



Salem Area Mass Transit District  
**BOARD OF DIRECTORS MEETING**  
Thursday, March 28, 2019 at 6:30 PM  
Courthouse Square – Senator Hearing Room  
555 Court Street NE, Salem, Oregon 97301

**AGENDA**

- A. CALL TO ORDER** (President Robert Krebs)
  - 1. Note of Attendance for a Quorum
  - 2. Pledge of Allegiance (Director Steve Evans)
  
- B. “SAFETY MOMENT” THOUGHT FOR THE DAY**
  
- C. ANNOUNCEMENTS & CHANGES TO AGENDA**
  
- D. PRESENTATIONS**
  - 1. FY2018-2019 CAFR and Audit Report ..... **1**
  - 2. United Gospel Mission Project
  
- E. PUBLIC COMMENT**  
Time is designated at each Board meeting for members of the public to testify on any items of Board business, being limited to three minutes.
  
- F. CONSENT CALENDAR**  
Items on the Consent Calendar are considered routine business and are adopted as a group by a single motion unless a Board member requests to withdraw an item. Action on items pulled for discussion will be deferred until after adoption of the Consent Calendar.
  - 1. Approval of Minutes**
    - a. Minutes of the February 11, 2019 Board Work Session ..... **15**
    - b. Minutes of the February 28, 2019 Board Meeting ..... **21**
  
- G. ITEMS DEFERRED FROM THE CONSENT CALENDAR**
  
- H. ACTION ITEMS**
  - 1. Adopt Resolution 2019-03 for the Qualified Entity’s Approval of Statewide Transportation Improvement Fund Formula Plan Application Modifications ..... **33**
  - 2. Approval of STF Advisory Committee Recommendations for Federal Special Transportation Fund and 5310 (ODOT) Funding ..... **39**

**I. INFORMATIONAL REPORTS**

**J. GENERAL MANAGER'S REPORT**

**K. BOARD OF DIRECTORS REPORTS**

Board members to report on their Board assignments, citizen communications, committee and meeting participation as representatives of the District. .... **45**

**L. ADJOURN BOARD MEETING**

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**Next Regular Board Meeting Date: Thursday, April 25, 2019**

This is an open and public meeting in a place that is ADA accessible. With 48 hours of notice, auxiliary hearing aids and services, and alternate formats are available to individuals with limited English proficiency. Requests can be made directly to the Clerk of the Board by phone at 503-588-2424 or with the assistance of TTY: Oregon Relay Services at 1-800-735-2900 (or 711). Cherriots administration office hours are Monday-Friday from 8:00 AM to 5:00 PM.

For an electronic copy of the Board's agenda packet, go to [www.cherriots.org/board](http://www.cherriots.org/board).

Esta es una reunión pública y abierta en un lugar al que se puede acceder por ADA. Con 48 horas de anticipación, los audífonos y servicios auxiliares y los formatos alternativos están disponibles para personas con dominio limitado del inglés. Las solicitudes se pueden hacer directamente al Secretario de la Junta por teléfono al 503-588-2424 o con la asistencia de TTY: Servicios de retransmisión de Oregon al 1-800-735-2900 (o 711). El horario de la oficina de administración de Cherriots es de lunes a viernes de 8:00 AM a 5:00 PM.

Para obtener una copia electrónica del paquete de la agenda de la Junta, vaya a [www.cherriots.org/board](http://www.cherriots.org/board).



## BOARD MEETING MEMO

Agenda Item D.1

**To:** Board of Directors

**From:** Al McCoy, Director of Finance/CFO

**Thru:** Allan Pollock, General Manager

**Date:** March 28, 2019

**Subject:** FY 2017-18 Comprehensive Annual Financial Report and Federal Compliance Report

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### ISSUE

Shall the Board receive a presentation of the 2017-18 Comprehensive Annual Financial Report (CAFR) and Federal Compliance Report?

### BACKGROUND AND FINDINGS

According to Oregon Statutes, Salem Area Mass Transit District (District) is required to publish a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. For the seventh year in a row, the District prepared a Comprehensive Annual Financial Report in compliance with the rigorous guidelines for financial reporting as defined by the Governmental Finance Officers Association (GFOA). The report was submitted to GFOA's Certificate of Achievement for Excellence in Financial Reporting Program, and if received will be the seventh year in a row that the District receives this prestigious certificate.

The financial report was prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."

Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants, audited the District's financial statements. The goal of this independent audit was to provide reasonable assurance that the financial statements are free of material misstatements.

The auditors from Grove, Mueller & Swank concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2018 are fairly presented in material respects in conformity with GAAP.

Ryan Pasquarella, Shareholder, Grove, Mueller, & Swank, PC will present the audit report to the Board and answer any questions the Board may have regarding the reports.

**FINANCIAL IMPACT**

None

**RECOMMENDATION**

Information only

**PROPOSED MOTION**

**None**

# **SALEM AREA MASS TRANSIT DISTRICT**

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## **Federal Compliance Report**

For the year ended

**June 30, 2018**

Marion County, Oregon





## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Salem Area Mass Transit District  
Salem, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Salem Area Mass Transit District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 31, 2019.

#### ***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

January 31, 2019





## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE***

Board of Directors  
Salem Area Mass Transit District  
Salem, Oregon

#### ***Report on Compliance for Each Major Federal Program***

We have audited Salem Area Mass Transit's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Salem Area Mass Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### ***Report on Internal Control over Compliance***

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the District for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 31, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

  
CERTIFIED PUBLIC ACCOUNTANTS  
February 8, 2019

**Salem Area Mass Transit District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018**

	<u>Federal CFDA Number</u>	<u>Pass- Through Entity Grantor/Number</u>	<u>Program/ Award Amount</u>	<u>Expenditures</u>
<i>U S Dept of Transportation</i>				
<i>Federal Transit Cluster</i>				
<i>Direct</i>				
11 5309 Livability Keizer Transit Center	20.500	OR04-0039	\$ 2,800,000	\$ 195,277
12 5309 Paratransit	20.500	OR04-0045	589,300	426,979
14 5307 PM, ADA, Operating	20.507	OR90-X173	5,847,526	37,754
18 5307 PM, ADA, Operating	20.507	OR-2018-033	5,855,361	5,855,361
Transit Enhancement	20.507	unknown	631,505	206,378
08 5307_ STP Bus Stops, Shelters	20.507	OR95-X015	695,380	9,294
13 5307_ STP Bus Stops, Shelters	20.507	OR95-X043	796,923	115,298
5307_ STP CAD/AVL	20.507	OR-2017-007	224,325	4,947
5307_ STP SSTC PM&PE	20.507	OR-95-X067	350,000	8,883
5307_Bus Replacement	20.507	OR-95-X018	6,191,138	2,628
				<u>6,862,799</u>
<i>Passed through Oregon Department of Transportation</i>				
CARTS Buses	20.526	31457	209,523	<u>177,812</u>
<i>Total Federal Transit Cluster</i>				<u>7,040,611</u>
<i>Transit Services Programs Cluster</i>				
<i>Direct</i>				
16 5310	20.513	OR-2017-006	456,931	230,475
New Freedom 06-12	20.521	OR57-X004	253,242	39,151
				<u>269,626</u>
<i>Passed through Oregon Department of Transportation</i>				
15-17 5310 PS, PM, MM	20.513	30749	2,068,264	384,460
Cherrylift Vehicles	20.513	31451	192,069	494
17-19 5310 PS, PM, MM	20.513	32209	1,947,257	969,076
				<u>1,354,030</u>
<i>Total Transit Services Programs Cluster</i>				<u>1,623,656</u>

See notes to schedule of expenditures of federal awards.

