

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

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Election of Officers and Oath of Office was administered to newly-elected:	2-3
<ul style="list-style-type: none"> ▪ President: Jerry Thompson ▪ Vice President: Kate Tarter ▪ Secretary: Bob Krebs ▪ Treasurer: Ron Christopher 	
Moved approval of the Consent Calendar	5
<u>Approval of Minutes</u>	
<ul style="list-style-type: none"> ▪ Regular Meeting of June 23, 2011 	
Moved to approve the allocation of 2011-2013 STF Formula funds in accordance with Table A	6

Allocation of funds Inside UGB:

Public Transportation Agency	Purpose	Amount
SAMTD	Marion Co. Health Dept. Match	\$285,702
SAMTD	Mobility Management Project Match	\$19,136
SAMTD	STF Administration Match	\$31,478
SAMTD	Additional funding for Mobility Management Project	\$69,039
SAMTD	Reserve	\$20,000
SAMTD	CherryLift Operations	\$283,443

Allocation of Funds Outside UGB:

Public Transportation Agency	Purpose	Amount
City of Silverton	Silver Trolley Operations	\$26,254
City of Woodburn	Woodburn Transit Match & Expansion of Services	\$80,216
City of Woodburn	Woodburn Capital Match	\$4,200
City of Woodburn	Woodburn Transit for Expansion Planning	\$5,400
SAMTD	CARTS Match	\$359,013
SAMTD	CARTS Preventative Maintenance Match	\$18,658
SAMTD	Rural Trip Connection Match	\$2,738

Moved to adopt Resolution #11-10 to donate two surplus CherryLift vehicles to the Oregon Department of Transportation for the Veterans Administration 7

Moved to authorize the General Manager to use up to \$19,000 in STF Rural Reserve Funds to purchase from Sunset Empire Transit District a 2011 International Hybrid 35-passenger bus for use on CARTS service 7

MINUTES

BOARD OF DIRECTORS
Salem Area Mass Transit District
July 28, 2011
City of Salem City Council Chambers
555 Commercial 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 Steve Evans, Kate Tarter, Marcia Kelley, Doug Rodgers, Bob Krebs, and Ron Christopher

Staff: Allan Pollock, General Manager; Paula Dixon, Director of Human Resources; Steve Dickey, Director of Transportation Development; Sue Quick, Director of Operations; Chad Fosnight, Capital Projects Manager; Gregg Thompson, Maintenance Manager; Jared Choc, Strategic Planning/Technology Services Manager; Mona West, Planning & Development Specialist; Linda Galeazzi, Administrative Secretary; Ben Fetherston, SAMTD Legal Counsel; Akin Blitz, SAMTD Labor Counsel (arrived 7:00 p.m.)

Guests: Jane Evans, wife of Director Steve Evans; Margo Rodgers, wife of Director Doug Rodgers.

ANNOUNCEMENT

There were no announcements or changes to the agenda.

NEW BOARD
Oath of Office

Linda Galeazzi, Administrative Secretary and Notary Public administered the oaths of office to newly-elected Board members Steve Evans serving Subdistrict #1 and Doug Rodgers completing an unexpired term in Subdistrict #4; and to re-elected board members Jerry Thompson, Subdistrict #3; Kate Tarter, Subdistrict #3; and Marcia Kelley, Subdistrict #7.

D. ELECTION OF
OFFICERS

Director Christopher nominated Jerry Thompson for President. Director Kelley moved that nominations for President be closed. The motion was seconded. The motion carried. Director Kelley moved to cast a unanimous ballot for Mr. Thompson as President. Director Krebs seconded. The motion passed unanimously.

Director Christopher nominated Kate Tarter for Vice-President. Director Evans moved that nominations be closed. Director Krebs seconded. The motion carried. Director Kelley moved to cast a unanimous ballot for Kate Tarter as Vice-President. Director Christopher seconded. The motion passed unanimously.

Director Tarter nominated Bob Krebs for Secretary. Director Tarter also nominated Steve Evans. Director Kelley moved that nominations be closed. Director Krebs seconded. The motion carried. Board members voted by written ballot. Director Krebs was elected to serve as Secretary

by a vote of 4 to 3 (Krebs: Christopher, Thompson, Krebs, Kelley; Evans: Tarter, Rodgers, Evans).

