MEMO TO:  BOARD OF DIRECTORS

FROM:  ALLAN POLLOCK, GENERAL MANAGER

SUBJECT:  2015 LEGISLATIVE PRIORITIES

Issue
Shall the Board adopt the 2015 Legislative Priorities?

Background and Findings
The Board annually adopts legislative priorities to set direction for legislative activities and projects. The priorities are used as a guide when responding to legislative matters and as a communication tool with legislators and other interested parties.

Staff developed a set of priorities for the District in conjunction with CFM Strategic Communications, the District’s legislative consultant (see Attachment A). The District’s priorities identify legislative priorities and projects for annual appropriations and grant opportunities.

The identified projects support the District’s strategic plan goals.

Recommendation
The Board adopts the 2015 Legislative Priorities.

Proposed Motion
I move that the Board adopt the 2015 Legislative Priorities as shown in Attachment A.
## 2015 FEDERAL LEGISLATIVE AGENDA

### GRANT REQUESTS

<table>
<thead>
<tr>
<th>PROJECT DESCRIPTION</th>
<th>REQUEST</th>
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<tbody>
<tr>
<td><strong>Bus Replacement</strong></td>
<td>$ 2,400,000</td>
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Salem Area Mass Transit District (SAMTD) is requesting funds to replace six compressed natural gas (CNG) buses. SAMTD purchased 34 Orion VII CNG buses over a four year period from 2002 to 2005. Twenty four of these buses will reach the end of useful life status in 2015. To make matters more pressing, the CNG tanks on these twenty four buses expire in 2017 setting a hard deadline for replacement. Thus, more than 50% of the District’s fleet will need significant replacement of resources within two years or service will be severely disrupted.

Buses are a transit system’s most valuable physical asset because good customer service is dependent on the condition of the fleet. The timely replacement of vehicles in the fleet is one of the fundamental programs necessary for a successful transit system. SAMTD is committed to providing a system that is both friendly and responsive, and is relied upon for buses that operate efficiently and are sound mechanically.

| **Regional Transit Center Design, Engineering and Construction** | $ 2,000,000 |

The current transit and traffic network in the Salem-Keizer region needs significant improvement. Transit Centers are designed to enhance smart growth and development from both a business and residential perspective. Keizer Transit Center, the first of four new transit centers, was completed in 2012. SKT is proceeding with the development of three new Transit Centers to improve traffic flow, reduce commuter travel times and costs and increase ridership options for current and future riders.

The second Transit Center scheduled for construction is the South Salem Transit Center (SSTC). The SAMTD Board has adopted a Locally Preferred Alternative in the site selection process. Depending on grant funding, construction could begin in early 2016. This facility will improve transit reliability to the regular transit rider, encourage use by new riders, and improve overall efficiency of the transit service. SSTC will contribute to a more stable work force by providing an appealing, reliable, and efficient transportation system.

SSTC will link frequent corridor service to neighborhood circulators. The design of the Transit Center will incorporate the following elements: a 6-10 bay bus transfer center, a park and ride lot with 40 to 100 spaces, indoor passenger waiting area with restrooms and customer amenities, bicycle facilities, energy efficiency features and opportunities for commercial development.

| **Intelligent Transportation System (ITS) Project** | $ 1,500,000 |

Intelligent Transportation Systems (ITS) improves transit planning and the customer experience by providing rich analysis and real-time information through various web and
mobile channels. ITS technology would provide valuable information for partner agencies such as data for traffic flow analysis or real-time, remote access to bus security cameras for emergency situations. Additionally, ITS technology provides valuable data on vehicle diagnostics, travel patterns, and passenger ridership for computer-aided dispatch and transit planning. ITS would expand and replace current SAMTD vehicle technology which is seriously outdated, beyond useful life, and in some cases no longer supported by the manufacturer.

**POLICY ISSUES**

Salem-Keizer Transit advocates for the enactment of a multi-year extension of the MAP-21 Authorization Bill and supports the American Public Transportation Association (APTA) legislative priorities. The following specific issues are important to the District and small transit operators in general.

