

**BOARD OF DIRECTORS
Salem Area Mass Transit District**

*** * * EXECUTIVE SESSION * * ***

**Thursday, April 28, 2011
City of Salem – City Manager’s Conference Room
555 Liberty Street SE, Salem, Oregon**

SUMMARY

CALL TO
ORDER
& NOTE OF
ATTENDANCE

At 5:30 p.m., President Thompson announced that the Board would meet in Executive Session pursuant to ORS 192.660(2)(d) at 6:30 p.m. to conduct deliberations with persons designated by the governing body to carry on labor negotiations. The roll was noted as shown below and a quorum was present.

Present: President Jerry Thompson, Directors Marcia Kelley, Joe Green, Kate Tarter, and Ron Christopher

Absent/Excused: Directors Bob Krebs and Pete Jossi

Staff: Allan Pollock, General Manager, Paula Dixon, Director of Human Resources; Sue Quick, Director of Operations; Pat Mercier, Director of Finance; Steve Dickey, Director of Transportation Development; Linda Galeazzi, Recording Secretary; Ben Fetherston, SAMTD Legal Counsel; Adam Collier, SAMTD Labor Counsel

Labor
Deliberations

Ms. Dixon reported that management met with ATU Local 757 bargaining unit representatives on Friday, April 22nd to present their final offer. The ATU countered with an offer. Details of these offers plus an explanation of the health care benefits proposed and wages were discussed. Ms. Dixon presented comparisons of other governmental agencies wage and benefit data to include the City of Salem, City of Keizer, Lane County Public Works, Polk County AFSCME, Lane Transit District, and Rogue Valley Transit.

Board members reviewed the comparisons, insurance rates and costs to the District. They asked questions for further clarification about the health benefits and wages being offered to the bargaining unit.

A meeting with bargaining unit representatives is scheduled for Friday, April 29th.

ADJOURNMENT

President Thompson adjourned the Executive Session at 6:00 p.m.

**BOARD OF DIRECTORS
Salem Area Mass Transit District
April 28, 2011**

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Moved approval of the Consent Calendar:	3
1. Approval of Minutes	
a. Regular Meeting of March 24, 2011 .	
b. Joint Marion County Commissioners/SAMTD Board Meeting of April 5, 2011 .	
2. Routine Business Items	
a. Accept the FY 2009/10 Budget Audit.	
 Moved to set the Budget Hearing for the Approved FY 2011-2012 Budget for Thursday, May 26, 2011 at 6:30 p.m.	 3
 Moved to authorize the General Manager to complete negotiations and enter into a five (5) year cost per vehicle revenue hour contract with MV Transportation, Inc. to provide CARTS Regional Transportation Services in rural Marion and Polk Counties as described in the RFP and MV's proposal for service beginning June 25, 2011 and ending on June 30, 2016	 4
 Moved to authorize the General Manager to negotiate and award the contract for the Transit Vehicle and Facilities Display Advertising Program to Lamar Transit Advertising	 5
 President Thompson was appointed to review the composite performance evaluation of the General Manager	 5

MINUTES

BOARD OF DIRECTORS
Salem Area Mass Transit District
April 28, 2011
City of Salem – City Council Chambers
555 Liberty Street SE, Salem, OR 97301

Call To Order
& Note Of
Attendance

President Thompson called the regular meeting to order at 6:30 p.m.
Attendance was noted and a quorum was present.

Present: President Jerry Thompson, Directors Marcia Kelley, Joe Green, Kate Tarter, and Ron Christopher

Absent/Excused: Directors Bob Krebs and Pete Jossi

Staff: Allan Pollock, General Manager, Paula Dixon, Director of Human Resources; Sue Quick, Director of Operations; Pat Mercier, Director of Finance; Steve Dickey, Director of Transportation Development; Jared Choc, Strategic Planning & Technology Services Manager; Melissa Bradley, Contracted Transportation Manager; Gregg Thompson, Maintenance Manager; Lorna Adkins, Marketing & Communications Coordinator; Jency Rosasco, Staff Assistant; Linda Galeazzi, Recording Secretary; Ben Fetherston, SAMTD Legal Counsel

Guests: Dennis Kilfoil, Chair, Budget Committee; Joe Escondido and Don Johnson, Regional Vice-President, MV Transportation; Steve Aanonson, Project Manager, MV Transportation/TripLink Call Center; Steve Giesberf, Lamar Advertising

ANNOUNCEMENTS
AGENDA CHANGES

There were no announcements or changes to the agenda.

