

Salem Area Mass Transit District
BOARD OF DIRECTORS

~ Board Retreat ~

September 21, 2019

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

Present: President Ian Davidson; Directors Robert Krebs, Sadie Carney, Chi Nguyen
Board: Colleen Busch, and Doug Rodgers **ABSENT:** Charles Richards

Staff: Allan Pollock, General Manager; David Trimble, Chief Operating Officer; Al McCoy, Director of Finance/CFO; Patricia Feeny, Director of Communication; Paula Dixon, Director of Administration; Steve Dickey, Director of Strategic Initiatives and Program Management; Jolene White, Executive Assistant

Guests: Dale Penn II, Linda Galeazzi

WELCOME/ OPENING COMMENTS**9:00 AM**

President Davidson opened the planning session at 9:00 a.m. with opening remarks thanking the Board and Executive Team members for making the time to attend this Board Retreat. This is an exciting time to be working with Cherriots because there are many great things happening. This is a great opportunity for everyone to reflect on what has occurred and what is going to occur. We just celebrated our largest service expansion in history with resuming Saturday service and extended hours. In May, Sunday and Holiday service will start. In November, Cherriots celebrates its 40th Anniversary. Now that Cherriots is 40 years old, it's a chance for us to build our foundation as we move into the next 40 years with Cherriots. The retreat today will focus on board governance. Future retreats will focus on strategic matters. President Davidson wanted to highlight a few points from the board governance book. As the authors noted, a strong governance runs out into the community. The community will be able to detect that we are a high functioning Board and organization. They will be able to see that, respect that, and join in on our efforts to make Salem and Keizer a livable community and the tools to deal with

21st century issues. Once the Board has the governance foundation, then we will have the strategic conversations.

Mr. Pollock thanked everyone for attending and reviewed the agenda. He emphasized the importance of a strong board governance system and the vital importance for all members to contribute. Once there is a plan, then moving forward with a strong governance team to achieve our goals. Mr. Pollock shared the video "Opening doors- Why we ride", to remind everyone that Cherriots makes a difference in many people's lives. Not only to the people that depend on us 100% for their transportation needs, but also for others to have options. This is a vital community service and many people depend on us. The work we do today is important to establish a strong foundation to continue to serve the community. Although Cherriots is an important community service, it hasn't always been seen in a positive light. We have an opportunity with a fresh brand and a new revenue stream. This is an exciting time for Cherriots and we have the ability to write the story for the next 40 years.

SAFETY MOMENT

Mr. Pollock shared the *Safety Moment* for the day. Pedestrian and bike safety is important. Always be careful while crossing the streets at every intersection and driveway. September is cold and flu awareness month. Germs are everywhere. Cleaning hands with soap and water or hand sanitizer is one of the most important steps you can take to avoid getting sick and spreading germs to those around you.

OREGON PUBLIC TRANSPORTATION PLAN (OPTP) OVERVIEW

Steve Dickey, Director of Strategic Initiatives and Program Management; presented an overview of the Oregon Public Transportation Plan (OPTP). This plan was adopted in September 2018 and took about two and half years to develop. The previous OPTP had been adopted in 1997 and focused on seniors and people with disabilities and smaller more rural systems. The OPTP vision focused on 2045, public transportation is an integral, interconnected component of Oregon's diverse cities, towns and communities. Because public transportation is convenient, affordable, and efficient, it helps further the state's quality of life and economic vitality and contributes to the health and safety of all residents, while reducing greenhouse gas emissions.

The OPTP is a statewide mode plan that applies Oregon Transportation Plan policy to public transportation. There were three main objectives; provide shared vision, describe roles and strategies for public transportation, and to provide a foundation for investment decisions. In this plan there is a statewide focus: urban and rural, and recognizing diversity of communities. It was designed to provide a flexible platform to work with other recent mode plans. The OPTP provides a shared vision and statewide policy framework. It describes roles and contributions for the transit network. It is designed to provide a flexible platform to support provider and community investments and decisions. Public

transportation benefits everyone, with contributions to the economy and health of our communities, affordable choices, connections to destinations and opportunities, and a less stressful way of travel. People who cannot or do not drive need options also, especially as our population ages and changes. Urban areas would not function if every person drove alone. Transit provides essential connections and economic opportunities in rural areas.

