



## Minutes

---

<b>Meeting:</b>	TriMet Board of Directors Regular Board Meeting	<b>Date:</b>	September 16, 2015
		<b>Time:</b>	9:00 a.m.
<b>Presiding:</b>	Bruce Warner	<b>Location:</b>	TriMet Operations Headquarters 4012 SE 17 <sup>th</sup> Avenue Portland, OR 97202
<b>Board Members Present:</b>	Lori Irish Bauman T. Allen Bethel Joe Esmonde Shelley Martin Craig Prosser Travis Stovall Bruce Warner	<b>Board Members Absent:</b>	

---

TriMet Board Business meetings and public forum are available via web video stream. You can access the archived meetings and materials at [trimet.org/meetings/board](http://trimet.org/meetings/board).

President Warner called the business meeting to order at 9:32 a.m.

### 1. The following Board Committee Reports were provided:

- A. **Metro Policy Advisory Committee (MPAC)** – Director Prosser reported that the Committee met on September 9, 2015, and had a significant discussion on the region’s growth needs and consideration whether to expand the Urban Growth Boundary (UGB). Metro’s Chief Operating Officer (COO) recommended not to expand the UGB at this time due to uncertainty about the reserves and to consider it again in three years. The Committee voted 12-4 to recommend to Metro Council to accept the COO recommendation.
- B. **Finance and Audit Committee** – Director Prosser reported that the Committee met this morning and received the annual audit report from Moss Adams that will be provided directly to the Board this morning. The Committee had an opportunity to meet with Moss Adams without staff present to ask questions and hear any concerns.
- C. **Transit Equity Advisory Committee (TEAC)** – Director Prosser stated that he attended TEAC on August 20, 2015, to talk about the Board’s discussion about race and equity that stemmed from the Charleston Shooting to consider what TriMet can do in response. Director Prosser stated that after discussion, many TEAC members agreed that TriMet should look internally first, focusing on systemic issues, in particular the treatment of riders of color by police/fare enforcement and look specifically at their policies, procedures, training and hiring practices to make sure we are the best we can be. Committee members suggested that TriMet be a leader in raising these issues fostering discussion at a national level in the associations they are involved in, i.e., APTA, RailVolution. The Committee will continue discussions at their September 17<sup>th</sup> meeting before providing recommendations to the Board.

Director Stovall stated that he joined the conversation by phone and agrees with the Committee that we need to first ensure our own house is in order and provide opportunities to continue discussions of what we are going to do going forward.

Shelley Devine stated that TriMet has a work group that looks at fare enforcement issues that will attend TEAC tomorrow to continue discussions.

## 2. General Manager Report

### A. **GM Comments** – Neil McFarlane, General Manager, reported on:

- MAX Orange Line Opening and Celebrations and shared his appreciation for everyone's efforts for a successful opening
- August Ridership

Board members expressed appreciation to staff, volunteers, partners and contractors on the successful completion of the Orange Line that was on time and under budget and all the well-attended and outstanding opening events. President Warner asked staff to prepare a resolution in appreciation for formal action at the October 28, 2015 meeting.

### B. **Moss Adams FY15 Audit Summary** – Julie Desimone and Ashley Austin presented a Power Point outlining the results of the FY15 Audit. Julie Desimone reported that TriMet received an unmodified (clean) opinion and that there were no instances of non-compliance in the 13 provisions. Ashley Austin went through the required communications.

Director Prosser asked how often TriMet has received a clean audit. Julie Desimone responded that TriMet has received a clean audit since 2009. In 2009 there was an implementation issue with GASB34 which many governments had. Prior to 2009 there was a long history of clean audits as well.

Director Stovall asked how many transit agencies Moss Adams works with. Julie Desimone responded that they work with many transit agencies on the West Coast and throughout the United States.

Director Stovall asked how TriMet compares with the industry. Julie Desimone responded that TriMet is extremely good and leads the industry in: 1) how the team looks at information to understand and ensure information is correct prior to going public; and 2) good communication between divisions.

President Warner thanked the Moss Adams team and TriMet staff for meeting deadlines to complete the audit to achieve a successful bond sale.

Neil McFarlane stated that the Board has received an electronic version of the full audit and final financial statement, as well as the bound copy distributed today. Dee Brookshire provided a preliminary report on the year-end results in July, and the only changes since then were the actuarial updates that were presented to the Finance and Audit Committee last month, along with small changes to the revenue account.