**Salem Area Mass Transit District  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2018 (Continued)**

	<u><i>Federal CFDA Number</i></u>	<u><i>Pass- Through Grantor/Number</i></u>	<u><i>Program/ Award Amount</i></u>	<u><i>Expenditures</i></u>
<i>U S Dept of Transportation (continued)</i>				
<i>Formula Grant for Rural Areas Cluster</i>				
<i>Passed through Oregon Department of Transportation</i>				
CARTS Rural FY18/19 PS, Admin	20.509	31929	\$ 662,100	\$ 269,043
Network Planning	20.509	31676	41,949	35,540
<i>Total Formula Grant for Rural Areas Cluster</i>				<u>304,583</u>
<i>Highway Planning and Construction Cluster</i>				
<i>Passed through Oregon Department of Transportation</i>				
Rideshare & TDM FY16/17/18	20.205	30836	1,040,730	380,020
<i>FTA Metropolitan Planning</i>				
<i>Passed through Mid-Willamette Valley Council of Governments</i>				
Transportation Planning 18	20.205	32214	114,026	114,026
<i>Total Highway Planning and Construction Cluster</i>				<u>494,046</u>
<i>Total Expenditures of Federal Awards</i>				<u><u>\$ 9,462,896</u></u>

See notes to schedule of expenditures of federal awards.

**Salem Area Mass Transit District**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

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***BASIS OF PRESENTATION***

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Salem Area Mass Transit District (the District) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and Circular A-87 when applicable. Because the Schedule presents only a selected portion of the operations of the District it is not intended to and does not present the net position, changes in net position, and cash flows of the District.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has not elected to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

**Salem Area Mass Transit District  
 Schedule of Audit Findings and Questioned Costs  
 Year Ended June 30, 2018**

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***SUMMARY OF AUDITOR'S RESULTS***

***Financial Statements***

Type of auditor's report issues:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
• Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major program:

<u><i>CFDA Numbers</i></u>	<u><i>Name of Federal Program or Cluster</i></u>
20.513, 20.516, 20.521	Transit Services Programs Cluster
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

***FINANCIAL STATEMENT FINDINGS***

None

***FEDERAL AWARD FINDINGS AND QUESTIONED COSTS***

None

**Salem Area Mass Transit District  
Schedule of Audit Findings and Questioned Costs  
Year Ended June 30, 2018**

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***PRIOR AUDIT FINDINGS AND QUESTIONED COSTS***

**Finding 2017-001 Financial Record Preparation and Maintenance (Material Weakness)**

***Condition:***

The District did not accurately report various general ledger accounts which would have caused the financial statements to be materially misstated. These adjustments included:

- 1) Prepaid expenses were overstated by approximately \$56,000.
- 2) Federal grants receivable and the related revenue accounts were understated by approximately \$148,000.
- 3) State receivables and the related revenue accounts were increased by about \$1.5 million.
- 4) Construction-in-progress was overstated by about \$610,000. This also caused depreciation expense to be understated by \$32,000.
- 5) Net pension liability was overstated by approximately \$260,000, deferred outflows related to pensions was understated by approximately \$397,000 and deferred inflows related to pensions was understated by approximately \$661,000.
- 6) Other post-employment benefits liability and related expense was understated by approximately \$193,000.

***Recommendation:***

We recommend that the District implement processes and internal controls to ensure that the District's financial records are accurate prior to submission to the audit team. This also includes documented processes for future employees in the event that employees leave the District.

***Views of Responsible Officials:***

The District agrees with this finding. Turnover of staff in the fourth quarter of FY 2017 affected the year-end close process. Training of new staff has been ongoing since the February 2018 hire of a Director of Finance/CFO. Also, fiscal policies and procedures related to construction in process, pensions, and OPEB will be examined, updated, and implemented by September 2018.

***Current Year Update:***

The District has implemented the recommended changes. This finding is not repeated in the current year.







Salem Area Mass Transit District  
Board of Directors

~ **WORK SESSION** ~

February 11, 2019

Courthouse Square – Senator Hearing Room  
555 Court Street NE, Salem, Oregon 97301

**MINUTES**

<b>PRESENT:</b>	President Robert Krebs; Directors Jerry Thompson, <del>Steve Evans</del> , Colleen Busch, Kathy Lincoln, Doug Rodgers and Marcia Kelley
<b>Board</b>	
<b>Staff</b>	Allan Pollock, General Manager; David Trimble, Chief Operating Officer; Al McCoy, Director of Finance/CFO; Patricia Feeny, Director of Communication; <del>Paula Dixon, Director of Administration</del> ; Steve Dickey, Director of Transportation Development; Chris French, Senior Planner; Chip Colby, Information Technology Manager; Dan Knauss, Procurement/Contracts Manager; Linda Galeazzi, Executive Assistant
<b>Guests</b>	No guests

1. **CALL TO ORDER** **5:30 PM**  
President Bob Krebs called the work session to order at 5:30 p.m.
2. **SAFETY MOMENT** **5:30 PM**  
Mr. Pollock spoke about habits to reduce fatigue at the end of the day by avoiding alcohol and the use of electronics just before you go to bed, and sticking to a routine sleep schedule.
3. **PRESENTATION** - None
- 4.. **DISCUSSION**
  - a. **FY2019 Budget Amendment Discussion** **5:35 PM**  
**Staff report:** Pages 3-4 of the agenda  
**Presenter:** Al McCoy, Director of Finance/CFO  
 At the February 28, 2019 Board meeting, staff will recommend approval of Resolution 2019-01 to adopt the supplemental budget and make any necessary appropriations.

The tables below show the elements of the proposed supplemental budget that will add revenues and associated expenditures of the Statewide Transportation Improvement Fund (STIF) Plan for FY19:

Revenues:

	General Fund	Capital Project Fund	Transportation Programs Fund	Total
STIF Formula	\$2,196,015	\$ 228,484	\$ 100,000	\$2,524,499
STIF Pass-Through	0	0	214,501	214,501
TOTAL	\$2,196,015	\$ 228,484	\$ 314,501	\$2,739,000

Expenditures:

	General Fund	Capital Project Fund	Transportation Programs Fund	Total
Operations	\$ 525,000	\$ 220,000	\$ 75,000	\$ 820,000
Communications	60,000	0	0	60,000
Transportation Development	0	0	175,000	175,000
Reserve for Future Expenditures*	1,611,015	8,484	64,501	1,684,000
TOTAL	\$2,196,015	\$ 228,484	\$ 314,501	\$2,739,000

In response to questions from the Board, Mr. McCoy explained that there will not be a set amount in the reserves nor was the amount set by statute. The District received a December 2018 forecast of the projected revenues. If there are more revenues than expected, those will be put in reserves.

**Follow-up:** The Board will take action on the FY2019 Budget Amendment at the February 28, 2019 Board meeting.

**a. Service Enhancement Discussion: Fare Process and Career Fair 5:45 PM**

**Staff report:** Pages 1-2, 27 of the agenda.

**Presenter:** Chris French, Senior Planner  
Allan Pollock, General Manager

Mr. French reported that the Board conducted the First Reading of Ordinance No. 2019-01 by Title and opened a Public Hearing to receive public testimony about the new fare structure at the January 24, 2019 Board meeting. Mr. French asked that the Board consider establishing the new youth fare on June 1 rather than July 1, 2019. This change will meet a requirement noted by ODOT on the Statewide Transportation Improvement Fund application to allocate 1% of the funds to benefit riders in grades 9-12 in FY2019. It allows for a clean break from the current fare structure that will include the elimination of the three month Summer Youth Pass; and a cost savings of \$10 for youth.

**Follow-up:** The Board will take action on the June 1 effective date of the fare change and the adoption of the Ordinance at the February 28, 2019 Board meeting.

