made about “surplus” money; this
173 money is earmarked for such things as the Short Range Transit Plan, facilities, new
174 bus purchases, it is not as if it has no purpose. She thinks that this was a bad
175 representation of CVTD. Holly would like to go back to the Cache Council and
176 present to clear up misunderstandings. Norman Larsen said that in his defense, he did
177 not make false statements and he has been against the taxes from the beginning. Holly
178 replied that she was not talking about the tax, rather how CVTD was represented in
179 the meeting with no explanation for the statements made, like the complete reasons
180 why ridership is down. Jeannie Simmonds asked if the County Council made these
181 statements and Norman replied that he had said them. Erik Ashcroft asked Holly if
182 she did not want the County Council to get the whole story just the good parts. Holly
183 replied that she wants them to have the whole story, but that is not what they got.
184 Roger Jones stated that there are nineteen board members and not just two, so when
185 they go around suggesting that the rest of the board members do not know what they
186 are doing—he thinks that is unfortunate and totally inappropriate. Holly added that
187 she went through their minutes, and even though Erik Ashcroft stated that he was
188 there for himself, he was listed in their minutes as a representative of the CVTD
189 board. Holly continued that it is important to give them more information so they get
190 the whole story. Roger Jones asked if there were any objections to Holly Broome-
191 Hyer going to present to the Cache County Council. No objections.

192
193 11. General Manager Report: Todd Beutler notified board members that the rider who
194 had aired grievances to the board before, might be contacting the Logan
195 representatives. This individual filed a Title VI discrimination complaint about there
196 being no Spanish translations (of a particular notification) on the paratransit buses. It
197 was denied. Curtis Roberts (as the Title VI Officer) explained that a Title VI
198 complaint could only be made on the ground of race, color, or national origin; this
199 individual wrote in their own reason. This rider does not have limited English
200 proficiency. Additionally, the staff knows who all the paratransit riders are—there are
201 no riders with limited English proficiency. On fixed route buses, however,
202 notifications are printed in both English and Spanish because there is enough of a
203 Spanish-speaking population to merit this. Overall, CVTD has been following their
204 limited English proficiency plan. Some additional discussion. Roger Jones said that
205 board members, if they so choose, can say that they feel comfortable with the way
206 that staff has handled this issue if they are contacted.

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208 12. **Adjourn:** Board Chair Roger Jones adjourned the meeting.