This plan recognizes that each provider has uniquely developed to serve the needs in its area and provides a platform for continued development of transit services, no matter your starting point. This is a multimodal plan that considers relationships with highways, bicycle and pedestrian networks, rail, new mobility services, car and bike share programs and more. It does not overlap, but is designed to complement and support recent plans. The OPTP was developed with extensive outreach throughout the state. For the Draft OPTP, Outreach and meetings were held with over 40 different groups.

The OPTP has ten specific goals: Mobility, Accessibility & Connectivity, Community Livability, Equity, Health, Safety and Security, Environmental Sustainability, Land Use, Strategic Investment and Communication, and Collaboration and Coordination. These ten goals are similar to those in all of our statewide plans. These goals provide a starting point and direction to get there. The plan guides the planning processes and to always be cognizant of these goals when planning services.

The plan is broken down into five chapters from introductory information to implementation. Chapter one is the introduction, it includes the vision, goals, context for the plan and how it fits with other state plans. Chapter two is the background information that forms the basis of the new plan: current conditions, benefits public transportation provides, challenges and opportunities to address. Chapter three is the heart of the plan, where the goals are further developed with policies to pursue and strategies describing possible actions to take. Chapter four is all about investment scenarios: what might the system look like, what might priorities for investment be under different levels of funding. Chapter five is all about implementing the OPTP: roles, responsibilities, initiatives, and then performance measures to track statewide OPTP progress.

The OPTP key initiatives are groups of activities that respond to key themes in the plan, touch multiple goals and policies, and work on them is essential. ODOT will develop its implementation work plan after adoption, listing specific tasks and timeframes. ODOT cannot implement the OPTP alone, it will take all public transportation decision makers and stakeholders working together. Plan integration: many have started this effort; ODOT will look for ways to help agencies further collaborate, connect, and plan together. Transit works better if providers are thinking about connections throughout their area, not just in their community. HB2017 rules and implementation are part, TGM program, TDP and TSP

guidelines are all tools too. Regional and intercity initiative activities include: study the system, learn what's working, gaps and needs, and to consider possible solutions.

Mr. Dickey closed his presentation with a quote from page eleven of the OPTP executive summary. "We are moving forward into the future where we are going to see big changes. We need relevant starting point, and we need a dynamic plan that doesn't lock us into the technologies or the solutions of today but must remain relevant to the changing needs of our communities. This plan is that starting point".

Director Nguyen asked how the Policy Advisory Committee interacted with the Technical Advisory Committee. Mr. Dickey explained that during this process they shared information back and forth and worked together on this project.

ORS 267 MASS TRANSIT DISTRICTS

Mr. Pollock gave an overview of the statute that governs public transit; ORS 267. This document is broken into two pieces, the Mass Transit Districts and Transportation Districts. In the State of Oregon, there are only three Mass Transit Districts. Tri-Met in the Portland Metropolitan Area, Lane Transit District in Eugene and Salem Area Mass Transit District. All others are Transportation Districts. Today's focus is the sections that are important for Board members to know in the Mass Transit District section.

267.030 Use of alternative fuels for certain vehicles; exceptions; annual report; application to all district vehicles. The Cherriots fleet includes a mix of vehicles powered by compressed natural gas and biodiesel fuel. Many of the cars are hybrid electrics and one diesel, electric hybrid bus. Board policy is to look for what's out there currently with the new technologies.

267.101 Resolution to create certain districts; contents. This is the ORS that helped establish the Transportation District.

267.135 General Manager; qualifications; term; removal. This goes over the General Manager's job description and duties.

267.145 General Manager's attendance at board meetings; pro tempore manager. The General Manager will attend meetings and may participate, but is not able to vote. The Board may appoint a general manager pro tempore during the absence or disability of the general manager. By Board policy, in the event that the general manager is absent, David Trimble, COO is the GM pro tempore. In the event that both the general manager and the COO are unable to attend, Steve Dickey, Director of Strategic Initiatives and Program Management will be GM pro tempore.

