

**SALEM AREA MASS TRANSIT DISTRICT
BOARD OF DIRECTORS**

~ **WORK SESSION** ~

Monday, February 6, 2017
5:30 PM

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

AGENDA

1. **CALL TO ORDER** (President Bob Krebs)
2. **DISCUSSION**
 - a. Non-Bargaining Retirement Plan Pension Amendment **1**
(Clark Williams, Attorney, Heltzel Williams PC)
 - b. Review Connector Pilot Project Analysis **5**
 - c. Continuation of Strategic Planning Discussion
 - d. CNG Tank Acquisition Supplement
3. **GENERAL MANAGER COMMENTS**
 - a. Draft Agenda for the February 23, 2017 Regular Meeting **9**
 - b. Upcoming Board Agenda Items **10**
 - c. Calendar Review **11-12**

Mission

*Connecting people with places
through safe, friendly, and reliable public transportation services*

Values

Safety – Service Excellence – Communication – Innovation – Accountability

SPECIAL ACCOMODATIONS Those individuals needing special accommodations such as sign or other language interpreters to participate in the Board meeting must request such services at least 48 hours prior to the meeting. Please direct your request to the Board Secretary at 503-588-2424. Hearing impaired please call Oregon Telecommunications Relay Service, 711.

NECESIDADES ESPECIALES Aquellos individuos que necesiten servicios especiales como Interpretes para el lenguaje de señales u otros, para participar en la reunión de la Junta, deben solicitar dichos servicios al menos 48 horas antes de la reunión. Por favor dirigir su solicitud al Secretario de la Junta al 503-588-2424. Las personas sordas por favor llamar al Servicio de Telecomunicaciones de Oregon, 711.

Salem-Keizer Transit ~ 555 Court St NE, Suite 5230 ~ Salem, OR 97301 Phone (503) 588-2424 ~ www.cherriots.org

MEMO TO: BOARD OF DIRECTORS

FROM PAULA DIXON, DIRECTOR OF ADMINISTRATION

THRU: ALLAN POLLOCK, GENERAL MANAGER

SUBJECT AMENDMENT TO NON BARGAINING RETIREMENT PLAN

Issue

Shall the Board approve an amendment to the non-bargaining Defined Benefit Plan changing the pre-retirement survivor benefit from 50% to 100%?

Background

The current defined benefit plan provides that on the death of a married employee before retirement, it will pay a 50% survivor annuity benefit to the surviving spouse. That is the minimum required by federal pension law. It is what most private sector pension plans provide and what OPSRP (for PERS members first employed after August 2003) now provides. For example, if the employee has earned the right to a pension of \$1,000/month for life but then dies before retirement, the plan will pay \$500/month to the surviving spouse for the spouse's lifetime. The other \$500/month is forfeited back to the plan.

As part of the labor agreement adopted this year with respect to the bargaining-unit defined benefit plan, the pre-retirement survivor benefit when an employee dies before retirement was increased from 50% to 100%. This proposed amendment (Attachment A) would make the same change to the non-bargaining plan.

Financial Impact

There is a small pension cost to this amendment. In funding the plan, the pension actuaries take into account the probability that some employees will die before retirement and that the plan will receive back 50% of the funds otherwise set aside for that employee. So there is a savings to the plan figured into the funding calculations. Therefore to provide a surviving spouse 100% of the deceased employee's benefit, rather than just 50%, results in a new cost to the plan. The pension actuaries have estimated this additional cost for this plan to be \$3,500 (from \$509,242 to \$512,754) for the year ending June 30, 2017.

Recommendation

Staff recommends approval of the pension amendment to maintain parity between the two plans in this regard, and believes doing so is worth the cost.

**THE SALEM AREA MASS TRANSIT DISTRICT DEFINED BENEFIT PLAN
FOR NON-BARGAINING UNIT EMPLOYEES**

PLAN AMENDMENT

THE SALEM AREA MASS TRANSIT DISTRICT DEFINED BENEFIT PLAN FOR NON-BARGAINING UNIT EMPLOYEES (the "Plan"), was originally adopted effective January 1, 2002 by THE SALEM AREA MASS TRANSIT DISTRICT (the "Employer").

