



ANNUAL REPORT

2017-2018

JANUARY 2019

The logo consists of three overlapping, curved, grey shapes that resemble a stylized 'C' or a series of curved lines, positioned to the left of the brand name.

CHERRIOTS



Table of Contents

Section 1 Vision, Mission, and Values.....1

Section 2 The District

2.1 Leadership letter.....3

2.1 About the District.....4

2.2 Safety, Security, and Sustainability.....5

Section 3 Cherriots Community

Connections

3.1 The catalyst for community connections...7

3.2 Gilbert House exhibit.....8

3.3 Cherriots supports local baseball team.....8

3.4 Open Streets Salem melon drop.....9

3.5 On Your Feet Fridays.....9

3.6 Annual poster contest.....10

3.7 Keizer Iris Festival Parade.....11

3.8 Keizer Holiday Lights Parade.....12

3.9 Keizer Transit Center turns five.....13

3.10 Salem hosts total eclipse of the sun.....14

Section 4 Financial Story

4.1 Revenue sources.....15

4.2 General Fund expenses.....15

4.3 Performance data summary.....16

Section 5 Awards, Acknowledgements,
Honors, and Accolades

5.1 Fostering financial health.....17

5.2 Safety program pays off with dividend.....17

5.3 Cherriots employee honored.....17

5.4 Putting safety first.....18

5.5 Cherriots earns healthy employer award..18

5.6 Cherriots employee serves community....18

Section 6 New hires and promotions.....19

Section 7 Governance.....20

Vision, Mission, and Values

As an organization, we believe in our vision, our mission, and our values. We translate those into actions and practices with every interaction, every customer, every day.

Vision

Making a positive difference by enhancing community livability through innovative, sustainable regional transportation options.

Mission

Connecting people with places through safe, friendly, and reliable public transportation services.

Values

Safety – We emphasize safety by providing safe, secure, and clean public areas and work sites.

Service Excellence – We serve the public, each other, and our community partners with friendliness, courtesy, empathy, respect, and dignity. We recognize that our customers, internal and external, are why we exist, and we take pride in the positive impact we make in their daily lives.

Communication – We promote an open and respectful culture that values candor. Cherrlots listens to its customers, community partners, and employees, actively engaging them in conversations.

Innovation – We encourage and respect new ideas from employees, partners, and the public. The District embraces innovation, environmentally responsible technology, and best practices.

Accountability – We hold ourselves accountable as stewards of public funds, community trust, and the environment. Cherrlots will honor this commitment with transparency, honesty, and integrity.





The Wednesday Farmers Market brings fresh produce, goods, and food from local vendors to the North Block of the Downtown Transit Center.

Leadership letter from the General Manager and Board President

Dear Friends of Cherriots:

Cherriots and Oregon's other public transportation providers are the beneficiaries of the stalwart actions of federal and state legislators, who secured funding for new vehicles, infrastructure, and enhanced service.

Our fiscal year began with history-making news: The Oregon Legislature passed HB 2017 — Keep Oregon Moving — which establishes a new, dedicated source of funding for enhancing public transportation service in the state.

The new Statewide Transportation Improvement Fund, or STIF, is a payroll tax of one-tenth of 1 percent on wages paid to employees in Oregon. The funding will allow Cherriots to significantly enhance and expand its service, including weekend, holiday, and later evening.

With the passage of HB 2017, our legislature is making a significant investment in transportation to help further the things that Oregonians value — a vibrant economy with good jobs, strong communities with a good quality of life, a clean environment, and safe, healthy people.

In addition to the state's investment, our federal delegation helped secure millions in Federal Transit Administration grant funding for Oregon's public transportation agencies. With its share of this funding, Cherriots is purchasing new buses, which will improve the fleet's reliability and on-time performance. The new buses are replacing vehicles driven past their recommended useful life.

With the level of support from state and federal government, the future holds much promise and opportunity. The Cherriots of the future will be more than a bus system. It will be a mobility

integrator where a customer's journey is planned and paid for through a single technology application, regardless of service provider, as the person moves through the Mid-Willamette Valley.