267.150 Ordinances; regulating use of facilities; public hearings; route, schedule changes. This ordinance states the board may provide procedures for the conduct of public hearings on proposed changes in transit routes and schedules.

267.200 Existence, status and general powers of districts. As a Mass Transit District we are a municipal corporation. We are a special district. This section goes over the powers of the board.

267.205 Classification and designation of service areas; determination of area financing. A district board may by ordinance classify and designate as a service area. This means that for example, Lane Transit District is the transit provider for the entire county, but the entire county isn't their service area. By board resolution, they designate their service area. In Salem, there has been legislation that designates the Cherriots service area as the urban growth boundary of Salem and Keizer. If that area expands, our district gets larger without any action. There is language if a city wants to withdraw and create their own.

267.235 Protection of employees' rights when an operating transportation system is required. An example of this would be if we took over Woodburn Transit, we would have to honor their agreements.

267.300 Authority of district to finance system. This ordinance lists available sources of revenue.

267.302 Restrictions on financing for districts formed under ORS 267.107. This is the section that Salem Area Mass Transit District is formed under. This section states that SAMTD cannot use those forms of financing unless there is a ballot measure. SB3056 legislation that changed the board to Governor appointed rather than elected, also has a revision that repeals section 267.302. That repeal becomes effective January 01, 2026. This means that beginning in January of 2026, we can access those finance sources by board actions.

Mr. Pollock urges the Board members to read through ORS 267 and come to him individually for clarification, if needed.

RESOLUTION 2015-04 RULES GOVERNING PROCEEDINGS AND CONDUCT OF THE BOARD

Mr. Pollock gave an overview of Resolution 2015-04 and highlighted a few of the specific rules. A resolution adopting rules governing proceedings and conduct of the Board of Directors of the Salem Area Mass Transit District. This resolution needs changed at a minimum due to Governor appointed rather than elected board members that has been enacted.

Rule 1- Legal Name and other names used: Our legal name is Salem Area Mass Transit District. The District may also, from time to time, adopt and use business names which may include, Cherriots and Salem Keizer Transit. Many out in the community didn't understand that these were all the same organization. The District has now taken the position that for legal purposes to use Salem Area Mass Transit District. Locally we are known as Cherriots and we are trying not to use Salem Keizer Transit name any longer.

Rule 5- Eligibility and Duties of the Board: The restriction that applies is that any individual who is an existing employee of the District is not eligible to serve on the Board. The Board shall provide the policy and legislative direction for the District.

Rule 6- Board Acting as a Body: The Board shall act as a body in making its decisions and announcing them. This is a significant rule because it is important to show unity. When you are a liaison in the community, you represent the Board as a body and not individual opinions. Director Krebs gave an example of when you are representing the Board at committee meetings, you must vote based on the Board's decisions and not a constituents preference.

Rule 10- Board Vacancies: This rule will need to be updated due to the change with Governor Appointments to the Board rather than members be elected.

Rule 11- Regular Meetings: Past Boards have designated meeting times, place and notice. This does still give the Board the ability to change locations as long as it is in the Salem service area and proper public notice given.

Rule 12- Adjourned Meetings: Meetings may be adjourned and a special meeting called, to be held at a specific time and place before the day of the next regular meeting. A meeting may be adjourned by the vote of the majority of the members present, even in the absence of a quorum.

Rule 13- Special Meetings: The president of the Board or a majority of the directors may call a special meetings. At least a twenty-four hour notice of special meetings shall be given to the news media, the Board of Directors and the public.

Rule 14- Emergency Meetings: The president of the Board or a majority of the directors may call emergency meetings. In the actual emergency, a meeting may be held upon such notice that is appropriate to the circumstances, and the minutes for such a meeting shall describe the emergency justifying less than 24 hours' notice.

Rule 15- Executive Sessions: The Board may hold executive sessions during a regular, special or emergency meeting after the presiding officer has identified the authorization under ORS 192.610 to 192.690 for holding of such executive session. Notice shall be given

to the news media, Board members and to the general public, stating the specific provision of law authorizing the executive session. Representatives of the news media shall be allowed to attend executive sessions, other than those relating to labor negotiations, but the governing body may require that specified information discussed in the executive session be undisclosed.