The Plan was most recently restated on January 26, 2016 in compliance of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, the Moving Ahead for Progress in the 21st Century Act, the American Taxpayer Relief Act of 2012, the Highway and Transportation Funding Act of 2014, the Cooperative and Small Employer Charity Pension Flexibility Act, and the IRS regulations and guidance referenced in IRS Notice 2014-77. The Plan as restated was effective January 1, 2010, except as otherwise provided.

Having reserved the right to do so, the Employer now wishes to amend the Plan to update the Employee Death Benefit section. The amendment is the result of the most recent labor agreement, approved in April 2016. This amendment shall be effective July 1, 2016 with respect to deaths occurring on or after that date.

1. Therefore, **Section 8.5(a) "Employee Death Benefit"** is amended to read as follows:

"(a). The survivor Benefit shall be a monthly benefit for the life of the surviving spouse, commencing on the first day of the second month following the date of the Participant's death and continuing through and including the first day of the month of the surviving spouse's death. The amount of the monthly survivor benefit shall be determined as if the Participant terminated on his or her date of death and commenced payment of a 100% Survivor Annuity as described under Section 8.4(b) on the first day of the second month following the date of the Participant's death, reduced for the 100% Survivor Annuity benefit form in accordance with Exhibit A, Part 1. If on the date of death the Participant was under age 60 and with less than the thirty (30) years of Vesting Credits, then the survivor benefit shall be further reduced in accordance with Section 8.3 to the Participant's actual age on the date of death but not below age 55, and if the Participant was under age 55 on the date of death then the survivor benefit shall be further actuarially reduced for commencement prior to age 55 in accordance with Section 1.2.

2. In all other respects, the Plan shall remain the same.

This action is being taken pursuant to the authority granted to the General Manager by the Board of Directors of the District in Resolution #16-___.

Dated this _____ day of _____, 2016.

SALEM AREA MASS TRANSIT DISTRICT

By _____
Allan Pollock, General Manager

EMPLOYER

ACCEPTED:

PIONEER TRUST BANK, N.A.

By _____
Its Trust Officer

TRUSTEE

MEMO TO: BOARD OF DIRECTORS

**FROM: MATT BERGGREN, TRANSIT PLANNER II
CHRIS FRENCH, SENIOR PLANNER**

THRU: ALLAN POLLOCK, GENERAL MANAGER

SUBJECT: CONNECTOR PILOT PROJECT UPDATE AND EVALUATION PROPOSAL

The West Salem Connector is an on-demand transit service, which began operation on June 1, 2015 as a one-year pilot project. On June 23, 2016, the Board of Directors extended that pilot through May 2017 in order to allow staff more time to work on improving the service and building ridership.

Changes and Progress

Below are some highlights of changes made to the service since the pilot extension:

- Worked out most bugs in the new task-based driver interface.
- Improved accuracy of ETA notifications by requiring drivers to pick up and drop off riders in the correct order.
- Moved start time of service from 6:00 a.m. to 5:30 a.m.
- Made it easier for those looking to travel between West Salem High School and Glen Creek Transit Center to book their trips both before and after school.
- Put more restrictions on when riders could book trips from Glen Creek Transit Center in order to group more trips together, but recently rolled back some of these restrictions to ensure riders can get pickup times closer to their desired travel times.
- Promoted the Connector with a direct mailer to West Salem residents and a video advertisement.

Performance Update

Staff has continued to monitor ridership in order to determine if the target of three to five boardings per hour is being met. Since the pilot extension, the Connector reached its ridership target every month except for December. October was the only month where there was a ridership drop from the previous year (down 12%, or 7.5 riders per day). Ridership was up for every other month. (See Table 1.)

Please note that Routes 22 and 23 were running in conjunction with the West Salem Connector from June 1 through September 8, 2015, which is why the boardings per hour were so low at that time; and why the boardings per hour in 2016 increased so considerably.