Director Tarter nominated Ron Christopher for Treasurer. Director Evans moved that nominations be closed. Director Krebs seconded. The motion carried. Director Kelley moved to cast a unanimous ballot for Ron Christopher as Treasurer. Director Krebs seconded. The motion passed unanimously.

The oath of office was administered to the newly-elected Board Officers.

President Thompson expressed his appreciation of the confidence that Board members had in him as President. Director Tarter welcomed the new Board members who have never served on the Board before. She acknowledged Director Evans wife, Jane Evans, who has helped her with her son's needs at school and she appreciates her service to the community.

President Thompson asked to have the wives introduced. Director Rodgers introduced his wife, Margo. Director Evans introduced his wife, Jane. Both were in the audience. President Thompson noted that Ms. Evans would be singing at the Patriots Day event on September 11th at Riverfront Park.

PUBLIC COMMENT

- Mark Knecht
- Geoffrey James
- Gene Pfeiffer
- Gary Kahne
- Eddie Pluerad

[6:45 PM]

Mark Knecht, 1835 Beach Ave NE #2, Salem: Mr. Knecht, an advocate of seniors and people with disabilities, welcomed the new members and reelected members of the Board. He thanked the Board for their vehicle donation to the Veterans Administration and noted that they also received a grant from the Ford Foundation for some new vans with adequate lifts. He commented on the Community Transit Task Force's recommendations that were presented at the June 23rd Board meeting and felt there were some good suggestions in the attachment "What Makes the Bus Difficult to Ride." From those suggestions, he asked about the cost of signage at a bus stop and stated that he has heard about more incidents involving big, heavy, electric wheelchairs getting on and off the buses.

Geoffrey James, 4676 Commercial St SE, Salem: Mr. James provided a written summary of his comments [Herein given as Attachment A and by this reference made a part of these minutes].

Gene Pfeiffer, Silverton, Oregon: Mr. Pfeiffer, who served with Geoffrey James on the Technical Committee of the Courthouse Square Solutions Task Force, spoke of his concerns about the segregation and diverse goals of Marion County and Salem-Keizer Transit even though the agencies are co-owners and have the Courthouse Square Condominium Association. He shared his view of what the Technical Committee was tasked to do and reviewed his theory of why the problems occurred with a detailed list of potential solutions for Courthouse Square that he submitted to the County and to Miller's Engineering in October 2011. He shares similar concerns expressed by Mr. James about a construction remediation RFP for Courthouse Square, the amount of time it will take while driving the cost up. Something needed to get done and needed to get done soon.

He gave examples of less expensive costs for remediation that he and Mr. James proposed versus those proposed by Sera Architect. He had requested a meeting with the Commissioners to entertain proposals from firms out of town that he was aware of who were interested in fixing the building and/or purchasing the building, fixing it and continuing its use as a transit mall. He received the response that the County was not interested in any proposals at this time and advised that the process could take four to five years. He did not think the County could afford that nor the Transit District. He found the proposal to be very technical and was told by the experts in Baltimore - how could anybody tell the experts what to do to fix the building. In his opinion, it will get way out of control and it already costs \$7,500 per day. Mr. Pfeiffer presented the Board with an article from the Statesman Journal dated May 9, 2011 – “County Eyes Property’s Insurance.” Evans Engineering was quoted as saying the building was safe in 2009.

President Thompson noted that Mr. James and Mr. Pfeiffer had been very hard workers on the Technical Committee. He advised that the County and District have to see the numbers to know how much it will cost to fix the building; and they will make a decision based on that information.

Gary Kahne 5950 Woodside Dr SE, Salem: Mr. Kahne, a former Marion County Commissioner with a construction background, gave an example of the jail that was built by Marion County in 1985-86 where they had two different directions to follow that he felt was significant to the Board. The jail would have been built in the Lowells area where the ground had already been secured with a verbal commitment and they would have gone with a build lease option to purchase. They had the money to build the jail and needed votes to staff the jail but the votes failed. He advised that the transit Board generally was facing the question where do we go; do we tear the building down, add on, etc. and specifically, with all of the information they will get, the Board will have to determine whether to enter into a public, private partnership, a joint venture or just sell the ground and use the funds to offset what they will do with the building. He liked having transit downtown and has talked to several merchants who feel the same way. He advised that government was process oriented; it does not have the abilities and is not set up to create a project such as this so bear that in mind. He advised that they needed to have somebody watching over the project all of the time; and that time is of the essence. It is evident downtown and will be more evident with the current economic conditions.

