

Spokane Transit Authority
1230 West Boone Avenue
Spokane, Washington 99201-2686
(509) 325-6000

BOARD OF DIRECTORS

Minutes of the September 21, 2006, Meeting
City Council Chambers
808 West Spokane Falls Blvd., Spokane, Washington

MEMBERS PRESENT

Brian A. Sayrs, Small Cities, Chairman
Dick Denenny, City of Spokane Valley
Richard Munson, City of Spokane Valley
Mark Richard, Spokane County
Todd Mielke, Spokane County
Nancy McLaughlin, City of Spokane
Al French, City of Spokane

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Jim Plaster, Director of Finance and Administration
Steve Blaska, Director of Operations
Kim Traver, Light Rail Project Manager
Various Other Staff Members

PROVIDING LEGAL COUNSEL

Laura McAloon, Preston, Gates & Ellis LLP

MEMBERS ABSENT

Brad Stark, City of Spokane
Allan Gainer, City of Cheney

GUESTS

None

1. **CALL TO ORDER AND ROLL CALL**

Chairman Sayrs called the meeting to order at 5:32 pm and conducted roll call.

2. **RECOGNITIONS AND PRESENTATIONS**

A. **Years of Service Awards**

Mr. Doolittle read the names of employees with 5, 10, 15 and 25 years of service. These employees were commended for their years of outstanding service to STA and the community.

B. **Third Quarter 2006 Employee Recognition Winners.**

Mr. Doolittle read the names of those employees who won the employee recognition awards for the months of June, July, and August. This program was approved by the Board to acknowledge employees who go the extra mile in the course of their work.

C. **James L. Plaster - Recognition**

Ms. Meyer asked the Board to recognize and congratulate Jim Plaster for receiving the "Professional Finance Officer Award" from the Washington State Finance Officer's Association. Mr. Plaster has received this award every year since 1984 and is only one of two in the state to do so. He has also completed his 25th year at STA and was commended for reaching that milestone.

Mr. Sayrs noted the arrival of Mr. Richard at 5:40 pm

3. PUBLIC EXPRESSIONS

Mr. John Mueller said he attended the special meeting of the STA Board on August 17, 2006, that specifically addressed the light rail ballot issue. He suggested that public expressions begin later in the meeting rather than at the beginning.

4. PUBLIC HEARINGS

A. Disadvantaged Business Enterprise Goals

At 5:40 pm, Mr. Sayrs opened the public hearing. Mr. Howell gave a presentation on this federally mandated program and its goals. There are no quotas or set asides, merely a good faith effort. Ms. McLaughlin asked what was meant by the term "disadvantaged business." Mr. Howell explained that it's a business owned and run by a minority or woman. Mr. French suggesting advertising bidding opportunities in the newsletters of groups such as AHANA, SNAP, and SNEDA. Mr. Richard asked why the goal didn't match the census data. Mr. Howell explained that qualified firms available to bid on a particular job would be less than the census percentage. There were no comments from the public. At 5:48 pm, the public hearing was closed.

B. Equal Employment Opportunity Policy and Affirmative Action Plan

At 5:49 pm, Mr. Sayrs opened the public hearing. Mr. Doolittle gave a presentation on STA's commitment to affirmative action. Like the DBE program, this is also federally mandated with no quotas, but good faith effort. STA has a higher percentage of minorities compared to the average available in the Spokane area workforce. The percentage for hiring women is about the same. The only room for improvement would be to hire more minorities in the professional and management categories. Ms. McLaughlin asked about retention of employees and Mr. Doolittle replied that retention is very good at STA for all levels and both sexes. The public hearing was closed at 6:00 pm.

5. CITIZEN ADVISORY COMMITTEE (CAC) REPORT A written report from this committee was included in Board Members' gray folders.

