

Salem Area Mass Transit District
Board of Directors

~ WORK SESSION ~

June 13, 2016
Courthouse Square – Senator Hearing Room
555 Court Street NE, Salem, Oregon 97301

MINUTES

PRESENT: President Robert Krebs; Directors John Hammill, Kathy Lincoln, and Steve Evans
Board
ABSENT: Marcia Kelley, and Jerry Thompson,

Staff Allan Pollock, General Manager; David Trimble, Chief Operating Officer; Paula Dixon,
Director of Administration; Patricia Feeny; Director of Communication; Steve Dickey,
Director of Transportation Development; Wendy Feth, Accountant; Kristian Sorensen,
Technology Support Services Analyst; and Linda Galeazzi, Executive Assistant

Guests None

1. CALL TO ORDER 5:35 PM
President Bob Krebs called the work session to order.

2. DISCUSSION

a. Review of the CherryLift Eligibility Program - Tabled 5:36 PM

b. Commercial Advertising Policy 5:36 PM

Staff report: Pages 1-54 of the agenda

Presented by: Patricia Feeny, Director of Communication

Ms. Feeny reported on the history of commercial advertising on fixed route buses as a source of revenue for the transit district. This practice was discontinued in 2013 when the contractor elected to close out the contract. The District is now revisiting the option to allow commercial advertising again, and in order to move ahead with a request for proposal (RFP) for a new advertising vendor, the Board was asked to review the current advertising policy, Resolution No. 10-08 with the Oregon state statutes – *ORS 267 Mass Transit Districts; Transportation Districts* and *ORS 167.060-167.095* for advertising “*purposes of propagandizing in connection with the commercial sale of a product or type of product, the commercial offering of a service, or the commercial exhibition of an entertainment.*”

New issues for Board consideration while reviewing the District’s policy included the use of cannabis (medical and recreational); vaping (electronic cigarette); religion and politics; craft breweries and area vineyards; and Spirit Mountain Casino that is a destination for Route 2X-Grand Ronde/Salem Express and is subsidized by the Confederated Tribes of Grand Ronde.

Mr. Pollock advised the Board to consider why the District is in the business of advertising. He noted a word of caution from the SAMTD legal counsel about the freedom of speech.

Comments: Board members discussed elements of the District’s policy that may be outdated and the new issues brought to their attention by staff to include

religion and politics; the use of tobacco and vaping not being allowed by the transit operators on transit property except in designated areas; and laws that prohibit the use of tobacco by minors. Marijuana use, although legal in Oregon, is still illegal at the federal level.

Spirit Mountain Casino has grown to include events and entertainment, RV camping, a hotel and restaurants. There is an arcade and play area for kids, buffets, and it is a frequent stop for travelers going to and from the coast. It is possible to go to Spirit Mountain and not see the gaming area.

Board members were opposed to advertising the consumption of alcohol; and at the same time, there are many local vineyards and wineries that serve some of the best wine in the country. Some of the wineries have events, a Sunday brunch or wedding venues. It seemed appropriate to encourage local advertising of these vineyards and wineries that are tasteful, non-offensive and visually appealing.

A discussion about bus wraps and window coverings for advertising purposes ensued. There is a rate differential for the size of the advertisement on the buses whether it be on the back half of a bus, or whether the advertising covers the windows, some of the windows or no coverings on the windows. Full bus wraps are most lucrative.

Direction: Further discussion about the District pursuing commercial advertising will be scheduled at another work session with the District’s legal counsel so that the Board can address the ramifications of advertising and develop a new policy.

c. FY2016 Budget Amendment

Staff report: Pages 55-56 of the agenda

Presented by: Wendy Feth, Accountant

Ms. Feth reported that adjustments to the FY2016 General Fund budget will be required by resolution due to the higher than anticipated expenses for the ballot measure in the November 2016 Election in the General Manager/Board of Directors’ Division. The Board was first apprised of the anticipated adjustment during a review of the third quarter financial report at the May 26, 2016 Board meeting.