Rule 17- Conduct of Meetings: The president presides, and in the president's absence, the vice-president, shall preside. In the absence of both, the secretary shall preside, and in the absence of other officers, the treasurer shall preside. Although the rules states that the presiding officer shall vote on all matters and may make and second motions and participate in discussions and debate, this isn't always the case with other entities. The presiding officer shall be responsible to assure that order and decorum are maintained during all meetings of the Board. The president of the Board, when necessary, may appoint a sergeant-at-arms who shall have the responsibility to maintain order to enforce the rules of conduct, and to enforce the orders given the presiding officer. Time for testimony by members of the audience at public hearings or any Board meeting may be limited or extended for each speaker and for each subject by the presiding officer or by majority vote of the members present. All questions and discussions by members of the audience shall be directed to the presiding officer. Direct discussion between members of the audience and Board members or District employees is permitted only at the discretion of the presiding officer. Every person desiring to speak shall first address the presiding officer, and upon recognition, shall give his/her name and shall confine his/her comments to the issue under consideration.

Rule 17-5- Matters to be Considered: At regular meetings and adjourned sessions of regular meetings, the Board of Directors can consider any matters they desire to consider, whether in the published agenda or not, except that an ordinance can only be considered at a regular meeting or an adjourned session of a regular meeting if consideration of that ordinance appeared in the published agenda for the regular meeting. At special meetings only those matters shall be considered that were specified in the notice of the meeting. At emergency meetings, only the emergency matters shall be considered.

Rule 22- Committees: The Board is charged with committees. We have three Board committees that are advisory to the Board. These are the CAC, STF and STFAC advisory committees. The Board at the president's prerogative may establish other committees with a combination of Board and other members. Any Board committee may not have more than three members or the meeting is considered a public meeting and subject to those rules. There are two Board committees required and those are the Executive Committee and the Budget Committee.

Rule 24- Indemnification: To the fullest extent provided by law, and except in the case of

malfeasance in office or willful or wanton neglect of duty, the District shall defend, save harmless and indemnify every Board member, officer, employee and agent against any tort claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of duty. Expenses include reasonable attorney's fees and costs of judgement or settlement. The District shall have the right to choose the attorney for whom services will be provided and compensation paid pursuant to this provision. Legal services and indemnification shall be provided by the District under this provision irrespective of whether or not the District is a party to the cause or itself subject to liability. Director Nguyen asked if the Board was self-insured or if the District handled this insurance. Mr. Pollock stated that he thought the District didn't carry D&O insurance coverage, but would verify and report back to the Board.

Mr. Pollock asked the Board to carefully go over these bylaws to see where they need to make changes.

BOARD CODE OF CONDUCT

Mr. Pollock gave the Board an overview of the Board Code of Conduct document. This document represents the values and qualities that previous Boards have established and updated. This code of conduct has seven areas of focus. As Board members, we will focus on diligence and commitment, efficient conduct, listening and communicating with an open mind, team work, trust and respectful behavior, leadership and stewardship, and community engagement. Board will not "construct" a false public unity. Instead, Board members will make their case in public. However, it is fine to alert another Board member that there may be differences on an issues that will be discussed (heads up) so that no one feels blind-sided at a meeting. It is a commonly held value that this group will share the debate with the public and everyone will benefit from understanding a Board member's reasoning. The Board agrees that after a decision has been made, that even those in opposition will support the agreed upon action publicly. The Board agrees not to question each other's motives or professionalism. If a Board member is not in attendance, he or she agrees to abide by decisions made by the Board in their absence. Assume the highest motivation—lack of malice.

2018 STRATEGIC PLAN

Mr. Pollock gave the Board an overview of the Strategic Plan. The Salem Area Mass Transit District's Strategic Plan serves as a decision-making and planning guide for the Board of Directors. While providing an overview of the District's operations, services, and programs, the plan translates the words of the Cherriots guiding principles - vision, mission, and values - into actions. The plan has been updated and includes the 2018 strategic priorities; information about the HB 2017 funding for enhanced service; the implementation of new technologies such as the computer-aided dispatch and automatic vehicle location (CAD/AVL); the acquisition of new vehicles; and the expansion of regional connections with transit partners.

