



Salem Area Mass Transit District
BOARD OF DIRECTORS MEETING
and
BUDGET HEARING

Thursday, June 28, 2018
6:30 PM

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

MEETING AGENDA

A. CALL TO ORDER & NOTE OF ATTENDANCE

B. PLEDGE OF ALLEGIANCE – Director Marcia Kelley

C. ANNOUNCEMENTS & CHANGES TO AGENDA

D. PRESENTATIONS

- 1. United Way Presentation and Potential Action for Future Surplus Bus Donation
- 2. Cherriots Website Reveal **1**
 - presented by Stephen Custer, Digital Marketing Coordinator

E. BUDGET HEARING - FY 2018-2019 Approved Budget **3**

- presented by Budget Committee Chair Hersch Sangster

*This is time designated for members of the public to testify before the Board on the approved budget or programs within the budget. Written testimony will be submitted and entered into the record if received by 5:00 p.m. on June 27, 2018.***

F. DELIBERATION OF BUDGET HEARING

Shall the Board adopt Resolution No. 2018-03 for the Fiscal Year 2019 Budget, Making Appropriations, and Imposing and Categorizing Taxes **5**

G. PUBLIC COMMENT

Time is designated at each Board meeting for members of the public to testify on any items of Board business, being limited to three minutes.

H. CONSENT CALENDAR

Items on the Consent Calendar are considered routine and are adopted as a group by a single motion unless a Board member requests to withdraw an item. Action on items pulled for discussion will be deferred until after adoption of the Consent Calendar.

1. Approval of Minutes [Action]

a. Board Meeting of May 24, 2018	9
b. Work Session of May 14, 2018	15
2. Routine Business Items [Action]	
a. Approval of the United Way Donation for Fiscal Year 2019	19
b. Resolution No. 2018-04 Amending Pension Plan for Bargaining Unit	27
c. Resolution No. 2018-05 Amending Pension Plan for Non-Bargaining Unit	55
d. Appointments to the Statewide Transportation Improvement Fund Advisory Committee (STIFAC)	69
e. Appointment to the City of Salem’s Stakeholder Advisory Committee for the “Our Salem Today” Comprehensive Plan Project	73

I. ITEMS DEFERRED FROM THE CONSENT CALENDAR

J. ACTION ITEMS

1. Accept the Consultant Report for the Hwy 99E Transit Corridor Planning Project	75
2. Authorize Contract with Schetky Northwest Sales, Inc. for Purchase of Six (6) Replacement Vehicles for Cherriots LIFT and Cherriots Shop and Ride Services.	181

K. INFORMATIONAL REPORTS

L. GENERAL MANAGER'S REPORT

M. BOARD OF DIRECTORS REPORTS

This is an opportunity for Board members to report on citizen communications, committee and meeting participation, or special projects they are involved in as a representatives of the District.

N. ADJOURNMENT

Next Regular Board Meeting Date: Thursday, July 26, 2018

PUBLIC HEARING ** Members of the public are encouraged to provide testimony during the Public Hearing. Persons unable to attend the Public Hearing may submit written testimony by 5:00 p.m. the day prior to the Public Hearing. Testimony may be submitted electronically to **board@cherriots.org**. Mail correspondence should be addressed to –

SAMTD Board of Directors / 555 Court Street NE, Suite 5230 / Salem, Oregon 97301

This is an open and public meeting in a place accessible to people with disabilities. For individuals who need the assistance of Interpreters for sign language or for languages other than English to participate in the meeting, contact the Clerk of the Board by phone at 503-588-2424. (For individuals with a hearing impairment, please call the Oregon Telecommunications Service, 711.) Office hours are Monday-Friday from 8:00 AM to 5:00 PM. For an electronic copy of the Board meeting agenda packet, go to www.cherriots.org/board. Regular Board meetings are televised on Channel 21; and can be viewed at any time on CCTV's website - <https://www.cctvsalem.org/all>.

Esta es una reunión abierta y pública en un lugar accesible para personas con discapacidades. Para las personas que necesitan la asistencia de intérpretes para el lenguaje de señas o para idiomas distintos del inglés para participar en la reunión, comuníquese con el Secretario del Consejo por correo electrónico a linda.galeazzi@cherriots.org o por teléfono al 503-588-2424. (Para personas con pérdida de audición, llame al Servicio de Telecomunicaciones de Oregon, 711.) El horario de atención es de lunes a viernes de 8:00 a.m. a 5:00 p.m.



BOARD MEETING MEMO

Agenda Item D.2

To: Board of Directors

From: Patricia Feeny, Director of Communication

Thru: Allan Pollock, General Manager

Date: June 28, 2018

Subject: New Cherriots Website Revealed

ISSUE

Shall the Board receive a briefing on the status of the new Cherriots website?

BACKGROUND AND FINDINGS

Websites are one of the most important assets of a business or organization and having a credible and professional internet presence is critical to the success of the District. In March 2017, the District began working with the Portland-based web developer, OMBU to deliver a website that would meet the needs of the Cherriots customers.

This evening, the Communication Division is unveiling the new Cherriots.org. Testing will continue during the next several weeks to assure everything works as expected, including hyperlinks, site search, and interactive features such as the trip planner.

The alpha phase of testing, however, is complete. In this stage, the site is stable enough for technical users to do testing. This month the site moved into the beta testing where real web users, not technicians, test the site.

Scripted content testing began June 8. This is where users are given specific tasks such as finding information on Title VI. Next up is staff website testing. Staff members are provided credentials to login to the new site and freely access features and content.

Lastly, testing in the wild – Cherriots invites the public to check out the site. This is scheduled to begin tomorrow, June 29.

The site go-live is scheduled for July 9.

FINANCIAL IMPACT

No impact, information only.

RECOMMENDATION

No recommendation, information only.

PROPOSED MOTION

No motion, information only.

President Krebs and Members of the Board:

As the chair of Salem Area Mass Transit District's Budget Committee, I am pleased to present you with an approved budget for fiscal year 2018 -2019 - with the Budget Committee's recommendation to adopt the budget.

Thanks go to both the elected members and the appointed citizen members of the Budget Committee for their service. The attention to detail and insight of all the members made the process productive and efficient. I'd also like to thank General Manager Allan Pollock and all of his great and hardworking staff.

The FY2019 budget for the District includes appropriated funds at **\$64.8 million** and unappropriated and reserve amounts at **\$19.3** for a total of **\$84.1 million**. The FY2019 budget allows the District to increase existing levels of service and has the resources to attract and maintain a quality workforce while the District collaborates with Federal, State and local partners to identify funding to support public transit and the infrastructure; and works toward more effective and efficient public transit services.

The District's General Fund budget at **\$27.5 million** includes property tax revenues, fare revenue, and various state and federal grant sources. The General Fund provides for a 2% (2,774 revenue hours) increase of Cherriots service to approximately 169,000 vehicle revenue hours. The General Fund also provides for a 3% increase in wages in accordance with the District's collective bargaining agreement with the Amalgamated Transit Union.

The Transportation Program Fund budget at **\$8.2 million** includes state and federal grant funds and a local contribution from the General Fund as required by federal law. Resources in the Transportation Program Fund are expected to decrease by over 50 percent, primarily as a result of the end of the non-emergency medical transportation brokerage services. The Transportation Program Fund pays for services that are outside the scope of the Cherriots fixed-route service. These services include the Cherriots paratransit service, regional service, the Cherriots Call Center, Trip Choice, transportation programs coordination, mobility management, and transportation demand management.

State and federal grant funds also provide for a **\$29.1 million** Capital Projects Fund. Major projects proposed for FY2019 include the signalized intersection project at the Keizer Transit Center, installation of Intelligent Transportation Systems on the vehicle fleet, and fleet replacement for aging vehicles.

Thank you all again for your commitment and hard work. It was my pleasure to chair the budget committee.

Respectfully submitted,
Hersch Sangster
SAMTD Budget Committee Chair

FORM LB-1

NOTICE OF BUDGET HEARING

A public meeting of the Salem Area Mass Transit District will be held on June 28, 2018, at 6:30 p.m. at the Senator Hearing Room in Courthouse Square, 555 Court St. NE, Salem, OR 97301. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018, as approved by the Salem Area Mass Transit Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at the SAMTD Administration Office at 555 Court St NE, Suite 5230, Salem OR 97301, between the hours of 8 a.m. and 5 p.m. or online at www.cherriots.org. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Al McCoy

Telephone: 503-588-2424

Email: al.mccoy@cherriots.org

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amounts 2016 - 2017	Adopted Budget This Year 2017 - 2018	Approved Budget Next Year 2018 - 2019
Beginning Fund Balance/Net Working Capital	24,043,419	24,398,613	25,822,496
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	3,201,972	2,739,900	2,716,930
Federal, State and all Other Grants, Gifts, Allocations and Donations	27,170,663	37,466,380	42,741,671
Interfund Transfers / Internal Service Reimbursements	0	863,530	0
All Other Resources Except Current Year Property Taxes	793,932	327,695	756,946
Current Year Property Taxes Estimated to be Received	11,574,433	11,744,225	12,033,794
Total Resources	66,784,419	77,540,343	84,071,837

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	20,359,793	20,892,765	21,134,672
Materials and Services	20,926,445	22,866,788	13,043,246
Capital Outlay	776,865	12,159,680	29,127,114
Interfund Transfers	0	863,530	0
Contingencies	0	1,500,000	1,500,000
Unappropriated Ending Balance and Reserved for Future Expenditure	0	19,257,580	19,266,805
Total Requirements	42,063,103	77,540,343	84,071,837

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
General Manager/Board of Supervisors	530,536	615,365	610,156
FTE	2.0	2.0	2.0
Administration	1,777,959	1,800,930	903,837
FTE	12.8	12.9	5.8
Finance	0	0	1,173,797
FTE	0.0	0.0	8.5
Communication	1,359,115	1,732,655	1,670,267
FTE	8.8	10.9	10.2
Transportation Development	1,754,742	2,049,130	2,287,189
FTE	10.6	11.2	11.2
Operations	17,517,855	17,683,403	18,210,909
FTE	146.6	146.4	149.7
Transportation Programs Fund	17,345,207	18,626,890	8,206,309
FTE	12.0	10.2	11.2
Capital Projects Fund	776,865	12,159,680	29,127,114
FTE	3.2	1.6	0.4
Not Allocated to Organizational Unit or Program	1,000,824	22,872,290	21,882,259
FTE	0.0	0.0	0.0
Total Requirements	42,063,103	77,540,343	84,071,837
Total FTE	196.0	195.2	199.0

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *
 No change in sources of revenues at this time. Approved Budget for FY 2018-19 breaks out the organizational unit Finance from Administration for the first time. This unit includes the functions of Accounting, Budgeting, Payroll, Grants Administration, and Procurement.

PROPERTY TAX LEVIES			
	Rate or Amount Imposed 2016 - 2017	Rate or Amount Imposed This Year 2017 - 2018	Rate or Amount Approved Next Year 2018 - 2019
Permanent Rate Levy (rate limit .7609 per \$1,000)	.7609	.7609	.7609
Local Option Levy			
Levy For General Obligation Bonds			



BOARD MEETING MEMO

Agenda Item F.

To: Board of Directors

From: Al McCoy, Director of Finance/CFO

Thru: Allan Pollock, General Manager

Date: June 28, 2018

Subject: Adoption of Fiscal Year 2018-2019 Budget, Making Appropriations, Imposing and Categorizing Taxes

ISSUE

Shall the Board adopt Resolution #2018-06 for the FY2018-2019 Budget, making the appropriations accordingly, and imposing and categorizing the taxes?

BACKGROUND AND FINDINGS

In accordance with Oregon State Budget Law, the Budget Committee reviewed and approved the FY2018-2019 Budget on May 17, 2018 for a total appropriation of all funds of \$64,805,032.

Hersch Sangster, the Budget Committee Chair, asked that the Board set the Budget Hearing following approval by the Budget Committee. The budget summary and notice of a public hearing (Form LB-1, attached) were published as required by law. The Budget Hearing is scheduled for June 28, 2018 and will occur prior to the Board's consideration of Resolution #2018-06 for the adoption of the budget.

FINANCIAL IMPACT

The Budget Committee approved total appropriation of all funds of \$64,805,032, and a tax rate of \$.7609 per \$1,000 of assessed value, the permanent rate set by Measure 50. Resolution #2018-06 also imposes and categorizes taxes in accordance with Oregon Budget Law requirements.

RECOMMENDATION

The Budget Committee recommends the board adopt Resolution #2018-06, thereby adopting the FY2018-2019 Budget and imposing and categorizing property taxes.

PROPOSED MOTION

I move that the Board adopt Resolution #2018-06 to adopt the FY2018-2019 Budget, making appropriations, and imposing and categorizing taxes.

RESOLUTION #2018-06

ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the Salem Area Mass Transit District hereby adopts the budget for fiscal year 2018-2019 in the total amount of \$84,071,837; now on file at the District Administration Office, 555 Court St., NE, Suite 5230, Salem, OR 97301.

MAKING APPROPRIATIONS

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2018, and for the purposes shown below are hereby appropriated:

<u>General Fund</u>		<u>Transportation Programs Fund</u>	
General Manager/Board of Directors	\$ 610,156	Communication	\$ -
Administration	903,837	Transportation Development	699,034
Finance	1,173,797	Operations	7,507,275
Communication	1,670,267	Transfers	-
Transportation Development	2,287,189	Total	\$ 8,206,309
Operations	18,210,909		
Unallocated - General Administration	1,115,454		
Transfers	-		
Contingency	1,500,000		
Total	\$ 27,471,609		
<u>Capital Project Fund</u>			
Administration	\$ 218,200		
Communication	20,000		
Transportation Development	10,134,065		
Operations	18,754,849		
Transfers	-		
Total	\$ 29,127,114		
		Total Appropriations, All Funds	\$ 64,805,032
		Total Unappropriated and Reserve Amounts, All Funds	\$ 19,266,805
		TOTAL ADOPTED BUDGET	\$ 84,071,837

IMPOSING THE TAX

BE IT RESOLVED that the Board of Directors of the Salem Area Mass Transit District hereby imposes the taxes provided for in the adopted budget at the rate of \$.7609 per \$1,000 of assessed value for operations; and that these taxes are hereby imposed and categorized for tax year 2018-2019 upon assessed value of all taxable property within the district as follows:

CATEGORIZING THE TAX

Subject to the General Government Limitation	Excluded from Limitation
Permanent Rate Tax.....\$.7609/\$1,000	\$0.00

The above resolution statements were approved and declared adopted on this 28th day of June 2018.

ATTEST:

X _____
President
Board of Directors

ATTEST:

X _____
Secretary
Board of Directors



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

May 24, 2018

Index of Board Actions

<u>Action</u>	<u>Page</u>
Moved to approve the Consent Calendar:	4
1. <u>Approval of Minutes</u>	
a. Minutes of the April 9, 2018 Board Work Session	
b. Minutes of the April 26, 2018 Executive Session	
c. Minutes of the April 26, 2018 Board of Directors Meeting	
2. <u>Routine Business</u>	
a. Adopt FY2019 Board Meeting Schedule	

Move to approve funding of the FY18 Section 5310 projects as recommended by the STF Advisory Committee; and direct the General Manager to submit the application for the Section 5310 grants in accordance with the recommendation. **5**

Rank	Project	Category	Funding	% of Total
1	Cherriots Shop and Ride purchased service	Other	\$ 104,804	44.7%
2	Cherriots Shop and Ride preventive maintenance	Traditional	\$ 32,428	13.8%
3	Cherriots mobility management call center & partnership coordination	Traditional	\$ 82,515	35.1%
4	Garten Services vehicle purchase	Traditional	\$ 15,000	6.4%
Total:			\$ 234,747	100.0%

Move to approve September 2018 service changes and accept the Title VI analysis. **5**

Move to approve an overall project budget of \$202,595, and authorize the General Manager to negotiate the final contract language and execute a contract with Jeff Carter Construction for the construction of bus stop improvements in the not to exceed amount of \$176,170, and a 15% project contingency of \$26,425. **6**



Move to authorize the General Manager to execute a contract with Gillig LLC for the purchase of eight (8) fixed-route, compressed natural gas (CNG) transit vehicles for Cherriots fixed route service for a not-to-exceed amount of \$4,344,768. 7

Vehicle Costs -

Category	Price	Amount	Total
35-Foot CNG Vehicle	\$530,515	4	\$2,122,060
40-Foot CNG Vehicle	\$535,677	4	\$2,142,708
Contingency	\$ 80,000		\$ 80,000
Total:			\$4,344,768

Fund Source	Federal %	Match %	Grant	Match	Total
FY18 STP 5307	89.73%	10.27%	\$ 3,948,120	\$ 451,880	\$ 4,400,000 *

*Remaining funds will be carried over to the next vehicle purchase.

Regular Board meetings are video recorded and are available for viewing on the CCTV website at www.cctvsalem.org.



Salem Area Mass Transit District
BOARD OF DIRECTORS MEETING

May 24, 2018

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

MINUTES

PRESENT Board	President Robert Krebs; Directors Doug Rodgers, Colleen Busch, Jerry Thompson, Marcia Kelley, Kathy Lincoln and Steve Evans
Staff	Allan Pollock, General Manager; David Trimble, Chief Operating Officer; Paula Dixon, Director of Administration; Al McCoy, Director of Finance/CFO; Steve Dickey, Director of Transportation Development; Patricia Feeny, Director of Communication; Chip Colby, Information Technology Manager; Chris French, Senior Planner; Gregg Thompson, Maintenance Manager; Roxanne Beltz, Trip Choice Program Coordinator; Ted Stonecliffe, Transit Planner II; Linda Galeazzi, Executive Assistant; Ben Fetherston, SAMTD Legal Counsel
Guests	Gaelen McAllister, Resource Development Manager, Garten Services, Inc., John Hammill, Special Transportation Fund Advisory Committee (STFAC)

- A. CALL TO ORDER AND NOTE OF ATTENDANCE 6:30 PM**
President Krebs called the meeting to order; a quorum was present.
- B. PLEDGE OF ALLEGIANCE** led by Director Colleen Busch
- C. ANNOUNCEMENTS AND CHANGES TO THE AGENDA**
- D. PRESENTATION - None**
- E. PUBLIC COMMENT**
Gaelen McAllister, on behalf of Garten Services
Ms. McAllister spoke in favor of the recommendations before the Board, submitted by the STF Advisory Committee, to fund projects with the FY2018 FTA Section 5310 formula grant. Garten Services submitted a project requesting \$15,000 to purchase a vehicle to transport individuals with disabilities to their job sites in the community.



F. CONSENT CALENDAR 6:34 PM

Motion: **Moved to approve the Consent Calendar:**

- 3. Approval of Minutes**
 - a. Minutes of the April 9, 2018 Board Work Session**
 - b. Minutes of the April 26, 2018 Executive Session**
 - c. Minutes of the April 26, 2018 Board of Directors Meeting**
- 4. Routine Business**
 - a. Adopt FY2019 Board Meeting Schedule**

Motion by: **Director Jerry Thompson**

Second: **Director Colleen Busch**

Discussion: **No items were deferred from the Consent Calendar.**

Vote: **Motion passed (7)**

G. ITEMS DEFERRED FROM THE CONSENT CALENDAR – None

H ACTION ITEMS

**1. Approve STF Advisory Committee Recommendations for Funding 6:35 PM
FTA Section 5310 Grants for Fiscal Year 2018**

Staff report: Pages 21-42 in the agenda

Presenter: John Hammill, STF Advisory Committee Member

Mr. Hammill reviewed the selection process to fund projects through the Federal Transit Administration’s (FTA) Section 5310 grant program, in accordance with the District’s Section 5310 Program Management Plan (PMP) and its Coordinated Plan. On April 3, 2018, the Technical Advisory Committee (TAC) met to hear presentations, and review and rank the submitted applications for projects to recommend to the STFAC totaling \$232,898; which they approved. After that meeting, the District was informed that the allocation estimate was lower than was advertised by public notice; and should have been \$217,716. The TAC and STFAC reconvened on May 1, 2018 to reconsider the applications and revise the STFAC recommendation that would go to the Board for action. The TAC calculated the award amounts for each application based on the estimated amount of \$217,716 and the 55/45 percent requirements of the Section 5310 fund distribution. The STFAC voted to accept TAC’s recommendation as-is and in order of priority ranking 1 to 4. Following the May 1st meetings, the District was notified that the final apportionment of FY18 funds totaled \$234,747; \$17,031 more than the STFAC’s recommendation to the Board. Following the process used by the STFAC and TAC in the first two meetings, it was recommended that the additional funds be applied to the four projects based



on their ranking, the not to exceed total amount requested, and in a manner to satisfy the 55/45 requirement for distribution to traditional and other projects.

Motion: **Move to approve funding of the FY18 Section 5310 projects as recommended by the STF Advisory Committee; and direct the General Manager to submit the application for the Section 5310 grants in accordance with the recommendation.**

Motion by: **Director Jerry Thompson**

Second: **Director Steve Evans**

Vote: **Motion passed (7)**

2. Approval of 2018 Service Changes and Accept the Title VI Analysis 6:46 PM

Staff report: Pages 43-78 in the agenda

Presenter: Chris French, Senior Planner, Transportation Development Division

Mr. French reviewed the process that began in September 2017 to determine which changes proposed for the service would be implemented in September 2018. The District conducted a needs assessment and analyzed shifts in population and travel demand. A rider and community survey was conducted, and the service proposal was presented to the public in February and March 2018 to gather feedback for a final service plan proposal. The proposal will have increased daily Revenue Hours of 13.1 and 135.6 Revenue Miles for an annualized increase of \$332,728.40

Motion: **Move to approve the September 2018 service changes and accept the Title VI analysis.**

Motion by: **Director Jerry Thompson**

Second: **Motion was seconded**

Vote: **Motion passed (7)**

3. Authorize Bus Stop Improvement Group 2 Construction Contract 6:51 PM

Staff report: Pages 79-128 in the agenda

Presenter: Steve Dickey, Director of Transportation Development

Mr. Dickey reported that the proposed contract will complete the construction of improvements at 35 locations in Salem, Keizer, and Marion County. Funding for the contract is covered through 5307 grant funds from the Metropolitan Planning Organization (MPO) Salem Keizer Area Transportation Study (SKATS); and is included in the SAMTD's Adopted FY2018 Budget under the Capital Projects Fund. The purpose of the project is to improve access to public transportation service by removing physical barriers at bus stops, and to improve customer convenience by adding improvements such as passenger shelters, lighting, and paved waiting areas.



Mr. Dickey responded to questions asked by Board members. Two proposers responded to the bid for the bus stop improvement project. The proposals were from local contractors. The cost difference for some of the shelters being constructed has to do with the cost of the square footage of the concrete platform the shelter is placed on or the cost to replace sidewalk panels. There is also a provision for "Buy America" and the use of federal funding. He said the bus stop location near the new Amtrak/Greyhound bus station was a challenge finding good access so that the bus would not block traffic, especially for an individual with a mobility device getting on and off the bus. The District is also negotiating a shelter location at River Road and Garland Street by Abby's Pizza where there is public art. The District does not want to cut the view of that art.

Motion: Move to approve an overall project budget of \$202,595, and authorize the General Manager to negotiate the final contract language and execute a contract with Jeff Carter Construction for the construction of bus stop improvements in the not to exceed amount of \$176,170, and a 15% project contingency of \$26,425.

Motion by: Director Steve Evans

Second: Director Doug Rodgers

Vote: Motion passed (7)

4. Authorize Contract for Fixed Route Vehicle Purchase

7:05 PM

Staff report: Pages 129-130 in the agenda

Presenter: Gregg Thompson, Maintenance Manager, Operations Division

Mr. Thompson reported that the District's current fleet consists of 64 ADA lift-equipped vehicles. Eight vehicles are scheduled to be replaced and are approaching 17 years of service; The Useful Life Benchmark set by the FTA is 12-years of service. The contract price for four (4) 35-foot at \$530,515 each and four (4) 40-foot Compressed Natural Gas (CNG) vehicles at \$535,677 each is based upon a Washington State price agreement, procured under procedures set by the Washington Department of Transportation's Public Transit Division. With an \$80,000 contingency, the grand total is \$4,344,768. Funding for the proposed contract is covered 89% by FY18 STP 5307 grant funds and a general fund local match at 10.27%. Remaining funds will be carried over to the next vehicle purchase.

Mr. Thompson answered questions from the Board about the buses. He advised that staff had an assortment of seats in the customer service lobby at the Downtown Transit Center, and asked customers to test them for comfort. If there are complaints about the new seats, Maintenance can add padding or other alterations to make them more comfortable. Mr. Thompson explained that there was no RFP or contract



with Washington State; the District obtained a price agreement or quote to piggyback onto their contract. There is a contract between the District and Gillig for the purchase of the buses. The District needs Board approval for the purchase in order to initiate a purchase order. It takes 20 months from the time the order is initiated. Buses are produced one day at a time and are delivered in small bunches of two to three at a time. The buses they are replacing will be 19 years old by that time. The grant being used was awarded through the Salem/Keizer Area Transportation Study (SKATS). Board members praised the Maintenance Department for the good work they do to keep the fleet running.

Motion: **Move to authorize the General Manager to execute a contract with Gillig LLC for the purchase of eight (8) fixed-route, Compressed Natural Gas transit vehicles for Cherriotics fixed-route service for a not-to-exceed amount of \$4,344,768.**

Motion by: **Director Colleen Busch**

Second: **Director Kathy Lincoln**

Vote: **Motion passed (7)**

I. INFORMATION ITEMS

1. Trip Choice – Third Quarter Report 7:17 PM

Staff report: Pages 131-134 of the agenda
Presenter: Roxanne Beltz, Trip Choice Program Coordinator, Transportation Development Division

Ms. Beltz reported on the activities of the Cherriotics Trip Choice program that are structured around ODOTs approved work plan for 2015-2017 and the District’s 2015-2020 Strategic Plan for Trip Choice. Of note, Trip Choice is a new sponsor for Gallagher’s Fitness Resource’s “On Your Feet Friday” community and family oriented series of events on the second Friday of the month from May to September. Staff distributed the first edition of the Trip Choice newsletter “Navigator” and users of the Drive Less Connect site will see a new ride matching tool.

2. Performance – Third Quarter Report 7:29 PM

Staff report: Pages 135-144 of the agenda
Presenter: Chris French, Senior Planner, Transportation Development Division

Mr. French reviewed the performance measures on Cherriotics’ services from January 1, 2018 to March 31, 2018 that are compared to the previous fiscal year. Data for these measures are derived from adjusted Trapeze schedules, vehicle fareboxes, rider counting systems, and reservation software (RouteMatch and Mobility DR).

J. BOARD AND MANAGEMENT REPORTS



1. General Manager

7:39 PM

Mr. Pollock reported on his trip to the APTA Bus Rodeo. He thanked transit operator John Welch for driving a decorated Cherriots bus in the Iris Festival Parade. He reminded the Board that the Employee Recognition Banquet was coming up; on Saturday, June 2, 2018 at the Salem Convention Center.

2. Board of Directors

7:40 PM

Board members are appointed by the President of the Board to local, regional, or national committees every two years in July. The list of appointments showing designated board member representation is on page 145 of the agenda. Board members may also be asked to present testimony at public hearings on specific issues as the need arises, serve on subcommittees, meet with their constituents and/or attend community events representing the District. Time is scheduled on the Board meeting agenda to report on these activities.

K. Meeting Adjourned

8:02 PM

Respectfully submitted,

Presiding Officer



Salem Area Mass Transit District
Board of Directors

~ WORK SESSION ~

May 14, 2018

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

MINUTES

PRESENT: President Robert Krebs; Directors Jerry Thompson, Steve Evans, Colleen Busch, Board Kathy Lincoln, and Doug Rodgers; **ABSENT:** Director Marcia Kelley

Staff Allan Pollock, General Manager; Patricia Feeny, Director of Communication; Paula Dixon, Director of Administration; Steve Dickey, Director of Transportation Development; Linda Galeazzi, Executive Assistant; Chris French, Senior Planner; Chip Colby, Information Technology Manager; Linda Galeazzi, Executive Assistant

Guests Ray Jackson and Mike Jaffe from the Mid-Willamette Valley Council of Governments

1. CALL TO ORDER 5:32 PM
President Bob Krebs called the work session to order at 5:32 p.m.

2. PRESENTATION RTSP 101 and Discussion of Goals Language 5:32 PM

Staff report: Pages 1-10 of the agenda

Presenter: Ray Jackson, Senior Planner-Transportation, MWVCOG

Mike Jaffe, Program Director, Transportation/Natural Resources/GIS, MWVCOG

The Board received an overview of the process involved in the Regional Transportation System Plan (RTSP). The RTSP is a 20-year planning guide that must be updated every four years to reflect the latest planning assumptions, financial forecasts, and project prioritization to comply with current federal regulations. Part of the update to the RTSP for the years 2019-2035 is to review the goals and objectives. Mr. Jackson explained that there were 222 statements related to goals, objectives, and policies that overlapped in the last update. In the proposed update those were simplified into nine goals and six objectives with one to four indicators to track the progress toward meeting the objective.

Director Lincoln asked for discussion on one of the goals and objectives of the SKATS RTSP; in particular, *Goal #7 Planned to minimize the impact to the natural and built environment* and the *Objective #5 Reduce the impact to the environment and natural systems*. She noted that the State adopted a target to get rid of greenhouse gas emissions, and the City of Salem has this policy in their plan. She felt it was a good idea and it was consistent with the District's environmental sustainability goal.

Discussion ensued about whether the goal and objective in the RTSP as stated were sufficient; or whether there should be an additional statement or objective included; and whether the Board wanted to take action on a position. Public comments were received by the SKATS Policy Committee in April on the Goals of the RTSP. Strong positions were expressed on both sides of the issue.

Follow-up: Mr. Jackson and Mr. Jaffe will come back to the Board in April 2019 for an update. Adoption of the 2019-2045 RTSP is planned for May 28, 2019.

3. DISCUSSION

a. Report on Salem City Council's Congestion Relief Task Force Meeting 6:22 PM

Staff report: Pages 11-12 of the agenda.

Presenter: Chris French, Senior Planner

Mr. French attended the April 20th meeting of Salem's Congestion Relief Task Force meeting and provided an update to the Board about the ideas shared by citizens for a solution to relieve the congestion. There were 99 pages of solutions suggested. They task force compiled the list into three options to review in more detail. The next meeting is scheduled for May 18, 2018.

Follow-up: Board members may follow up on the question asked about the task force choosing three options from the list of ideas that were shared. Information is available about the task force documents on the City's website at <https://www.cityofsalem.net/Pages/congestion-relief-task-force.aspx>

b. Service Enhancement Discussion – Configuration of Statewide Transportation Improvement Fund Advisory Committee (STIFAC) 6:32 PM

Staff report: Pages 13-18 of the agenda

Presenter: Allan Pollock, General Manager

Board members brainstormed potential individuals to reach out to, and will share information about the Statewide Transportation Improvement Fund Advisory Committee's purpose and goals, to find out if they have an interest in participating.

Follow-up: A list of potential candidates will be reviewed at the June 11 work session with a goal to appoint members to the STIFAC at the June Board meeting.

c. Review Proposed FY2019 Board Meeting Calendar

7:04 PM

Staff report: Pages 19-20 of the agenda

Presenter: Allan Pollock, General Manager

Board members reviewed a draft of their annual Board meeting schedule for fiscal year 2019. There was one conflict for a work session scheduled on November 12, 2018. It is a designated holiday in observance of Veteran's Day. Past practice has been to choose another date in the month. Board members preferred to meet on November 13, 2018.

Follow-up: Staff will make changes to the Board's Calendar of Meetings for FY2019 to reflect the November 13, 2018 date for the work session. The Board will take action on the calendar of meetings at the May 24th Board meeting.

4. GENERAL MANAGER COMMENTS

7:10 PM

Staff report: Pages 21-26 of the agenda

Presenter: Allan Pollock, General Manager

Board members reviewed the draft agenda for the May 24, 2018 board meeting, the Board's calendar of scheduled meetings and events, and a draft of upcoming agenda items for Board review or action.

Mr. Pollock reported that the City of Salem has formed a Technical Advisory Committee for its Salem Area Comprehensive Plan. Steve Dickey will represent the District on that committee. In addition, there will also be a Stakeholder Advisory Committee. Mr. Pollock called the City to suggest that a transit representative be included on that committee. The City was agreeable to that. President Krebs will appoint a board member to that committee.

Follow-up: If there is a Board member interested in serving on that committee, they should express their interest to President Krebs. Mr. Pollock will provide the Board with more information about the committee.

4. WORK SESSION ADJOURNED

7:21 PM

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



BOARD MEETING MEMO

Agenda Item H.2.a

To: Board of Directors

From: Linda Galeazzi, Executive Assistant

Thru: Allan Pollock, General Manager

Date: June 28, 2018

Subject: Annual Allocation of "Day Passes" to the United Way of the Mid-Willamette Valley for Fiscal Year 2019

ISSUE

Shall the Board approve the annual allocation of "Day Passes" to the United Way of the Mid-Willamette Valley for fiscal year 2018-2019?

BACKGROUND AND FINDINGS

Since February 25, 1999, when the Board adopted Resolution #99-03 for a Policy for the Donation of Transit Items, it has been the wish of Salem Area Mass Transit District (SAMTD) to promote the use of public transit, to foster good community relations, and to be a proactive participant in community affairs. On August 25, 2005, the Board amended the policy with the adoption of Resolution #05-04 and formalized a partnership the United Way of Mid-Willamette Valley in brokering requests for transportation assistance and distribution of pre-loaded full fare and reduced day passes that become effective at time of activation on the bus.

In FY2016, the Board raised the District's donation from 4,000 to 5,000 day passes to the United Way for their member agencies to use to assist their clients with temporary transportation assistance.

United Way staff uses an application process for the Bus Pass Program. Member agencies that request bus passes are screened for eligibility; and distribution is tracked. United Way begins their process to distribute the passes to member agencies in July and in January of each fiscal year. United Way provided an annual report for FY2018 that shows the requests and allocations. The report also includes success stories from member agencies about the use of the Bus Pass Program. (See Attachment A.)

FINANCIAL IMPACT

The value of the 5,000 donated day passes was \$15,550. The 2018 allocation included 4,600 full fare day passes with a value of \$14,950 and 400 reduced/youth day passes valued at \$600.

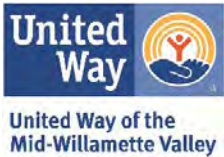
United Way also purchases additional day passes throughout the year at a 20% discount. In FY2018, they purchased 1,200 fixed-route full fare day passes, 344 reduced/youth day passes and 240 CARTS day passes generating \$4,500 in fare revenue.

RECOMMENDATION

Staff recommends the approval of an annual allocation of 5,000 day passes to the United Way of the Mid-Willamette Valley for FY 2019.

PROPOSED MOTION

I move that the Board approve an annual allocation of 5,000 day passes to the United Way of the Mid-Willamette Valley for FY 2019.



Bus Pass Success Stories from Nonprofits July 2017 – June 2018

Mid-Willamette Valley Community Action Agency

One of our DeMuniz Center clients was trying to brainstorm a way to buy a couple day passes to get groceries. He has SNAP benefits but usually only bought things he could eat on the go because his main transportation is a bike. He said he didn't mind doing that however he went through his food stamps halfway through the month.

De Muniz Resource Center gave him two individual bus passes so he could go to the grocery store a couple times throughout the month and buy enough supplies to last him between trips. This way the amount he buys is bigger and he gets better pricing than buying individual servings. He will be able to cook his own food and keep from going hungry throughout the month.

Other comments from users:

"It will keep me from having to walk 6 miles round trip to my clinic. Thank you so much!"

"I am on disability so it will help me financially as well as physically."

"It will help me look for housing and food."

"It will help me get home"

St. Francis Shelter

Arturo and Emilia moved into the shelter in July. They have 3 school-aged children. They do not own a car and rely heavily on public transportation. Shortly after they moved in, Emilia was hired at a fast food restaurant a few miles from the shelter. I was able to give her a few bus passes so she could get to work until she was able to afford a monthly bus pass. Arturo was able to use a bus pass to interview for a job at a metal fabricating shop. He was also able to take his children to the doctor to get their immunizations so he could enroll them in school for the fall. This family was able to get their lives back on track due to their ability to access affordable transportation.

The Salvation Army & Dallas and Central Resource Centers

Thank You to United Way of the Mid-Willamette Valley! The bus pass program is a great benefit for the clients we serve through the Dallas and Central Resource Centers. With the bus pass donation from United Way we are able to help with a variety of needs that are all necessary for maintaining positive health and well-being.

Recently a Gentleman was served with the bus pass program and this impacted his life. He was homeless for two years and Resource Center partners were trying to get him all the resources possible in the community, but when it came to the time that he needed transportation assistance we were able to give him a bus pass to go to a job interview.

He came in later to let us know he got the job and was going to begin his new job. However, until he received his first paycheck he was going to need help with transportation since he

wouldn't be able to pay for bus passes on his own until he earned income. We provided him with an appropriate amount of bus passes to get him through until he received his own money and could provide transportation for himself. Thank you!

Women at the Well Grace House

One of our ladies was able to get a job at a local hotel due to the use of your bus passes. She is excited for this first step in getting to self-sufficiency. She has been here for a couple of months and this is a bright spot in her time here. Thank you for giving the ladies the opportunity to search for work using these bus passes.

Catholic Community Services

"Raymond," an older gentleman who no longer drives, shared with us his good news that he was hired for a part time position. He was in need of presentable clothing and had very little money for transportation so he could get to his new job. The bus pass program not only allowed Raymond to receive some suitable clothing, it also provided Raymond with transportation to get to work until he received his first paycheck. Raymond told us that "The use of Salem Transit is a godsend..."

Center for Hope & Safety

CHS uses bus passes to help shelter clients and members of the community meet their basic needs for safety and self-sufficiency.

Bus passes provided by United Way have helped our client, Martha and her daughter. Martha made the difficult and dangerous decision to leave her abusive partner; when she came to us she was needing a safe place to stay and advocate support through the legal process.

While staying at shelter, Martha attended court proceedings, met with advocates, and cared for the medical needs of her family, most often on the Cherriots bus system. Martha was able to connect with community partners and secured a transitional housing situation where she and her child will continue on their journey to a life free of violence.

The United Way Bus Passes Bus passes have been a key resource available to the families we serve and have played a huge role in helping Martha and her family, and our staff cannot thank you enough for being a part of that.

Union Gospel Mission

This past quarter allowed several of our clients the opportunity to not look for work but it provided transportation for them to get to work. This is a tremendous blessing for our organization. Thank YOU!!

WestCare Oregon

These Bus passes allowed one of our veteran clients without a vehicle get to and from work. Client is currently working on saving enough money to buy his own monthly bus pass. Thank you so much Cherriots and United Way!

