

CITIZEN ADVISORY COMMITTEE MEETING

Meeting Minutes for October 14, 2009
Northside Conference Room

MEMBERS PRESENT

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

STAFF PRESENT

Steve Blaska, Director of Operations
E. Susan Meyer, Chief Executive Officer
Karl Otterstrom, Director of Planning
Jim Plaster, Director of Finance and Administration

MEMBERS ABSENT

None

GUESTS

Charlie Phillips, STA Maintenance Analyst

1. CALL TO ORDER AND ROLL CALL

Chairman Swalling called the meeting to order at 5:03 p.m. and conducted roll call.

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

- a.) Mr. Swalling asked the Committee to address the meeting minutes of September 9, 2009.

The Committee reviewed and approved the minutes by consensus.

3. PUBLIC EXPRESSIONS

There were no public expressions at this time.

4. FINANCIAL UPDATE PRESENTATION

Mr. Plaster reported financial highlights from August 2009, and sales tax receipts information from September 2009 per Mr. Swalling's request at the September 9, 2009 meeting. Mr. Plaster reported year-to-date operating fare revenue at \$5.6M with an unfavorable budget variance of -\$218k (-3.8%), and a year-to-year growth of \$84k (1.5%). Total revenue year-to-date is \$39.7M (excluding federal capital revenue) with an unfavorable budget variance of -\$1.2M (-3.0%), and a year-to-year decline of -\$3.6M (-8.2%). Sales tax has an unfavorable budget variance of \$1.5M, and is down \$2.6M from the prior year. Operating expenses year-to-date are at \$36.1M with a favorable budget variance of \$3.4M (8.6%), and a year-to-year decline of -\$1.3M (-3.5%). Fuel expense has a \$2.0M favorable variance, and is \$1.9M less than the previous year. Year-to-date capital expenditures are \$1.8M of a \$16.9M budget. Mr. Plaster said the majority of capital expenditures will take place in the 4th quarter when new buses are delivered. The combined year-to-date summary for favorable total revenue and total expenditures budget variances is \$2,166,972. The September sales tax receipts vs. budget is -5.6% for the month, and year-to-date is -\$1.7M or (-5.3%) variance from the 2009 budget. The annual comparison of sales tax receipts from 2008 to 2009 show -8.9% for the month, and year-to-date is -\$2.9M (-8.6%).

Mr. Plaster also showed a comparison to other jurisdictions within the service area reflecting an average of -8.5%.

Mr. Frazier asked if the cost of new buses are the same or decreasing.

Mr. Blaska replied the contracts were awarded one year ago.

Ms. Meyer stated the cost of technology for hybrid buses is not decreasing. Spokane Transit has 151 buses, nine of which are hybrids.

Mr. Blaska said this year, three trolley buses will be replaced with three 30' hybrid buses in addition to nine diesel buses and three hybrid buses. Ten hybrid buses will be received after the first of the year. He added that external funding is sought for the differential between the cost of a diesel and a hybrid bus. The stimulus funding on the last purchase allowed for hybridization of ten buses.

Mr. Plaster reiterated the capital expense favorable variance is mostly a timing issue.

Mr. Frazier asked what the STA budget projection is for the 2010 sales tax revenues.

Mr. Plaster reported the current estimate is -1.0% from the 2009 projected level of sales tax revenue.

Ms. Bemiller asked if that equals -10.0%.

Mr. Plaster replied that it would not. When using 2007 as the baseline, an 18.0% growth would need to take place in 2010 in order to regain the financial position of 2007.

Ms. Meyer said this also equals 8.0% per year for three years beginning in 2010. She reiterated the projection for is -1.0% for 2010, 2.0% for 2011, and 3.0% for 2012 and beyond. Based on these numbers, it will be 2016 before the 2007 levels of sales tax revenue are achieved.

Mr. Plaster states sales tax revenues are critical as they comprise 70% of STA's total funding base.

