



Yavapai Regional Transit, Inc.
P.O. BOX 1157
Chino Valley, Arizona 86323
(928)458-5885
yavapaiaregionaltransit.com

“Moving Yavapai Regional Transit Forward”

MINUTES OF THE REGULAR MEETING YAVAPAI REGIONAL TRANSIT INC. BOARD

Thursday, September 13, 2018
8:00 A.M.

Yavapai Regional Transit Office
Chino Valley, AZ

1. Yavapai Regional Transit, Inc. convened for a regular board meeting at the YRT Office, located in Chino Valley, Arizona on Thursday, September 13, 2018 at 8:00 A.M.

Ron Romley called the meeting to order at 8:00 a.m. It was noted a quorum was present.

2. **Members present:** Ron Romley (Chairman), Dawn Marie Hayden (Vice-Chair), Nancy Best (Treasurer), Cheryl Romley (Secretary), Daniel Mattson (member). Also in attendance were Mary Conner, Sandy Stutey, Bill Mitchell, Mitch Padilla, member of the public. Daryl Croft, Board candidate, excused.

Ron Romley introduced Mitch Padilla, a local attorney, who recently ran for office. He was invited by Dawn-Marie Hayden .

3. **APPROVAL OF MINUTES**

Daniel Mattson noted an incomplete sentence in Section 7, paragraph m, regarding Great Expectations. Remove the last sentence.

A motion was made to approve the minutes as corrected by Daniel Mattson; seconded by Nancy Best. Motion carried.

- a. **CALL TO THE PUBLIC**

Ron noted Daryl Croft’s absence and that his application to become a Board member has been received. It will be distributed to members of the Board for a vote at the next meeting.

Mary Conner, Assistant to Supervisor Craig Brown, reported that the Board of Supervisors will introduce an ordinance to prohibit texting while driving; also reading a Proclamation for Veterans and POW’s. Town Halls coming up. Chino Valley will be on Oct 16 at the CV Senior Center. Flu shots will be scheduled for rural communities. Seligman is in the midst of a bridge replacement. There is animosity between the town and the contractors. Tonight is a meeting about the water pumping station development issue.

Ron reviewed the methodology for the Yavapai County Public Transit Funding Formula to the various transit operations. YRT falls into Level 3 for funding. We are at the \$20,000 funding level because of our population. The definition of “incorporated” vs. “unincorporated” is important. The County’s matrix doesn’t address FLEX route type service. Level 3 is described as Fixed Route with complementary paratransit. Ron will be sending a letter to Supervisor Brown to clarify categories for the funding and YRT’s history as a FLEX route system. Beaver Buggy, CAT, and YRT are all affected.

5. MANAGER & STAFF REPORT

- a. **Driver Meeting Report** - Bill Mitchell reported that the meeting had to be put off for a week
- b. **Ridership Monthly Report** – We had 843 riders including 17 for the Chino Valley parade. We have 479 riders in the same month last year including 47 on the Paulden Plunge. Number of veterans needs to be reported. Daniel noted several typos to be corrected on this report.
- c. **Introduction of Americorp Volunteer** – Sandy introduced .Patty Kardash who clarified that it is a state program, Arizona Serve, partially funded through the Corporation for Community Service which also supports the VISTA program. VISTA volunteers are full time; Patty is half-time. She will be working to make YRT more visible in the community through various programs, and will be focusing on building ridership. She will also get us set up on Google Transit, an international bus trip planning platform. She is a recent Masters in Global Community Development recipient.

6. SUBCOMMITTEE CHAIR REPORTS

- a. **Foundation Update** – The meeting this month was in preparation for the Community Transportation Fair and Sandy did not attend. Cheri reported on the Fair. It included transportation providers and human services agencies. There was discussion about how to bring advocacy to the forefront. Lots of talk, but no concrete plan to move advocacy forward. Cheri reported a success story for two riders, a veteran, Gary, and another Area Agency on Aging client, Ken, who have been riding frequently and are becoming more sociable and engaged.
- b. **Fundraiser Committee Update** - The Fundraising Committee has not met. Nancy agreed to be the chair going forward. The Board needs to recruit another member. Daniel mentioned a Go Fund Me campaign that YRT could use to raise money for a specific project. Cheri noted we need to publicize our status as an organization eligible for Tax Credit money, and reach out to accountants and tax preparers, soon.

7. OLD BUSINESS

- a. **Financial Report** - The financial report for August was given by Board Treasurer, Nancy Best. Revenue for August was \$1,116.50. Add “Morning” to the Lions designation, and a change the designation for Appaloosa Meadows from Breakfast Club to Lunch Club. Expenses totaled \$26,866.58. There were three payrolls in the month which raised labor costs. Sandy estimated that we should have around \$50,000 available in our in-kind match “pot”.