In order for Cherriots to deliver a world-class customer experience, it will adapt to today's complex and ever-changing mobility landscape. Technology is transforming how people view mobility. The ability to use a mobile device to schedule and pay for a trip is changing the way people move about their community.

Cherriots will lead the effort between public and private entities to ensure there is a robust, coordinated network of mobility options throughout the Mid-Willamette Valley.

In order for a multimodal lifestyle to be successful in the Mid-Willamette Valley, a robust public transportation service is critical.

Cherriots is taking strategic action to move in that direction.




Robert Krebs
Board President




Allan Pollock
General Manager



About the District

Founded in 1979, Cherriots is the operating name for the Salem Area Mass Transit District. Cherriots is a special district funded predominantly by local property taxes, state funds, and federal funds. The District's workforce includes nonrepresented employees and members of Amalgamated Transit Union Local 757, which represents transit operators and maintenance workers. The population of the Salem and Keizer urbanized area is about 236,000 and the population of the overall Cherriots service area is about 410,000. Cherriots provides local, regional, and paratransit services in Marion and Polk counties. Fixed-route service is provided by 64 buses, powered by compressed natural gas or biodiesel fuel. Regional service is provided by 12 buses; paratransit service with 43 vehicles; and shopper shuttle service with five vehicles. In Fiscal Year 2018, annual Cherriots ridership among all services was just over 3.2 million, averaging 13,000 rides per day. Cherriots expects its ridership will steadily increase with expanded bus service and growth in the region.

Safety, Security, and Sustainability

Common themes of safety, security, and sustainability occur throughout the District. We include them in our values, our conversations, and our reports.

Every meeting at Cherriots begins with a safety moment.

Whether it is the monthly Board of Directors Meeting or a division's all-staff meeting, we draw everyone's attention to safe business practices, personal safety and well-being, or a national safety event.



Cherriots contracted security officers work closely with Salem Police to ensure a safe and secure environment for our riders and staff.

Cherriots formed a Safety Committee in 1990. These committee members work to find innovative solutions to assure the safety of our employees. For example, they established a Safety Hotline at 503-361-3934 to encourage “see something, say something” reporting.

In addition, the committee introduced a pilot program called a Safety Station. Employees can stop at the kiosk to report safety concerns. With this information, the committee will develop a plan to address problem areas and improve areas of concern.

If this pilot program is successful, the plan is to install Safety Station kiosks in all areas of the District and expand their usefulness to include access to safety data sheets, Safety Committee meeting minutes, incident reports, and other materials.

Because Cherriots is committed to providing a safe and secure environment for customers, employees, and members of the public, it enlists a multi-agency team that works collaboratively to provide customer service and achieve the security goals of the District.

In Fiscal Year 2017-2018, the District contracted with two private security providers. The current security provider is Allied Universal Security Services. The District also maintains an Intergovernmental Agreement (IGA) with the City of Salem for police services.

The most common incidents, with no police involvement, included graffiti and vandalism, medical emergencies, and disorderly conduct. The most common police-involved incidents, unrelated to transportation, were initiated by private citizens or police officers. For example, police were contacted for trespassing violations more than any other crime committed against the District.

In addition to safety and security enhancement projects, the District is working on emergency planning and preparedness efforts. In the coming year, we will continue our work to educate riders and employees on safety and security principles.

Another value is innovation. The District embraces innovation, environmentally responsible technology, and establishing programs that ensure our sustainable business and service delivery practices.

Cherriots formed a Sustainability Committee and its members established a purpose statement: To create a culture of environmental stewardship and promote sustainability in the community we serve by the incorporation of sustainable concepts into all functions of District activities.

The District will also establish a Board-adopted environmental sustainability policy statement.

Moreover, Cherriots has committed to the American Public Transportation Association’s core sustainability principles: make sustainability a strategic objective; identify a sustainability champion; establish an employee outreach program; and conduct a sustainability inventory.

Because of Cherriots commitment to sustainable business practices, Marion County recognized the District as an EarthWISE Certified Business and honored it with a Mid-Valley Green Award.

Lastly, Cherriots continues to investigate ways to improve the energy efficiency of its transit facilities and vehicles. District plans call for documenting current sustainable practices and developing policies for sustainable products and services purchasing.

