

**BOARD OF DIRECTORS
Salem Area Mass Transit District
November 19, 2009**

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Moved approval of the Consent Calendar: <u>Approval of Minutes</u>	
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Moved approval of Resolution #09-08 adopting the Fiscal Year (FY) 2009-2010 Supplemental Budget, making appropriations, imposing and categorizing taxes ...	3
Moved to authorize President Hanson to send a letter to the District's federal delegation supporting legislation to extend the excise tax credits for compressed natural gas (CNG) and liquefied natural gas (LNG).	4

MINUTES

**BOARD OF DIRECTORS
Salem Area Mass Transit District
Thursday, November 19, 2009
Courthouse Square - Senator Hearing Room
555 Court Street NE, Salem OR 97301-3980**

CALL TO ORDER & NOTE OF ATTENDANCE

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

Present: President Shelley Hanson; Directors Jerry Thompson, Joe Green, Ron Christopher, Kate Tarter, and Bob Krebs

Excused Absence: Director Marcia Kelley

Staff: Allan Pollock, General Manager; Pat Mercier, Director of Finance; Steve Dickey, Director of Transportation Development; Mike Hansen, Director of Operations; Roxy Rolls, Rideshare & Outreach Coordinator; Jency Rosasco, Staff Assistant, Transportation Development Division

Guests: Ben Fetherston, SAMTD Legal Counsel

ANNOUNCEMENTS & CHANGES TO AGENDA

Additions to the Agenda:

- Executive Session
- Authorization of a Letter to Legislative Delegation

President Hanson announced that there were two additions to the agenda under Action Items #F.2 Authorization of a Letter to the District's Legislative Delegation in Support of Legislation to Extend the Excise Tax Credits for Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) [*Herein given as Attachment A and by this reference made a part of these minutes*]; and at the end of the regular meeting there will be an Executive Session pursuant to ORS 192.660(2)(h) to consult with the District's legal counsel regarding the governing board's legal rights and duties in regard to current litigation or litigation that is more likely than not to be filed. Mr. Pollock read the entry into Executive Session from the Statutes [*Herein given as Attachment B and by this reference made a part of these minutes*].

PUBLIC COMMENT

- Neal Feldman
- Tina Hansen

Neal Feldman spoke about the need to consider a business tax to provide additional revenue for transit services in an upcoming election. He also stated that there is a need for more public outreach and proper education of the District's transit services based on the comments he reads in the online version of a news publication if the District expects to get support from the public.

Tina Hansen asked the District to consider doing community outreach about the Travel Training program and spoke about the need to continue to look for more alternative sources of funding and sustainable sources of funding other than tax levies. She does not think that going to the voters every seven to ten years will solve the District's funding problems.

President Hanson stated that the Director of Transportation Development, Steve Dickey will follow up on her Travel Trainer request.

CONSENT CALENDAR

D.1 Approval of Minutes

- October 22, 2009

Director Joe Green moved approval of the Consent Calendar. Director Kate Tarter seconded. The motion carried.

ITEMS DEFERRED FROM
CONSENT CALENDAR

None

ACTION ITEMS

F.1 Resolution #09-08

Adopt Supplemental
Budget

Pat Mercier reported on staff's recommendation for adoption of a supplemental budget from pages 9-18 of the agenda, due to some major changes after adoption of the Budget in May 2009. An amendment to the American Recovery & Reinvestment Act (ARRA) stimulus money that was enacted by President Obama which allowed the District to allocate 10% of their capital funds for operating expenses; the District received notifications of additional funds available from the State through the Jobs and Transportation Act (JTA) and the Special Transportation Operating (STO) Program for special transportation needs; and the District was notified by the State of cuts in their Employee Bus Pass Program and the Park and Ride Shuttle Program. Further, recent fares, pass sales and other income showed a significant drop, necessitating a revision of the revenue assumptions. The District felt that a supplemental budget was necessary to provide an accurate budget for operations.

Director Bob Krebs moved approval of Resolution #09-08 adopting the Fiscal Year (FY) 2009-2010 Supplemental Budget, making appropriations, imposing and categorizing taxes. Director Kate Tarter seconded. The motion carried.