**c. Federal Statutory Changes to the Micro-Purchase and Simplified Acquisition (Small Purchase) Thresholds**

**5:55 PM**

**Staff report:** Pages 5-10 of the agenda

**Presenter:** Allan Pollock, General Manager  
Dan Knauss, Procurement/Contracts Manager

The Board reviewed a memorandum from the Office of Federal Financial Management dated June 20, 2018 that explained there were statutory changes set forth in the National Defense Authorization Acts (NDAA) for Fiscal Years 2017 and 2018. The threshold for micro-purchases under Federal financial assistance awards was raised to \$10,000, and the threshold for simplified acquisitions was raised to \$250,000 for all recipients. Agencies are required to implement these changes in the terms and conditions of their awards, and recipients of existing Federal financial assistance awards may implement them in their internal controls. The District will modify its internal financial policies and procurement procedures to align with the Federal thresholds. Staff recommended that the same modifications be made at the Board approval level.

	SAMTD Financial and Procurement Policies	New Federal Thresholds as of June 20, 2018
Micro-Purchases	\$ 3,500	\$ 10,000
Simplified Acquisition Threshold (Small Purchases)	\$ 100,000	\$ 250,000

**Follow-up:** Director Kelley requested that staff report back with information that shows what kinds of contracts would be affected at the next work session.

**d. Request for Bus Donation**

**6:09 PM**

**Staff report:** Pages 11-14 of the agenda

**Presenter:** Allan Pollock, General Manager

Mr. Pollock reported that on January 16, 2019, Kirk Seyfert, Executive Director of Northwest HUB submitted a letter to the Board requesting the donation of a surplus vehicle to be used to expand the scale of free bicycle repair, bike and helmet distribution, bicycle safety and repair education to residents in need of alternative transportation assistance in Marion and Polk Counties. Currently Bus 303 (Cherriots Regional service fleet) is designated as a surplus vehicle that meets the needs of the Northwest HUB. Mr. Seyfert inspected this vehicle and concurs that this would be a useful vehicle for their needs.

**Follow-up:** The Board will take action on this donation for a surplus bus at the February 28, 2019 Board meeting.

**e. South Salem Transit Center – Next Steps**

**6:15 PM**

**Staff report:** Pages 15-20 of the agenda

**Presenter:** Steve Dickey, Director of Transportation Development

Mr. Dickey reviewed the most recent activity concerning the South Salem Transit Center project as it became clear that Walmart may not be a willing seller and the board took formal action to support the use of eminent domain if that course of action was needed. A meeting was held between Walmart representatives, SAMTD staff and legal counsel where multiple design alternatives were presented by Walmart for consideration. Staff reviewed the options, and had the City of Salem traffic engineer review the options for compliance with the city's traffic code. It was determined that none of the design options were acceptable to the City of Salem, and would not meet the needs of SAMTD. The only option at the time was to proceed with eminent domain if the project were to move ahead; so, a timeline was developed for the eminent domain process, final design and engineering, permitting and development review, and construction. Upon further review, staff concluded that even with the most compressed schedule possible for all of these elements, it would not be possible to meet the five year deadline for use of the Connect Oregon funds. Based on that information, a decision was made to cancel the Connect Oregon V grant agreement, and release the funds back to the program.

Mr. Dickey said that finding available property is difficult; as is, finding a seller willing to sell. With eminent domain, the District is obligated to pay the market value price and it is done as a last resort.

Director Lincoln did not want to back away from the potential Walmart site completely.

Director Rodgers liked the "super stop" concept with coordinated transfers and more passenger amenities. He was not in favor of the eminent domain process.

Director Busch said that they could see whether any of the sites would work for a "super stop" when they reevaluate the eight sites identified in the last site selection process.

Director Kelley wants to see where service coverage is currently provided. She would like to see more robust service coverage in areas that have no service; possibly working with a transportation network company (TNC) as long as they meet ADA requirements.

President Krebs suggested finding a way to better the Amazon complex; and to look at other options and new technologies as some of the infrastructure may become obsolete. He favored the transit oriented development (TOD) opportunities with a transit center, affordable multi-family, and small retail/commercial space.

**Follow-up:** Staff will put together a matrix with the pros and cons of each of the ideas considered for the Board's review and further discussion.

#### 4. GENERAL MANAGER COMMENTS

6:50 PM

**Staff report:** Pages 21-26 of the agenda

**Presenter:** Allan Pollock, General Manager

Board members reviewed the draft agenda for the February 28, 2019 board meeting, the Board's calendar of scheduled meetings and events, and a draft of upcoming agenda items for Board review or action.

Mr. Pollock advised the Board that they will no longer need to ask individuals for their address during the Public Comment portion of the Board meeting according to legal counsel. When they review the Board's Bylaws, that language will be cleaned up. Mr. Pollock also announced that ODOT's Director of Transportation, Matt Garrett and Hal Gard, the Rail and Public Transit Division Administrator have announced their retirements.

#### **4. WORK SESSION ADJOURNED**

**6:55 PM**

Submitted and Recorded by:

Linda Galeazzi, CMC

Executive Assistant/Clerk of the Board





Salem Area Mass Transit District  
BOARD OF DIRECTORS

February 28, 2019

Index of Board Actions

<u>Action</u>	<u>Page</u>
Moved to direct the Second Reading of Ordinance No. 2019-01 by Title. ....	<b>3</b>
Moved to adopt Ordinance No. 2019-01 with a change in the implementation date for the youth fare from July 1 to June 1, 2019 effective June 1, 2019. ....	<b>3</b>
Moved to approve the Consent Calendar: .....	<b>4</b>
1. <u>Approval of Minutes</u>	
a. Minutes of the January 24, 2019 Board Meeting	
b. Minutes of the January 14, 2019 Board Work Session	
Moved to adopt Resolution #2019-02 for the donation of a surplus vehicle to the Northwest HUB. ....	<b>5</b>
Moved to postpone a decision on the Special Transportation Fund Advisory Committee’s recommendation for funding the 2019-21 biennium STF and 5310 (ODOT) grant applications until the March 28 Board meeting. ....	<b>7</b>
Moved to adopt Resolution #2019-01 to amend the FY 2018-19 Budget that was adopted by Resolution #2018-06 on June 28, 2018; and authorize a supplemental budget totaling \$2,739,000 for funding to be received from the Statewide Transportation Improvement Fund. Of this amount, \$1,055,000 will be appropriated by expenditure and fund as detailed in the memo (on page 709-84 of the agenda). The remaining \$1,684,000 constitutes STIF resources reserved for future expenditure. ....	<b>8-9</b>
Move to authorize the General Manager to execute a two year contract with three one year renewal options with Parker, Smith and Feek to provide benefits brokerage and consulting services for a total cost of \$145,965. ....	<b>10</b>

Regular Board meetings are video recorded and are available for viewing on the CCTV website at [www.cctvsalem.org](http://www.cctvsalem.org).







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

February 28, 2019  
Courthouse Square – Senator Hearing Room  
555 Court Street NE, Salem, Oregon 973010

**MINUTES**

<b>PRESENT Board</b>	President Robert Krebs; Directors Doug Rodgers, Colleen Busch, Marcia Kelley, Jerry Thompson, and Steve Evans, and Kathy Lincoln
<b>Staff</b>	Allan Pollock, General Manager; David Trimble, Chief Operating Officer; Paula Dixon, Director of Administration; Al McCoy, Director of Finance/CFO; Steve Dickey, Director of Transportation Development; Patricia Feeny, Director of Communication; Chip Colby, Information Technology Manager; Roxanne Beltz, Trip Choice Program Coordinator; Chris French, Senior Planner; Ted Stonecliffe, Transit Planner II; Jeremy Jorstad, Transit Planner I; Stephen Custer, Digital Marketing Coordinator; Linda Galeazzi, Clerk of the Board; Ben Fetherston, SAMTD Legal Counsel
<b>Guests</b>	Kirk Seyfert, Executive Director of Northwest HUB; Ron Harding, Chair, STF Advisory Committee

**A. CALL TO ORDER 6:30 PM**

President Krebs called the meeting to order. The attendance was noted and a quorum was present. Director Kelley led the Pledge of Allegiance. Mr. Pollock shared a *Safety Moment* about fatigue and practices that help individuals to be well rested to minimize safety issues at work.

