



**CASCO BAY ISLAND TRANSIT DISTRICT
 MINUTES OF THE BOARD OF DIRECTORS MEETING OF
 January 26, 2023
 In Person/Video Conference/Phone**

Attendance

Webex In Person Phone Absent

Directors:

| | | | | |
|--------------------------------|---|-----------------|--|---|
| Crowley (Pres) | | X | | |
| Wentworth (1 st VP) | | X | | |
| Donovan (2 nd VP) | | X | | |
| Hoffman (Treasurer) | | X | | |
| Luedke (Clerk) | | X | | |
| Cohen (Ast. Clk) | | X | | |
| Anderson | | X | | |
| Higgins | X | | | |
| Lavanture | | X | | |
| Murray | | | | X |
| Pizey | | X | | |
| Radis | | X (left @ 8:30) | | |

Staff:

| | | | | |
|-----------|---|---|--|--|
| Berg | | X | | |
| Bishop | | X | | |
| Gildart | | X | | |
| Mavodones | | X | | |
| Pottle | X | | | |

Public:

| | | | | |
|---------------------------|----------|--|--|--|
| F. Somers | X | | | |
| Call in user (unknown) | X | | | |
| L. Heineman | X (late) | | | |
| P. Flynn | X (late) | | | |
| C. Chess | X | | | |

Guests:

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

**1. Call to Order:**

- A. *The Board meeting was called to order at 7:45 AM by President Crowley*
- B. *It was noted that the meeting was being recorded*
- C. *President Crowley asked Berg to do a roll call of who was attending the meeting, which he did.*

2. Approval of the December 22, 2022 meeting minutes

- A. *Hoffman had some changes. Berg suggested she send proposed changes to him, and the Board can delay vote on the minutes until the next meeting. No one objected to this.*

3. Business

- A. *Executive Session moved out of order to item 9a*

4. Workshops

- A. *There were no workshops*

5. General Information Reports**A. Financial Report**

- a) *Hoffman reported that the Finance Committee met the day before and reviewed financials for October and November. Finance committee discussed the need to improve the timeliness of the financial reporting with a goal of receiving them by the end of the following month. Finance committee also discussed the audit process for the new independent full financial audit approved by the Board. In view of the various objections raised she decided, with the backing of the Finance Committee and discussions with Dave, would be best served by taking the selection of the new auditor from Management and running a small efficient, quick, legal process as Treasurer/Finance Committee can be efficient and assure objectivity. She believes there are numerous audit firms able to do the work and do a finance audit as well. She was extremely grateful to Higgins and his audit experience. President Crowley and she are meeting with Counsel later in the day to make sure everything is proper. She will come forth with a proposal for criteria and a process and will keep the entire Board informed.*
- b) *Luedke asked if the Finance Committee will be voting on the selection of the firm. Hoffman reported they will talk with Counsel on the exact methodology. There are two questions; Governance and how best to affect this. She is the Treasurer so she is the senior finance officer of the CBL and what is the correct way to do this, so she cannot answer the question yet.*
- c) *Luedke asked if the committee considered that the Board needs to vote on and approve. Hoffman: "Same answer"*
- d) *President Crowley concurred they were meeting with Counsel to ensure they were doing everything right*
- e) *Berg reported that the Finance committee did not vote on this, so it was an action taken by the Treasurer. He also cautioned the Board in making this move, it puts the Board/District at risk of not being compliant with FTA regulations. He didn't believe anyone in the room today understood the regulations except staff and Higgins. Felt it was his obligation to warn the Board. He doesn't know what counsel is being used because he just became aware of this change yesterday. He strongly encouraged that the District Counsel be involved from that start.*
- f) *President Crowley shared that Council reached out to him after he was elected and offered any assistance if needed and when this came up he did not know the answer so he reached out to Counsel, John Lightbody (Murray Plum and Murray). Berg explained the District uses two legal firms depending on what the issue is. Berg raised another concern of the authority that individual Directors have in spending District funds without approval by the Board.*
- g) *Wentworth asked about the firm being used for this. Crowley replied it is Murray, Plumb and Murray. Berg shared that for something like this CBL typically uses Melissa Hewey of Drummond Woodsum. Berg shared that this was all new to him, so he was raising some caution for the Board to be aware of*