F.2 Authorize Letters
to Legislators to Extend
Excise Tax Credit for
CNG/LNG

Allan Pollock reported [from Attachment A of these minutes] on the Districts' recommendation for letters to the District's federal delegation authorized by the Board of Directors supporting legislation - Senate Bill 1408, the New Alternative Transportation to Give Americans Solutions Act of 2009 and House Resolution Bill 1835, the New Alternative Transportation to Give Americans Solutions Act of 2009 - that would extend the excise tax credits for compressed natural gas (CNG) and liquefied natural gas (LNG). A provision in the IRS code provides important offsets to transit agencies for fuel and operating costs. The District estimates that they will receive \$100,000 this next fiscal year as a result of this program but the provision expires December 31, 2009. Mr. Pollock noted that the Board's Legislative Subcommittee reviewed and approved the letters to the legislators – Senator Jeff Merkley, Senator Ron Wyden and Representative Kurt Schrader.

Ms. Mercier noted that this source of funding has been renewed every six months throughout the years but the District has used the funding conservatively not knowing if this funding would be available from year to year. Hearing that this provision could continue through 2019 would

provide the District with a stable source of funding.

Director Joe Green asked about the involvement of other transit agencies. Mr. Pollock explained that the American Public Transportation Association (APTA) asked all of their member transit agencies to write letters to their delegates with the same request.

Director Tarter thanked Mr. Pollock for bringing this to the Board's attention and stated that it was an important opportunity to take a stand with other transit agencies to support important issues involving transit.

Director Jerry Thompson moved to authorize President Hanson to send a letter to the District's federal delegation supporting legislation to extend the excise tax credits for compressed natural gas (CNG) and liquefied natural gas (LNG). Director Bob Krebs seconded. The motion carried.

INFORMATION ITEMS

None

REPORTS

H.1 Finance Report –
FY 2010 First Quarter

Ms. Mercier reviewed highlights of the financial report for the first quarter from pages 19-28 of the agenda [Herein given as Attachment C and by this reference made a part of these minutes]. Ms. Mercier reported that property tax payments are made in November; Advertising and State-in-lieu money are lagging; fares and pass sales dropped 18% in part because State programs were not renewed; federal dollars will not be received until the year end; and the District will find out the amount of Federal dollars they receive in January when that report is published. Under Expenses, the General Managers Division and General Services were 7% under budget; the Board of Directors/ Budget Committee spent less than 5%; the Rideshare Division was 9% under budget; Transportation Development Division was over 6% due to the redesign costs; and Transfers are not done until after the first quarter. The General Fund budget excluding Transfers was within 1% of the budget at 23.37%. In the Specialized Transportation Fund budget, transfers from the General Fund will be completed after the end of the quarter; draws and reimbursements for federal and state grants will also take place after the end of the quarter. DMAP is within 3% of the budget and the CherryLift Program is under 6% but September billings are in transit. September billings were not completed for the CARTS and Wheels program.

Director Krebs asked how the State's decision not to renew the contact for the state employees' bus pass program impacted the drop to 18% in General Fund revenues.

Ms. Mercier responded that it was not known how much of an impact there would be because State employees who chose to continue to ride the bus would still have to purchase a bus pass but it appears that those numbers are less than anticipated.

H.2 Triennial Review

Received and Filed

H.3 Rideshare –
First Quarter

Roxanne Rolls reported on the Rideshare Division for FY 2008-2009 and the first quarter of FY 2009-2010 from pages 33-34 of the agenda. There were 51 new commuters added to the rideshare database totaling 2,294 commuters active for matching; and the database totaled 3,268 with the Emergency Ride Home registrations reducing vehicle miles traveled by 13,505,735 miles at an estimated cost savings of \$4,384,219. Ms. Rolls spoke about a regional rideshare database project the District has been involved with in cooperation with the Washington Department of Transportation. The Oregon Department of Transportation (ODOT) is applying for funding for a limited term employee, marketing and two years access to this rideshare database. ODOT will submit their request to the OTC (Oregon Transportation Commission) in January.

Ms. Rolls was asked to share how people can enroll in the rideshare program. She explained the steps to go through on the website www.cherriotsrideshare.com where there is an online application and where applicants get their match list.

Director Christopher asked how vehicles miles traveled and cost savings were determined. Ms. Rolls explained how figures are based on AAA statistics including fuel cost and the average life of a vehicle, etc.

H.4 Board Subcommittees

Received and Filed

BOARD & MANAGEMENT
Division Directors
General Manager

Mr. Dickey reported on the environmental assessment work being done by the consultants for the Keizer Transit Station which will be turned in to the Federal Transportation Administration (FTA) next week.