5. SELECTION OF NEW CHAIRPERSON DISCUSSION

Mr. Swalling has served on the Committee for five years and as the Committee Chair for the last two and a half years. With the Committee's selection of a new project, he felt it to be a good time to elect a new Chairperson. He asked the Committee for their thoughts and comments.

Ms. Smits thanked Mr. Swalling for his service to the Committee.

Mrs. Jones said she is very happy with everything as it is.

Ms. Smits said she would volunteer and also proposed the idea of a Co-Chair.

Ms. Hoskin suggested waiting for new members.

Mr. Swalling said there are not many new candidates.

Ms. Bemiller asked if Mr. Swalling plans to leave the Committee.

Mr. Swalling replied not at this time.

Mr. Frazier said he has other commitments, however, would be willing to be a Co-Chair.

Mrs. Jones nominated Ms. Smits as the new Committee Chair.

Mr. Frazier seconded the nomination.

The Committee approved the election of Ms. Smits as the new Committee Chair by consensus.

6. CAC CHARTER AND RESOLUTION

Mr. Swalling reported following recent changes to the Charter by the Committee, the Charter and Resolution were forwarded to STA legal counsel for review which included minor changes.

Ms. Meyer noted legal counsel changed the language under Article II - Purpose, "The CAC is advisory to the Spokane Transit Board of Directors and not to the agency itself" if "not to" were to be removed, as suggested by legal counsel, the Committee would be advisory to the agency which is incorrect. The original language was restored, however, on the track changes copy it looks as though there was a change.

Ms. Hoskin asked if the frequency of the meetings should be changed from monthly as there is the occasion to cancel a meeting.

Ms. Meyer said it is acceptable to remain on a published monthly calendar, however, if a meeting is canceled, it simply requires a notice sent to the public and media.

Mrs. Jones thought a monthly meeting would be necessary due to the new projects.

Ms. Meyer suggested an addition to the first bullet point under Article VII – Operating Guidelines noting the CAC does not meet in the month of August.

Mr. Lynch said to remove an extra period at the end of the fourth bullet point under Article VII – Operating Guidelines.

Ms. Meyer noted there is an "s" at the end of "Citizens" to be removed from the last sentence of the second paragraph under Article VI – Membership Rotation Process.

Mr. Frazier motioned to adopt the discussed corrections.

Ms. Bemiller seconded the motion.

The Committee approved the Charter and the discussed corrections by consensus.

Mr. Lynch questioned the sixth bullet point under Article VII – Operating Guidelines which states "The STA Board shall establish a yearly budget for the CAC".

Mr. Plaster said there is no individual budget for the CAC as it is absorbed within the annual administrative budget. Any travel for Committee members is approved by the Board as needed.

Mr. Lynch motioned to remove the item discussed.

Mr. Swalling seconded the motion.

The Committee approved the Charter and removal of the item discussed by consensus.

7. NEW MEMBER RECRUITMENT

Mr. Swalling reported that three applications have been received. He noted the advertisement in the newspaper cost over \$1,000 and the results were under expectation. The Craigslist.com posting did not render one application.

Ms. Meyer suggested to either complete the newly selected projects with the current members and recruit following the conclusion of the project, or send out a request through as many business contacts as possible.

Mr. Swalling advised the goal is to boost the number of applicants.

Ms. Hoskin asked if interviews have already been conducted.

Ms. Meyer said interviews can be scheduled if the Committee wishes to interview the current applicants.

Ms. Smits asked who would like to volunteer for interviews.

Mr. Frazier said he would assist.

The discussion ensued and the Committee collectively decided for Ms. Smits, Mr. Frazier, and Mr. Blaska to interview the three current applicants. Staff will arrange for the interviews. Recruitment by both staff and Committee members will continue via business associates, interest groups, etc.