United Way of the Mid-Willamette Valley Bus Pass Program July 2017 – June 2018

Reason for Issuing Passes

Health Related Appointments
 Social Service Appointments (DHS, Social Security, Caseworker, etc.)
 Employment Searches or Interviews
 Transportation for Basic Needs (Food, Clothing, Housing/Shelter)
 Transportation to / from New Employment (until 1st paycheck)
 Services Specific to an Individual Agency

Non-Profits with Cherriots Bus Passes

CASA of Marion County
 Catholic Community Services
 Center for Hope & Safety
 Easter Seals Oregon HVRP
 Galt Foundation
 Goodwill Job Connection
 Hoover Elementary School
 Kairos (Cadenza)
 Keizer Community Library
 Marion-Polk Food Share
 Mid-Willamette Valley Community Action Agency
 Northwest Human Services
 Salem Interfaith Hospitality Network
 The Salvation Army Marion County
 The Salvation Army Polk County
 Silverton Area Community Aid
 South Salem High School
 St. Francis Shelter
 St. Joseph Shelter
 Union Gospel Mission
 United Way of the Mid-Willamette Valley
 WestCare Oregon
 Willamette Family Medical Center
 Women at the Well Grace House

Pass Type	Requested by Non-profit	Distributed to Non-profit	Unmet Need
Adult	9615	5800	3815
Youth	2174	744	1430
Polk Regional	120	120	0

Total Number Requested Bus Passes July - September 2017

Organization	Requested		Granted	
	Adult	Youth	Adult	Youth
Catholic Community Services	150		78	
Center for Hope & Safety	300	150	165	40
Christian Community Placement Center				
Easter Seals Oregon HVRP	75		50	
Goodwill Job Connection	500	200	270	54
Kairos NW - Cadenza	40		40	
Mano a Mano Family Center				
Marion-Polk Food Share	20	15	20	15
Mid-Willamette Valley Community Action	300	100	156	27
Nothwest Human Services (NWHS)	500	20	270	20
Salvation Army, Marion County	350		182	
Salvation Army, Polk County				
St. Joseph Shelter				
Union Gospel Mission (UGM)	150		78	
United Way discretion	36		36	
Moving Forward				
Shelly's House				
Salem Free Clinic				
Salem Leadership Foundation				
St Vincent DePaul				
Family Building Blocks				
Hoover Elementary	10	15	10	15
St. Francis Shelter	30	15	30	15
Women at the Well Grace House	65		65	
Total	2526	515	1450	186

Total Number Requested Bus Passes October - December 2017

Organization	Requested		Granted	
	Adult	Youth	Adult	Youth
Catholic Community Services	40		40	
Center for Hope & Safety	300	150	148	36
Congregations Helping People				
Galt Foundation	50		40	
Goodwill Job Connection	500	75	240	20
Kairos NW - Cadenza				
Marion-Polk Food Share				
Mid-Willamette Valley Community Action	300	100	148	25
Moving Forward				
Nothwest Human Services (NWHS)	500	20	245	15
Salvation Army - Marion County	350		173	
Salvation Army - Polk County	30		30	
Union Gospel Mission (UGM)	200		100	
United Way Discretion Fund	30	10	30	10
Oregon Child Development Coalition				
Mano a Mano				
Salem Free Clinic				
Salem Interfaith Hospitality Network	100	25	49	25
Salem Keizer Coalition for Equality				
Salem Leadership Foundation				
Silverton Area Community Aid	50	10	50	10
St. Joseph Shelter	30	48	30	15
Willamette Family Medical Center	45	45	45	15
Family Building Blocks				
<i>Subtotal</i>	<i>2525</i>	<i>483</i>	<i>1368</i>	<i>171</i>
St. Francis Shelter	30	15	30	15
Easter Seals Oregon	75		43	
Women at the Well Grace House	9		9	
<i>subtotal allocated</i>	<i>114</i>	<i>15</i>	<i>82</i>	<i>15</i>
Total	2639	498	1450	186

Total Number Requested Bus Passes January - March 2018

Organization	Requested		Granted	
	Adult	Youth	Adult	Youth
Boys & Girls Club				
Catholic Community Services	30		30	
Center for Hope & Safety	300	150	201	59
Easter Seals Oregon HVRP	75		75	
Galt Foundation	50		50	
Goodwill Job Connection	500	250	336	97
Kairos-Cadenza				
Mano a Mano Family Center				
Marion-Polk Food Share				
Mid-Willamette Valley Community Action	100		67	
Northwest Human Services (NWHS)	300	20	201	20
Salem Free Clinic				
Salvation Army - Marion County	300		201	
Salvation Army - Polk County	40		40	
Union Gospel Mission (UGM)	200		134	
St Vincent DePaul				
St. Francis Shelter	40	10	40	10
UWMWV Discretion	36		36	
WestCare Oregon	30		30	
Women at the Well Grace House	9		9	
Total	2010	430	1450	186

Total Number Requested Bus Passes April - June 2018

Organization	Requested		Granted	
	Adult	Youth	Adult	Youth
CASA of Marion County	10		10	
Catholic Community Services	75		41	
Center for Hope & Safety	300	150	165	30
Easter Seals Oregon HVRP	75		41	
Galt Foundation	100		55	
Goodwill Job Connection	500	250	275	30
Kairos NW/Cadenza	20	20	20	10
Keizer Community Library Inc.	36	36	36	11
Marion-Polk Food Share				
Mid-Willamette Valley Community Action	300	100	165	30
Northwest Human Services (NWHS)	300	20	165	15
Salem Free Clinics				
Salem Keizer Coalition for Equality				
Salvation Army, Marion County	250		138	
Salvation Army, Polk County	40		40	
South Salem High School	100	100	55	30
Union Gospel Mission (UGM)	200		110	
St. Francis Shelter	40	10	40	10
UWMWV Discretion	25	10	25	10
Willamette Family Medical Center	50	35	50	10
Women at the Well Grace House	19		19	
Total	2440	731	1450	186

United Way Bus Pass Program FY 2017 - 2018

	Q1	Q2	Q3	Q4	Total
Donated by SKT					
Adult	1150	1150	1150	1150	4600
Youth	100	100	100	100	400
Total	1250	1250	1250	1250	5000
Purchased by United Way					
Polk Regional	60	60	60	60	240
Adult	300	300	300	300	1200
Youth	86	86	86	86	344
Total	446	446	446	446	1784
Total Available					
Polk Regional	60	60	60	60	240
Adult	1450	1450	1450	1450	5800
Youth	186	186	186	186	744
Total	1696	1696	1696	1696	6784

Requested					
Polk Regional	60	60	60	60	240
Adult	2526	2639	2010	2440	9615
Youth	515	498	430	731	2174
Total	3101	3197	2500	3231	12029

Granted					
Polk Regional	60	60	60	60	240
Adult	1450	1450	1450	1450	5800
Youth	186	186	186	186	744
Total	1636	1636	1636	1636	6544

60	60	60	60	240
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Quarter 1 = July - September 2017
 Quarter 2 = October - December 2017
 Quarter 3 = January - March 2018
 Quarter 4 = April - June 2018



BOARD MEETING MEMO

Agenda Item H.2(b)(c)

To: Board of Directors

From: Paula Dixon, Director of Administration

Thru: Allan Pollock, General Manager

Date: June 21, 2018

Subject: Amendments to Retirement Plans

ISSUE

Shall the Board adopt Resolution No. 2018-04 and Resolution No. 2018-05, amending the Defined Benefit Plans for the bargaining and the non-bargaining employees respectively, to include part-time employees who have attained career service?

BACKGROUND AND FINDINGS

The SAMTD Defined Benefit Plan for Bargaining Unit Employees and the SAMTD Defined Benefit Plan for Non-Bargaining Employees (“the Plans”) were most recently wholly restated on January 26, 2016 to meet the requirements of the latest applicable federal pension law changes and IRS rules and regulations. The restated plan documents were issued favorable determination letters on June 23, 2017.

Currently, only full time career service employees may participate in the defined benefit plan. The most recent collective bargaining agreement included a provision to allow part-time Career Service employees to earn pension benefits. Such employees will have to complete their “Trial Service Period”, achieve “Career Service Status,” and earn at least 800 hours/year to earn service credits or vesting credits at all. The Trial Service Period lasts approximately six months.

The same amendment is proposed for the bargaining and non-bargaining plans.

FINANCIAL IMPACT

The pension contribution rate will not change based on the amendment.

RECOMMENDATION

Staff recommends approval of the pension amendment for each plan.

PROPOSED MOTION

I move that the Board adopt Resolution No. 2018-04 and Resolution No. 2018-05, amending the Defined Benefit Plans for the bargaining and the non-bargaining employees respectively, to include part-time employees who have attained career service.

RESOLUTION #2018-04

**THE SALEM AREA MASS TRANSIT DISTRICT
BARGAINING UNIT RETIREMENT PLAN**

WHEREAS, by Resolution #01-18, the District established the Salem Area Mass Transit District Bargaining Unit Retirement Plan (“the Plan”), which is a form of floor offset defined benefit retirement plan, for its full-time career service bargaining unit employees, effective January 1, 2002;

WHEREAS, the Plan was most recently amended and restated pursuant to Resolution #2015-08 to comply with the current requirements of the Internal Revenue Code and the Internal Revenue Service as set forth in IRS Notice 2014-77, so as to retain its status as a “qualified” plan.

WHEREAS, the Plan received a favorable determination letter from the IRS dated June 23, 2017.

WHEREAS, the most recent union contract includes benefits for part-time employees, the plan is now being amended to reflect that provision.

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

THAT Resolution #2018 - **04** shall be adopted to direct that the Plan shall be amended by adopting the Amendment attached to this Resolution; and

THAT the General Manager shall be authorized and directed to execute an appropriate Amendment to the Plan to implement this Resolution, to be effective upon signing of the Amendment.

ADOPTED BY THE BOARD OF DIRECTORS OF THE SALEM AREA MASS TRANSIT DISTRICT this **28** day of **June**, 2018.

President
Board of Directors

ATTEST:

Secretary
Board of Directors

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

PLAN AMENDMENT

THE SALEM AREA MASS TRANSIT DISTRICT DEFINED BENEFIT PLAN FOR 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 and most recently amended to meet the requirements of the Internal Revenue Service.

Having reserved the right to do so, the Employer now wishes to amend the Plan to allow part-time employees to participate. This amendment shall be effective July 1, 2018.

1. Section 1.8 ("Employee") is amended to read as follows:

"Employee" – A regular (full-time and part-time) bargaining unit employee still employed as of the Effective Date or First hired after the Effective Date."

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 #18-04.

Dated this 28th day of June, 2018.

SALEM AREA MASS TRANSIT DISTRICT

By _____
Allan Pollock, General Manager

EMPLOYER

ACCEPTED:

PIONEER TRUST BANK, N.A.

By _____
Its Trust Officer

TRUSTEE

**SALEM AREA MASS TRANSIT DISTRICT
DEFINED BENEFIT RETIREMENT PLAN
FOR BARGAINING UNIT EMPLOYEES**

SUMMARY PLAN DESCRIPTION
(for employees first eligible for retirement benefits on or after January 1, 2002)

Effective July 1, 2018

INTRODUCTION

For bargaining unit employees eligible for retirement benefits on or after January 1, 2002, the Salem Area Mass Transit District retirement program consists of two retirement plans.

One plan is The Salem Area Mass Transit District Defined Benefit Retirement Plan for Bargaining Unit Employees, a defined benefit plan (Plan 003). This plan is a “qualified plan” as defined by Internal Revenue Code §401(a), and is for the benefit of all full-time career service employees in the collective bargaining group. The Salem Area Mass Transit District pays all of the costs to fund and maintain this plan.

The other plan is the Salem Area Mass Transit District 457 Deferred Compensation Plan, which is a “non-qualified” plan as defined by Internal Revenue Code §457. This plan is funded entirely by employees through pre-tax contributions made from those employees who elect to contribute. All career service employees of the District are eligible to participate in the 457 plan.

This booklet is a summary plan description (SPD) of how Plan 003 listed above, i.e., the Salem Area Mass Transit District Defined Benefit Plan for Bargaining Unit Employees, functions and operates. If there is a conflict between the SPD and the plan document, the plan document governs. If you have any questions, feel free to contact the District's Human Resources Division Director or the District's Business Services Division Director.

This SPD reflects the terms and provisions of the defined benefit plan as of July 1, 2018.

I. GENERAL INFORMATION

A. Employer Information

Name: Salem Area Mass Transit District
Address: 555 Court Street NE, Suite 5230, Salem, OR 97301
Telephone: (503) 588-2424
EIN: 93-0793128

B. Plan Administrator Information

Name: Salem Area Mass Transit District
Address: 555 Court Street NE, Suite 5230, Salem, OR 97301
Telephone: (503) 588-2424
EIN: 93-0793128

C. Trustee Information

Name: Pioneer Trust Bank, N.A.
Address: 109 Commercial Street NE, Salem, OR 97301
Telephone: (503) 363-3136

D. Plan Number: 003

E. Plan Year: July 1 - June 30

F. Effective Date: July 1, 2018

The plan is not insured by the Pension Benefit Guaranty Corporation ("PBGC") because the District is a government agency and instrumentality of the State of Oregon, and therefore, the plan is not subject to PBGC requirements.

II. DEFINITIONS

It is important that you understand the meaning of these terms:

- A. *Normal Retirement Age* - means the Participant's age 60.
- B. *Early Retirement Age* - means the Participant's age 55 or, if earlier, the completion of 30 years of service (i.e., 30 Vesting Credits as defined below) for the Employer.
- C. *Compensation* - means the total amount of compensation (including overtime) paid to you by the District which is subject to FICA and Medicare tax, including any salary reductions under the 457 Plan. *Compensation* includes payments for sick leave (including cash-out to your HRA VEBA account on termination), vacation, holidays, jury duty and similar compensatory time off. *Compensation* does not include disability benefits, expense reimbursements, moving expenses, or payments under any early retirement, severance, or similar program. If you become eligible to participate in the middle of a plan year, your *compensation* for the plan year does not include compensation paid before you became a participant.
- D. *Hour of Service* - means each hour for which you are paid for working. It also includes hours for which you are paid (including cash-outs to you or your HRA VEBA account) but are not working because:
 - 1. you are on a paid leave of absence,
 - 2. you are on paid vacation leave, paid administrative leave or paid holiday leave,
 - 3. you are on paid sick leave, or
 - 4. you are on paid court appearance leave.
- E. *Break in Service* - means any Plan Year in which you fail to complete more than 800 Hours of Service.
- F. *Final Average Salary* - means the average of a Participant's annual compensation for five consecutive years of employment (60 months) during which such compensation was the highest.
- G. *Participant* - means a bargaining unit employee eligible to participate in the plan as explained in Section III. below
- H. *Benefit Credits* - means the number of Plan Years that a Participant is credited with 1,600 hours of service as a bargaining unit employee, with a half-credit for each Plan Year that the participant is credited with at least 800 hours of service but less than 1,600 hours of service.

- I. *Vesting Credits* - means the number of Plan Years that a Participant is credited with 1,600 hours of service as an employee, with a half-credit for each Plan Year that the participant is credited with at least 800 hours of service but less than 1,600 hours of service.

III. PARTICIPATION

All full-time and part-time bargaining unit employees shall become Participants upon reaching "Career Service Status" with Employer. An employee attains "Career Service Status" upon completion of the "Trial Service Period," which lasts until the first day of the month following satisfactory completion of six months of service.

IV. BENEFITS

- A. *Benefit Formula.* The pension benefit payable at a Participant's Normal Retirement Date (the first day of the month after the Participant reaches Normal Retirement Age) will be equal to 1.64% times the Participant's Final Average Salary times the Participant's Benefit Credits.

The benefit formula above calculates an annual pension amount. This amount shall be divided by twelve and paid monthly, as explained below.

- B. *Five-Year Vesting.* To receive any benefit under the Plan, a Participant must be vested. A Participant becomes vested upon earning five (5) vesting credits. A Participant also becomes automatically vested if he or she is still employed with Employer upon attainment of age 60.

A Participant who incurs a Break in Service in any Plan Year before earning five (5) vesting credits automatically forfeits all benefits under this Plan. The benefits forfeited shall be restored if, in any Plan Year, the Participant again is credited with at least 800 hours of service in a subsequent Plan Year.

- C. *Late Retirement.* A Participant who continues employed beyond his or her Normal Retirement Date will not receive pension benefits until actual retirement. The Participant will continue to earn Benefit Credits until actual retirement.
- D. *Early Retirement.* A Participant who terminates employment with vested benefits before his or her Normal Retirement Date may elect, as of the first day of any month after his or her Early Retirement Age (Early Retirement Date), to commence receipt of his or her pension. In the event of early retirement without 30 Vesting Credits, the amount of the pension shall be as computed in A. above, reduced by 1/2% times the

number of whole calendar months between the date the pension commences and the Participant's 60th birthday. If the Participant has 30 Vesting Credits, then the amount of the pension shall not be reduced.

E. *Forms of Benefit.*

1. *Single Life Annuity.* The normal form of pension payment under the Plan shall be a single life annuity, in equal monthly payments for as long as the Participant lives, with the last payment being made as of the first day of the month of the Participant's death. No further benefits shall be paid after the Participant's death.
2. *Joint and Survivor Annuity.* A Participant who is married at the time of retirement shall have the option to elect a joint and 50% survivor annuity or a joint and 100% survivor annuity. A joint and survivor 50% annuity is a monthly pension payment to the Participant for the life of the Participant, followed by a payment to the surviving spouse, if any, equal to 50% of the amount that was being paid to the Participant for the life of the surviving spouse. A joint and 100% survivor annuity is a monthly pension payment to the Participant for the life of the Participant, followed by a payment of the same monthly amount to the surviving spouse, if any, for the life of the surviving spouse. To reflect the potential for a longer payout, the amount of the monthly payment shall be reduced from the amount calculated for a single life annuity based on tables incorporated into the plan.
3. *Notice and Consent.* Upon retirement, each Participant shall be given an explanation of the form and amounts of each benefit available. Subject to 4. below, an unmarried Participant's pension benefit shall automatically be paid in the form of a single life annuity. Subject to 4. below, a married Participant's pension benefit shall be paid in the form of a joint and 50% benefit unless the Participant and his or her spouse elect to receive a single life annuity or a joint and 100% survivor annuity.
4. *Lump Sum.* If the actuarial present value of the pension benefit is \$5,000 or less when that Participant retires, the Participant will receive a lump-sum payment, not an annuity, equal to the actuarial present value. In no other event is a lump sum payment available from this Plan.

F. *Death Benefit.*

1. *Unmarried Participant.* If an unmarried Participant dies before commencement of his or her pension benefit, whether or not vested, all pension benefits under this Plan shall be forfeited and no benefits shall be paid on account of that Participant.
2. *Married Participant.* If a married Participant dies with a vested benefit before commencement of his or her pension benefit, the Participant's surviving spouse shall be paid a survivor annuity. The amount of the survivor annuity shall be equal to the amount of the Participant's pension benefit computed in A. above as of the date of the Participant's death, adjusted actuarially to compensate for the difference between the surviving spouse's age at benefit commencement and the Participant's Normal Retirement Age. If the present value of the survivor annuity benefit is \$5,000 or less, the benefit will be paid in a lump sum as soon as it is administratively feasible to do so. If the present value is greater than \$5,000, the surviving spouse will receive the annuity starting as of the second month following the date of the Participant's death.

G. *Domestic Partners.* Under paragraphs E. and F. above, any reference to a married Participant shall include a Participant who is a member of a same-sex domestic partnership registered under Oregon law. And any reference to the spouse of a married Participant, or to the surviving spouse of a deceased Participant, shall include the same-sex domestic partner of a Participant or surviving same-sex domestic partner of a deceased Participant, provided that the domestic partnership is registered under Oregon law. This provision shall be effective February 4, 2008 for all Participants of the Plan on or after that date.

H. *Re-Employment After Retirement.* If a Participant who has retired and has commenced receipt of pension benefits is then re-employed by the District at a rate of at least 800 hours of service in any Plan Year, the pension benefits shall be immediately suspended. The pension benefits suspended shall resume, unadjusted and in the same payment form, when the Participant again retires from the District. In addition, the Participant shall receive a separate, second pension benefit based solely on his or her Benefit Credits earned during the period of re-employment.

I. *Actuarial Equivalence.* All benefits provided by the plan shall be "actuarially equivalent" to the benefit formula in paragraph A. above payable as a single life annuity. The calculation of "actuarial equivalence" of different forms of benefits shall be made by use of the tables attached as Exhibit A.

In particular, the monthly benefit amount of a married participant who elects a joint and survivor benefit with his or her spouse shall be reduced to compensate for the fact that the benefit will be paid for as long as either spouse lives. The amount of the reduction is dependent on whether the participant elects a 50% survivor annuity or a 100% survivor annuity, and is also dependent on the age of the spouse relative to the age of the participant. For example, the amount of the monthly benefit for a participant electing a joint and 100% survivor annuity and whose spouse within five years of the age of the participant shall be 88.6% of the amount of the single life annuity determined under the benefit formula in paragraph A above.

J. *Comprehensive Example.* Assume Sarah is a participant in the plan with a Final Average Salary of \$35,000 and that she is married to a husband who is three years older than she is. Further, assume the following facts:

1. Sarah retires at age 60 with 25 benefit credits. Her benefit under this plan shall be: $[25 \text{ years} \times \$35,000 \times 1.64\%] = \$14,350$ per year, or \$1,195.83 per month, as a single life annuity for her lifetime. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$1,195.83 \times 93.9\% = \$1,122.89$ per month (payable as long as she lives and then \$561.44 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$1,195.83 \times 88.6\% = \994.88 per month for as long as either spouse lives.

2. Sarah retires at age 55 with 25 benefit credits. Her benefit under this plan shall be: $[25 \text{ years} \times \$35,000 \times 1.64\%] = \$14,350$ per year, or \$1,195.83 per month, as a single life annuity for her lifetime, commencing at age 60. If Sarah wishes to commence benefits immediately at age 55, her monthly benefits are reduced by 30% ($\frac{1}{2}\%$ per month for 60 months), so that her benefit is $\$1,195.83 \times 70\% = \837.08 per month. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$837.08 \times 93.9\% = \786.02 per month (payable as long as she lives and then \$393.01 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$837.08 \times 88.6\% = \741.66 per month for as long as either spouse lives.

3. Sarah retires at age 55 with 30 benefit credits. Her benefit under this plan shall be: $[30 \text{ years} \times \$35,000 \times 1.64\%] = \$17,220$ per year, or \$1,435 per month, as a single life annuity for her lifetime. Because Sarah is retiring with 30 years of service, she can start benefits immediately without reduction even though she is under age 60. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$1,435 \times 93.9\% = \$1,347.46$ per month (payable as long as she lives and then \$673.73 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$1,435 \times 88.6\% = \$1,271.41$ per month for as long as either spouse lives.

4. Sarah dies at age 55 with 25 benefit credits. As in 2. above, the monthly benefit payable to Sarah would have been \$1,195.83 per month beginning at age 60 had she survived. Instead, her husband will receive a survivor benefit (\$1,195.83 per month), reduced to \$1,052.34 per month to reflect that he is then age 58 rather than 60, payable for as long as he lives.

V. MISCELLANEOUS

- A. *Contributions.* The District makes all contributions to the plan. Participants are neither required nor permitted to contribute.
- B. *Trust Fund.* Plan assets (which include contributions and earnings) are held in a trust fund. The Trustee will invest the assets and hold legal title to the trust assets for the benefit of the plan participants.
- C. *Claims Procedure.* If you believe that you are being denied any rights or benefits under the plan, you may file a claim with the Plan Administrator. If you file a claim, the Plan Administrator has 90 days (180 days in special circumstances) to respond. If the Plan Administrator denies your claim, the Plan Administrator must explain (in writing) the reasons for denial of your claim, or if the claim did not contain adequate information, what you must do in order to complete your claim. If your claim is denied (or if the Plan Administrator has not responded to your claim within 90 days), you have 60 days to file a request for review. The Plan Administrator has 60 days to respond to your request for review, although this period may be extended under special circumstances, for example, if the Plan Administrator decides to hold a hearing on your claim. If the Plan Administrator fails to respond, your request is considered to be denied.
- D. *Assignment of Benefits.* You may not assign any portion of your benefit before distribution except to comply with a Domestic Relations Order under ORS 237.600.
- E. *Amendment and Termination:* While the District intends to continue the plan indefinitely, the District reserves the right to amend or even terminate the plan at any time. If the plan is amended, your vested interest will not decrease as a result of the amendment (although you may not accrue additional benefits for a period of time). If the plan is terminated while you are employed at the District, you will automatically be 100% vested. If the plan is terminated, any assets remaining after the payment of all benefits and plan liabilities will revert to the District.
- F. *Rollovers and Transfers.* The Plan will not accept a rollover or transfer from another plan.

**SALEM AREA MASS TRANSIT DISTRICT
DEFINED BENEFIT RETIREMENT PLAN
FOR BARGAINING UNIT EMPLOYEES**

**SUMMARY PLAN DESCRIPTION
(for employees eligible before January 1, 2002)**

Effective July 1, 2018

INTRODUCTION

The Salem Area Mass Transit District retirement program for bargaining employees consists of three retirement plans. Two are "qualified plans" as defined by Internal Revenue Code §401(a):

1. The Salem Area Mass Transit District Retirement Plan for Bargaining Unit Employees, a defined contribution plan (Plan 001); and
2. The Salem Area Mass Transit District Defined Benefit Retirement Plan for Bargaining Unit Employees, a defined benefit plan (Plan 003).

The third plan is the Salem Area Mass Transit District 457 Deferred Compensation Plan, which is a "non-qualified" plan as defined by Internal Revenue Code §457.

All career service employees of the District are eligible to make pre-tax contributions under the 457 Plan. In addition, all full-time bargaining unit career service employees will be participants in the two qualified plans above.

This booklet is a summary plan description (SPD) of how Plan 003 listed above, i.e., the Salem Area Mass Transit District Defined Benefit Plan for Bargaining Unit Employees, functions and operates. If there is a conflict between the SPD and the plan document, the plan document governs. If you have any questions, feel free to contact the District's Human Resources Division Director or the District's Business Services Division Director.

This SPD reflects the terms and provisions of the defined benefit plan as of July 1, 2018.

I. GENERAL INFORMATION

A. Employer Information

Name: Salem Area Mass Transit District
Address: 555 Court Street NE, Suite 5230, Salem, OR 97301
Telephone: (503) 588-2424
EIN: 93-0793128

B. Plan Administrator Information

Name: Salem Area Mass Transit District
Address: 555 Court Street NE, Suite 5230, Salem, OR 97301
Telephone: (503) 588-2424
EIN: 93-0793128

C. Trustee Information

Name: Pioneer Trust Bank, N.A.
Address: 109 Commercial Street NE, Salem, OR 97301
Telephone: (503) 363-3136

D. Plan Number: 003

E. Plan Year: July 1 - June 30

F. Effective Date: July 1, 2018

The plan is not insured by the Pension Benefit Guaranty Corporation ("PBGC") because the District is a government agency and instrumentality of the State of Oregon, and therefore, the plan is not subject to PBGC requirements.

II. DEFINITIONS

It is important that you understand the meaning of these terms:

- A. *Normal Retirement Age* - means the Participant's age 60.
- B. *Early Retirement Age* - means the Participant's age 55 or, if earlier, the completion of 30 years of service (i.e., 30 Vesting Credits as defined below) for the Employer.
- C. *Compensation* - means the total amount of compensation (including overtime) paid to you by the District which is subject to FICA and Medicare tax, including any salary reductions under the 457 Plan. *Compensation* includes payments for sick leave (including cash-out to your HRA VEBA account on termination), vacation, holidays, jury duty and similar compensatory time off. *Compensation* does not include disability benefits, expense reimbursements, moving expenses, or payments under any early retirement, severance, or similar program. If you become eligible to participate in the middle of a plan year, your *compensation* for the plan year does not include compensation paid before you became a participant.
- D. *Hour of Service* - means each hour for which you are paid for working. It also includes hours for which you are paid (including cash-outs to you or your HRA VEBA account) but are not working because:
 - 1. you are on a paid leave of absence,
 - 2. you are on paid vacation leave, paid administrative leave or paid holiday leave,
 - 3. you are on paid sick leave, or
 - 4. you are on paid court appearance leave.
- E. *Break in Service* - means any Plan Year in which you fail to complete more than 800 Hours of Service.
- F. *Final Average Salary* - means the average of a Participant's annual compensation for five consecutive years of employment (60 months) during which such compensation was the highest.
- G. *Participant* - means a bargaining unit employee eligible to participate in the plan as explained in Section III. below
- H. *Benefit Credits* - means the number of Plan Years that a Participant is credited with 1,600 hours of service as a bargaining unit employee, with a half-credit for each Plan Year that the participant is credited with at least 800 hours of service but less than 1,600 hours of service. This calculation shall be based on actual hours of

service commencing as of July 1, 2001. Participants shall also receive Benefit Credits based on hours of service credited before July 1, 2001 as set forth on Exhibit B attached to the Plan. You will be informed of your prior service credit upon request to the Administrator.

- I. *Vesting Credits* - means the number of Plan Years that a Participant is credited with 1,600 hours of service as an employee, with a half-credit for each Plan Year that the participant is credited with at least 800 hours of service but less than 1,600 hours of service, whether before or after the Effective Date.

III. PARTICIPATION

All full-time and part-time bargaining unit employees shall become Participants upon reaching "Career Service Status" with Employer. An employee attains "Career Service Status" upon completion of the "Trial Service Period," which lasts until the first day of the month following satisfactory completion of six months of service.

IV. BENEFITS

- A. *Benefit Formula.* The pension benefit payable at a Participant's Normal Retirement Date (the first day of the month after the Participant reaches Normal Retirement Age) will be equal to the excess (if any) of 1. over 2. below:

1. 1.64% times the Participant's Final Average Salary times the Participant's Benefit Credits.
2. The amount which is the actuarial equivalent of the Participant's account balance in the Salem Area Mass Transit District Bargaining Unit Retirement Plan (Plan 001) as of termination of employment. For purposes of determining the account balance in that plan, added back is the amount of any payments from the account including any payments to an "alternate payee" pursuant to a "qualified domestic relations order" plus interest at 8% per annum from the date of each such payment to the first day of the month following termination of employment.

The benefit formula above calculates an annual pension amount. This amount shall be divided by twelve and paid monthly, as explained below.

- B. *Five-Year Vesting.* To receive any benefit under the Plan, a Participant must be vested. A Participant becomes vested upon earning five (5) vesting credits. A Participant also becomes automatically vested if he or she is still employed with Employer upon attainment of age 60.

A Participant who incurs a Break in Service in any Plan Year before earning five (5) vesting credits automatically forfeits all benefits under this Plan. The benefits forfeited shall be restored if, in any Plan Year, the Participant again is credited with at least 800 hours of service in a subsequent Plan Year.

- C. *Late Retirement.* A Participant who continues employed beyond his or her Normal Retirement Date will not receive pension benefits until actual retirement. The Participant will continue to earn Benefit Credits until actual retirement.
- D. *Early Retirement.* A Participant who terminates employment with vested benefits before his or her Normal Retirement Date may elect, as of the first day of any month after his or her Early Retirement Age (Early Retirement Date), to commence receipt of his or her pension. In the event of early retirement without 30 Vesting Credits, the amount of the pension shall be as computed in A. above, reduced by $\frac{1}{2}\%$ times the number of whole calendar months between the date the pension commences and the Participant's 60th birthday. If the Participant has 30 Vesting Credits, then the amount of the pension shall not be reduced.
- E. *Forms of Benefit.*
1. *Single Life Annuity.* The normal form of pension payment under the Plan shall be a single life annuity, in equal monthly payments for as long as the Participant lives, with the last payment being made as of the first day of the month of the Participant's death. No further benefits shall be paid after the Participant's death.
 2. *Joint and Survivor Annuity.* A Participant who is married at the time of retirement shall have the option to elect a joint and 50% survivor annuity or a joint and 100% survivor annuity. A joint and survivor 50% annuity is a monthly pension payment to the Participant for the life of the Participant, followed by a payment to the surviving spouse, if any, equal to 50% of the amount that was being paid to the Participant for the life of the surviving spouse. A joint and 100% survivor annuity is a monthly pension payment to the Participant for the life of the Participant, followed by a payment of the same monthly amount to the surviving spouse, if any, for the life of the surviving spouse. To reflect the potential for a longer payout, the amount of the monthly payment shall be reduced from the amount calculated for a single life annuity based on tables incorporated into the plan.
 3. *Notice and Consent.* Upon retirement, each Participant shall be given an explanation of the form and amounts of each benefit available. Subject to 4. below, an unmarried Participant's pension benefit shall automatically be

paid in the form of a single life annuity. Subject to 4. below, a married Participant's pension benefit shall be paid in the form of a joint and 50% benefit unless the Participant and his or her spouse elect to receive a single life annuity or a joint and 100% survivor annuity.

4. *Lump Sum.* If the actuarial present value of the pension benefit is \$5,000 or less when that Participant retires, the Participant will receive a lump-sum payment, not an annuity, equal to the actuarial present value. In no other event is a lump sum payment available from this Plan.
5. *Option to "Buy Back" the Offset.* At the time that a Participant elects to commence receipt of his or her benefits, the Participant shall have the election to transfer his or her account balance, if any, in Plan 001 for more benefits in this Plan. The amount of extra benefits in this Plan shall be the actuarial equivalent of the account balance so transferred. In most cases, this will result in the Participant's benefits being the amount in paragraph A.1. above, without subtraction of the amount in paragraph A.2. above, in exchange for the account balance in Plan 001.

F. *Death Benefit.*

1. *Unmarried Participant.* If an unmarried Participant dies before commencement of his or her pension benefit, whether or not vested, all pension benefits under this Plan shall be forfeited and no benefits shall be paid on account of that Participant.
2. *Married Participant.* If a married Participant dies with a vested benefit before commencement of his or her pension benefit, the Participant's surviving spouse shall be paid a survivor annuity. The amount of the survivor annuity shall be equal to the amount of the Participant's pension benefit computed in A. above as of the date of the Participant's death, adjusted actuarially to compensate for the difference between the surviving spouse's age at benefit commencement and the Participant's Normal Retirement Age. If the present value of the survivor annuity benefit is \$5,000 or less, the benefit will be paid in a lump sum as soon as it is administratively feasible to do so. If the present value is greater than \$5,000, the surviving spouse will receive the annuity starting as of the second month following the date of the Participant's death.

- G. *Domestic Partners.* Under paragraphs E. and F. above, any reference to a married Participant shall include a Participant who is a member of a same-sex domestic partnership registered under Oregon law. And any reference to the spouse of a married Participant, or to the surviving spouse of a deceased Participant, shall

include the same-sex domestic partner of a Participant or surviving same-sex domestic partner of a deceased Participant, provided that the domestic partnership is registered under Oregon law. This provision shall be effective February 4, 2008 for all Participants of the Plan on or after that date.

- H. *Re-Employment After Retirement.* If a Participant who has retired and has commenced receipt of pension benefits is then re-employed by the District at a rate of at least 800 hours of service in any Plan Year, the pension benefits shall be immediately suspended. The pension benefits suspended shall resume, unadjusted and in the same payment form, when the Participant again retires from the District. In addition, the Participant shall receive a separate, second pension benefit based solely on his or her Benefit Credits earned during the period of re-employment.
- I. *Actuarial Equivalence.* All benefits provided by the plan shall be "actuarially equivalent" to the benefit formula in paragraph A. above payable as a single life annuity. The calculation of "actuarial equivalence" of different forms of benefits shall be made by use of the tables attached as Exhibit A.

In particular, the monthly benefit amount of a married participant who elects a joint and survivor benefit with his or her spouse shall be reduced to compensate for the fact that the benefit will be paid for as long as either spouse lives. The amount of the reduction is dependent on whether the participant elects a 50% survivor annuity or a 100% survivor annuity, and is also dependent on the age of the spouse relative to the age of the participant. For example, the amount of the monthly benefit for a participant electing a joint and 100% survivor annuity and whose spouse within five years of the age of the participant shall be 88.6% of the amount of the single life annuity determined under the benefit formula in paragraph A above.

Further, table 2 in Exhibit A shall be used for purposes of calculating the offsetting "actuarial equivalent" benefit of the account balance in Plan 001, depending on the age of the participant as of the beginning of the month following retirement or termination of employment. The amount of the "actuarial equivalent" benefit is determined by dividing the account balance by the factor in table 2 of Exhibit A corresponding to the participant's attained age. However, if the Participant retires before age 60 with at least 30 benefit credits, then the "actuarial equivalent" benefit of the account balance in Plan 001 shall be determined by dividing the account balance by the factor corresponding to age 60 regardless of the Participant's actual age.

- J. *Comprehensive Example.* Assume Sarah is a participant in the plan with a Final Average Salary of \$35,000 and an account balance in Plan 001 of \$50,000, and

that she is married to a husband who is three years older than she is. Further, assume the following facts:

1. Sarah retires at age 60 with 25 benefit credits. Her benefit under this plan shall be: $[25 \text{ years} \times \$35,000 \times 1.64\%] - [\$50,000 \div 10.0979] = \$9,398.47$ per year, or \$783.21 per month, as a single life annuity for her lifetime. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$783.21 \times 93.9\% = \735.43 per month (payable as long as she lives and then \$367.72 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$783.21 \times 88.6\% = \693.92 per month for as long as either spouse lives. In addition, Sarah has her \$50,000 account balance in Plan 001 to do with as she wishes. Or, Sarah could use the \$50,000 account balance in Plan 001 to "buy back" the offset above, so that her benefit in this plan would be $25 \text{ years} \times \$35,000 \times 1.64\% = \$14,350$ per year, or \$1,195.83 per month, as a single life annuity for her lifetime (or \$1,122.89 per month as a joint and 50% survivor annuity, or \$1,059.51 as a joint and 100% survivor annuity).

2. Sarah retires at age 55 with 25 benefit credits. Her benefit under this plan shall be: $[25 \text{ years} \times \$35,000 \times 1.64\%] - [\$50,000 \div 6.8725] = \$7,074.63$ per year, or \$589.55 per month, as a single life annuity for her lifetime, commencing at age 60. If Sarah wishes to commence benefits immediately at age 55, her monthly benefits are reduced by 30% ($\frac{1}{2}\%$ per month for 60 months), so that her benefit is $\$589.55 \times 70\% = \412.69 per month. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$412.69 \times 93.9\% = \387.51 per month (payable as long as she lives and then \$193.76 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$412.69 \times 88.6\% = \365.64 per month for as long as either spouse lives. In addition, Sarah has her \$50,000 account balance in Plan 001 to do with as she wishes. Or, Sarah could use the \$50,000 account balance in Plan 001 to "buy back" the offset above, so that her benefit in this plan would be $25 \text{ years} \times \$35,000 \times 1.64\% = \$14,350.00$ per year, or \$1,195.83 per month, as a single life annuity for her lifetime commencing at age 60, or if commenced at age 55 then reduced by 30% to \$837.08 per month (or \$786.02 per month as a joint and 50% survivor annuity, or 741.66 as a joint and 100% survivor annuity).

3. Sarah retires at age 55 with 30 benefit credits. Her benefit under this plan shall be: $[30 \text{ years} \times \$35,000 \times 1.64\%] - [\$50,000 \div 10.0979] = \$12,268.48$ per year, or \$1,022.37 per month, as a single life annuity for her lifetime. Because Sarah is retiring with 30 years of service, she can start benefits immediately without reduction even though she is under age 60. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$1,022.37 \times 93.9\% = \960.01 per month (payable as long as she lives and then \$480.00 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity

at the rate of $\$1,022.37 \times 88.6\% = \905.82 per month for as long as either spouse lives. In addition, Sarah has her \$50,000 account balance in Plan 001 to do with as she wishes. Or, Sarah could use the \$50,000 account balance in Plan 001 to "buy back" the offset above, so that her benefit in this plan would be 30 years \times $\$35,000 \times 1.64\% = \$17,220.00$ per year, or $\$1,435.00$ per month, as a single life annuity for her lifetime starting immediately (or $\$1,347.46$ per month as a joint and 50% survivor annuity, or $\$1,271.41$ as a joint and 100% survivor annuity).

