

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

BOARD OF DIRECTORS

Minutes of the December 15, 2011, Meeting
City Council Chambers
808 West Spokane Falls Blvd., Spokane, Washington

MEMBERS PRESENT

Amber Waldref, City of Spokane, Chair
Al French, Spokane County
Richard Rush, City of Spokane
Nancy McLaughlin, City of Spokane
Mark Richard, Spokane County
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Chuck Hafner, City of Spokane Valley
Gary Schimmels, City of Spokane Valley
Josh Beckett, Small Cities Representative
(Liberty Lake)
Brenda Redell, Small Cities Representative
(Medical Lake)

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Lynda Warren, Director of Finance
Lynn Holmes, Assistant Director of Finance
Tammy Johnston, Budget & Accounting Manager
Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Steve Doolittle, Human Resources Manager
Susan Millbank, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

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

Chair Waldref called the meeting to order at 5:30 p.m. and conducted roll call.

2. **APPROVAL OF BOARD AGENDA**

This item was deferred since a quorum was not in place.

3. **PUBLIC EXPRESSIONS** – None.

4. **PUBLIC HEARING**

A. **Amendment to Comprehensive Plan/Citizen Advisory Committee Sustainability Report & Transit Development Plan Publication Date**

Ms. Waldref opened the public hearing at 5:32 pm. Mr. Blaska said two amendments need to be made to the Comprehensive Plan; the inclusion of a Sustainability Policy and a change to the submission date of the Transit Development Plan. No public comments have been received. There has been a change in the Sustainability Plan since it was brought before the Board last month. In Section 2.2: Change the wording of “urban sprawl” to “that meets the needs of the service area.” Following the public hearing and Board discussion, the plan will come before the Board for adoption in January, 2012. The second amendment changes the publication date of the Transit Development Plan from April 1 to September 1. This is a good change that was recommended by the Washington State Transit Association (WSTA).

Ms. McLaughlin asked if STA will adopt LEED standards but not the reporting requirements. Mr. Blaska said the LEED silver standards are a good goal but STA is not adopting the entire program as it has been adopted by Washington State Government agencies; it is too cumbersome and STA does not have the staff available. Ms. McLaughlin asked why the word “conform” to the LEED standards was used. Dr. Luton of the Citizen Advisory Committee (CAC) said the parameters of the LEED Silver

Standard are being used as a goal. Ms. McLaughlin suggested the wording be changed to “strive to conform.”

Mr. Rush arrived at 5:52 pm.

There were no public comments and Ms. Waldref closed the hearing at 5:54 pm. Mr. Richard suggested the public hearing remain open for 30 days to give the public more time to comment with Board action in January. Ms. Waldref concurred and continued the public hearing until the January Board meeting. Mr. Richard added that he served on the Governor’s Taskforce on Greenhouse Gases. The problems faced by that committee were not goal-setting but achievement of the goals and in these cases the expectations are difficult to meet. Suggestions for taxes on fuel and congestion relief need to be considered carefully.

5. BOARD DISCUSSION

A. Amendment to Comprehensive Plan/Citizen Advisory Committee Sustainability Report & Transit Development Plan Publication Date

Mr. Blaska said the staff assessment is consistent with STA business practices. There is a value in having a formal policy and the CAC recognized this. The Committee saw the importance of setting a baseline and they recommended using common criteria such as the Energy Star program. Using existing program methodologies, it may likely uncover the fact that STA already conforms to objectives such as the Governor’s goals to reduce carbon dioxide emissions. Ms. McLaughlin noted that Section 4.4 of the policy formally appoints a point of contact to STA to monitor the agency’s sustainability posture. She asked if a new staff position will be created. Mr. Blaska said this task can be added to an existing job description. He added that the Maintenance Analyst who has been involved in alternative fuel analysis will assume these responsibilities. Mr. Richard thanked the committee for their work and for making the changes. **Mr. Richard moved to continue the public hearing until the January 18, 2012 Board meeting and also continue the deliberations. Mr. French seconded and the motion passed unanimously.**

APPROVAL OF BOARD AGENDA

Ms. Waldref announced a quorum of the Board was now present and asked for a motion to approve the Board agenda. **Mr. French moved to approve the agenda, Ms. McLaughlin seconded and the motion passed unanimously.**

6. BOARD ACTION: CONSENT AGENDA

Mr. French moved approval of consent agenda items 6.A through E. Mr. Rush seconded and the motion passed unanimously.