Mr. Pollock announced that he will be out of the office from November 30 to December 8 and that Mary Lorensen will be the acting General Manager in his absence. He thanked Susie Primmer, Jency Rosasco and Michelle Ambrosek for their administrative support help while Linda Galeazzi was out on medical leave. He announced that there will be no bus service on Thanksgiving and invited Board members to ride the Cherriots bus in the Festival of Lights parade on Dec 12th and visit the afterglow event on the Transit Mall where the floats will be displayed on Sunday, December 13th.

Board President

President Hanson reported on her participation at the OTA Conference. She worked on a letter of support for Polk County and Grand Ronde Tribal Council for a Connect Oregon grant for a park and ride by the fairgrounds.

Board of Directors

Director Tarter was appreciative for the reports she receives from Mr. Pollock so that she can pass the information forward to her constituents.

Director Christopher has been working with the Habitat for Humanity. He asked for an update on the responses received by board members who want to help. Director Christopher attended the Finance, Administration &

Marketing Subcommittee meeting where they discussed additional duties for the Treasurer. He also participated in the Keizer City Council meeting.

Director Thompson attended three meetings including the North Marion CARTS meeting. The committee was concerned that CARTS may have to cut back, but extra money came in and CARTS will be safe for at least another year.

Director Krebs had been working on the road and brought back a Swiss time table showing the level of transit service in the inner city. He attended two Specialized Transportation Subcommittee meetings and the Planning & Operations Subcommittee meeting. He also represented transit at the October Salem Keizer Area Transportation Study (SKATS) meeting.

Director Green participated in the Planning & Operations Subcommittee meeting and the CAN-DO neighborhood association.

President Hanson adjourned from the regular board meeting at 7:14 p.m. for the Executive Session after a five minute break.

EXECUTIVE SESSION
Litigation

President Hanson opened into Executive Session at 7:20 p.m. pursuant to ORS 192.660(2)(h) the Board met in Executive Session to consult with attorney(s) designated by the governing body regarding their legal rights and duties in regard to current litigation or litigation that is more likely than not to be filed.

ADJOURNMENT

The Executive Session was adjourned at 8:20 p.m.

Respectfully submitted,

Shelley Hanson
President

Attachments (3)

MEMO TO: BOARD OF DIRECTORS

FROM: ALLAN POLLOCK GENERAL MANAGER

SUBJECT: LETTER EXTENDING THE EXCISE TAX CREDITS FOR CNG/LNG

ISSUE

Shall the Board of Directors authorize the President to send a letter to the District's federal delegation supporting legislation to extend the excise tax credits for CNG/LNG?

BACKGROUND

There is currently a provision of the Internal Revenue Code (IRS) that provides important offsets to transit agency fuel and operating costs. Thereby supporting improved transportation services, as well as aiding in job retention and in meeting important goals of air quality improvements and carbon emission reductions.

Public transportation agencies that utilize natural gas for a portion or all of their fleet fueling needs have experienced significant budget savings from this provision. Lowered fueling costs enable improvements elsewhere in an agency's service and operations.

As part of the legislative proposals for the federal surface transportation authorization the American Public Transportation Association (APTA) is urging that the current tax credit for CNG be made permanent.

FACTS AND FINDINGS

1. The current IRS provisions are set to expire on December 31, 2009.
2. Salem-Keizer Transit estimates it will receive approximately \$100,000 this fiscal year as a result of this program.
3. Senate Bill S. 1408, the New Alternative Transportation to Give Americans Solutions Act of 2009 would extend through 2019 the 50 cent per gasoline gallon equivalent (GGE) tax credit for natural gas (both CNG and LNG). It would extend and expand the tax credits for the fueling infrastructure necessary to facilitate CNG utilization, and would encourage the development, production and utilization of alternative fuel vehicles.
4. House Resolution H.R. 1835, the New Alternative Transportation to Give Americans Solutions Act of 2009 would extend through 2027 the 50 cent per gasoline gallon equivalent (GGE) tax credit for natural gas (both CNG and LNG). It would extend and expand the tax credits for the fueling infrastructure necessary to facilitate CNG utilization, and would encourage the development, production and utilization of alternative fuel vehicles.
5. The Board Legislative Subcommittee has reviewed and approved the attached letter of support for signature.

ACTION REQUESTED

That the Board of Directors authorizes the President to send a letter to the District's federal delegation supporting legislation to extend the excise tax credits for CNG/LNG?

