

CITIZEN ADVISORY COMMITTEE

Meeting Minutes for November 12, 2008
 Northside Conference Room

MEMBERS PRESENT

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

MEMBERS ABSENT

None

STAFF PRESENT

Steve Blaska, Director of Operations
 Naomi Dunning, Executive Assistant
 Mike Hynes, Planner
 E. Susan Meyer, Chief Executive Officer
 Susan Millbank, Ombudsman
 Molly Myers, Communications Manager
 Andrew Overhauser, Fixed Route Superintendent
 Jim Plaster, Director of Finance & Administration

GUESTS

Dennis Antonellis, ATU 1015 President

1. Call to Order and Introductions (David Swalling, Committee Member)

Chairman Swalling called the meeting to order at 5:00 p.m.

2. Minutes of the Citizen Advisory Committee – Corrections or Approval

a.) Chairman Swalling asked the Committee to address the meeting minutes of October 8, 2008.

The Committee reviewed and approved the minutes by consensus.

3. Tariff Policy

a.) Project Timeline Review

Mr. Blaska informed the Committee the Board had a second Financial and Planning Workshop on November 5th, and the Board would like the Committee to consider a fare change for fall implementation, in September if possible.

Mr. Swalling asked for any discussion or input and there was none.

Following their review, the Committee approved the project timeline as follows:

November 12, 2008/CAC	Finalize fare increase decision. Public outreach discussion.
December 10, 2008/CAC	Finalize public outreach plan and proposal to Board.
December 18, 2008/Board	Present initial public outreach plan and proposal to Board.
January 14, 2009/CAC	Public outreach.
February 11, 2009/CAC	Public outreach.
March 11, 2009/CAC	Compose final recommendation to Board.
March 19, 2009/Board	Final presentation to Board.
April 16, 2009/Board	Public hearing.
May 21, 2009/Board	Final decision by Board.
September 1, 2009	Implementation date – New Fare Structure Phase I.
January 1, 2011	Implementation date – New Fare Structure Phase II.

b.) Fare Structure Matrix Review, Discussion & Finalization of Fare Structure

Mr. Swalling stated the Committee's initial focus was on one single fare increase, however, due to fiscal planning, and Board recommendation, the Committee will now consider a two phase implementation. Mr. Swalling proposed for the Committee to work down the category list for final discussion and determination of fares for Phase I, and move forward to Phase II to do the same.

Mr. Lynch agreed with Mr. Swalling that the fares selected for Phase I will affect the choices for Phase II.

Mr. Swalling asked the Committee to work down the fare category list.

Mrs. Jones asked about fares being raised due to fuel increases and wondered about the affect from the recent drop in gas prices.

Mr. Plaster replied the largest issue is a decline in sales tax revenues. During their workshop on November 5, 2008, the Board asked staff to reduce their negative growth assumption from -2.0% to a negative 3.5%. Fuel prices have been dropping, which is helpful, however, the real challenge is the significant decline in sales tax revenue. Mr. Plaster referred to the Board Financial Workshop materials from the November 5, 2008 meeting, and stated he would be available after the meeting to review and discuss the materials.

Mr. Frazier reported he attended the November 5, 2008 Board Workshop, and said that all local municipalities are reporting negative year-to-date revenue changes.

Mr. Plaster said he did receive input from some of the CAC members (Dean Lynch, Victor Frazier, Fyrne Bemiller) regarding Phase I and II increases, which has been worked into a fare elasticity model summary.

Mr. Blaska added that the comparative matrix' have been updated with recent fare increases from other transits in the region, and copies were enclosed in the packet.

The Committee also discussed that an Express pass would be applicable for use on a regular route service.

Mr. Blaska said there will be a new fare medium, a Monthly Express Pass. If a rider has a regular monthly pass, and they choose to ride an Express route, the rider would simply pay the difference each ride of \$.25. The Express pass would be applicable to all routes at no extra cost.

Ms. Meyer asked what the rationale is for the higher fares on Express service.

Mr. Swalling replied that Express is a premium service without frequent stops.

Ms. Meyer stated she likes the concept, but is concerned because one of the systems oldest buses may be on an Express route. She continued by stating that it is important for the public to know the premium rate is because it provides fast service, not because it is a newer bus, or more comfortable.

Mr. Blaska commented the cost per passenger is higher for Express service as well.

Ms. Meyer asked if the Cheney service is also included to this category.

Mr. Blaska said that Routes 65 and 66 should be Express routes and there is solid rationale for charging a higher fare.