By fostering a safe, secure, and sustainable environment, Cherriots ensures delivery of a world-class customer experience.

Cherriots Community Connections

The catalyst for community connections

At Cherriots, the employee-sponsored volunteer team, Cherriots Connects, is committed to making a positive difference in the community through volunteerism and civic involvement. This group organizes community service and fundraising events. Cherriots Connects also promotes teamwork through fun and engaging events for employees and their families.

Annually, the employees of Cherriots support the activities of the United Way of the Mid-Willamette Valley through payroll deductions and fundraisers. For 2017, contributions by employees totaled \$9,067. Employees provided \$8,581 in pledges and an additional \$486 for jeans week, where employees pay to wear jeans and “sport your team” days, where they can don a ball cap or other item with their favorite team’s logo.

Through charitable donations and services, the United Way positively changes lives. Working through its 78 nonprofit partners, United Way provides dental care kits, emergency funds for utilities, temporary shelter, health care, and transportation. This past year, Cherriots provided bus passes to United Way valued at \$13,000.



Cherriots staff participate in a volunteer litter patrol as part of the Adopt-A-Street program along Cherry Avenue NE, two to three times a year.



The Gilbert House Children’s Museum launched a new transportation exhibit “Salem Station” in November. Visitors to the exhibit recognized Salem landmarks, such as the Union Street Bridge, as they enjoyed an interactive table-top activity, construction with magnetic blocks, and a child-size bus. Gilbert House staff consulted with Cherriots Trip Choice, Amtrak Cascades/ODOT, along with local craftsman Ric Smith of Smith & Steel Custom Design, to execute key elements of the design.

Cherriots supports local baseball team

On a Saturday in late August, dozens of Cherriots employees and their family members braved the near 100-degree heat and humidity to cheer on Salem-Keizer’s hometown baseball team, the Volcanoes. Cherriots Wellness Committee, Cherriots Connects Committee, and the Communication Division hosted an all-you-can-eat barbecue and provided a fantastic view of the game from the Party Patio, located right between the dugout and bullpen. Everyone was hoping for a victory – and many hung on through the heat – but nine innings later, the Volcanoes lost the game to the Spokane Indians.



