

# 2014 Annual Strategic Plan

## Overview

Spokane Transit Authority remains a strong and vibrant organization because of the community that supports us, the dedicated and professional people who work here, our commitment to fiscal stewardship, a strong governing board that provides robust and thoughtful leadership, and, of course, because of the ever growing number of transit riders. The organization will likely match or exceed the ridership record of 2009 (11.15 million rides), the highest transit ridership level in Spokane since 1953 (12.1 million rides). Most park and ride lots, used primarily by commuters and students, are at or near capacity on weekdays, evidence of the appeal of STA's express service. Ridership productivity on weekends is now higher than the system productivity on the entire system 10 years ago.

Like other transit agencies in the state, STA depends on sales tax revenue for about 68% of its total funding. That dependency on one source means the downturn in the economy and the associated drop in consumer spending hit STA hard. Fortunately, sales tax revenue has increased over the prior year for the last 14 months but it is still about 6% lower than in 2007—the high water mark. Revenue from passenger fares has also increased, as well as revenue from bus advertising. We've competed for and won more state and federal grants for capital projects and bus and van replacements than ever before. That helps stretch local funding further.

Strong organizations focus not only on day to day operations, but they also prepare for the future. STA Moving Forward is the name of the organization's planning effort to identify and develop projects and service investments for the next 10-15 years. With ongoing input from the community, and consistent with the cities and County goals, the plan also will be informed by population projections and demographic changes. Over one hundred thousand (100,000) more residents are expected to live in the region in the next 20 years. According to 2010 census data, the percentage of single family households and those without children already outnumber households with children. Consistent with national trends, the demand for transit is accelerating as a result of the Millennial Generation, some 81 million citizens born between 1982 and 2002, expressing a strong preference to own smart phones and other technology gadgets over a car. In keeping with the Board's commitment to quality, we are continuing progress on several essential multi-year capital projects that will make our organization even more efficient and effective and easier for customers to use.

We are guided by our Vision and Mission:

### Vision

We aspire to be a source of pride for the region.

### Mission

- We are dedicated to providing safe, accessible, convenient, and efficient public transportation services to the Spokane region's neighborhoods, business and activity centers;
- We are leaders in transportation and a valued partner in the community's social fabric, economic infrastructure, and quality of life.

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## Priorities

- Ensure Safety
- Earn and Retain the Community's Trust
- Provide Outstanding Customer Service
- Enable Organizational Success
- Exemplify Financial Stewardship

## Planning for the Future

STA Moving Forward: In 2013, work by staff and the Corridor Advisory Panels (comprised of citizens) who provided input on potential new transit investments around the region (when new funding is available) culminated in each Panel's report and recommendations to the STA board. The next phase of plan development in 2014 will focus on the board's assessment of how much new service, including High Performance Transit and associated facilities (such as park and ride lots), can be provided with varying levels of new revenue, after the requirement to sustain operations at current service levels is met. There are more potential service improvements than can be funded, so the board is expected to direct staff to seek public input on two or more potential packages of projects around the region with different levels of revenue assumed. Ultimately, the board will adopt a single package of improvements that represents our community's shared vision for additional public transportation investments when revenue is available.

## Service

### Fixed Route

With no increase in fixed route bus service, our goal in 2014 is to increase ridership just 1% over 2013 for an estimate total of **11.25 million**.

### Paratransit

Our goal is to maintain 2013 paratransit ridership levels (approximately 500,000 trips). Initiatives such as Mobility Training, the Special Use Vanpool Program, and the Van Grant Program help meet Paratransit demand at a lower cost. The In-Person Assessment program introduced in 2012 also will ensure that eligibility for the expensive, shared-ride service is correctly determined. We will continue our primary strategy of delivering Paratransit service with directly operated and contracted service to maximize cost effectiveness.

### Vanpool

We have set an aggressive goal to increase vanpool ridership by almost 9% over 2013 (approximately 290,000 total trips). This growth will be enabled by aggressive marketing and the recent introduction of Commute Finder Northwest, an online tool provided in partnership with Spokane County that connects commuters to ride sharing options like vanpool.

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## Fares

Bus and Paratransit fares and passes will not change in 2014 and vanpool customers will enjoy the same mileage-based fare put in place since 2010. Fixed Route is expected to meet or exceed the established farebox recovery objective of 20% and Paratransit will meet its objective of 5%. Vanpool customers will continue to cover 100% of the program's operational and administrative costs. However, our financial forecasts assume a fare increase in 2015 and 2018, so we will evaluate the current fare structure and bring any recommendations to the board for their consideration. The last fare increase for Fixed Route was in 2011; for Paratransit in 2012.

We will pursue additional ridership and revenue by expanding our successful pass programs with new partners, including major employers and educational institutions.

## Major Projects

The Smart Bus initiative will be complete in late 2014. Equipment installation and software testing and training will begin in the 1<sup>st</sup> Quarter. Full fleet installation is scheduled to be complete by late summer followed by system-wide testing. The Fixed Route dispatch center will be able to manage fleet performance in real time which will result in better service reliability and timeliness. Once the reliability and accuracy of information is confirmed, we will roll out the customer information components of the system. The customer information components will provide real-time bus location information and trip planning services to our passengers over multiple venues. Customers will be able to easily determine the best routes that meet their travel demands and have access to timely information on bus locations and updated detour information. The completion of the Smart Bus initiative represents the culmination of a multi-year effort that has transformed the manner in which we run Fixed Route operations and interact with our customers.

In 2014, the initial phases of the **Boone Facility Master Plan** will be complete. Long standing facility deficiencies affecting Paratransit operations, human resources, and the security of our facility will be rectified by moving some functions to the property acquired in 2012 at 1212 West Sharp.

Although the organization chose to defer the Plaza renovation until the economy began to recover, STA has retained its commitment to maximizing the facility's use for transit operations and providing for additional community benefits from the building. A comprehensive assessment about the best uses of the first and second floors was completed in 2013 and the recommendation is to augment tenant space and customer service capabilities on the first floor and create second floor rooms and halls that could house cultural exhibits and community meetings. The board has directed staff to work with the architect and engineer to prepare a 30% design of the facility renovation project in consultation with our customers, neighbors and stakeholders. Staff will present the preliminary design and proposed budget

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for approval by the Board prior to beginning final design. Construction of the renovations is expected to begin in the second half of 2014 with completion in 2015.

The implementation of the much needed **Business System** will be underway in 2014. The initial phase of the implementation will include establishing the base financial and purchasing systems. The Human Resource and Asset Management systems will follow.

## **Staffing**

Since 2008, we have taken an incremental approach to adding new positions identified as strategic to the organization's success.

## **Compensation & Benefits**

We are fortunate to have smart, dedicated and hard-working employees and our objective is to retain them and attract others by providing competitive, market-based compensation. We compare the wages of STA employees with wages of local businesses, a small group of other transit agencies, and local governments. A general wage increase of 1.5% is budgeted for the 61 management and administrative employees in 2014. Other wages are set through bargaining with three labor groups representing the majority of employees. For several years, consistent with the recession and lower sales tax revenue, most employee groups have gone at least a year without an increase and any increases they have received have been small. While this approach doesn't meet our goal of being "at market" with compensation, it does allow us to make progress.

There will be no rate increase in any of our insurance plans in 2014, including the employee health care benefit. The Affordable Care Act requires STA to pay \$160,000 in new fees in 2014. Based on the positive experience STA had in 2013, these fees are included in the renewal calculation from our insurance providers.