Director Christopher asked for his opinion about the three options he suggested. Mr. Kahne responded that he would look at the best offers and sell the ground to a legitimate developer; do not just accept their credentials but make sure to check on them, and then sell the ground with a provisal.

Director Tarter asked if anyone was aware of or has heard of any offers being made to purchase the Courthouse Square property because she has not heard nor has seen anybody coming forward with any money; yet everyone is saying rebuild. She wanted people to remember that there are no offers on the table to buy as of today.

President Thompson stated that the District still has a federal grant investment in the transit mall with some restrictions to consider. That money will have to be paid back if there is no longer a transit mall.

Mr. Pfeiffer asked to respond to the question about there being any proposal; stating that there are proposals being squashed by the County. There are two developers outside of town that would be favorable to transit and one local developer that is not favorable to transit. One developer has said they do not want to move forward or spend a lot of money and waste their time if the County is still in a position where they do not want to take any offers. Mr. Pfeiffer felt that some groundwork needed to be laid rather than continuing for two years with another study.

President Thompson advised that the Boards want to be in a position where they know how much it would cost for the repairs so that they can approach businesses on a realistic basis. That process will move forward with deliberate speed.

At Director Kelley's request Mr. Pollock explained that the Courthouse Square Solutions Task Force is currently on hiatus while the County and the District work together on some next steps. They have a Request for Proposal (RFP) out for an Owner's Representative. Once that firm is selected by the Transit Board and Commissioners, the task for that firm will be to work with staff to develop an RFP for potential fixes that both Boards decide on. That will happen in the Fall. Mr. Fosnight added that the deadline for the current RFP is July 29th.

Director Kelley said that it seems like the process is moving slowly. It took 20 years to get a transit mall located in the downtown. There are procedures that must be followed according to the Condominium agreement that the District has with Marion County; and there are outstanding insurance issues. The Boards have to protect the District's and County's investment, and use good judgment. Director Kelley also suggested that staff look into having potted plants on Hatfield Plaza and do other things to make the Plaza look more presentable.

Mr. Kahne stated that Moody's Forbes was looking at dropping the rating for the United States. That will probably cause a higher interest rate across the board so costs are probably going to go up as well.

Eddie Pluerad, 2055 Claxter Rd NE, #25: Mr. Pluerad expressed interest in a peer mentoring program for developmentally disabled people who would like to learn how to ride the bus. He volunteered to help with this kind of program.

President Thompson advised that the District was building a volunteer program and he asked Mr. Pluerad to give his contact information to Mona West. Director Tarter stated that Mr. Pluerad also suggested to her that transit drivers be acknowledged for their work.

CONSENT CALENDAR
Approval of Minutes
[7:13 PM]

Director Kelley moved approval of the Consent Calendar. Director Krebs seconded. The Motion passed unanimously.

ACTION ITEMS

H.1 Award 2011-13 STF
Formula Fund Allotment
[7:14 PM]

Mona West gave the staff report from pages 27-28 of the agenda asking that the Board approve the recommendations of the Special Transportation Fund (STF) Advisory Committee for the distribution of STF Formula project funds for Fiscal Year (FY) 2011-2013.

Director Tarter asked what Marion County Health does with the funding. Ms. West answered that they contract the Wheels Program.

Director Evans asked if all of the agencies got what they asked for. Ms. West responded that they did; and the agencies report back how they used the money.

Director Christopher asked for an explanation of the “match” and how agencies like CARTS make their request? He asked if the District followed up to find out if the agencies spent the money. Ms. West explained the process for distribution of funds through the STF Advisory Committee and said the agencies are required to report to the State of Oregon and they report to the STF Advisory Committee what they did with the funds. She noted that CARTS has several different sources rather than just one fund source.

Director Kelley advised that these funds are a portion of the tobacco taxes and gas taxes that are not used for roads. They are smaller grants that are distributed to rural areas with complicated reporting requirements. She referred to the District’s budget document for a list of funding sources in the front of the budget where federal grants are listed. Ms. West added that these funds are built on other funding sources and are used for matches.