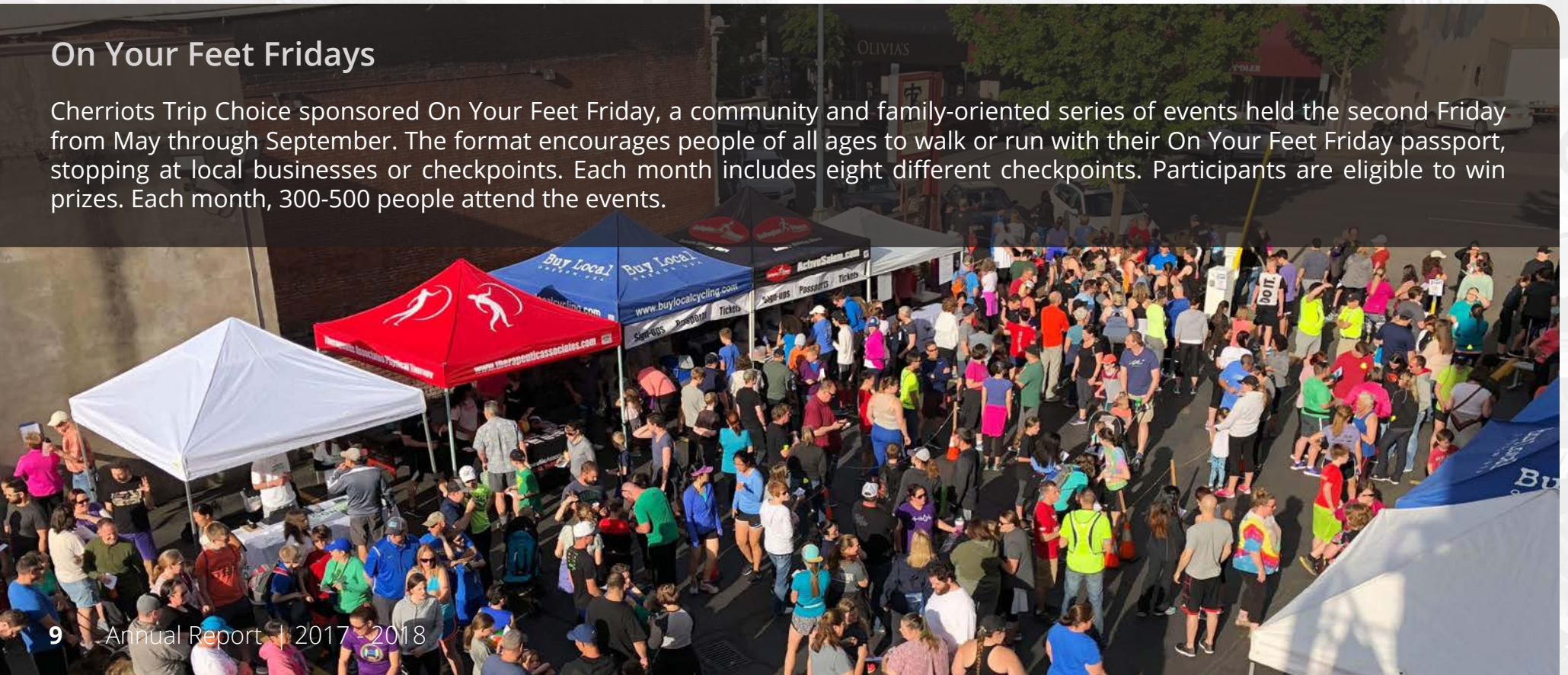


Open Streets Salem melon drop

More than 40 local organizations came together in September for a community celebration where people moved on streets any way that was nonmotorized. Open Streets Salem (OSS) is a free, community event that began as Salem Sunday Streets in 2013. By temporarily closing streets to vehicle traffic and opening them to the public, OSS provides an atmosphere where neighbors can safely run, walk, roll, and play while interacting with local businesses and activities along the route. The Cherriots Trip Choice team hosted a helmet safety demonstration that involved dropping melons from a six-foot ladder. While the melons in the helmets survived the drop, the unprotected melons did not. West Salem Roth's and West Salem Safeway donated the melons. With the Salem Fire Department, Trip Choice arranged a helmet fitting for children and gave away 45 helmets.

On Your Feet Fridays

Cherriots Trip Choice sponsored On Your Feet Friday, a community and family-oriented series of events held the second Friday from May through September. The format encourages people of all ages to walk or run with their On Your Feet Friday passport, stopping at local businesses or checkpoints. Each month includes eight different checkpoints. Participants are eligible to win prizes. Each month, 300-500 people attend the events.





Annual poster contest encourages students to explore

More than 400 middle and high school students, representing 18 schools in Marion, Polk, and Yamhill counties, participated in the 13th annual Cherriots Trip Choice Poster Contest. This year's theme is #ixplORe. The posters are judged on originality, theme presentation, and artistic quality. Of the top 13 entries selected, six were from the middle school and seven from the high school categories. The winning posters will be used in the 2019 Cherriots calendar. The first place winners from both categories each received a new bicycle from Santiam Bikes and second and third place winners received gift cards from Craft Warehouse. Teachers of the winning students were presented with checks to use for school supplies.



