

The Yuma County Intergovernmental Public Transportation Authority (YCIPTA) met in a Regular Board Meeting session on Monday, April 28, 2025, at Yuma County Department of Development Services, Aldrich Hall; 2351 West 26th Street, Yuma, AZ 85364. The Chair, Brian Golding Sr. called the meeting to order at 1:30 PM

Members Present:

Brian Golding, Sr./Quechan Indian Tribe/Chair
Louie Galaviz/City of Somerton/Vice Chair
Arturo Durazo/Cocopah Indian Tribe/Secretary/Treasurer
Richard Marsh/Town of Wellton – via telephone
Ian McGaughey/Yuma County
Lizeth Servin/City of San Luis
Czarina Gallegos/Arizona Western College

Others Present:

Shelly Kreger/YCIPTA/Transit Director
Carol Perez/YCIPTA/Transit Services Specialist
David Garcia/YCIPTA/Transit Operations Manager
Kirt Manuel/YCIPTA/Brand Ambassador
Anabel Teran/RATP/General Manager
Max Isbell/Maintenance Manager

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Mr. McGaughey

CALL TO PUBLIC:

No public present, no comments made.

CONSENT CALENDAR:

No. 1: Adopt the January 27, 2025 and March 24, 2025 regular session minutes. Action required.

Motion (McGaughey/Durazo): To approve item with revision to Lizeth's first name in January's meeting minutes; scrivener's error.

Voice Vote: Motion carries, 7-0

DISCUSSION & ACTION ITEMS:

No. 1: Discussion and or action regarding the FY2024 Annual Comprehensive Financial Report. Katherine Shell, Heinfeld & Meech via phone to present. Action required. Via phone.

Ms. Katherine Shell, Audit Manager, Heinfeld & Meech presented her report via telephone.

Ms. Shell presented the report as contained in the member packet.

Ms. Shell provided the timeline of the audit.

- Engagement letter issued in August 2024.
- Financial statement audit performed remotely in early 2025.
- The report was issued by March 31, 2025.

Ms. Shell stated that the audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS).

Ms. Shell stated that inquiries of fraud and non-compliance were completed with management and employees.

Ms. Shell emphasized that the responsibility for fraud rests with management and the Board.

Ms. Shell stated that there were two (2) findings.

Ms. Shell stated that management made auditors aware that there might be an issue with a bus purchase due to the complexity of the journal entry.

Adjustments were recommended related to the purchase of a bus, including reporting the bus, the Federal Revenue match, and the depreciation for the fiscal year.

Ms. Shell stated that Heinfeld & Meech provided assistance with the preparation of the financial statements, the notes to financial statements, and the Schedule of Expenditures of Federal Awards (SEFA) and related notes as well as the Data Collection Form submission to the Federal Audit Clearinghouse.

At 1:35 pm Mr. Galaviz arrived.

Ms. Shell stated there were no disagreements with management over financial accounting reporting or audit matters. Management provided the required representation letter. Client relationships are continually assessed to ensure compliance with ethical requirements, and there were no violations of independence standards.

YCIPTA received an unmodified clean opinion on the report.

Ms. Shell highlighted some key pages of the report, as follows:

- Page 14: Independent Auditor's report.
- Page 16: Management's discussion and analysis.
- Page 22: Start of the financial statements.
- Page 25: Notes to the financial statements.
- Page 43: Statistical section begins.
- Page 65: Schedule of findings and questioned costs.

Mr. Galaviz requested clarification on the findings in the audit.

Ms. Shell explained that one finding related to the recording of the bus purchase and the other related to a repeat finding in the procurement processes.

Mr. Galaviz inquired in regards to the internal controls over accounting records.

Ms. Shell clarified that this related to the bus purchase and the evaluation of internal controls related to recording those entries.

Ms. Kreger stated that the procurement finding was regarding the fuel contract that was signed July 2024 it fell under fiscal year 2024-2025.

Ms. Kreger provided further information in regards to the bus purchase.