8. CAC NEW PROJECTS BOARD ITEM

Ms. Meyer announced the Board meetings are permanently rescheduled for the third Wednesday of each month as opposed to the third Thursday of each month. Three Board members had conflicts with the previous schedule. This new schedule allows for optimal attendance and still allows for the meetings to be televised although they will not be live.

The remaining 2009 schedule will be sent to the Committee.

Mr. Blaska said the cover item included in the packet is the Committee's product. Staff requested the Committee review, make any necessary changes, and approve the item.

Ms. Meyer suggested that the Phase 2 section contain a condition statement such as "If the CAC decides that STA should develop a formal Sustainability Program policy, then a recommended program model for an STA Sustainability Program would be implemented".

Ms. Bemiller motioned to approve this item including the suggested addition by Ms. Meyer.

Mr. Swalling seconded the motion.

The Committee approved the CAC New Projects Board item and the suggested addition by consensus.

Ms. Hoskin apologized for missing the last meeting. She said she is still struggling with having the Sustainability Program as a CAC project and does not fully understand the role of the CAC. This is an operating and business matter and ongoing issue that STA is going to have whether or not the CAC says they should or should not.

Ms. Meyer said from a staff perspective, the Tariff Policy Project could have been done by staff, however, the CAC brought credibility, community input and vision beyond what staff could have done. The Sustainability Program will take time and resources and staff thinks it is something that should be investigated, however, with this as a CAC project, it will have greater weight regardless of the recommendation.

Mr. Blaska added that a business process could be adopted, but there are enough emerging federal and state requirements where it has become more than a process of doing business as there are policy implications and decisions to be made. From a policy perspective, it is important to consider citizen input. He said it is very important to answer the question “why” this is being implemented.

Mr. Frazier said initially he felt the same as Ms. Hoskin, however, when Ms. Smits said sustainability should have economic, social and environmental aspects to the entire concept, he felt it worth investigating.

Ms. Bemiller said as a citizen, she would look more comfortably at an organization that is receiving more stimulus money because they are doing something to affect her health, finances, and teaching how to improve the community.

Mr. Lynch added STA could have done the Tariff Policy Project without the CAC, but the reality is he does not know what staff recommendations would have been and it may have been different than that of the CAC’s. This is true for the Sustainability Program as well. The CAC’s involvement in this project will modify, give credibility and make for a better proposal.

Ms. Hoskin thanked everyone for their input.

Mr. Lynch said Mrs. Jones also shared strong opinions at the last meeting. The dynamics of the Committee will bring good discussion. The Committee may narrow the focus as information is obtained.

Ms. Meyer added that staff is very excited to work with the CAC on this project. The workshop in Salt Lake City shed light on how much further along other agencies are and there is much information to gather and process.

9. FACES OF SUSTAINABILITY 9/16/09 MEETING RECAP DISCUSSION

Ms. Smits said she gathered from other Committee members based on input provided on email that everyone seemed to recap something from attending the meeting on September 16th.

Ms. Hoskin said it was interesting from a micro-perspective, however, a larger view was not provided.

Ms. Smits thought there to be a good mix of different types of attendees, both representatives from large corporations and individual community members, which underlined that sustainability means something different to everyone.

Ms. Bemiller felt that sustainability needs to start at the bottom level in order for it to be in effect at the highest level. She said it is an educational opportunity for both the CAC as well as the community. There is much to be learned from peers whether transit or otherwise.

Mrs. Jones said there is such a wide range of what to do and what may work for one entity may not work for another.

Ms. Bemiller said the air quality in Spokane is questionable.

Ms. Meyer said that Spokane is currently in attainment for air quality.

Ms. Smits concurred with Ms. Meyer. She added, attainment means an area is monitored and is meeting federal standards for air quality. If the standards are not met, it is considered a non-attainment area.

Ms. Bemiller said she was very impressed with the industry representatives who spoke on the Faces of Sustainability panel and their demonstration of how they are cutting the use of energy and expenses.