4. Sarah terminates employment at age 50 with 20 benefit credits. Her benefit under this plan shall be: $[20 \text{ years} \times \$35,000 \times 1.64\%] - [\$50,000 \div 4.6773] = \$790.07$ per year or $\$65.84$ per month, as a single life annuity for her lifetime, commencing at age 60. If Sarah wishes to commence benefits once she reaches age 55, her monthly benefits are reduced by 30% ($\frac{1}{2}\%$ per month for 60 months), so that her benefit is $\$65.84 \times 70\% = \46.09 per month. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$46.09 \times 93.9\% = \43.28 per month (payable as long as she lives and then $\$21.64$ to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$46.09 \times 88.6\% = \40.84 per month for as long as either spouse lives. Sarah still has her \$50,000 account balance in Plan 001 to do with as she wishes. Or, Sarah could use the \$50,000 account balance in Plan 001 to "buy back" the offset above, so that her benefit in this plan would be 20 years \times $\$35,000 \times 1.64\% = \$11,480.00$ per year, or $\$956.67$ per month, as a single life annuity for her lifetime commencing at age 60, or if commenced at age 55 then reduced by 30% to $\$669.67$ per month (or $\$628.82$ per month as a joint and 50% survivor annuity, or $\$593.32$ as a joint and 100% survivor annuity).

5. Sarah dies at age 55 with 25 benefit credits. As in 2. above, the monthly benefit payable to Sarah would have been $\$589.55$ per month beginning at age 60 had she survived. Instead, her husband will receive a survivor benefit ($\$589.55$ per month), reduced to $\$518.80$ per month to reflect that he is then age 58 rather than 60, payable for as long as he lives. Also, Sarah's designated beneficiary in Plan 001 would have the \$50,000 account balance to do with as he or she wishes.

VIII. MISCELLANEOUS

- A. *Contributions.* The District makes all contributions to the plan. Participants are neither required nor permitted to contribute.
- B. *Trust Fund.* Plan assets (which include contributions and earnings) are held in a trust fund. The Trustee will invest the assets and hold legal title to the trust assets for the benefit of the plan participants.

- C. *Claims Procedure.* If you believe that you are being denied any rights or benefits under the plan, you may file a claim with the Plan Administrator. If you file a claim, the Plan Administrator has 90 days (180 days in special circumstances) to respond. If the Plan Administrator denies your claim, the Plan Administrator must explain (in writing) the reasons for denial of your claim, or if the claim did not contain adequate information, what you must do in order to complete your claim. If your claim is denied (or if the Plan Administrator has not responded to your claim within 90 days), you have 60 days to file a request for review. The Plan Administrator has 60 days to respond to your request for review, although this period may be extended under special circumstances, for example, if the Plan Administrator decides to hold a hearing on your claim. If the Plan Administrator fails to respond, your request is considered to be denied.
- D. *Assignment of Benefits.* You may not assign any portion of your benefit before distribution except to comply with a Domestic Relations Order under ORS 237.600.
- E. *Amendment and Termination:* While the District intends to continue the plan indefinitely, the District reserves the right to amend or even terminate the plan at any time. If the plan is amended, your vested interest will not decrease as a result of the amendment (although you may not accrue additional benefits for a period of time). If the plan is terminated while you are employed at the District, you will automatically be 100% vested. If the plan is terminated, any assets remaining after the payment of all benefits and plan liabilities will revert to the District.
- F. *Rollovers and Transfers.* The Plan will not accept a rollover or transfer from another plan, except a transfer from Plan 001 for a "buy back" as described on page 6.

RESOLUTION #2018-05

**THE SALEM AREA MASS TRANSIT DISTRICT
NON - BARGAINING UNIT RETIREMENT PLAN**

WHEREAS, by Resolution #01-19, the District established the Salem Area Mass Transit District Non-Bargaining Unit Retirement Plan (“the Plan”), which is a form of floor offset defined benefit retirement plan, for its full-time career service non-bargaining unit employees, effective January 1, 2002;

WHEREAS, the Plan was most recently amended and restated pursuant to Resolution #2015-08 to comply with the current requirements of the Internal Revenue Code and the Internal Revenue Service as set forth in IRS Notice 2014-77, so as to retain its status as a “qualified” plan.

WHEREAS, the Plan received a favorable determination letter from the IRS dated June 23, 2017.

WHEREAS, the most recent union contract includes benefits for part-time employees and the bargaining plan is being amended to reflect the change, the non-bargaining plan is now being amended to include the same provision.

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

THAT Resolution #2018 - **05** shall be adopted to direct that the Plan shall be amended by adopting the Amendment attached to this Resolution; and

THAT the General Manager shall be authorized and directed to execute an appropriate Amendment to the Plan to implement this Resolution, to be effective upon signing of the Amendment.

ADOPTED BY THE BOARD OF DIRECTORS OF THE SALEM AREA MASS TRANSIT DISTRICT this **28** day of **June**, 2018.

President
Board of Directors

ATTEST:

Secretary
Board of Directors

**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 and most recently amended to meet the requirements of the Internal Revenue Service.

Having reserved the right to do so, the Employer now wishes to amend the Plan to allow part-time employees to participate. This amendment shall be effective July 1, 2018.

1. Section 1.8 ("Employee") is amended to read as follows:

“‘Employee’ – A regular (full-time and part-time) non-bargaining unit employee still employed as of the Effective Date or first hired after the Effective Date.”

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 #18-05.

Dated this 28th day of June, 2018.

SALEM AREA MASS TRANSIT DISTRICT

By _____
Allan Pollock, General Manager

EMPLOYER

ACCEPTED:

PIONEER TRUST BANK, N.A.

By _____
Its Trust Officer

TRUSTEE

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

SUMMARY PLAN DESCRIPTION

Restated Effective July 1, 2018

INTRODUCTION

The Salem Area Mass Transit District retirement program for non-bargaining employees consists of three retirement plans. Two are "qualified plans" as defined by Internal Revenue Code §401(a):

1. The Salem Area Mass Transit District Retirement Plan for Non-Bargaining Unit Employees, a defined contribution plan (Plan 002); and
2. The Salem Area Mass Transit District Defined Benefit Retirement Plan for Non-Bargaining Unit Employees, a defined benefit plan (Plan 004).

The third plan is the Salem Area Mass Transit District 457 Deferred Compensation Plan, which is a "non-qualified" plan as defined by Internal Revenue Code §457.

All career service employees of the District are eligible to make pre-tax contributions under the 457 Plan. In addition, all full-time non-bargaining unit career service employees will be participants in the two qualified plans above.

This booklet is a summary plan description (SPD) of how Plan 004 listed above, i.e., the Salem Area Mass Transit District Defined Benefit Plan for Non-Bargaining Unit Employees, functions and operates. If there is a conflict between the SPD and the plan document, the plan document governs. If you have any questions, feel free to contact the District's Human Resources Division Director or the District's Business Services Division Director.

This SPD reflects the terms and provisions of the defined benefit plan as of July 1, 2018.

I. GENERAL INFORMATION

A. Employer Information

Name: Salem Area Mass Transit District
Address: 555 Court Street NE, Suite 5230, Salem, OR 97301
Telephone: (503) 588-2424
EIN: 93-0793128

B. Plan Administrator Information

Name: Salem Area Mass Transit District
Address: 555 Court Street NE, Suite 5230, Salem, OR 97301
Telephone: (503) 588-2424
EIN: 93-0793128

C. Trustee Information

Name: Pioneer Trust Bank, N.A.
Address: 109 Commercial Street NE, Salem, OR 97301
Telephone: (503) 363-3136

D. Plan Number: 004

E. Plan Year: July 1 - June 30

F. Effective Date: July 1, 2018

The plan is not insured by the Pension Benefit Guaranty Corporation ("PBGC") because the District is a government agency and instrumentality of the State of Oregon, and therefore, the plan is not subject to PBGC requirements.

II. DEFINITIONS

It is important that you understand the meaning of these terms:

- A. *Normal Retirement Age* - means the Participant's age 60.
- B. *Early Retirement Age* - means the Participant's age 55 or, if earlier, the completion of 30 years of service (*i.e.*, 30 Vesting Credits as defined below) for the Employer.
- C. *Compensation* - means the total amount of compensation (including overtime) paid to you by the District which is subject to FICA and Medicare tax, including any salary reductions under the 457 Plan. *Compensation* includes payments for sick leave (including cash-out to your HRA VEBA account on termination), vacation, holidays, jury duty and similar compensatory time off. *Compensation* does not include disability benefits, expense reimbursements, moving expenses, or payments under any early retirement, severance, or similar program. If you become eligible to participate in the middle of a plan year, your *compensation* for the plan year does not include compensation paid before you became a Participant.
- D. *Hour of Service* - means each hour for which you are paid for working. It also includes hours for which you are paid (including cash-outs to you or to your HRA VEBA account) but are not working because:
 - 1. you are on a paid leave of absence,
 - 2. you are on paid vacation leave, paid administrative leave or paid holiday leave,
 - 3. you are on paid sick leave, or
 - 4. you are on paid court appearance leave.
- E. *Break in Service* - means any Plan Year in which you fail to complete more than 800 Hours of Service.
- F. *Final Average Salary* - means the average of a Participant's annual compensation for five consecutive years of employment (60 months) during which such compensation was the highest.
- G. *Participant* - means a non-bargaining unit employee eligible to participate in the plan as explained in Section III. below
- H. *Benefit Credits* - means the number of Plan Years that a Participant is credited with 1,600 hours of service as a non-bargaining unit employee, with a half-credit for each Plan Year that the Participant is credited with at least 800 hours of service but less than 1,600 hours of service. This calculation shall be based on actual hours of service commencing as of July 1, 2001. Participants shall also receive Benefit Credits based on hours of service credited before July 1, 2001 as set forth on Exhibit B attached to the Plan. You will be informed of your prior service credit upon request to the Administrator.

- I. *Vesting Credits* - means the number of Plan Years that a Participant is credited with 1,600 hours of service as an employee, with a half-credit for each Plan Year that the Participant is credited with at least 800 hours of service but less than 1,600 hours of service, whether before or after the Effective Date.

III. PARTICIPATION

All full-time and part-time non-bargaining unit employees shall become Participants upon reaching "Career Service Status" with Employer. An employee attains "Career Service Status" upon completion of the "Trial Service Period," which lasts until the first day of the month following satisfactory completion of six months of service.

IV. BENEFITS

- A. *Benefit Formula*. The pension benefit payable at a Participant's Normal Retirement Date (the first day of the month after the Participant reaches Normal Retirement Age) will be equal to the excess (if any) of 1. over 2. below:
 1. 1.64% times the Participant's Final Average Salary times the Participant's Benefit Credits. (1.5% for Participants who terminated employment before July 1, 2007.)
 2. The amount which is the actuarial equivalent of the Participant's account balance in the Salem Area Mass Transit District Non-Bargaining Unit Retirement Plan (Plan 002) as of termination of employment. For purposes of determining the account balance in that plan, added back is the amount of any payments from the account including any payments to an "alternate payee" pursuant to a "qualified domestic relations order" plus interest at 8% per annum from the date of each such payment to the first day of the month following termination of employment.

The benefit formula above calculates an annual pension amount. This amount shall be divided by twelve and paid monthly, as explained below.

- B. *Five-Year Vesting*. To receive any benefit under the Plan, a Participant must be vested. A Participant becomes vested upon earning five (5) vesting credits. A Participant also becomes automatically vested if he or she is still employed with Employer upon attainment of age 60.

A Participant who incurs a Break in Service in any Plan Year before earning five (5) vesting credits automatically forfeits all benefits under this Plan. The benefits

forfeited shall be restored if, in any Plan Year, the Participant again is credited with at least 800 hours of service in a subsequent Plan Year.

- C. *Late Retirement.* A Participant who continues to be employed beyond his or her Normal Retirement Date will not receive pension benefits until actual retirement. The Participant will continue to earn Benefit Credits until actual retirement.
- D. *Early Retirement.* A Participant who terminates employment with vested benefits before his or her Normal Retirement Date may elect, as of the first day of any month after his or her Early Retirement Age (Early Retirement Date), to commence receipt of his or her pension. In the event of early retirement without 30 Vesting Credits, the amount of the pension shall be as computed in A. above, reduced by $\frac{1}{2}\%$ times the number of whole calendar months between the date the pension commences and the Participant's 60th birthday. If the Participant has 30 Vesting Credits, then the amount of the pension shall not be reduced.
- E. *Forms of Benefit.*
 - 1. *Single Life Annuity.* The normal form of pension payment under the Plan shall be a single life annuity, in equal monthly payments for as long as the Participant lives, with the last payment being made as of the first day of the month of the Participant's death. No further benefits shall be paid after the Participant's death.
 - 2. *Joint and Survivor Annuity.* A Participant who is married at the time of retirement shall have the option to elect a joint and 50% survivor annuity or a joint and 100% survivor annuity. A joint and survivor 50% annuity is a monthly pension payment to the Participant for the life of the Participant, followed by a payment to the surviving spouse, if any, equal to 50% of the amount that was being paid to the Participant for the life of the surviving spouse. A joint and 100% survivor annuity is a monthly pension payment to the Participant for the life of the Participant, followed by a payment of the same monthly amount to the surviving spouse, if any, for the life of the surviving spouse. To reflect the potential for a longer payout, the amount of the monthly payment shall be reduced from the amount calculated for a single life annuity based on tables incorporated into the plan.
 - 3. *Notice and Consent.* Upon retirement, each Participant shall be given an explanation of the form and amounts of each benefit available. Subject to 4. below, an unmarried Participant's pension benefit shall automatically be paid in the form of a single life annuity. Subject to 4. below, a married Participant's pension benefit shall be paid in the form of a joint and 50% benefit unless the Participant and his or her spouse elect to receive a single life annuity or a joint and 100% survivor annuity.

4. *Lump Sum.* If the actuarial present value of the pension benefit is \$5,000 or less when that Participant retires, the Participant will receive a lump-sum payment, not an annuity, equal to the actuarial present value. In no other event is a lump sum payment available from this Plan.
5. *Option to "Buy Back" the Offset.* At the time that a Participant terminates employment, the Participant shall have the election to transfer his or her account balance, if any, in Plan 002 for more benefits in this Plan. The amount of extra benefits in this Plan shall be the actuarial equivalent of the account balance so transferred. In most cases, this will result in the Participant's benefits being the amount in paragraph A.1. above, without subtraction of the amount in paragraph A.2. above, in exchange for the account balance in Plan 002.

F. *Death Benefit.*

1. *Unmarried Participant.* If an unmarried Participant dies before commencement of his or her pension benefit, whether or not vested, all pension benefits under this Plan shall be forfeited and no benefits shall be paid on account of that Participant.
2. *Married Participant.* If a married Participant dies with a vested benefit before commencement of his or her pension benefit, the Participant's surviving spouse shall be paid a survivor annuity. The amount of the survivor annuity shall be equal to the amount of the Participant's pension benefit computed in A. above as of the date of the Participant's death, adjusted actuarially to compensate for the difference between the surviving spouse's age at benefit commencement and the Participant's Normal Retirement Age. If the present value of the survivor annuity benefit is \$5,000 or less, the benefit will be paid in a lump sum as soon as it is administratively feasible to do so. If the present value is greater than \$5,000, the surviving spouse will receive the annuity starting as of the second month following the date of the Participant's death.

G. *Domestic Partners.* Under paragraphs E. and F. above, any reference to a married Participant shall include a Participant who is a member of a same-sex domestic partnership registered under Oregon law. And any reference to the spouse of a married Participant, or to the surviving spouse of a deceased Participant, shall include the same-sex domestic partner of a Participant or surviving same-sex domestic partner of a deceased Participant, provided that the domestic partnership is registered under Oregon law. This provision shall be effective February 4, 2008 for all Participants of the Plan on or after that date.

H. *Re-Employment After Retirement.* If a Participant who has retired and has commenced receipt of pension benefits is then re-employed by the District at a rate of at least 800 hours of service in any Plan Year, the pension benefits shall be

immediately suspended. The pension benefits suspended shall resume, unadjusted and in the same payment form, when the Participant again retires from the District. In addition, the Participant shall receive a separate, second pension benefit based solely on his or her Benefit Credits earned during the period of re-employment.

- I. *Actuarial Equivalence.* All benefits provided by the plan shall be “actuarially equivalent” to the benefit formula in paragraph A. above payable as a single life annuity. The calculation of “actuarial equivalence” of different forms of benefits shall be made by use of the tables attached as Exhibit A.

In particular, the monthly benefit amount of a married Participant who elects a joint and survivor benefit with his or her spouse shall be reduced to compensate for the fact that the benefit will be paid for as long as either spouse lives. The amount of the reduction is dependent on whether the Participant elects a 50% survivor annuity or a 100% survivor annuity, and is also dependent on the age of the spouse relative to the age of the Participant. For example, the amount of the monthly benefit for a Participant electing a joint and 100% survivor annuity and whose spouse is within five years of the age of the Participant shall be 88.6% of the amount of the single life annuity determined under the benefit formula in paragraph A above.

Further, table 2 in Exhibit A shall be used for purposes of calculating the offsetting “actuarially equivalent” benefit of the account balance in Plan 002, depending on the age of the Participant as of the beginning of the month following retirement or termination of employment. The amount of the “actuarially equivalent” benefit is determined by dividing the account balance by the factor in table 2 of Exhibit A corresponding to the Participant’s attained age. However, if the Participant retires before age 60 with at least 30 benefit credits, then the “actuarially equivalent” benefit of the account balance in Plan 002 shall be determined by dividing the account balance by the factor corresponding to age 60 regardless of the Participant’s actual age.

- J. *Comprehensive Example.* Assume Sarah is a Participant who was employed on July 1, 2007 and who has a Final Average Salary of \$35,000 and an account balance in Plan 002 of \$75,000, and that she is married to a husband who is three years older than she is. Further, assume the following facts:

1. Sarah retires at age 60 with 25 benefit credits. Her benefit under this plan shall be: $[25 \text{ years} \times \$35,000 \times 1.64\%] - [\$75,000 \div 10.0979] = \$6,922.71$ per year, or \$576.89 per month, as a single life annuity for her lifetime. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$576.89 \times 93.9\% = \541.70 per month (payable as long as she lives and then \$270.85 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$576.89 \times 88.6\% = \511.12 per month for as long as either spouse lives. In addition, Sarah has her \$75,000 account balance in Plan 002 to do with as she wishes. Or, Sarah could use the \$75,000 account balance in Plan 002 to “buy back” the offset above, so that her benefit in this plan would be $25 \text{ years} \times \$35,000 \times 1.64\% = \$14,350$

per year, or \$1,195.83 per month, as a single life annuity for her lifetime (or \$1,122.88 per month as a joint and 50% survivor annuity, or \$1,059.51 as a joint and 100% survivor annuity).

2. Sarah retires at age 55 with 25 benefit credits. Her benefit under this plan shall be: $[25 \text{ years} \times \$35,000 \times 1.64\%] - [\$75,000 \div 6.8725] = \$3,436.94$ per year, or \$286.41 per month, as a single life annuity for her lifetime, commencing at age 60. If Sarah wishes to commence benefits immediately at age 55, her monthly benefits are reduced by 30% ($\frac{1}{2}\%$ per month for 60 months), so that her benefit is $\$286.41 \times 70\% = \200.49 per month. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$200.49 \times 93.9\% = \188.26 per month (payable as long as she lives and then \$94.13 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$200.49 \times 88.6\% = \177.63 per month for as long as either spouse lives. In addition, Sarah has her \$75,000 account balance in Plan 002 to do with as she wishes. Or, Sarah could use the \$75,000 account balance in Plan 002 to "buy back" the offset above, so that her benefit in this plan would be $25 \text{ years} \times \$35,000 \times 1.64\% = \$14,350$ per year, or \$1,195.83 per month (commencing at age 60), or if commenced at age 55, then reduced by 30% to \$837.08 per month, as a single life annuity for her lifetime (or \$786.02 per month as a joint and 50% survivor annuity, or \$741.65 as a joint and 100% survivor annuity).

3. Sarah retires at age 55 with 30 benefit credits. Her benefit under this plan shall be: $[30 \text{ years} \times \$35,000 \times 1.64\%] - [\$75,000 \div 6.8725] = \$6,306.94$ per year, or \$525.58 per month, as a single life annuity for her lifetime. Because Sarah is retiring with 30 years of service, she can start benefits immediately without reduction even though she is under age 60. Also, Sarah and her husband have the option of a joint and 50% survivor annuity at the rate of $\$525.58 \times 93.9\% = \493.18 per month (payable as long as she lives and then \$246.59 to her husband for as long as he lives); or the option of a joint and 100% survivor annuity at the rate of $\$525.58 \times 88.6\% = \465.66 per month for as long as either spouse lives. In addition, Sarah has her \$75,000 account balance in Plan 002 to do with as she wishes. Or, Sarah could use the \$75,000 account balance in Plan 002 to "buy back" the offset above, so that her benefit in this plan would be $30 \text{ years} \times \$35,000 \times 1.64\% = \$17,220$ per year, or \$1,435 per month, as a single life annuity for her lifetime starting immediately (or \$1,347.47 per month as a joint and 50% survivor annuity, or \$1,271.41 as a joint and 100% survivor annuity).

4. Sarah terminates employment at age 50 with 20 benefit credits. Her benefit under this plan shall be: $[20 \text{ years} \times \$35,000 \times 1.64\%] - [\$75,000 \div 4.6773] = \$0$. In other words, Sarah's account balance in Plan 002 is projected to produce a larger annual benefit at age 60 than the benefit formula in paragraph A above. This means that Plan 002 fully offsets the benefits under this plan and Sarah receives no benefits under this plan. Sarah still has her \$75,000 account balance in Plan 002 to do with as she wishes.

5. Sarah dies at age 55 with 25 benefit credits. As in 2. above, the monthly benefit payable to Sarah would have been \$286.41 per month beginning at age 60 had she survived. Instead, her husband will receive a survivor benefit (\$286.41 per month), reduced to \$252.04 per month to reflect that he is then age 58 rather than 60, payable for as long as he lives. Also, Sarah's designated beneficiary in Plan 002 would have the \$75,000 account balance to do with as he or she wishes.

V. MISCELLANEOUS

- A. *Contributions.* The District makes all contributions to the plan. Participants are neither required nor permitted to contribute.
- B. *Trust Fund.* Plan assets (which include contributions and earnings) are held in a trust fund. The Trustee will invest the assets and hold legal title to the trust assets for the benefit of the plan Participants.
- C. *Claims Procedure.* If you believe that you are being denied any rights or benefits under the plan, you may file a claim with the Plan Administrator. If you file a claim, the Plan Administrator has 90 days (180 days in special circumstances) to respond. If the Plan Administrator denies your claim, the Plan Administrator must explain (in writing) the reasons for denial of your claim, or if the claim did not contain adequate information, what you must do in order to complete your claim. If your claim is denied (or if the Plan Administrator has not responded to your claim within 90 days), you have 60 days to file a request for review. The Plan Administrator has 60 days to respond to your request for review, although this period may be extended under special circumstances, for example, if the Plan Administrator decides to hold a hearing on your claim. If the Plan Administrator fails to respond, your request is considered to be denied.
- D. *Assignment of Benefits.* You may not assign any portion of your benefit before distribution except to comply with a Domestic Relations Order under ORS 237.600.
- E. *Amendment and Termination:* While the District intends to continue the plan indefinitely, the District reserves the right to amend or even terminate the plan at any time. If the plan is amended, your vested interest will not decrease as a result of the amendment (although you may not accrue additional benefits for a period of time). If the plan is terminated while you are employed at the District, you will automatically be 100% vested. If the plan is terminated, any assets remaining after the payment of all benefits and plan liabilities will revert to the District.
- F. *Rollovers and Transfers.* The Plan will not accept a rollover or transfer from another plan, except a transfer from Plan 002 for a "buy back" as described on page 6.



BOARD MEETING MEMO

Agenda Item H.2.d

To: Board of Directors

From: Allan Pollock, General Manager

Date: June 28, 2018

Subject: Appointments to the Statewide Transportation Improvement Fund Advisory Committee (STIFAC)

ISSUE

Shall the Board appoint members to the STIFAC as proposed in Attachment A?

BACKGROUND AND FINDINGS

House Bill 2017 requires that all Qualified Entity's (QE) appoint a State Transportation Improvement Fund (STIF) Advisory Committee to assist the QE in carrying out the purpose of the STIF and determine the projects to be funded as part of the QE's STIF Plan.

The rules were adopted by the Oregon Transportation Commission at their June 22, 2018 meeting. The rules state a STIFAC must include at least one person who is a low-income individual; one person who is disabled or is age 65 or older; and one Public Transportation Service Provider or non-profit public transportation service provider.

The District will include STIFAC members from both within and outside District boundaries to the extent practicable. The District's intent is to appoint a STIFAC composed of members that represent diverse interests, perspectives, geography, and the demographics of the area.

The rules state in order to be qualified to be appointed and continue to serve as a member of the STIFAC, the person must be knowledgeable about the public transportation needs of residents or employees located within or traveling to and or from the District. In addition, to be qualified to be appointed and continue to serve, the person must be a member of or represent any one or more of the following:

- (A) Local governments, including land use planners;
- (B) Public Transportation Service Providers;**
- (C) Non-profit entities which provide public transportation services;

- (D) Neighboring public transportation service providers;
- (E) Employers;
- (F) Public health, social and human service providers;
- (G) Transit users;
- (H) Transit users who depend on transit for accomplishing daily activities;
- (I) Individuals age 65 or older;**
- (J) People with disabilities;**
- (K) Low-income individuals;**
- (L) Social equity advocates;
- (M) Environmental advocates;
- (N) Bicycle and pedestrian advocates;
- (O) People with limited English proficiency;
- (P) Educational institutions; or,
- (Q) Major destinations for users of public transit.

The proposed STIFAC members are listed in Attachment A. It is anticipated the kickoff meeting for the STIFAC will occur in late July, early August. According to the draft by-laws at the time of the initial formation of the STIFAC, the Board will determine by lot which of the members will be appointed to a one year term and which members will be appointed to two year terms, so that the terms of office of the initial members of the STIFAC will be staggered. This will be accomplished upon adoption of the by-laws.

FINANCIAL IMPACT

None.

RECOMMENDATION

Staff recommends the board appoint members to the STIFAC as proposed in Attachment A.

PROPOSED MOTION

I move that the Board appoint members to the Statewide Transportation Improvement Fund Advisory Committee as proposed in Attachment A.

Attachment A

**SALEM AREA MASS TRANSIT DISTRICT
STATEWIDE TRANSPORTATION IMPROVEMENT FUND
ADVISORY COMMITTEE**

Position #	Criteria	Candidate
1*	Public Transit Service Provider	Jim Row, Assistant City Administrator Woodburn Transit
2*	Low-Income Individuals	
3*	Individuals age 65 or older/People with Disabilities	
4	Educational Institutions/ Employer	Tim Rogers, Associate VP/CIO Chemeketa Community College
5	Transit User	Chris Havel
6	Bicycle and Pedestrian Advocates	Becky Gilliam, Pacific NW Regional Policy Manager Safe Routes to School
7	Public Health, Social and Human Service Providers	Jim Seymour, Executive Director Catholic Community Services
8	Public Health, Social and Human Service Providers	Glenn Morrison, Sr. Epic Analyst Salem Health
9		
10		
11		

* Required criteria under HB 2017



BOARD MEETING MEMO

Agenda Item H.2.e

To: Board of Directors

From: Robert Krebs, Board President

Date: June 28, 2018

Subject: Board President Appointment to Represent Cherriots on the City of Salem *Our Salem* Stakeholder Advisory Committee

ISSUE

Shall the Board President appoint a Board Member to represent Cherriots on the City of Salem *Our Salem* Stakeholder Advisory Committee?

BACKGROUND AND FINDINGS

The City of Salem is embarking on a comprehensive plan update project titled *Our Salem*. The project will help guide future growth and development in the Salem area. As part of the project a stakeholder advisory committee will be established to provide direction at key milestones throughout the project and provide guidance on value choices.

The stakeholder advisory committee will consist of city councilors, planning commissioners, and neighborhood association, business community, development community, livability representatives and other stakeholders. In discussions with City staff a representative from Cherriots will also be included as a stakeholder.

FINANCIAL IMPACT

None.

PROPOSED MOTION – PRESIDENT KREBS

I appoint Board Member Marcia Kelley to represent Cherriots on the City of Salem *Our Salem* Stakeholder Advisory Committee.



BOARD MEETING MEMO

Agenda Item J.1

To: Board of Directors

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

Thru: Allan Pollock, General Manager

Date: June 28, 2018

Subject: Final Consultant Report for the Highway 99E Corridor Transit Planning Project

ISSUE

Shall the Board accept the final consultant report for the Highway 99E Transit Corridor Planning Project?

BACKGROUND AND FINDINGS

The purpose of the Highway 99E Corridor Transit Planning Project is to explore ways to improve transit service in the Highway 99E corridor from Salem to Oregon City. The City of Canby operates Canby Area Transit (CAT) Route 99X from Woodburn to Oregon City and is a partner in this project. Cherriots operates Route 10X from Salem to Woodburn and meets the CAT Route 99X at its final stop at Bi-Mart near the intersection of Mt. Hood Avenue and Highway 99E. Cherriots is the grant recipient and is the project manager of the consultant, Jarrett Walker and Associates (JWA), but the City of Canby is sharing the local match payment and is committed to providing staff time in a minor way for the project.

This project is funded through an Oregon Department of Transportation (ODOT) Transit Network grant, received in 2016. Our consultant, JWA, was chosen to lead the project because they were the consultant which performed the Cherriots Regional Transit Planning study in 2016 and were also the consultant for the City of Canby's Transit Master Plan document in 2016 and 2017.

The City has provided input for things such as developing potential schedules, and has articulated the needs of the City of Canby in relation to a future potential agreement

between the City and SAMTD, to potentially provide continuous service from Oregon City to Salem along the Highway 99E corridor. The District's experience sharing the service between Salem and Wilsonville with SMART could be used as a model for a future agreement with Canby. Currently, the City of Canby and SAMTD both have the same contractor, MV Transportation Inc., running the Cherriots Regional and CAT bus networks.

A revenue neutral plan and one with increased funding has been developed by JWA. This is a goal of the current Coordinated Public Transportation - Human Services Plan ("The Coordinated Plan") and has been voiced by many Cherriots and Cherriots Regional riders – to find a way to get from Salem to Portland with a minimum number of transfers and lowest cost. Fare policy was also a topic explored by the consultant.

The Existing Conditions for the Highway 99E Corridor are documented in the consultant's first volume of the final report. The future alternatives are included in Volume II. Volumes I and II can be found in **Attachment A** of this memo.

Michelle Pouyorow will be present at the Board meeting to give a presentation on the recommendations and findings of the project. She will be available for Board members to ask questions during the presentation.

FINANCIAL IMPACT

There is no financial impact to this issue.

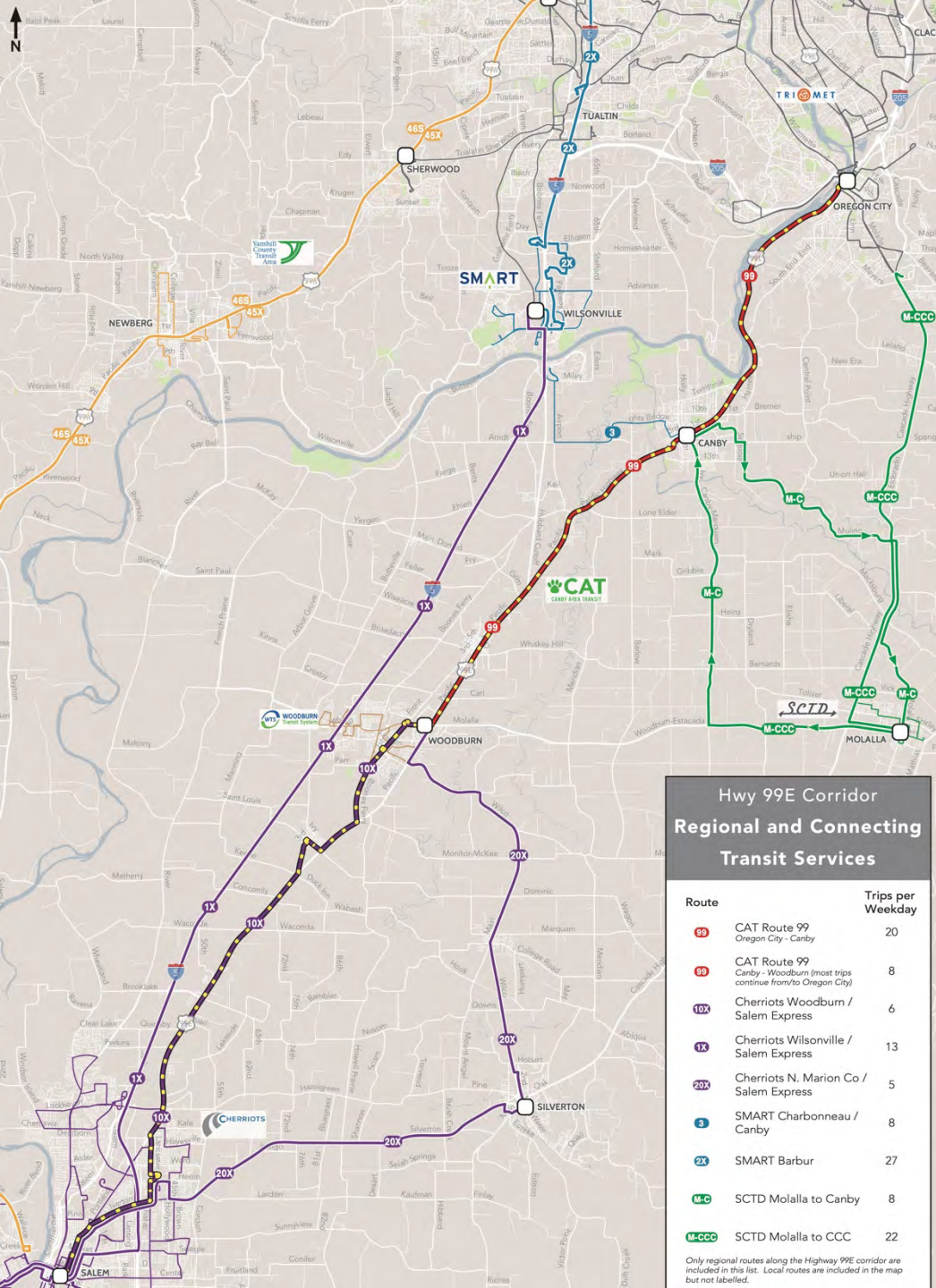
RECOMMENDATION

Staff recommends the Board accept the final consultant report for the Highway 99E Transit Corridor Planning Project.

PROPOSED MOTION

I move that the Board accept the final consultant report for the Highway 99E Transit Corridor Planning Project.

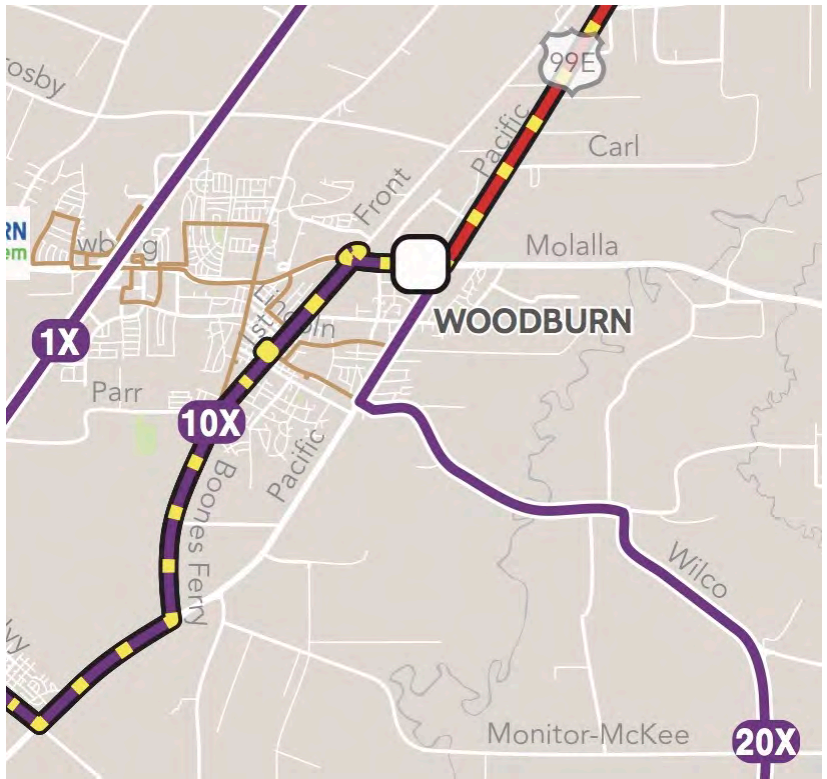
99E Transit Planning Project



Commutes for which...






