Ms. Kreger stated that the bus was purchased through Arizona Department of Transportation (ADOT) with 5311 funding.

Ms. Kreger stated that ADOT procured bus and YCIPTA sent "match" check to ADOT. During that time the Marcela Garcia, Finance Manager, got ill amid inquiring to the accountants as to how to enter into QuickBooks.

Motion (Simonton/McGaughey): To approve item as presented.

Voice Vote: Motion carries, 7-0

**No. 2: Discussion and or action regarding the FTA Triennial Review FY2023-2025
Preliminary Findings. No action Required.**

Ms. Kreger stated that the review is required every three years by the Federal Transit Administration (FTA). Consultants are hired by the FTA to conduct the reviews.

Ms. Kreger stated that the onsite review occurred on April 8th and April 9th and deficiencies were found in eight (8) out of the twenty-three (23) areas reviewed.

A draft report will be provided draft to YCIPTA within twenty-one (21) days; YCIPTA will try to close out items before the draft report.

Ms. Kreger stated that all agencies have findings.

Ms. Kreger gave an overview of the findings as contained in the member packet.

Mr. McGaughey inquired as to what were the results from the previous triennial.

Ms. Kreger stated that she did not recall but that it was similar to this triennial.

Mr. McGaughey inquired if YCIPTA can prepare if we know it is coming

Ms. Kreger stated that each of the 23 area has 15-20 items.

Ms. Gallegos inquired in regards to item 2 deficiency.

Ms. Kreger stated that it would be resolved with the fuel contract.

Mr. Golding stated that procurement was a "nagging" finding and that hopefully this would wrap up that finding.

Ms. Kreger stated that Mr. Garcia is finished with procurement training and is now very knowledgeable.

No action required; no action taken.

No. 3: Discussion and or action regarding the Fourth Amendment– IGA–YCIPTA- City of Yuma Grant Passthrough Agreement. Action required.

Ms. Kreger stated that the pass-through agreement with City of Yuma had expired in September 2024. Ms. Kreger stated that the City of Yuma had funds they have yet to expend and would like to extend to 2026 to provide plenty of time to expend money. Ms. Kreger stated that this agreement would also clear the preliminary audit finding.

Mr. Golding, Sr. inquired in regards to any updates on the construction.

Mr. Simonton stated that the design was on hold. He further stated that City of Yuma was currently in negotiations with private partner. Mr. Simonton stated that he hoped construction would start in the fall.

Motion (Galaviz/Gallegos): To approve item as presented.

Voice Vote: Motion carries, 7-0

No. 4: Discussion and or action regarding the DRAFT YCIPTA FY2025-2026 Operating Budget. Possible action required.

Ms. Kreger presented the draft operating budget.

Ms. Kreger stated the capital budget is expected to be ready for the next board meeting

Ms. Kreger highlighted some key points as contained in the member packet.

Mr. McGaughey inquired as to how Ms. Kreger arrived at a 5% cost-of-living adjustment (COLA).

Ms. Kreger stated that it was 3% COLA and 2% merit based raise.

Mr. McGaughey stated that the idea of that goal of the advertising was to reduce or eliminate member entities dues.

Ms. Kreger stated that YCIPTA started with zero money in the bank and that YCIPTA needed a "nest egg" of two (2) months of operating costs to build up cash flow. Ms. Kreger stated that once that was done yes, the intention is to reduce entity dues.

Mr. McGaughey stated that if YCIPTA was serious about the goal then YCIPTA would need to be more conservative.

Ms. Kreger stated that the total increase would be approximately 8,000 annually due to it being a half year increase for seven (7) employees.

Mr. Galaviz stated that he agrees with building a "nest egg". Mr. Galaviz questioned where the additional money from the \$240,000 marketing revenue increase is going and asked if it was

going into operations.

Ms. Kreger confirmed.

Ms. Gallegos inquired if there had been any savings.

Ms. Kreger stated that there had been savings in the fuel.