Director Kelley moved to approve the allocation of 2011-2013 STF Formula funds in accordance with Table A (page 28). Director Krebs seconded. The motion passed unanimously.

H.2 Resolution
#11-10 CherryLift
Vehicle Donation
[7:24 PM]

Sue West gave the staff report from pages 29-32 of the agenda asking the Board to adopt Resolution #11-10 to donate two surplus CherryLift vehicles to the Oregon Department of Transportation (ODOT) for transfer to the Veterans Administration for a pilot project to transport veterans and their families.

Director Tarter asked for more information about what the Veteran’s Administration will do with the buses. Will it take some riders off the CherryLift or Wheels service? Ms. Quick explained that the buses will be taken to ODOT where they will make sure they are in good running condition. ODOT will give them to the Veterans Administration who will oversee a pilot project to transport veterans to their doctor’s appointments and hospital visits across the state in a less costly manner. It could affect CherryLift if veterans were being transported by CherryLift within the District’s urban growth boundary area.

President Thompson stated that there were no wheelchair accessible vehicles to take veterans to their appointments in Portland; so that now they will have six wheelchair accessible vehicles and a number of volunteer to transport these veterans at much less the cost. It is a much needed program.

Director Rodgers moved to adopt Resolution #11-10 to donate two surplus CherryLift vehicles to the Oregon Department of Transportation for the Veterans Administration. Director Tarter seconded. The motion passed unanimously.

H.3 Hybrid Vehicle
Bus Purchase
[7:29 PM]

Sue West gave the staff report from pages 33-34 of the agenda asking the Board for approval to use up to \$19,000 in STF Rural Reserve Funds to purchase a 2011 International hybrid, 33-foot, 35-passenger bus to provide service for CARTS.

Director Rodgers asked about the fuel the bus uses. Ms. Quick responded that the bus uses diesel fuel and is electric.

Director Christopher noted that if Sunset Empire Transit District (SETD) was reducing their service could they not sell their buses for more money. Mr. Pollock explained that the District is reimbursing SETD for their portion of their contribution. The bus was originally purchased through ODOT with federal funding at 80% and a 20% local match. The cost is determined by the remaining life of the bus and current actual value. The District is repaying the City of Astoria and SETD their contribution and is assuming ownership of a bus. It is all taxpayer dollars.

Director Kelley reiterated that these are federal funds that pass through ODOT. Smaller transit agencies do not get an allotment through the Federal Government like the larger agencies do. The District is basically taking over their federal match for the life of the bus because SETD cannot afford to anymore.

Director Kelley moved to authorize the General Manager to use up to \$19,000 in STF Rural Reserve Funds to purchase from Sunset Empire Transit District a 2011 International Hybrid 35-passenger bus for use on CARTS service. Director Evans seconded. The motion passed unanimously.

INFORMATION ITEMS
I.1 Subcommittees
[7:35 PM]

Allan Pollock reviewed the procedures from pages 35-38 of the agenda for Board member committee assignments that include applicable rules in the Bylaws and a list of the current assignments. Board members were asked to let President Thompson know of their interest in serving on various committees prior to the August 25th Board meeting when President Thompson will make the appointments. President Thompson, Director Tarter and Mr. Pollock will meet to review the subcommittee structure.

The fourth quarter report for the American Recover & Reinvestment Act (ARRA), Board subcommittee meeting reports, and the departmental staff reports were received and filed.

REPORTS
[7:40 PM]

Director Tarter stated that the Finance, Administrative & Marketing Subcommittee briefly discussed the concept of a Shopping Shuttle which will continue at their August meeting. She asked for a West Salem update.

Mr. Pollock stated that staff met with the West Salem Business Association to get feedback on potential route changes. Staff is currently planning an open house to receive comments. Director Kelley asked if West Salem bus riders would be contacted as part of the public outreach. Mr. Pollock responded that there were comment cards for feedback on the buses.

