



Management Update summary Minutes

Monday, August 31, 2015, 9:00 a.m.
Courthouse Square, 555 Court St. NE, Salem
5th Floor, Suite 5232, Silverton Conference Room

ATTENDANCE

Commissioners Janet Carlson, Sam Brentano, and Kevin Cameron; John Lattimer, Gloria Roy, Jan Fritz, Ed Flick, Scott Norris, Laurie Steele, Jeff White, Cynthia Granatir, Hitesh Parekh, Barb Young, and Kristy Witherell as recorder.

GUESTS

Jerry Thompson, Allan Pollock, Kylie Moore, Chuck Swank and Ryan Pasquarella

Chief Administrative Officer John Lattimer called the meeting to order at 9:00 a.m.

INFORMATIONAL

Salem Area Mass Transit District – Proposed 0.21 percent Employer Payroll and Self-Employment Tax

Summary of presentation:

Alan Pollock

- The plan started two years ago;
- Engaged Jarrett Walker and Associates, nationally known transit planning firm, to do a comprehensive service analysis of existing service and identify unmet needs in the community for transit service:
 - Assessed Cherriots service;
 - Conducted a 100 percent ride check on all busses;
 - Conducted passenger and community surveys;
 - Held a community stakeholder workshop; and
 - Put together a proposed service plan to improve efficiency and address unmet needs.
- Cherriots provides roughly 65 percent of resources in ridership routes:
 - High frequency corridors where there are a lot of transit riders.
- Cherriots provide 35 percent of resources in coverage:
 - Areas and neighborhoods that is not as conducive for transit.
- Based on the community stakeholder input, the Board revised the policy and moved the ratio to 75 percent/25 percent respectively;
- The new service policy will be in effect September 8, 2015;
- The first phase based on three types of pieces of service within existing resources:
 - Same amount of service hours but reallocated to meet the new service policy;
 - Focus on increased frequency for busy routes;
 - 15 minute routes all day on the major corridors until 7:00 p.m.; and
 - Busses will run on a consistent schedule.
- Having more crosstown routes with fewer transfers;
- More routes will stop for one to two minutes to allow transfers and continue on;
- Right now, transfer time is 12 minutes long;

- Implemented a pilot program on June 1, 2015:
 - Address transit needs in areas where service is reduced or not available;
 - West Salem hills has an on demand bus that will pick up riders and take to transfer station on a reservation basis;
 - Can make reservation up to 30 minutes in advance;
 - Allows to get a smaller bus into areas that cannot handle a bigger bus;
 - Allows to provide more service and a bigger coverage area; and
 - 24 connector spots will only be served upon customer request.
- Phase two requires additional funding which is the purpose of the ballot measure:
 - Will incorporate seven days a week service;
 - Weekend service will have the same routes as weekday service but won't be as frequent;
 - Later weekday evening services;
 - Service will run until 11:00 p.m.;
 - Will reinstitute the student pass for middle and high school students;
 - Provide some holiday service;
 - The additional service is estimated to cost \$5,000,000 a year; and
 - Will phase it in within a year to year and a half as funding comes available.
- Commissioner Carlson asked if they have a sense of who their riders are:
 - Allan stated that there are about 80 percent of riders ride three or more days a week;
 - 30-40 percent are going to and from work;
 - High number of students, especially from Chemeketa Community College; and
 - High senior and developmental disabled population.