Ms. Gallegos requested a breakdown of areas where savings have been achieved for the next board meeting and also requested the current year-to-date advertising revenues compared to the budgeted \$203,000.

Mr. Galaviz reiterated the importance of prioritizing no cost increases for member entities, emphasizing that increased advertising revenue should offset costs.

Mr. Simonton stated that the increase in salaries was 60,000 and inquired if there was a new position being added.

Ms. Kreger stated that she would review the data and get back to the Board, there was no new position.

Mr. Durazo stated maintaining the current contribution levels to avoid difficulties in justifying increases to their jurisdictions.

Mr. Golding Sr. stated that Ms. Kreger expressed a desire of having two months' worth of operation costs in the bank, and inquired if the current budget achieved that.

Ms. Kreger stated that it did not but that YCIPTA was getting closer; current budget provides about a month's worth.

Mr. McGaughey stated that a year to date would be more helpful to justify increase.

Ms. Servin echoed same sentiment.

The Chair stated that there is a strong desire to utilize advertising revenue to diminish or eliminate entity dues but does not want to give impression that we cannot ever increase the dues.

The Chair stated that the Board needed to be cognizant of the main priority and balance budget that gets us where we need to be.

This item was tabled; no action taken.

No. 5: Discussion and or action regarding FY2025-2026 YCIPTA Member Entity Dues Increase Request. Action required.

Ms. Kreger stated that Arizona Western College was not included in the increase of member entity dues; their contract will be reevaluated every two (2) years. Ms. Kreger stated that a 5% increase was being requested.

The Board decided to table the discussion until the next meeting to gather more information, as the members were not expecting a 5% increase.

Motion (Galaviz/Servin): To table the item.

Voice Vote: Motion carries, 7-0

No. 6: Discussion and or action regarding a Corporate Authorization Resolution for 1st Bank Yuma. Action required.

Ms. Kreger stated that Ms. Garcia needed to be removed and replaced with Ms. Perez for check signing, during this process the bank noticed the corporate authorization resolution had not been completed.

Ms. Kreger stated the document was not included due to having personal information of staff.

Mr. Golding Sr. inquired as to who are signers.

Ms. Kreger stated that it would be Ms. Kreger, Ms. Perez, and Mr. Garcia.

Motion (Simonton/Gallegos): To approve item as presented.

Voice Vote: Motion carries, 7-0

No. 7: Discussion and or action regarding YCIPTA Shelter and Bus Advertising Program. No action required.

Mr. Manuel stated that the fleet of wrapped buses began running in the first week of April and advertisers are very pleased. Mr. Manuel stated that the available fleet is 100% allocated; some buses retained YCAT branding for community events.

Mr. Manuel stated that Bus shelter inventory outside of Yuma is difficult to move.

Mr. Manuel stated that bus interiors are not generating much interest; has been unable to find an interested party.

Mr. Galavis inquired if there would be a price adjustment to shelters – increase pricing for higher demand and lower pricing for less desirable shelters.

Mr. Manuel stated that had not been considered.

Mr. Galaviz stated he saw the wraps and they were very colorful; did not see YCAT information on the buses.

Mr. Manuel stated that Mr. Galaviz may have seen an incomplete bus but now all have the YCAT information on them.

Mr. Galaviz inquired regarding the contract terms for wraps.

Mr. Manuel stated that they vary; some are two (2) or three (3) year contracts.

Ms. Kreger stated that the wraps are required to be replaced every year to avoid damaging the bus paint.

Mr. Simonton inquired if the advertisers are responsible for those costs.

Ms. Kreger confirmed.

Mr. Manuel stated that the Transit Director has requested coordination to get agreements with the member entities signed.

Ms. Kreger stated that if the agreements are signed, advertising on shelters can be used as in-kind contributions towards grants.

Mr. Golding stated that the brand ambassador had been successful in securing funding and wrapping buses, which was a priority. Mr. Golding expressed concerns regarding the diminished YCAT visibility and brand image.

stated that brand ambassador also requires keeping the front of the mind that our transportation is safe, reliable and
Wraps diminish YCAT visibility, thoughts on how to maintain brand.