ORGANIZATION AND DIVISION OVERVIEWS

The Executive Team gave the Board and overview of each of their divisions. The team shared their goals, their functions, and the different roles and the responsibilities of within each division.

BOARD GOVERNANCE DISCUSSION

President Davidson informed the Board that this part of the retreat was to discuss how they want to govern. One of the topics up for discussion is if the Board wants to continue using the work session model, or move to committee formats. After reviewing the information in the Board Governance book, he is interested in the committee format. He pointed out that the governance book cautioned that if doing a committee model, then to make sure they are high functioning committees. It is better to have no committees if they are done poorly. In the past, President Davidson has been on passive Boards and does not want that to be the case with this Board.

Director Rodgers shared that when he was first elected to the Board, they did a committee structure where they were divided up to meet about different topics, summarize their reports, and then share at the Board Meeting. The Board members then changed the format to have joint work sessions in order to have everyone communicate in the open together. Director Rodgers stated that he prefers the work session format because then he can hear all information for himself, and not rely on others memories.

Director Carney asked if the Board Governance book was written to universally address transit boards. The examples seemed based on much larger boards. One thing that stood out was that the book stated that a Board member should be serving on more than one subcommittee. Director Carney asked for Mr. Pollock's opinion on generally where this board falls in the scale in applicability and in how this book might fit in with what they are trying to accomplish.

Mr. Pollock stated that the book is not 100% the answer, it is a tool to modify based on what board you have. If they were to follow the books' structure with this size board, it can be tweaked to fit. The outcome is to get as many Board members as possible to contribute.

Ms. Feeny shared that her takeaway from the book was that she should be meeting fairly regularly with the board, especially the Board President. It clearly defines her role. If they move to a committee model, there is an opportunity to have an external affairs committee. Ms. Feeny feels she would be more effective, which in turn would make the Board members more successful. She likes the committee structure outlined in the book, but this Board will have to scale it to make it applicable.

Mr. Pollock shared that the Board does not have to do just one or the other of the models, but can also do a combination of both. Some topics should be discussed in the work session, where other topics that need a deep dive, is best to be done in committees. There are also opportunities with work sessions to have joint work sessions with other bodies. He believes this Board doesn't want to be a rubber stamp board and would like to be involved.

Director Krebs shared that he agreed with Director Rodgers that he did not want to go back to the committee structure that they previously had with this Board. When he first began his term, they had many committees that were based on technology rather than subject matter. He does believe the committee structure is good, but again cautioned that they need to be high functioning. One suggestion he had is to have members bring initiatives to the Board through the committee process before it gets placed on the agenda for the Board Meeting. He doesn't believe it's the Board's position to micromanage, but rather having the big picture micromanaged and not the small details. An example of this is letting the staff look at alternatives like autonomous vehicles or policies that enhance service to bring to the Board. Director Krebs did suggest that Mr. Pollock should meet with the Board members individually or in small groups on a regular basis to support camaraderie amongst the members and the General Manager. Mr. Pollock encouraged Board members to schedule times to meet with him if interested. Director Krebs would also like to see the Board establish a profile and qualifications for candidates to the Board that they can give to the Governor's committee that selects members. He completely agreed with code of conduct for Board Members. He feels they should all be respectful even when they disagree. He would like to review the CEO's evaluation process and if there are better ways to do that process that allows for more personal interaction. He also suggested that the Safety Moment section not be on the agenda, but rather an email sent out from Ms. Feeny along with other matters to inform the Board.

Director Busch shared her opinion that with the current work session model, she doesn't feel she has enough information to make a good decision. She participated in the CAC and appreciated the robust conversations they were able to have on topics. She supports using a combination work session and committee model.