- A. Approve Minutes of the November 16, 2011 Board Meeting.
- B. Approve Accounts Payable Voucher and Warrant nos. 569303 through 569691, and Worker’s Compensation Warrant nos. 208086 through 208252 totaling \$2,881,973.85 for the period November 1 through November 30, 2011.
- C. Award a contract to Cooperative Supply, Inc. for diesel and unleaded fuel and service for five years effective February 1, 2012.
- D. Renew the Spokane Police Department Interlocal Agreement for one year beginning January 1, 2012.
- E. Approve the 2012 Board and Committee meeting calendar.

7. CEO REPORT

Ms. Meyer updated the Board on the Governor’s Connecting Washington Taskforce. She quoted the problem statement: “Our transportation system is the backbone of our state’s economy. It is vital to

creating jobs, sustaining economic growth and preserving our quality of life. Yet the purchasing power of the funding sources we have traditionally used for transportation is declining, placing our system at risk. A ten-year sustainable investment strategy, supported by new revenues, is needed to build and maintain our roads, bridges, rails, transit and ferries.” She added that 76% of all state transportation investments are funded by the gas tax which is not keeping up with inflation and growing demand. The Taskforce has 31 members and has had five meetings. It was created to plan a ten year transportation investment strategy of \$20B with a focus on creating and retaining jobs. Mr. French asked if it included projects in Eastern Washington. Ms. Meyer said the North-South Corridor project is included. Recommendations of the Taskforce include restoring funding in public transportation that has been lost; and a portion of the \$20B will be allocated to transit as a direct state investment. Ferries and highways are eligible for gas tax funding but transit is not. The Governor’s intention is to take the recommendations to the legislature on January 9 with a sense of urgency; they need to act quickly to introduce a ballot measure to voters in 2012 or 2014. Ms. Meyer said she will likely be asked to testify before the legislature as the President of the Washington State Transit Association (WSTA).

8. BOARD ACTION: OTHER ITEMS

A. Appointments of Chairs for Planning & Development Committee and Performance Monitoring & External Relations Committee

Ms. Waldref said in September the Board adopted resolutions establishing three new Board committees: Board Operations Committee; Planning & Development Committee; and, Performance Monitoring & External Relations Committee. The 2012 incoming Board Chair will chair the Board Operations Committee. Members of each committee will be appointed at the January Board meeting. Mr. French asked if a Board member can serve on more than one committee. Ms. Meyer said they can.

Ms. Bowers as a non-voting Board member will also serve on a committee. Mr. French asked if a large endeavor such as the Central City project would be taken to the Planning & Development committee. Ms. Meyer said it would and also an Ad Hoc Committee could be formed for further input.

Ms. Waldref nominated Mr. French as Chair of the Board Operations Committee; Ms. Waldref as Chair of the Planning & Development Committee; and, Mr. Hafner as Chair of the Performance Monitoring & External Relations Committee (noting that Mr. Hafner or another member of the City of Spokane Valley will be Chair of the STA Board in 2013). Mr. French moved approval and Mr. Rush seconded. Ms. Bowers asked if the other committees (the Operations & Customer Service Committee and the Citizen Advisory Committee) will now be eliminated. Ms. Meyer said the Board Operations Committee will evaluate this and make a decision. Ms. Bowers said she is concerned that the new committees include only Board members. Ms. Waldref said this is a new model for STA based on a recommendation from Doug Eadie, the consultant who helped the Board shape the new committee structure. She added that citizens may be engaged to help the Board with special projects. The committee meetings will be open to the public. **The motion passed unanimously.**

Mr. French asked if members to the committees could be appointed now. He said he would like to join the Planning & Development Committee and Ms. McLaughlin said she would like to do the same. **Ms. Waldref moved to nominate Mr. French and Ms. McLaughlin as members of the Planning & Development Committee, Mr. French seconded and the motion passed unanimously.** Ms. Bowers and Mr. Richard said they would like to have time to think about committee membership. This subject will be reviewed again in January.

B. Annual Strategic Plan

C. Proposed 2012 Operating and Capital Budgets

Ms. Meyer said Board members have the final and red-lined copy of the Annual Strategic Plan, presented in November, in their grey folders. The priorities and guiding principles are the same.