Mr. Manuel stated that there is a marketing plan that was developed with Big Cat Advertising. Mr. Manuel further stated the focus had been on getting the bus wrapping program running, but now attention is shifting to marketing, monitoring, and outreach to maintain the brand.

No action required; no action taken.

PROGRESS REPORTS:

No. 1: Operations Manager Report/Maintenance Update– Anabel Teran, General Manager, Max Isbell, Maintenance Manager – RATP Dev. *No action required.*

Ms. Teran provided the report as contained in the member packet.

Ms. Teran stated that there were initially reported as two at-fault accidents, but the actual number was four. Ms. Teran stated that retraining and disciplinary action have been implemented.

Mr. Golding Sr. stated that there were three (3) route cancellations in March on a very popular route and inquired if the answer to this issue was to hire new drivers.

Ms. Teran stated that they were short three (3) employees; three (3) new drivers were in training and will be ready for full service by the end of May. Ms. Teran further stated that one (1) dispatcher is working on finishing training; file to be approved by YCIPTA to help cover.

Mr. Isbel stated that vehicle 212 was finally back from Rush Truck Center; arrived two (2) weeks ago.

Mr. Isbel also noted that vehicle 300 was back at Ford for its 4th engine replacement; Ford is going to their corporate to see why it needing a 4th engine replacement.

Ms. Kreger stated that the engine replacements were not being paid by YCIPTA.

Mr. Isbel stated that they would be purchasing extra inventory due the tariffs; parts may be taking longer to receive similar to when covid caused delays/shortages.

No action required; no action taken.

No. 2: Transit Director Report – Shelly Kreger, YCIPTA Transit Director. *No action is required.*

Ms. Kreger presented the report as contained in the member packet.

Mr. McGaughey reminded Ms. Kreger regarding presentations for the board member entities.
No action required; no action taken.

No. 3: Transit Operations Manager Report – David Garcia, Transit Operations Manager. *No action required.*

Mr. Garcia presented the report as contained in the member packet.

No action required; no action taken.

No. 4: Financial Report – *Will be distributed once completed. No action is required. Will be distributed end of week. Working with Adriana with this.*

No action required; no action taken.

Upon vote of the Directors, the Chairman recesses the Regular Session and convenes Executive Session.

Motion (McGaughey/Galaviz): To recesses the Regular Session and convene Executive Session

Voice Vote: Motion carries, 7-0

The Executive Session convened at 2:50 pm.

EXECUTIVE SESSION:

No. 1: Discussion regarding the Transit Directors personal leave of absence. This matter is brought in executive session pursuant to A.R.S. § 38- 431.03(A)(1).

No action taken, no action required.

The Chairman adjourned Executive Session and reconvened Regular Session at 2:58.

SCHEDULE NEXT MEETING DATE AND IDENTIFY AGENDA ITEMS:

Due to Memorial Day Holiday the meeting date will change to Tuesday, May 27, 2025.

- Draft FY25-26 Exhibit A EICTS Business Plan and Draft EICTS MOU 10th Extension
- Exhibit A Amendment 15 to the YCIPTA/Quechan MOU for FY 2025-2026

Ms. Servin requested the agenda to have hyperlinks to make it easier to navigate during board meetings.

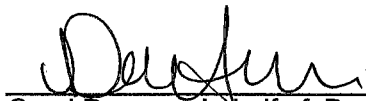
Mr. Galaviz requested a breakdown of donations; who we support and how we support them.

ADJOURNMENT

There being no further business to come before the Authority in regular session, the meeting was adjourned 3:02 pm

YUMA COUNTY INTERGOVERNMENTAL TRANSPORTATION AUTHORITY

Adopted this May 27, 2025, 2025, Agenda Item CC1.



Carol Perez on behalf of: Denis Aceves, Board Secretary