

CITIZEN ADVISORY COMMITTEE

Meeting Minutes for February 11, 2009
Southside Conference Room

MEMBERS PRESENT

Fyrne Bemiller
Victor Frazier
Elaine Hoskin
Margaret Jones
Dean Lynch
Brenda Smits

MEMBERS ABSENT

David Swalling, Chair

STAFF PRESENT

Steve Blaska, Director of Operations
Naomi Dunning, Executive Assistant
Susan Millbank, Ombudsman
Molly Myers, Communications Manager
Jim Plaster, Director of Finance and Administration

GUESTS

Jan Anderson, Eastern State Hospital
Sheila Armstrong, Jensen Distribution Services
Phyllis Dunlap, Inland NW Health Services
Marilyn Highberg, Spokane Schools/Homeless Ed./Pro Tech Ed.
Oscar Ocana, Spokane Falls Community College
Gregory Roberts, Spokane Falls Community College
Bruce Steele, Spokane Falls Community College

1. CALL TO ORDER AND ROLL CALL

Committee member, Mr. Frazier called the meeting to order at 5:05 p.m.

2. TARIFF POLICY

a.) Presentation of the Draft Fare Increase Proposal to Business and School Representatives

Note: For ease of reference, the Tariff Policy Project/Draft Fare Increase Proposal presentation is attached to these minutes.

Mr. Frazier thanked everyone for attending the meeting. He explained the background of the Citizen Advisory Committee (CAC), which was established in 2005 as an advisory body to the STA Board. In May 2007, the CAC elected to review the STA Tariff Policy. The Committee has utilized STA staff to provide the necessary resource and support for this in-depth study, during which time the fare structures of ten other transit agencies in the Northwest have been carefully reviewed, in addition to the regular review of news articles regarding transits nationwide and their current activity. Mr. Frazier stated all entities are facing the same issues as STA and most have implemented fare increases over the last year to the policy. Mr. Frazier shared that CAC reviewed the STA Tariff Policy and the Board approved the CAC's recommended changes. Following these efforts, the CAC arrived at the conclusion that there is a need for additional fare revenue. A detailed review of the STA fare structure has taken place and the process for public input has been developed, which entails presentation of the Tariff Policy Project/Draft Fare Increase Proposal for public comment.

Mr. Frazier continued by stating there is not a formal recommendation at this time and the presentation is for discussion purposes with the intent to gain public input. This meeting is one of many forms of public outreach CAC will hold in order to gather public feedback from as many sources and user groups as possible. Following this process, the CAC will regroup, asses all information received, and make a final recommendation to the STA Board at the Board meeting in March.

Questions were asked throughout Mr. Frazier's presentation as follows:

A guest commented that they question slide ten showing a decrease in sales tax revenue, and referenced a change in tax law as of Fall 2008.

Confirmed Need for Additional Revenue
(Future Projections)

- Decrease in sales tax revenue has long-term impact
- Increased ridership alone does not meet revenue demand
- Transit agencies nation-wide are raising fares to help deal with some challenges

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Mr. Plaster confirmed Mr. Frazier’s statement by sharing that sales tax revenues have decreased. The State performs a quarterly sales tax equalization adjustment and there are some jurisdictions within Spokane County that are receiving an adjustment. In the last quarter of 2008, STA received approximately an \$11,000 adjustment which is very small. STA has not benefitted from the streamlined sales tax. In fact, due to the national, regional, and local economic conditions, STA’s sales tax has significantly decreased when originally growth was anticipated. Mr. Plaster reiterated sales tax receipts comprise approximately 70% of STA’s total revenue.

A guest asked if Paratransit service is the service that provides rides to doctor’s offices.

Mr. Blaska replied these are riders that are not able to ride Fixed Route and under the Americans with Disabilities Act (ADA), transits are required to provide comparable service that they would expect from Fixed Route buses.

A guest asked if Paratransit service will take customers anywhere they wish to go.

Mr. Frazier replied Paratransit customers can go anywhere whether for social, employment, medical, etc.

A guest asked how they will know what to buy for the Express pass, vs. a regular Adult pass.

Mr. Blaska said if the category is adopted there will be different fare media for all passes, hour, day, and month.

Mr. Plaster added the passes would be coded distinctly.

A guest stated the proposed fares are still a lot cheaper than driving, parking, etc.

A guest asked about other alternatives the Committee reviewed other than a fare increase.

Mr. Frazier stated not many are conducive to increasing ridership. There are service cuts, and reduction in hours, however, investigating those strategies were not the charge of this Committee.

Mr. Blaska said the CAC is being modest in that they challenged STA staff by reviewing the budget and financial forecast and questioned STA staff by asking if raising fares is necessary.