Table 1. Connector Boardings Per Hour Over Time

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2015	—	—	—	—	—	1.3	1.2	1.7	2.8	4.0	3.3	2.3
2016	2.8	3.2	3.1	3.7	4.0	3.2	3.0	3.4	4.1	3.5	3.4	2.6
Change	N/A	N/A	N/A	N/A	N/A	+146%	+150%	+100%	+46%	-12%	+3%	+13%

In December 2016, staff conducted an online survey of Connector riders. This survey was sent to all riders in the system with email addresses. Of those who responded to the survey:

- 85% said their overall experience was “good” or “very good”
- 67% said their booking experience was “good” or “very good”
- 100% said the courteousness of their drivers was “good” or “very good”
- 83% said they would recommend the Connector to their friends or neighbors
- 25% spoke Spanish

Most results were comparable to the results of previous Connector surveys. The one exception was the question about the booking experience. Opinions of the booking experience has dropped, and many riders attribute their low rating to the lack of available booking times. With a recent loosening of the booking restrictions at Glen Creek Transit Center, staff hopes to alleviate some of these concerns.

Next Steps

- In the coming weeks staff plans to beta test reducing the advance booking requirement from 30 minutes in advance to 5 minutes. If successful, this change will be promoted as an added benefit of the service.
- After some user experience improvements are applied to the booking site, staff will translate all text into Spanish to make the online booking experience more accessible to Spanish speakers.
- Staff has determined candidate locations for future pickup and drop-off points in Salemtowne and west of Doaks Ferry Road. However, the current plan is to delay expansion of the service into these new areas until the determination is made whether this service will become permanent.

Upcoming Evaluation

As the pilot project nears completion, staff is working on plans for the second year evaluation., Staff wants to ensure the Board has all the information needed to decide the future of the Connector service in that process. Additionally, the purpose of the West Salem Connector will be clearly defined so the Board can best determine if the service is fulfilling that purpose.

Purpose

At the outset of this pilot, staff aimed to make the Connector a service that met a multitude of needs in the hills of West Salem by serving those without access to vehicles, help students get to school, provide seniors with trips to the grocery store, convince current drivers working in downtown Salem to get out of their car, and serve everyone else in between.

Staff quickly ran up against the reality of the geometric and temporal constraints of a service with only one bus. Given the fiscal constraints, we concluded it is simply not possible to get everyone where they want to go all at the same time using the Connector.

This has led to redefining the Connector as a **coverage** service with the primary goal of providing **access to transit** for *those who need* it at the *time they need it* in order to **connect** those riders with Cherriots fixed-route buses.

Information and Assessment

Staff will provide the following information in this proposed evaluation approach of the Connector service for the Board's review and discussion to aid in their determination of the future of the Connector service.

- Size of Connector service area compared to the former West Salem Routes 22 and 23.
- Number of residents within ¼ mile walk of the Connector compared to Routes 22 and 23. (Five minutes for an average able-bodied person).
- Timespan of the Connector.
- Percent of riders traveling to or from Glen Creek Transit Center based on ridership figures.
- Percent of riders transferring to Cherriots according to survey results.
- Average daily boardings of the Connector compared to the former Routes 22 and 23.
- Average daily boardings of the Connector by pickup point.
- Average boardings per revenue hour of the Connector compared to the former Routes 22 and 23.
- Average cost per trip of the Connector compared to former Routes 22 and 23, as well as current Routes 12/Hayesville and 14/Windsor Island (that are comparable neighborhood circulators).
- Average trip time of riders on the Connector.
- Rider satisfaction with the Connector, based on survey results.
- Percent of riders who would recommend the Connector to a friend or neighborhood, based on survey results.
- Cost implications for continuation and expansion of the service.