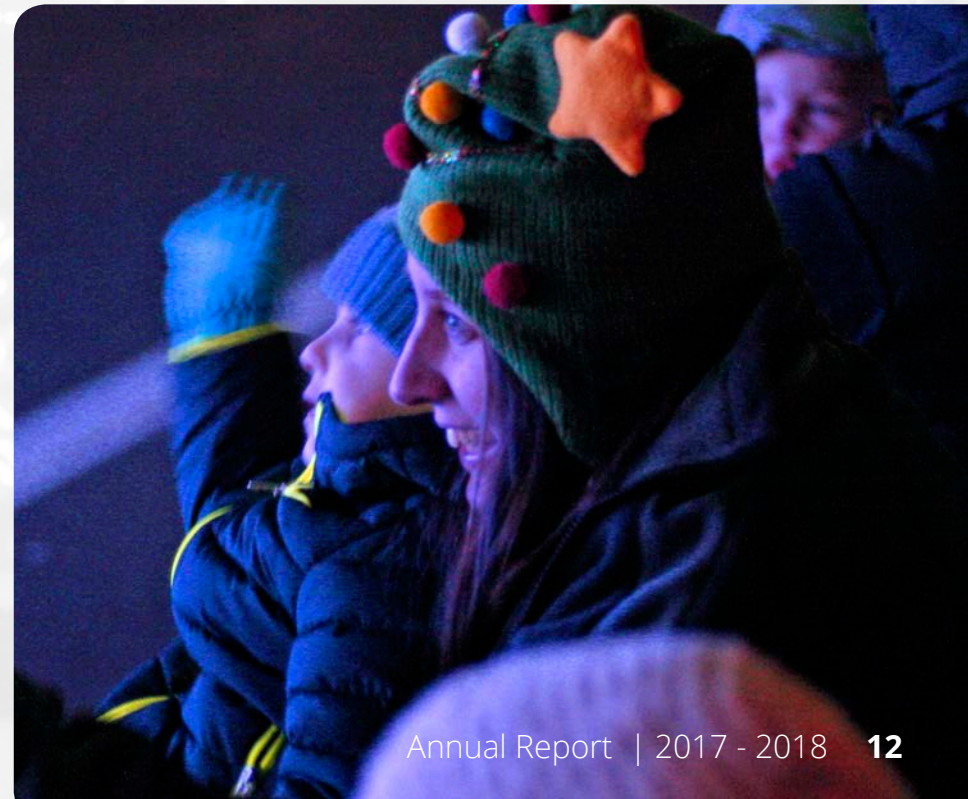
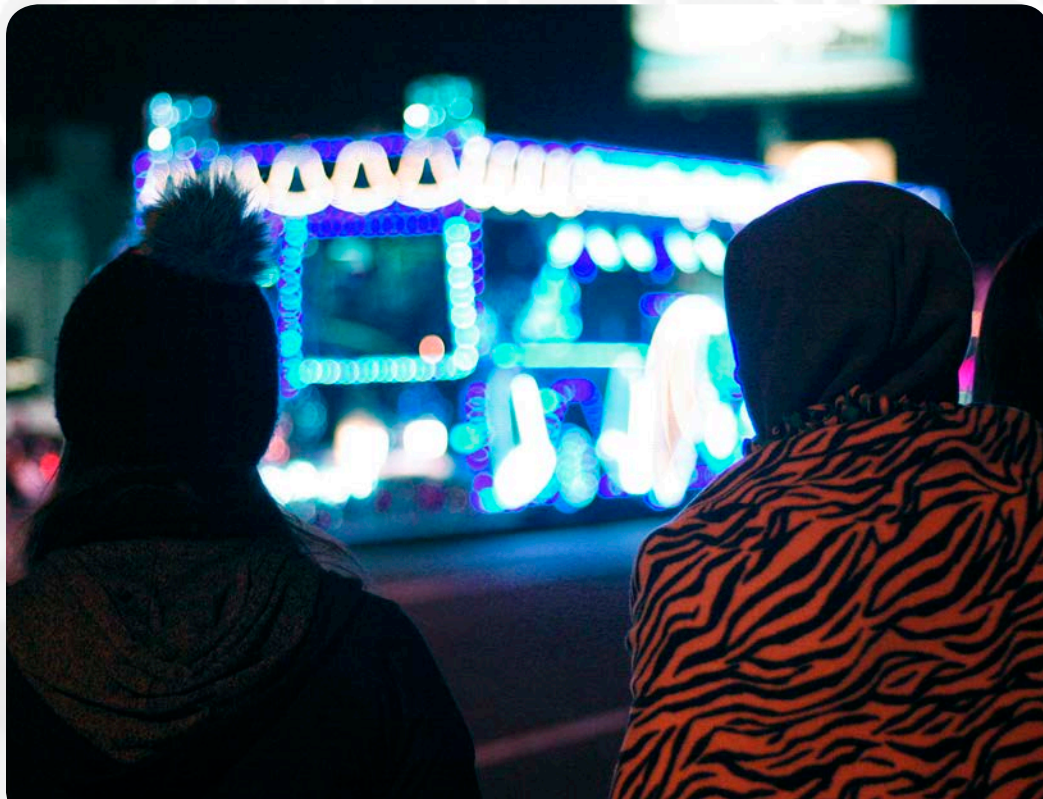
The bus was blooming

Cherriots was a sponsor of the annual Keizer Iris Festival. Staff lent their flower arranging skills to decorate this year's entry in the festival's parade.