**BOARD &
MANAGEMENT**

General
Manager
[7:42 PM]

Mr. Pollock recognized staff for all of their hard work in a smooth transition of the CARTS program, and spoke about Cherriots Night at the July 9th Volcanoes game where over 900 community contacts were made. Mr. Pollock will be out of the office the week of August 7th. He announced the resignation of Contracted Transportation Manager, Melissa Bradley, who accepted a position with the Salem Hospital. Ms. Bradley began her career with Salem-Keizer Transit as a staff assistant eight years ago and moved up into a manager's position where she did a great job. Staff will miss her but wishes her well. The American Public Transportation Association (APTA) Board of Directors announced that Michael P. Melaniphy was their new president. Mr. Melaniphy is well respected and has a good mix of public and private experience. He will take over in October at the APTA Annual Conference. On August 8th, the Keizer City Council will hold a work session to discuss a visitor's center at the Keizer Transit Center; staff will attend that meeting. Mr. Pollock passed out a letter to the Board from the Salem Area Chamber of Commerce regarding Courthouse Square remediation [Herein given as Attachment B and by this reference made a part of these minutes].

Board President
[7:46 PM]

President Thompson met with the Confederated Tribes of Grand Ronde to present the Mid-Willamette Valley Council of Governments award that was bestowed on both the District and the CTGR for their coordinated efforts on the commuter service between Grand Ronde and Salem. He also attended the orientation session for new Board members, Steve Evans and Doug Rodgers.

Board of Directors
[7:47 PM]

Director Krebs attended a joint Boards meeting with Marion County, and subcommittee meetings for Planning & Operations and Specialized Transportation. He attended the Eugene City Club presentation on streetcars and got some ideas for financing and how constituents could be served.

Director Christopher attended the Finance, Administration & Marketing Subcommittee meeting and Cherriots Night at Volcanoes' Stadium. He said it was a fantastic night for Cherriots and great public relations. He was in Los Angeles for the birth of his first grandchild during the June 23rd Board meeting but participated in the general manager's review by conference call.

Director Tarter attended the Salem Area Chamber of Commerce meeting, the SEDCOR luncheon and Cherriots Night at the Volcanoes game. She agreed it was a good night for the Cherriots brand and name recognition; and was happy to see Mr. Fetherston in attendance, as well as former board member, Joe Green. She liked the "Question of the Week" on the Cherriots Facebook page where readers could win a prize if they "liked" the page and answered the question. The League of Women Voters for Marion & Polk Counties is slowly gaining members. She is a member of three of their subcommittees. She announced that former President and board

member, Shelley Hanson, is getting married on August 13th.

Director Rodgers attended the new board member orientation. He welcomes suggestions and help from his fellow board members to that he learns as much as he can and gets up to speed.

Director Evans went on a field trip in a bus at Cabo. He attended the Finance, Administration & Marketing Subcommittee meeting and is the Transit Chair for the West Salem Neighborhood Association. He is serving on the League of Women Voters for Marion & Polk Counties and he attended the District's presentation on the West Salem route and schedule changes at the West Salem Business Association.

Director Kelley participated on a committee to review revisions of the general manager's contract. There was no July MWACT meeting but the next one, scheduled for August 4th will be held at Keizer City Hall where they will hold a public hearing regarding the Statewide Improvement Program.

The regular meeting was adjourned at 7:56 p.m.

EXECUTIVE SESSION
8:04 PM]

President Thompson called the Executive Session to order at 8:04 p.m. pursuant to ORS 192.660(2)(i) and ORS 192.660(8).

Present: President Thompson; Directors Tarter, Christopher, Kelley, Krebs, Rodgers and Evans.

Staff: Allan Pollock, Paula Dixon, Linda Galeazzi, Ben Fetherston, SAMTD Legal Counsel; Akin Blitz, SAMTD Labor Counsel

Mr. Akin reviewed and Board members discussed an updated and revised draft of the employment agreement for Mr. Pollock.

ADJOURNMENT

President Thompson adjourned the Executive Session at 10:00 p.m.

Respectfully submitted,

Jerry Thompson
President

Attachments (2)

PUBLIC COMMENT:

Geoffrey James

4676 Commercial Street
Salem, OR

Members of the transit board,

I have a few taxpayer concerns and I need your help and action. You are stewards or caretakers or trustees of the Courthouse Square property.