Jerry Thompson

- Ballot
 - There are a number of unmet transit needs in our community;
 - Many of individuals and businesses are impacted by not having weekend service;
 - Reentry program would love to have weekend service;
 - Bus service is a lifeline for people who do not have cars or have enough money to buy gas;
 - Help the students to take advantage of afterschool opportunities and activities;
 - Cherrlots cut service for Saturday in 2009;
 - At that time the Board vowed to bring weekend service as soon as possible;
 - Phase two of implementing weekend service would be implemented as soon as additional funding is met;
 - Determined needing five million dollars per year to fund additional service;
 - Need .21 percent payroll tax to obtain the 5 million dollars;
 - Conducted a poll of 300 likely voters in the area and learned that a property tax would probably fail and the payroll tax would likely pass;
 - Conducted an online survey of 2,000 people and the results were the same;
 - Chose a payroll tax for the November election because it was more fair than property tax which would only be paid by West Salem, Keizer, and East Salem outside the city limits;
 - The comparison with Lane County:
 - Lane County gets \$2.80 for every dollar we get in local funding.
 - The state pays .6 percent tax to transit in lieu of payroll tax;
 - Most charitable, nonprofit organizations and government agencies will not have to pay the .21 percent payroll tax, with the exception of hospitals;
 - Next to transit dependent riders, local businesses will stand to gain the most from the payroll tax;
 - Will have an opportunity at a bigger employment pool;
 - Economic development potential will be greater;

- Asking for the commissioners support;
- Strong opposition from the Chamber of Commerce:
 - Mounting a formidable campaign.
- Commissioner Carlson asked if the Chamber of Commerce was involved in the discussion about going with the payroll tax:
 - Jerry Thompson stated that he has since January; and
 - Made an ultimatum that they would oppose a payroll tax but would not oppose a property tax.
- Commissioner Carlson asked if a poll has been conducted on riders who ride the bus five days a week:
 - Allan Pollock stated that some people cannot apply for jobs because they are asked about transportation; and
 - Employees will pay for a taxi on weekends which eats up their paycheck.

Fiscal Year 2014-15 Audit Entrance Conference

Summary of presentation:

- Cynthia Granatir asked the county auditors to present at the meeting before the audit begins in October;
- The auditors are transitioning the county's audit over to Ryan Pasquarella who is now partner with Grove, Mueller and Swank;
- Kylie Moore will step into the in-charge position with Marion County;
- Chuck Swank stated that if there is any input from the Board, please feel free to communicate now or separately;
- Chuck Swank is slowly phasing down but still working 50 percent of the time and not letting go of audit hours;
- The only major impact on financial statements this year is Governmental Financial Reporting for Pensions 68 (GASB):
 - New pension accounting and reporting requirements;
 - Will now have a full liability on our entity-wide financial statements for our unfunded actuarial liability; and
 - For the current fiscal year, it will be reported as an asset due to the earnings and the legislative changes that were made but weren't overturned at the time the evaluation got done.
- John Lattimer asked how do substantial side accounts affect the liability:
 - Cynthia Granatir stated that the side accounts factor into the proportion that gets allocated to Marion County;
 - All of Public Employees Retirement System (PERS) is a cost sharing plan;
 - Marion County computes it by taking the whole PERS account and multiplying it by Marion County's percentage;
 - Everything reported on our financial statements will be our percentage of the total for Oregon PERS;
 - The side accounts influence the percentage of the total share; and
 - Bottom line will be erratic, no budgetary impact to Marion County.
- Commissioner Cameron asked how the second and third reporting year would affect bond ratings:
 - Cynthia stated that the rating agencies are doing the own behind the scenes calculating of what our pension liabilities are;
 - Hopefully working off of a level playing field while using the same actuarial methodology;
 - 6 percent pick up doesn't affect the balance sheet; and
 - There's a year lag.
- The county and auditing community is very proactive with working with PERS and identifying the requirements;

- Once the footnote is drafted and actual financial statements with the amounts, will schedule a work session with the Board;
- Grove Mueller & Swank makes an effort to make sure that they keep a fresh perspective; leadership has changed from the top:
 - Single audit continues to change;
 - Ryan and Chuck along with Cynthia travel with auditors across the state;
 - Every year when audit planning we start over, it's a fresh audit;
 - Made one visit in July and will continue in October once the final numbers are ready:
 - In the July visit, procedures are looked at that the county as a whole has in place and audit individual departments.
 - Every year the audit team looks at areas that the Finance Department oversees;
 - Every year four or five different departments are audited; and
 - All departments are looked at every three years.
- Commissioner Cameron asked where the county is with monitoring the ferry:
 - Jeff White stated that video cameras were implemented a few years back;
 - Would like to meet with Public Works to see if policies and procedures can be tightened up a bit more;
 - Not sure if the video is looked at regularly; and
 - Laurie stated that the county looked at installing a kiosk for customers to buy tickets but there were too many difficulties of location.
- Departments visited this year:
 - Community Services;
 - District Attorney's Office;
 - Health Department;
 - Information Technology; and
 - Treasurer's Office:
 - Looked at transactions throughout all departments;
 - Looked at invoice procedures; and
 - Looked at who reviews timesheets.