...the 1X could be relevant: 29,000

...the 10X/99X could be relevant: 48,000

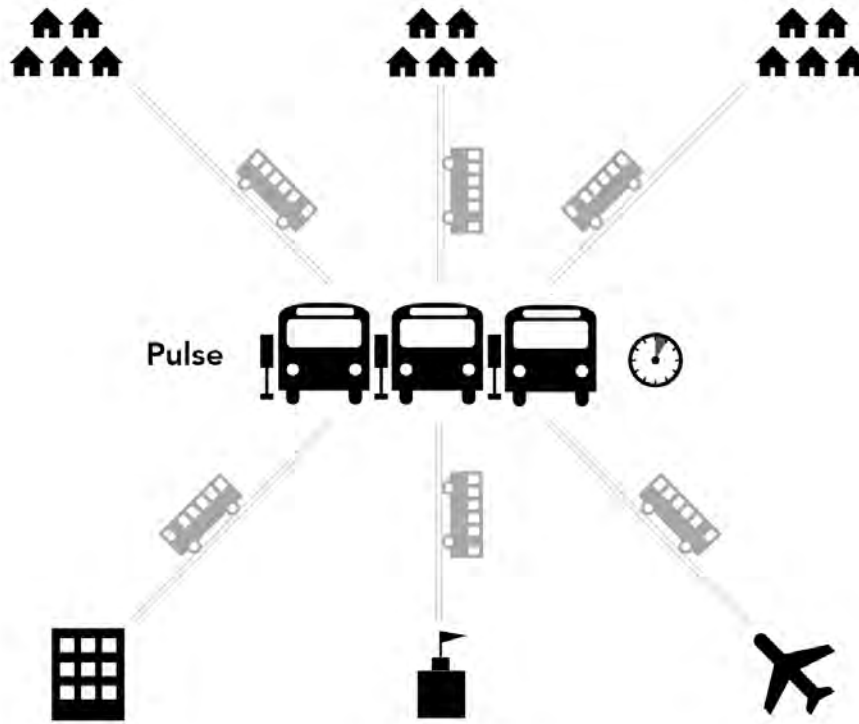


Current Transfer Opportunities

wait time 10 minutes or less

Northbound to Canby		Southbound to Salem	
CAT: 99E		CAT: 99E	
	6 AM	 → 	6 AM
	7 AM		7 AM
	8 AM		8 AM
	9 AM		9 AM
	10 AM		10 AM
	11 AM		11 AM
	12 PM		12 PM
	1 PM		1 PM
	2 PM		2 PM
	3 PM		3 PM
	4 PM		4 PM
	5 PM		5 PM
	6 PM		6 PM
	7 PM		7 PM
SKT: 10X		SKT: 10X	



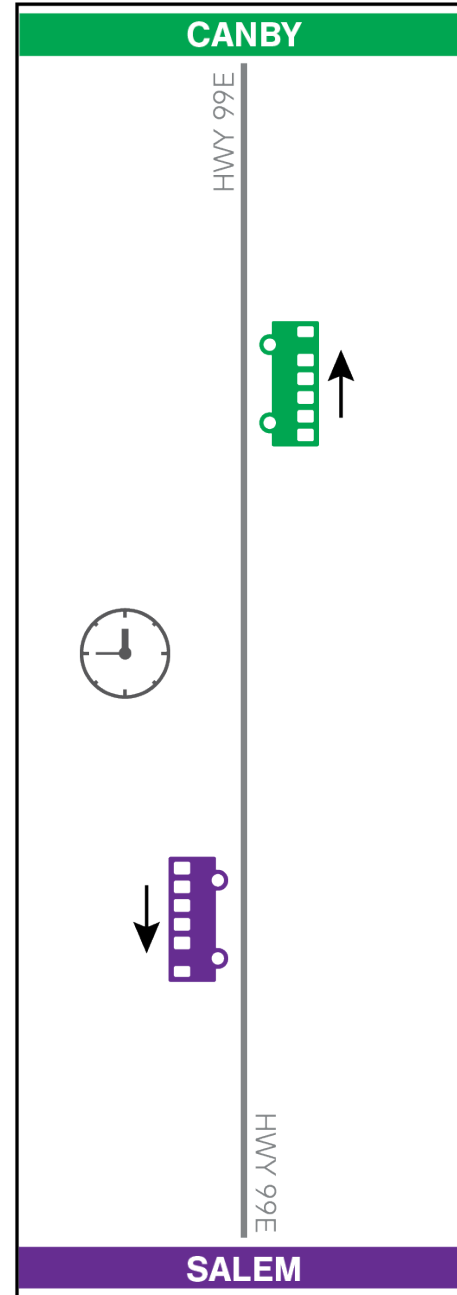
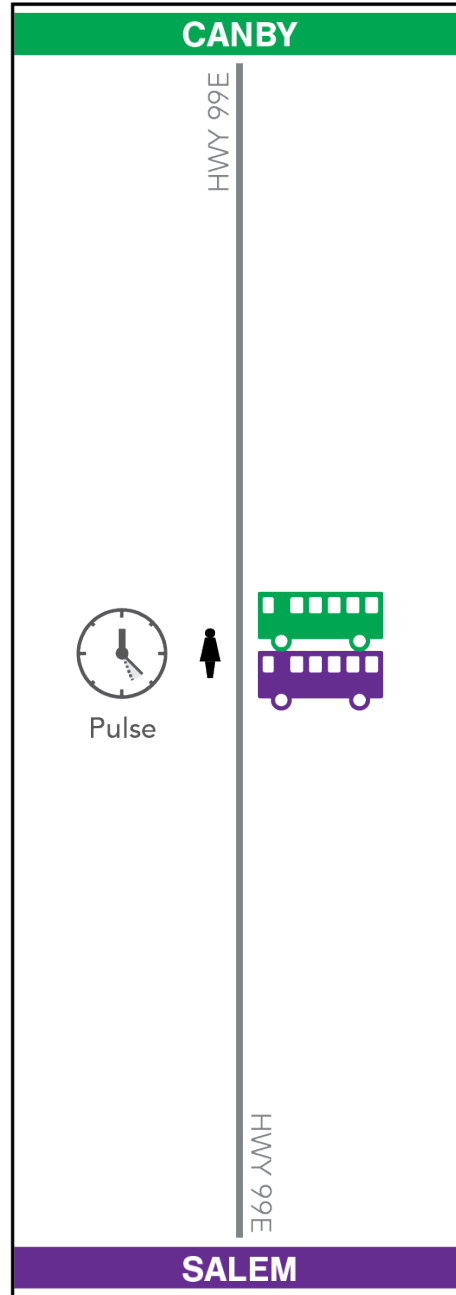
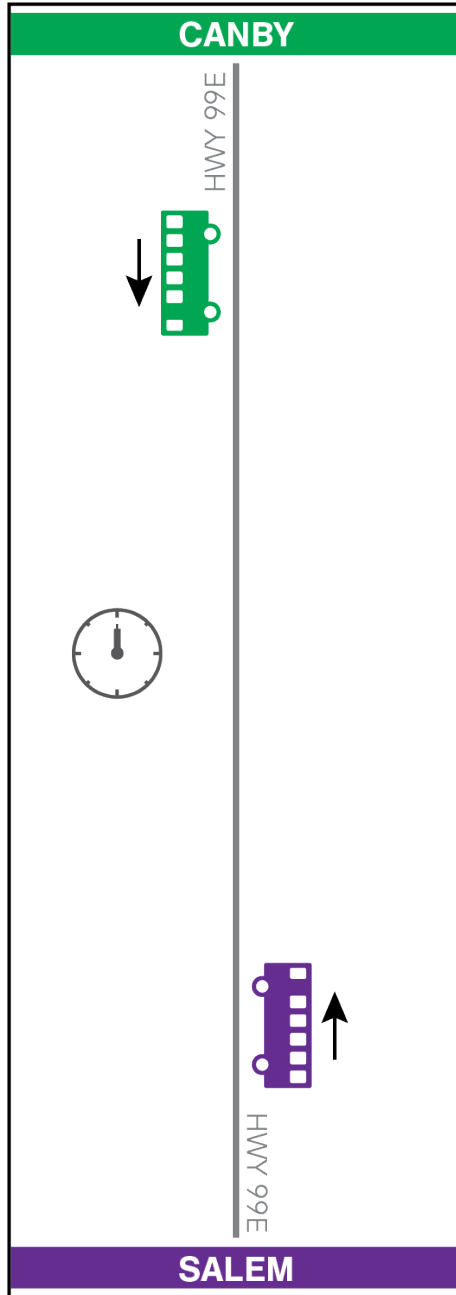


Happening in:

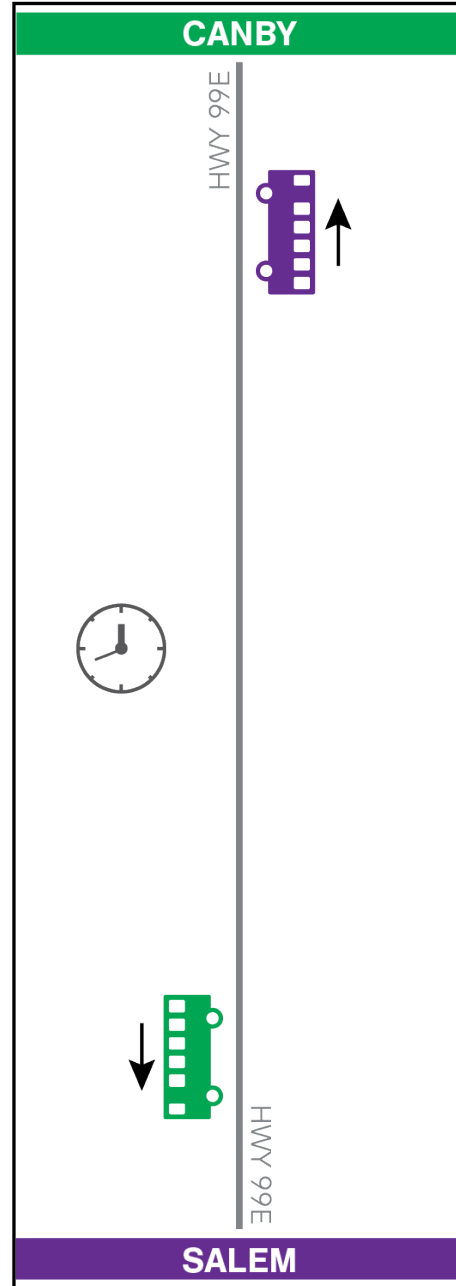
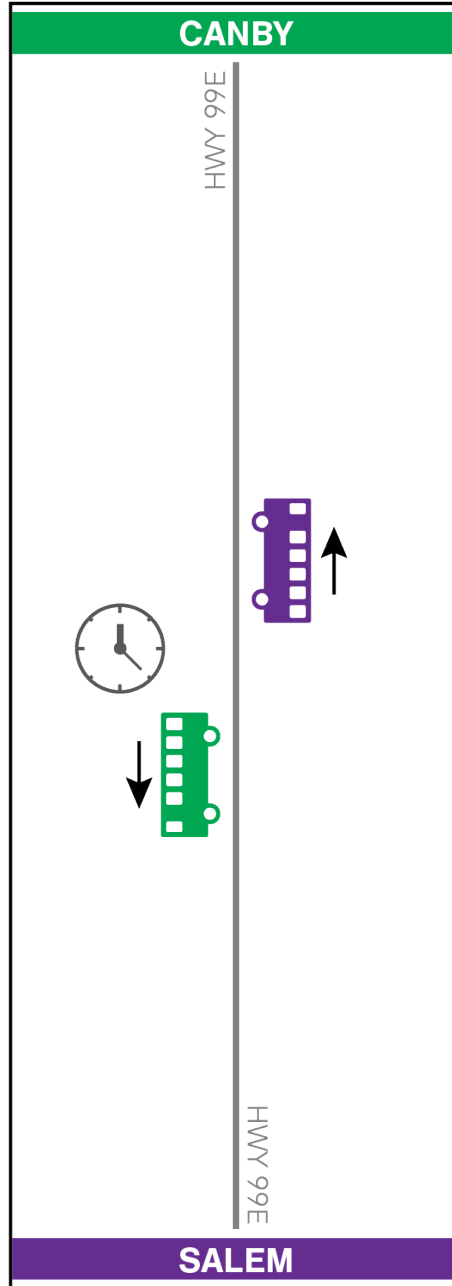
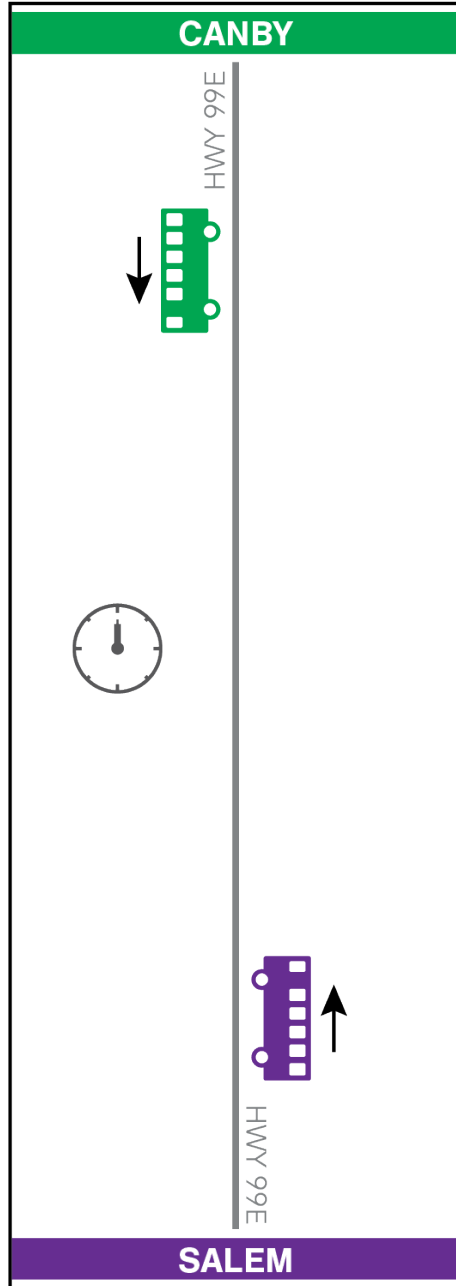
- Downtown Salem
- Canby (99X and Wilsonville Route 3)
- Wilsonville (1X, WES, other routes)

...add Woodburn?

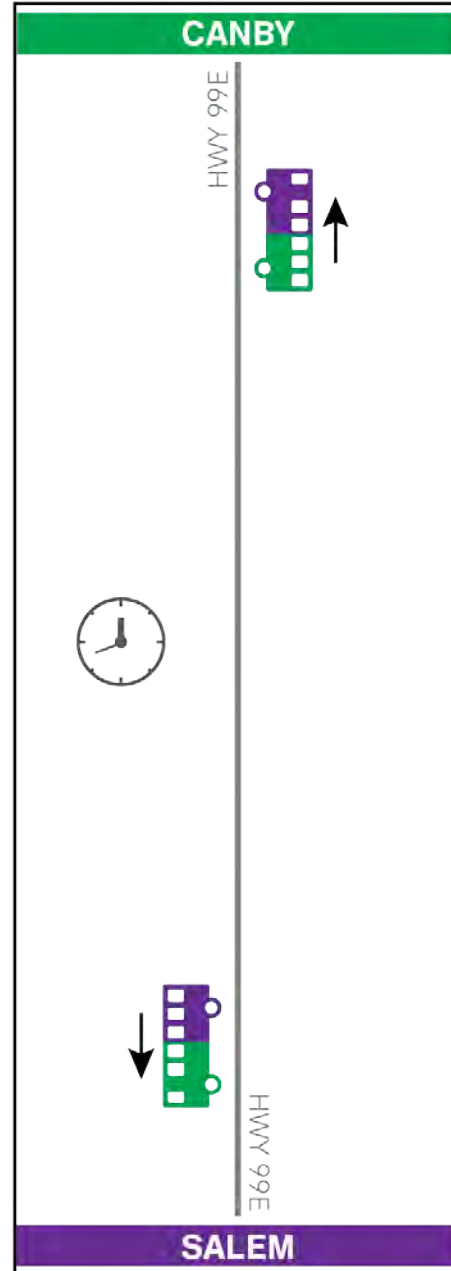
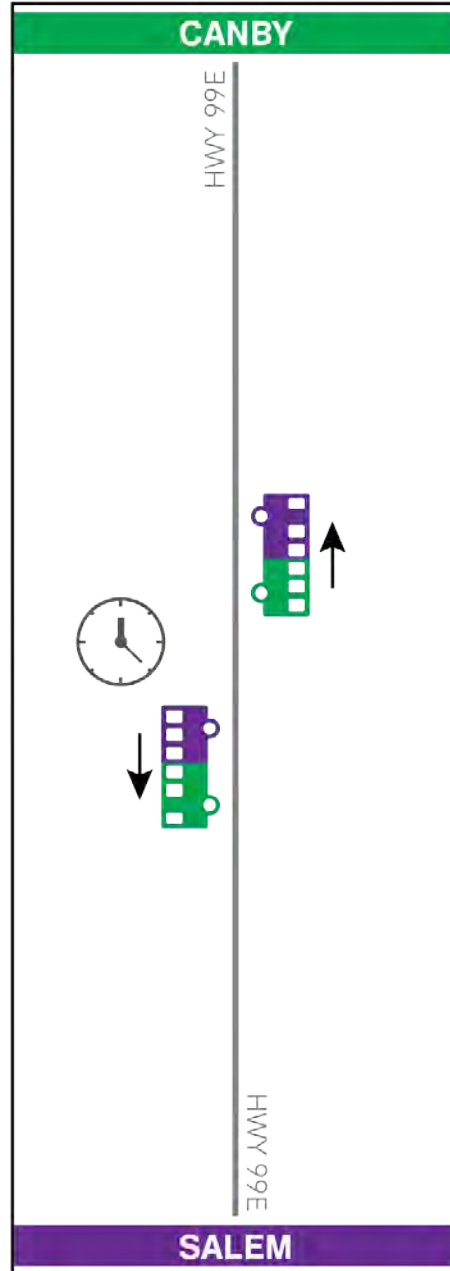
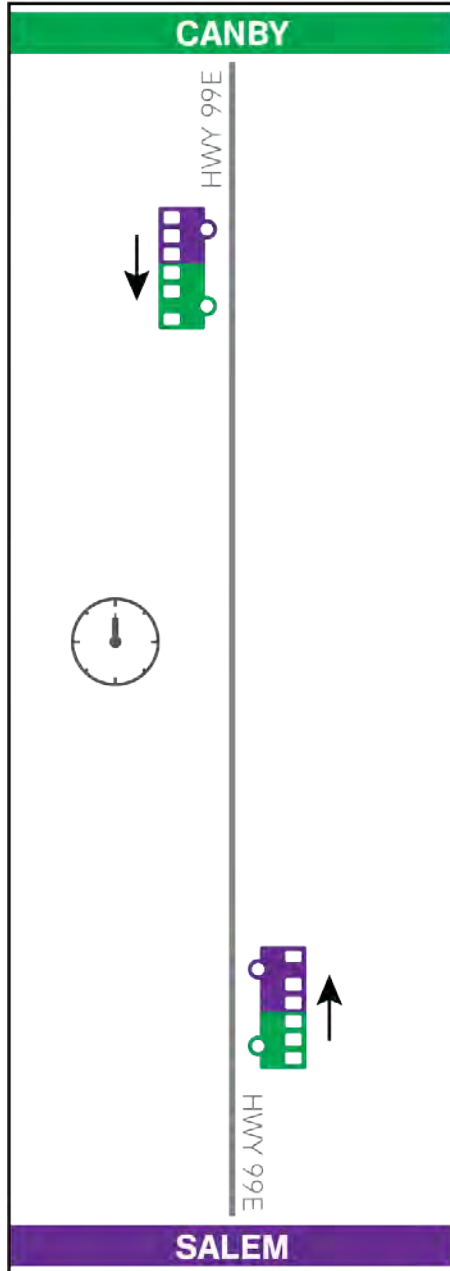
"Pulse" or Timed-Connection



Traded Trips



Single operator, joint funding



More than just service coordination:

- Fares?
- Supervision?
- Breakdowns and emergencies?
- Public information?
- Rules?
- Data collection?

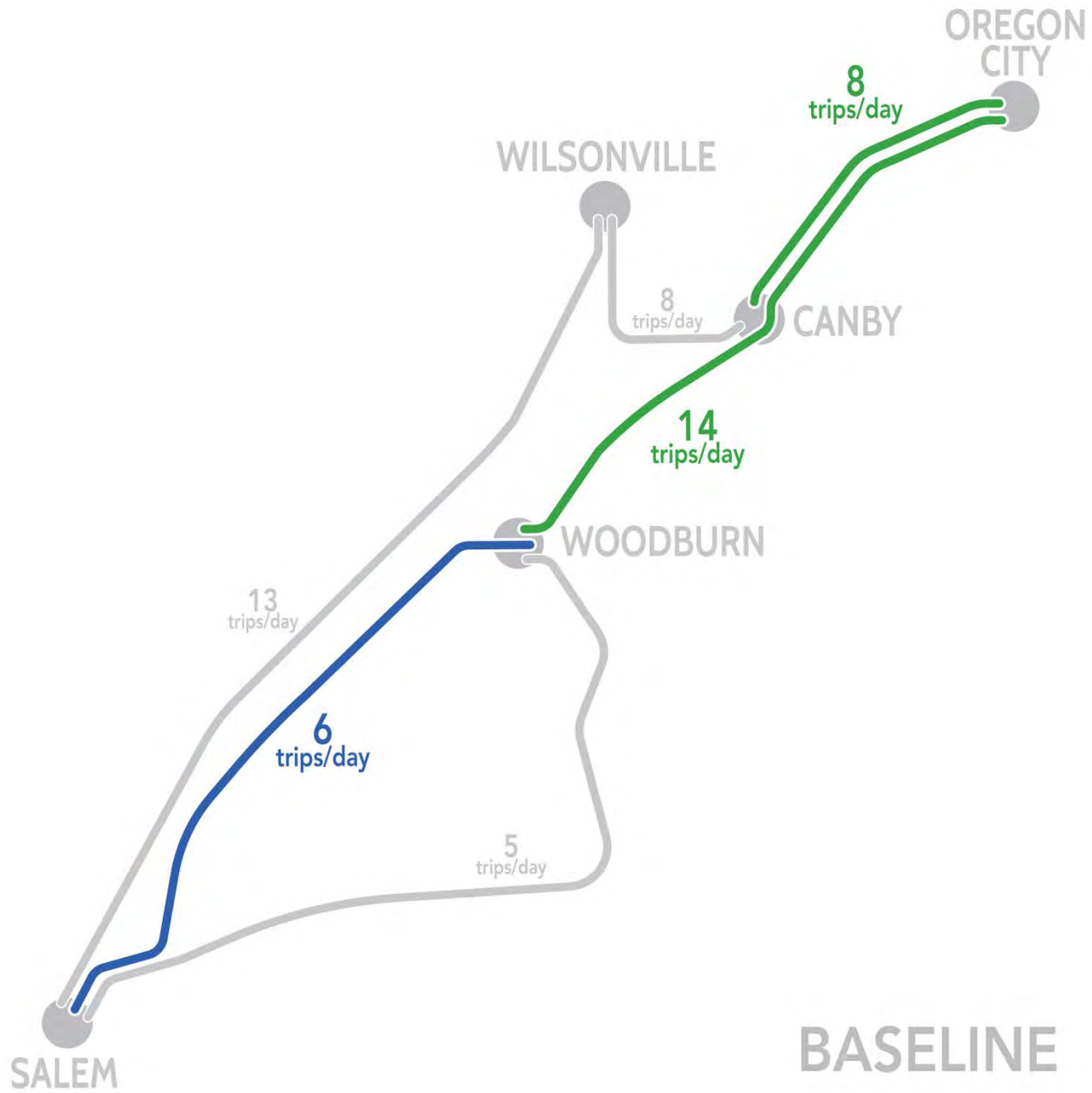
Oregon experience

NW Connector
Alliance

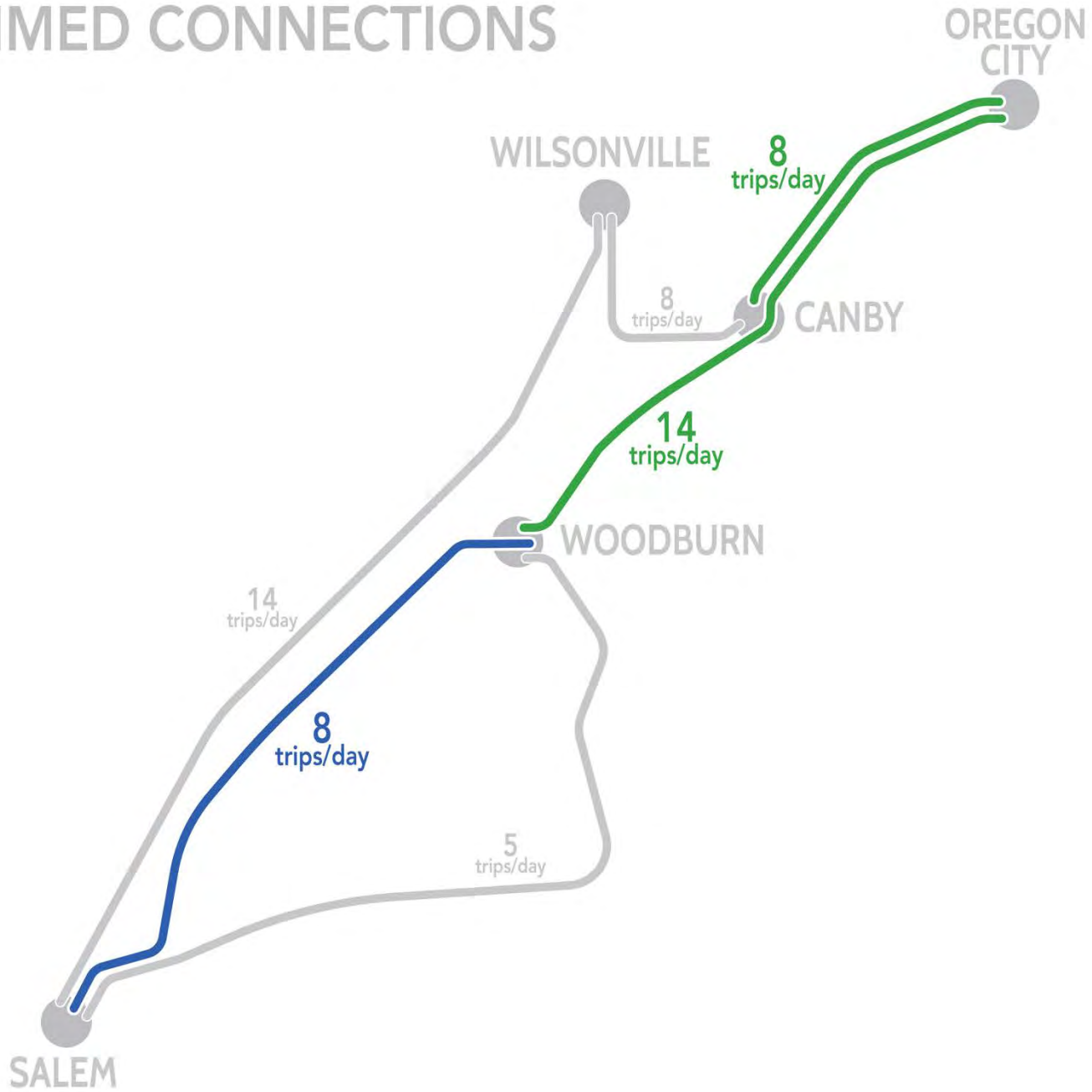


Three future scenarios

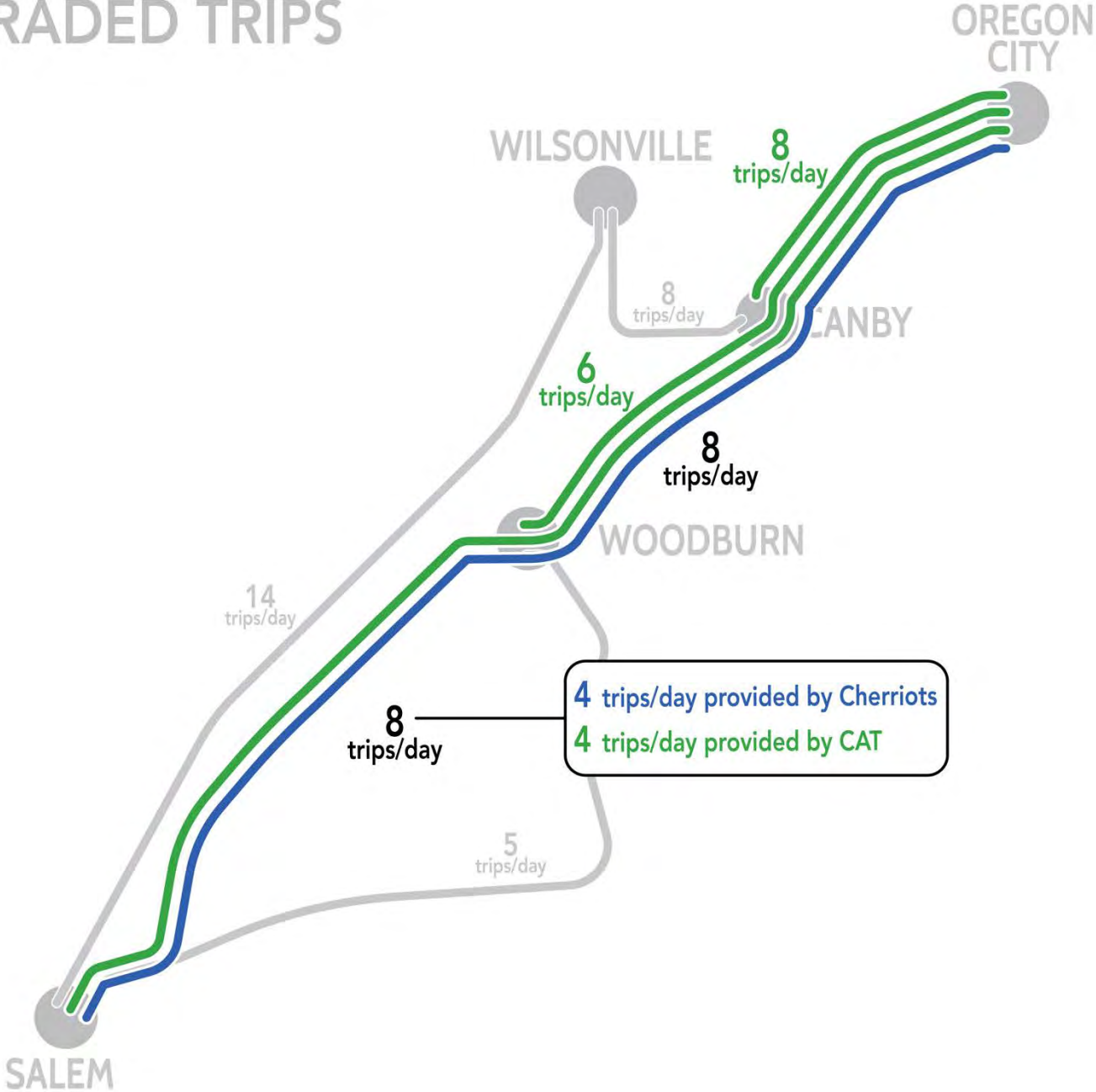
1. Better-Timed Connection in Woodburn
2. Traded-Trips
3. Single Operator



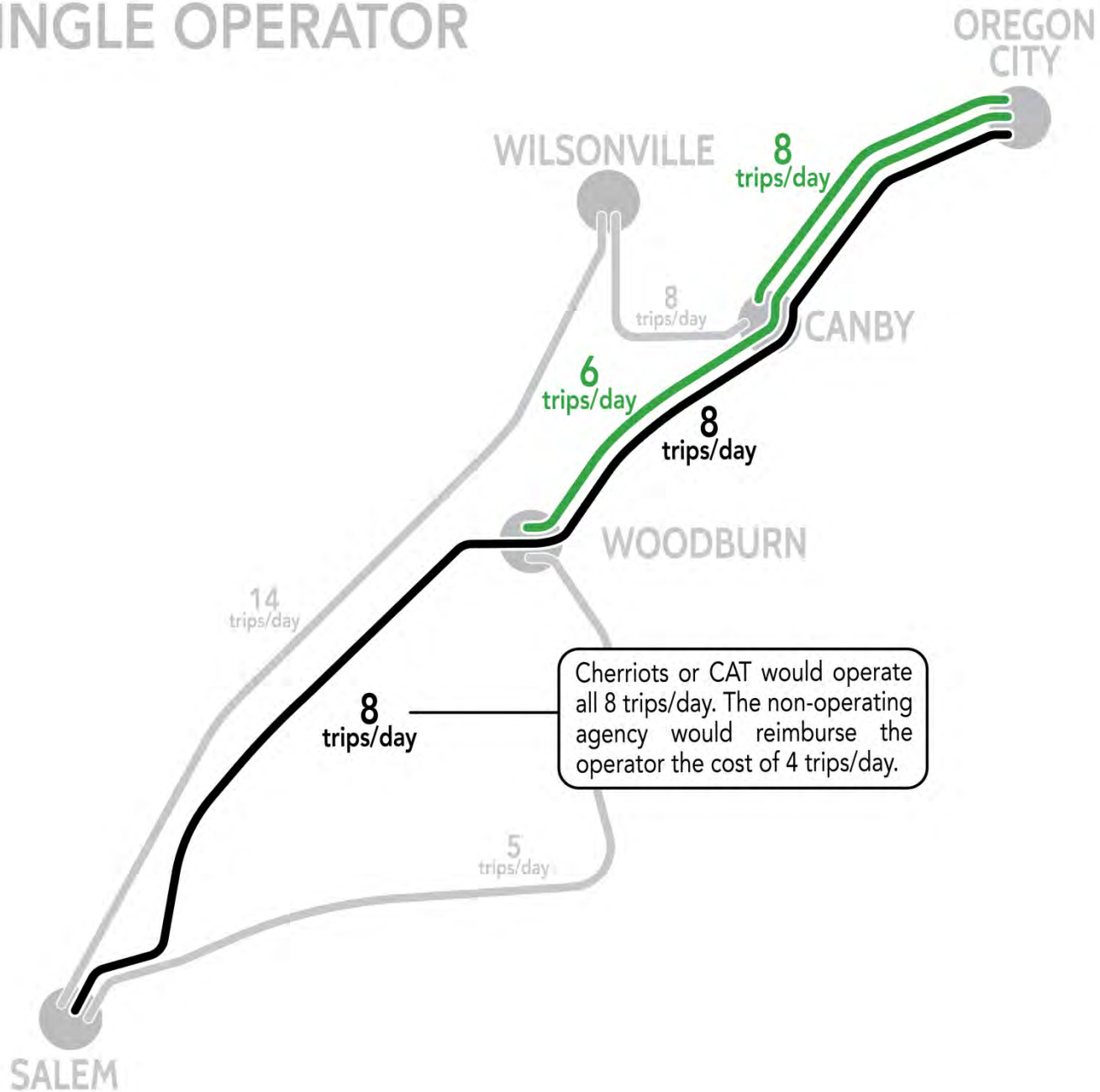
TIMED CONNECTIONS



TRADED TRIPS



SINGLE OPERATOR

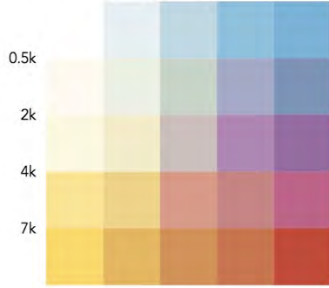


Hwy 99E Corridor Activity Density

Residents / square mi

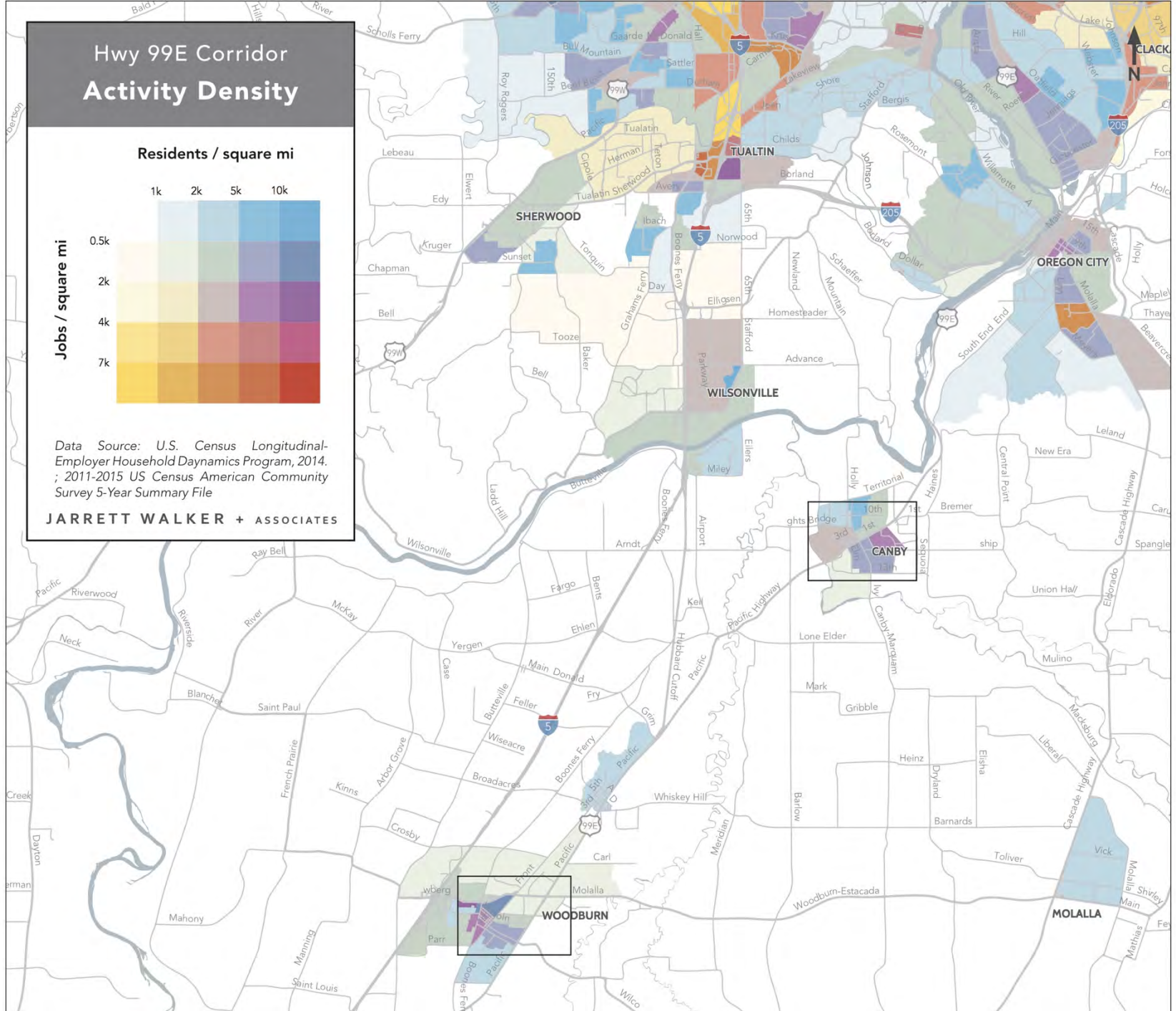
1k 2k 5k 10k

Jobs / square mi

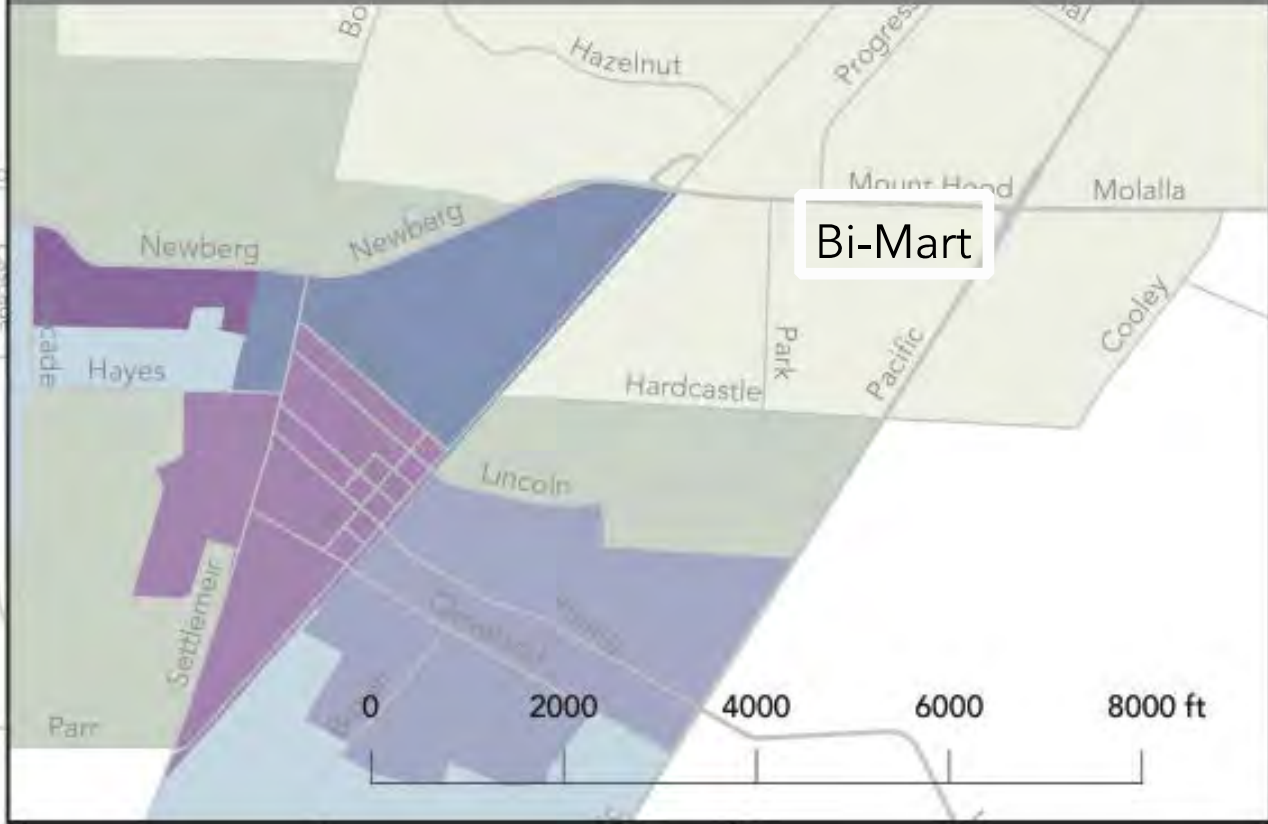


Data Source: U.S. Census Longitudinal-
Employer Household Daynamics Program, 2014.
; 2011-2015 US Census American Community
Survey 5-Year Summary File

JARRETT WALKER + ASSOCIATES



Woodburn Inset



Highway 99E Transit Planning Project

Volume I:

Existing Conditions

JARRETT WALKER + ASSOCIATES

For Cherriots and Canby Area Transit

October 2017

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1 Introduction

What is the purpose of this study?

