

Executive Appointments Legislative Review
Compiled by Oregon Legislative Committee Services

OFFICE: Tri-Met Board

APPOINTEE: Travis Stovall of Gresham; New appointment replacing Lehrbach
Bruce Warner of Hillsboro; New appointment replacing Van Beveren

APPOINTMENT/CONFIRMATION AUTHORITY: ORS 267.090

TERM: Stovall, Warner; Four-year terms: February 20, 2012 – February 19, 2016

ECONOMIC INTEREST FILING (ORS 244.050): Required.

STATUTORY QUALIFICATIONS: ORS 267.090

Affirmative action policy: See ORS 182.100. Diversity criteria: See ORS 236.115.

- Seven members; eligible for reappointment; serve at the pleasure of the Governor; to reside in subdistricts (subdistricts to be nearly equal in population, within taxes area, to assure representation of city and unincorporated areas)
 - Subdistrict 1 WARNER
 - Subdistrict 2 SWEITZER
 - Subdistrict 3 CLARK
 - Subdistrict 4 SARAGOZA
 - Subdistrict 5 BETHEL
 - Subdistrict 6 STOVALL
 - Subdistrict 7 PROSSER
- One to be a regular user of mass transit (SARAGOZA)
- Governor solicits from each city and county located wholly or partly within the subdistrict for which the appointment will be made, recommendations of qualified individuals for the position.

DUTIES AND AUTHORITY: ORS chapter 267

- Appoint a general manager
- Enact ordinances
- Acquire property by condemnation
- Construct and operate facilities and contract mass transit system
- Provide program for transportation for disabled and physically handicapped persons
- Levy property tax
- Impose business, trade or occupational license fees, establish user charges and fees
- Issue general obligation revenue and refunding bonds
- Impose income tax or business tax

Revised February 6, 2012 Erin Seiler

Executive Appointments Board Roster

Tri-Met Board

Agency: None
Authorization: ORS 267.090
Members: Min: 7 Max: 7
Term length: # year(s): 4 Limit: None
Senate confirmation required?: Yes

Kelly Runnion
4012 SE 17th Avenue
Portland, OR 97202
503-962-4831
runnionk@trimet.org

Member Name and Address

Phones

(2) T. Allen Bethel
Maranatha Church
4222 NE 12th Avenue
Portland, OR 97211
District 5
Term(s): 03/01/2010 - 02/28/2014

Home: 503-288-2066
Work: 503-288-7241
E-Mail: tab4222@aol.com

(1) Steven J. Clark
Community Newspapers Inc
6605 SE Lake Road
Portland, OR 97222
District 3
Term(s): 06/01/2010 - 05/31/2014

Home: 503-590-4110
Work: 503-546-0714
E-Mail: sclark@commnewspapers.com

(6) Craig B. Prosser
1199 Larch Street
Lake Oswego, OR 97034
District 7
Term(s): 12/01/2011 - 02/28/2014

Home:
Work: 503-636-4824 xcell
E-Mail: ceeb48@gmail.com

(5) Consuelo C. Saragoza
Multnomah County Health Department
426 SW Stark
Portland, OR 97204
District 4
Term(s): 07/01/2010 - 06/30/2014

Home: 503-230-0656
Work: 503-988-3674 x26785
E-Mail: consuelo.c.saragoza@co.multnomah

(4) Travis L. Stovall
The Stovall Group
773 NW 13th, Unit 416
Gresham, OR 97030
District 6
Term(s): 02/20/2012 - 02/19/2016

Home: 971-506-1793
Work:
E-Mail: travis@stovallgroup.com

Executive Appointments Board Roster

Tri-Met Board

(7) Tiffany L. Sweitzer
Hoyt Street Properties
1022 NW Marshall Street, Suite 270
Portland, OR 97209
District 2
Term(s): 11/22/2004 - 06/30/2005
07/01/2005 - 06/30/2009
07/01/2009 - 06/30/2013