Mr. Blaska added the portion paid by the user is what the CAC is looking at which is a target farebox recovery ratio of 20%.

A guest said the State Commute Trip Reduction program has been discontinued for state employees. The subsidy ended last month, and state employees no longer get assistance for bus rides. They have been paying nothing and now pay \$28.00, which includes a discount of \$5.00.

A guest asked how much of ridership is based on monthly pass revenue vs. the single rider, and what would happen if the single rider costs increased and the monthly pass decreased to increase revenue. The same guest asked about lobbying for riders to get a tax credit for riding public transit. Another guest said any company's Human Resources department should be able to deduct what you spend on a bus pass from your before-tax money.

Mr. Blaska referred to December 2008 figures and said that those who use cash at the farebox equal approximately 23.5%, and those who use any number of offered passes, i.e. day, monthly, etc. equal approximately 53% of the riders, 40% of which are monthly pass holders.

Mr. Plaster shared the CAC has been through a budgetary and a financial projection modeling process several times over the last year. Mr. Plaster said everyone has been surprised at how quickly the financial condition and capacity has changed for STA. Last May, when the Spokane citizens approved a continuation of the sales tax, STA staff was forecasting that STA could make it to 2020 sustaining existing service levels and capital needs. By the end of the year the projection changed from an estimated + 3.0% sales tax growth, to a - 3.4%. The 2009 budget vs. actual for January is a -8.8% negative growth.

Mr. Plaster reported twelve additional core staffing positions that are needed for various STA services have been deferred from the 2009 budget. Capital programs also have been deferred to 2012 in order to preserve current levels of service. By sustaining the current level of service, the current financial projection suggests that the entire cash balance will be depleted in approximately June 2012, if not sooner. In less than one year's time, projections have changed dramatically and current service levels are no longer sustainable past 2012. STA is trying to avoid service reductions. Increasing fares is only a portion of the solution. Additional sales tax funding will need to be requested but is not a popular topic in these times.

Mr. Frazier shared the average executive team salary is 10% less than the state average and the operating costs of \$3.95 per passenger trip for Fixed Route is only lower at King County Metro that has a more dense, urban population and can provide shorter routes. STA is operating as lean as it can get.

Mr. Lynch responded to a guest's comment regarding decreasing the cost of the monthly pass and increasing the day pass. He stated the CAC reviewed this very issue and the problem is the people who use a day pass have limited income and cannot afford a monthly pass. An increase in the price of the day pass penalizes these riders for having less money and resources.

A guest representing the Homeless Education Program said the Federal Government requires them to provide transportation to homeless children for which there is little funding. The kids will ride a school bus as much as possible, however, they buy bus passes for high school students, which comes out of the general education budget. Anything that can be done to keep the youth passes low is a promotion of children's education.

A guest asked what constitutes an Express route.

Mr. Blaska replied the criteria is limited stops between The Plaza and the destination, and mentioned Routes 62, 65, 66, 72, 74, and 124. Mr. Blaska added the cost per passenger is actually higher because fewer people are getting on and off the bus during the duration of the trip.

A guest said the parking for Express on the north side and Liberty Lake is limited and during the winter the bus is maxed standing room only.

The guests thanked the CAC for their time, information, and allowing the community to respond.

c.) Review of Proposed Fare Increase Feedback Received up to February 9, 2009 - (Molly Myers)

Ms. Myers stated this is a work in progress, and the final report will include all final information.

Ms. Jones said she has heard people say they thought STA covered a fare increase with the sales tax continuation.

Ms. Myers said this needs to be part of a continuing education.

Ms. Smits liked the subcategories and asked to have subcategories for VIP in addition to Youth and Express.

Ms. Bemiller said there is confusion about what VIP really is.

Ms. Millbank replied that VIP and the PT fare have been the same rate for so long that people are equating them to being the same category.

Ms. Hoskin said that she printed the comments off and categorized them by the type of response category and the general support.

Ms. Myers said that all comments are being kept, and everyone is welcome to read the actual original form or email on which the comment was submitted.

Ms. Myers thanked the Committee for taking the time to engage in conversations in person.

Ms. Bemiller said it was very helpful to her in understanding more.

Ms. Jones was intrigued by the frequent attitude of entitlement.

Ms. Smits asked if STA is interested in how the comments are gathered.

Ms. Myers said she wants to know how accessible certain means of communication are for the community.

Ms. Hoskin shared she filled out a comment card for everyone she talked to.