The purpose of this study is to design service changes that will increase the opportunities for transit travel along the 99E Corridor, between Oregon City and Salem and especially between Canby and Salem. Transit service on Highway 99E is currently provided by Canby Area Transit (CAT) and Cherrriots, with the two agencies' routes ending at the same stop in Woodburn.

The success of service changes arising from this study will be measured by increases in transit ridership along the corridor relative to the costs of services provided.

This study is funded by Cherrriots (in the Salem-Keizer area) and Canby Area Transit (CAT) and by a grant from the Oregon Department of Transportation.

Why now?

Cherrriots and CAT both recently completed Transit Master Plans (TMPs) which address public desires for more intercity regional service. On the 99E corridor, the major destinations on the highway (Oregon City and Canby to the north, and Woodburn and Salem to the south) are located in the two different agencies' jurisdictions, making it impossible for either agency to provide intercity service alone, at least not without duplicating one another's services.

Cherrriots already has experience solving this type of boundary problem between Salem and Wilsonville. Cherrriots and Wilsonville SMART team up to provide Route 1X.

As employment rates have grown in the past five years, and State government has come out of recession-era service cuts, the demand for travel along the I-5 and 99E corridors has increased. In addition, high demand for housing in larger cities (including Oregon City, Canby and Salem) has pushed low-wage workers to smaller towns and rural areas, increasing the need for affordable travel options from these smaller communities to employment centers in the larger towns. For these reasons, demands for longer transit trips along Highway 99E have increased in recent years.



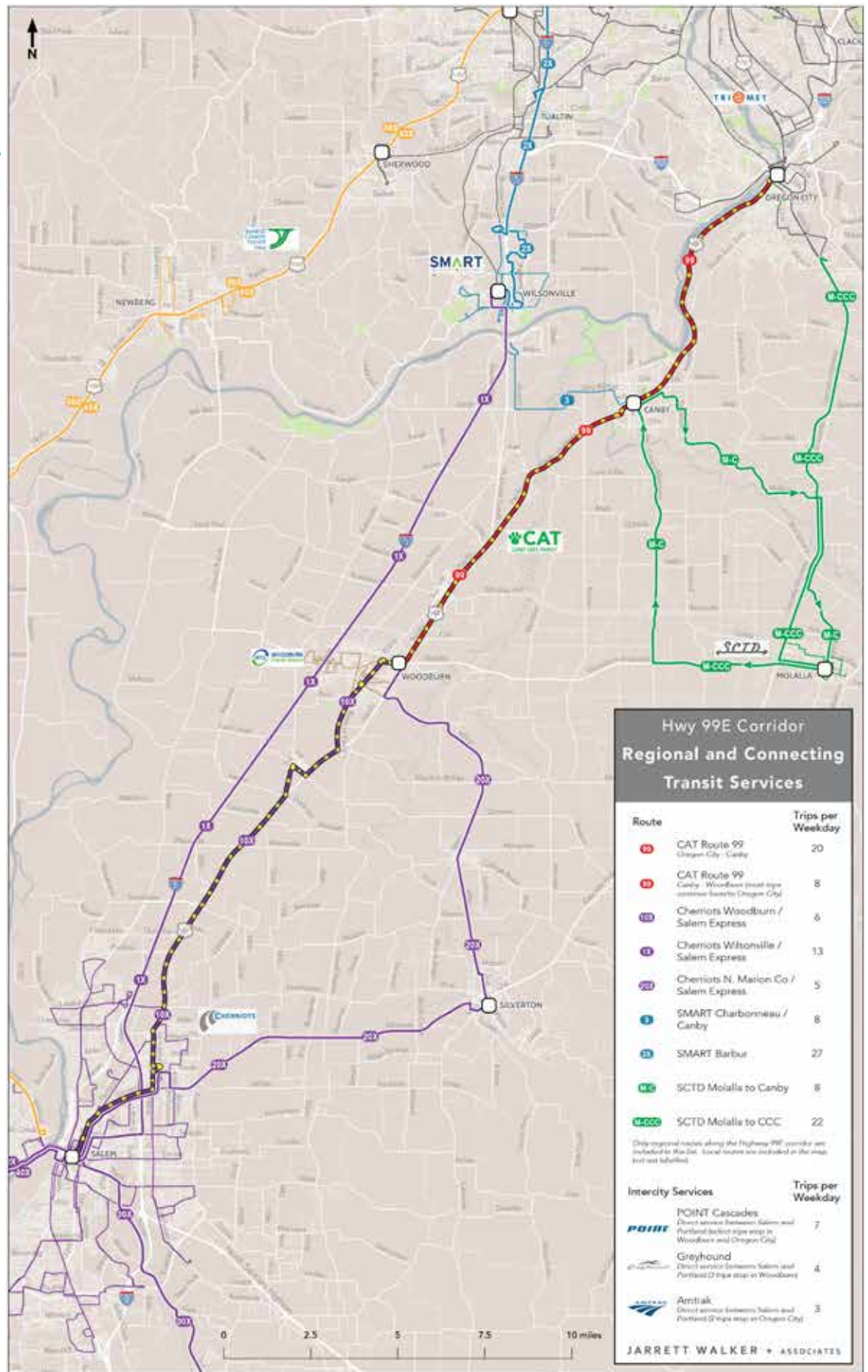
2 Existing Transit Services

Figure 1: Map of Highway 99E services and other regional routes.

The legend reports the number of trips per day on each intercity route, as of October 2017. (Volume II of this report includes a map that has been updated to reflect 2018 increases in Route 99 service.)

Most routes run on weekdays only.

For best results, print this page 11" x 17."



Regional and intercity services

The map on page 6 shows CAT Route 99 and Cherriots Routes 10X and 20X serving the Highway 99E corridor. Other transit services in the region are also shown, including local services in Salem, Woodburn and Oregon City.

The table at right shows how many times per day, and days per week, people can travel among major communities on the 99E corridor.¹

Frequency and span

In transit conversations there is always a great focus on *where* transit is provided, but sometimes not enough attention paid to *when* it is provided.

The “when” of transit service can be described as “frequency” (how many times per hour or day the bus is going) and “span” (how many hours per day, and days per week, it runs).

As can be seen from the table at right, only the long-distance intercity services (Greyhound, Amtrak and POINT) operate on weekends. All other services in the corridor run on weekdays only.

Low frequencies and short spans are one of the main ways that transit fails to be useful, because it means service is simply not there when the customer needs to travel.

Long-span service that goes beyond the traditional “rush hour” is beneficial because it:

- Allows retail, service and industrial employees to commute to work on transit.²
- Helps students reach classes, especially part-time students who may be working but take classes for part of the day or at night.³
- Allows people with traditional 8-to-5 schedules the flexibility to work as long or short as they need to, at short notice.

Frequent service that offers many trips per hour or per day is beneficial because it:

Service	Trips per day
Cherriots 10X Salem to Woodburn via 99E	6, weekdays only
Cherriots 20X Salem to Woodburn via Silverton	5, weekdays only
CAT Route 99 Oregon City to Canby	20, weekdays only
CAT Route 99 Canby to Woodburn	8, weekdays only
Greyhound, Portland to Salem Three trips stop in Woodburn	4, every day
Amtrak/POINT Some trips stop in either Oregon City or Woodburn.	9, every day (buses or trains)

1. This table does not reflect modest service increases that went into effect in April 2018.
2. Service industry shifts typically change over around 5-6 am, 2-3 pm and after dinner hours.
3. Clackamas Community College reports that its most popular class enrollment times are 10 am, 1 pm and 2 pm, far outside the traditional “peak commute.”

- Gives people more choice in when they travel.
- Improves reliability for the customer, because if something happens to your bus, another one is probably coming soon.
- Makes transferring between buses faster and more reliable.

Many people assume that today, with real-time transit arrival information and smart phones, nobody needs to wait for a bus anymore, and frequency therefore doesn't matter. If a bus only comes every hour or two, that's fine, because your phone will tell you when it is a few minutes away and you should walk to the stop.

Despite all these new technologies, frequency still matters enormously, because:

- *Waiting doesn't just happen at the start of your ride*, it also happens at the end. You may not need to leave the house long before your departure, but *if your bus is infrequent, you have to choose between being very early or too late*. If you start work at 8:00 am but the hourly bus passes your workplace at 8:10 am, you can be 50 minutes early or 10 minutes late.
- *Many of the places we go don't let us hang out until our bus's arrival is imminent*. We can easily do this when leaving home at the start of our trip, but it is much less comfortable when leaving a restaurant or a workplace that is closing.

Neither CAT Route 99 nor Cherriots regional routes provide real-time arrival information to riders. When they do, someday in the future, that will certainly improve riders' sense of confidence in their trip. However, real-time information cannot make up for a lack of choice in when people can travel.

When thinking about long-distance and regional services, like those along Highway 99E, it is natural to wonder how frequent a service must be to be "frequent enough."

One principle that applies to this discussion is that the longer a trip a person is making, the more willing they are to plan around an infrequent transit schedule. The longer a drive, the more tedious and expensive it is, and the greater the incentive someone has to arrange an

alternative. The shorter a trip, the easier it is to just drive it (or bike it) yourself, or get a ride from someone else.⁴

How frequent is “frequent enough” thus depends on how long a trip someone is making.

Conversely, people’s abilities to work around short-span services (that don’t run all day or all week) get worse as distances get longer. If someone has a commute of just a few miles and the bus isn’t running at all when they get off work, they might be able to walk, cycle, get a taxi or get a ride with a friend. They are very unlikely to do so if their commute is 10 or 20 miles.

More frequency and longer spans increase transit operating costs. To deliver higher frequencies, transit agencies must put more drivers and more buses on the road at any given time, and support them with more maintenance and supervisory staff. To deliver longer spans, transit agencies must put drivers and buses on the road for longer, and also provide supervisory and maintenance staff for more hours each day and more days each week.

Weekends

One of the major limitations of transit services along 99E today is that it does not run on weekends.

While there are numerous people working along the corridor only Mondays through Fridays, there are also many people who work Wednesday through Sunday,⁵ or who need to travel along the corridor on the weekends for other reasons.⁶

Travel over the longest distance – between Portland and Salem – is nearly as easy on weekends as it is on weekdays, thanks to Amtrak/POINT and Greyhound service. However, the higher fares charged for those routes will naturally make them less appealing to commuters, and especially to low-wage workers. In addition, there is no local Cherriots service in Salem on weekends.

Needs for weekend service and later night service were expressed by many stakeholders of Cherriots and CAT during their respective Transit Master Planning processes.

4. For example, many people commuting between Salem and Portland are willing to make special arrangements and efforts to get into a vanpool or take the Amtrak/POINT buses from downtown Portland. But few people would make that level of effort just to commute a few miles across town.

5. As of the 2010 Census, 29% of workers did not work a traditional 8-to-5 Monday-through-Friday schedule. Given the shift away from full-time employment and the rise of “gig” employment since 2010, the proportion today is likely even higher.
6. Clackamas Community College and Chemeketa Community College both offer classes and programs on Saturdays as well as on weekdays (including at the Brooks and Woodburn campuses).

Connections

In addition to frequency and span, another characteristic of transit networks that can be hard to see on a map is the timing of connections (or a lack thereof). CAT’s Route 99 and Cherris’ Routes 10X and 20X stop at the same *place* (in Woodburn), but they do not connect in *time*. Their schedules were designed independently, and optimized for connections within their own individual systems. As a result, the timing of their arrivals and departures in Woodburn rarely delivers a reasonable wait time for transferring passengers.

As shown in the diagram at right, there is only one time each day when a transfer is possible without nearly an hour wait, and that is early in the morning, southbound. Neither of these routes was designed for transfers between them, so this is unsurprising, but it poses a major barrier to regional transit travel.

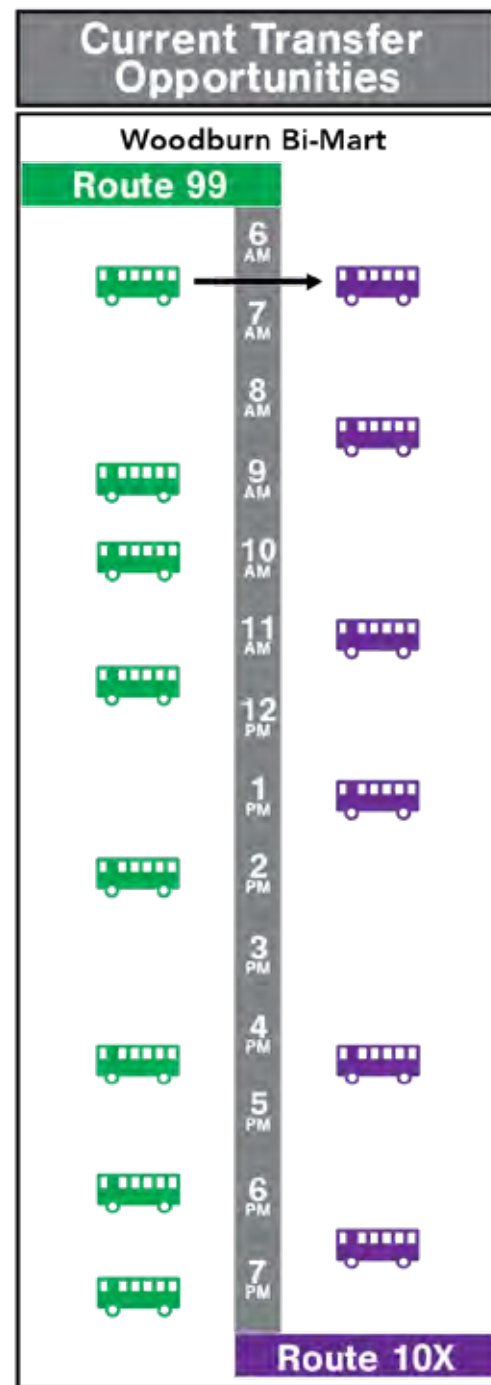


Figure 2: A diagram of daily service to Woodburn from Canby (in green) and Salem (in purple). A few times a day a transfer is theoretically possible, but with a wait of nearly an hour. Once per day, in the morning, a southbound transfer is possible with a reasonable wait. Around 4:30 pm a transfer is possible sometimes, but it is too tight to work reliably..

A transfer between low-frequency routes can be appealing if the routes are designed to meet one another at the same time and the same place, in a recurring pattern.

These “pulses” occur when multiple buses dwell at the same location, allow at least a few minutes for transfers among them, and then continue on. This is practical when the pulse happens at the ends of routes, because it is an opportunity for the bus driver to take a break, and because no through-riding passengers have to wait through the pulse time.

Today there is a pulse in downtown Salem among Cherriots’s local and regional routes, and the Route 10X and 20X schedules are aligned with that pulse.

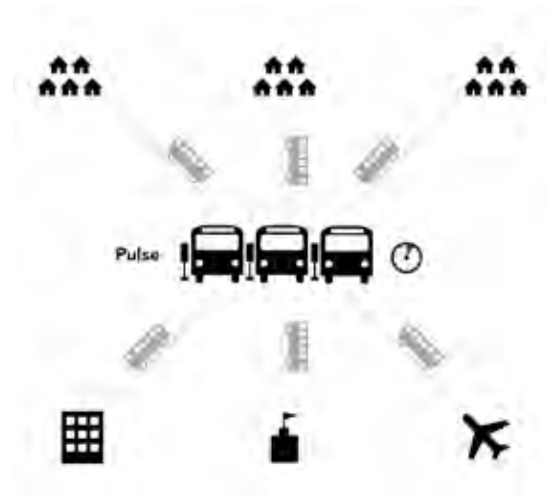
CAT’s Route 99 was once designed to pulse in Oregon City with TriMet’s bus to downtown Portland. The TriMet network and frequencies have changed considerably since then, and that pulse is no longer as important as it used to be.⁷ This could make it easier to align the Route 99 schedule with other potential connections, such as Wilsonville SMART’s Route 3 or Cherriots’s 10X.

The lack of a workable connection between CAT’s Route 99 and Cherriots’s 10X and/or 20X is likely a major barrier to transit ridership along the corridor. Creating a pulse between these services would be a first step towards offering a seamless transit connection. Pulsing, and other steps towards seamlessness, are described in greater detail starting on page 29.

Reliability

When infrequent routes pulse with one another, it is incredibly important that they not miss the pulse! If a pair of routes make a timed connection every 2 hours, and one becomes late and misses it, then transferring riders will have to wait nearly 2 hours for the next bus.

There are a number of ways that CAT and Cherriots could provide seamless service along Highway 99E, one of which is to make a timed connection somewhere between Salem and Canby. If they do so, reliability will become extremely important because riders will come to depend on the timed connection between the two routes.



7. The pulse between CAT’s Route 99 and Portland-bound buses is no longer as important as it once was, because the fastest trip from Oregon City to downtown Portland is today made via a frequent bus (Line 33). A pulsed connection from an infrequent bus to a frequent bus doesn’t provide much benefit, because another bus is always coming soon. In the reverse direction, a person can choose the best departure of the frequent bus so that they minimize their wait when transferring to the infrequent bus. Finally, pulsing works best when both agencies are equally invested in the connection. For a connection between infrequent and frequent lines, there is likely to be a big mismatch in how many riders each line is carrying, and therefore in how much effort each agency can justify putting into designing and maintaining the pulse.

A new schedule for Route 10X was implemented in May 2017, along with slightly modified routing through Woodburn that is faster and less exposed to congestion. While the new routing has improved travel time on Route 10X through Woodburn, moderate congestion within Woodburn continues to cause delay and some unreliability there.

Route 99 used to go to downtown Woodburn. CAT pulled the route back to the Bi-Mart on the north edge of town in part to avoid delays caused by Woodburn congestion. However, it does not matter whether it is Cherrlots or CAT that operates service through Woodburn, the reliability of transit travel along the Highway 99E corridor will be affected either way:

- If seamless service is provided using a timed connection between the two routes, that timed connection will be affected by the reliability of travel through Woodburn.
 - ▶ This is true no matter where the connection point is located.
- If seamless service is provided in the form of one long route, from Salem to Oregon City, then that route will pass through Woodburn and be affected by congestion.

It can be tempting, in transit planning, to stop sending routes to congested places, to avoid reliability problems. Yet congestion arises when many people want to travel to the same place by car, and this normally means that many people want to get there by transit, too.

Other places on the 99E corridor where congestion recurs every weekday are Oregon City and downtown Salem, also places that many people want to reach by transit. Cities sometimes create transit priority lanes or signals to help buses get around congestion. Transit agencies can write schedules that accommodate slow travel speeds, to improve reliability in the face of recurring congestion. However, transit agencies cannot do much on their own to reduce transit delay from congestion, and need help from the agencies that manage the roads they run on.

In addition to congestion, a few of the factors that slow down any route are:

- Ridership and numerous bus stops. The more people ride a bus, and the more stops they wait at, the more times a bus has to pull over.⁸
- Deviations. Out-of-direction turns add running time to a route, and subject the bus to more delays at intersections.
- Cash payment of fares. The more people pay cash when they board, the longer each stop takes.
- Boardings. Boardings by passengers using mobility devices tend to take more time, especially on buses that use wheelchair lifts (as the CAT 99 and Cherriots 10X buses do).

At this time, it is not clear which agency (Cherriots or CAT) will be running a bus route through Woodburn congestion, in the long term. If a timed connection between Routes 99 and 10X is put in place, then the two transit agencies will need to look at all ways to manage travel times and reliability, including reducing out-of-direction travel, increasing recovery time, consolidating bus stops, and speeding-up fare payment.

8. For this reason, Route 10X might run more reliably when schools are out for the summer. Cherriots plans to collect on-time performance data for the 10X again when Chemeketa Community College is in session.

Fares and transfers

Both Cherriots and CAT (and other providers in the region) offer discounted fares for people who purchase a monthly or yearly pass. Cherriots also sells a “Universal” pass that allows people to transfer for free among local, regional and express routes.⁹

Passes are obviously a better deal for regular riders, yet the cash fare is still paid by many people. Especially sensitive to cash fares are low-income people who struggle to make the up-front investment in a monthly pass, and people who are just trying out the transit trip and aren’t yet sure they want to commit to a bulk pass.

One-way cash fares on Highway 99E offer no transfer benefits. This means that someone pays each time they board a bus (as though multiple boardings made a trip better, and not worse!). This is a common outcome where adjoining routes are operated by different agencies, but it is a barrier to regional transit ridership. A future partnership could reduce or eliminate this barrier.

Route 1X, jointly operated by Cherriots and Wilsonville SMART, involves no transfers and therefore only charges riders once. However, it costs slightly more than Cherriots’s other regional services (as shown in the table at right). It costs slightly less than a trip along Highway 99E using both Routes 99 and 10X.

Longer distance intercity routes (such as Amtrak, POINT and Greyhound) are more expensive than local services, though they still represent cost savings for many people once they factor in vehicle costs, parking costs and lost working time. They serve the endpoints of the 99E corridor fairly well, all week long, but are not useful for shorter trips within the corridor, and their high price likely puts them out of reach for most non-professional workers.

9. For more information about fares, visit cherriots.org/en/fares and canbyoregon.gov/transportation/fares.htm

N. Willamette Valley Transit Fares		
Service	One-Way Cash Fare	Transfers included?
CAT Route 99	\$1.00	No
Cherriots 10X or 20X	\$2.25	No
Cherriots/SMART 1X	\$3.00	No, but SMART local routes are free.
Cherriots local	\$1.60	No
TriMet	\$2.50	Yes, within TriMet.
Amtrak/POINT	~\$9.50 – ~\$16.00	No
Greyhound	~\$14.00	No

Waiting environment

Today, if anyone wishes to transfer between the Cherrriots 10X and CAT 99, they would do so at the Woodburn Bi-Mart. Only Route 10X passes through central Woodburn. Route 99 stops and turns around at the Bi-Mart, on the north side of town.

The best location for a timed connection between these two routes will depend on how long each route takes to drive, and what timed connections (if any) it must make at its other end. (Considerations for the location of a timed connection are described starting on page 28.) The best location may turn out to be at or near the Bi-Mart; elsewhere in Woodburn; or in another city altogether.

Currently, however, the waiting environment at the Bi-Mart is not designed for the long waits that are currently required for transfers between CAT 99 and Cherrriots 10X, or between either regional route and the Woodburn circulator. Routes 99, 10X and 20X stop at the edge of the Bi-Mart parking lot, near Mt. Hood Avenue.

The shelter and bench provided by the City of Woodburn are a valuable amenity, as are the maps and full schedules posted inside. However, the CAT 99 and Cherrriots 10X and 20X buses stop on the parking lot side of the shelter. This means that customers have to traverse a curb and dirt in order to move from shelter to bus.

This would be difficult for people with disabilities (and is not in compliance with requirements of the Americans with Disabilities Act). In addition, these bus stops are far away from storefronts and human activity.

Wherever a future connection is made between Routes 10X and 99, a waiting environment that is visible, accessible to riders using mobility devices, appealing and well-lit will help grow ridership and improve the comfort and safety of existing riders.



Figure 3: Route 99, Route 10X and the Woodburn city circulator all stop at the edge of the Bi-Mart parking lot on Mt. Hood Ave. The city bus stop, served just once per hour, has a shelter and a bench and faces the street. CAT 99 and Cherrriots 10X buses stop in the parking lot just behind it.

3 Ridership Potential and Needs

Existing ridership patterns

Existing ridership on Routes 99 and 10X provide us with a clue to potential future ridership on the 99E corridor, but no more than a clue. Neither route has been designed to connect with the other. This means that existing ridership data can't tell us how many people might want to ride further, but are stymied by the few connection opportunities offered today.

Boardings by stop

The map on the next page (in Figure 4) shows the average number of daily boardings at each bus stop, by direction, on Routes 99 and 10X.¹⁰

From this map, we can observe that:

- More people are boarding in larger cities.
- More people are boarding where there is more daily frequency.¹¹
- The routes deviate off the most direct, “express” path in a few places: Canby, Woodburn, Chemeketa CC and Gervais. At the first three, high boardings result. In Gervais, only 2 boardings were counted.

10. Boardings data were collected by Cheriots staff in April of 2017. This was just before schedule changes to the 10X in May 2017, when more daily frequency was added and the routing in Woodburn was altered. This was also when Route 20X was extended to Woodburn.
11. Most of all on the northern half of Route 99, where there are 20 trips per day; secondarily, on the southern half of Route 99, where there are 8 trips per day; and least of all on Route 10X, where as of April 2017 there were only 4 trips per day.

Load profile

The count of boardings and alightings at each bus stop can be used to estimate how full buses are between bus stops.

This estimate is shown in the “Load Profile” diagram in Figure 5 on page 19.

In areas where boardings per stop are low, buses can still be relatively full if people are traveling a long distance. This can be seen in the load profile: north of Canby, where boardings are high at many stops, the buses are only slightly more full than they are further south on the route, where fewer people board but they stay on the bus much longer.

From this Load Profile, we can observe that:

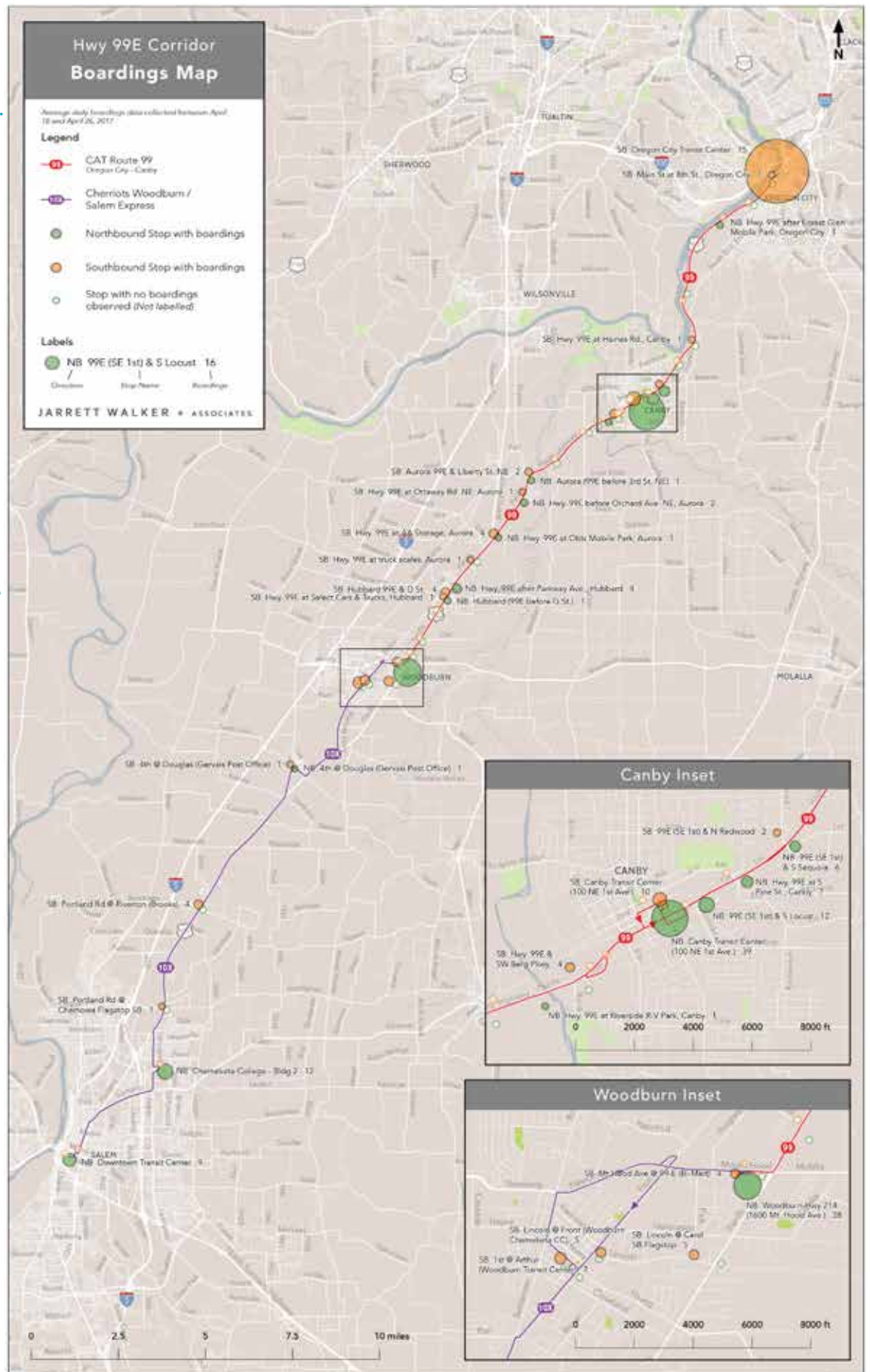
- Loads in Route 99 buses nearly turned over at the southwest edge of Canby, meaning few people were

Figure 4: Map showing existing transit boardings along Highway 99E.

Dots are sized based on the number of people who boarded a bus there, and color-coded based on the direction of travel.

Boardings are highest in larger cities. Boardings are much higher on Route 99 than Route 10X, unsurprisingly since Route 99 is much more frequent than Route 10X.

For best results, print this page at 11" x 17."



Hwy 99E Load Profile - Trips between Oregon City and Salem

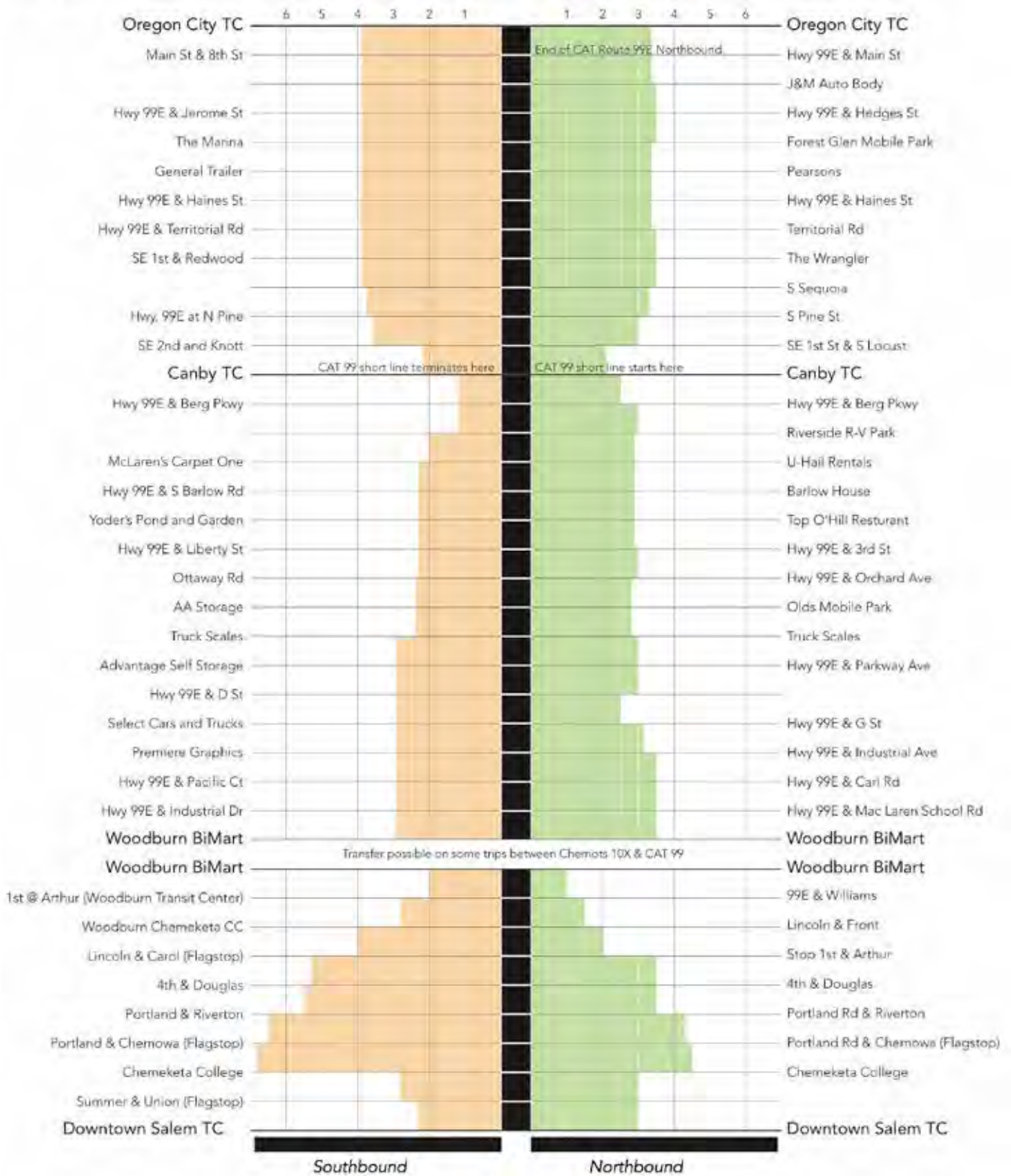


Figure 5: Diagram showing the average estimated load in buses between bus stops on Highway 99E. Note that since this data was collected, some very low ridership CAT stops were eliminated.

riding from the northern part of the route, *through* Canby, southbound.

- Loads on Route 99 arriving in and departing from the Woodburn Bi-Mart are bigger than loads on Route 10X there. This suggests that few of the people riding Route 99 to Woodburn are continuing on Route 10X.
- Southbound, Route 10X loads grow quite a bit as the bus approaches Chemeketa CC, and then many people get off at Chemeketa CC. A similar pattern, though with smaller loads, is visible in the northbound direction. This suggests that a big proportion of Route 10X ridership between Woodburn and Salem is attributable to people outside of Salem traveling to the community college or East Salem, rather than to downtown.

Activity density

The map in Figure 6 on the next page shows the combined densities of residents and jobs along the Highway 99E corridor. (Insets from that map are repeated at right.)

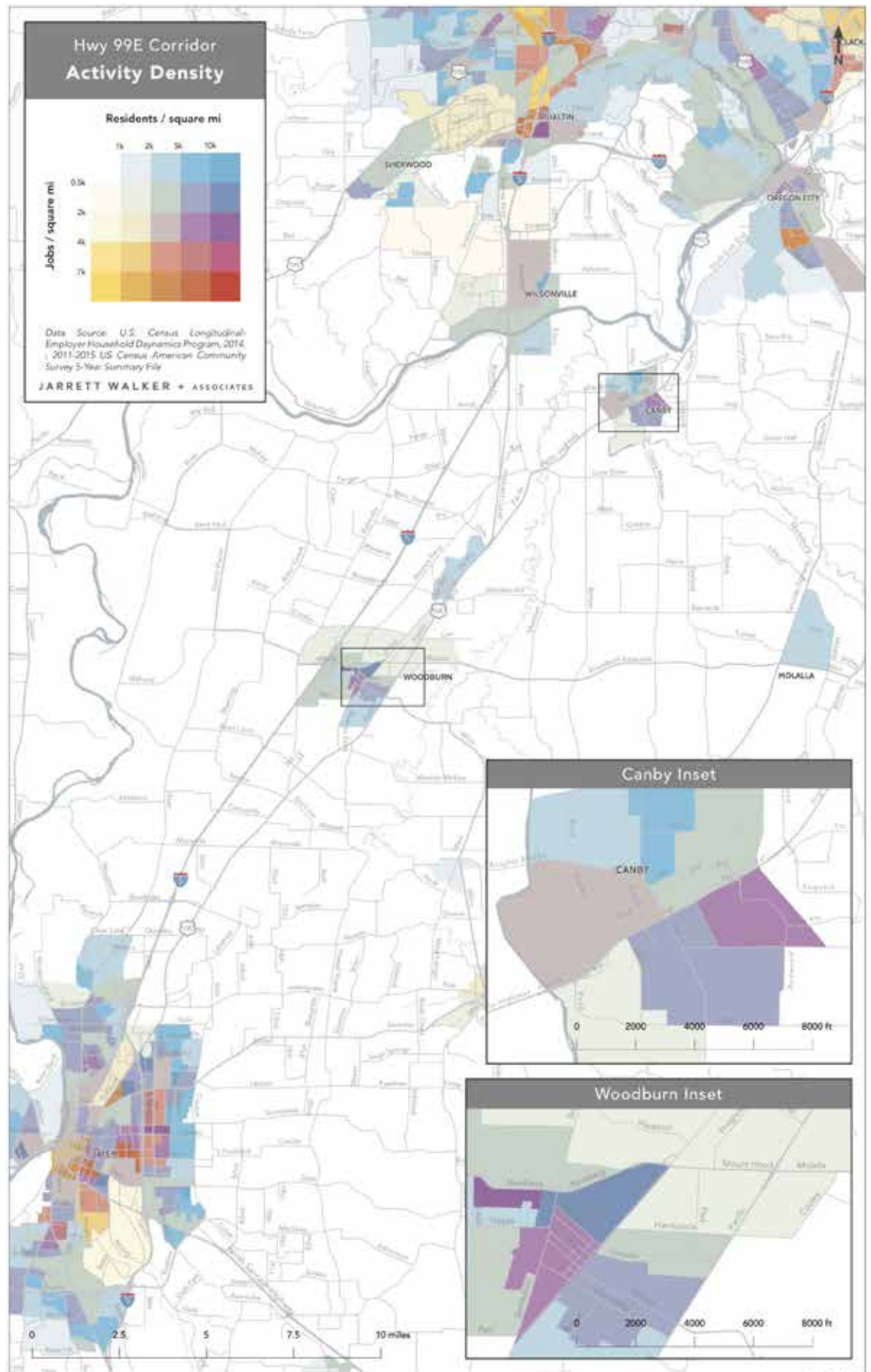
A density map can help us evaluate the simple question, *“How many people are going to and from the area around each bus stop?”* Job density is particularly predictive of transit ridership because it represents not only the places people go to work, but also the places people go to shop, visit, access services, and study.

The higher the density of activities around the bus stop, the more potential riders there are near that bus stop. Unsurprisingly, this map shows that the densest places along the corridor are the urban areas and small cities: Oregon City, Canby, Woodburn and east Salem. Parts of Aurora also shows up as considerably more dense than other rural areas along Highway 99E.

By looking at the Woodburn inset at right, we can observe that the current Route 99 terminus (at the Bi-Mart on Mt. Hood Avenue) does not get close to the dense part of Woodburn. For people trying to travel between Woodburn and Canby, or points further north, accessing Route 99 requires a “last mile” solution like a long walk, cycling, riding the infrequent Woodburn circulator, or getting a ride from a friend.