Home: 503-274-0880
Work: 503-227-6677 x107
E-Mail: tiffanys@hoytliving.com

(3) Bruce A. Warner
7356 NE Cherry Drive
Hillsboro, OR 97124
District 1
Term(s): 02/20/2012 - 02/19/2016

Home: 503-622-6187
Work: 503-986-3200
E-Mail: warnerba@hotmail.com

February 9, 2012

Dear Senate Rules Committee member:

I am writing regarding tomorrow's confirmation hearing on two nominees to the TriMet Board, Bruce Warner and Travis Stovall. Since TriMet is now in a state of financial chaos and is steadily marching towards insolvency, I suggest you give these appointments a thorough review. Anyone being considered for the TriMet board must display some critical thinking about the following trends:

1. TriMet has **cut more than 13% of bus service and 10% of rail service in the past three years**, and will cut more service in September, even though **revenue has been rising** steadily. The chart below shows the revenue details:

TriMet Financial Resources, 2004-2012 (millions)

	FY 04/05	FY 08/09	FY 09/10	FY 10/11 (est)	FY 11/12 (budget)	% Change 04/05-11/12
Passenger Fares	\$ 59.49	\$ 90.10	\$ 93.73	\$ 97.97	\$103.80	+74.5%
Payroll tax revenue	\$171.23	\$209.10	\$207.10	\$217.20	229.10	+33.8%
Total operating resources	\$308.77	397.24	\$423.50	\$424.20	\$443.21	+43.6%
Total resources	\$493.72	\$888.35	\$809.75	\$763.66	\$1,004.44	+103.44%

Note: TriMet payroll tax rate increased effective 1/1/05 and will rise .01% every January through 2024.

The state legislature approved TriMet payroll tax rate increases in both 2003 and 2009, and TriMet lobbyists promised on each occasion that the funds would only be used for new service. Yet service is shrinking, not growing.

What will the nominees do to provide more accountability for public funds?

2. TriMet has the most lucrative fringe benefits package of any transit district in the country. Every TriMet board member who has been approved by the Senate **since 1994** has been a part of the problem. The TriMet board is now in arbitration with ATU over the union contract, but even if management wins, the agency's own projections for health insurance expenditures (attached) show that the costs are unsustainable.

What will the two nominees do to bring the costs of fringe benefits under control?



The Rising Cost of TriMet Fringe Benefits

	2001	2005	2008	2011
Wages (millions)	\$97	\$114	\$129	\$123
Fringe (millions)	\$59	\$93	\$152	\$201
Number of FTE	2,517	2,519	2,590	2,267
Avg. Cost/FTE	\$62,023	\$82,063	\$108,262	\$142,731
Benefits as % of wages	61%	82%	118%	163%

3. The unfunded actuarial liability of TriMet's union pension plan has been growing for nearly 30 years, as shown below.

Long-Term Trends in TriMet Pension Liabilities Bargaining Unit Plan (in millions)

	1983	1991	2001	2011
Actuarial Accrued Liability (AAL)	\$ 18	\$33	\$ 195	\$518
Unfunded AAL	\$7	\$23	\$ 95	\$229
UAAL as % of covered payroll	17%	52%	107%	192%

As of last July, TriMet had \$274.7 million in unfunded actuarially accrued liabilities for both management and union pensions, and the debt is growing exponentially. This trend cannot continue.

What will the nominees do to change it?

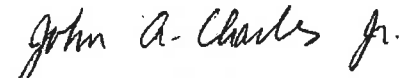
4. The liens placed against future payroll tax revenue by Wall Street bondholders are steadily growing as a percent of net continuing revenue (see attached excerpt from TriMet's 2010 long-range forecast). This is all caused by light rail and commuter rail construction. Clearly the ***rail program is cannibalizing the general fund***, yet TriMet management continues to insist on gold-plated train projects that are unaffordable and unnecessary.

What will the nominees do about this problem?