Salem Area Mass Transit District
BOARD OF DIRECTORS

Thursday, February 23, 2017
6:30 PM Regular Meeting

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

AGENDA

REGULAR BOARD MEETING

- A. CALL TO ORDER & NOTE OF ATTENDANCE**
 - B. PLEDGE OF ALLEGIANCE** – Secretary John Hammill
 - C. ANNOUNCEMENTS & CHANGES TO AGENDA**
 - D. PRESENTATION**
 - E. PUBLIC COMMENT** - Each person’s comments are limited to three (3) minutes.
 - F. CONSENT CALENDAR**
 - 1. Approval of Minutes [Action]**
 - a. Minutes of the January 26, 2017 Board Meeting and Executive Session
 - 2. Routine Business Items [Action]**
 - a. Adopt Resolution No. 2017-01 to Amend the Non-Bargaining Retirement Pension Plan
 - G. ITEMS DEFERRED FROM THE CONSENT CALENDAR**
 - H. ACTION ITEMS**
 - 1. Approve STF Advisory Committee Recommendations for the Allocations of Federal 5310 and State STF Projects for FY2017-2019
 - I. INFORMATION ITEMS**
 - J. REPORTS**
 - 1 Performance Report – Second Quarter
 - 2. Trip Choice (aka Rideshare) Report – Second Quarter
 - 3. Finance Report – Second Quarter
 - 4. Board Subcommittee Reports [*Receive and File*]
 - a. January 9, 2017 Work Session
 - b. Special Transportation Fund Advisory Committee Meeting
- K. BOARD & MANAGEMENT ISSUES**
 - 1. General Manager
 - 2. Board President
 - 3. Board of Directors

UPDATED: February 2, 2017

TO: SAMTD BOARD OF DIRECTORS
FROM: ALLAN POLLOCK, GENERAL MANAGER
SUBJECT: CALENDAR OF SCHEDULED MEETINGS

Meetings are held in the Senator Hearing Room at Courthouse Square, 555 Court St NE, unless otherwise noted

● **FEBRUARY 2017**

1		79th Legislative Assembly convenes. Legislative Session is the period of time in which the Legislative Assembly is convened for purpose of lawmaking. Regular sessions convene each February and may last 160 days in odd-numbered years and 35 days in even-numbered years.
4	ORS 255.075	County Elections to Publish Notice of May 16, 2016 Local Election ● Affects SAMTD Board of Director Positions in Subdistricts 2-4-6
4	Sat 9:00-2:00	SAMTD Board Strategic Planning Session ● CCBI – 626 High St NE, Salem, OR 97301
7	Tue 10:00a-2:00p 2:30-3:30p	1. Technical Advisory Subcommittee (STFAC) 2. STF Advisory Committee ○ Cherriots Administration Office-Mill Creek Conference Room 5147
6	Mon 5:30 PM	SAMTD Board Work Session
9	Thu 8:30-10:00	Community Leaders Round Table with Rep. Kurt Schrader ● Marion County Commissioners Board Room – 5 th Floor, Courthouse Square
11-14	APTA CEO Conference – San Diego, CA
20	Mon CLOSED	HOLIDAY - PRESIDENT'S DAY Cherriots Administration Offices/Customer Service Closed; NO Bus Service
23	Thu 6:30 PM	SAMTD Board of Directors Meeting

● **MARCH 2017**

7	Tue 3:00-4:30p	STF Advisory Committee
6	Mon 5:30 PM	SAMTD Board Work Session
12-14	APTA Legislative Conference – Washington D.C.
16	Due Date: District Candidates to File with County Elections Official ORS 255.235) ... Verified Signatures or \$10 filing fee
20	Due Date: Filing Candidate Statements with the County Election Officials for Inclusion in County Voters' Pamphlet
23	Thu 6:30 PM	SAMTD Board of Directors Meeting

● **APRIL 2017**

4	Tue 3:00-4:30p	STF Advisory Committee
10	Mon 5:30 PM	SAMTD Board Work Session
11	Tue	Oregon Transit Association "Transit Day" at the Capitol
15	Sat 5:00 PM	DUE DATE: Statement of Economic Impact (SEI)

A calendar for upcoming Board meetings, a copy of the adopted Budget, and minutes of past Board meetings can be found on Salem-Keizer Transit's website at: www.cherriots.org/board or at the District's Administration Office at 555 Court Street NE, Suite 5230, Salem, Oregon 97301. For a televised recording of past Board meetings, go to www.cctvsalem.org.