Mr. Lynch reported the unintended consequence of sustainability actions was discussed such as having automatic flushing toilets and over time if people encounter a manual flushing toilet, they forget to do so. Another example is automatic lights in a room that turn on when you enter and off when you leave. People forget to turn off the lights if they are used to this environment. It sounds simplistic, but is an unintended consequence. As the Committee proceeds with the Sustainability Program, it will be important to be mindful of these potential outcomes.

Ms. Smits asked if anyone was able to take the tour of the Green and Solar Homes.

Ms. Bemiller reported she saw four of the nine houses. She believes for the average person building a home of this nature is too expensive, however, she found it interesting how one home sold their solar power to Avista. Ms. Bemiller said she believes for the average person or household, sustainability needs to start small with efforts like changing lightbulbs, etc. She added there is a sprinkler system that runs by measurement of water used and turns off automatically if it is raining.

Ms. Meyer said she would like to share relative information from her trip to Stockholm. She felt they had the best plan for restrooms as they have a special flush system and are gender neutral. The restrooms are private with floor to ceiling walls and you pay to use them. There is also a common wash area. The traffic flow was noticeably quicker than with gender specific restrooms.

10. PLAZA PROJECT UPDATE PRESENTATION

Mr. Otterstrom presented a Plaza renovation update to the Committee and reported the following:

Project Goals:

1. Focus all routine transit activity to the first floor.
2. Enhance customer information systems.
3. Reconfigure the second floor for office/commercial use.
4. Foster and enhance a safe and secure environment.
5. Redesign bus and pedestrian interface.

Current Tasks:

1. Pending request to hire Capital Projects Manager.
2. Initiated conceptual design with JUB Engineers for street and sidewalk modifications.

Tasks To Be Completed In 2010:

1. Construct sidewalk and street improvements (exterior operational improvements).
2. Modify routing and passenger schedules (to the extent possible).
3. Complete final design of interior and other building modifications (ready for future construction).

Public outreach will be included as a part of the interior and exterior proposed improvements.

Exterior Improvements:

1. Operational improvements.
 - Wider sidewalk along Sprague Avenue

- New “touch and go” bus zones on Sprague and Riverside
 - Improved bus flow on Wall street
 - Revised passenger schedules to reflect new operations
2. Other exterior improvements (may be completed at a later date).
- Signage improvements on Sprague, Riverside and Wall
 - Aesthetics/wall treatment along Sprague

Interior Improvements:

1. Enclosed second floor with office use.
2. LED departure screen for passenger waiting.
3. Security and Customer Service desk located on street level.
4. Bike Valet.

Ms. Bemiller asked if there are specific enhancements and changes to demonstrate sustainability to the public.

Mr. Otterstrom replied the changes, especially exterior, are primarily operational. The interior design lends itself to CAC input for sustainability.

Mrs. Jones said the second floor design needs to consider skywalk access as there are many people that use the skywalk system. She added that consideration needs to be given to aesthetics as well as sustainability. She asked if the city plans to expand the skywalk connected to the Plaza.

Mr. Otterstrom said the second floor may not be completely enclosed, however, the design may not include the large utilization of first floor space for the escalators. He added that he has not spoken with the city, however, he believes they would discourage, if not prohibit the expansion of skywalks as it discourages foot traffic from the main floor detracting from retailers, etc.

Mrs. Jones asked Mr. Otterstrom if he realizes how many accolades Spokane has received because of the skywalk system.

Mr. Otterstrom replied he is aware, however, the city’s perspective has changed over time. The urban planning philosophy to keeping a city healthy is to keep foot traffic on the street. While the skywalks are efficient, it does not seem there is a plan for expansion.

Mr. Otterstrom reiterated the design work is being completed now so the project in its entirety will be “shovel ready” as funding allows.

Ms. Hoskin asked what the budget breakdown is for this project, i.e. operations, aesthetics, etc.