PUBLIC COMMENT

Mark Knecht, an advocate for veterans and people with disabilities, stated that he was gathering information about the use of service animals according to the American with Disabilities Act (ADA) that he will share with transit staff. There is a lot of confusion for people about the new rules implemented by the Department of Justice (DOJ) and the rules from the Federal Transit Administration (FTA). Veterans are upset about the change in the rules regarding service animals and he does not understand why the DOJ and ADA are messing with that issue. Mr. Knecht also asked if it was possible to retrofit stronger lifts on the older buses to increase their weight capacity for wheelchair users.

Mr. Pollock responded that older buses in the District's fleet will be retired in about one year so that it would not be cost effective to retrofit wheelchair lifts or ramps on those buses. In response to the new rules for the use of service animals, he said the rules made by the DOJ are stricter and the FTA does not recognize those rules. The FTA advised the transit district to abide by the old rules.

CONSENT
CALENDAR
[6:36 PM]

Director Kelley moved approval of the Consent Calendar. Director Tarter seconded. The Motion was passed unanimously by those present: Christopher, Green, Kelley, Tarter, and Thompson (5).

ACTION ITEMS
F.1 Accept FY 11-12
Approved Budget
Set Budget Hearing
[6:38 PM]

Dennis Kilfoil, Chair of the Budget Committee gave a statement [Herein given as Attachment A and by this reference made a part of these minutes] and presented the Approved FY 2011-2012 Budget to the Board of Directors.

Director Tarter thanked Mr. Kilfoil for his presentation and said that when they looked at the budget there was nothing to change, but she will continue to look for cost saving measures. She has some ideas to share.

Director Christopher advised that he will vote no on the Budget due to sustainability and unanswered questions about Courthouse Square, the federal deficit, and the union negotiations because they need to be serious about saving money. He said the budget process was great but he wanted to be upfront about his position when voting.

Director Kelley added for clarification that the vote by the Board this evening would be to set the budget hearing.

Director Green moved to set the Budget Hearing for the Approved FY 2011-2012 Budget for Thursday, May 26, 2011 at 6:30 p.m. Director Kelley seconded. The Motion was passed unanimously by those present: Green, Kelley, Christopher, Tarter, and Thompson (5).

F.2 Award Contract
for CARTS Svc
[6:46 PM]

Ms. Bradley gave the staff report on the RFP process and recommendation to award MV Transportation, Inc. a contract to provide Chemeketa Area Regional Transportation Service (CARTS) in rural Marion and Polk Counties from page 41-42 of the agenda. Don Johnson, Joe Escondido and Steve Aanonson from MV Transportation were introduced to the Board.

Director Tarter noted that the District saved money last year on their contract for CherryLift service and in-house maintenance overall. She asked if there are other significant savings. Ms. Bradley explained that the CARTS program was grant funded so that there would not be any additional cost savings but they will be able to provide more rides.

Director Kelley asked about the contract ending date for the current vendor and the new vendor on June 25, 2011. Ms. Bradley explained that in the transition staff will work over the weekend to coordinate the changes to a new vendor.

Mr. Johnson, regional vice-president of MV, stated that MV was looking forward to the new operation and to the transition. They have already begun recruiting and will utilize some of the same management staff and drivers from OHAS. They feel they will have a great group of employees.

Director Christopher asked if MV anticipated any roadblocks. Mr. Johnson answered that they do not anticipate any. Ms. Bradley advised that the cost savings will be in shared administrative costs.

Director Kelley moved to authorize the General Manager to complete negotiations and enter into a five (5) year cost per vehicle revenue hour contract with MV Transportation, Inc. to provide CARTS Regional Transportation Services in rural Marion and Polk Counties as described in the RFP and MV's proposal for service beginning June 25, 2011 and ending on June 30, 2016. Director Tarter seconded. The Motion was passed unanimously by those present: Green, Kelley, Christopher, Tarter, and Thompson (5).

F.3 Award Contract
for Advertising
[6:55 PM]

Mr. Dickey gave the staff report on staff's recommendation to award an advertising contract for transit vehicles and facility displays to the apparent winner, Lamar Transit Advertising, from pages 43-45 of the agenda.