6. BOARD ACTION: CONSENT AGENDA

Mr. Mielke moved to remove items 6.F, 6.I, and 6.J from the consent agenda, Mr. French seconded and the motion carried unanimously. Ms. McLaughlin said items 6. G and H were discussed at the Operations and Customer Service Committee and would have been approved had there been a quorum. **Mr. Mielke moved to approve items 6.A-E and 6.G and H. Mr. French seconded and the motion carried unanimously.**

F. Acceptance of South Hill Park and Ride Project

Mr. Howell said the Board approved construction of this project at the July 2005 meeting, to be completed by November 1, 2005, and operational by spring 2006 with landscaping included. The project is complete and Murphy Brothers' costs came in at less than their bid. There are 98 parking stalls, 30 of which are being used on a daily basis. Mr. Howell requested that the Board accept the project as complete and release the retainage. **Mr. Munson moved to approve the item as presented, Mr. French seconded, and the motion carried unanimously.**

I. Plaza Lease Extension – A-Tac Luggage

Mr. Plaster said this item was reviewed at the last Board meeting in Executive Session for renewal and extension of the lease. A-Tac Luggage has been at the Plaza since 1998 and its current lease expires April 30, 2008. Mr. Guthrie of Tomlinson-Black is the leasing agent and property manager. He recommends an extension of the lease from May 1, 2008 through April 30, 2011 with an increase in the monthly rent every

year of approximately 3% or more if sales increase by more than 6%. **Mr. French moved to approve the item as presented, Mr. Mielke seconded, and the motion carried unanimously.**

J. Online Voters Pamphlet

Spokane Transit has been invited by the Spokane County Elections Office to participate in its online voters' pamphlet to provide information and education about two advisory ballots pertaining to light rail for the November 7 general election. A "pro" and a "con" committee will be formed based on names of citizens interested in the project. The following have shown an interest in participating on the "pro" committee: Michele Maher, Don Cain, and Nick Nickoloff. The following have shown an interest in participating on the "con" committee: Bill Luke, David Levitch, and Cathy Muzatko. Each committee is responsible for writing its position on the ballot wording and rebutting the other committee's statement. **Mr. Munson moved to approve the participation of Spokane Transit in the Spokane County Online Voters Pamphlet, and to approve the slate of names of citizens to participate on the two committees as presented. Ms. McLaughlin seconded and the motion carried unanimously.**

7. BOARD ACTION: OTHER ITEMS

A. Classification and Total Compensation Study Recommendation, and Revised Salary and Compensation Policy for Non-Represented Employees

This item was discussed at the July Study Session and is now brought forward to the Board for approval. Ms. Meyer explained that 49 employees are affected by this recommendation. They have received no general wage increase since 2002; only a 2.5% one time cost of living allowance in 2004. The Blue Ribbon Committee that was set up to examine the compensation of the non-represented employee group, wanted to ensure that salaries and benefits were compared to the private sector as well as other transit and government agencies. Mr. Mielke asked how the proposed vacation carryover of 300 hours compares with other organizations. Ms. Meyer said that 300 is generally the minimum allowed by other transit agencies and it is an earned and owned benefit which employees are entitled to take. She added that no employee has ever lost vacation time and the cost is already recognized in the budget as an expense. Mr. Denenny asked if staff has taken step increases since 2002. They have, but many staff of long tenure are at the top of their scale and thus have received no increases. Ms. McLaughlin asked if the retroactive pay from January 1, 2006, could be conceived as gifting. Ms. Meyer said that the Board approved the pay increases at their meeting in December, 2005, to be effective January 1, 2006 in anticipation that the study could take longer than expected. The December action recognized that individual increases would be established using the study. There has been no medical premium sharing by this group of employees and a sharing of 10% of medical premiums makes it consistent across the employee groups. At the last board meeting, Ms. McLaughlin asked about a married couple both having family coverage which would be a greater expense to STA. Ms. Meyer said the one couple affected by this has agreed to consider reducing their coverage to just one family-based plan. **Mr. Munson moved to approve the recommendation and policy as presented, including the fact that the CEO may hire a new employee at any step of the salary scale, Mr. Richard seconded, and the motion carried unanimously.**

B. Affirmative Action Plan and Equal Employment Opportunity Policy

Mr. Richard asked staff to continue their efforts in encouraging the hiring of women and minorities in management, since that was the lowest percentage. **Mr. French moved to adopt the resolution as presented, Mr. Denenny seconded, and the motion carried unanimously.**

C. Disadvantaged Business Enterprise Program Goals for Fiscal Year 2006-2007

Mr. French moved to adopt the resolution as presented, Mr. Denenny seconded, and the motion carried unanimously.