**B. ANNOUNCEMENTS AND CHANGES TO THE AGENDA**

**C. PRESENTATION - None**

**D. SECOND READING – ORDINANCE 2019-01 Fares 6:33 PM**

**Staff report:** Pages 1-56 in the agenda

**Presenter:** Ted Stonecliffe, Transit Planner II

Mr. Stonecliffe summarized the staff report for the proposed changes to youth fares that were adopted on October 23, 2014 with Ordinance No. 2014-02, and revising the effective date from July 1 to June 1, 2019 with the adoption of Ordinance No. 2019-01.

President Krebs stated that if no board member present at the meeting objects, he would call for a motion to direct the Second Reading of the Ordinance by title only.



**Motion:** Moved to direct the Second Reading of Ordinance No. 2019-01 by Title.

**Motion by:** Director Marcia Kelley

**Second:** Director Steve Evans

**Vote:** Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)

Ms. Galeazzi, Clerk of the Board, read by Title the *Second Reading of Ordinance No. 2019-01, Repealing Ordinance No. 2014-02 and Establishing SAMTD Fare Categories and Rates, and Establishing an Effective Date.*

President Krebs opened the Public Hearing and noted that the Board received oral testimony at the January 24, 2019 Board meeting for the First Reading and Public Hearing. The Board received written testimony from Michele Sawin by email on February 12, 2019. Her testimony was included with the previous testimonies on pages 55-58 of the agenda.

**PUBLIC HEARING 6:40 PM**

**Tashiko Weinstein Polson** – address on file

Ms. Polson wants a student fare that is cheaper than the regular fare. She attends Chemeketa Community College and is heavily reliant on the bus. A lot of college students have a lower fare for TriMet to get to college in Portland. It is too expensive to drive a car.

President Krebs advised that TriMet in Portland and Lane Transit District in Eugene work with the colleges; and the colleges pay for lower fares for their students. The Board would like to have that same kind of partnership as well.

There was no further testimony so the Public Hearing was closed.

**E. DELIBERATION OF PUBLIC HEARING**

Director Thompson said the Board has had several meeting over the last few months to get to this point. Director Busch appreciated staff's efforts, and moving the effective date from July 1 to June 1 was a wise choice.

**Motion:** Move to adopt Ordinance No. 2019-01 with a change in the implementation date for the youth fare from July 1 to June 1, 2019 effective June 1, 2019.

**Motion by:** Director Marcia Kelley

**Second:** Director Doug Rodgers

**Vote:** Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)



**F. PUBLIC COMMENT**

President Krebs announced that testimony on the STF Advisory Committee recommendations will be delayed until the Board gets to that agenda item.

**Tashiko Weinstein-Polson – address on file**

Ms. Weinstein-Polson described her dissatisfaction with several fixed routes that she uses and the bus route from Yamhill to McMinnville and back. She felt there was so much waste and asked how the plans were made.

**J.M. Schindele – address on file**

Mr. Schindele spoke about the #2 bus on Market Street that often does not stop because they are late, and that Market Street is a dangerous location for pedestrians because cars do not stop. He asked that the District consider a north to south bus on 17<sup>th</sup> Street and noted that Mountain West Investment Corporation is building a large housing development along Center and D Streets.

**G. CONSENT CALENDAR**

**6:54 PM**

<b>Motion:</b>	<b>Moved to approve the Consent Calendar:</b>
	<b>1. <u>Approval of Minutes</u></b>
	<b>a. Minutes of the January 24, 2019 Board Meeting</b>
	<b>b. Minutes of the January 14, 2019 Board Work Session</b>
<b>Motion by:</b>	<b>Director Jerry Thompson</b>
<b>Second:</b>	<b>Director Colleen Busch</b>
<b>Discussion:</b>	<b>No items were deferred from the Consent Calendar.</b>
<b>Vote:</b>	<b>Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)</b>

**H. ITEMS DEFERRED FROM THE CONSENT CALENDAR**

**I. ACTION ITEMS**

**1. Resolution No. 2019-02 Bus Donation**

**6:54 PM**

**Staff report:** Pages 69-74 in the agenda

**Presenter:** Allan Pollock, General Manager

Kirk Seyfert, Executive Director of Northwest HUB

On January 16, 2019, Mr. Seyfert submitted a letter to the Board requesting the donation of a surplus vehicle. The vehicle would be used to expand the scale of free bicycle repair, bike and helmet distribution, bicycle safety and repair education to residents in need of alternative transportation assistance. The Northwest Hub is a 501(C)(3) not-for-profit, full service bicycle shop, bike reclamation program and training center. Proceeds from the cycling center directly serve neighbors in need of transportation who “purchase” a bike through service to the community. Impact to



the District's FY19 Budget is minimal; compared to alternate methods of vehicle disposal, forgone revenues could range from \$200 (scrap) to \$5000 (sale).

**Motion:** Move to adopt Resolution #2019-02 for the donation of a surplus vehicle to the Northwest HUB.  
**Motion by:** Director Steve Evans  
**Second:** Director Kathy Lincoln  
**Vote:** Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)

**2. Approval of STFAC Recommendations for STF/5310 Funding 7:04 PM**

**Staff report:** Pages 75-78 in the agenda

**Presenter:** Ron Harding, Chair, STF Advisory Committee  
Ted Stonecliffe, Transit Planner II

Mr. Stonecliffe stated that the Oregon Department of Transportation (ODOT) released applications for Special Transportation Fund (STF) and federal Section 5310 (5310 (ODOT)) grants that support transportation for seniors and people with disabilities in Marion and Polk Counties. The Board-appointed STF Advisory Committee (STFAC) reviews and ranks the applications to form a recommendations for funding projects to the Board of Directors according to ODOTs recommended grant application process to carry out the purpose of the STF program. A Coordinated Plan is a planning document that governs all allocations and is required by state and federal law.

Mr. Stonecliffe provided a recap of the meetings that took place after the application deadline on January 15, 2019. The STFAC Technical Advisory Committee (TAC) met on January 29, 2019 to deliberate the merits of eight applications for STF grant funds and seven applications for Section 5310 (ODOT) funds and make recommendations for funding to the STFAC. The STFAC met on February 12 to review the TAC recommendations, considered public comment and vote on a final recommendation to present to the Board at their February 28 meeting. Mr. Pollock addressed the adopted Coordinated Plan for prioritizing funding decisions; and testified that the TAC recommendation was not made in alignment with those priorities. In question, was funding for a new project, the Falls City Direct Connect (FCDC) that would reduce the funding for existing service provided by the Polk County Flex and Woodburn Transit. Mr. Pollock provided two funding proposals that aligned with the Coordinated Plan priorities for the committee's consideration. After deliberating, the STFAC did not endorse the TAC recommendation but chose to fund existing service in accordance with the Coordinated Plan priorities. Existing services would be maintained at the scaled request or above, with the exceptions of the 5310 (ODOT) applications from SAMTD and the City of Woodburn.



Mr. Harding provided an explanation of the voting process. The RFP invited new programs to apply and the committee was looking for new, innovative, more cost effective programs that provided more service for less money. However, new applications do not merit new innovation and they don't want to reduce service for the successful, existing programs.