- h) *Anderson asked for clarity on Berg's second point; wants to understand the exposure the Board may have based on the questions of the ability of individual Director's authorization to spend District funds.*
- i) *Hoffman shared that she feels the District is at risk; financials are not something we can have confidence in. She stated that there has not been a financial audit for a long time, if ever. She does not have confidence in the financials and has major questions on the financials and the thing that auditors look at which is the governance process, rules and policies. She felt that is something the District is at risk for. She takes Berg's comments in the context of all of his comments, he has had a very long pattern of objections, delays and resistance. Everybody's questions are good questions, and it is appropriate for the Board to ask questions. She is committed to seeing this through. Extremely worried about them.*
- j) *Berg took exception to being publicly accused of blocking things and he requested evidence of the accusation. He reported that not only did staff not block it, instead they made an extra effort to deliver a draft RFP to the committee for review before the holiday when it was asked for. It has been four weeks with no feedback since the committee meeting. Also, reminded everyone that there is a financial audit done annually as part of the compliance audit. The Board voted on continuing the compliance audit while approving another independent financial to be done in parallel.*
- k) *Luedke agreed and didn't understand why the Treasurer/Finance Committee changed direction on its own.*
- l) *Higgins thought by the end of the Finance meeting the compliance audit was going to continue and Berg was going to contact the firm to get draft audit by first of June. Supports the separate financial audit. He also had a comment on the RFP about the trial balance.*
- m) *Berg replied that unless the Board votes to stop the compliance audit it will continue. He also reported he talked with Smith and they committed to meeting a mid-May date for availability of a draft audit.*
- n) *Donovan agreed with Higgins recollection of the how it was left with the Finance committee. He felt by continuing with the compliance audit eliminates risk with FTA. Berg clarified that the risk he was referring to earlier was the risk of compliance with the process to select the new auditor. Donovan said that was addressed by the Finance Committee by having a discussion with counsel to make sure it is being done right. Berg noted the counsel selected does not have experience with FTA. Donovan brought up the concern about authorization to spend funds. Donovan asked Berg if he has concerns with President & Treasurer having a discussion with counsel. Berg replied that he would not have selected MPM for this but was only identifying potential risk and that he felt was his obligation.*
- o) *Cohen thought it was important that the Board have access to counsel, and she supports seeking counsel on this matter.*
- p) *Hoffman cautioned the Board not to be taking legal advice from Berg. Nothing she said earlier contradicts what Higgins and Donovan said. At the time she didn't realize RHR Smith was doing a financial audit, she thinks CBL needs to get rid of Smith. She doesn't believe they are objective or very thorough. She conceded to continue to use Smith for this year. The two audits are linked. But need to make sure have objective auditors. There is a possibility that a second compliance audit will be required, just do not know at this time. Need to make sure cash and assessment of cash needs to be looked at. Berg's point about who is the right counsel is valid. She was not sure any of the counsels the District was right. That is question number 1.*
- q) *Cohen shared that last year she had one on one conversations with counsel, She would like clarification of what the process for legal counsel is.*
- r) *President Crowley stated that he reached out to the only firm that contacted him right after the election. Berg suggested again that they talk with Drummond Woodsum for these questions and if he had been asked that would have been his recommendation. Hoffman said the first question to counsel is can they be objective and not in the pocket of Hank. Berg took exception to that accusation and again asked for evidence.*

- s) *President Crowley asked that people stick with facts and not opinions.*
- t) *Wentworth agreed that a lot of opinions were being expressed without factual basis. There is no factual information for some people to be speaking as they are speaking. Communication is key between GM and President. She wants to know that not just the President is covered but that the other Directors are as well because the President and the Treasurer are doing this without the rest of the Board. There have been a lot words that are very accusatory and for that she holds them accountable.*
- u) *President Crowley will contact MPM to ask how appropriate they are for these issues. Hoffman suggested to still hold the meeting and ask the question first thing.*
- v) *Luedke wants to fully understand what happens and to make sure they are not liable*