Director Tarter asked if there were any changes in the contract itself or in the bids from last year. Mr. Dickey advised that there is the addition of electronic billboard displays and a greater commitment from Lamar to support the local base as well as a regional and national base. There was a stronger team approach with Lamar than the other proposers. They have a broader spectrum.

Mr. Giesberf, sales manager for Lamar, stated that Lamar is excited to continue their relationship in Salem. Lamar is a conservative company that represents 72 transit agencies across the United States. Lamar has risen above the rest and has never defaulted on a contract; their revenues have grown in all of their markets. Director Christopher asked for the names of other transit agencies they work for. Mr. Giesberf named transit agencies in Aberdeen, Longview, Vancouver, Washington; Metro, Portland, Albany, Corvallis and Eugene in Oregon.

Director Christopher asked about the electronic billboards – what size were they and where were they located. Mr. Giesberf stated that there were five 10 by 30 foot billboards in Salem on Commercial and Kuebler Streets, by the Vista Roth's on Commercial, on 12th Street at the bottom of the hill, on Market Street west of the freeway and they are putting another one up on Market Street.

Director Kelley stated that the media market for small businesses in Salem is overshadowed by the television market in Portland. She asked if that was strength for transit advertising. Mr. Giesberf responded that 50% of the revenues for advertisements on the buses come from local advertisers. The transit advertising market is spectacular for media poor advertisers in Salem.

Director Tarter asked about their wider base of operations. Mr. Giesberf explained that Lamar has large billboard ads across the United States. Their primary business footprint includes medium to small cities and transit districts. They have nine sales people in Oregon.

Director Green asked why the electronic billboards were pretty heavily distributed in south and east Salem. Mr. Giesberf stated that according to Salem and

Keizer's sign code ordinances they are not allowed to build new structures but they have tried.

Director Christopher moved to authorize the General Manager to negotiate and award the contract for the Transit Vehicle and Facilities Display Advertising Program to Lamar Transit Advertising. Director Tarter seconded. The Motion was passed unanimously by those present: Green, Kelley, Christopher, Tarter, and Thompson (5).

F.4 Director to
Review Composite
GM Evaluation

President Thompson was nominated to review the composite performance evaluation of the general manager for his performance review.

Director Kelley moved to appoint President Thompson to review the composite performance evaluation of the General Manager. Director Tarter seconded. The Motion was passed unanimously by those present: Green, Kelley, Christopher, Tarter, and Thompson (5).

INFORMATION
G.1 Cherriots Poster
Contest Winners
[7:14 PM]

Ms. Adkins gave a presentation on the 2011 Cherriots Student Poster Contest and the award winners. Salem-Keizer Transit received a sponsorship from the Department of Energy and Cherriots Rideshare for the poster contest. Thirteen middle school and high schools participated and 120 students submitted posters. The theme this year was "Transport Me." Staff will do an award presentation for the students who participated and of the winning poster on a bus wrap at McNary High School during their Spring Fling on Thursday, May 26th at 12:00 p.m. and at the Early College High School on Monday, May 2nd at 11:00 a.m. A desk calendar will be created to showcase numerous posters and will be sent out to area businesses in October during Energy Month.

Director Christopher remarked that he participates in Rotary's Scholarship Program at McNary High School. There are some impressive students out there and teachers have done a great job.

REPORTS
H.1 GM Report

Third quarter reports for the general manager and the American Recovery & Reinvestment Act (ARRA) were received and filed; as were monthly reports for the Board's subcommittees, District staff and operations performance reports. There were no questions or comments regarding these reports.

BOARD &
MANAGEMENT
I.1 General Manager
[7:21 PM]

Mr. Pollock reported on the District's activities since the March 24th Board meeting. There was a great turn out at the April 6th Transit Day at the State Capitol where the District had an information booth. District staff participated in Earth Day activities at Lancaster Mall and at the Oregon Gardens on April 16th. The District took time to thank their staff assistants on Administration Professionals Day and they participated in Take Your Child to Work Day. Sixteen youth met at the administrative office where they were introduced to staff and received a goody bag. They traveled by bus to the transit mall and on to Del Webb where they were given a tour of the bus and maintenance facility. The Community Transit Task Force (CTTF) met on April 7th for a transit-related sustainability presentation by Gabe Klein, former head of the District Department of Transportation in Washington, who recently accepted the Director's position on Chicago's

transportation team. Mr. Pollock also announced that the District received a Certificate of Appreciation for their participation in the Oregon Paralyzed Veterans Association Health and Wellness Fair. He noted that the District will have an information booth at ShowBiz on May 12th. Board members are welcome to sign up and help out at the booth. He advised that the Oregon Transit Association continues to keep an eye on the legislative discussion regarding the Business Energy Tax Credit (BETC) Program.