Cost per rider, mile and service hour show decreases on a unit basis. Ridership and when expenses fall impact the unit costs. Sandy will do a year-end report which will show averages throughout the year. Increases in ridership is making an impact. Ron noted that more bus stops

increase ridership, but we are constrained in the creation of additional stops by where stops can be placed – urban or rural.

Cheri Romley made a motion to accept the financial report, seconded by Daniel Mattson. Motion carried.

b. **Marketing report** – Cheri Romley

Cheri reported that she met with ADOT last week to clarify that we can sell sponsorships that can be “recognized” by giving them a window for their support. We don’t have to count this as fare revenue as we had been led to believe by ADOT in the past. Advertising results in potentially having to pay taxes on the revenue under IRS rules. Discussion ensued about how to move forward with reaching out to potential contributors. Several “sponsors” have committed to funding one or more windows

Mitch Padilla asked about how window “advertising” is priced. Cheri described the process and will provide the packets to Board members. We don’t do “wraps” because we would lose our own branding in the process. There are restrictions on ad content. Dawn-Marie suggested we look into the Valu-Pak for advertising. Cheri has had conversation about doing ad swaps for radio coverage with one of the local stations.

She is working with the local newspapers on advertising, both print and electronics, and getting an article in the paper about being a Tax Credit Organization.

c. **Personnel Status** - Bill Mitchell.

Still have 12 drivers, none in the hopper. We have two inquiries. We are doing the cross training between Chino Valley drivers and those who do Prescott/Prescott Valley runs on a regular basis. We have a driver leaving.

d. **Update on ADOT Grant FY18/20 Budget Submittal** - YRT does not have a final approved budget from ADOT for FY19. It is supposed to be sent out in the next four weeks. Sandy reviewed how ADOT looks at projected costs in a grant year which affects award levels, using data from the current financial performance. Because we have a two-year contract, ADOT looks at the first half of the first year of the contract and projects where we will be at year end. We had planned to spend down the end of the FY17-18 funds, treating them as “use it or lose it”. However, we are better off if we “front-load” our expenses in the first few months of the FY18-19 expenses to project what our true costs would be by year end.

Sandy walked the Board through our expenses in relationship to the budget. At the end of July, we had operated for 83 percent of the year, but had spent only 60 percent of our admin budget, and about the same amount of our operating dollars. All in all we are estimating that we will be under-spending significantly. Going forward we will be in a better position to be awarded a more realistic figure for the second year. Sandy further clarified how reimbursements work, the relationship between in-kind and cash local match, and the impact on the cash flow.

The Board discussed the advantages and disadvantages of spending funds from the end of FY18, or the beginning of FY19. Dawn-Marie compared her experience with her agency’s “use it or lose it” policy. There are advantages to both strategies. We will leave about \$200,000 out of the two year budget on the table, including \$90K for the bus that we didn’t buy at ADOT’s request. The reimbursement process at the beginning of the grant year could mean as much as a 60-90 day lag from time billed to time paid which could make it even tighter.

1. New Grants in Works – Grant Log

Sandy has revised the log and reported that United Way turned us down again. The rationale was that we need to get more local government grants.

We have several Letters of Interest in process. We are submitting a small grant application to the AZ Dept of Vets Services to support the Free Rides for Veterans program. We will be going after APS and Wells Fargo local grant programs.

In a response to Nancy's question, Sandy reported that we haven't been awarded any grants from Rose's efforts to date. We have received several grants on our own.

- e. **Update on Free Rides for Veterans** – We had 108 veterans in August. There were 117 in July. Dawn was asking where we are getting the most Veterans riding. She is sending a staff person to the Courthouse Plaza to educate veteran riders. In conversation with the VA Hospital police and transportation program managers, we learned that they have veterans in Chino Valley and north that they are transporting. We may be able to move them to YRT. Ron reiterated that the VA Hospital will be a “request” stop until we build ridership.
- f. **Update on New Bus #66** - Ron reported that the 2018 bus arrived in late August in Phoenix and will come to YRT in Sept. It has been prepped at Creative Bus Sales and can be delivered any time. We are hoping that there is a 5311 system that will take #61 off our hands through ADOT. If we cannot get rid of it through ADOT, we will have to sell it at auction or through some other used vehicle option. We have to insure #66 now, according to ADOT, even if we don't physically have it. We can park #61, the bus to be surplus, at Bob's C.A.R. Ron is ready to get the new bus on the road.
- g. **Update on the Paulden Plunge** – Ron appeared for the Town Council last week. He presented the Town with a check for \$1182 for pool admissions and expressed thanks for their help. Due to monsoons causing the pool to be closed on several days, our ridership was than expected. The ridership was 419, with 394 kids and the balance, adult fares.
- h. **Update on Defensive Driving Classes** - Ron will be doing a Defensive Driving Class. It has not been scheduled as the past two months have been very busy.
- i. **Update on Stripe/Pay Pal for Payment** – The Board is asked to make a decision on which vendor to use so we will be ready for the Tax Credit donations we will be soliciting beginning in November. Daniel has followed up with comparisons between Stripe and Pay Pal. His opinion is to go with Stripe. We will work with Matt Fey to be sure he can support it for us consistently. Dawn-Marie talked about Givedirect.org and it is highly rated. Veterans Resource Center has used it successfully for 14 years.