Figure 6: Map of Activity Density along Highway 99E



The Activity Density map helps us see not only total densities, but also the *mix of uses* along the corridor.

The mix of uses along a corridor affects how much ridership transit can achieve, relative to cost. This is because a mix of uses tends to generate demand for transit *in both directions, at many times of day*. Transit lines serving purely residential neighborhoods tend to be used in mostly one direction and mostly during rush hours—away from the residential neighborhood, towards jobs and services. Buses serving a mix of uses can be full in both directions, all day and all week.

Serving a mix of uses, and two-way travel demand, is particularly important for long routes. Attempting to focus service on a certain direction of travel during rush hours is extremely expensive for a long route, as it requires a transit agency to spend a lot of time driving empty buses back to the starting point.

For example, attempting to focus on rush-hour commute trips from Marion County into Salem, or from Clackamas County into the Portland Metro area, would be very expensive. The transit agencies would have to drive empty buses out of the big cities, back into the residential and rural areas, to pick up more inbound commuters.

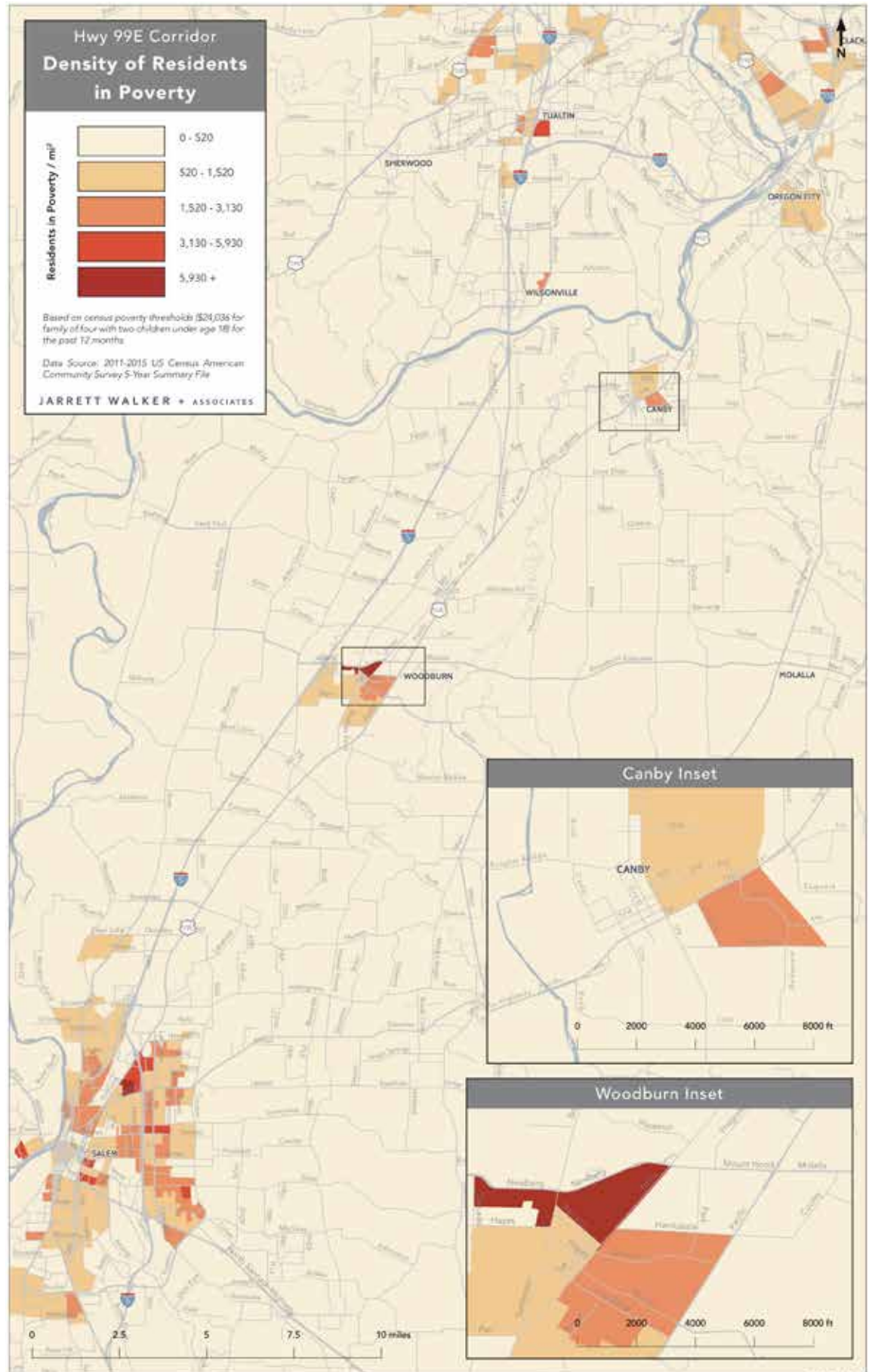
Instead, both CAT and Cherriots provide *two-way* service at all times of day, with some extra frequency during rush hours. The dense mix of both housing and commercial developments in Woodburn and Canby (as well as Oregon City and east Salem) make two-way all-day service more promising than rush-hour-peak-direction service.

Low-income residents

The number of people near any given bus stop (density) provides information about potential high ridership. Information about those people’s characteristics and life situations can tell us about their individual likelihood to ride transit and the degree to which they need transit.

Where we see high densities of low-income residents, that suggests high ridership potential: there are many people near each bus stop, *and* many of those people have a strong incentive to ride because they are living on low incomes.

Figure 7: Map of the density of low-income residents along Highway 99E



The map on the next page (in Figure 7) shows the density of low-income residents along Highway 99E. Low-income people are living at the highest densities in the cities: Salem, Woodburn, Canby and Oregon City.

The map of the density of low-income residents shows us where bus service would be close to large numbers of people with a strong incentive to ride transit. However, the truth is that there are low-income people and people with severe needs for transit scattered all over Marion and Clackamas Counties, at much lower densities than appear on that map.

The map on the next page (in Figure 9, and excerpted at right, in purple) shows the *percentage* of residents along the corridor who are living on low incomes. Unlike the previous map, this map tells us nothing about the *number* of people in that situation, but it does allow us to see where small numbers of people may have a severe need for transit.

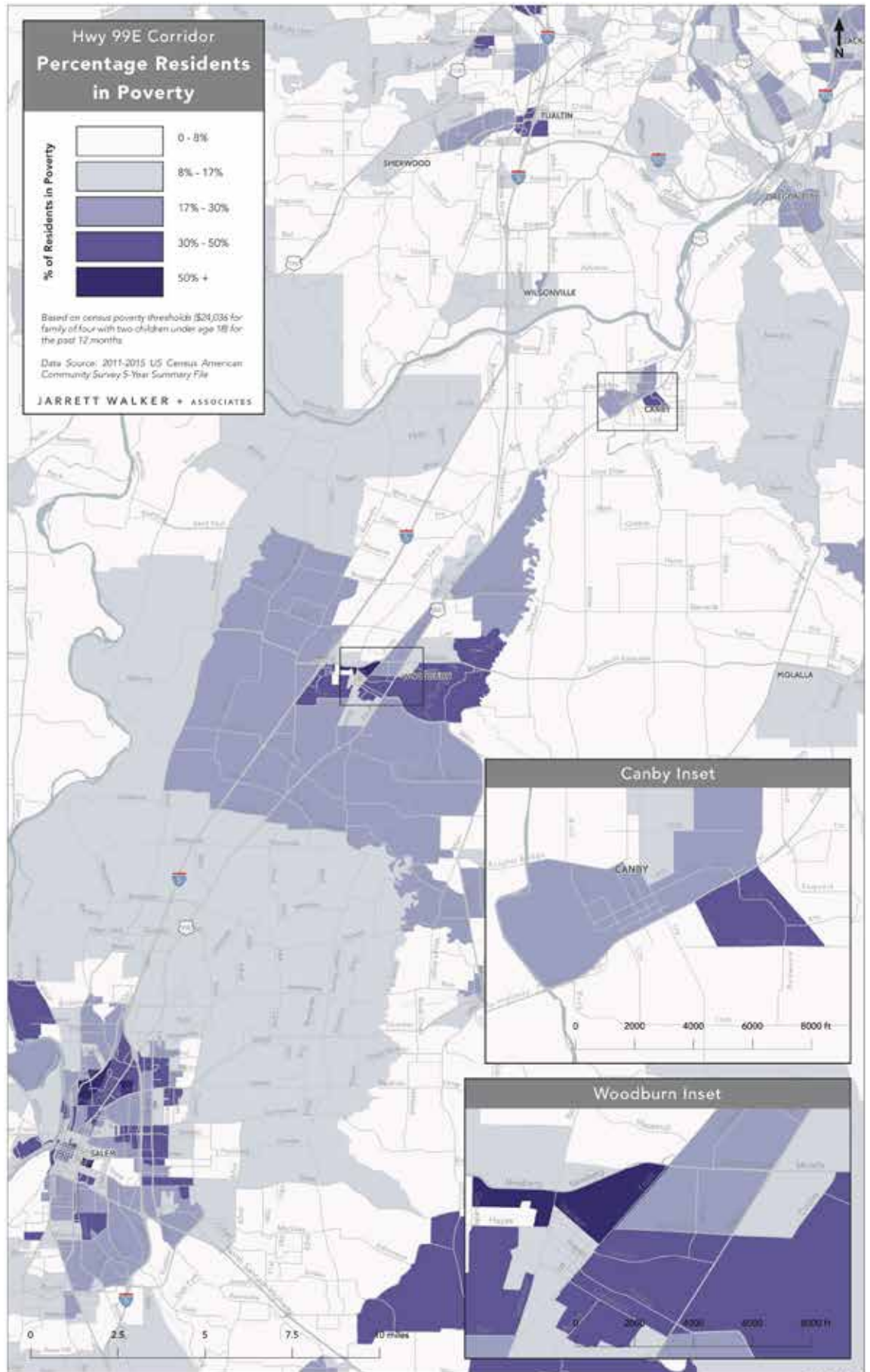
In areas north and south of Woodburn, along Highway 99E, between 17% and 30% of residents are living at low incomes. By comparing this map (in purple) to the density map (excerpted at right above, in orange), we can discover that this represents a small number of people. Yet we can also imagine how valuable transit access would be for their lives given their incomes and their distance from services, jobs and other sources of opportunity.



Figure 8: Maps (excerpted from Figure 7 and Figure 9 on the next pages) showing the density of low-income residents (top) and the percentage of residents living on low incomes (bottom).

Figure 9: Map of the percentage of residents living on low incomes, along Highway 99E.

This map tells us nothing about how many people are living at low-incomes in these areas. It shows where small numbers of people may have severe needs for transit (yet they do not show up on the density map on page 23).



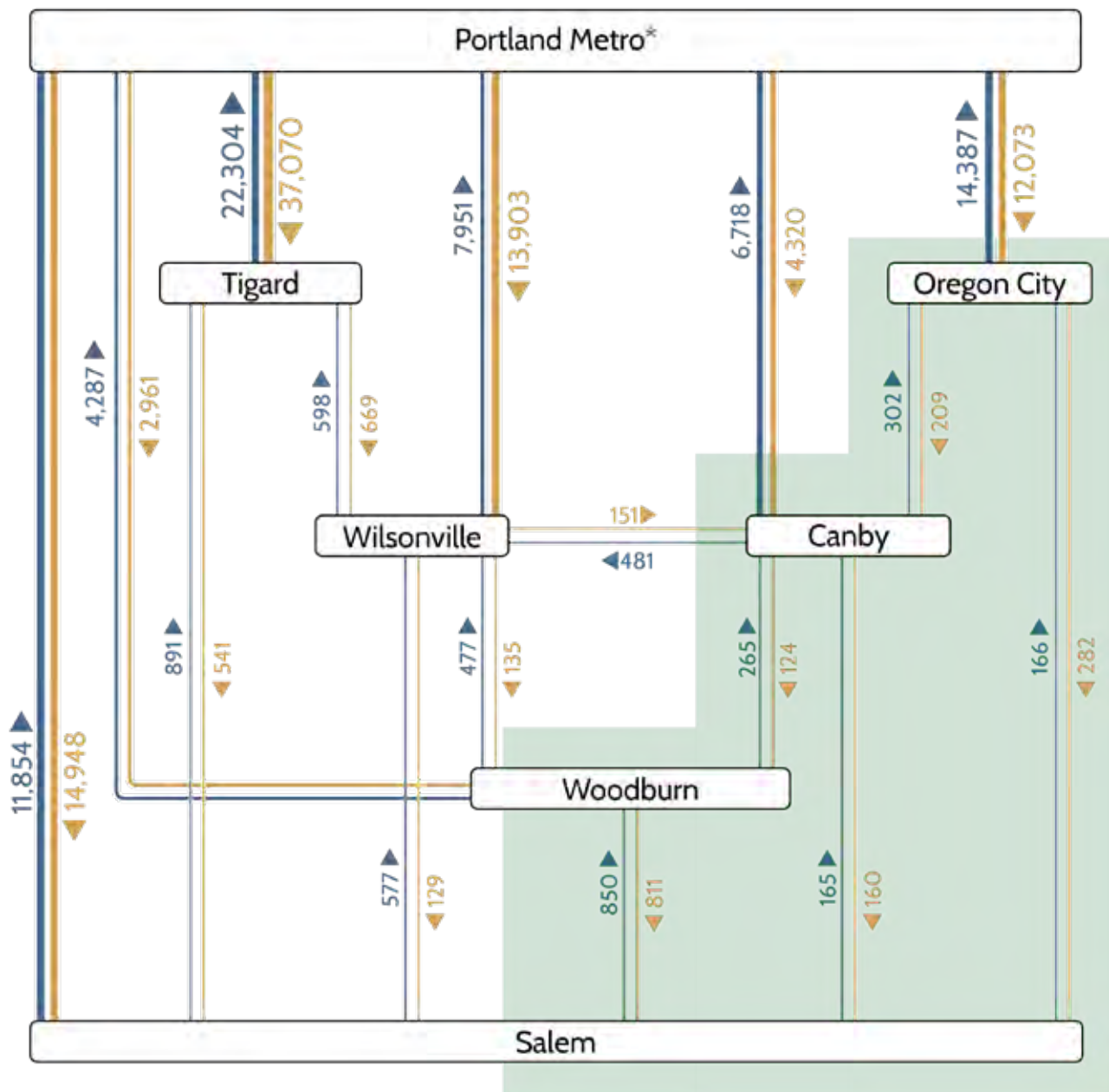
Commute flows

Another clue to potential ridership along the Highway 99E corridor is the number of people who commute along it for work.¹² The diagram below shows the number of people commuting between cities along the I-5 and 99E corridors, by any mode.

The numerous commutes for which a continuous Highway 99E service would be relevant are highlighted in green.

- 12. While the work commute is estimated to account for about 1 in 5 trips Americans make each day, it is a very important trip and is particularly conducive to transit because people make it so regularly.

North Willamette Valley Commutes



* Portland Metro includes: Portland, OR; Hillsboro, OR; Vancouver, WA

Data Source: US Census Logitudinal Employer-Household Dynamic, 2014.

From the commute data on the previous page, we can observe that:

- Many more people commute between Woodburn and Salem than Wilsonville and Salem.
- Commutes between Woodburn and Salem are much more balanced (about 800 in each direction) than commutes between Wilsonville and Salem. (More people live in Salem and work in Wilsonville than vice versa).
- In addition to commutes between Salem and Woodburn, about 1,600 people are commuting among the other 99E cities each day, in fairly balanced bi-directional patterns.
- In general, commute travel demand along Highway 99E is continuous and overlapping between Oregon City and Salem. There are numerous overlapping shorter commute markets as well as the long commute market between the Portland Metro area and Salem.

The numbers and patterns revealed in this data suggest that there may be just as much commute-related ridership potential along the 99E corridor as there is between Salem and Wilsonville, where the existing Route 1X gets high ridership relative to its cost today.

Some of the commuters who are making the long trip between more central Portland locations and Salem are probably using Route 1X as part of that trip. Yet the Wilsonville transit center (where Route 1X connects) is no easier to reach from the center of the Portland Metro area than is the Oregon City transit center.

Ridership potential between Oregon City and Salem may be just as high as ridership potential between Wilsonville and Salem. However, Route 1X (on I-5) is likely to always be faster than routes traveling on Highway 99E because the speed limits and actual speeds are higher on I-5, and because buses on Highway 99E will stop in communities along the way.

Route 1X is fast because it does not exit the highway and stop in local communities between its endpoints. Routes on Highway 99E are unlikely to ever be as fast as Route 1X, because they serve more people and places along the way.

4 Seamless Corridor Examples

This chapter describes the ways that transit agencies can provide “seamlessness” for trips that cross over a service area boundary.

There are degrees of seamlessness, which can also be understood as the range of potential partnerships that Cherriots and CAT can explore for the future.

Also with abstract explanations, below, we have included some examples of Oregon transit agencies engaged in each type of partnership and seamless service.

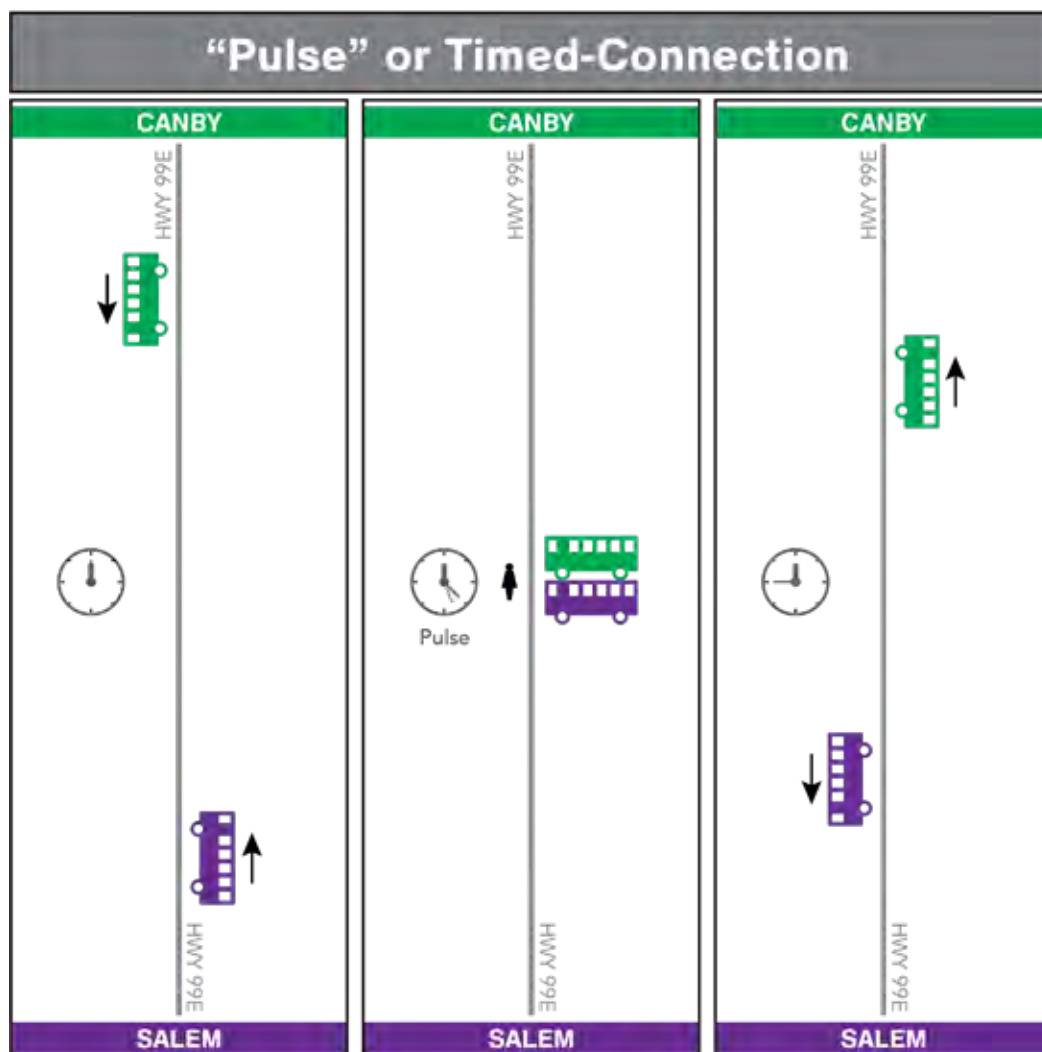
Degrees of seamlessness

Timed connections or “pulses”

The first step towards seamlessness is to have two transit services not only go to the same *place* but also be there at the same *time*. Only when both buses are present at the same time can people transfer in *either direction* with a short wait.

Timed connections or “pulses” are tricky to design. Each route takes a unique amount of time to make its round trip, yet the buses need to arrive in the same place at the same time, reliably.

For example, if two routes take about 1.5 hours to make their round trips, then they can easily meet at the same point at 12:00, at 1:30, at 3:00 pm, and so on. But if one route requires 1.5 hours and the other requires 2 hours for their round trips, how can they meet at the same point in time? The driver of



the shorter route will have to spend an extra half hour waiting at the other end of the route, which is very inefficient.

The most efficient timed connections are made in places where the connecting routes' cycle times line up tidily.¹⁵

What this means for Highway 99E is that, if CAT and Cherriots want to make a timed connection, it cannot be located just anywhere. It will have to be located somewhere that allows the cycle times of Routes 99 and 10X to line up in an efficient and reliable way.¹⁶

Timed connections, once they are designed, require ongoing collaboration and maintenance between the agencies.

- As changing road conditions, congestion or development affect demand and cycle times, the agencies have to work together to update their schedules *without messing up the pulse!*
- Changes to fares or incentives on either route can have an impact on the usefulness of the pulse and on the performance of the other route.
- Agencies must work through and agree to procedures that arise on the road, especially when one bus is so late that its passengers will miss their connection.

Example: Lower Columbia River Connector

The NW Connector alliance is made up of five transit agencies in northwest Oregon. The alliance works towards seamlessness in numerous ways, one of which is to provide timed connections and pulses that make riding from one service area to another quick and reliable. Some of these timed connections were developed bi-laterally by neighboring agencies and precede the official NW Connector alliance; others have been developed since the alliance has been working together formally.

The Sunset Empire Transportation District and Columbia County Rider (CC Rider) are neighboring agencies along the Columbia River, between Portland and Astoria, and are both members of the NW Connector alliance. They offer a seamless route from Portland to Astoria, called the "Lower Columbia Connector," which hinges on a

15. The "cycle time" is how long it takes to drive the round trip, plus some recovery time for reliability, and a break for the driver.
16. Making matters yet more complex, Route 10X is designed to make the downtown Salem pulse, which dictates when it can arrive in Woodburn, or anywhere else on Highway 99E.

timed connection in Rainier. (The Sunset Empire segment is shown in orange at right, and the CC Rider segment is shown in green.)



Each agency can only offer two round trips a day on its segment of the route, so if those trips were uncoordinated the transfer between them would be incredibly long. Instead, it takes a handful of minutes at the Rainier transit center.

The two agencies publish schedules that include information for the full route, even though each agency’s buses only run part of the route.

Fares are distance-based and riders are sold a fare for the entire route, when they board the first bus. (The schedule at right describes the entire shared route from Astoria to Portland, and indicates fare zones.) Under the safe assumption that travel volumes in the two directions are equal, the agencies simply keep the fares collected on their own buses, and do not need to rebalance fare revenues.

“Free” transfers or integrated fares are not essential for a timed connection. However, they improve the transparency and simplicity of the service for new riders, and by requiring fewer cash fare payments they can also help to speed-up service.

Sunset Empire and CC Rider also work together to apply for and report on the grants that fund Lower Columbia Connector service.¹⁷ Those grant funds cover each agency’s operating costs as far as Rainier. In recent years, they also applied jointly for capital funds to improve the transit center in Rainier.

The two agencies have developed an IGA that describes the level of service on each route (days per week and trips per day) and the fare integration. It also describes behind-the-scenes expectations related to the reimbursement of costs incurred by SETD by CC Rider (as the grant recipient), recording-keeping, and the length of notice required for termination.

Many years ago, CC Rider and Sunset Empire ran more miles of overlapping routes. CC Rider ran as far as Westport (just west of Clatskanie). Sunset Empire ran as

7 Lower Columbia Connector						
Line 7 - Lower Columbia Connector SERVICE 7-DAYS A WEEK						
DEPARTURE TIMES TO ASTORIA TRANSIT CENTER						
SW Salmon St/SW 6th Ave	Portland Union Station	Scappoose-NE 1st/Prairie	St Helens TC	Rainier TC	Clatskanie Safeway	Arrive Astoria TC
6:00	6:30	7:05	7:30	8:30	9:00	9:45
2:00	2:30	3:05	3:30	4:30	5:00	5:45
DEPARTURE TIMES TO PORTLAND UNION STATION/SW SALMON ST. and SW 6th AV.						
Astoria TC	Clatskanie	Rainier TC	St Helens TC	Scappoose-NE 1st/Prairie	Portland Union Station	SW Salmon St/SW 6th Ave
6:45	7:35	8:30	9:00	9:25	10:15	10:30†
2:45	3:35	4:30	5:00*	5:20*	6:15†	6:00*/6:30†
ZONE 1	ZONE 2	ZONE 3	BOLD = PM			
*Becomes Line 1 - Downtown Portland Monday-Friday Does not stop at Union Station						
†Becomes Line 1 to St Helens Transit Center						
‡Saturday/Sunday ONLY to Union Station then to SW Salmon and SW 6th Ave						

17. The Lower Columbia Connector is funded by a Federal grant for rural areas (Section 5311 funds).

far east as Kelso. By working together, they have been able to reduce the amount that their routes duplicate one another, while still offering reliable rides over long distances and across jurisdictional boundaries.

Other examples of timed connections abound in the network of the NW Connector Alliance. For example, the Sunset Empire and Tillamook Transportation Districts make a timed connection in downtown Seaside four times a day. Buses have about 14 minutes of layover and recovery time there, of which 5 minutes is scheduled “pulse time” when both buses are present so passengers can transfer in either direction.

The timed connections, shared fare structures, shared policies and collaborative scheduling of the NW Connector network are governed by the Alliance’s IGA and managed by a staff-level committee. In 2016, the Alliance published a management plan that describes options for improving collaboration in the future.¹⁸

18. A copy of the management plan is available for download [here](#).

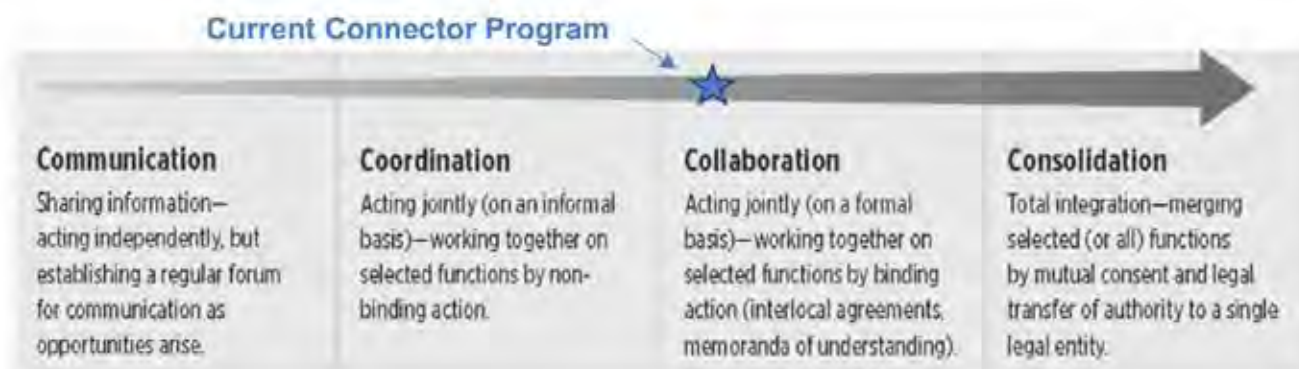


Figure 10: The NW Connector Alliance partnership, as described in its management plan in 2016. Using the language from this diagram, Cherriots and CAT are currently “Coordinating” service. Some of the alternatives described in Volume II of this plan would require “Collaboration.”

The diagram below is taken from the 2016 management plan, and shows the degree of working-together that was taking place at that time. Using this scale, Cherriots’s and CAT’s current arrangement could be described as “Coordinating”: they have adjusted schedules to make slight improvements in connection, through informal conversations.

The NW Connector Alliance has a staff committee that meets monthly to work on schedule and reliability maintenance, as well as further enhancements. Recent areas of discussion and work have included an annual holiday

schedule, and policies about transporting animals and bicycles.

Example: Lewiston-Clarkston

The communities of Lewiston, ID, and Clarkston, WA, provide another example of a timed connection, in their case across city, county and state boundaries.¹³

Transit in the valley around the confluence of the Snake and Clearwater Rivers is provided by the Public Transit Benefit Area of Asotin County (of which Clarkston is the county seat) and the City of Lewiston.

Most routes stay on each agency’s respective side of the river, but Asotin PBTB’s “Blue Line” routes offer a combined 30-minute frequency across the river to Lewiston, where they make a timed connection with the most useful of the Lewiston routes.

City of Lewiston staff describe that the timed connection is managed through the Lewiston dispatch desk. (This is made simple by the fact that the City of Lewiston dispatches both agencies’ dial-a-ride services.) When a bus driver is aware that a passenger on board intends to make the timed connection, the driver will radio to dispatch so that the driver of the connection route can be alerted. One bus is often held a few minutes to wait for the other (late) bus. The two agencies have not set a standard for how long either bus can be held behind schedule, waiting for a late connection. Dispatchers make that decision on a case-by-case basis.

One of the connecting routes (the Blue Line) offers 30-minute frequency to many (but not all) of its destinations; the other connecting route, on the Lewiston side, offers only 60-minute frequency. A missed westbound connection, for someone traveling towards Clarkston on the Blue Line, may therefore not be as severe as a missed eastbound connection, because the maximum wait for a

13. Information presented here is based on a conversation with Suzanne Seigneur, Transit Manager for the City of Lewiston, in May 2018.



Figure 11: Transit from Clarkston, WA, crosses the river into Lewiston, ID, where the two systems make a timed connection.

westbound bus to many Clarkston destinations is 30 minutes. Both routes offer higher frequency than Cherris's 99E service, today and in the foreseeable future, which means that a missed connection in Clarkston-Lewiston does not cause as long of a wait as a missed connection on Highway 99E likely would.

Lewiston and the Asotin County PBTA collaborate far beyond this single timed connection. They publish information on a shared website¹⁴ and produce one single route brochure, with maps and schedules for both agencies. They honor one-another's passes, and allow free transfers from one system to the other.

Idaho has very little funding for transit compared to Washington, both because of a lack of state sources and because local cities are prohibited from raising their own funds through local option taxes. As a result, the Asotin PBTA can offer much lower prices for passes than the City of Lewiston. This creates an incentive for riders to buy passes in Clarkston, rather than in Lewiston, and likely shifts some fare revenue from the City of Lewiston to the Asotin PBTA.

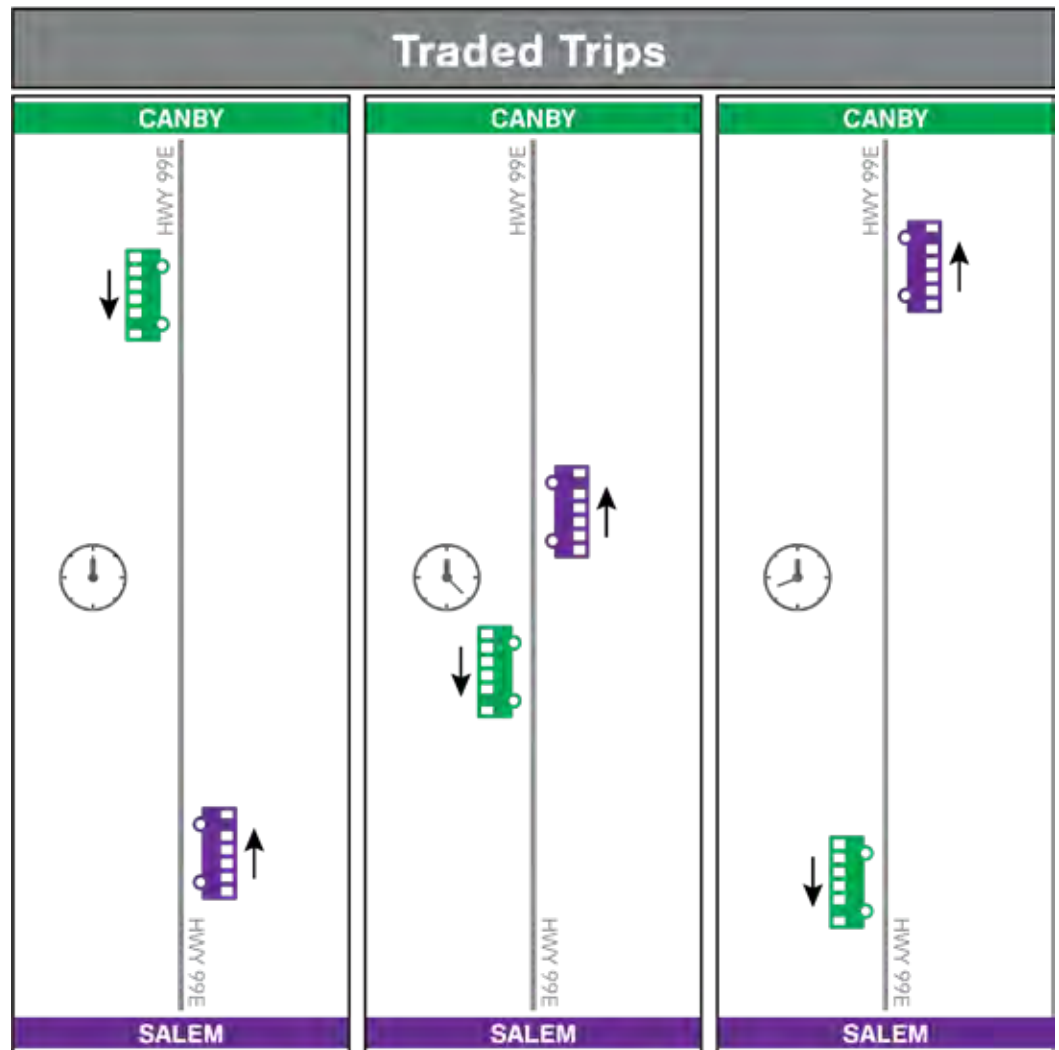
14. www.ridethevalley.org

Traded trips, with matched fares

An additional degree of seamlessness can be provided when transit agencies “trade trips,” running the same route with their respective buses.

Trading trips has major benefits for riders:

- A single fare covers the entire trip (though it may be a higher fare than others in the area). Any confusion or surprise related to transfer fares is eliminated.
- Riders do not have to get up, gather their things, and change buses mid-trip.
- The risk of missing even a well-timed-connection, mid-trip, is eliminated.
- The small amount of time involved in the timed connection is saved.



To trade-trips, transit agencies generally agree on:

- A single name for the route.
- A single fare for the route, collected by both agency’s buses, as well as any monthly or bulk pass discounts.
- A way to balance accounts, if total fares collected by the two agencies’ buses and revenues from pass sales are not equal.
- A single schedule (as is the case for timed connections).

- Incident response and maintenance procedures when a “visiting” bus has a problem.

Example: Salem-Wilsonville 1X

The best example of traded-trips in Oregon is the 1X, operated jointly by Cherriots and SMART between Salem and Wilsonville.

Route 1X was started using Federal grant funds for “reverse commutes,” though it is now funded using local and Federal dollars. The 1X gets high ridership in both directions. The route has been so productive that it now offers 13 daily round trips.

Cherriots and SMART have an agreement about how to collect and equalize cash fare revenues; how to manage and reconcile pass sales; general transfer policies;¹⁹ and insurance coverages.

At \$3.00 one-way, the 1X adult cash fare is higher than local (\$1.60) or regional (\$2.25) Cherriots fares. The higher fare reflects the longer distance that passengers are transported and therefore the higher value passengers receive. In addition, vehicles used on the 1X offer more amenities than local and regional vehicles, as they have reclinable seats, luggage racks, reading lights and wifi.

19. Cherriots sells a “universal” pass, priced to work well for regular 1X riders, that is also good on local and regional Cherriots routes. Local routes in Wilsonville are free, so northbound 1X riders staying within the city have a free “last mile” ride.



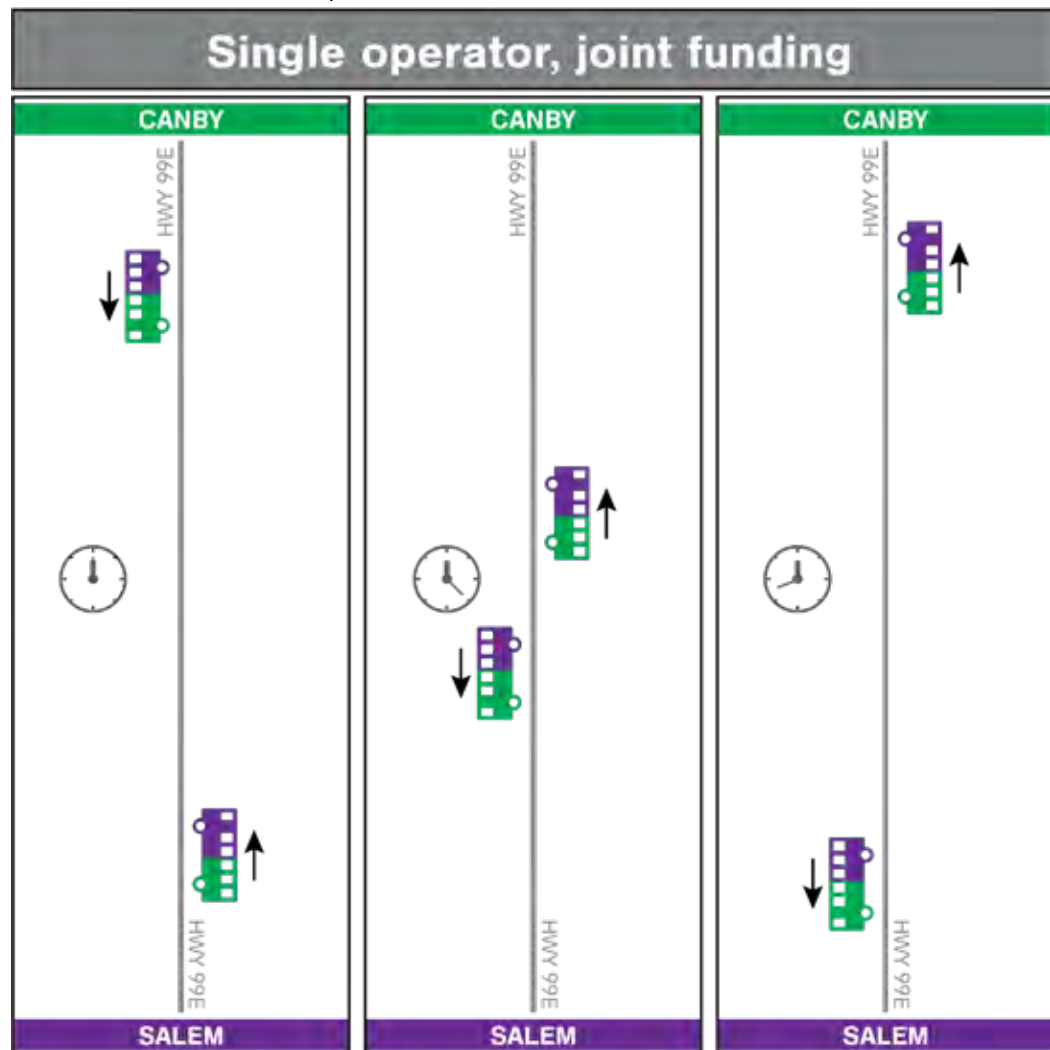
Figure 12: Cherriots and SMART provide alternative trips of the 1X. Riders know that a different bus may show up at the stop, depending on what time they travel.