President Krebs provided a time for Public Comment. He noted that the Board received a letter from **Melissa Baurer**, Service Integration/Community Liaison Coordinator for the Santiam Hospital and **Colleen Bradford** from the Department of Human Services who read their letter in favor of funding the Falls City Direct Connect (FCDC) at the proposed \$51,282 [herein given as Attachment A and by this reference made a part of these Minutes]. They feel the proposal met the priorities of the Coordinated Plan and that the Board will vote in favor of the TAC recommendation to the STFAC.

**Mayor Jeremy Gordon**, a resident of Falls City also spoke in favor of the FCDC that literally saved and extended lives of the residents during its successful inaugural year. He asked that the Board delay the vote and ensure that the selection process runs its course appropriately.

**Brent DeMoe**, Polk County Director of the Department of Family & Community Outreach, sees a lack of the procurement process. It took two weeks to review before making a decision. He wants a neutral third party to review the applications and will appeal the vote if it is taken at tonight's meeting.

**Jessica** (*last name unknown*), a community engagement coordinator said that members of the TAC commented about not having enough time to make their decisions; that the decisions were made in haste.

**Colleen Bradford**, a Polk County resident and community member, and **Amy Houghtaling**, Director of the Family Academics Clubs and Enrichment for Success (F.A.C.E.S.), Falls City School District spoke in favor of funding the FCDC. Ms. Houghtaling said they did a needs assessment; then started the after school program. They provided dental vans and produce giveaways. To be sustainable, they need to get the parents on board; and the Direct Connect has been a great resource.

A comment was made that defining innovation should not be considered by a dollar value in high poverty, rural areas. Fall City doesn't have access to internet service; and when people need to know where to go for services, the bus driver is their connection.

After the public comments, the Board went into discussion. Mr. Stonecliffe advised that the March 15<sup>th</sup> deadline for the submission of the application may not be



negotiable. Arla Miller, Regional Transit Coordinator for ODOT Rail and Public Transit noted that the District could ask for a two week extension.

President Krebs said that Falls City is one of many rural cities with the same issues as areas in the urban growth boundary (UGB). There is a need for service in the rural areas.

Director Lincoln was uncomfortable making the decision tonight and said the committee should start the process over again. Process is important for integrity and transparency. The program is wonderful but it does have some constraints.

Director Kelley recommended that the Board review all of the applications again. She said the District serves Polk County with both fixed route service and through contracted arrangements. The District does not consider that it provides service for Marion County only; we serve both Marion and Polk Counties. Director Thompson added that service is provided to 25,000 riders in Polk County on a quarterly basis.

Director Kelley said the advisory committee is part of the process for the STF Program and its funding, and is required by law. Although there are some hard feelings, the Board is tasked with a certain allotment of money to spend outside the UGB. The District used to have Saturday fixed route service in the UGB, but unlike Portland and Eugene, funding for service in Salem and Keizer came from the property tax which needs to stay in the UGB. She recalled that at one time, Polk County put county dollars into public transportation. She asked if Polk County provided the vehicle and the gas; the response was yes. She said there may be a creative way to use the new state funds, but that money is not available yet.

Director Thompson asked if the Willamette Valley Community Health Coordinated Care Organization was providing help. Mr. DeMoe said the CCO is going through a big transition that will start in 2020. Director Thompson asked why there was no fare for the service. Mr. DeMoe responded that the people being served don't have the money, so they are providing the service for free.

**Motion: Move to postpone a decision on the Special Transportation Fund Advisory Committee's recommendation for funding the 2019-21 biennium STF and 5310 (ODOT) grant applications until the March 28 Board meeting.**  
**Motion by: Director Kathy Lincoln**  
**Second: Director Colleen Busch**  
**Vote: Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)**

**3. Resolution No. 2019-01 Amend the FY2019 Adopted Budget 8:10 PM**  
**Staff report: Pages 79-84 in the agenda**



**Presenter:** Al McCoy, Director of Finance/CFO

The Statewide Transportation Improvement Fund (STIF) was created with the passage of House Bill 2017 by the Oregon Legislature in November 2017. Estimates of revenues generated for the STIF were in the early stages, and staff elected to wait until the District had a clearer picture of the regulations and how funding would be distributed before incorporating the STIF funds and expenditures into the FY18-19 Adopted Budget. Plans for new service projects using STIF monies were prepared and reviewed by the STIF Advisory Committee; and on October 15, 2018, the STIFAC approved the STIF Plan for recommendation to the Board. The Board approved the STIF Plan by Resolution No. 2018-09 on October 25, 2018. The District now needs new appropriation authority for a supplemental budget to incorporate Year 1 funds and expenditures of the three-year STIF Plan into the FY18-19 Adopted Budget.

**Motion:** **Move to adopt Resolution #2019-01 to amend the FY 2018-19 Budget that was adopted by Resolution #2018-06 on June 28, 2018; and authorize a supplemental budget totaling \$2,739,000 for funding to be received from the Statewide Transportation Improvement Fund. Of this amount, \$1,055,000 will be appropriated by expenditure and fund as detailed in the memo (on page 709-84 of the agenda). The remaining \$1,684,000 constitutes STIF resources reserved for future expenditure.**

**Motion by:** Director Kathy Lincoln

**Second:** Director Doug Rodgers

**Vote:** Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)

#### **4. Approval of Health Insurance Broker Services Contract**

**8:16 PM**

**Staff report:** Pages 69-74 in the agenda

**Presenter:** Paula Dixon, Director of Administration

The District contracts for broker services to provide benefits brokerage and consulting services. The District received seven responses to the request for proposal (RFP). Three proposers were invited to an interview to present their proposals and respond to questions. Parker, Smith and Feek was selected as the proposer who most closely met the requirements of the RFP. The proposed contract with the broker is for two years with three one-year renewal options. Funding for Year 1 of this proposed contract's portion of cost (through June 2018) is included under the General Fund in the FY2018-19 Adopted Budget. Funding for the remaining cost of Year 1 and each subsequent contract year will be included in the Proposed Budget of each respective fiscal year.

**Motion:** **Move to authorize the General Manager to execute a two year contract with three one year renewal options with Parker, Smith and**



**Feek to provide benefits brokerage and consulting services for a total cost of \$145,965.**  
**Motion by: Director Colleen Busch**  
**Second: Director Steve Evans**  
**Vote: Motion passed (Evans, Busch, Lincoln, Rodgers, Thompson, Kelley, Krebs)**

**J. INFORMATION ITEMS 8:20 PM**

**Performance – Second Quarter**

**Staff report:** Pages 93-104 of the agenda

**Presenter:** Jeremy Jorstad, Transit Planner I

Board members received a briefing on the performance measures collected on Cherriots services for the second quarter of FY2019 that began on October 1, 2018 and ended December 31, 2018. The data is compared to the previous time period and the previous fiscal year. Data for these measures are derived from adjusted Trapeze schedules, vehicle fareboxes, rider counting systems, and reservation software (RouteMatch and Mobility DR). Performance measures used are daily average revenue hours, daily average revenue miles, and daily average boardings.

**Finance – Second Quarter**

**Staff report:** Pages 105-112 of the agenda

**Presenter:** Al McCoy, Director of Finance/CFO

Board members reviewed the Second Quarter Finance Report for the FY2019 Adopted Budget. The Finance Report includes statements for the General Fund, Special Transportation Fund, and Capital Project Fund; and a statement of budget to actual on a non-GAAP basis that shows by fund the legal appropriations by category with actual amounts and variances.

In the Second Quarter, General Fund Revenue/ Resources totaled \$14,539,326 or 56% of the budget; Operating Expenses/ Requirements totaled \$12,590,766 at 48%. The Transportation Program Fund Revenue/Resources totaled \$2,005.323 or 27% in the second quarter; Expenses/ Requirements totaled \$4,272,970 or 52% of the budget. Capital Revenues/Resources totaled \$5,031,326 at 17% of the budget; Fund Expenses/Requirements at 23% totaled \$6,760,320.