Motion made by Daniel Mattson to acquire Stripe, an on-line donation tool to be used to support YRT, especially the Tax Credit donations; seconded by Cheri Romley. Motion carried

- j. **Update Great Expectations** – Lisa Nau continues to come in once a week to support our accounting functions and to work on improving our processes. We have a proposal from Lisa for additional work to get us ready for the 990 filing and the compilation. The costs can be covered by the salary ordinarily expended on the Admin Assistant position. Cheri has a concern that we have to follow procurement rules because of the dollar amount of the services. Sandy will follow up with getting quotes from other accountant/bookkeeping services.

Ron requested a motion to acquire temporary bookkeeping services through December at the value not to exceed \$2999. Moved by Daniel Mattson, seconded by Dawn-Marie Hayden. Motion carried.

- k. **Update Succession Planning** – After the initial meeting, Board members were provided with current job descriptions and lists of duties/task for current and proposed positions. They will need to be reviewed to identify essential functions. The review has not been conducted yet.
- l. **Update on Lofgren IT contract** – Cheri has reviewed the contract and made changes; Sandy reviewed again. Cheri referred to her and Daniel's concern regarding remote access to the system. The Quickbooks accounting system resides on the cloud; National Bank of Arizona is also used on-line, but we don't do any banking other than pulling down reports. Daniel pointed out that a hacker could get into the bank account. Some additional discussion ensued.

Ron suggested that members of the Board meet with the contractor to review security measures before proceeding with the agreement. Dawn noticed there is no statement of who owns hardware and software is included. Cheri will follow up with language for hardware, software and documentation will be the property of the company.

Sandy will need to approach at least two additional IT service providers to comply with ADOT rules. The rate for Lofgren IT services will be \$75/hour for the monthly security check which takes an hour. Additional work will be billed at the same rate. Cheri will set up a meeting with Shane Lofgren and board members to address the issues around system security.

- m. **Update on Sale of Bus #61** - already addressed.
- n. **Update on Donations for the Month.** Addressed in the Monthly Financial dashboard. Cheri has asked for a list of all donors/donations for the year.
- o. **Update on the Chino Valley Parade.** Ron expressed appreciation for the number of people who participated this year. Good coverage by the announcer.
- p. **YRT Position Change.** Sandy has requested a second dispatcher as part of the FY19 Budget process. The Board has also requested an assistant manager position. Job descriptions need to be updated before proceeding

8. NEW BUSINESS

- a. **ADOT Review of 5311 Grant** – covered earlier.
In addition, we will be reviewing current policies and procedures for potential revisions or additions. We will also verify that we have corrected any deficiencies from the ADOT review in 2015.

Sandy confirmed that the Board has approved the letter of engagement with Alyx Cohan CPA for the filing of the Form 990 with the IRS and preparation of the FY 18 Financial Compilation.

- b. **Change in Schedule** – Sandy provided a draft of the minor revisions to the schedule (basically dealing with request stops). Maps have been reviewed. All changes will go to Tom's Printing this afternoon. The major change is that we are moving the Red and Blue routes to Wednesday

from Friday. This will be affect riders who have planned their connections to PV, in particular. Drivers have handouts for all riders.

Daniel suggested that we put a City identifier in the schedules for locations that have the same name, i.e., Safeway, Walmart, Walgreens.

c. Adding additional stops – already covered

d. Additional topics

Stand Down – yes we will have a table there.

Hopefest – yes, we will have a table and a bus there.

Ron thanked Mitch for coming. Mitch gave the board additional information about his background and his interest in working with organizations that support Veterans and High School Students. He is interested in fundraising for High School scholarships and sees some possible options for giving more visibility for YRT.

He talked about donor recognition activities for YRT as part of their fundraising -- An event; on the website; building community awareness. These are ways to present YRT to the public. This may be a way for him to plug in to YRT. Cheri pointed out that whatever we do has to be related to public transit. Some good ideas for fundraising and donor recognition came out of the discussion.

9. NEXT MEETING DATE: October 11, 2018, at 8:00 a.m. YRT Office, Chino Valley, AZ.

10. ADJOURNMENT – The meeting was adjourned at 10:11 AM.

Dated this October 3, 2018