Single operator, joint funding

A further step towards seamlessness that some partner agencies take is to have one agency operate a service in its entirety, through both service areas, while the other agency makes a defined contribution to the operating costs.

This has all of the same benefits to riders of the traded-trips arrangement, plus:

- The same types of buses (and fare boxes) show up for every trip, so riders know exactly what to expect.
- There is never any confusion about who to call with questions or concerns.
- Policies and rules on the route are clearly set by one agency.



This arrangement can have some benefits for both agencies:

- If one agency has access to lower operating costs than the other, shifting operations to the lower-cost agency can result in more service within the same dollar budget.
- Equipment and maintenance costs may be reduced for the non-operating agency if the intercity route required a special type of vehicle not otherwise used in the non-operating agency's system.
- Only one set of supervisors and dispatchers need to be responsible for bus drivers on the route.
- Only one agency is responsible for publication of accurate information like schedules and fares.

Clearly, this arrangement requires a high degree of trust between the partners, since the success of the route is so completely in the operating agency's hands. In addition, local taxpayers may be challenged to understand why their dollars are being used to support "someone else's" service.

This arrangement can make sense when one agency lacks the capacity or infrastructure to take on a new service, yet has access to the operating funds necessary to run it. It can also make sense if one agency deals mostly with a totally different service type, requiring different vehicles, different fares, and different customer interactions. The intercity route could therefore be a completely "different animal" and may fit more comfortably in a neighboring agency's portfolio, even while it serves important goals for both agencies.

Neither Cherrits nor CAT are in this situation. Both agencies have long experience running intercity routes, and have infrastructure and capacity they need to continue to do so. Their operating costs are similar. While a single-operator, jointly-funded arrangement might be simple, there are no obvious signs that it is a necessary or beneficial arrangement for Highway 99E.

One major challenge with having a long corridor served by a single operator is how hard it is to offer bi-directional service at the beginning and end of the day. There are three ways that an operator can address this challenge, all with major costs and drawbacks:

- Service may start at the right time at one end of the line, and either too early or too late at the other end of the line.
- The operator at one end of the line can "deadhead" a bus, out of service, to the other end of the line, to start service at the right time at that far end. Deadhead time on a route is invisible to riders, but still can still cost the agency nearly as much as in-service time.
- The operator could make special arrangements for another agency to store and maintain and dispatch buses, at the far end of the line.

While agencies do sometimes arrange for overnight bus parking at the other end of the line, maintaining satellite bus parking comes with its own costs and challenges. Buses must be secured against vandalism and theft.

Preventative maintenance on vehicles is more difficult when vehicles do not return to an operating base each day. Drivers who begin and end their day at a satellite bus parking area do not have access to the facilities, resources and supervision that are available to other drivers.

Example: Tillamook Transit in Lincoln County

A small example of jointly-funded service operated by one agency exists in the NW Connector network. The Lincoln County Transportation Service District contracts with Tillamook Transit District to provide transit service all the way from Tillamook to Lincoln City.

This collaboration began when the two agencies adjusted their schedules to make a timed connection at the edges of their service areas. The arrangement evolved and today Lincoln County Transit contracts with Tillamook to simply drive into Lincoln County.²⁰

Another example of jointly-funded service operated by a single agency will begin in 2018, when Canby transfers grant funding to Wilsonville, for the operating of midday transit between the two cities.



20. The Tillamook County Transit District also runs a route from Lincoln City to Grand Ronde, on contract for the Confederated Tribes of the Grand Ronde. From there, people can connect to Salem.

5 Challenges to Seamlessness

In this chapter, we describe some of the challenges that confront agencies who are working towards seamless intercity transit.

This corridor study will provide specific advice about the types of partnerships that may be appropriate for Cherriots and CAT along Highway 99E, and the administrative and technical steps necessary to implement those partnerships.

The challenges below are detailed simply to educate stakeholders and decision-makers. Later in this process, the study team will give Cherriots and CAT specific advice about how to overcome these challenges.

Collaborative schedule maintenance

As described earlier, creating and maintaining a route schedule that works for both transit agencies is one of the most challenging aspects of making timed connections. (It is important for traded-trips as well, but less technically intricate.)

Transit routes are regularly adjusted to account for myriad changes such as major construction projects, new schools opening, congestion, changes to traffic signals or intersections, and so on. When a route is part of a pulse, even small changes to its timing can affect the reliability of the pulse. This is challenging for a single agency to manage internally; it is more so when the other routes in the pulse are managed by other agencies.

The five agencies in the NW Connector alliance continually work on their schedules (and marketing, planning funding, best practices) together. A coordinating committee meets monthly to address the highest level matters, and sub-committees meet regularly to work on more technical matters like scheduling.

A challenge in the NW Connector system that may also arise in the northern Willamette Valley is how to handle competing demands for timed connections on a single route. It is difficult but not impossible to make a single route pulse reliably in two different places (for example pulsing in both Salem and Wilsonville; or both Salem and Canby).

Scheduling transit services to connect across boundaries is not a task that would ever be finished. Rather, it would be a continual process. It requires collaboration not only among managers and planners, but also among operations staff and schedulers.

A web of connections

Routes 10X and 99 can be part of a web of connected services in the north Willamette valley. This presents both technical challenges and difficult choices about which timed connections are most important.

Routes 10X and 99 could make a timed connection with one another, but they and other routes can also make timed connections that facilitate transfers along other important corridors. For example:

- Cherriots 10X is timed to arrive in downtown Salem for the pulse of local and regional routes there.
- SMART's 3X goes between Wilsonville and Canby, and the 3X and 99 schedules could be designed to pulse in Canby. However...
 - ▶ At its other end, the 3X is already pulsing with TriMet WES Commuter Rail.
- CAT's Route 99 could be scheduled to pulse with TriMet's Line 35 (which makes infrequent express trips to downtown Portland via Macadam) instead of relying on connections with frequent services on the east side of the river (which require an additional transfer).
- Route 1X, between Wilsonville and Cherriots, can be pulsed with either WES or the downtown Salem pulse, but the route is not the right length for it to do both (especially not at rush hours).

It is possible for a single route to make pulses at both of its ends...but only if the running time of the route is perfectly matched to the timing of those two pulses. In the case of the north Willamette Valley, each pulse is scheduled by a different transit agency with understandably different priorities. Designing this web of connections would be technically difficult, but the bigger challenge will always be making difficult trade-offs between potential connections.²¹

21. The NW Connector alliance was formed to address both of these types of challenges. Bi-lateral coordination between pairs of neighboring agencies could not possibly deliver the web of timed connections that the alliance has built across northwest Oregon.

Fleet size and type

Taking certain steps towards seamlessness described in the previous chapter could impact Cherriot's and CAT's fleet needs, or could affect which vehicles each agency assigns to their Highway 99E route.

Cherriot's regional services are currently using all available vehicles (not including spares). Before any additional weekday service could be added to the regional network, including on Highway 99E, Cherriot's would have to acquire more vehicles. Applying for funding to purchase vehicles takes about one year. Once funding has been secured, manufacturers' lead times for delivery can be months or years long.

CAT's existing fleet is sufficient to deliver all of the agency's existing service, and a modest amount of additional service in the future. While Route 99 midday and evening service could be added within the existing fleet, any major addition of rush hour service would require the purchase of another large bus.

Making travel along Highway 99 more seamless does not require increases in service from either agency, nor increases in the number of vehicles they own. However, in the long term, the types of vehicles the two agencies are using on their routes could be affected by their collaboration:

- If changes to the services and their connection increase ridership, then vehicle capacity may become too low.
- If the agencies someday trade trips on the entire corridor, then the entire route will have to be operable by all of the vehicles either agency might have to assign to it. For example, the route into the downtown Salem transit center would have to be possible using CAT's largest Route 99 buses (which are 35' long)..
- Finally, in the long term the agencies may want to present a consistent rider experience along the entire route. For example, they might decide to use only low-floor buses so that boardings by people using



Figure 13: A Cherriot's bus of the type used on Route 10X.



Figure 14: A CAT bus on Route 99. Photo credit: Steve Morgan.

22. For Route 99, CAT mostly uses large low-floor buses, which allow people to easily wheel mobility devices on and off. For Route 10X, Cherriot's currently uses high-floor buses, which passengers with mobility challenges can board using a hydraulic lift. Operating the lift takes 4-5 minutes per boarding.

mobility devices are quicker and more comfortable no matter whose bus they catch.²²

Maintenance and incident response

When agencies send their buses far away, it becomes essential that they plan ahead for response to mechanical problems and other types of incidents. If a bus breaks down, the operator and passengers must be transported, and the bus must often be towed back to the agency depot or to a commercial garage. If road repairs are possible, then a mechanic who is qualified to work on that specific type of vehicle must be brought to the site. If the vehicle is involved in a crash, agencies have specific procedures for internal investigation and documentation. Injuries or incidents involving passengers are also resolved and documented in specific ways.

If in the future CAT and Cherriots send their buses far into the other agency's service area, it will be essential that they plan ahead for how they will handle such eventualities. It may be reasonable for each agency's mechanics and supervisory staff to play some role in responding to incidents involving the other agency's service, but the practical and legal details of those arrangements would need to be carefully thought out and documented.

Fares and transfers

The purpose of this study is to improve transit travel along the entire Highway 99E corridor, and one aspect of that travel experience will be the fares charged for the trip.

Cherriots and CAT may want to evaluate changing the fare structure for Routes 10X and 99. (A summary of fares, first described on page 14, is repeated in the table at right.) However, each agency would have to take numerous factors into account, aside from simply setting a reasonable fare for a trip on the corridor:

- Should passengers pay each time they board (as they do today)? Or should they pay once for their full trip (as on the Lower Columbia Connector, described on page 30)?

N. Willamette Valley Transit Fares		
Service	One-Way Cash Fare	Transfers included?
CAT Route 99	\$1.00	Yes, to CAT dial-a-ride
Cherriots 10X or 20X	\$2.25	No
Cherriots/SMART 1X	\$3.00	No, but SMART local routes are free.
Cherriots local	\$1.60	No
TriMet	\$2.50	Yes, within TriMet.
Amtrak/POINT	~\$9.50 – ~\$16.00	No
Greyhound	~\$14.00	No

- How does the fare for a Highway 99E trip compare to the fares for other trips in each agency’s system? Would it seem “fair” to each agency’s other riders?
- How does the fare relate to:
 - ▶ Distance ridden?
 - ▶ The public subsidy per rider?
 - ▶ Riders’ ability to pay?
 - ▶ Transfer benefits on other services (e.g. Cherrits local routes)?
- How would revenues from pass sales be shared?
- Can each agency honor discount fares (e.g. “youth” or “reduced”) purchased from the other agency, for use on Highway 99E?
- For any “ideal” fare structure and price, is it practical and cost-effective for the two agencies to collect and rebalance the fares?

Finally, fare technology is changing fast. Either agency may be ready to transition from paper fares and passes to mobile tickets (on smartphones) or magnetic stripe cards before the other partner. Offering shared fares or free transfers on Highway 99E could be made more complex if agencies use different fare technologies.

Policies, procedures and administration

Transit agencies set standards for how they will interact with riders and for how riders are expected to behave on buses and at bus stops. Agencies working together to provide seamless service along a corridor will benefit from aligning policies related to:

- Whether riders may bring bicycles, and what is allowed if bike racks are all full.
- What animals are allowed on the buses, under what conditions.
- How drivers are to handle non-paying riders or disruptive riders.

- As mentioned before, how drivers handle riders who will miss or have missed their connection.

In addition, the two agencies would work through service standards as they collaborate on scheduling. For example, on which holidays is there no service, or a modified schedule? What rates of on-time performance are acceptable, and at what point would a partner agency be required to take steps that improve on-time performance?

Finally, each agency may encounter administrative hurdles relating to relative staff compensation at the two agencies, union representation, or insurance requirements.

6 Next Steps

This report presented existing conditions of service and land use, discussed ways that transit could be improved on Highway 99E, and noted challenges that will arise if Cherrlots and CAT take steps towards seamless travel on the corridor.

This report is the first step in the Highway 99E Study. The next step is the development of future service alternatives, illustrating how Cherrlots and CAT could provide more seamless service.

Once those alternatives are developed, in the fall of 2017, Cherrlots and CAT will ask stakeholders, riders and decision-makers in their respective communities to provide feedback on those alternatives.

In 2018, this study team will review public input on the alternatives, and develop a plan describing steps Cherrlots and CAT can take towards more seamless service along the corridor.

Major changes to existing Highway 99E service are unlikely to occur prior to 2019, when new statewide transit funding becomes available.

Highway 99E Corridor Transit Planning Project

Volume II: Future Alternatives

JARRETT WALKER + ASSOCIATES

For Cherriots and Canby Area Transit

June 2018

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1 Introduction

Why was this study done?

Transit travel is currently difficult along the 99E Corridor, between Oregon City and Salem and especially between Canby and Salem. This difficulty arises from:

- The low frequencies of the two routes serving the corridor (CAT 99X and Cherriots 10X).
- The long waits required to transfer between these two routes.
- The current location of the terminus of these two routes (at the northern edge of Woodburn).

Additional difficulties arise from the lack of integration of fares and of information between the two agencies serving the corridor.

Transit is currently provided only on weekdays. Given the number of service jobs along the corridor, which are busier on weekends than weekdays, the lack of weekend service certainly prevents some corridor residents from using transit to access employment opportunities.

A more thorough description of the impetus for this study and existing conditions along the corridor is presented in Volume I of this report.

When might changes happen?

In 2017, Cherriots implemented an updated Transit Master Plan for regional service, significantly increasing the number of daily transit round trips on its Route 10X between Woodburn and Salem from four to six.

CAT has also recently completed a Transit Master Plan update, and added more daily trips on its Route 99X between Canby and Woodburn.

Both agencies expect to receive more operating funding from the State of Oregon starting in 2019. Some of that funding may be used to increase service along the Highway 99E corridor, though the increases could take the form of longer spans of service (e.g. at night or on weekends) rather than more frequency on weekdays.

Small changes that improve the existing connection between Routes 10X and 99X may be possible in the near term. Major changes are unlikely to happen until



and unless both agencies decide to move forward in tandem. Whether such moves are the right decision for each agency will depend on the priorities of their funders, their governing bodies and their respective local communities.

How will decisions be made?

Major decisions about how to provide service along Highway 99E will ultimately be made by both agencies' governing bodies, the Salem Area Mass Transit District Board of Directors (for Cherrits) and the Canby City Council (for CAT). Those bodies, along with their Technical Advisory Committees (TAC), may consider the alternatives identified by this plan in 2018 and 2019. Members of these groups came together in May 2018 to learn about the scenarios described in this plan.

If either or both agencies wish to move forward with some of the steps identified in this plan, those potential changes will first be presented to the public for consideration and feedback.



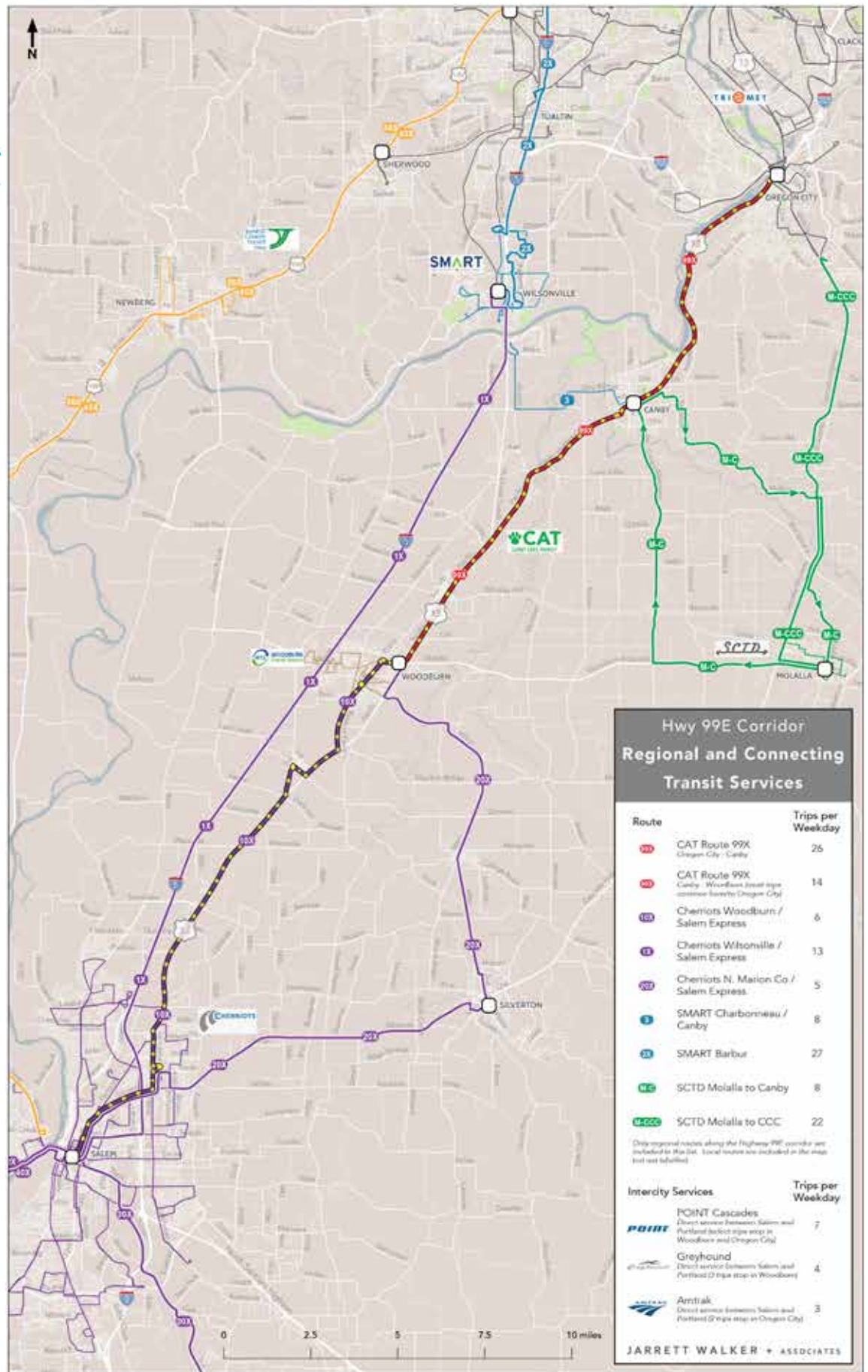
Figure 1: Members of the Cherrits Board of Directors, Canby City Council and Canby Transit Advisory Committee gathered in May for a presentation and discussion about the potential recommendations of this plan.

2 Existing Conditions

Figure 2: Map of Highway 99E services and other regional routes.

The legend reports the number of trips per day on each intercity route. Most routes run on weekdays only.

For best results, print this page 11" x 17."



2018/06/01

This chapter provides a very brief summary of existing conditions along the Highway 99E corridor, so that the reader can easily reference basic information as they consider the alternatives described in the following chapters.

Additional information about existing service, land use and market conditions is reported in Volume I.

Regional and intercity services

The map on page 8 shows CAT Route 99X and Cherrlots Routes 10X and 20X serving the Highway 99E corridor. (This map has been updated to reflect increases in service on Route 99X since the publication of Volume I.)

Other transit services in the region are also shown, including local services in Salem, Woodburn and Oregon City. The table at right summarizes the number of daily trips on each of these routes.

Service connecting...	Trips per day
Cherrlots 10X <i>Salem & Woodburn via 99E</i>	6, weekdays only
Cherrlots 20X <i>Salem & Woodburn via Silverton</i>	5, weekdays only
CAT Route 99X <i>Oregon City & Canby</i>	26, weekdays only
CAT Route 99 <i>Canby & Woodburn</i>	14, weekdays only
Greyhound, Portland & Salem <i>Three trips stop in Woodburn</i>	4, every day
Amtrak/POINT <i>Some trips stop in either Oregon City or Woodburn.</i>	9, every day (buses or trains)

Existing demand

The 99E corridor is different from the other corridor connecting Salem-Keizer to the Portland Metro Area, Interstate 5. The I-5 market is very successfully served by Cherriots and Wilsonville SMART with Route 1X. The transit market between Salem and Wilsonville is dominated by its endpoints – people traveling all the way from Salem to Wilsonville (or beyond), and vice versa.

The total set of commute trips for which the 1X route might be relevant includes all those commutes between the Portland Metro area (Portland, Beaverton, Tigard, Wilsonville, etc) and the Salem-Keizer metro area.

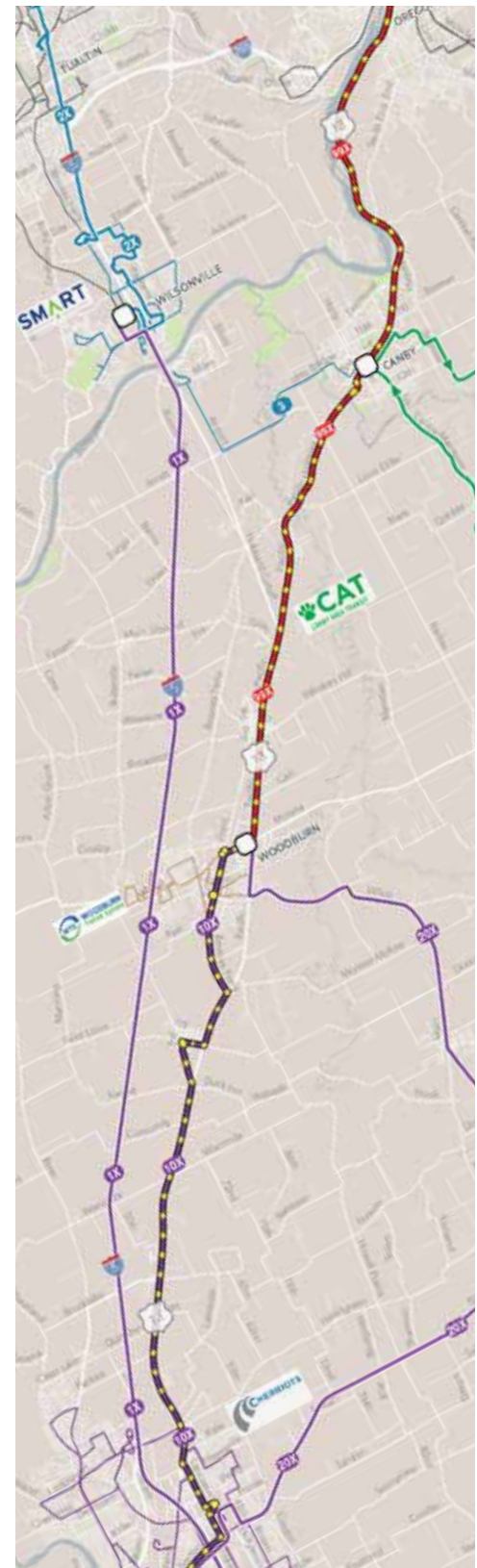
These commute trips, for which the 1X could theoretically be relevant, total about 29,000.¹

In contrast, the 99E corridor has *many overlapping transit markets*. Some people are traveling all the way from Salem to Oregon City (or beyond), and vice versa. Large numbers of people are also traveling among the cities on the corridor. The total set of commute trips for which the CAT 99X and Cherriots 10X routes might be relevant includes short and long trips among all combinations of the Portland Metro area, Canby, Woodburn, Salem, and the many smaller towns along 99E (since, unlike Route 1X on the freeway, buses on 99E can stop along the way).

These commute trips, for which the CAT 99X or Cherriots 10X could be relevant, total about 48,000, more than the number of trips for which the 1X could be relevant.

In addition, the wages of jobs along the 99E corridor and the incomes of households along the 99E corridor are, on average, lower than those along the Cherriots 1X. The lower-income residents and workers who travel along the 99E corridor have a greater incentive to use transit, and a more severe need to save money and time when they travel.

Finally, because 99E runs through many overlapping commute markets, we would expect people to use it for shorter trips than are typical on the Cherriots 1X. This means that there would be more “turnover” on each bus, and each available seat would be used by more passengers for each trip the bus makes.



1. Commute trip data come from the U.S. Census Bureau's Longitudinal Employer-Household Dynamics survey, 2014.

However, some features of the Route 1X market may make that service especially productive, in ways that are less true along Highway 99E. Among the people commuting between Wilsonville and Salem, parking costs at their job sites might be high. Access to employer-subsidized transit passes might be higher for people traveling along I-5 than people traveling along 99E. Finally, the 1X ride is fast between its endpoints, precisely *because* it does not serve continuous development, and this speed makes it attractive.

The Cherriots–SMART partnership to deliver Route 1X demonstrates one of the ways that seamless transit could be offered on the Highway 99E corridor. There is no reason to think that the potential for ridership along 99E is inherently lower than along I-5. For this reason, Cherriots’s success with Route 1X inspires hope that a similar inter-agency collaboration could succeed along Highway 99E, in a similar or different form.

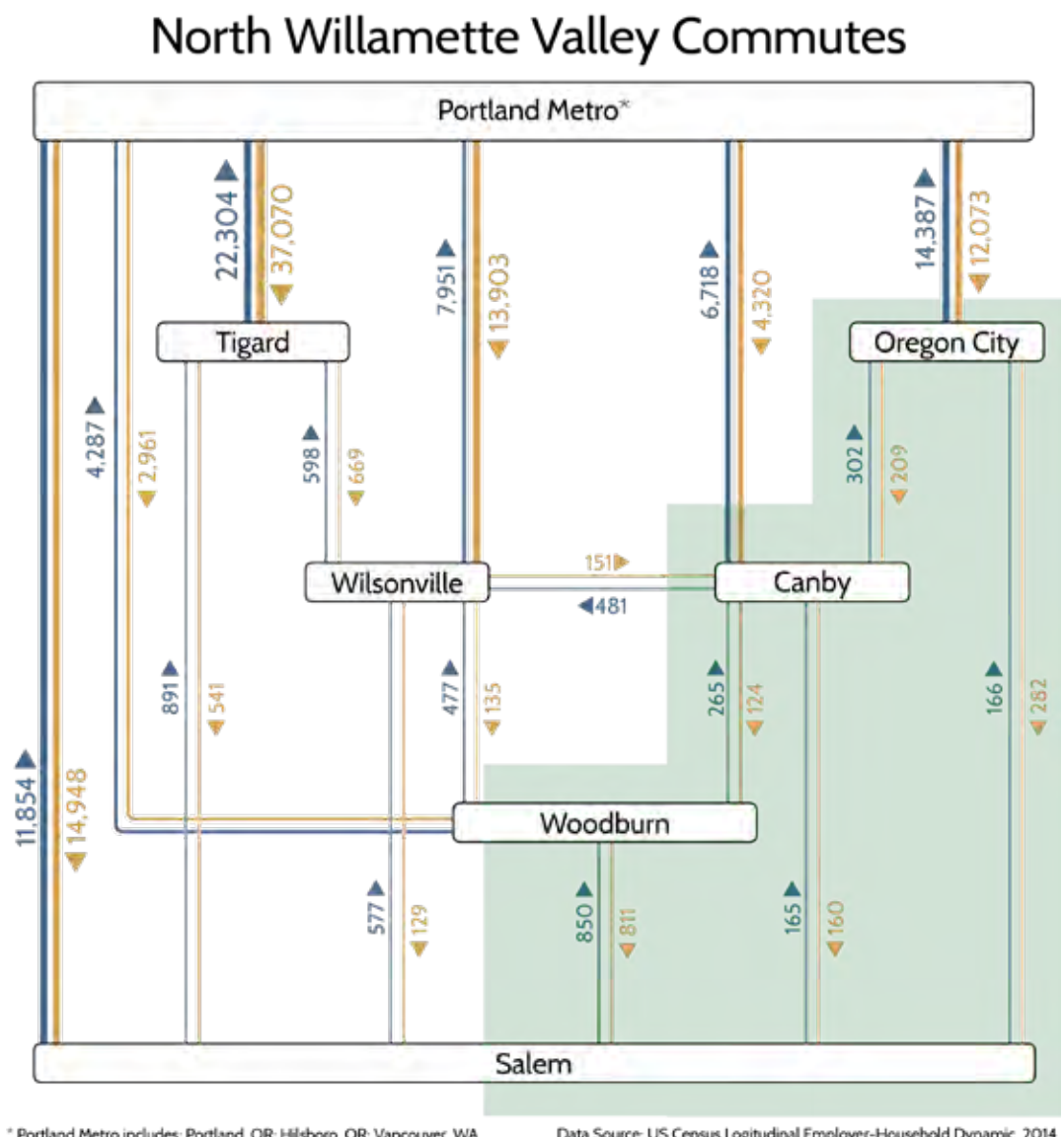


Figure 3: Transit commutes for which a seamless Highway 99E service could be relevant (highlighted in green) total 48,000. The commutes for which Route 1X (between Wilsonville and Salem) could be relevant total 29,000.

Connections

A characteristic of transit networks that can be hard to see on a map is the timing of connections (or a lack thereof). Improving the timing of connections between Routes 10X and 99X is a major element of the *Timed Connection* alternative described in this volume.

Today, CAT's Route 99X and Cherriotics' Routes 10X and 20X stop at the same *place* (in Woodburn), but they only occasionally meet *in time*. Their schedules were designed independently, and optimized for connections within their own individual systems. Very recent changes by Cherriotics and the addition of trips by CAT has increased the number of connections that are possible with waits of less than an hour.

As shown in the diagram at right, there are two times each day when a northbound connection is possible within a 10 minute transfer window, and three times each day when a southbound connection is possible.

Aside from some recent small adjustments, neither of these routes was designed for connections between them. The lack of quick connections is therefore unsurprising, but poses a barrier to regional transit travel.

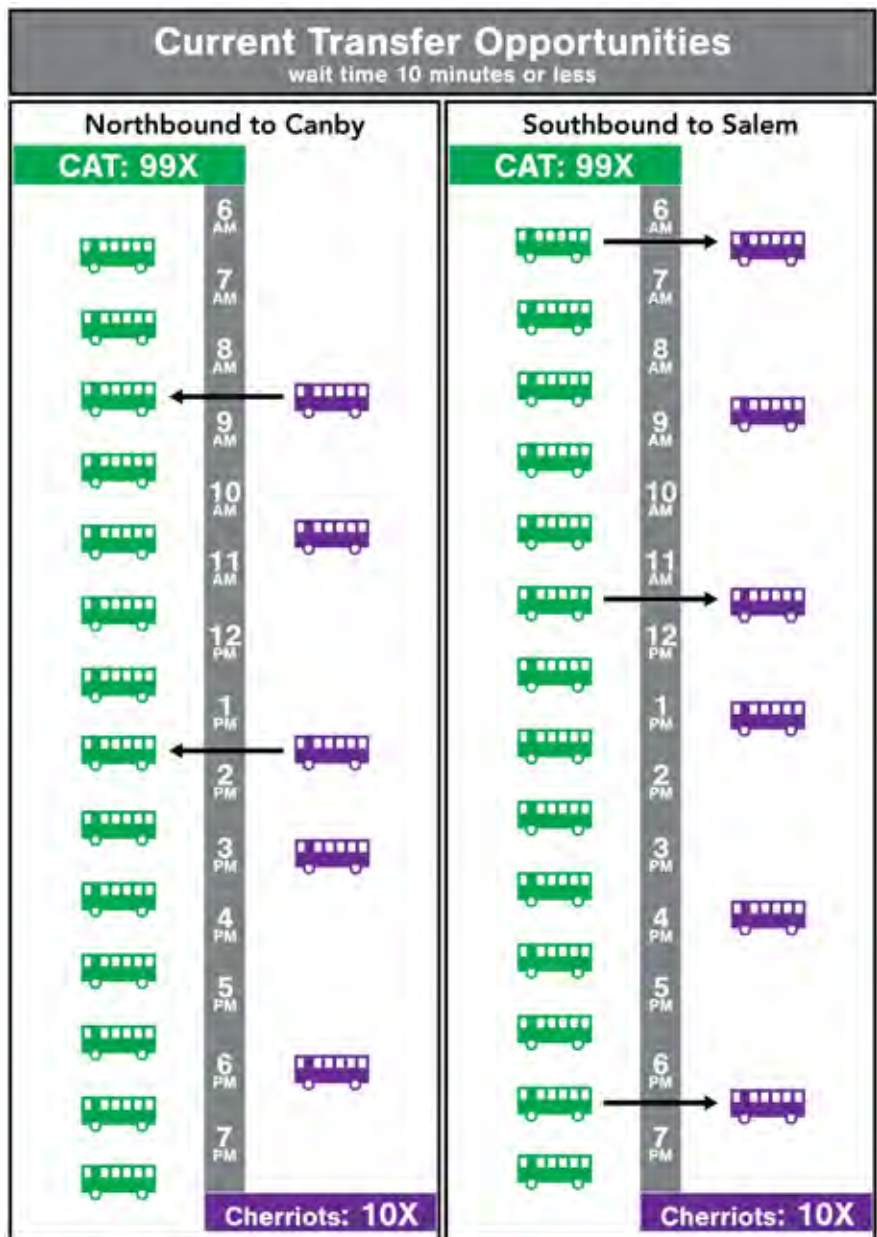


Figure 4: A diagram of daily service between Woodburn and Canby (in green) or Salem (in purple). Only a few times a day is a transfer possible with a reasonable wait.

A serious challenge to making a timed connection work between Routes 10X and 99X is that both routes are already involved in *other* timed connections. The diagram at right shows the timed transfer systems currently working in the North Willamette Valley. Arrivals and departures of certain routes are currently timed around:

- A “pulse” in downtown Salem, when the Cherriots routes come together.² This affects Route 10X.
- WES arrivals and departures in Wilsonville. This affects SMART’s Route 3X (to Canby) and Route 1X.
- A small “pulse” in downtown Canby. This is somewhat timed around the arrival of Route 3X (from Wilsonville). It affects Route 99X and a route from Molalla.

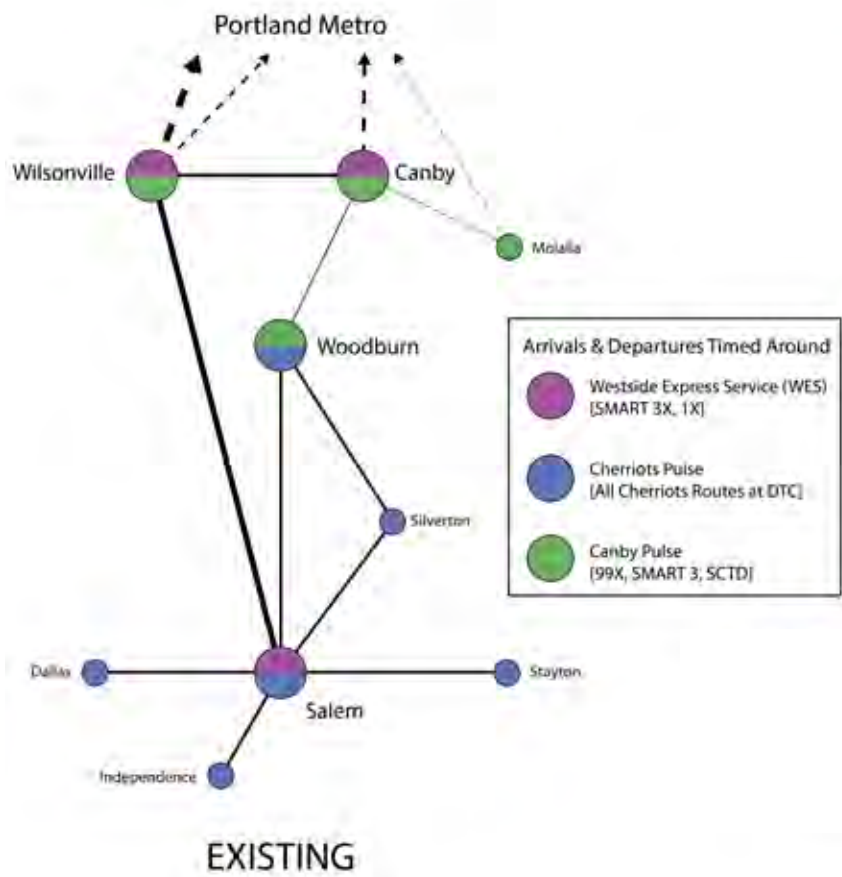


Figure 5: This diagram shows the three current pulse systems operating in the North Willamette Valley, including the 99E corridor.

A network of timed connections can massively increase people’s freedom to travel beyond their own town. Yet multiple timed connections can also make a network *brittle*, if routes are subjected to unpredictable delays that cause missed connections. Transit agencies have control over only a few sources of delay. Cities and counties have much greater influence over delay, because they manage the roads and intersections on which transit can be given priority. The more a transit vehicle (and all of its riders) is protected from traffic delay, the more feasible it becomes to build and keep timed connections at multiple points in the network.

2. In a pulse, multiple routes meet at a single location at the same time to make transfers possible in all directions. Pulses are most commonly located in a city’s downtown or at its main transit center.

All three of the alternatives described in this report would require re-timing the schedules of Routes 10X and 99X and, crucially, may not be possible without “breaking” an existing timed connection with another route. A decision to improve travel along Highway 99E cannot be made in a vacuum, and may require some thoughtful trade-offs.

3 Timed Connection Alternative

Timed Connection

The first alternative proposed in this plan is an improvement to the timing of connections between Routes 10X and 99X. This type of improvement can be done incrementally, with modest changes to existing schedules and practices.

Improving the timing of connections between any pair of routes requires adjusting their schedules so that they meet at approximately the same time in the same place, and then adding time to each route’s schedule so that the buses can sit at a shared location for a few minutes. This hold time allows people to transfer between buses *in both directions*.