Upcoming Board Meeting and Work Session Agenda Items

February 1, 2017

MONTH	WORK SESSION	BOARD OF DIRECTORS MEETING
2017 March	Strategic Planning	APTA AdWheel Award Presentation
April	Strategic Planning Transportation Services Contract Approval	Transportation Services Contract Approval
May	Review Draft FY18 Board Meeting Schedule Strategic Planning	Finance, Rideshare, Performance Report – 3 rd Qtr Approval of Local Election Results
June	Strategic Planning	Budget Hearing/Res#2017-XX Adopt FY18 Budget <u>Consent:</u> Adopt FY2018 BOD Meeting Schedule Approval of FY2018 United Way Donation
July		Oath of Office for Newly Elected Board (2017) Election of Officers/Oath of Office (2017) Accept Annual Preliminary Year-End Financial Report
August	Board Committee Assignments (2017) Placeholder: Ethics Training	Accept Annual Security Report Rideshare, Performance Report - 4 th Qtr Appoint Board Committee Assignments (2017)
September		Fiscal Year End Performance Report Approval of Annual SDIS Board Check List Executive Session (GM CPE) – (2017)
October	Proposed FY2018 Budget Calendar	Approval of FY2018 Budget Calendar
November	Strategic Plan Discussion Appointments to STFAC Appointments to Budget Committee	NO REGULAR BOARD MEETING HOLIDAY: Thanksgiving Day
December	NO WORK SESSION	Appointments to the STFAC Appointments to the Budget Committee Finance, Rideshare, Performance Report – 1st Qtr
2018 January	Review Draft 2018 Legislative Agenda	Adoption of 2018 Legislative Agenda
February		Finance, Rideshare, Performance Report – 2nd Qtr

TO BE DETERMINED -

- Fare Analysis
- Contract for Project Manager
- Stops & Shelters Construction/Design Contract
- Title VI Update
- Connector Pilot Project Decision

SAMTD Board of Directors
Calendar of Scheduled Meetings

27 Thu 6:30 PM SAMTD Board of Directors Meeting

• **MAY 2017**

2 Tue 3:00-4:30p STF Advisory Committee
 4 Thu 6:00 PM SAMTD Budget Committee Orientation
 8 Mon 5:30 PM SAMTD Board Work Session
 11 Thu 6:00 PM SAMTD Budget Committee Meeting

- FY2018 Budget Message; Election of Chair and Secretary

5-9 **APTA International Bus Rodeo**

7-10 **APTA Bus & Paratransit Conference, Reno NV**

16 **Local District Election**

(for SAMTD Board of Director Positions in Subdistricts 2-4-6)

18 Thu 6:00 PM SAMTD Budget Committee Meeting

25 Thu 6:30 PM SAMTD Board of Directors Meeting

29 Mon CLOSED **HOLIDAY MEMORIAL DAY**

Cherriots Administration Offices-Customer Service **Closed; NO** Bus Service

• **JUNE 2017**

1 Thu 6:00 PM SAMTD Budget Committee Meeting (if necessary)
 3 Sat 6:00 PM Cherriots Employee Appreciation Banquet
 Mon 5:30 PM SAMTD Board Work Session
 Thu 6:30 PM SAMTD Board of Directors Meeting

• **JULY 2017**

4 Tue CLOSED HOLIDAY 4th of July
 Cherriots Administration Offices-Customer Service Closed; NO Bus Service
 Mon 5:30 PM SAMTD Board Work Session
 Thu 6:30 PM SAMTD Board of Directors Meeting

• **AUGUST 2017**

Mon 5:30 PM SAMTD Board Work Session
 Thu 6:30 PM SAMTD Board of Directors Meeting

• **SEPTEMBER 2017**

4 Mon CLOSED HOLIDAY Labor Day
 Cherriots Administration Offices-Customer Service Closed; NO Bus Service
 Mon 5:30 PM SAMTD Board Work Session
 Thu 6:30 PM SAMTD Board of Directors Meeting

• **OCTOBER 2017**

Mon 5:30 PM SAMTD Board Work Session
 Thu 6:30 PM SAMTD Board of Directors Meeting

• **NOVEMBER 2017**

7 Tue 3:00 PM STF Advisory Committee
 11 Sat CLOSED HOLIDAY: Veterans Day
 Cherriots Administration Offices-Customer Service Closed; NO Bus Service

MEMO TO: BOARD OF DIRECTORS
FROM: DAVID TRIMBLE CHIEF OPERATING OFFICER
THRU: ALLAN POLLOCK, GENERAL MANAGER
SUBJECT: CNG TANK AQUISION

Issue

Shall the Board authorize the General Manager to execute a contract modification (amendment) with McNeilus Truck and Manufacturing to purchase an additional 84 CNG tanks and tank valves for twelve (12) vehicles at an estimated total cost of \$249,784?