Revisions include the elimination of the proposed 2013 service reduction due to higher than expected sales tax revenues, savings in employee benefit plans, and more funding from grants. STA will continue to constrain expenses and maintain fares. Paratransit fares will be the same as fixed route in January, 2012. Since the organization is no longer in financial jeopardy, it is appropriate to look at the non-represented employees whose salaries are 6.4% under market compared to four comparable transit agencies, the City of Spokane, Spokane County, and the private sector (8.8% below the latter). It is clear that STA has been very conservative in the past with wage increases for this group and the salaries have lagged behind in comparison to similar jobs at comparable organizations. The budget proposal includes a 1% increase and the addition of one step at the top of each wage grade. The 2012 budget would fund half a step (2.5%) for 38 employees which narrows, but does not eliminate, the disparity. A consistent approach would be taken with the other employee groups. It is likely that ATU #1015 will request a wage re-opener and the two other contracts will be open in 2012. The same market-based approach will be used. Ms. Meyer added that STA turns 30 in 2012!

Mr. Richard questioned the timing of the budget, which is an action item requiring a super majority, and at the public hearing Ms. Meyer presented a budget which included no wage increases. Ms. Meyer reiterated the improved financial situation of the agency and the elimination of the service reduction and recommended a wage adjustment for the non-represented employees. These employees have considerable professional talent and morale is suffering. Mr. Richard said he supported a 1% increase last year; however, he serves on many Boards which have not approved wage increases for 2012. It is difficult for him to approve an increase for the STA employees. Ms. Meyer said this group of employees had no wage increase in 2010 and pay more for benefits than they did before, resulting in savings to the agency. Ms. Waldref asked if action can be taken on the Strategic Plan since it does not specify a wage adjustment. Ms. Meyer said it could.

Mr. French moved to adopt the 2012 Annual Strategic Plan as presented by staff, Mr. Rush seconded and the motion passed unanimously. Mr. Rush said he appreciated the fact that the proposed 2013 service reductions have been removed.

Ms. Waldref said she has had lengthy discussions with Ms. Meyer about compensation and benefits. There is definitely a gap between STA and its comparables and the goal is market-based compensation. She added that STA is better off financially and she is supportive of the raise because the planned service reductions for 2013 have been removed. Mr. French asked if there could be a continuation of the budget to the January 2012 meeting. Ms. McAloon said this is not a line item budget but a general Board-adopted budget, and the CEO operates the agency within that budget. Mr. French asked if Ms. Meyer could have implemented the wage increase without specific Board approval. Ms. McAloon said she could, but it is good governance to advise the Board. Mr. French said STA offers a quality service and, to keep that quality, it is important to have qualified, experienced staff. The group in question is not represented by a union and these employees should be treated fairly. They have sacrificed in the past and this has led to disparity. He supports the adjustment to this group's wages. Mr. Rush agreed and referred to study in the Washington, D.C. metro area that calculated that it would cost billions of dollars if not for transit. Transit provides a service to the taxpayer in cost avoidance and the success of transit agencies relies on the staff. He supports the wage increase now rather than have a new Board decide next month. Ms. McLaughlin said she supports it also but struggled with any increase at this time. She said STA has the finest planning team she has encountered; the service reductions would have been a disaster without them. Mr. Richard said he could not attend the meeting scheduled before the Board meeting to discuss these issues and would like to continue the discussion to the January Board meeting. He added that the fiscal impact for this group of employees is modest; however, if the bargaining units want the same, the impacts would be much higher. **Mr. Richard moved to continue the discussion to the January 18, 2012 Board meeting and Mr. French seconded.**

Ms. Waldref asked if the budget could be adopted without the wage adjustment part. Ms. McAloon said it could. **Mr. French withdrew his second and Mr. Richard withdrew his motion. Mr. French moved to adopt the proposed 2012 Operating and Capital Budgets and reserve discussion regarding the wage adjustment for non-represented employees to the January 18, 2012 Board meeting. Mr. Richard seconded and the motion passed unanimously.**

Ms. Warren thanked staff including Lynn Holmes and Tammy Johnston for all their work on the budget and also Jim Plaster who worked on it earlier in the process and has now retired.

D. Proposed Amendment to STA's Procurement Policy

The proposed amendment to STA's Procurement Policy allows for the procurement of professional services if the amount is within the CEO's authority of \$200,000; if the services are being paid with local funds; and if the services involve a unique expertise. The CEO will also determine if the cost is reasonable.

