

Salem Area Mass Transit

District BOARD OF DIRECTORS

~ **WORK SESSION** ~

October 07, 2019

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

Present: President Ian Davidson; Directors Robert Krebs, Colleen Busch (Via Conference Call), Charles Richards, and Doug Rodgers (Arrived at 6:35 PM) **ABSENT:** Sadie Carney, Chi Nguyen

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; Chip Colby, Information Technology Manager; Susie Primmer, Technology Services Support Analyst; Jolene White, Executive Assistant

Guests: Clark Williams, Heltzel Williams PC

1. CALL TO ORDER 5:35 PM

President Davidson called the meeting to order.

2. SAFETY MOMENT

Mr. Pollock shared the *Safety Moment* for the month of October. October is employee wellness month. It is important to have a sound body and a sound mind. Focus on whole body wellness, this includes a well-balanced and nutritious diet, beginning each day with breakfast. Your body needs a good night's sleep and exercise, even if it's just for a few minutes. Volunteering (helping others) can help reduce stress and increase self-esteem.

Don't forget about taking care of your mental health; take time to de-stress and take advantage of the employee assistance program that is a free and confidential benefit.

3. PRESENTATION

5:40 PM

None

4. DISCUSSION

5:41 PM

a. Review of Non-Bargaining District Retirement Programs

Staff Report: Pages 3-10 of the Agenda

Presenter: Paula Dixon, Director of Administration Clark
Williams, Heltzel Williams PC

Ms. Dixon introduced Mr. Williams as the District's pension plan attorney from Helzel Williams. Mr. Williams was a part of the group that developed this plan in 2001, so he will be explaining to the Board how the non-bargaining pension plans work.

The District offers a pension benefit to its employees. For non-bargaining employees, there are two pension plans: a defined benefit and a defined contribution plan. The District pays the full cost of funding these plans.

A defined benefit pension offers a lifetime benefit to vested employees based on a formula. A defined contribution plan contributes a set amount that grows based on investment earnings and new contributions. The District plan also includes a "floor offset" option in which the funds in the defined contribution plan can be combined with the funds in the defined benefit plan to provide a higher monthly benefit.

The current plan guarantees a lifetime pension benefit to all employees, commencing at retirement at age 60 or thereafter, equal to 1.64% times their credited years of service times their "final wage salary". "Final wage salary is the average annual compensation during an employee's highest five consecutive years of compensation. For example, an employee retiring at age 60 with 25 credited years of service and a "final wage salary" of \$45,000/year will receive a pension of $1.64\% \times 25 \text{ year} \times \$45,000/\text{year} = \$18450/\text{year}$, payable monthly at \$1,537.50/month for his or her lifetime. The employee is also given the opportunity to elect a joint-and-survivor 50% or 100% annuity with his or her spouse, which would pay slightly less to start but which would continue after the employee's death to the employee's spouse at chosen percentage for the rest of the spouse's lifetime.

An employee can retire as early as age 55 on a reduced basis (6% per year reduction). Or if the employee has at least 30 credited years of service, he or she can retire at age 55 or thereafter on an unreduced basis. An employee can work beyond age 60 and continue to earn credited years of service and potentially a higher "final average salary", but there is no additional increase in the pension amount for later commencement.

Credited years are plan years (July 1- June 30), where the employee performs at least 1,600 hours of service. An employee will receive a half credit for a plan year in which he or she performs at least 800 hours but less than 1,600 hours of service. An employee must have at least five credited years to receive a pension at all (i.e. to be vested).

An important feature of this plan is that it is “offset” by the employee’s account balance in the SAMTD Non-Bargaining Unit Retirement Plan. That plan is a defined contribution plan into which the District contributes annually for all qualifying employees an amount equal to 10% of each employee’s compensation.

If an employee dies before retirement, then the benefit earned by the employee is paid to his or her surviving spouse as annuity for his or her lifetime, adjusted for any difference in life expectancy. If the employee has no spouse, then no pension is paid and all benefits revert to the plan.