### 3. Consent Agenda

Director Prosser asked that Resolution 15-09-57 be removed from the consent agenda and considered along with Resolutions 15-09-61 and 15-09-62.

Director Bethel asked staff to provide the diversity makeup of Nelson Truck Equipment Company. Neil McFarlane responded that staff would be happy to provide.

Action: Craig Prosser moved to approve the consent agenda items listed below; T. Allen Bethel seconded the motion. The motion was unanimously approved.

Approval of Board Meeting Minutes for August 12, 2015

Resolution Directing that the Reading of all Ordinances be By Title Only

Resolution 15-09-52 Authorizing Contracts with AST Corporation and Jibe Consulting, Inc. for Oracle EBusiness Suite Consulting Services

Resolution 15-09-53 Authorizing a Modification to the Contract with Stacy and Witbeck, Inc. for eFare Infrastructure Installation

Resolutions 15-09-54 and 15-09-55 Authorizing Contracts with Waterleaf Architecture LLP and Wenaha Group, Inc. for the Bus Hoists Replacement Project

Resolution 15-09-56 Authorizing a Contract with Nelson Truck Equipment Co., Inc. for a Maintenance of Way Track Vacuum Maintenance Vehicle

### 4. Resolutions

Neil McFarlane introduced the following resolutions:

#### **Resolution 15-09-58 Authorizing Intergovernmental Agreements for Transit Police Services**

Director Bauman asked why the IGA was for a five-year term and asked how accurate the five-year cost projection was from the previous term.

Neil McFarlane responded that the number one reason is continuity of personnel and equipment, to ensure jurisdictions of our partnership as they make long-term decisions; and second, under federal contracting rules, five years is the standard for continuing services to the transit district.

Harry Saporta explained that costs vary from year to year based on need. While we work with our jurisdictional partners to predict the best we can for special events coming up year-to-year, there are always events like the Presidential visit earlier this year when the hotel accommodations were along the rail line that causes significant challenges and the need to ramp up security.

President Warner asked how actual costs over the past five years compared to the amount projected. Harry Saporta responded that we were within budget.

Director Prosser asked if the 62% allocated for the City of Portland includes the retirement costs. Harry Saporta responded, yes the amount is the fully burdened rate.

Director Stovall asked what the increased cost in the current contract for the City of Portland included.

Harry Saporta explained that there has been an increase in staffing from 1 administrative assistant in the past 5-year contract to 1 crime analyst and 2 administrative assistants in the current 5-year contract, as well as an increased number of police officers.

President Warner stated that safety is a major priority for this Board and that he is happy to see that crime has been reduced over the past few years and that our efforts have been effective.

Action: Craig Prosser moved approval of Resolution 15-09-58; Shelley Martin seconded the motion. The motion was unanimously approved.

**Resolutions 15-09-59 and 15-09-60 Authorizing Contracts with Traffic Safety Supply Company and International Graphics & Nameplate, Inc. for Transit Signage and Vehicle Decals**

Action: T. Allen Bethel moved approval of Resolutions 15-09-59 and 15-09-60; Travis Stovall seconded the motion. The motion was unanimously approved.

**Resolution 15-09-57 Board of Directors, Acting in its Capacity as the TriMet Contract Review Board, Exempting from Competitive Bidding Requirements a Contract for Construction Manager/General Contractor Services for the Portland-Milwaukie Light Rail Deferred Shelter Installation Project**

Director Esmonde asked that staff provide information on the number of contracts we have had over the past five years that have been exempt from the competitive bidding process as well as what other types of contracts we have had.

Neil McFarlane stated that staff would be happy to provide that information and noted that for each of the CMGC contracts that the Board approves we do a wrap-up memo that relates the experiences of the CMGC and documents whether we met the requirements that we provided at the onset.

Action: Travis Stovall moved approval of Resolution 15-09-57; Craig Prosser seconded the motion. The motion was unanimously approved.

**Resolution 15-09-61 Authorizing a Contract with Landscape Forms Inc. (LFI) for Fabrication of Portland-Milwaukie Light Rail Project Passenger Shelters**

Director Esmonde asked if LFI is a local firm.

Dan Blocher responded no, they are based in Kalamazoo, Michigan.

Action: Shelley Martin moved approval of Resolution 15-09-61; Travis Stovall seconded the motion. The motion was unanimously approved.

**Resolution 15-09-62 Authorizing a Contract with Basa Projects, LLC for Shelter Mosaic Art for the Portland-Milwaukie Light Rail Transit Project**

Director Bethel asked if Basa will continue with the same mosaic theme design at each station.