Conclusion

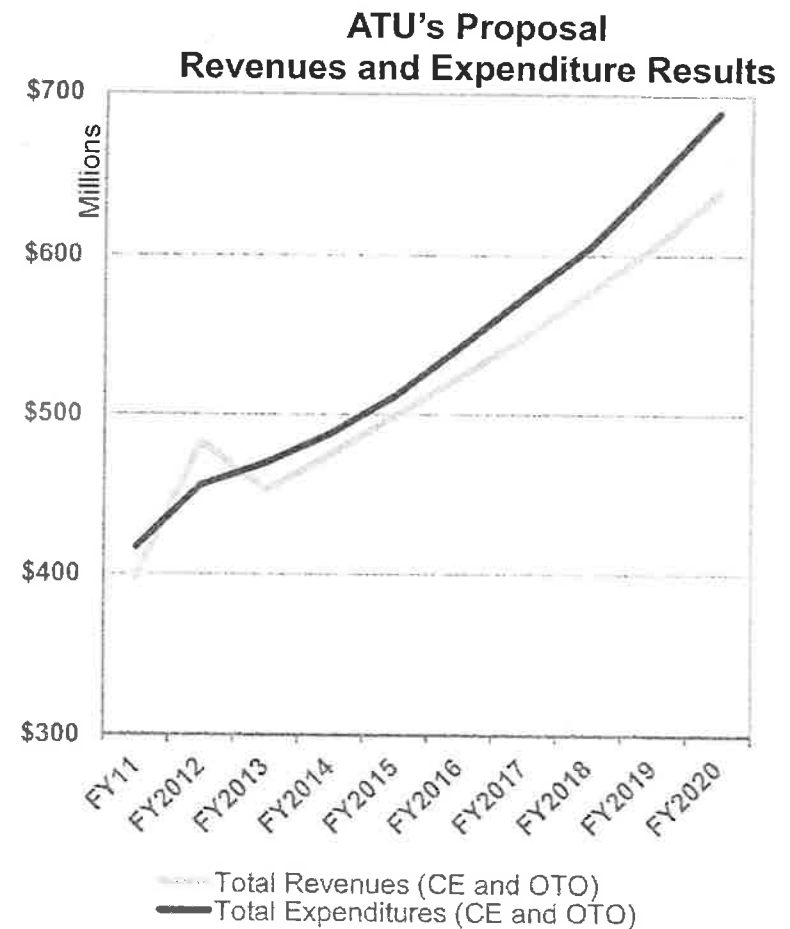
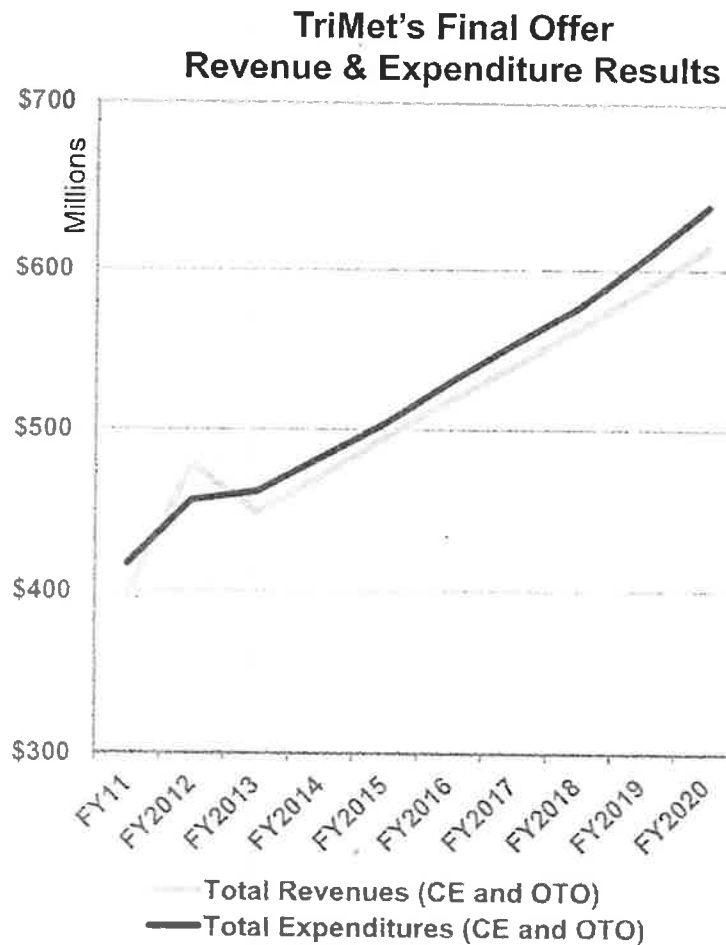
TriMet has been on a decades-long spending spree that can no longer be sustained. I encourage you to ask detailed questions of the nominees about how they propose to solve these problems. If they have no creative thoughts, I suggest you decline to approve them.