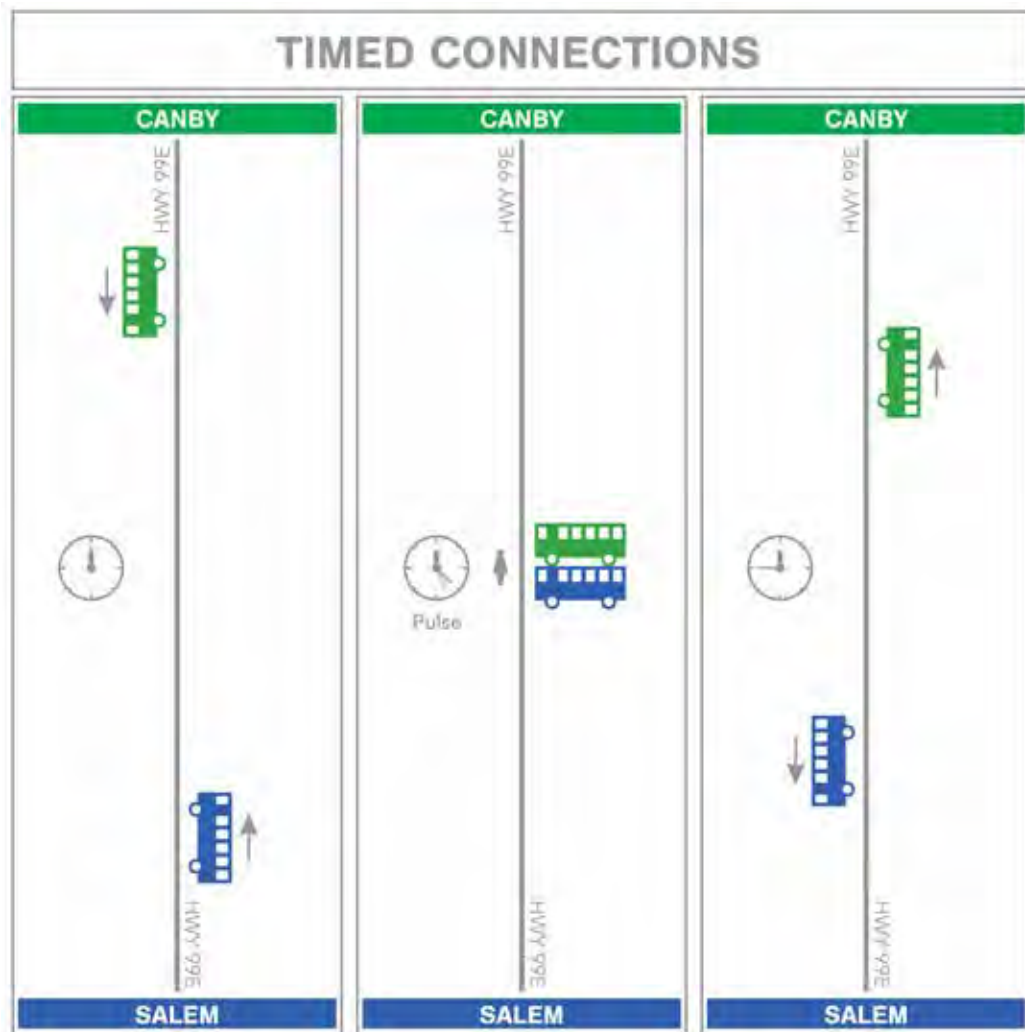


Figure 6: With a timed connection, two routes hold at a shared stop for a few minutes. This allows for riders to transfer between buses with a reliably short wait. Timed connections are typically advertised on each route’s schedule.

TIMED CONNECTIONS

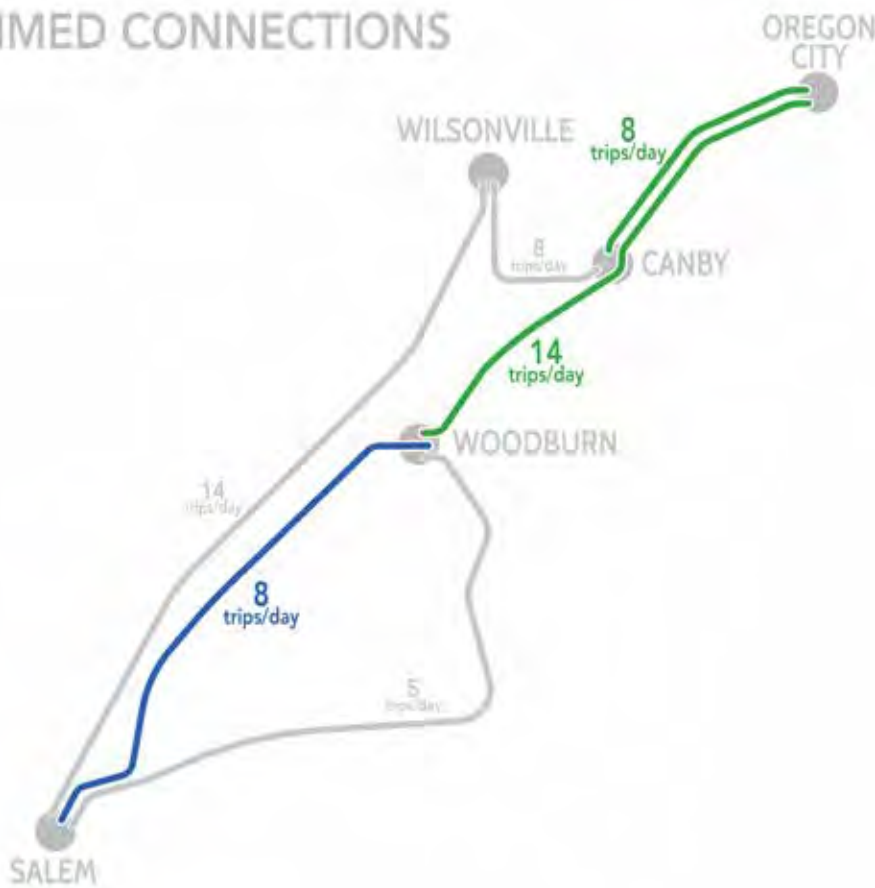


Figure 7: Cherriots and CAT could make at least four timed connections each day, between Routes 99X and 10X. This would require Cherriots to increase the number of daily bus trips on the 10X from 6 to 8.

A timed connection would help riders wishing to travel along the 99E corridor by providing a number of assured short transfers between the CAT 99X and the Cherriots 10X.

This alternative would require the smallest amount of change to how CAT and Cherriots run their services today. CAT could continue to run their hourly route between Oregon City and north Woodburn. Cherriots could redesign the 10X schedules to match the 99X arrival time in north Woodburn, though this may undo a timed connection between the 10X and other routes in downtown Salem.

However, this alternative would require additional funding and buses for Cherriots, in order to increase the number of daily round-trips on Route 10X from 6 to 8.

For current and potential riders this alternative would be an improvement. Currently a few transfers are possible but only in one direction at a time; this alternative would make transfers possible in both directions, four times per day. Current 99X riders would see no change to their

Daily Revenue Hours

CAT	36.5 daily rev. hrs.
Cherriots	15.6 daily rev. hrs.
Total	52.1 daily rev. hrs.

Vehicles Required

CAT	3 buses
Cherriots	2 buses
Total	5 buses

schedule and would gain a guaranteed connection for travel to the south. Current 10X riders would see their schedules adjusted but would gain access to Canby and Oregon City.

This alternative could be implemented with the current connection point, which is at the Bi-Mart in north Woodburn. However, in the future CAT may wish to restore 99X service into downtown Woodburn, in order to bring more Woodburn destinations and residents within range of Canby residents and businesses.

Extending Route 99X to the south could have financial implications if it shifts some service cost from Cherriots to CAT, by lengthening Route 99X while shortening Route 10X. Funding is discussed at greater length starting on page 34. Extending 99X service south into downtown Woodburn would also make Canby's current "clock-face" schedules hard or impossible, as described below.

Agency coordination

The timed connection alternative requires more coordination between the two agencies than exists today.

Operations

The two agencies would have to develop a system through which the reliability of the connection was managed for every trip. This means that if either route were running behind schedule, that information would be relayed to the other route, and the bus drivers would understand what actions to take depending on the degree of delay.

This communication and decision-making would require the active involvement of at least one agency's supervisors. It would also require additional training and procedures for supervisors and operators.

Information about the daily operation of the timed connection would also need to be relayed to service planners at both agencies, so that periodic adjustments and improvements to the timing could be made.

Scheduling

Schedules would need to be rewritten so that both routes to meet and hold at the designated connection location for a few minutes, at least four times per day. In preparation for re-writing schedules, it might be necessary to gather additional data on existing running times, and running time variability from day to day.

Timed connections require each agency to work collaboratively whenever any schedule adjustments are being considered on their own systems. For example, if Cherriots wants to make a change to the 10X schedule, perhaps related to the downtown Salem pulse, it would have to work through that schedule change with CAT to ensure that the 99X can be adjusted in tandem. Agencies typically make small adjustments to schedules and route alignments once a year or more, and this becomes more challenging if there is a timed connection with a neighbor.

As described above, if Route 99X were extended into downtown Woodburn, this would allow people riding from the north to access more Woodburn destinations without a transfer. (It would also allow more Woodburn residents to reach Canby without a transfer.) However, it would lengthen the driving time on Route 99X enough that it would make it very difficult to maintain the “clock-face” schedules currently in place.³ Clock-face schedules are valuable because easy for people to read and memorize.

Fares

No fare adjustments would be required in order to establish a timed connection. Riders transferring would be required to pay each time they boarded a bus – first at the beginning of their trip and again when they transfer. Each transit agency would keep the fares it collected on its own buses.

However, riders traveling a fairly short distance but passing through the connection point might resent being charged twice for a single trip, when other, longer trips on the Cherriots and CAT systems only require one charge.

It would be possible to introduce a new fare structure for the 99E corridor that did not require payment with every

3. A clock-face schedule repeats in the same pattern over the hours of the day. For example, if a bus arrives at 1:10, 2:10, 3:10, and so on, that is a clock-face schedule.

boarding of a bus, though this would introduce greater complexity for the agencies and perhaps for riders as well. At present, CAT’s Route 99X fares are low relative to other fares in the region and are unlikely to discourage many riders from transferring.

Policies

Agency policies need not be consistent or coordinated, because riders know that they are moving from one agency’s service to the other when they change buses.

However, rider expectations set on one route can effect their expectations on another. For example, if rules about pets on one route allow someone to reach the transfer point with a pet, and they cannot bring it on the connecting bus, they may be frustrated and may cause stress for the driver.

Decisions about whether to offer service on holidays, and which holidays, are not strictly policies but are typically made at the Board level because of their budget impacts. A timed connection does not require that both agencies observe the same holidays off, but it does benefit from such consistency.

Marketing

No marketing is required for a timed transfer to be implemented, but if the connection is reliable then it should absolutely be marketed to existing and potential riders. The “product” to be marketed would no longer be a ride on a single route, but instead a longer distance trip provided by the two agencies, in partnership.

Higher Funding Opportunities

Additional Weekday Service

Cherriots is already planning to increase service on Route 10X in 2019, using new STIF revenues. The most likely form of the increase will be two more weekday trips, and the addition of Saturday trips.

If and when more funding becomes available for service on the 99E corridor, Cherriots can consider adding three more weekday round trips on the 10X (for a total of 11 daily round trips). The cost for Cherriots to expand 10X service on weekdays from 8 daily round trips to 11 daily round trips is about 1,480 annual revenue hours.

Additional Weekday Service

Cherriots 10X	+3 daily round trips 1,480 annual rev. hrs.
------------------	--

In the Timed Connection alternative, Cherriots could choose to add these three additional trips into rush hours, or to space the 11 trips evenly throughout the day.

Additional Saturday Service

Both CAT and Cherriots expect to add Saturday service on Routes 10X and 99X, with anticipated revenues in 2019. Cherriots tentatively plans to provide 4 Saturday round trips on the 10X. CAT plans to consult its stakeholders and the public on a choice between running Route 99X four times per Saturday between Oregon City and Woodburn, or 8 times per Saturday only between Oregon City and Canby.

If both agencies run service as far as Woodburn on Saturdays, and make timed connections there, the impact will be greater than the sum of the ridership on either route alone.

If further revenues become available after 2019, the agencies could offer more service on Saturdays than they are currently contemplating. The cost for either agency to expand Highway 99E service on Saturdays from 4 round trips to 6 round trips is roughly 210 annual revenue hours, per agency.

With these further investments in the Timed Connection alternative, Cherriots and CAT could schedule and manage the pulse in Woodburn on Saturdays, allowing for seamless travel along the 99E corridor 6 days a week.

Additional Saturday Service

CAT 99X	+2 Saturday round trips 210 annual rev. hrs.
Cherriots 10X	+2 Saturday round trips 210 annual rev. hrs.

4 Traded Trips Alternative

Traded Trips

Traded trips are a way that two agencies can provide a single route to customers. This allows for a one-seat ride across service area boundaries, and one fare payment. Each agency's buses continue past where a transfer would happen and drive all the way to the terminus in the other agency's service area.

The scheduling of departures and arrivals is still complicated, because it should take into consideration the other potential connections at the single route's two endpoints.



Figure 8: By trading trips, two agencies can split the cost and the credit for running a single long route connecting their service areas.

TRADED TRIPS



Figure 9: For the same operating cost as in the *Timed Connection* alternative, each agency could run 4 round trips per day, all the way between Salem and Oregon City. This would provide a total of 8 route trips per day, without a transfer.

Traded trips would provide a similar expansion in access along the entire 99E corridor as in the previous alternative, for the same operating cost, but without asking passengers to make a transfer mid-corridor.

This alternative a different type of coordination between CAT and Cherriots than a timed connection. With both agencies expanding their operations past their service area boundaries, procedures should establish how a bus and driver far from their home garages, supervisors and break-rooms are supported. Additional coordination is needed on fares, policies, and scheduling.

For riders and potential riders this alternative would provide a new one-seat ride among the many cities and communities along the highway. While travel times would be only slightly shorter than on the timed connection trips, there would be more opportunities per day to travel the whole corridor, and the service would be simpler and more intuitive for new riders to understand.

Daily Revenue Hours

CAT	36.5 daily rev. hrs.
Cherriots	15.6 daily rev. hrs.
Total	52.1 daily rev. hrs.

Vehicles Required

CAT	3-4 buses*
Cherriots	2 buses
Total	5-6 buses*

*Dependent on the degree of higher frequency during rush-hours.

Agency coordination

This alternative would require less day-to-day and trip-to-trip coordination between CAT and Cherriots than the *Timed Connection* alternative, but more coordination and agreement related to the shared route the two agencies are offering, and the physical distance each agency's buses would go from their own operating bases. This alternative would likely require an intergovernmental agreement (IGA).

Coordination would be required for any changes to scheduling, fare structure, days of service and operations. Additionally, the resolution of any differences in rider policies would be valuable, as would coordinated marketing of the new service.

Operations

With both agencies running buses in each other's service areas, it would be valuable to establish some mutual-support procedures in the case of breakdowns, customer conflicts, operator illness, and other incidents that require in-person support from a supervisor or mechanic.

These procedures would be detailed in an IGA between the two agencies. Alternately, an IGA could establish the coordination activities and process for the agencies, through which these procedures would be established and revised.

Scheduling

Both agencies would design and operate a single agreed-upon schedule. Each trip in the schedule would be run by one agency or the other.

The length of the route would require the addition of recovery time⁵ mid-route. This would likely be less time than would be required for recovery and pulsing, in the *Timed Connection* alternative, but it would be more than is needed on the two routes today, combined. Longer routes require more recovery time because there are more opportunities to encounter unexpected delays.

Fares

Coordination on fare structure and fare amounts would be required for this alternative. With the two agencies splitting up the daily trips, it is essential that customers

5. Recovery time is extra time built into a schedule to protect a route against unpredictable delays. If nothing goes wrong, then the bus arrives at a stop a little early, and sits still for a few minutes. If there is an unpredicted delay, then the recovery time is used up and the bus arrives on-time, or closer to on-time, at its stop.

pay the same fare no matter whose bus they board. Doing otherwise has a negative impact on customers, causes customers to prefer certain trips over others (leading to crowding and underused capacity), and requires the agencies to do a substantial “settling-up” if one collects more fare revenue than the other.

A continuous 99E route has potential to serve trips from 2 miles to 38 miles long. A distance-based fare structure would be appropriate for such a route.⁴ However, distance-based fares put the bus driver in the position of monitoring people’s trip lengths and taking action if a person remains on the bus too long.

Any change in fares related to this corridor will need to be integrated with Cherriots’s and CAT’s own fare structures, including their existing monthly passes.

Policies

With the two agency’s buses splitting up the trips in a single route schedule, the need to have similar policies is more important than with timed connections between separate routes. Customers will expect consistent rules about fare payment, bicycles, pets, support animals, food and beverages, and other matters.

While harmonizing rules is not essential for implementation, doing so will reduce the small number of incidents that would arise from misunderstandings, and would benefit the on-board environment as well as the bus drivers who manage the on-board environment.

In a traded-trips arrangement, it also becomes more important that the two agencies observe the same set of holidays off. While it is theoretically possible for one agency to continue running its trips on a day when the other trips are not offered, it could create confusion among customers. The grave risk is that customers get stranded, because they depend on the last bus home, not understanding that the last bus home does not operate on that day.

Marketing

The traded trips alternative would benefit from coordinated marketing to people in both agencies’ service areas, and all over the North Willamette Valley. The two agencies would refer to the route by a single

4. The Lower Columbia Connector, a pair of long routes with a timed connection offered by CC Rider and Sunset Empire, uses distance based fares. Their arrangement is described in Volume I.

name and keep all of their own published materials harmonized and up-to-date.

Higher Funding Opportunities

As described above with regards to the Timed Connection alternative, Cherriots is already planning to increase service on Route 10X in 2019, using new STIF revenues. The most likely form of the increase will be two more weekday trips, and the addition of four Saturday trips. CAT is also contemplating adding Saturday service on the Route 99X, though it is unclear whether it will go as far south as Woodburn.

Additional Weekday Service

If and when more funding becomes available for service on the 99E corridor, Cherriots can consider adding three more weekday round trips on the 10X (for a total of 11 daily round trips). The cost for Cherriots to expand 10X service on weekdays from 8 daily round trips to 11 daily round trips is about 1,480 annual revenue hours. (This is the same cost as in the other alternatives.)

These three additional trips could be concentrated during rush hours, or the 11 trips could be re-spaced to provide even service throughout the day.

Additional Saturday Service

Both CAT and Cherriots expect to add Saturday service on Routes 10X and 99X, with anticipated revenues in 2019. Cherriots tentatively plans to provide 4 Saturday round trips on the 10X.

CAT will consult its stakeholders and the public on a choice between running Route 99X four times per Saturday between Oregon City and Woodburn, or 8 times per Saturday only between Oregon City and Canby. If CAT decides to invest in Saturday service to Woodburn, then the Traded Trips alternative becomes possible on Saturdays.

As in the Timed Connection alternative, the cost for either agency to expand Highway 99E service on Saturdays from 4 round trips to 6 round trips is roughly 210 annual revenue hours, per agency.

Additional Weekday Service

Cherriots 10X	+3 daily round trips
	1,480 annual rev. hrs.

Additional Saturday Service

CAT 99X	+2 Saturday round trips
	210 annual rev. hrs.
Cherriots 10X	+2 Saturday round trips
	210 annual rev. hrs.

5 Single Operator Alternative

Single Operator

If two agencies share an interest in seamless service along a corridor, the most efficient way to provide service for the available shared funding may be using a single operator.

However, a major downside of using a single operator to serve a corridor with two-way demand is that buses need to start service at both ends but all originate from a single garage at one end or the other.

This alternative is simple, but requires a high degree of trust among the partners. It also benefits from careful communication with stakeholders so that the funding (non-operating) agencies receive the credit they deserve for the shared service.

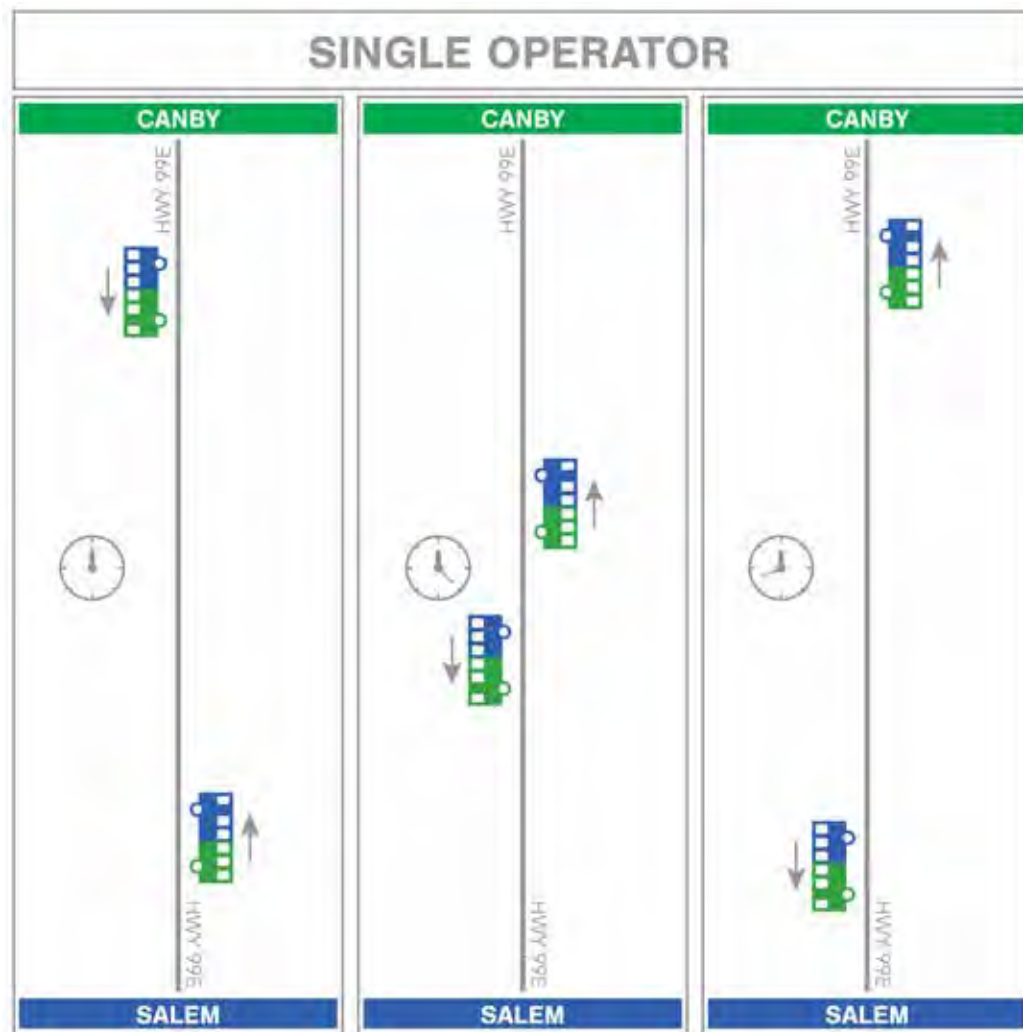


Figure 10: Using shared funding, a single operator can serve a corridor that is important to two neighboring agencies.

SINGLE OPERATOR

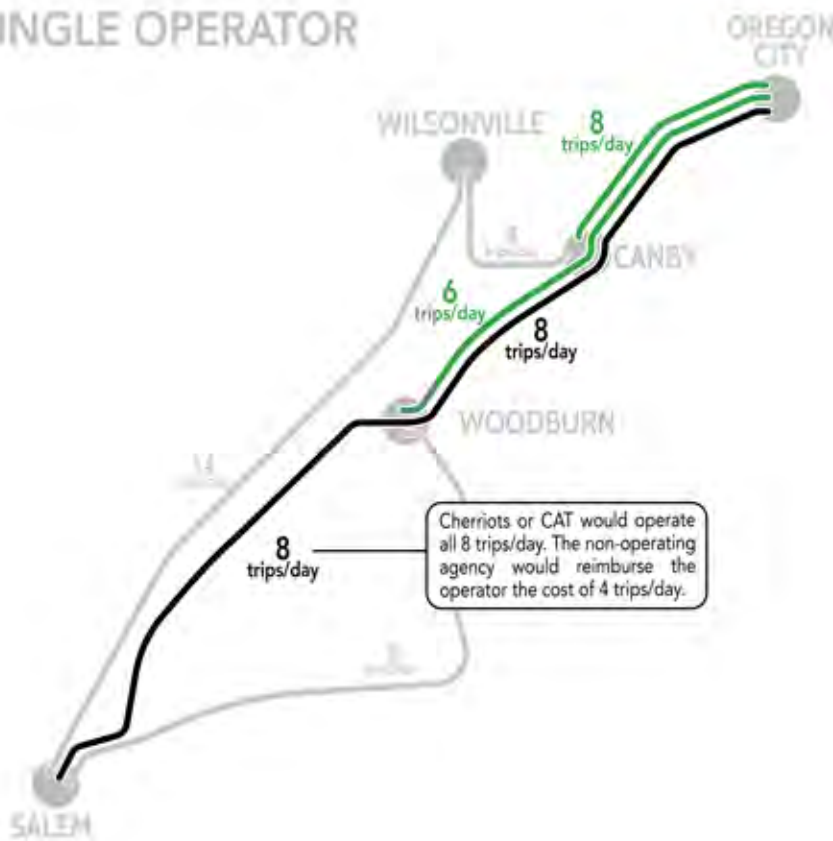


Figure 11: One operator would provide service all the way between Salem and Oregon City. This diagram shows the same total amount of service and the same number of corridor-long trips as in the previous two diagrams..

Using a single operator would provide the same one-seat-rides along the 99E corridor as in the previous alternative, but without the complexity of two different agencies’ buses, operators, supervisors, websites, etc., being involved in the service delivery. One of the agencies would deliver the service, and would be compensated for it by contract, and the non-operating agency would contribute some agreed-upon amount towards the operating costs.

An inefficiency arises when a single-operator is responsible for serving a corridor with two-way travel demand. This inefficiency arises from the need to start buses at both ends of the corridor every morning (and run to both ends of the corridor equally late at night).

A single operator can be very efficient, in part because it uses one fleet, one operating base, one garage and one team of mechanics. Yet starting all buses from that single base means that half of the buses have to start extremely early and “deadhead” to the other end of the corridor. This deadhead costs time and therefore money.

Daily Revenue Hours

CAT	36.5 daily rev. hrs.
Cherriots	15.6 daily rev. hrs.
Total	52.1 daily rev. hrs.

Vehicles Required

Total	5-6 buses*
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*Dependent on the degree of higher frequency during rush-hours. Vehicles would be provided and maintained by the operating agency.

This alternative would require agreement between the partners about all aspects of the service.

For riders and potential riders this alternative would be very similar to the *Traded Trips* alternative, but the public information would be simpler and the riding experience would be slightly more predictable.

Agency coordination

A single operator alternative would require a high level of initial coordination between agencies but day-to-day coordination between the agencies could be minimal.

In preparation for such an arrangement, it would be very important that the two partners agree on service levels, fares, service standards and the process for making service changes.

Operations

Dispatch and operations would be handled by the operating agency. The non-operating agency could provide some form of support for drivers or vehicles when they are near its facilities, such as break facilities and layover space.

Scheduling

Scheduling this route would be very similar to scheduling the *Traded Trips* alternative. No time would need to be set aside for a connection in Woodburn, but the long route would require ample recovery time to protect it from delays.

Making timed connections in both downtown Salem and in Canby might not be possible, in which case the partners would need to decide which connections were most important.

Fares

With a single operator, fares would be very simple for passengers, but would require a high degree of agreement between the partners. There would also need to be a process in place to track separately the fare revenues collected by the operating agency on the 99E route, so that those revenues could be accounted for in the financial arrangement between the partners.

Policies

The most important policies in this arrangement would be those establishing service delivery standards for the operating agency. For example, the funding agency might want to be assured that certain levels of reliability, safety, customer communication or cleanliness are met by the operating agency.

Marketing

Marketing and public information could be provided by the operating agency alone, which given the proximity of scheduling, operations and marketing staff might be very efficient. However, the funding agency's local community would be equally a source of transit riders and supporters, and the funding agency might have the best channels for reaching those people. Finally, it would be very important that the funding agency receive credit in its own community for the shared service.

Higher Funding Opportunities

As described above with regards to the Timed Connection alternative, Cherriots is already planning to increase service on Route 10X in 2019, using new STIF revenues. The most likely form of the increase will be two more weekday trips (from 6 to 8), and the addition of four Saturday trips. CAT is also contemplating adding Saturday service on the Route 99X, though it is unclear whether it will go as far south as Woodburn.

Additional Weekday Service

The cost of increasing weekday service from 8 to 11 daily round trips is the same in a Single Operator arrangement as in the other two alternatives – 1,480 annual revenue hours.

Additional Saturday Service

Both CAT and Cherriots expect to add Saturday service on Routes 10X and 99X, with anticipated revenues in 2019. Cherriots tentatively plans to provide 4 Saturday round trips on the 10X. CAT may provide 4 Saturday round trips to Woodburn, or may concentrate its service on the northern half of the 99X route (to Oregon City).

If CAT decides to invest in four Saturday round-trips between Woodburn and Canby, then the operation of

Additional Weekday Service

Cherriots 10X	+3 daily round trips
	1,480 annual rev. hrs.

Additional Saturday Service

CAT 99X	+2 Saturday round trips
	210 annual rev. hrs.
Cherriots 10X	+2 Saturday round trips
	210 annual rev. hrs.

a full Highway 99E pattern between Salem and Oregon City becomes possible. As in the other alternatives, the cost for either agency to expand Highway 99E service on Saturdays from 4 round trips to 6 round trips is roughly 210 annual revenue hours, per agency.

6 Additional Considerations

This chapter describes additional ideas, challenges and considerations that Cherriots and Canby will encounter if they decide to pursue any of the alternatives described in this report.

Funding

Cherriots's major sources of transit funding come from federal funds, state funds and local property taxes (collected within the Salem Area Mass Transit District). Canby receives a similar mix of funds, except that its local funds come from a payroll tax (collected within the City of Canby) instead of a property tax.

Cherriots uses local property tax revenues to operate its urban network; its regional network is funded with state and federal funds. Canby's assignment of revenues to services is less prescribed, and because it is an "edge city" rather than the center of an urban area, it would be unlikely to prescribe the use of funds the same way that Cherriots has.

Under any of the alternatives described in this report, Canby may decide to evaluate its service to Woodburn and debate whether it should be providing that service from its existing revenue sources. This may become particularly urgent if Canby and Cherriots wish to move the connection point, in the *Traded Trips* alternative, further south into the center of Woodburn.

To the extent that existing funding for Routes 10X and 99X arise from funding formulas, based on population for certain areas, then Canby and Cherriots may find a basis for a certain cost-share along the corridor. For example, if some of Cherriots's state and federal funds are related to the population of Marion County, and Canby is extending service further into Marion County, it may be fair for Cherriots to pass a proportion of those funds to Canby.

That said, the State of Oregon will soon be distributing and awarding transit operating funds from a new source, a statewide payroll tax. While the exact criteria for grant awards and the amounts of funding distributed by formula are not yet known, we do know that inter-agency collaboration and transit travel across jurisdictional boundaries will be priorities for the use of this new funding.

Cherriots and Canby may therefore have an opportunity to improve seamless travel along Highway 99E with new funds, in support of statewide goals. This would relieve Canby of having to justify to its existing local funders the extension of service to central Woodburn, or the trading of trips all the way to Salem.

Peaking

For each alternative, we have reported in tables the number of vehicles required (not including spares). For the *Traded Trips* and *Single Operator* alternatives, the vehicle requirement is presented as a range.

The lower end of this range is the number of vehicles that would be required for a “flat” schedule, with the same frequency of service all day. The higher end of this range is the number of vehicles that would be required to offer higher frequency during rush-hours.

Costs of peaking

Peak frequencies have extra costs that can be hard to account for. They require owning, storing and maintaining additional vehicles. They sometimes require operators to work short or split shifts. They sometimes require agencies to write more complicated schedules, to pay a premium for split shifts, or to pay operators for time not driving in the middle of the day.

Rush-hour ridership potential

A number of characteristics of the 99E corridor suggest to us that rush-hour ridership is unlikely to be high, compared to ridership at midday:

- Residents along 99E are, on average, living on lower incomes than those in more urban areas. This indicates that a larger proportion of them are likely working in service, agricultural or industrial jobs.
- People who work service jobs typically have to commute very early in the morning, in the midday, or at night.⁶
- While office jobs are not abundant along 99E, service and industrial jobs abound.

6. People who work service jobs are also typically required to work weekends.

Given the high costs of peaking, and the likely low demand from people working traditional office schedules

along the corridor, we recommend starting any of these alternatives with a flat, all-day schedule.

If demand peaks during certain times, frequency can be added, especially if necessary to address crowding. It is also possible that a single peak in demand will emerge, in midday, when people run errands; service workers commute home from a morning shift or out to an evening shift; and students return from school.

Tri-Lateral Collaboration

If Cherriots and CAT decide to pursue any of these alternatives, an Intergovernmental Agreement will be a valuable tool in that collaboration. The two agencies may also decide to set up a standing meeting of their staffs.⁷

Cherriots already has an IGA with Wilsonville, governing its 1X partnership. Canby will soon sign an IGA with Wilsonville, describing Wilsonville’s operation of midday service on Route 3X.⁸ If Cherriots and Canby begin to coordinate service...then these three neighboring agencies will have three bilateral agreements governing service on three shared corridors.

At that point, it may be reasonable for the three agencies to hold their staff collaboration meetings together. Even today, scheduling decisions on one of these corridors inform scheduling decisions on another, as shown in the diagram below. The alternatives in this plan may add to the complexity, calling for a higher degree of coordination in the North Willamette Valley.

- 7. The NW Connector Alliance holds a staff collaboration meeting once every month. This gives members ample opportunities to work with the Alliance on projects whose timelines must also incorporate public input and Board guidance.
- 8. Canby received a grant to operate mid-day service between the two cities, and then decided it would be more efficient if the service pattern were delivered by a single operator, Wilsonville SMART.

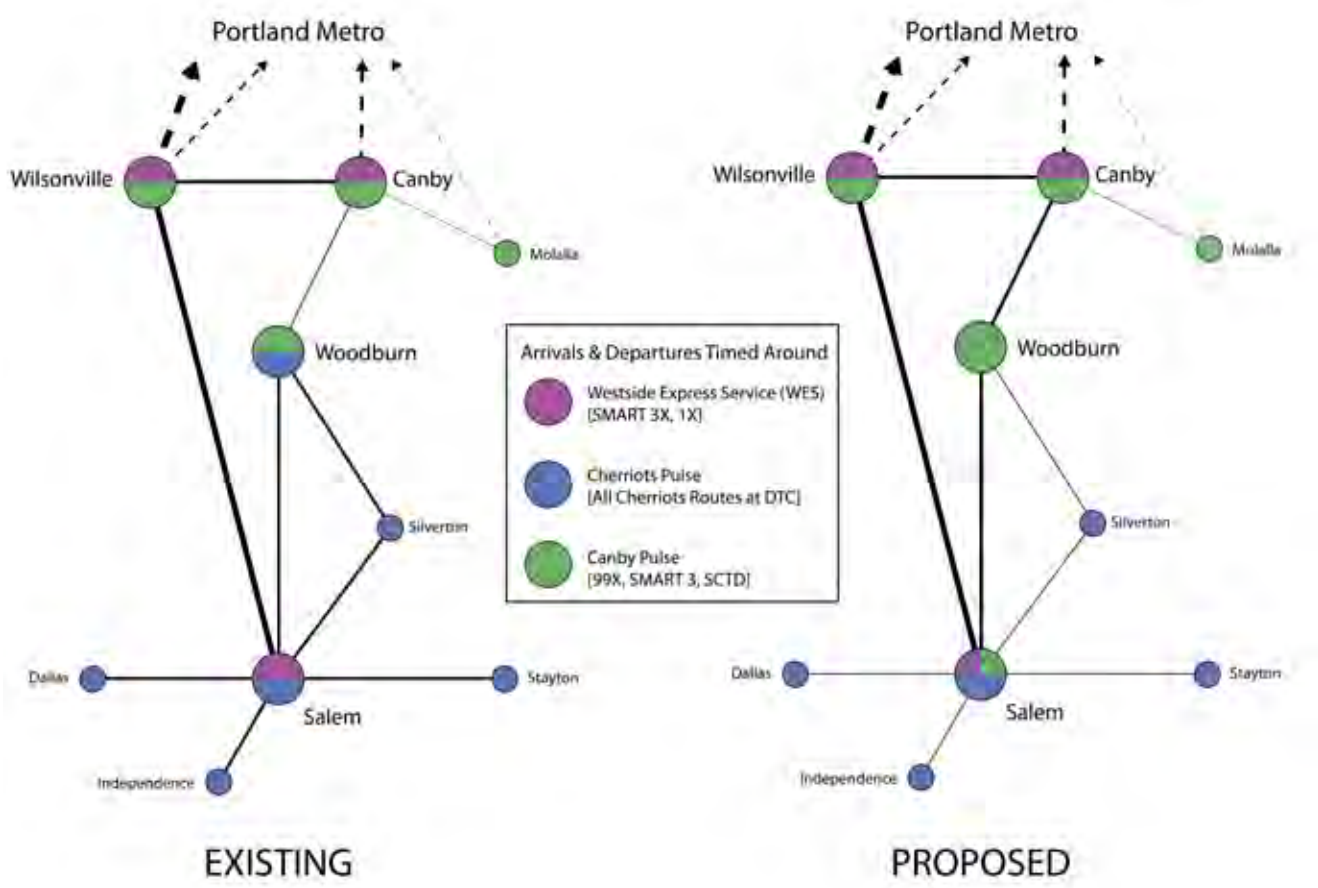


Figure 12: Schedules in the North Willamette Valley are timed around a few key nodes.



BOARD MEETING MEMO

Agenda Item J.3

To: Board of Directors

From: David Trimble, Chief Operating Officer

Thru: Allan Pollock, General Manager

Date: June 28, 2018

Subject: Authorizing a contract with Schetky Northwest Sales, Inc. for the purchase of six (6) replacement vehicles for the provision of Cherriots LIFT and Cherriots Shop and Ride Services.

ISSUE

Shall the Board authorize the General Manager to execute a contract with Schetky Northwest Sales, Inc. for the purchase of six (6) replacement vehicles for the provision of Cherriots LIFT (five vehicles) and Shop and Ride Services (one vehicle), for a not-to-exceed amount of \$460,482?

BACKGROUND AND FINDINGS

SAMTD's current fleet for delivery of the ADA Cherriots LIFT service consists of 43 cut-away ADA lift-equipped vehicles. The Shop and Ride service consists of five ADA lift-equipped vehicles. Regular replacement of these vehicles is necessary to ensure safe, efficient delivery of these services. As part of the District's overall Capital Planning efforts, SAMTD staff is committed to ensuring our vehicles are replaced at a schedule consistent with industry best practices. The six (6) vehicles scheduled to be replaced are approaching 11 years of age, with an average of 230,000 miles, which far exceeds the six year Useful Life Benchmark set by the Federal Transit Administration. According to Cherriots' Transit Asset Management targets, the goal is to replace these vehicles at eight years.

The contract price is based upon a State of Oregon price agreement, procured under procedures set by the Oregon Department of Transportation's Public Transit Division. In accordance with these procedures, SAMTD staff issued a formal, competitive Invitation to Bid for medium-size Category D vehicles. Quotes were received from four vendors and a Source Evaluation Committee evaluated the quotes. Schetky Northwest Sales, Inc., satisfied all required specifications and was the lowest cost.

FINANCIAL IMPACT

Funding for this proposed contract will be included in the Capital Projects Budget of SAMTD's Adopted FY2019 Budget; and is entirely covered through an Oregon Department of Transportation 5310 Grant and Special Transportation Fund Grant.

Vehicle costs are listed in Table 1:

TABLE 1

CATEGORY	PRICE	QUANTITY	TOTAL
23' Bus	\$ 71,747	6	\$ 430,482
Contingency	\$ 30,000	1	\$ 30,000
GRAND TOTAL:			\$ 460,482

RECOMMENDATION

Staff recommends that the Board authorize the General Manager to execute a contract with Schetky Northwest Sales, Inc., for the purchase of six (6) replacement vehicles for Cherriots LIFT and Cherriots Shop and Ride services for a not-to-exceed amount of \$460,482.

PROPOSED MOTION

I move that the Board authorize the General Manager to execute a contract with Schetky Northwest Sales, Inc. for the purchase of six (6) replacement vehicles for the provision of Cherriots LIFT and Cherriots Shop and Ride services, for a not-to-exceed amount of \$460,482?