B. Committee Reports

- a) *Finance Committee report was given as part of the financial report.*
- b) *Anderson reported that the Operations Committee discussed three things: 1) Summary of safety issues and they identified one pattern in the injury reports which was most reports were made by seasonal hires and training was then discussed, The Committee requested quarterly updates to look for trends and report to the Board accordingly. 2) Terminal safety and the desire for external intervention to help. Letter was sent to City Council. Only one security vendor has responded. There was a meeting with the City. This problem is not unique to CBL. City has a lack of resources. 3) Down Bay schedule. 2ish months to make decision if there is going to be any changed. Tasked a sub-committee of Down Bay Directors and staff to make recommendations to Ops Committee of any changes to the summer schedule. Radis asked if there was a commitment from the city for regular patrols. Mavodones reported the Chief of Police committed to more presence unless they get called away. Also met with police staff. Police are down 27 people. Cohen asked if there was a contingency plan. Mavodones replied staff is checking rest rooms during school time. Part of spring training will be de-escalation. Gildart gave an overview of what Operations Agents do in response to issues. Donovan noted he is chairing the ad hoc sub-committee and asked to have passenger injuries and freight complaints be included in the quarterly report to operations committee. Luedke thanked Crowley and Berg for the letter.*

C. Staff Reports

- i) *Berg reminded Board he will be attending the annual Passenger Vessel Association annual meeting and will be out of the office 2/1-2/7*
- ii) *Pottle gave an update on the pier extension and new vessel. He also gave an update on the Transit Asset Management plan which is required to be updated every four years.*
- iii) *Mavodones gave an update on the Great Diamond Island float and dry dock status.*
- iv) *Cohen asked about way finding signs and Pottle gave an update.*

6. General Announcements

- A. Establish next meeting dates: (all meetings at 7:45 AM unless indicated otherwise)
 - a. Executive Committee: Thursday, February 9, 2023
 - b. Operations Committee: Thursday, February 16, 2023
 - c. Finance Committee: Wednesday, February 22, 2023
 - d. Board of Directors: Thursday, February 23, 2023
 - e. Personnel Committee: No meeting planned
 - f. Sales & Marketing Committee: No meeting planned
 - g. Government Relations Committee: No meeting planned
 - h. Pension Committee: No meeting planned

7. Public Comment

- A. President Crowley opened the floor for public comments on items not on the agenda
 - a) *There were no comments*

8. Directors Comment

- A. President Crowley opened the floor for Director comments on items not on the agenda

a) *There were no comments*

9. **Business** (Taken out of order)

A. Executive Session

- a) Discussion of *General Manager's* evaluation for the period January through December 2022 pursuant to 1 M.R.S.A. Section 405(6) (A)
 - a. *Wentworth made a motion to go into executive session to discuss the General Manager's evaluation for the period January through December 2022 pursuant to 1 M.R.S.A. Section 405(6) (A); Donavan seconded.*
 - b. *President Crowley asked Berg to do a roll call vote, which he did. The motion passed unanimously (10-0, Radis had left)*
 - c. *Public attendees left the meeting, the virtual meeting was locked down and the recording stopped.*
 - d. *Staff left the meeting*
 - e. *Later the Board came out of Executive session*
 - f. *Hoffman made a motion to accept the personnel committee recommendation to grant the General Manager a 5% increase in base salary and a bonus for the 2022 goals of \$6,300 based on the personnel's committee assessment; Cohen seconded.*
 - g. *President Crowley opened the floor to the public. There were no comments.*
 - h. *President Crowley opened the floor to the Board. There were no comments.*
 - i. *President Crowley called for a roll call vote. The motion passed 6-4, Pizey, Donovan, Luedke and Wentworth voted against; Radis had left)*

10. **Adjournment**

- A. *Luedke moved to adjourn the meeting; Anderson seconded.*
- B. *The motion passed unanimously (10-0; Radis had left)*

Respectfully submitted by: 
James Michael Luedke (Feb 24, 2023 16:47 EST)
James Luedke, Clerk