**Trip Choice – Second Quarter**

**Staff report:** Pages 85-92 of the agenda

**Presenter:** Roxanne Beltz, Trip Choice Program Coordinator

The Board was apprised of the Cherriots Trip Choice program and project activities. Trip Choice, and other local partners, provided financial support and will partner with Osborne Adventures and Zagster in marketing and promoting the new bike share





program called *Ride Salem*. Trip Choice is a partner working on a West Salem map for *Wander Walks 5210*. In January, staff met with the Valley Vanpool partners, ODOT Active Transportation and SMART in Wilsonville to coordinate program marketing and to consider expansion of the Valley VanPool. The theme for the 2019 Student Poster Contest was "*World Car Free Day*." The contest is for middle/high school students. Winners of the poster contest will be awarded at their schools assemblies. Six Employee Transportation Coordinators (ETCs) who went the extra mile in their promotions of the *2018 Drive Less Challenge* were recognized at the December ETC meeting. Staff partnered with Northwest Hub to distribute bicycle light sets to 150 community members; and 100 safety lights were passed out to students at Meyers Elementary in conjunction with their Pumpkin Run.

**K. GENERAL MANAGER'S REPORT 8:47 PM**

Mr. Pollock thanked staff for their work during the inclement weather. He spoke about the bus donation to NW Hub and the many bikes that get left on Cherrlots buses. The District has a lost and found process and time frame for storing the bikes; and then they are sent to the police department where the licenses can be checked for the owners. If the bikes are not claimed, they are donated.

**L. BOARD OF DIRECTORS REPORTS 8:48 PM**

Board members report, both verbally and in writing, on their Board assignments, and citizen communications as representative of the District.

Of note, President Krebs shared news of a legislative bill to extend commuter rail service between Wilsonville and Beaverton to Salem.

Director Rodgers spoke about the Brown Road construction project and the road closure near his home. He gave kudos to transit operator, Michael Robinson who was proactive in telling his riders about the project and what to expect.

Director Lincoln spoke about Lane Transit District's new Mobility On Demand (MOD) transportation option; a pilot shuttle service in Cottage Grove.

**M. MEETING ADJOURNED 8:59 PM**

Respectfully submitted,

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Robert Krebs, President





**To:** Board of Directors

**From:** Ted Stonecliffe, Transit Planner II – Programs  
Steve Dickey, Director of Transportation Development

**Thru:** Allan Pollock, General Manager

**Date:** March 28, 2019

**Subject:** Adopt Resolution No. 2019-03 to accept the revised Salem Area Mass Transit District (“District”) application for 2019-2021 Statewide Transportation Improvement Fund (STIF) formula funds

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## ISSUE

Shall the Board adopt Resolution No 2019-03 (Attachment A) accepting the revisions made to the application that the District submitted to the Oregon Department of Transportation (ODOT) for 2019-2021 Statewide Transportation Improvement Fund (STIF) formula funds?

## BACKGROUND AND FINDINGS

Salem Area Mass Transit District (“District”) is the Qualified Entity (QE) for disbursement of STIF funds in Marion and Polk Counties. The Board of Directors adopted the STIF Plan application by Resolution No. 2018-09 on October 25, 2018 at the recommendation of the STIF Advisory Committee; and the District submitted the application to ODOT for 2019-2021 STIF formula funds on November 1, 2018.

During ODOTs review process, substantive revisions were required in the STIF Plan that now necessitates documented QE approval no later than April 15, 2019, to enable action by the Oregon Transportation Commission (OTC); and for subsequent disbursement of formula funds by ODOT in early May. The STIF Plan is the legally binding document in lieu of a grant agreement.

The table in Attachment B contains a list of the revisions made. The revised STIF Plan will become the binding agreement between ODOT, SAMTD, the City of Woodburn,

and the City of Silverton. A copy of the proposed final STIF application (or STIF Plan) is provided in Attachment C and can also be found on ODOT's website at: <https://www.oregon.gov/ODOT/RPTD/Pages/STIF-Plan-Submissions.aspx>.

## **FINANCIAL IMPACT**

There is no financial impact to the current budget.

## **RECOMMENDATION**

Staff recommends that the Board adopt Resolution No. 2019-03 accepting the changes made to the STIF Plan application submitted to ODOT for 2019-21 biennium STIF formula grant funds.

## **PROPOSED MOTION**

**I move that the Board adopt Resolution No. 2019-03 to amend Resolution No. 2018-09 and accept the revisions made in STIF Plan application for 2019-21 biennium STIF formula grant funds; and direct the General Manager to submit the amending resolution in advance of ODOT's April 15, 2019 deadline.**



**RESOLUTION NO. 2019-03**

**AMEND RESOLUTION NO. 2018-09 WITH THE APPROVAL OF THE REVISED STATEWIDE TRANSPORTATION IMPROVEMENT FUND (STIF) APPLICATION FOR 2019-21 FORMULA FUNDS FOR SALEM AREA MASS TRANSIT DISTRICT**

**WHEREAS**, Salem Area Mass Transit District ("SAMTD" or "District") is a Mass Transit District organized under ORS 267.010 to 267.390 and is the Qualified Entity (QE) responsible to carry out the purposes of the Statewide Transportation Improvement Fund established under ORS 184.751 for all public transportation service providers (PTSP) in Marion and Polk counties;

**WHEREAS**, the SAMTD Board of Directors, as the Governing Body, prioritized the plans and projects for the STIF Plan application, as recommended by the STIF Advisory Committee, for formula funds from the STIF through the Oregon Department of Transportation (ODOT); the STIF Formula Funds will enable the District and the PTSPs to dramatically enhance transit service; and;

**WHEREAS**, the Board of Directors adopted the STIF Plan by Resolution No. 2018-09 on October 25, 2018; and the Plan was submitted to ODOT on November 1, 2018; and

**WHEREAS**, ODOT provided guidance in the review process to address substantive errors that were corrected by staff in the STIF Plan for clarity. As a result, ODOT requires documented QE approval of the revised Plan to be submitted before April 15, 2019, to enable action by the Oregon Transportation Commission (OTC) and subsequent disbursement of formula funds by ODOT in early May.

**WHEREAS**, the STIF Plan shall be the legally binding document in lieu of a grant agreement between ODOT, SAMTD, the City of Woodburn, and the City of Silverton;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SALEM AREA MASS TRANSIT DISTRICT;**

**THAT**, the Board of Directors adopt Resolution No. 2019-03 to amend Resolution No. 2018-09 and accept the revisions made in the STIF Plan application for 2019-21 biennium STIF formula grant funds; and direct the General Manager to submit the amending Resolution to ODOT in advance of the April 15, 2019 deadline.