Background and Findings

On December 10, 2015, the Cheriots Board of Directors authorized the General Manager to enter into a contract with McNeilus Truck and Manufacturing, for the purchase of 84 CNG tanks and valves for the purpose of replacing existing CNG tanks in twelve buses. The total cost was \$242,508. (See Attachment A)

Cheriots staff is currently in the processes of re-issuing a Request for Proposal (RFP) for the purchase of replacement fixed-route vehicles. The initial procurement process was delayed, in part, to the prolonged process for the procurement of a *Buy America* vendor. *Buy America* certifications are a requirement of the Federal Transit Administration (FTA), for agencies purchasing vehicles with Federal funds. Moreover, there were staff changes in the Procurement/Contracts Department, which further delayed the process. For those reasons, staff is not able to execute a contract for the purchase of replacement vehicles prior to the pending expiration of the current CNG tanks.

Twelve vehicles are nearing completion of the tank installation process—leaving 12 additional vehicles with tanks set to expire in May and June, 2017. The proposed contract modification is necessary for continued continuity of revenue service until such time as those vehicles can be fully replaced; which is estimated for late Summer 2018.

This will be paid for with Federal 5307 funds already in the budget for FY2017.

Recommendation

Staff recommends that the Board authorize the General Manager execute a contract modification (amendment) with McNeilus Truck and Manufacturing to purchase 84 CNG tanks and tank valves for an estimated cost of \$249,784.

Proposed Motion

I move that the Board authorize the General Manager to execute a contract modification (amendment) with McNeilus Truck and Manufacturing to purchase 84 CNG tanks and tank valves for an estimated cost of \$249,784.

MEMO TO: BOARD OF DIRECTORS
FROM: GREGG THOMPSON, MAINTENANCE MANAGER
THRU: ALLAN POLLOCK, GENERAL MANAGER
SUBJECT: CNG TANK AQUISITION

Issue

Shall the Board authorize the General Manager to enter into a contract with McNeilus Truck and Manufacturing to purchase 84 CNG tanks and tank valves for a total cost of \$242,508?

Background and Findings

Salem-Keizer Transit currently operates a fixed route fleet of 64 35' and 40' fixed route buses. The current fleet consists of 34 Compressed Natural Gas (CNG) powered vehicles manufactured by Orion. Of those 34 buses, 24 were purchased in 2002, 2 were purchased in 2004 with an additional 8 purchased in 2005. Each bus contains 7 high pressure tanks capable of containing 4500 PSI. Tanks manufactured at this time are limited to a 15 year life span before they are rendered unusable.

Each CNG tank is a composite of aluminum wrapped in carbon fiber. The lifecycle of a CNG tank is determined at time of manufacture through testing and then stamped with an expiration date. CNG tank useful life is regulated by Federal Regulation FMVSS 304 (49 CFR 571.304). Federal Motor Vehicle Safety Standards and Regulations

Staff had contacted several CNG tank manufacturers in hopes of finding a viable alternative to tank replacement such as having tanks re-certified. The recertification process would entail testing each tank to the point of failure; essentially rendering the tested tank unusable. According to CNG tank manufacturers it is not possible to have existing tanks re-certified; the only option is replacement.

An update was presented at the April 2014 work session outlining the importance of replacing CNG tanks as well as the impact of not doing so would have on the fleet. An estimated cost was also presented at that time. (Table A)

SAMTD was awarded an STP 5307 Grant in August of 2015 for the replacement of CNG tanks for a total project amount of \$258,553 including a local match of \$26,553. The match will come from the general fund that has been allocated for capital project match.

An RFQ for CNG Bus Replacement Cylinders was issued on August 5th 2015 and closed October 7th 2015. Two proposals were received and scored by an internal committee.

ATTACHMENT A
(December 10, 2015 Board Meeting)

McNeilus Truck and Manufacturing was selected as the vendor of choice because of their ability to provide the specified tanks for the lowest overall cost.

The actual costs based upon the submittal from McNeilus Truck and Manufacturing are outlined below. The tanks will be replaced using SAMTD employees and will be charged to the grant. (Table B).