The proposed resolution would not increase legal appropriations in the General Fund, but will transfer spending authorization and funds from the Operations Division which is underspent to the General Manager/Board of Directors Division.

<u>FY2016 Budget</u>	<u>Adopted</u>	<u>YE Projection</u>	<u>Variance</u>
GM/Board	641,157	648,500	(7,343)
<u>FY2016 Budget</u>	<u>Adopted</u>	<u>Proposed Budget Transfer</u>	<u>Amended</u>
GM/Board	641,157	50,000	691,157
Operations	18,272,951	(50,000)	18,222,951
Total	18,914,108		18,914,108

Comments: Director Kelley expressed her concerns about a transfer of \$50,000 and asked why that amount was chosen. Director Busch remarked that the election took up so much more of the resources. Ms. Feth stated that expenses for the election have since been paid. The transfer is to ensure that there are enough

funds available to cover other expenses through the end of the fiscal year. Ms. Dixon advised that the transfer amount is still within the original appropriations.

d. Budget Committee Citizen Member Appointments

Staff report: Pages 57-58 of the agenda

Presented by: Allan Pollock, General Manager

Mr. Pollock announced that terms for two citizen member positions will expire on the budget committee as of June 30, 2016; in Subdistrict #3 represented by Director Lincoln and Subdistrict #5 represented by Director Thompson. Citizen members serve a three-year term on the budget committee and are appointed or reappointed by the Board at a regular meeting according to the Bylaws. There are typically three budget committee meetings held in May each year for orientation and to review the upcoming fiscal year's proposed budget which is then approved by the budget committee and forwarded to the Board of Directors for adoption in accordance with the State's local budget law in ORS Chapter 294. Appreciation was expressed for the outgoing citizen members, Derik Milton for his willingness to serve on the committee, and to Hersch Sangster who expressed an interest in a second term and has faithfully served on the committee since December 12, 2013.

Direction: Directors Lincoln and Thompson will be responsible to bring their nominations before the board for appointment.

e. Bus Pass Donations

6:20 PM

Staff report: Verbal

Presented by: Allan Pollock, General Manager

Mr. Pollock reported on a request for bulk discounted monthly youth bus passes for students attending a summer programs through the Salem-Keizer School District's Career and Technical Program at the Downtown Learning Center. According to policy, the general manager has the authority to grant such requests on a case by case basis. Staff continues to work behind the scene on an RFP to find a vendor for advertising on transit properties. Revenue from the advertising will be used to defray expenses used for the Salem-Keizer Education Foundation's (SKEF) student bus pass program.

Direction: President Krebs spoke about the need to have representatives from the SKEF attend a work session to advise the Board about how the SKEF plans to carry out the Student Bus Pass Program, and how additional funds could be used.

3. GENERAL MANAGER COMMENTS

6:24 PM

Staff report: Pages 61-66 of the agenda

Presented by: Allan Pollock, General Manager

Mr. Pollock reviewed the upcoming calendar of meeting and events for the Board. There will be an executive session at the end of the July 11th work session and at the end of the July 28th board meeting to review the general manager's comprehensive performance evaluation. Mr. Pollock will not be able to attend the work session. Director Lincoln will be out of town, but will participate in both meetings via conference call. In other news, Mr. Pollock announced that there were 645 rides for the first week of Route 15X/Airport Park & Ride Express and the State Employee Bus Pass Program's soft opening. Route #1-River Rd/Commercial had 109 rides and Route #2-Market/Brown had 62 rides. Mr. Pollock advised the Board that a final draft of the Regional Transportation Plan will be included in the July 28th board meeting agenda packet for their review and action.

Comments: Director Evans spoke about a negative editorial regarding the State Bus Pass Program in a recent news article. He felt it was important for the District to respond in the newspaper about the benefits of this program to counter the congestion and parking issues in the downtown area.

Direction: Director Evans recommended that the Board have a policy that addresses their approach and response to issues that are raised through the media.

4. WORK SESSION ADJOURNED

6:38 PM

Recorded by: Linda Galeazzi, Executive Assistant/Clerk of the Board