Mr. Swalling said the Committee's initial charge was to look at a single fare increase, and continued by stating the Committee has been asked by the Board to consider a second fare increase. Mr. Swalling asked if everyone agreed to have a second fare increase prior to populating the Phase II fare increase column.

Ms. Smits asked if the intent is to go out to the public twice for public outreach (once for each phase).

Ms. Myers stated the public outreach will be however the committee wants to define it.

Mr. Swalling said he understands the Board's perspective of the need for added revenue due to a significant decrease in sales tax receipts. He continued to state there is a decrease in fuel pricing, however, the current elasticity model is scaled at zero percent.

Mr. Frazier said he is comfortable with a Phase I implementation showing a farebox recovery ratio of 18%. He suggested to work on the fares for Phase II with an implementation planned for no earlier than January 1, 2011, and to revisit the fares at a later time due to a possible decrease in costs.

Mr. Lynch acknowledged Mr. Frazier's comments and stated STA has to plan for long term which needs to be updated continually. Mr. Lynch added whether the price of fuel goes up or down, the main issue is a decrease in sales tax revenue.

Mr. Blaska referred to a projection model, which shows being out of cash by the end of 2011. He explained in order to change the cash balance there are no internal savings that can be done to change this outcome, and the fare increase will not compensate for the financial shortfall. The only changes to alter the outcome are to have new sources of revenue or to decrease service. If STA asks for more revenue, the question of how much the users are paying will be asked. If a two phase plan is adopted, the philosophy is that the work is already done and STA will know what the revenues are going to be, especially when going out to the public for another sales tax reauthorization. It will be a much clearer prognosis if this task were already complete. If the Committee were to revisit looking at Phase II, it would take going through this process twice, and would have to begin working immediately following the completion of this process for an increase in 2011. He continued to say that King County Metro just implemented a fare increase in October and a second increase for 2011. They know what their projected fare revenue will be. It is very helpful from a planning perspective and also helpful to users as they will know to anticipate another increase.

Ms. Meyer added that the work behind the projection model includes deferral of capital projects and no hiring for two years. This is substantial impact for STA, and STA has cash reserves to continue providing the current service level, short term, however the service increase for 2009 is assumed at 1%, and if ridership continues to grow as it has, STA will not be able to respond to this unless STA is willing to mortgage themselves into debt.

Mr. Lynch proposed that the Committee move forward and commit to deciding a two phase increase at once.

Taking into consideration their previous work and discussions over the last months, the Committee reviewed the Phase I increases line by line in conjunction with the Phase II increases and arrived at an agreed upon starting point for public proposal.

Mr. Blaska stated there is an opportunity with the Smart Card to go to a 31 day rolling pass. The Committee decided to not do a 31 day rolling pass, however, to have the staff interject when this can be done at a later date.

Mr. Lynch asked when Phase II would be implemented.

All agreed the implementation of Phase II will be on January 1, 2011.

Below are the finalized fares for public proposal:

Category	Current Price	09/01/09 Phase I Price	01/01/11 Phase II Price
Adult Cash	\$ 1.00	\$ 1.25	\$ 1.50
Adult 2 HR Pass	\$ 1.00	\$ 1.25	\$ 1.50
Adult Day Pass	\$ 2.50	\$ 3.00	\$ 3.50
Adult Monthly Pass	\$ 33.00	\$ 40.00	\$ 45.00
City Ticket	\$ 19.00	\$ 25.00	\$ 30.00
Student/College Pass	\$ 26.00	\$ 28.00	\$ 30.00
Youth Cash	\$ 1.00	\$ 1.25	\$ 1.50
Youth 2 HR Pass	\$ 1.00	\$ 1.25	\$ 1.50
Youth Day Pass	\$ 2.50	\$ 3.00	\$ 3.50
Youth Monthly Pass	\$ 26.00	\$ 28.00	\$ 30.00
Youth Summer Pass	\$ 39.95	\$ 40.00	\$ 45.00
VIP Cash	\$ 0.50	\$ 0.60	\$ 0.75
VIP 2 HR Pass	\$ 0.50	\$ 0.60	\$ 0.75
VIP Day Pass	\$ 2.50	\$ 3.00	\$ 3.50
VIP Monthly Pass	\$ 16.50	\$ 20.00	\$ 22.50
Express Cash	\$ 1.00	\$ 1.50	\$ 2.00
Express 2 HR Pass	\$ 1.00	\$ 1.50	\$ 2.00
Express Day Pass	\$ 2.50	\$ 3.50	\$ 4.00
Express Monthly Pass	\$ 33.00	\$ 45.00	\$ 50.00