Neil McFarlane responded yes, although each station has a unique design based on paintings from the area's history that were turned into glass mosaics by Bulls Eye Glass, Basa will keep the same design for the additional shelter(s) at each station to provide continuity.

Director Martin asked if the pricing is the same as the previous contract.

Neil McFarlane responded, yes, the contract was competitively bid and the pricing has remained the same.

Director Bauman asked if it was standard for all public art that the artist maintains the copyright.

Neil McFarlane responded yes, there are particular statutes built in to the contract that are standard in the public art realm.

Action: Shelley Martin moved approval of Resolution 15-09-62; Craig Prosser seconded the motion. The motion was unanimously approved.

**5. Ordinance 340 Amending Chapter 13 and Chapter 14 of the TriMet Code to Amend the Payroll and Self-Employment Tax Rates over a Ten Year Period as Authorized by ORS 267.385 (Second Reading)**

Public Testimony on Ordinance 340 during public forum:

Lane Jensen stated that he feels that the proposed payroll tax increase is taxation without representation. Mr. Jensen stated that he no longer takes transit because he cannot depend on it to get to work and other commitments timely, and yet he is being forced to pay the increased tax without a say in it.

Keith Peal, Chair of the Board of the Hillsboro Chamber of Commerce, expressed appreciation for the Westside Enhancements Study and the consideration for expanded service in Hillsboro. Mr. Peal stated that although the Chamber would not applaud the need or requirement for increased taxes, they would ask the Board if they do move forward with the increased payroll tax today, that TriMet look at the highest growth areas within the district where there are gaps in service and strategically invest in those areas early and often so that this important asset can be realized at the onset of any new development project. Mr. Peal also asked that someone within the Hillsboro Chamber leadership structure be appointed to participate on the business advisory committee to ensure that as Hillsboro's needs change and grow, that Hillsboro has a voice at the table to participate in these important investment conversations. Mr. Peal submitted written testimony along with letters from Hillsboro employers that have expressed similar concerns and support for expanded transit service that will be made part of the Board record.

Steve Callaway, President of the Hillsboro City Council and Chair of the Transportation Committee, spoke to the Board about the City of Hillsboro's immediate, short, and medium term transit priorities. Mr. Callaway submitted written testimony to be made part of the Board record.

Bob Grover, incoming Chair of the Hillsboro Chamber and a small business owner, thanked TriMet for involving the Chamber and the local community in discussions about expanded service that would be made possible through this proposed new revenue stream. Mr. Grover added that as Mr. Peal stated it is difficult as a business to fully support an increase in taxes, but we do support the discussion of expanded service in Washington County and Hillsboro specifically.

Maria Rubio, Executive Director of Central Cultural of Washington County, spoke in support of the proposed expanded service in Washington County and the importance of transit service for individuals who are transit dependent to get to work, school, medical appointments, grocery shopping, and every day needs and services.

Shelley Devine read Ordinance 340 by title only.

Neil McFarlane stated that for several years now, as we have developed our Service Enhancement Plans for the region, we have heard time and time again about the need for more transit service. We have heard updated growth projections that over the next twenty years we will be adding approximately 400,000 residents and 260,000 new jobs. We've heard and seen how congestion is growing on our roadways. There isn't much space to expand our roads – so we understand that public transportation is one key to keeping us moving efficiently in our city. In order to meet the demand for more transit service, TriMet is proposing to increase the payroll and self-employment tax rate by 1/10<sup>th</sup> of one percent phased-in over 10 years.

TriMet was authorized by the Oregon Legislature in 2009. But before we could increase the tax, we had to find that the economy had recovered by considering regional employment and income growth. We have submitted ECONorthwest's report to the Board showing the economy in the district has recovered to a level sufficient to warrant the increase. We have done a significant amount of outreach meeting with:

- A business community task force
- The top 30 payers
- Business organizations
- Local governments
- Small businesses
- Community meetings

Throughout it all, we have heard very few issues and in fact, many were supportive knowing we need to add more transit for our region. The one concern you did hear at your last meeting was from the Portland Business Alliance. To address their concerns, at year five of the tax increase the TriMet Board will determine if an adjustment to the phase-in period should be considered if tax revenues are more than forecasted. If approved today, the tax increase would be implemented on January 1, 2016.

President Warner explained that last month a public hearing was held on Ordinance 340, as well as what we heard at our public forum earlier this morning. The Board has also received all comments that were mailed or emailed regarding the payroll tax increase. President Warner opened the meeting for Board comments.