Table A outlines the April 2014 proposed cost of replacing CNG tanks, valves and straps on 12 buses.

	Anticipated budget	\$255,000
Part	Cost Each	Total
84 CNG Tanks	\$2,575.00	\$216,500.00
84 Pressure tank valves	\$280.00	\$23,500.00
Replacement Labor	\$1,250.00 (per bus)	\$15,000.00
	Grand Total	\$255,000.00

Table B outlines the actual cost of replacing CNG tanks, valves and straps on 12 buses.

	Actual Budget	\$258,553
Part	Cost Each	Total
84 CNG Tanks	\$2,587.00	\$217,308
84 Pressure tank valves	\$300.00	\$25,200
Replacement Labor	\$1,250.00 (per bus)	\$15,000.00
	Grand Total	\$257,508

Recommendation

Staff recommends that the Board authorize the General Manager to enter into a contract with McNeilus Truck and Manufacturing to purchase 84 CNG tanks and tank valves for a total cost of \$242,508.

Proposed Motion

I move that the Board authorize the General Manager to enter into a contract with McNeilus Truck and Manufacturing to purchase 84 CNG tanks and tank valves for a total cost of \$242,508.



2017 FEDERAL LEGISLATIVE AGENDA

GRANT REQUESTS

PROJECT DESCRIPTION

REQUEST

Because of the significant reduction in federal funding for buses under MAP-21 (Moving Ahead for Progress in the 21st Century) and other factors, Salem Area Mass Transit District (SAMTD) is facing a significant bus replacement problem. SAMTD purchased 34 Orion VII CNG buses over a four year period from 2002 to 2005. Twenty-four of SAMTD's CNG buses reached the end of useful life status in 2015. To make matters more pressing, the CNG tanks on these 24 buses expire in 2017; setting a hard deadline for replacement. Thus, more than 50% of the District's fleet will need significant replacement of resources within two years or service could be severely disrupted.

Buses are a transit system's most valuable physical asset, and good customer service is dependent on the condition of the fleet. SAMTD is committed to providing a system that is both responsive, and improves and promotes environmental sustainability.

Thus, SAMTD is seeking funding for bus replacement from two FTA grant programs:

Five (5) Zero Emission Buses

\$ 4,068,875

SAMTD is requesting funds to purchase five (5) zero emission battery-electric buses in the Low-No FTA grant program. SAMTD's no emissions electric bus deployment will be another step in further reducing its carbon footprint, improving air quality and helping achieve energy independence. The proposed project will deploy two (2) BYD 40' K9M battery electric buses, three (3) BYD 35' K9S battery electric buses, and five 80 KW depot chargers for overnight recharging. The 2017 Low-No program will award \$55 million in federal funds to transit agencies that seek to purchase state-of-the-art buses that significantly reduce carbon emissions.

Twelve (12) CNG Replacement Buses

\$ 4,560,000

SAMTD is requesting funds to replace twelve compressed natural gas buses. The timely replacement of vehicles in the fleet is one of the fundamental programs necessary for a successful transit system.

Regional Transit Center Construction

\$ 2,000,000

The current transit and traffic network in the Salem-Keizer region needs significant improvement. Transit Centers are designed to enhance smart growth and development from both a business and residential perspective. SAMTD is proceeding with the development of three new Transit Centers to improve traffic flow, reduce commuter travel times and costs, and increase ridership options for current and future riders. Keizer Transit Center, the first of four new transit centers, was completed in 2012.

The second Transit Center scheduled for construction is the South Salem Transit Center (SSTC). The SAMTD Board has adopted a Locally Preferred Alternative in the site selection process. Depending on grant funding, construction could begin in 2018. This facility will improve transit reliability for the regular transit rider, encourage use by new riders, and improve overall efficiency of the transit service. SSTC will contribute to a more stable work force by providing an appealing, reliable, and efficient transportation system.

SSTC will link frequent corridor service to neighborhood circulators. The design of the Transit Center will incorporate various amenities which may include a 6-10 bus bay transfer center, a park and ride lot with 40 to 100 spaces, indoor passenger waiting area with restrooms and customer amenities, bicycle facilities, energy efficiency features, and opportunities for commercial development.