Cherriots flips the switch

At this year's Keizer Chamber's Holiday Lights Parade, Cherriots went from its signature red to its rebranded blue.



Keizer Transit Center turns five

With buses and blue sky as a backdrop, the fifth anniversary of the opening of Keizer Transit Center was picture perfect. Cherriots partnered with the Keizer Chamber and hosted its Morning Greeters event in June. Dozens of Keizer-area business owners turned out, along with members of the Cherriots Board and employees of the District, to celebrate KTC's fifth birthday. While Board President Bob Krebs talked to the crowd about the future of transportation, General Manager Allan Pollock focused on the unique sustainability features of the transit center. The audience was attentive and engaged, asking questions about hours of operation, advertising on the buses, how to ride the bus, vehicle life, how many miles are on the buses when they retire, and complementary paratransit service.



Salem welcomes thousands for a total eclipse of the sun

The corona of the sun, peeking around the moon, created a haunting memory for Oregonians along the path of totality. The Aug. 21 solar eclipse caused thousands of visitors to flock to prime viewing spots across Oregon, including the Salem area.

Cherriots, along with local governments and emergency responders, prepared for traffic jams on an epic scale. Signs posted at the Downtown Transit Center informed Cherriots users to expect “extreme” system wide delays and urged riders to “plan ahead!” While there were no severe traffic issues, there were sporadic problems just after the eclipse ended. Gridlock temporarily prevented Cherriots from providing service to the Keizer Transit Center and Keizer Station. The next solar eclipse visible in the United States will be best observed in Texas in 2024.



Financial Story

As a steward of public funds, Cherriots honors this commitment with transparency, honesty, and integrity.

Cherriots is a special district funded predominantly by local property taxes, state funds, and federal funds. Forty-five percent of general fund revenue comes from local property taxes. Twenty-one percent of the budget comes from funds received from the state. These are funds the state pays in-lieu of paying property taxes on tax exempt, state-owned property in the Salem area.

With the passage of House Bill 2017, Cherriots has a new funding source through a statewide employee payroll tax that took effect July 1, 2018. This new funding source will provide the resources needed for Cherriots to significantly expand its service, beginning September 2019.

In Fiscal Year 2018, annual Cherriots ridership among all services was just over 3.2 million, averaging 13,000 rides per day. Cherriots expects its ridership will steadily increase with expanded bus service and growth in the region.

Revenue sources | Fiscal Year 2017-2018

SOURCE	AMOUNT	%
<i>Passenger Fares</i>	\$2,519,889	9%
<i>Federal Revenue</i>	\$5,174,674	19%
<i>Property Taxes</i>	\$12,161,747	45%
<i>Oregon State In-Lieu</i>	\$6,212,475	23%
<i>Other Revenue</i>	\$906,524	3%
Total Revenue	\$26,975,310	100%

General Fund expenses | Fiscal Year 2017-2018

DIVISION	AMOUNT	%
<i>General Manager / Board</i>	\$660,338	3%
<i>Administration</i>	\$960,051	4%
<i>Finance</i>	\$925,699	4%
<i>Communication</i>	\$1,364,714	5%
<i>Transportation Development</i>	\$2,088,717	8%
<i>Transportation</i>	\$18,132,423	70%
<i>Non-Allocated</i>	\$1,649,203	6%
Total Expenses	\$25,781,146	100%

Performance data | five year summary

RIDERSHIP	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<i>Local</i>	3,256,546	3,304,058	2,953,459	2,900,817	2,976,485
<i>Regional</i>	193,768	188,398	162,636	144,465	131,636
<i>LIFT</i>	159,985	160,327	150,906	140,875	139,175
<i>Shop and Ride</i>	8,856	7,998	7,851	9,107	9,979
<i>Total Ridership</i>	3,619,155	3,660,781	3,274,852	3,195,261	3,257,275