Two issues – Hatfield Plaza and New RFP

Hatfield Plaza: there are dead trees, damaged membrane, and perhaps mold around the windows. It shows no respect for Senator Hatfield who got us the \$9 million funds.

Courthouse Square Status: Courthouse Square is under a city order to repair its structural deficiencies. Tech folks brought in experts (eight firms). The structure can be repaired for \$8 million. The architecture can be repaired for \$8 million. I hear there is a joint venture team of specialists – C.G., engineer, ready to design/build the repairs for a savings of \$33 million below Sera Architects. However, the recent RFP is not helping. Seems to me like a device to drive up the cost to what? \$30 million?

A Series of Continuing Mistakes:

- Hiring an engineer who had previous problems in Salem; ignoring the 70 emails from G.C. in 1999 warning of problems; but fixable for \$3 million. I am asking for copies.
- The Sera RFP required “all new systems” and “as new” building: produced \$49 million gut job.
- The maneuvers so that the tech report was not adopted
- Creating a “Courthouse Square Redevelopment Fund”
- Meeting with developers about redeveloping the site
- Wanting to wait a few years to look at all options
- Deciding to start a long range facilities study (four years?)
- Latest RFP is not for “representative;” it is for a firm like Sera Architect to be involved through site “redevelopment” so the bidding of the remediation is a waste of time due to lack of owners commitment to repair Courthouse Square.

Request:

1. Maintain Hatfield Plaza and fill the holes
2. Bring back Jay Thomas from Baltimore
3. Get a guaranteed price (bid) to fix Courthouse Square by this time next year.
4. Assert the transit interest in preserving the federal investment

SALEM AREA
CHAMBER OF
COMMERCE

For Minutes of July 28, 2011
Attachment B

President

Mark Shipman
Saafeld Griggs PC

Chief Executive Officer

Jason Brandt

Executive Committee

Ryan Allbritton
U.S. Bank

Jane Berg

Benefits Consulting Northwest
Brent DeHart

DeHart's Mission Street Shell
Salem Aviation Fueling

Tom Hoffert

Don Pancho Authentic Mexican Foods
Jim Lewis

Salem Association of Realtors

John Miller

Courthouse Athletic Clubs

Board of Directors

Bruce Anderson

NW Natural

Jim Bauer

Willamette University

Patricia Callihan-Bowman

Express Employment Professionals

Barbara Hacke Resch

Morgan Stanley Smith Barney

Byron Hendricks

Prudential Real Estate Professionals

Steve Johnson

VIPS Industries, Grand Hotel in Salem

LeAnn Keim

West Coast Bank

Terrence L. Kuenzi, CPA

Kuenzi & Company, LLC

Kevin Mannix

Kevin L. Mannix, P.C.

Bert Ortiz

Tico's Coffee Roasting Company

John Pataccoli

Redhawk Vineyard & Winery

Greggery Peterson

Broadway Café

Selma Moon Pierce, DDS

James Rasmussen

Modern Building Systems, Inc.

Salem Area Chamber of Commerce
1110 Commercial Street NE
Salem, Oregon 97301
503-581-1466; Fax 503-581-0972
salemchamber.org

July 25, 2011

Marion County Board of
Commissioners
451 Division Street NE
Salem, OR 97309

Salem-Keizer Transit Board of
Directors
925 Commercial St. SE, Suite 100
Salem, OR 97302

Dear Marion County Commissioners and Salem-Keizer Transit Board of
Directors:

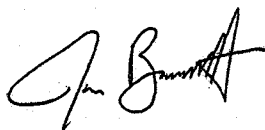
We understand Marion County and Salem-Keizer Transit have partnered
together to move forward with a Request for Proposal to determine the actual
cost of repairing the Courthouse Square building.

Once costs of repair are determined, the Salem Chamber would like to form a
recommendation on the future use of the block.

Our goal would be to see a final decision move forward as quickly as possible. In
addition, our desire would be to find a way for our local county and transit
employees to remain a key part of the downtown economic fabric.

We would like to thank you for working through this challenging situation which
has had a resulting impact on neighboring chamber members. We look forward
to working together in the near future towards a final solution for the courthouse
square block.

Sincerely,



Jason Brandt
Chief Executive Officer
Salem Area Chamber of Commerce



Mark Shipman
President
Salem Area Chamber of Commerce