c.) Paratransit Fares Discussion

Mr. Blaska said the reduced Paratransit fare can be charged up to the full Adult fare for Fixed Route trips. The consideration is that Paratransit is door to door service, it is more expensive, and averages about \$22 per passenger trip vs. \$3.90 on Fixed Route. Denise Marchioro (Paratransit Manager), Susan Millbank (STA Ombudsman), and Molly Myers (Communications Manager) assembled a group of Paratransit users to use as a sounding board for their opinions about a change in Paratransit fares. About half said that this would not be acceptable. Some of them share the opinion of CAC member, Ms. Bemiller, where an increase would be acceptable and \$.60 is far too little to pay for this type of service, especially in recognition of the cost. When asked, the Paratransit users group said an increase to \$.75 would be acceptable, and at the most, \$1.00.

Ms. Bemiller said she feels there is a lot of abuse by the Paratransit riders by sharing passes. As a visually impaired Paratransit rider, she said she does not compare herself because she feels she is more fortunate than others as she does not require as much assistance. Some riders require a lot more assistance than she does. It is her experience with others who are disabled that sometimes they are angry that they have been put upon by the world and therefore they are owed more, and take instead of give. Ms. Bemiller continued to say that her outlook is to give instead of take. There is a fine line balance of whether STA should act in a paranoid manner when considering an increase in Paratransit fares.

Mr. Blaska reiterated that the question is whether to take on an increase of Paratransit fares. There is a consideration for advocates for public transportation services in representation of the community, as the Paratransit riders would be the ones to incur the greatest burden in a fare structure change. Mr. Blaska continued to say there is also a need to compare, and to his recollection, out of all of the comparable transits in the fare matrix', only two properties charge the VIP fare, and the others charge full fare.

Ms. Hoskin asked about the number of Paratransit rides and subsidy per annum for this operation.

Mr. Blaska replied about 20% of the operating budget goes towards Paratransit service which represents about 5% of customers. It costs \$22.00 per ride and the farebox return is less than 2%.

Ms. Millbank added that under the Federal Americans with Disabilities Act, you can charge twice the Adult fare, however, STA's Paratransit fare is constrained to the cost of the Adult Fixed Route fare by Washington State law. Ms. Millbank explained Paratransit is a premier door to door service which costs a lot more, and is supposed to be limited to those who really need it, and other riders are supposed to utilize the bus. It is not saying that there are not other alternatives for public transportation, rather if you must use this premier service, the rider will pay an equal price in the State of Washington.

Mr. Swalling referred to a previous meeting where Ms. Laura McAloon, General Legal Counsel for STA, spoke about past litigations on the subject of Paratransit fares.

Ms. Millbank said that state law is very clear that a place of public accommodation can charge the same fare as regular price. For example, a movie theater, or a car wash cannot charge more because someone is disabled, but they can charge the same.

Mr. Blaska said that it may not be a litigation issue, but there is sensitivity in the community to the Paratransit service. The Paratransit service boundary was recently reduced in 2005 from 1 ½ miles to ¾ of one mile from fixed routes due to a legal finding.

Mr. Frazier moved that the Paratransit fare rate be moved to be equal to the new Adult fare rate for both Phase I and II on the same implementation dates.

Ms. Hoskin seconded the motion.

Mr. Swalling said this would be a 100% fare increase.

Ms. Hoskin said that everyone seems to agree that there is a need for upward movement in fares.

Ms. Smits said even at this type of increase, the new fare will be nowhere near the actual cost of the ride.

Mr. Blaska said that there were approximately 500,000 Paratransit single rides in 2007 at \$.50 per ride. Had the fare been \$1.00 at that time, there would have been an additional \$250,000 in revenue. He also said it could be a lightning rod issue. It may likely end up on the front page of the newspaper.

Mrs. Jones said the Board needs to consider if it will cost more money to fight a legal battle than will be gained by added revenue.

Mr. Frazier said there would not be a legal battle as this decision would be within state law.

Ms. Hoskin said there will be a challenge at any increase.

Ms. Jones thought this could be avoided if the fares were raised at smaller increments.

Ms. Bemiller said perhaps STA could train Paratransit riders to go on the bus.

Mr. Frazier said then they could use the VIP Pass and they would be at half fare.

Mr. Lynch asked what the percentage is for STA's rides vs. other transits.

Mr. Blaska said that STA gives about the same amount of rides as Pierce Transit whose population is five times larger than Spokane.

Ms. Smits asked if STA staff has any media concerns regarding the issue of raising Paratransit fares.