REVENUE HOURS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<i>Local</i>	150,969	149,455	157,054	164,298	163,490
<i>Regional</i>	23,187	23,472	23,978	23,888	21,224
<i>LIFT</i>	63,380	62,849	62,444	61,380	63,766
<i>Shop and Ride</i>	4,216	4,091	4,103	4,684	5,357
<i>Total Revenue Hours</i>	241,752	239,867	247,579	254,277	253,837

REVENUE MILES	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<i>Local</i>	1,814,263	1,861,951	2,004,511	2,044,465	2,016,972
<i>Regional</i>	509,720	506,411	527,127	263,271	476,014
<i>LIFT</i>	801,604	787,126	775,475	752,523	805,257
<i>Shop and Ride</i>	46,483	40,492	40,779	51,085	54,723
<i>Total Revenue Miles</i>	3,172,070	3,195,980	3,347,892	3,368,311	3,352,966

Awards, Acknowledgements, Honors, and Accolades

Fostering financial health

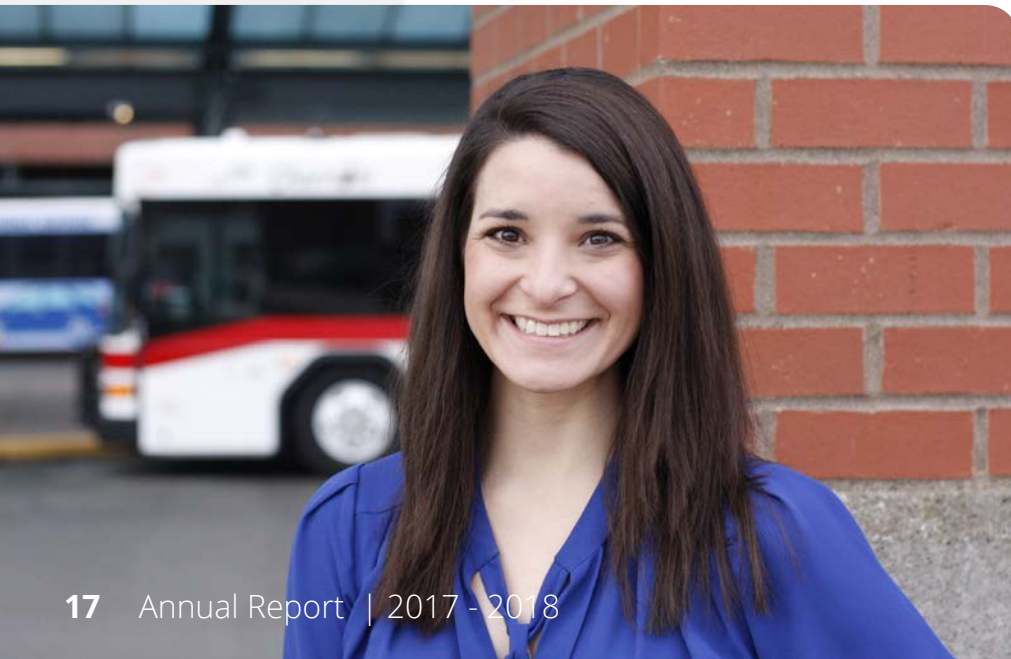
For the sixth consecutive year, Cherriots received an award from the Government Finance Officers Association. Cherriots qualified for the Certificate of Achievement for Excellence in Financial Reporting for its 2017 annual financial report. The Government Finance Officers Association established the certificate program in 1945 to encourage public agencies to prepare financial reports that embraced the spirit of transparency and full disclosure.

Safety program pays off with dividend

Promoting a culture of safety has paid off for Cherriots with fewer workplace injuries and, recently, a check from its insurance company. In October, Cherriots received a \$73,860 policy dividend from SAIF, the state-chartered workers' compensation insurance company. The amount included a safety performance award of about \$7,900. This is the eighth year SAIF has returned a substantial dividend to its customers. It's the second year SAIF has included a safety performance dividend. Cherriots will use the money for its safety and health programs, including purposes such as the delivery of fresh fruits to employee break rooms and purchasing Fitbits. Cherriots was awarded 10.08 percent of its 2016 standard premium for safety performance. The maximum SAIF provided to its policyholders for safety performance was 11.94 percent of the standard premium.