November 19, 2009

The Honorable Jeff Merkley
United States Senate
107 Russell Senate Office Building
Washington, DC 2051 0-3704

Re: Extend the Excise Tax Credits for CNG/LNG

Dear Senator Merkley:

On behalf of the Salem-Keizer Transit Board of Directors I write to urge you to act immediately in support of the extension of the Federal excise tax credits for alternative fuels and related infrastructure, especially as it pertains to liquefied or compressed natural gas (LNG/CNG). These important provisions of the Internal Revenue Code provide important offsets to transit agency fuel and operating costs, thereby supporting improved transportation services, as well as aiding in job retention and in meeting important goals of air quality improvement and carbon emission reduction. It is critical that these provisions be extended before they expire on December 31, 2009.

We also urge you to support and cosponsor S. 1408, the New Alternative Transportation to Give Americans Solutions Act of 2009. The legislation would extend through 2019 the 50 cent per gasoline gallon equivalent (GGE) tax credit for natural gas (both CNG and LNG). It would also extend and expand the tax credits for the fueling infrastructure necessary to facilitate CNG utilization, and would encourage the development, production, and utilization of alternative fueled vehicles. Public transportation agencies that utilize natural gas for a portion or all of their fleet fueling needs have experienced significant budget savings from this provision. Lower fueling costs enable improvements elsewhere in an agency's service and operations.

Salem-Keizer Transit estimates it will receive approximately \$100,000 this fiscal year as a result of this program.

As part of the legislative proposals for surface transportation authorization, the American Public Transportation Association (APTA) is urging that the current tax credit for CNG be made permanent. This new law should make clear that all vehicles used by public transportation systems, including staff and other agency vehicles are eligible for the tax credit.

By extending these tax provisions, public transportation can continue to meet the needs of its growing ridership (10.7 billion rides in 2008), while doing its part to combat global warming by reducing the emission of harmful greenhouse gases. Further, extending the CNG tax credit signifies that we are committed to a long-term strategy for energy security.

It is critically important that the current tax credits be extended before they expire at the end of this year. Please voice your support to Senate Finance Chairman Max Baucus and urge him to move legislation to extend these provisions.

Thank you for your consideration and your support for our public transportation riders and employees.

Sincerely,

Shelley Hanson
President

Letters also to be sent to:

The Honorable Ron Wyden
United States Senate
223 Dirksen Senate Office Building
Washington, DC 2051 0-3703

The Honorable Kurt Schrader
House of Representatives
1419 Longworth House Office Building
Washington, DC 2051 5-3705

2. Mr. Pollock read from the following when announcing there would be an Executive Session:

Pursuant to ORS 192.660(2)(h) the governing body of Salem Area Mass Transit District will hold an executive session to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Pursuant to state law, members of the media permitted to attend an Executive Session are requested not to report, disclose or publish the content of any Executive Session. Under ORS 192.660(2)(h), the governing body must exclude any member of the news media if the member of the news media is a party to the litigation to be discussed or is an employee, agent or contractor of a news media organization that is a party to the litigation. ORS 192.660(5)

ATTACHMENT C

H.1 Finance Report – Fiscal Year 2010 – First Quarter Highlights
for Period Ending September 30, 2009

	<u>Percentage Received %</u>	Expenses & Transfers	<u>Percentage Expended %</u>
General Fund			
Revenue	3.02	\$ (689,191.87)	
Operations – Direct		2,114,739.82	29.07
Operations – Support		257,752.16	26.90
Operations – Admin		115,839.75	22.95
General Manager		75,115.33	18.33
Board of Directors/Budget Committee		2,001.55	4.21
Human Resources		162,303.63	24.15
Transportation Development		176,221.77	31.90
Customer Service		117,746.87	29.64
Rideshare		60,721.80	15.75
Finance		187,758.80	24.84
Maintenance – Bargaining		821,064.31	21.94
Maintenance – Non Bargaining		164,674.53	26.07
Information Systems		84,883.01	24.78
General Services		128,545.44	17.92
Maintenance Facilities – Bargaining		160,343.24	25.29
Maintenance Facilities – Non Bargaining		28,787.52	26.12
Transfers		480,284.61	12.46

	<u>Budgeted</u>	<u>Actual</u>	
Total Fund 100	\$ 21,990,544	\$ 5,138,784.14	23.37
Net Change – Current Year @ 25%	\$817,066	\$ (4,449,592.27)	

	<u>Received %</u>		<u>Expended %</u>
Special Transportation Fund			
Special Transportation Fund	24.89	\$ (150,590.00)	
DMAP Operations Fund	19.33	\$ (852,885.45)	
		1,282,371.21	22.48
ADA CherryLift		714,327.18	18.79
CARTS		192,950.47	17.17
Wheels		11,000.00	2.85
Travel Training		27,634.83	24.55