Ms. Meyer agreed with Mr. Blaska that this could be a lightning rod issue for those that can least afford an increase during a period of time that is worse than any can remember. The service is going to grow unconstrained as the population ages. She continued to say that Paratransit is not permitted to have less service or less timely service as it

grows, even if STA does all the travel training it can afford. Ms. Meyer stated that this is a fair recommendation for the CAC to make. This is not a staff recommendation, it is a CAC recommendation, and when it is taken to the Board, it will be presented this way.

Mr. Frazier shared this will bring about good discussion about the budgets and related costs.

Ms. Myers said there is always latitude to adjust after presenting to the Board.

Mr. Blaska said it will be an act of courage on the Board's part due to likely significant comments.

Ms. Bemiller commented if disabled people want to be included as "normal" people, and she questioned the definition of "normal", then this is an opportunity for these people to be included in the rest of the world. She continued to say that she is thrilled when people do not realize she is blind. Riding the bus is something people may think she cannot do. There are some tasks she will say that she can or cannot perform, and so will other people who have disabilities of a different nature.

Mr. Swalling noted the motion made earlier in the meeting to propose to raise Paratransit fares equal to the Adult fares for Phase I and Phase II. The motion passed as the Committee voted all in favor except for one member, Mrs. Jones.

d.) Public Outreach Plan Discussion

Ms. Myers asked the Committee to keep in mind they have been working on the Tariff Policy Project for over one year, whereas, the general public does not know anything about these conversations. Ms. Myers said she would like to take the two months slated for public outreach (January and February 2009) and do a thorough job.

Ms. Myers handed out the following outline discussing a potential public outreach plan:

DRAFT COMMUNITY OUTREACH PROCESS

1. Convening representatives of key stakeholder groups
 - a. Social Service
 - b. Disabled Community
 - c. Colleges/Schools
 - d. Employers
2. Web
3. On Board (STA publication)
4. Report to the Community
5. Hot Sheet to Riders
6. Stanchion Signs at the Plaza
7. Community Forum
8. Press Release/Editorial Board Meetings

Ms. Myers suggested focusing on specific groups by inviting stakeholders from the key groups of interest (listed above) to attend a meeting with the CAC. This would allow them to ask questions and in turn, allow CAC to provide information in support of the recommendation. Each group would have their own exclusive conversation. There would likely need to be a third meeting scheduled in addition to the standing January and February 2009 meetings. Two rider categories (Social Service and Disabled Community) could be combined to one meeting, Colleges/Schools as a second meeting, and Employers as a third meeting.

Ms. Meyer asked about having a specific group for riders.

Ms. Myers responded riders could be incorporated into a community forum, and could certainly be part of a public hearing, and also could have a staffed table at the Plaza for feedback.

Ms. Meyer stated, in her opinion, there should be a separate stakeholder group for riders.
Mr. Lynch agreed and said there should be a general category for riders.

Ms. Myers said that would be fine. It is completely up to the Committee how much time they want to commit to this public outreach process. Staff will form the groups with suggestions from the CAC.

Mr. Frazier stated he has tentatively reserved time for the Committee to present information at the Northwest Neighborhood group the third Thursday of February where approximately 25 to 50 people will be present.

Ms. Meyer submitted the key with the Editorial Board will be to send at least two Committee representatives attend and make a presentation. Staff will be present to answer any questions, however, the credibility of the effort lies in the Committee.

Mr. Lynch shared if each member could commit to attending two stakeholder and public events, this should cover all public outreach efforts.

Mr. Blaska said staff will develop a draft presentation for the CAC's consideration at the next meeting. This presentation will discuss background, relative statistics, cost of living changes, cost of service changes, other transit information, and expected revenue from change. The Committee will utilize the next meeting for editing and finalization of the presentation to the Board.

Mr. Swalling reported he will not be at the next meeting. Mr. Lynch said that the presentation should be done as soon as possible for Mr. Swalling to work with Steve for input and finalization prior to the December meeting.

e.) Discussion/Selection of Board Presentation Items and Presenters

The Committee collectively discussed the presentation to the Board at their December 18, 2008 meeting. Mr. Swalling will be the lead presenter, and as many of the Committee members that are available will be in attendance.

5. General Business

There was no general business to discuss at this time.

6. Public Expressions

There were no public expressions at this time.

7. Agenda for Next Meeting

The next meeting will be held on Wednesday, December 10, 2008 – 5:00 p.m.

8. Adjourn

With there being no further business to come before the Committee, the meeting was adjourned at 7:10 p.m.

Respectfully submitted,

Naomi Dunning
Executive Assistant