Drought Discussion

Summary of presentation:

- Ed Flick stated that a dry and warm fall is expected which will extend into a strong El Niño pattern;
- It is uncertain of the effect the El Niño will be on Oregon specifically;
- Likely be a warmer than typical winter;
- An email from the Army Corps of Engineers states that they can maintain an adequate stream flow in the North Santiam River into the rainy season;
- Will not fall below 700 cubic feet per second;
- There are several different flow rates the Army Corps has considered:
 - High flow rate of 1,200 cubic feet per second, which is being requested by the fisheries to help with fall spawn;
 - The flow existing right now which is 940 cubic feet per second:
 - Flow includes 30 cubic feet per second for agriculture through contracts which will end in October.
 - Salem maintains that they can keep up with demand at 700 cubic feet per second.
- The most probable course of action is being responsive to the fisheries interests:
 - Will accommodate their interest and may see a rise in flow rates.
- The Corps will be watching the inputs to the reservoir and will actively manage the flow back down should it indicate they cannot meet their projection maintaining minimum flows;

- High end, there is 80 days of water behind the reservoir at 1,200 cubic feet per second;
- The Bonneville Power Administration (BPA) becomes a controlling policy at the point of no water at Mongold;
- Corps thinks there is enough water for Salem to sustain into the rainy season;
- North Santiam Water Control District maintains there is no water issues;
- North of Highway 22, Water Resources has regulated users off of instream use as far back to 1964;
- Most farmers proactively plan to put water where they can best use it;
- Domestic wells are exempt from water rights regulation:
 - Cannot use well water for watering crops; and
 - With a drought declaration, can issue temp permits.
- Commissioner Carlson asked if there was a downside to declaring a drought:
 - Looked at various water conservation and drought contingency plans that the cities maintain;
 - The city of Gates is the only city in Marion County that would automatically go into a water curtailment if a drought was declared:
 - The city of Gates has already started conserving water and they are neutral to the idea of Marion County declaring a drought.
 - A few farmers have expressed concern that a declaration would give the water resources authority to move water rights around; and
 - Oregon Revised Statute (ORS) prioritizes drinking water and livestock, does not prioritize agriculture.
- Commissioner Carlson asked Ed Flick to speak with Marion County Farm Bureau concerning Marion County declaring a drought; and
- It's a countywide declaration.

2015 Oregon Marijuana Legislation Discussion

Summary of Presentation:

- Commissioner Carlson stated that the Board had a Work Session recently;
- In the Work Session meeting, it was requested that John Lattimer contact Marion County's five largest cities:
 - John contacted Stayton, Silverton and Woodburn;
 - All cities are not acting so early sales will take effect in those cities;
 - Commissioner Carlson contacted Chris Epply Friday and Keizer is not going to pass an ordinance so early sales will also take effect;
 - Salem has their City Council Meeting today, August 31st;
 - Still don't know if it will be a countywide election if Marion County decides to try and pass an ordinance banning early sales;
 - By putting an ordinance on the ballot that says Marion County is going to take something to the voters, we can amend what we take later;
 - Get the ordinance and the moratorium going:
 - We can refine the wording;
 - Figure out if it should be separate ballots measures; and
 - Ballot title is due 80 days before the November election.
- Commissioner Carlson stated that the Board has agreed that a referral along with a moratorium will be put on the ballot;
- Would like to get an ordinance passed by October 1st that does not allow early sales of marijuana;
- Scott stated that the biggest time consideration is Oregon Liquor Control Commission (OLCC) will start issuing licenses after the first of the year;