Ms. Myers reminded everyone this spreadsheet is not scientific. It is a piece of the bigger picture.

d). Review of Robinson Research Fare Increase Survey(s) - (Molly Myers)

Ms. Myers provided copies of the Robinson Research Fare Increase Survey to take place via telephone. The purpose of the survey is to get beyond the rider community and is a statistically valid survey. The three questions in the survey are:

1. Basic fixed route bus fare is currently \$1.00. The proposed increase is to \$1.25 on September 1, 2009 and \$1.50 on January 1, 2011. Would you say that you strongly favor, favor, oppose, strongly oppose.
2. There are currently seven Express Routes that operate with limited stops. These routes currently cost the same as other routes. The proposed increase is from \$1.00 to \$1.50 on September 1, 2009, and to \$2.00 on January 1, 2011. In your opinion, should Express Routes with limited stops cost the same or more than regular routes?
3. Paratransit van service is for people who cannot ride the regular bus because of a disability. This service is required under Federal Law. The current Paratransit fare is 50 cents. Washington State allows the fare to be the same as the regular fare on the bus. Do you favor or oppose Paratransit fares being the same as fixed route bus fares? Would you say that you strongly favor, favor, oppose, strongly oppose.

The following statements will be read by the surveyor for a response:

4. While operating costs have gone up significantly, STA has not raised fares in seven years.
5. Fares cover about 15% of the cost of a transit trip, while 85% is paid for by taxpayers.
6. Compared to STA, most other transit agencies require the riders to pay a bigger share of the cost of a ride.

The answers available for selection are: Strongly favor; Favor; Oppose; Strongly Oppose.

Ms. Myers said the total cost of these survey is \$5,000. The results will be provided to the CAC at the March meeting.

e). Discussion – Additional/Modified Public Outreach Opportunities – (Molly Myers)

Ms. Myers mentioned the March 4 Community Forum was originally intended to include global STA information TDP, etc. Now it will be specific to CAC information only and will still be in the same location at the Plaza.

A recent addition to the public outreach calendar are two dates at Riverpark Square on March 9th in the atrium downstairs and 10th upstairs in the food court.

f). Discussion - What will the impact be if the fare increase does not take place? - (Elaine Hoskin)

Ms. Hoskin posed the question of what will the impact be if the fare increase does not take place, as this and other questions have been asked of her by the public, and she asked what the counterbalance would be? Does STA need it? What is it being used for? Is it for The Plaza?

Mr. Blaska said there is a danger of diminishing the quality of service we are operating. The goal is 94% of the statewide urban average cost per revenue hour. This is not sustainable unless you want to cut quality of service. Also, the positions not filled are a concern. The capital programs have been deferred (smart bus, minus cameras, but no real time bus information or vehicle locator), for three years. The bus replacement schedule for buses that are 18 years old will be replaced expeditiously, but not the 15 year old buses. The garage roof membrane is not going to be replaced soon. These items are being deferred and not cut as they are a requirement that does not go away. STA has retained low operating costs as it is.

Ms. Hoskin asked if there is a threat of service cuts.

Mr. Blaska replied “yes” in the next two years.

Mr. Plaster added in 2010 or 2011 service reductions are a possibility as STA receives additional information on sales tax.

Mr. Blaska said dialogue with the public needs to take place. Part of the non-riding equation is what share of the service is supported by the users, and if STA has to ask for more revenue, the answer to the tax payer is “the users have already paid their fair share”. It cannot all be put on the rider, but the CAC has done a great job at determining the fair share.

g). Discussion - Logistic Considerations of Fare Proposal - (Steve Blaska)

With limited time for the duration of the meeting, Mr. Blaska will email an item to the Committee prior to the next meeting and will solicit what else the Committee would like to request STA staff to consider.

3. GENERAL BUSINESS

There was no general business at this time.

4. MINUTES OF THE CITIZEN ADVISORY COMMITTEE - Corrections or Approval

The Minutes of January 14, 2009 are deferred to a later meeting for review and approval.

5. PUBLIC EXPRESSIONS

There were no additional public expressions.

6. SET AGENDA FOR NEXT MEETING

Thursday, March 5, 2009 – 5:00 p.m. (Special Meeting) – Spokane Transit, Northside Conference Room - Review and discuss all feedback/public outreach. Draft the recommendation and presentation for the March 19, 2009 Board meeting.

Wednesday, March 11, 2009 – 5:00 p.m. (Regular Meeting) – Spokane Transit, Northside Conference Room – Finalization of recommendation and presentation for the March 19, 2009 Board meeting.

7. ADJOURN

Mr. Frazier asked if there were any additional questions or comments. With there being no further business to come before the Committee, the meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Naomi Dunning
Executive Assistant