Intelligent Transportation System (ITS) Project

\$ 1,500,000

Intelligent Transportation Systems (ITS) improves transit planning and the customer experience by providing rich analysis and real-time information through various web and mobile channels. ITS technology would provide valuable information for partner agencies such as data for traffic flow analysis or real-time remote access to bus security cameras for emergency situations. Additionally, ITS technology provides valuable data on vehicle diagnostics, travel patterns, and passenger ridership for computer-aided dispatch and transit planning. ITS would expand and replace current SAMTD vehicle technology which is seriously outdated, beyond useful life, and in some cases no longer supported by the manufacturer.

POLICY ISSUES

Extend and Make Permanent the Alternative Fuels Tax Credit

The Alternative Fuels Tax Credit was extended to December 31, 2016. The provision provides a tax credit for a portion of costs associated with alternative fuel use by transit systems. The District supports an extension through 2017, or a permanent extension of the provision as the annual impact of this legislation on operations is approximately \$170,000.

Health Retirement Account - VEBA

SAMTD supports legislation that will provide northwest employees of political subdivisions, such as cities, counties, port districts, and fire districts, with more flexibility in designating beneficiaries for their Health Retirement Accounts (HRAs) when they pass away. Many political subdivisions in Washington, Oregon, and Idaho participate in voluntary employees' beneficiary association (VEBA) trusts which provide HRAs. A 2006 IRS ruling imposes rules on HRAs which cause participants in these plans to lose earned benefits if they die without a spouse or dependent. In 2008, Congress passed the Worker, Retiree, and Employer Recovery Act of 2008 (HR 7327) that addressed this situation for certain HRA plans (those created in conjunction with public retirement systems) but not all. A technical fix is needed to include plans established by or on behalf of a state or political subdivision. This is a non-controversial, technical fix to prior legislation.

Contact:

Allan Pollock, General Manager/CEO Cherriots, 503.588.2424, allan.pollock@cherriots.org

Joel Rubin, CFM Strategic Communications, 202.347.9171, joelr@cfmdc.com

Salem-Keizer Transit
Talking Points for Congressman Kurt Schrader's Community Leaders Roundtable
February 9, 2017

Transportation – Bus and Bus Facility Funding

Congressman Schrader, thank you for your leadership on transportation issues and your continued support of Salem-Keizer Transit.

- Over the years, you have helped our agency with federal grants to purchase buses and construct Keizer Transit Center. And during the last transportation bill, you fought to restore millions to the bus grant program that allows us to compete for additional federal resources.
- But as you know, bus funds were significantly slashed in 2012 and SKT and other transit agencies are still impacted by the cuts.
- Over half of our busses are operating past their useful life. Because we are operating older buses, we experience additional maintenance costs and scheduling challenges as we pull buses more frequently for repair.
- This is not a problem unique to us. Because of the cuts to the bus program from 2012 to 2015, the number of transit buses operating past their useful life increased in the US by nearly 40%. And we expect the problem will get worse as bus funding remains below historic levels.

There is a unique opportunity to fix the bus funding deficit now.

- As you know, President Trump has proposed a ten-year, \$1 trillion infrastructure investment package.
- As the proposal works its way through Congress, we are teaming up with the American Public Transportation Association, The Bus Coalition and other transit advocacy organizations in support of public transit investments.
- Specifically, we would like to see a \$2.85 billion increase for the Bus and Bus Facility Program, which would simply fill the gap in resources diverted from the program between 2013 to 2020.

- Estimates have shown that this level of investment would allow for the purchase of over 14,000 domestically manufactured buses and create over 100,000 jobs across the country.
- Unlike large transportation projects that take years to complete, investing in buses would provide an immediate jolt to the economy. Bus purchases can quickly spur domestic manufacturing, get folks back to work and ultimately get bus transit agencies back to a state of good repair.
- We hope you will support an infrastructure package with spending for buses and other needed transportation infrastructure.

Alternative Fuels Credit

- Thank you for your past support of extending the Alternatives Fuel Credit. The credit saves our agency about \$170,000 per year and helps us provide a more sustainable and cleaner bus service fleet to our community.
- However, the credit expired again at the end of 2016. We hope you will continue to support this important tax credit program and we encourage pursuit of a longer term extension.