- If Salem decided to prohibit early sales and Marion County said they would allow early sales, people from Salem could go over the river and purchase marijuana or purchase from Marion County businesses:
 - If Marion County prohibited early sales and Salem is going to do early sales then half of the facilities in the Urban Growth Boundary will have to move to Salem in order to stay in business;
 - If Marion County and Salem prohibit early sales, the business may move to Keizer and West Salem; and
 - Commissioner Carlson's opinion is not in favor of prohibiting early sales because it will not make a difference of marijuana being available to the public.
- If the ordinance is passed by the Board, there will be no recreational retail selling of marijuana in Marion County:
 - There will be a prohibition in place for recreational retail licensees.
- Commissioner Brentano stated that he does not have a problem with recreational sales;
 - Would like to put out a ballot to prohibit new organizations coming in until the voters decide; and
 - Doesn't feel like it matters to have an ordinance in Marion County to prohibit sales since people can get it anywhere.
- Commissioner Carlson stated that they would not pass an ordinance to prohibit early sales:
 - Will have an ordinance by October 1st to establish a moratorium to spell out the grandfathering of established businesses.
- Commissioner Cameron stated for the record he is opposed to early sales of marijuana in Marion County;
- Commissioner Brentano spoke with Commissioner Pope from Polk County:
 - Polk County is only going to worry about regulating time and place; and
 - Commissioner Brentano assumes that means where a processing plan will go out in the rural areas or distribution center.
- Scott Norris stated that OLCC has not issued their regulations yet for recreational marijuana;
- Commissioner Carlson stated she received an email from someone where it looks like they are ramping up to do a grow site that is zoned Acreage Residential (AR):
 - Scott Norris stated that AR zoned properties is not agricultural property, it is not a resource zone.

COMMISSIONERS' COMMITTEE ASSIGNMENTS and UPDATE

Commissioner Kevin Cameron

- Attended a meeting on railroad issues between Silverton and Stayton:
 - Group to get Oregon Department of Transportation (ODOT) feasibility study on the railroad;
 - Maybe put a reload center for trucks going north could take a lot of trucks off the road; and
 - James Labar, Regional Solutions Coordinator, working with ODOT.
- Met with Ron Hayes and LaNae Bowles from Court Appointed Special Advocates (CASA);
- Attended United Way Board Meeting;
- Thursday morning attended Positive Aurora Airport Management (PAAM) meeting:
 - Alan Haley and Sheriff Myers attended the meeting to talk about traffic issues.
- Attended KBZY radio show on Friday.

Commissioner Janet Carlson

- Public Safety Coordinating Council (PSCCC) Steering Committee met Tuesday, August 25th;
- Solid Waste Management Advisory Council (SWMAC):
 - Have discussion at the BOC/CAO meeting;
 - Commissioner Carlson attended and they presented their budget line by line a month ago; and

- Last meeting presented revenue raising options line by line.
- Meeting with Incite:
 - Tony Frazier and Jenni Worley asked the commissioner to attend a meeting;
 - It was about Requests for Proposal (RFP) in the rural areas;
 - Meeting again Wednesday from 3:00 p.m.– 4:30 p.m.;
 - Asked the commissioners to walk through history of what defines a rural area:
 - Historical data of monies;
 - List of populations of the cities; and
 - Talked about engaging the commissioners more about what’s going on at Incite.
- Attended the Big toy ceremony Saturday.

OTHER

Commissioner Carlson

- Received an email from John Lindsey regarding who is representing Marion County on the Regional Advisory Council (RAC) Board;
- Commissioner Carlson would like to know who is representing Marion County;
- Currently, there is no one who represents Marion County on the RAC Board;
- Would like to identify who is staffing the process that we can give our information to on what our priorities are;
- Normal procedure is Grady McMahan gives a list of departments who have applied for grants and receives Board direction on priority;
- Received two grant applications from Public Works and one from the Sheriff’s Office;
- Grady McMahan will bring the project lists to September 21st Management Update meeting and ask for Board Direction;
- The Deadline to get the grants turned in was August 24th; and
- Marion County gave \$119,000 dollars to RAC.

Adjourned 11:26 a.m.

COMPLETED BY: **Kristy Witherell**
 Reviewed by: **Allycia R. Weathers**