Director Nguyen shared that she believes impact matters more than the time spent. She doesn't want to have more meetings, but rather meetings that have impactful results. This new Board has many time constraints, such as young families and longer work commutes than the previous Board. President Davidson agreed with Director Nguyen that time constraints are also a concern to him and he would like to make the best use of his time. Issues only arise when there is a lack of communication. She praised Mr. Pollock for doing a good job with open communication. She's currently also reading a book about that governance is leadership and wonders sometimes is this a following Board, a working

Board or is it aspirational and strategic. Director Krebs is good about bringing this up often and she hopes this Board gets to that point. She also brought up that this Board is going to constantly be chasing technology since they are charged with the vision to create a world class service by looking at trends.

Director Carney asked if it would be possible to do video conferences for the meetings. Electronic meetings would make attending the meetings more possible for many of the Board members. Director Carney also commented on the previous statement by Director Krebs, of the Board's need to curate potential new members that have the broadest reach in the community to better serve. We need members that can reach all the stakeholders in the community.

Director Busch shared that she appreciated in the book the section about how each person values their own work. The Board needs to take ownership of the decisions and comments that they make. They need to be all in, or it will not work. Mr. Pollock added that the goal is that at the end of the term, members feel they contributed value.

President Davidson summarized that the feelings of the Board is that they are interested in committee structure, but there are concerns about time constraints and making sure that the meetings are impactful. He would like to tailor the books suggestions to this Board size. To explore the video conferencing for some of the meetings. Director Krebs remarked that one possibility is to move the work sessions to right before the Board meetings. Mr. Pollock pointed out that public notification is required for work sessions, but that committee meetings can be scheduled as it's convenient for members. He explained that they went to the work session model previously because the past Board had a lack of trust with each other. In order for the committee model to work, the Board must have trust in fellow members. Director Nguyen would like to start with some ad hoc committees' verses an ongoing body of subcommittees. All members agreed that there needs to be a high priority for the committees and not just have committee meetings scheduled regardless of the need to meet.

Mr. Pollock asked what people are expecting at work session meetings. Director Nguyen wants to see more candid conversations and more time for deliberations and questions. Mr. Dickey is hopeful that at the work session, there can be more of an engaged dialogue. He would like to get more input and feedback from the Board. One possible change would be to bring information to the work session earlier and then the Board will have time to request additional information as needed. The executive team asked the Board what information they wanted to see in the staff reports. The Board wants staff to ask specific questions rather than just asking to provide feedback.

The Board came to a consensus to try the committee model, but also have work sessions as needed. To explore the possibility of electronic meetings and to set some guidelines to

assist in finding future Board members that will be of the greatest benefit to the community. Some suggested ad hoc committees to start with: 1) Executive, 2) District Strategic Plan, 3) Performance Oversight/Monitoring/Reporting, and 4) Legislative Agenda. Putting together a policy of what staff reports and board reports should contain. The Board agreed that the “as needed: work sessions will be held immediately preceding the Board Meeting, this change will occur starting in January. All agreed that the current schedule For the Board Meetings will remain the fourth Thursday of the month at 6:30 p.m. In keeping up with the sustainability initiative, only electronic copies of the agenda will be given out unless otherwise requested. Per Board request the electronic version of the agenda will be put into PowerPoint format and also attached to the Google calendar invites. The Board also requested notebooks to keep all their notes together in one place. The Board would like to see consistency in the formats of the staff reports, and more analysis. Mr. Pollock requested input on his weekly GM reports. The Board wants to continue receiving the weekly reports, but would like to see highlights of what he did or said at meetings. President Davidson wanted the other members to know he is available if anyone wants to have periodic check-ins with him. Director Rodgers suggested that all members go to Del Webb and spend some time observing and talking to the staff since what the Board chooses to do affects their lives. This will help members to know the backstories and take ownership of their decisions. Mr. Pollock shared that a tour to Del Webb is part of the new board orientation and will be scheduled in the near future.

5. **ANNOUNCEMENTS**

Stephen Custer, Digital Marketing Coordinator will be taking updated pictures of the Board Members at the Regular Meeting on September 26, 2019.

Cherriots Rodeo event is on Sunday at 9:00 a.m. at Del Webb.

BOARD RETREAT ADJOURNED

1:20 PM

Submitted by:
Jolene White,
Executive Assistant