Cherriots employee honored as top young professional

Kiki Dohman, a six-year employee of Cherriots, received a national award for her work in promoting commuting options that reduce traffic congestion in the Mid-Willamette Valley. The Association for Commuter Transportation honored Dohman as one of its 40 under 40 leaders for 2017. The award honors transportation professionals from public and private organizations across the country, who strive to create long-lasting changes within their communities and organizations. Cherriots is best known for its bus service, but Dohman works with Cherriots Trip Choice. The Cherriots program supports carpool and vanpool ride matching, as well as biking and walking initiatives.



Putting safety first

Cherriots received the Special Districts Association of Oregon's Program Award. The SDAO recognizes districts for accomplishments that allow them to provide better service to the public. Through the SDAO Internship Grant Program, Cherriots was able to hire an intern to complete work on its hazard analysis project. The intern was tasked with identifying potential hazards to staff, property, and customers; collecting and organizing potential hazard data; and entering the information into a risk register. With a comprehensive database, Cherriots can evaluate and make critical decisions relating to safety hazards.

Cherriots earns healthy employer award

The Cherriots wellness program earned an eighth place for this year's Healthiest Employers of Oregon awards. Cherriots received the award at the Human Resources Summit and Healthiest Employers of Oregon event, which is sponsored by the Portland Business Journal. Cherriots won in the category of organizations with 100 to 499 employees. After overhauling its wellness program in 2016, Cherriots trimmed its workers' compensation and health insurance costs. An employee-driven wellness committee and promoting the use of Fitbits to encourage employees to exercise helped Cherriots reach its goals for creating a healthier workforce.



Veteran Cherriots employee serves the community

The City of Monmouth swore in Roxanne Beltz, the Cherriots Trip Choice coordinator, as its new councilor in March. Since moving to Monmouth in 2016, Beltz has been active in city government serving on the Arts and Culture Commission. In her new role she is the city's liaison on the library board and the traffic safety board.



New Hires and Promotions

Administration Division

Daniel Knauss – Procurement and Contracts Manager

Patty Remington – Full-time Receptionist

Suzanne Ybarra – Receptionist

Communication Division

Stephen Custer – Digital Marketing Coordinator

Jonah Hanson – Marketing Coordinator

Tricia McCain – Marketing Assistant

Finance Division

Al McCoy – Director of Finance/CFO

Operations Division

Jason Bathke – Service Worker

Rebecca Bryant – Transit Operator

Tyler Burgett – Operations Supervisor

Don Clifford – Assistant Transportation Manager

Cindy Garcia – Transit Operator

Michael Hailey-Giannetti – Transit Operator

Melissa Kidd – Operations Program Administrator

Isaac Lopez Medina – Transit Operator

Coy Marler – Facilities Maintenance Worker

Ryan Miller – Transit Operator

Patricia Montgomery – Transit Operator

Deforest Petersdorf – Transit Operator

George Reul – Journey Mechanic

John Salas – Transit Operator

Keith Spreadbury – Transit Operator

Gary Weaver – Transit Operator

Governance

Board of Directors

The Cherriots Board of Directors establishes priorities, evaluates the performance of the transit system, and adopts budgets. The seven-member, publicly elected Board also works with community members to improve bus service and address transit-related issues. Three external committees provide advice to the Board: The Special Transportation Fund Advisory Committee, The Citizens Advisory Committee, and The Statewide Transportation Improvement Fund Advisory Committee.

With recent changes in Oregon law, seats on the Board will become governor-appointed positions starting in July 2019.



Steve Evans
Vice President
Subdistrict 1 – West Salem



Colleen Busch
Secretary
Subdistrict 2 – Keizer



Kathy Lincoln
Director
Subdistrict 3 – Central Salem



Doug Rodgers
Director
Subdistrict 4 – Northeast Salem



Jerry Thompson
Director
Subdistrict 5 – Southeast Salem



Robert Krebs
President
Subdistrict 6 – South Salem



Marcia Kelley
Treasurer
Subdistrict 7 – South Salem