The District bears all of the cost of the plan. There are no employee contributions to this plan. Because the payments are promised now but paid later at retirement, the plan actuaries determine the “normal cost” of the plan each year. This “normal cost” is the present value, today, of the cost of the benefits that are promised to employees’ payable in the future. The normal cost is calculated each year depending number of qualifying employees, their ages and salaries, and their life expectancies. The “normal cost” also considers expected earnings on the funds in the plan between now and retirement for each employee. The District then contributes this normal cost to the plan.

Follow-up: The Board would like information on other transit agencies retirement plans to compare to the Districts plan.

b. Board Response to Bus Stop Requests

Staff Report: Pages 1-4 of the Supplemental Attachment to Agenda

Presenter: Steve Dickey, Director of Strategic Initiatives and Program Management
Mr. Dickey discussed the process for when a new bus stop or shelter is requested. Many times these requests are for new developments or closer to a specific location. There are also often requests for a bus stop to be relocated. When these requests are made to the Board, the procedure to follow is to get the contact information of the individual that is making the request; name, phone number or email and address. This way if there are additional questions about their request and to provide follow-up. Note the location of the requested change and any pertinent information as to why they are making the request. Send all information for requests to the General Manager.

When a bus stop or shelter change is requested, the request is taken to a monthly, internal committee that includes staff from the Operations Division and the Planning Department. When deciding upon each request, there are many elements that are taken into account. The most important elements considered are corridor safety, ADA requirements, stop spacing, and accessibility (sidewalks, lighting etc.). The committee also looks at what the demand is from the community, beyond the individual making the request. Consideration is also given to the increased maintenance needs a new shelter may require. The discussion is documented in the meeting minutes and covers all

considerations and the decision that was made. Contact will then be made to the individual that made the request and to the Board member that took the request to let them know of the decision, and why that decision was made.

There are several documents regarding bus stop requests on the Cherriot's web site that goes over this process. The document, Service Guidelines for Bus Service covers everything to how routes are designed, to the planning process. Section 5.7 covers bus stops decision criteria.

Follow-up: Board members will take down all information for a request and provide it to General Manager.

c. Board Retreat Follow-up Staff

Report: Page 11 of the Agenda

Presenter: Allan Pollock, General Manager

Mr. Pollock discussed the September 21, 2019 Board Retreat follow-up activities. Ad hoc committees will be established to develop a strategic plan process, develop performance oversight, monitoring and reporting plan, develop the 2021 legislative agenda and to revise the board by-laws and code of conduct.

At the retreat, the Board came to a consensus that starting in January 2020, the work sessions will be scheduled immediately preceding the regular meetings on an as needed basis. Only electronic board packets will be distributed unless a request is made for a hard copy. Electronic board packets to the Board will be put into PowerPoint format or in a form to allow indexing. The board packets will also be added to the meeting invites for the Board. The Board requested that the packets need some consistency and reports need more analysis and discussion of trends. The Board requested a journal for centralized note keeping, and these were handed out tonight.

The Board asked what the difference between mass transits versus transportation districts. The mass transit term is generally used for urban areas and transportation districts are less urban and more rural environments.

Follow-up: Indemnification and is there need to have D&O insurance. The GM report will include more details of meetings attended. GM will work with each board member for scheduling one-on-one meetings. Schedule Del Webb visits for new board members. Relook at work session topics for proper scheduling to allow an earlier look at the information to discuss.

d. Discussion on Sustainability Strategic Priorities

Staff Report: Pages 13-18 of the Agenda

Presenter: Allan Pollock, General Manager

Mr. Pollock discussed the District strategic priority on environment sustainability. During the September 26th Board meeting, President Davidson requested that an agenda item pertaining to the District's strategic priority titled "Be an Environmentally Responsible Organization" be added to the October work session agenda.

The District's strategic plan has identified five strategic priorities including "Be an Environmentally Responsible Organization." The STRATEGIC plan defines this priority as ensuring our daily practices and transportation services will support environmentally responsible stewardship. The priority goal is to minimize our impact on the environment, including our services, public spaces and facilities.