Mr. Otterstrom said there is not currently a breakdown for the entire project, only for some of the sidewalk improvements. The total project is \$3M to be expended over the next three to four years. He added, until there is a final design, it is very difficult to figure the cost of each phase. There is a budget for just over \$800,000 for all of the exterior operational improvements as well as the design to be utilized next year.

Ms. Meyer said that staff has proposed to the Board to continue with essential capital projects in spite of the current planning for a small amount of service reductions at the end of next year, with more significant reductions at the end of 2011 and 2012. History has shown it is not wise to discontinue capital projects despite financial uncertainty. As appealing as it is to sacrifice everything to keep the same level of service, the goal is to be a healthy organization at whatever the service level is which means a continual investment in essential items and projects. Staff has proposed to continue with the implementation of changes at the Plaza, cameras on buses, completion of the Trapeze

operational software program, and the business computer system. This has been proposed to the Board and will be discussed at the October Board meeting. The Board indicated to staff their desire to preserve essential capital projects. Staff provided the cost analysis to the Board and now it is under consideration. If these projects were not implemented with hopes to positively affect the financial projections, these projects would need to be delayed until 2016. This would create a backlog of projects and capital needs requiring a very large infusion of cash. There are reductions in service and fare increases across the country, including Washington State. Spokane Transit is in a favorable position due to a strong cash balance. This has allowed for a delay in service reductions with hopes the economy improves dramatically, perhaps avoiding a reduction altogether. The cash balance also allows a reduction to take place through attrition rather than layoffs.

Ms. Meyer continued by stating once the Board provides guidance on the 2010 Budget at their October meeting, staff will have more information to share with the CAC regarding the specifics of the proposal which at this point has little detail to it. Staff needs to figure out how much money needs to be saved. This will be associated with a percentage of the bus service and the buses required to provide the service. Operations consumes \$52.0M of \$60.0M in the budget. If service can be reduced in order to eliminate the need to replace as many as thirty new buses, STA could survive until 2015. The choices are to either raise more sales tax or living within STA's means. Staff feels asking for additional sales tax is not an appropriate choice at this time.

Ms. Bemiller said she believed an increase in fares meant that service would not have to be decreased.

Mr. Blaska said the fares are a very small portion of the total revenues and does not remedy the current financial situation. If there were to be a request for an additional sales tax increase, one of the common questions among voters is "what are the riders paying for the service"? The recent increase in fares demonstrates riders are sharing the financial burden.

Ms. Meyer said these messages are difficult to communicate, but public outreach is very important. She added if sales tax were to increase to 18% in one year, no changes would be necessary. This indicates the magnitude of the problem.

Mr. Plaster added that staff is not seeing indicators of a reasonably strong recovery perhaps until 2012.

Mrs. Jones reverted back to Mr. Otterstrom's presentation on the Plaza and asked how much of the street on Sprague will be consumed when adding the sidewalk and what will be left for other vehicles.

Mr. Otterstrom said this is yet to be determined, however, there are solutions.

Mrs. Jones replied some drivers are unhappy with the utilization of the street by STA.

Ms. Meyer said the neighbors at the Plaza are very unhappy with the traffic flow on Sprague and Post creating what is seen as an obstacle. There is much interest and encouragement from the Downtown Partnership and the neighbors around the Plaza to move quickly on the sidewalk improvements.

Ms. Bemiller said she agrees and believes the sidewalks are what should be addressed first as both riders and non-riders see it and have no idea what the complications are.

11. GENERAL BUSINESS

Mr. Blaska reminded the Committee that one member needs to be chosen to present the items at the October Board meeting.

Ms. Smits said she would present the items.

12. SET AGENDA FOR NEXT MEETING

The next meeting will be Wednesday, November 11, 2009 – 5:00 p.m. (Regular Meeting) – Spokane Transit, Northside Conference Room.

13. ADJOURN

With there being no further business to come before the Committee, the meeting was adjourned at 7:09 p.m.

Respectfully submitted,

Naomi Dunning
Executive Assistant