**Restore FTA Bus and Bus Facilities Account to pre-MAP-21 Levels and Restore the Competitive Grant Account:** While the overall funding level for transit rose slightly under MAP-21, funding for the Bus and Bus Facilities program was reduced from $984 million in FY 2012 to $422 million in FY 2013 – a cut of more than 57% at a time of increasing ridership. This came in spite of the fact that public transit buses account for more than 50% of all transit trips nationwide.

Buses represent a significant cost, depreciating faster than rail rolling stock and requiring more frequent replacement and substantial investment by transit agencies. In practical terms, reductions to FTA’s Bus and Bus Facilities program mean more buses operating past their useful service life, significantly higher maintenance costs and less reliable service to our riders. Also, while predictable formula funding has merit, it does not take into account the periodic need for higher cost investment, such as major bus purchases or replacing obsolete maintenance and operations facilities. Small and mid-sized bus agencies are often unable to bond and find it particularly difficult to accumulate the capital needed for these investments that are also critical to ensuring a state of good repair.

**Restore the Alternative Fuels Credit and Include Other Alternative Fuels**

Current legislation includes provisions in the tax code providing a tax credit for a portion of costs associated with alternative fuel use by transit systems. The measure has been extended through December 31, 2014. The District supports a permanent extension of this provision as the annual impact of this legislation on operations is approximately $170,000.

**Restore the Transit Commuting Parity Benefit**

Make permanent the current transit commuting fringe benefit on par with the amount of the parking benefit to encourage public transportation ridership.

**Support Direct Funding of Municipal and Transit Projects**

The District supports inclusion of the bipartisan Innovations in Surface Transportation Act (ISTA) within the transportation reauthorization bill. ISTA would initiate a state-by-state grant program that would put transportation funds in the hands of local communities and transit agencies. The Innovation grants would be awarded on merit by a panel with representatives from state and local jurisdictions, ensuring that funds go to well-conceived projects with the most local support. In Oregon, ISTA would put an additional $65 million in the hands of local governments and transit agencies each year.
Health Retirement Account - VEBA
SKT supports legislation that will provide northwest employees of political subdivisions, such as cities, counties, port districts, and fire districts, with more flexibility in designating beneficiaries for their Health Retirement Accounts when they pass away. Many political subdivisions in Washington, Oregon, and Idaho participate in voluntary employees’ beneficiary association (VEBA) trusts which provide HRAs. A 2006 IRS ruling imposes rules on HRAs which cause participants in these plans to lose earned benefits if they die without a spouse or dependent. In 2008, Congress passed the Worker, Retiree, and Employer Recovery Act of 2008 (HR 7327) that addressed this situation for certain HRA plans (those created in conjunction with public retirement systems) but not all. A technical fix is needed to include plans established by or on behalf of a state or political subdivision. This is a non-controversial, technical fix to prior legislation.

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2015 STATE LEGISLATIVE AGENDA

Salem-Keizer Transit has established as its legislative priority the reinstatement of the state employee bus pass program. In addition, Salem-Keizer Transit supports the Oregon Transit Association (OTA) legislative priorities for the 2015 legislative session.

The OTA has identified the following priorities:

State Funding for Transit
- The OTA seeks general fund appropriations that give transit providers flexibility to spend on operations and capital equipment. Transit providers lack a significant source of long-term dedicated state funding. General fund appropriations allow local transit agencies to expand services, invest in new vehicles and equipment and draw significant federal matching funds.

Transportation for Seniors and People with Disabilities
- OTA is partnering with the Oregon Transportation Forum (OTF) and the Campaign for Oregon’s Seniors and People with Disabilities to secure additional transit funding for seniors and people with disabilities. These funds allow greater opportunity for seniors and people with disabilities to travel to see friends and family and attend critical medical appointments. The continuation of transit investments made in 2013 and 2014 are a high priority due to the flexible use of the funding allocations.
- The OTF has recommended funding transportation services for seniors and people with disabilities at $70 million, a level that would fulfill the estimated need for services in Oregon.

Revenue Reform
- OTA recognizes that tax reform is a vital component of the effort to create a long-term, dedicated state-funding source for transit and non-roadway transportation.

Connect Oregon
- The continuation of the Connect Oregon program to fund multimodal transportation projects
- Funding of Connect Oregon at $100 million

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