The Board has adopted two policies that support sustainability. They are Policy 106: Vehicle Acquisition Policy and Policy 120: Environmental Sustainability Policy Statement. In the rules, the policy does state that the District should have two different fuel types in case accesses to one of the fuel types goes down. Currently the District has half natural compressed gas and half biodiesel.

In support of this priority the District has established an employee committee to lead our sustainability efforts. In addition, the District is a Marion County Earthwise Certified organization and has signed on to the America Public Transportation Association Sustainability Commitment.

President Davidson suggested that the District have a dedicated staff person to focus on the strategic priority of being and environmentally responsible organization. This potential sustainability coordinator could do tasks such as seek grants for the District, conducting ongoing environmental analysis, creating a training program for staff and volunteers, attending committee meetings and providing follow-up, community outreach and updating environmental sustainability policies. President Davidson would like to see a staff proposal with a total cost analysis to bring to the Board to determine if this is the path they would like to take.

Another possible approach to prioritizing environmental sustainability would be to start a program at Cherriots such as Marion County has done with the Master Recycler program. This program includes over 30 hours of instruction to volunteers in the community. The classes are taught by local experts from business, government and non-profit sectors. After participates complete their training, they are required to undertake 30 hours of community "payback" through independent projects and outreach events. A program such as that could then draw on trained volunteers to fill different committee positions, increase public awareness and outreach events. The Board discussed several different scenarios and suggestions for how to prioritize environmental sustainability.

The topic of environmental sustainability comes up more and more often with members of the community. The Board would like to have more specific information to be able to share and answer questions. If and when the state adopts a price on carbon, it will affect

the District and we would like to be ahead of curve. Mr. Pollock shared that when the District submitted a grant for compressed natural gas busses and asked our federal delegation for letters and calls of support, Senator Merkley would not support our application. Senator Merkey called Mr. Pollock and stated that he would only support agencies that use electric busses.

Follow-up: Staff will prepare a report with total cost analysis and recommendations to bring to the Board in a future meeting.

4. GENERAL MANAGER COMMENTS

7:02 PM

Staff Report: Pages 19-20 of the Agenda

Presenter: Allan Pollock, General Manager

At the December Board meeting, there will be some action items on positions. The first one will be the Budget Committee. There are currently have three vacancies on the Budget Committee for sub-district 1, sub-district 3 and sub-district 5. Recruitment efforts are being made to fill the pending Board seat. The next opportunity for Senate confirmation for the Board seat will be in February 2020.

Mr. Pollock handed out a flyer from the City of Salem's Our Salem workshop. The City intends to update the Salem Area Comprehensive Plan, which guides development in the Salem area, but first, they need to know how we want to grow. They want feedback from the community, whether people live in the city, work here or travel through.

Although not a District sponsorship, we do a lot of work with Salem Refugees, such as travel training and helping them get acclimated into Salem. Lisa Carrington is hosting a table at the Salem for Refugees Fundraiser on Friday, November 15, 2019. She has invited any Board members that would like to attend. If interested in attending, contact Mr. Pollock.

Board members reviewed a draft agenda for the October 24, 2019 board meeting, the Board's calendar of scheduled meetings and events and upcoming agenda items for Board review or action.

President Davidson updated the Board on his meeting with Craig Pope, Commissioner for Polk County. Mr. Pope shared his office's aversion to Cherriots. This attitude mainly comes from issues such as the Fall City matter. President Davidson would like to mend those relationships and one way they are planning to do that is through a reinvigoration of regional advisory committees. Through the memorandum of understanding with Marion and Polk County, this committee will consist of three members from Polk County, Marion County and North Marion County. Previously there were three different bodies that would give the District advice on regional routes and now they will be incorporated.

Follow-up: Mr. Pollock will brief the Board on the MOU with Marion and Polk counties for regional service, at the November work session.

5. WORK SESSION ADJOURNED

7:15 PM

Submitted by:
Jolene White,
Executive Assistant