Mr. Dickey gave a more detailed report on legislative action to date on House Bill 2414 regarding the BETC Program which for the District directly affects the Student Bus Pass Program, CherryLift, CARTS and the 2X commuter service to Grand Ronde. State transit agencies also get BETC credits for their rural programs and funding for those programs could be eliminated. Lobbyists for the Oregon Transit Association (OTA) are working hard to gather further information from transit agencies and are joining forces with the League of Oregon Cities (LOC) and the Oregon Trucking Association to bring back a critical focus back to the fuel savings and the other general impact on transit if the funds go away.

Director Tarter noted that the portion transit gets in funding from the BETC Program is small but is big to us. Mr. Dickey agreed that there are energy savings, the students benefit and there is a savings to parents. Students are able to go to after school programs and it keeps kids in school. The school district paid \$250,000 prior to the BETC program for student bus passes but they had to make drastic cuts. The ability to provide this service is vital. The program will sunset at the end of the school year in June 2012. If the Legislature does not pass this bill, tax credits will go away. This is the time for the District to make their case to the Legislature.

Board President
[7:37 PM]

President Thompson reported on his Board activities during the month of April. In addition, he attended funerals for Polk County Commissioner Mike Propes and Marion County Assessor Richard Kreitzer; and he participated in the grand opening of the Catholic Community Services community center and foster home. He attended the Special Transportation Fund (STF) Advisory Committee meeting where they voted to recommend two new members. Their recommendation will come to the Board for approval at their May 26th meeting. He briefed the audience on a decision made by the Marion County Board of Commissioners and the SAMTD Board of Directors at a joint meeting on April 19th to prepare an RFP for an owner's representative to help both Boards write up an RFP for bids to repair Courthouse Square with actual costs. Neither Board has made a decision to repair the building but they need more information to proceed with further discussion about their options.

Board of Directors

Board members reported on their Board and committee activities since the March board meeting to include executive session regarding labor negotiations, the April 7th Budget Committee meeting, joint meetings with the Marion County Commissioners on April 5th and April 19th to discuss issues regarding the Courthouse Square Building and the Condominium Association Bylaws that affects both the County and the District as owners of the

building. Courthouse Square Solutions Task Force meetings followed immediately after the joint Board meetings. They participated in Transit Day at the Capitol where they met with legislators, the CTTF Luncheon with Gabe Klein, and in other assigned subcommittee meetings of the Board. Directors Green, Kelley and Tarter participated in a candidate forum sponsored by the Chamber of Commerce and were interviewed by the Statesman Journal Editorial Board. Director Christopher attended the City of Keizer's town hall meetings regarding police services. City councilors were asked about the right number of police officers and fire fighters for their community. He felt the town halls were well done and asked that the Board consider doing town halls for transit-related issues, asking citizens what they expect from transit, what are the roadblocks and what can the District do better. Director Tarter attended a SEDCOR luncheon where there was a presentation on why people move to cities. She noted that public transportation was left out of the presentation. She also attended the Northgate Neighborhood Association meeting and the Salem-Keizer Area Transportation Study (SKATS) meeting for Director Krebs who was not able to attend. She noted that there were ninety participants in Transit Day at the Capitol and announced that the City of Salem was doing a Bike and Walk survey. She liked the town hall idea and suggested that Cherriots staff also participate so that they could educate them on how things are run. She stated that the Community Transit Task Force would meet on May 2nd to review surveys they sent out asking for feedback about public transportation options that people needed or wanted, and/or were willing to support. Director Kelley noted her attendance at the Mid-Willamette Area Commission on Transportation (MWACT) meeting and the South Central Association of Neighbors (SCAN) meeting.