D. Washington State DOT Office of Transit Mobility Grant Application 2006-2007

This item was removed from the agenda.

E. Amendment of Ballot Wording and Resolution for the Light Rail Project

Ms. McAloon said that the item was reviewed by Dan Catt, of the Spokane County Prosecutor's office, and some slight revisions were made to take out repetitive wording. Mr. Sayrs said that the most substantive change was the removal of the words "in 2007" from the wording approved by the Board at its special meeting on August 17. These were replaced by the words "at a future election." This change was requested by staff as a timing issue. This new ballot language will be used on the voters' pamphlet. **Mr. Munson moved to adopt the resolution as presented, Mr. French seconded, and the motion carried unanimously.**

8. BOARD INFORMATION

A. Committee Minutes. As presented.

B. Miscellaneous Correspondence. As presented.

C. Second Quarter Travel Report. As presented.

D. RFQ to Conduct Preliminary Engineering and Environmental Analysis for a Light Rail System.

Ms. Meyer asked the Board to review this document which was referred by the Light Rail Steering Committee. No action is required until after the advisory vote on November 7. Mr. Munson said staff had done a great job on the RFQ.

E. Washington State DOT Office of Transit Mobility Grant Application 2006-2007 - Information

Ms. Meyer invited Mr. Howell to provide some information about the WSDOT Office of Transit Mobility (OTM) Grant item that was deleted from the agenda and since the Study Session meeting was cancelled, there would be no opportunity to discuss it. He explained that an OTM grant application would be submitted by STA for the purpose of building a community transfer center and park and ride lot at the corner of Mission and Greene streets across from Spokane Community College. This is an excellent location since it is served by five bus routes and passengers can travel North, South, East and West from there. The property is owned by the Department of Transportation. The grant request would be for \$2.9 million and the total project cost is anticipated at \$3.9 million. There would be 686 parking spaces available initially with the ability to expand. Mr. Munson said that students were currently using the space for parking and then crossing a busy street to get to campus. Mr. Howell said that issue would be addressed with the college. **Mr. French moved to approve the submittal of the OTM Grant, Mr. Munson seconded.** Ms. McLaughlin asked if the land was to be purchased by STA. Mr. Howell said the land would not be purchased at this stage of the grant application. Part of the land is likely to be without cost from DOT, the other part would be negotiated. Mr. Mielke wanted to ensure that the purpose of this park and ride would be to lessen traffic and not to provide additional parking for students. Mr. Richard agreed but asked if it could be a transfer station instead. Ms. Meyer said the intention of the OTM grant is to decrease congestion and a park and ride is the most effective use for these funds. If STA is unsuccessful in obtaining this grant, the Board may wish to consider it as an investment and use the land for any transit use. Mr. Munson said it would be a convenient location for the new north/south freeway. **The motion carried unanimously.**

9. CEO REPORT

Ms. Meyer reported that ridership was up in fixed route by 9.4% year to date and 15.2% over August 2005. STA is on track to reach the 2008 ridership goal of 8 million rides by December 2006. Mr. French applauded

the CEO and staff on their efforts to increase ridership. No media was at the meeting but he suggested a press release to inform the public of this good news. There was no increased cost for the health plan renewal for 2007. The Public Transportation Improvement Conference meets every four years to discuss composition of the STA Board and PTBA boundaries. The conference met on September 21 and set a public hearing and meeting for November 16. Transit 2020 is a long range planning effort which will result in a 15 year plan for STA. It will be completed in December 2007. Mr. Richard asked if this is a rolling plan to be updated every five years. Ms. Meyer said that would be the intention. However, the 3/10th percent sales tax needs to be reauthorized in 2008 to keep the current levels of service. If it is not approved, there would be a reduction of approximately 50% in service. Transit 2020 is a vision for the future based on the reauthorization of the sales tax.