Director Prosser stated that while he stands by his original comments from the August 9<sup>th</sup> meeting, he also has additional thoughts and concerns about the five year review that is included in the ordinance based on input from PBA and other organizations. Director Prosser stated the 5-year review was added to determine if there is more than anticipated payroll tax collections, the Board could decide to defer the increase and use the additional revenue to continue the implementation of the Service Enhancement Plans. Director Prosser stated his concern with that plan is that one of the principles in the Strategic Financial Plan (SFP) adopted by the Board is that additional payroll tax funds gained from employment growth should be directed to providing enhanced service for that increased employment. Our economy is growing and we have more people, more jobs and need more bus service. We have a responsibility to provide adequate service for new employees to get to work. Director Prosser added that once this ordinance is adopted, and we have the five-year review, it is important to make sure this principal is not lost during those five years. We would need to provide service to those employees if we have that type of growth in the region.

Director Stovall stated that he believes there are many reasons to move forward with this ordinance today and the first being that the Oregon Legislature had a vision in regards to transit when they approved this back in 2009, prior to the overall focus and initiatives on Climate Smart Communities, to address growth in the region. While it is never pleasant to raise taxes, this is about investing in economic development and ensuring improvement to the environment we live in. The growth that Director Prosser talked about will take creative ways to fund the needed service and improvements as we move forward. Director Stovall stated that he has spoken with Lynn Snodgrass, CEO of the Gresham Chamber, who shared some of the same thoughts and concerns as the PBA and that he feels those concerns have been addressed. Director Stovall concluded that he is confident that we have received input from the general public and our stakeholders and feels this Ordinance is an important step in keeping our communities moving as our region continues to grow.

Director Bethel stated that at the August 9<sup>th</sup> meeting he expressed concern that the 5-year review would hinder the process; however, after reflection and receiving additional input from businesses and residents on their opinions and reasoning, he sees the value and supports the five-year review. Director Bethel added that the Board has heard different entities ask for representation on the advisory committee, and would ask that as we formulate the committee that we strive for equitable representation of the entities and citizens as requested and that the committee begin meeting sooner rather than later so they would have criteria to look at and consider at the five-year point.

Director Bauman stated that as a new Board member she begins with the basic premise that TriMet has an obligation to look forward and anticipate future transit needs and also to ensure funding for those needs. Ms. Bauman added that to do that on the funding side, we first need to ensure we are on good financial footing today and she has learned that TriMet has taken steps in that regard and is in a good financial state now. The next step is to secure necessary funding for future demands to meet population growth, changing transit and commuting patterns, and responding to the Industrial Employers about their preference to not build parking spaces because land is at such a premium.

Director Bauman concluded that she feels that the process taken place to date has been careful and deliberate and has adequately addressed PBA's concerns with the five-year review, and agrees that we do not take increasing the payroll tax lightly, but supports the ordinance that is necessary to be good stewards of the transit system going forward.

Director Martin stated that she agrees with the previous Board comments, and the importance of addressing the last mile issue that was expressed today and previously by Hillsboro, Tualatin and other suburban communities that do not want to be left out as we fully develop the Service Enhancement Plans going forward.

Director Esmonde stated that he agrees with previous Board comments and is in support of Ordinance 340.

President Warner stated that he is voting yes and agrees with Director Bauman that TriMet has worked very hard over the past several years to put itself on a good financial footing for the future. President Warner added that with the growth in the economy, we need to focus on expanding service in all areas to provide access to jobs and education and offer a convenient alternative to driving. Transit is essential to meet the demands of our growing region and protect our quality of life. President Warner concluded that he agrees it is not pleasant increasing taxes, and while not in support of the five-year plan feels it addresses the needs of our partners, and is supportive of moving Ordinance 340 forward.

Action: Joe Esmonde moved approval of Ordinance 340; Craig Prosser seconded the motion.

The following roll call vote resulted in the approval of Ordinance 340:

Joe Esmonde.....	Yes
Shelley Martin.....	Yes
Lori Irish Bauman.....	Yes
T. Allen Bethel.....	Yes
Bruce Warner.....	Yes
Travis Stovall.....	Yes
Craig Prosser.....	Yes

## 6. Other Business & Adjournment

There was no other business to come before the Board.

President Warner adjourned the meeting at 11:05 a.m.

Respectfully submitted,



---

Kelly Runnion, Recording Secretary