**ADOPTED** by the Board of Directors on the 28<sup>th</sup> day of March, 2019, and effective thereupon.

**ATTEST:**

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President  
SAMTD Board of Directors

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Secretary  
SAMTD Board of Directors



**Table 1.** Changes made to the original application for 2019-21 STIF formula funds at the request of ODOT

<b>Section</b>	<b>Potential issue</b>	<b>QE action needed</b>	<b>QE action completed</b>
3.2 Local Plan Compliance	Applicant selected NO under “all Local Plans are consistent with the STIF requirements defined in the OARs and provided a response in text box regarding compliance. However, a review of the Local Plans submitted indicates that the combination of submitted plans satisfies the Local Plan requirements.	Update this section by selecting YES for Local Plan compliance; and leave the written response in the text box.	This section was updated by selecting YES
6.1.1 Project Scope, Project 1, Task 2	The Project Category is <i>Administration</i> and the Outcome Measures is <i>Transportation Employees Hired</i> . Please confirm that all employees hired as part of this project are administrative staff (e.g., accounting) or onboarding new employees of all categories (e.g., accounting and drivers).	If any portion of this project will fund drivers or other staff directly responsible for delivering service, the Project Category should be changed to <i>Operations</i> .	The majority of the project funds drivers or other staff directly responsible for delivering service. The Project Category was changed to <i>Operations</i> and the Task Title updated to match.
6.1.2 Expenditure Estimates	Expenditure estimates for both projects only include the requested STIF funds. Will the Salem Area Mass Transit District use other state, local, federal or other funds to support either of these projects?	If YES, update the relevant expenditure estimates. If NO, please reply ALL to this email indicating that the submitted budget is accurate.	SAMTD will NOT use any other fund sources to support the plan projects. The submitted budget is accurate.
7 STIF Plan Summary	Duplicated 100% and 130% instead of separating them out with 100% project and added 30%. Salem and Silverton did this method. The City of Woodburn separated out the added 30%. The result is that SAMTD’s total request far exceeds the 130% estimate and inflates outcomes and allocation estimates.	Update 130% STIF Plan projects to reflect the 30% incremental increase.	The 130% sections (except Woodburn) were updated to reflect incremental costs only. Project descriptions and corresponding outcome measures were updated to align with the revised totals. In the process of updating the 130%

<u>Section</u>	<u>Potential issue</u>	<u>QE action needed</u>	<u>QE action completed</u>
			sections, SAMTD noticed an error on <i>Project 1, Task 2</i> . The budget was adjusted downward.
Projects 12 - 13	Vehicles to be replaced were not listed for Woodburn	List vehicles to be replaced.	Vehicle replacement information was added.
1.2 Public Transportation Service Providers (PTSP) for Provider 3	ODOT caught an error entered in the SAMTD STIF Plan (V3) under <i>1.2 Public Transportation Service Providers for Provider 3</i> . " <i>Salem Area Mass Transit District - Cherriots Regional</i> " should be revised to " <i>Salem Area Mass Transit District</i> ." All applicable projects - #7, 8, 9, 10, 11, 22, and 23 should have the PTSP or QE name changed to <i>Salem Area Mass Transit District</i> .	Change description of public transportation service provider	All service titles used for the SAMTD projects were updated verbatim using the QE name " <i>Salem Area Mass Transit District</i> "
Projects 1-11	SAMTD did not allocate 1% for student transit for FY 2019 and provided no explanation for why it isn't practicable to do so. Statute requires 1% to be allocated each fiscal year. Failure to allocate 1% per year for student transit when it is practicable to do so could result in OTC rejection of SAMTD's STIF Plan. Please provide an explanation for why it isn't practicable to do so. Note that "practicable" is a defined term in OAR 732-040-0005.	Explain what the plan is to use a minimum of 1% of funds for transportation for students, grades 9 through 12.	The projects in 2019 are hiring employees and purchasing buses in readiness of service. There is no service project so there are no student transit funds allocated. In subsequent plan years, 2020 & 2021, the plan is providing more than the required minimum, 2.44% and 2.24 % respectively.





## BOARD MEETING MEMO

Agenda Item H.2

**To:** Board of Directors

**From:** Ron Harding, Chair, Special Transportation Fund Advisory Committee  
Steve Dickey, Director of Transportation Development

**Thru:** Allan Pollock, General Manager

**Date:** March 28, 2019

**Subject:** STF Advisory Committee Recommendation for Funding 2019-21  
Biennium STF and Section 5310(ODOT) Grants

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### ISSUE

Shall the Board accept the recommendation of the Special Transportation Fund Advisory Committee (STFAC) for funding the STF and Section 5310 (ODOT) grants for the 2019-21 biennium?

### BACKGROUND AND FINDINGS

The Salem Area Mass Transit District (SAMTD) Board of Directors is the Special Transportation Fund (STF) Agency designated by Oregon State Statute to make recommendations for funding grant projects located in Marion and Polk Counties in accordance with ODOT's recommended grant application process. Every two years, the Oregon Department of Transportation (ODOT) releases applications for STF and federal Section 5310 (5310 (ODOT)) grants. These applications support transportation for seniors and people with disabilities in Marion and Polk Counties.

The STFAC is a Board-appointed committee that is responsible to review and rank the applications, and form recommendations for funding with each solicitation released by ODOT. The STFAC received eight applications for STF grant funds and seven applications for Section 5310 (ODOT) funds by the application deadline on January 15, 2019.

The STFAC Technical Advisory Committee (TAC) met in a public meeting on January 29, 2019 where the applicants gave presentations about their projects and answered questions from committee members. The TAC deliberated the merits of each project to

form a ranking of the projects and make their funding recommendations to the STFAC. The TAC consisted of eight STFAC members, two members of the public, and one representative of the Mid-Willamette Valley Council of Governments.

The STF Advisory Committee met on February 12, 2019 to review the TAC recommendations for funding and considered public comment before voting on a recommendation to present to the Board at their February 28 meeting. However, the Board had concerns that the process that led to the committee's recommendation was rushed and the priorities outlined in the adopted Coordinated Plan may not have been followed properly. Specifically, maintaining existing services are prioritized over funding for new projects in the Coordinated Plan, but the committee's recommendation did not follow that plan directive completely. Finally, the Board did not feel comfortable taking action on a recommendation when some members of the committee felt that the process was rushed and they did not have time to get answers to their questions from staff about cost implications.

All applicants for STF and 5310(ODOT) grants were invited to a subsequent STFAC meeting, held on March 12, 2019 at 9:00am. Seven out of nine committee members were in attendance. Representatives of Polk County, the City of Woodburn, Cherriots, and Salem Health West Valley Foundation were present at the meeting. There was time for public comment from the applicants and time for the committee to ask questions of applicants, as they deemed necessary. The new recommendation will be sent to the Board at their March 28, 2019 Board meeting in time to submit the applications to ODOT by the March 29, 2019 deadline, which has been extended two weeks from the original deadline.

At the March 12<sup>th</sup> meeting of the STFAC public testimony was heard from three representatives of the Falls City Direct Connect (FCDC) project. No one else gave public comments. Polk County had a concern that even though their STF application was ranked #4 by the TAC, the STFAC's recommendation changed that with the justification that the Coordinated Plan gives priority to existing services first. They claimed that the STFAC was not interpreting the priorities in the Coordinated Plan correctly, and they were willing to answer questions about how the cities and county would be willing to contribute financially to the project. They also talked about the dire need for the service that serves a community with very high percentages of senior, disabled, and low income people who do not have access to social services offered in Dallas and/or Monmouth.

Committee members then discussed the priorities in the Coordinated Plan and it was stated by John Hamill, Committee Vice Chair, that even though bullet points were used

to list the seven priorities, they were in fact in order of priority as established by the survey taken during four stakeholder workshops held in Salem, Woodburn, Dallas, and Stayton in May and June, 2016. He was a part of the process to rewrite the plan as a member of the SAMTD Board of Directors at the time and it is his recollection that the priorities are in order of preference for funding STF and 5310 grants. All of the comments from these workshops can be found in the appendices of the Coordinated Plan document.

The committee talked first about the 5310(ODOT) applications and proposed a motion that would not change their prior recommendation, which funded all of the existing projects at their scaled requests with SAMTD Cherriots Purchased Service and the City of Woodburn Preventative Maintenance projects receiving approximately \$6,000 less than the scaled requests. It was confirmed by staff that applications for replacement vehicles in both the STF and 5310(ODOT) grants would not qualify for funding since the vehicle mileages in all of the applications did not meet the qualifications for meeting the useful lives of the vehicles. The motion to keep the former STFAC recommendation for 5310(ODOT) applications passed unanimously and the discussion moved to the STF applications.