10. STAFF REPORTS

A. Second Quarter Performance Measures

Mr. Blaska reiterated what Ms. Meyer said about the ridership increase and added that the recently released 2005 Washington State Summary of Public Transportation shows STA has the lowest cost per revenue hour for both fixed route and paratransit compared to all other urban systems in the State of Washington. In addition, paratransit leads all other urban systems in the state on two other measures: paratransit's cost per passenger is the lowest and the number of passengers carried per revenue hour is the highest; fixed route's cost per passenger also demonstrates STA's effectiveness. STA's fixed route cost per passenger is 10% lower than the average of all urban systems in the state. Mr. Denenny said he is very proud of STA's achievements.

11. NEW BUSINESS

A. Appointment of Alternate Citizen Member to the Operations and Customer Service Committee

Mr. Sayrs said that he represents the Town of Millwood on the STA Board at their request. When he leaves the Board in December, there will be no representative from Millwood. Mr. Richard Schoen, Town Councilmember from Millwood, has expressed an interest in serving on the Board in 2007. Mr. Sayrs thought that his serving on the Operations and Customer Service Committee for the remainder of the year would be good experience for him. **Mr. French moved to adopt the resolution as presented, Ms. McLaughlin seconded, and the motion carried unanimously.**

12. BOARD MEMBERS' EXPRESSIONS None.

13. EXECUTIVE SESSION

At 7:24 pm, Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purposes:

Considering the selection of a site, the acquisition of real estate by lease or purchase, or the sale of real estate when public knowledge regarding such consideration would cause a likelihood of increased or decreased price.

Discussion with Legal Counsel representing STA in litigation or potential litigation to which STA, the STA Board of Directors, or STA employees are, or are likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to STA.

While the provisions of the open public meeting law do not apply to planning or adopting the strategy or position to be taken by the Board during the course of ongoing collective bargaining and grievance proceedings, we are announcing our intent to discuss these matters also.

The STA Board of Directors will reconvene in open session at approximately 7:45 pm. If it becomes necessary to extend the executive session, a member of the staff will return to announce the time at which the STA Board will reconvene. If any action is to be taken as a result of discussions in the executive session, that action will occur at the open public session.

At 7:45 pm, Ms. McAloon returned to announce the Board would reconvene at 8:05 pm.

At 8:05 pm, Ms. McAloon returned to announce the Board would reconvene at 8:15 pm.

At 8:15 pm the Board of Directors reconvened and Chairman Sayrs declared the meeting back in open public session.

Mr. French moved to approve the Plaza lease renewal for Joe's Mini Market as presented, Mr. Denenny seconded, and the motion carried unanimously.

Mr. French moved to approve the settlement of the personal injury claim in the amount recommended by Legal Counsel. Mr. Denenny seconded, and the motion passed unanimously.

14. Cable 5 Broadcast Dates and Times of the September 21, 2006 Board Meeting:

Saturday, September 23, 2006	4:00 p.m.
Monday, September 25, 2006	10:00 a.m.
Tuesday, September 26, 2006	8:00 p.m.

15. Next Committee Meetings (STA Southside Conference Room (unless otherwise stated), 1229 West Boone Avenue, Spokane, Washington):

Operations & Customer Service Committee	October 4, 2006, 1:30 p.m.
Light Rail Steering Committee	October 5, 2006, 2:00 p.m.
Citizen Advisory Committee	October 11, 2006, 5:00 p.m. (Northside)

17. Next Board Study Session, Thursday, October 19, 2006, 4:15 p.m., City Council Chambers, 808 West Spokane Falls Blvd., Spokane, Washington

18. Next Board Meeting, Thursday, October 19, 2006, 5:30 p.m., City Council Chambers, 808 West Spokane Falls Blvd., Spokane, Washington.

19. ADJOURNED

With no further business to come before the Board, Mr. Sayrs adjourned the meeting at 8:20 pm.

Respectfully submitted,

Jan Watson
Executive Assistant to the CEO
& Clerk of the Authority