Sincerely,

A handwritten signature in black ink that reads "John A. Charles Jr." in a cursive script.

John A. Charles, Jr.
President & CEO

Fare increases & cost reductions are required to bring revenues and expenditures in balance

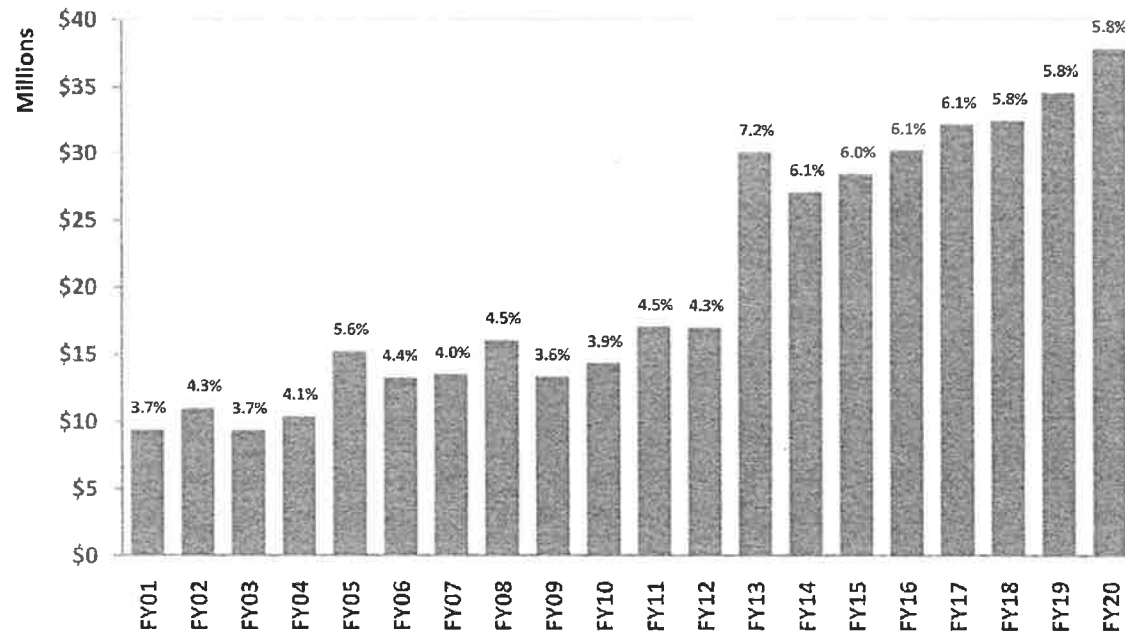


Senior Lien Debt

SENIOR LIEN DEBT AS A % OF NET CONTINUING REVENUE*

Reliance on debt to fund capital is increasing.

Note: the FY13 and FY14 increase are due to two lease payments, which are periodic.



* Net continuing revenues are total operating resources less revenues that are restricted by law or contract so they cannot be used to pay senior lien payroll debt obligations. Examples include revenues provided for the Medical Transportation Program and STP and CMAQ grant funds for use by the RTO program or to pay the outstanding 2005 Grant Receipt bonds.