Chair Ron Harding had asked staff to analyze the impacts to Cherriots Regional service if the FCDC project were to be funded. Staff presented a hard copy version of the calculations that showed how much service would have to be cut assuming 1. Polk County running the Fall City Direct Connect (FCDC) at the current level of service (two days a week) and 2. Cherriots Regional running the FCDC at the current level of service. The analysis showed that if Polk County ran the FCDC, the Cherriots Regional Polk County Flex (PCF) service would have to be cut by about 1 hr. 30 min. per weekday. If Cherriots were to operate the FCDC, the PCF would have to be cut by 3 hr. 45 min. per weekday. Staff also pointed out that when all of the scaled requests from the existing services are added up, there is \$22,282 available.

Vice Chair, John Hammill, made a motion that all existing projects be funded at their scaled requests and that the \$22,282 be awarded to Polk County for the FCDC operations project. Discussion which followed the motion and second included a comment by Sherena Meagher-Osteen stating that the priorities in the By-Laws (later clarified as intended to be the Coordinated Plan) clearly state that the first priority for funding is to maintain existing services and that funding at the scaled level did not accomplish this priority. As a result Ms. Meagher-Osteen recommended the remaining \$22,282 be allocated proportionately to the four existing services to bring funding levels closer to a level to maintain existing services. Discussion had the committee split with two members favoring the motion and the others wishing to follow the

Coordinated Plan, which favors maintaining existing services. The City of Woodburn was asked if they would have to make a cut if they only received their scaled request, and they said yes. This was assumed to be the case for all applicants, so at that point John made an amendment to his motion, seconded by committee member Sherena Meagher-Osteen, to state that all existing projects would be funded at their scaled requests and that the leftover amount (\$22,282) would be distributed in proportion to their scaled request amounts as they relate to the total allocation. This would follow the priorities of the Coordinated Plan more closely. The amendment to the motion passed and then the amended motion passed with a vote of two “no” and five “yes.” Therefore, it is noted that there was a difference of opinion expressed by members of the committee with a majority calling for all of the money to be spent on existing services and a minority opinion preferring the money go to the FCDC run by Polk County. The Board is advised of this detail in the committee’s recommendation. The final decision is left to the STF Agency which will ultimately direct the General Manager to submit applications to ODOT for funding by the March 29, 2019 deadline.

Therefore, the STFAC recommends that the SAMTD Board of Directors fund the applications for STF and 5310(ODOT) funds as shown in **Attachment A**.

#### **FINANCIAL IMPACT**

There is no financial impact to the current budget.

#### **RECOMMENDATION**

The STF Advisory Committee recommends that the 2019-21 biennium STF and 5310 (ODOT) grant applications be approved as shown in **Attachment A**.

#### **PROPOSED MOTION**

**I move that the Board approve the STF Advisory Committee’s recommendation for funding the 2019-21 biennium STF and 5310 (ODOT) grant applications as shown in Attachment A; and authorize the General Manager to submit the applications in advance of ODOT’s March 29, 2019 deadline.**

Applicant	Description	Amount Requested	Scaled Request	Recommended by TAC	2-12-19 STFAC Recommendation	Final STFAC Recommendation	New Service	Existing Service	TAC Rank
Salem Health West Valley Foundation	Connections Van Transportation Coordinator	\$ 60,932	\$ 43,799	\$ 43,799	\$ 43,799	\$ 44,295		✓	6
Salem Health West Valley Foundation	Connections Van Replacement Vehicle	\$ 65,000	\$ 45,000	\$ -	\$ -	\$ -	✓		8
SAMTD	Operations (Cherriots Regional, LIFT, and Shop and Ride) and Grant Match	\$ 1,583,795	\$ 1,460,643	\$ 1,460,643	\$ 1,482,925	\$ 1,477,194		✓	1
Garten	Two expansion vehicles for closed-door transportation service	\$ 72,577	\$ 36,289	\$ -	\$ -	\$ -	✓		7
City of Silverton	Silver Trolley, 5311 Match	\$ 39,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,374		✓	3
Legacy Silverton Medical Center	CareVan - One Replacement Vehicle	\$ 45,000	\$ 45,000	\$ -	\$ -	\$ -	✓		5
City of Woodburn	Woodburn Transit Operations	\$ 444,000	\$ 429,000	\$ 400,000	\$ 429,000	\$ 433,861		✓	2
Polk County	Falls City Direct Connect Operations	\$ 176,920	\$ 107,240	\$ 51,282	\$ -	\$ -	✓		4
SAMTD	STF grant administration	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000		✓	N/A
<b>Total 2019-21 Marion-Polk Counties STF Allocation</b>		<b>\$ 1,992,724</b>	<b>\$ 1,992,724</b>	<b>\$ 1,992,724</b>	<b>\$ 1,992,724</b>	<b>\$ 1,992,724</b>			
<b>Difference</b>		<b>\$ (498,500)</b>	<b>\$ (211,247)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0</b>			

Applicant	Description	Amount Requested	Scaled Request	Recommended by TAC	2-12-19 STFAC Recommendation	Final STFAC Recommendation	New Service	Existing Service	TAC Rank
SAMTD	Cherriots Mobility Management	\$ 403,946	\$ 403,946	\$ 403,946	\$ 403,946	\$ 403,946		✓	1
SAMTD	Cherriots Regional Preventative Maintenance	\$ 279,566	\$ 279,566	\$ 279,566	\$ 279,566	\$ 279,566		✓	3
SAMTD	Cherriots Purchased Service (Cherriots Regional, LIFT, and Shop and Ride)	\$ 1,449,152	\$ 1,246,882	\$ 1,240,902	\$ 1,240,902	\$ 1,240,902		✓	2
Polk County	Falls City Direct Connect Replacement Vehicle	\$ 62,800	\$ 58,300	\$ -	\$ -	\$ -	✓		7
City of Silverton	Silver Trolley Preventative Maintenance	\$ 11,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000		✓	4
City of Woodburn	Woodburn Mobility Management Program	\$ 95,000	\$ 90,250	\$ 90,250	\$ 90,250	\$ 90,250		✓	6
City of Woodburn	Woodburn Preventative Maintenance Program	\$ 120,000	\$ 114,000	\$ 108,000	\$ 108,000	\$ 108,000		✓	5
<b>Total 2019-21 Marion-Polk Counties 5310 Allocation</b>		<b>\$ 2,132,664</b>	<b>\$ 2,132,664</b>	<b>\$ 2,132,664</b>	<b>\$ 2,132,664</b>	<b>\$ 2,132,664</b>			
<b>Difference</b>		<b>\$ (289,300)</b>	<b>\$ (70,280)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			





**To:** Board of Directors  
**From:** Allan Pollock, General Manager  
**Date:** March 28, 2019  
**Subject:** Board Member Committee Report

**ISSUE**

Shall the Board report on their committee participation and meetings attended?

**BACKGROUND AND FINDINGS**

Board members are appointed to local, regional, or national committees. Board members also present testimony at public hearings on specific issues as the need arises. After these meetings, public hearings, or other activities attended by individual members on behalf of SAMTD, time will be scheduled for an oral report/update. The following activities have designated board member representation:

<u><b>Board/Committee</b></u>	<u><b>Director(s)</b></u>
Special Transportation Fund Advisory Committee (STFAC)	P: Director Jerry Thompson A: Director Colleen Busch
Mid-Willamette Area Commission on Transportation (MWACT)	P: Director Marcia Kelley A: Director Kathy Lincoln
Mid-Willamette Valley Council of Governments (MWVCOG)	P: President Robert Krebs A: Director Jerry Thompson
Salem-Keizer Area Transportation Study Policy Committee (SKATS)	P: Director Kathy Lincoln A: Director Colleen Busch
Oregon Metropolitan Planning Organization Consortium (OMPOC)	P: Director Kathy Lincoln A: Director Colleen Busch

**FINANCIAL IMPACT**

None

**RECOMMENDATION**

Receive and File

**PROPOSED MOTION**

None