Mr. Pollock, responding to the suggestion of town hall meetings, stating that this was a good activity to pursue under the Strategic Plan goal to partner with the community. Staff is working to finalize the Work Plan and if the Board desires, he can add those activities to the Work Plan.

OTHER BUSINESS None

ADJOURNMENT The meeting was adjourned at 7:51 p.m.

Respectfully submitted,

Jerry Thompson
President

Attachments (1)

Before the Board of Directors
Of the Salem Area Mass Transit District
April 28, 2011

Accept the Budget and Set the Budget Hearing

Mr. President and Members of the Board,

Good evening. I am Dennis Kilfoil, 1362 Moonbeam Ct. NW, Salem, Oregon. As chair of the Salem Area Mass Transit District Budget Committee, I am pleased to present you with a balanced budget for fiscal year 2011-2012 with a recommendation for approval.

I would first like to thank the elected members of the Board and the appointed members of the Citizen Committee. Members of the Citizen Committee are Dale Penn II, Jeannette Holman, Bill Holmstrom Ted Anagnos, Steve Horning and Claudia Howells. The diligence and insight of all members of the committee made the process both productive and efficient.

I'd also like to thank General Manager Allan Pollock, Finance Director Pat Mercier, Director of Operations Sue Quick, Director of Transportation Development Steve Dickey, Director of Human Resources Paula Dixon and all of your hard working staff. And, I want to particularly thank Linda Galeazzi, who makes our job much easier.

The most significant feature of this budget is that it is balanced and sustainable. It maintains the established service levels necessary to implement the Districts recently adopted Strategic Plan. As noted by the General Manager in his budget message, the budget allows for the continuation of existing service levels based on the most current level of revenue. Redesign of the system has improved service on major corridors and the benefits of those changes have begun to be realized. Staff changes appear to be improving the efficiency of the organization and positioning the district for future challenges. The budget supports the primary objectives, which is strengthening core services and building community partnerships.

The total budget for the Salem Area Mass Transit District is **\$34,396,859**, which includes all funds. Of that, **\$23,518,396** is a mix of property tax revenue, fare revenue and various state and federal funds that supports the fixed route system. Property tax revenues are stable, and fare box revenues are down in the general fund. However, total fare box revenues are up slightly when including the Special Transportation Fund (STF) program. The General Fund is in good shape. Projections are as we expect, conservative.

The Capital Projects budget of **\$1,583,200** is adequate for this year. The end of the American Recovery and Reinvestment Act (ARRA) and Surface Transportation Program (STP) grants from the federal government is the primary reason that the capital program and total budget has decreased by over \$10,000,000 this year.

However, so have the expenditures for those programs. The federal funds were put to good use and the capital improvements will be beneficial for future years.

This year, Specialized Transportation has a budget of almost **\$9,292,263**, again a mix of state and federal funds, plus a transfer of **\$2.05 million** from the General Fund as required by federal law to fund the ADA CherryLift service.

Once again, we commend staff for cooperating with Marion County to provide transportation for certain clients. This has relieved some of the pressure from the General Fund. Specialized Transportation includes CherryLift, DMAP, the Call Center, CARTS, and Contracted Transportation.

The budget committee reviewed the budget in detail and is comfortable recommending that the Board move forward with setting the budget for hearing. What stands out this year is that despite the recent and unfortunate events that have shaped the Courthouse Square facility, transit staff quickly adjusted to several new terminal locations and continued to provide quality service, while making the most out of a bad situation. In other words they *made lemonade out of lemons*. There is no question, that this was one of the most extraordinary years in Salem-Keizer Transit history and a real test of its ability to provide quality service in the face of adversity. And given the nature of our funding sources and instability in the federal programs, the district is doing the best job it can of providing quality public transit service to our community.

The district should look forward to a relatively uneventful year from a budget standpoint, and that should be a relief for users of the system and employees of the district. But, then again, we said that last year. We will remain forever positive.

In closing, it has been my pleasure chairing the budget committee. The budget document was easily understood and well organized and staff presentations were clear and professional. It made the job for the committee and me, somewhat easy.

Thank you all for your support and commitment to making the Salem Area Mass Transit District one of the best in the state.

With that, I present to you the 2011-2012 Cherriots' budget and ask that you set the Budget Hearing.

Respectfully submitted.

Dennis C. Kilfoil
Chair