Mr. French moved to adopt a resolution amending Resolution 655-09 relating to the procurement of professional services with non-federal funds within the CEO's procurement authority. Mr. Richard seconded and the motion passed unanimously.

E. Regional Project Priorities List

Mr. Otterstrom said Spokane Regional Transportation Council (SRTC) has prepared an update to its 2010 Project Priorities list that was submitted to the Washington State Transportation Commission for consideration in developing the 20-year transportation plan for the state. The purpose of the update is to contribute to a statewide list being compiled by the Regional Transportation Planning Organizations (RTPOs) that identifies between \$2 billion and \$4 billion in transportation priorities that might be included in a future statewide transportation package. This complements efforts by others, including the Governor's Connecting Washington Task Force, in identifying the state's priorities for the next ten years of transportation funding. These projects are either part of the High Performance Transit (HPT) Network, identified as a capital project in the Capital Improvement Plan or have been identified as a future need in past planning documents. The revised list of transit projects submitted is: Central City Line; West Plains Transit Center; and, Smart Bus. The South Valley Corridor HPT Line and Plaza Improvement Project have been removed from the list. The South Valley Corridor HPT Line was removed because its implementation likely will be beyond ten years and the Plaza Improvement Projects was removed because STA received a grant. In addition to transit projects, the SRTC Board approved \$404M for system maintenance and operations over a ten year period which includes \$134M for transit.

Mr. French moved to ratify the revisions to the priority projects as negotiated by the CEO on behalf of STA and approved by the SRTC Board on December 8, 2011.

F. Draft 2012 State Legislative Agenda

Ms. Millbank reported that in 2011, STA was awarded \$1.4M in a special needs grant and this has already been drawn down. STA was also awarded a vanpool grant for eight replacement vans and ten new vans. A special session has just finished with a shortfall of close to \$2B. Additional funding for public transportation is unlikely. The 2012 legislative session begins on January 9, 2012. It is a 60 day short session and staff will monitor it and watch diligently for any legislation that may pose a threat or offer new opportunities to Spokane Transit.

Mr. Richard moved to approve the 2012 State Legislative Priorities as presented and grant authority to the CEO to determine STA's interest on specific pieces of legislation and convey those interests to legislators and others, and report back to the Board during each Board meeting during the legislative session. Mr. French seconded and the motion passed unanimously.

10. NEW BUSINESS

A. Election of 2012 Chair and Presentation of Gavel

Ms. McLaughlin moved to nominate Mr. French, Spokane County Commissioner as the 2012 STA Board Chair, Mr. Richard seconded and the motion passed unanimously.

Ms. Waldref presented the 2012 gavel to Mr. French.

11. BOARD MEMBERS' EXPRESSIONS

A. Presentation of Commendation to Amber Waldref – Outgoing Board Chair

Mr. French presented Ms. Waldref with a plaque of commendation for her excellent job as STA Board Chair for 2011. He complimented her on her dedication and hard work and added that being a Board Chair is very time consuming. Mr. French asked Ms. Waldref to continue chairing the remainder of the meeting.

Ms. Meyer expressed her and staff's appreciation for Ms. Waldref's leadership, adding that she was very effective in the completion of the Central City Transit Alternatives Analysis and the change in Board governance.

Ms. Waldref said it has been a good year. She thanked staff for their many hours of work in the public outreach that surrounded the service reductions and Ms. Meyer for her leadership. She added that it was a huge accomplishment to Chair the STA Board and have a baby in the same year!

B. Presentation of Commendation to Richard Rush – Retiring Board Member

Ms. Waldref presented Mr. Rush with a plaque of commendation for his dedication and efforts as a Board member over the past four years. She thanked him for his patronage of public transit and for helping her become familiar with transit issues.

Mr. Rush said it has been a pleasure to serve on the STA Board. He said it is the best learning opportunity for how a Board should be run. He appreciates staff and Ms. Meyer as being the most professional of any Board he has dealt with. He added that transit will not always be the transportation alternative.

Ms. Meyer appreciates Mr. Rush's support of transit and also thanked him for his representation of STA on the SRTC Board this year.

Board members expressed their thanks and appreciation to Ms. Waldref and Mr. Rush.

12. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. STA Holiday Service and Office Hours
- D. October 2011 Financial Results Summary
- E. October 2011 Financial Highlights
- F. October 2011 Operating Indicators
- G. November 2011 Ridership Highlights
- H. January 2012 Service Change Summary

13. EXECUTIVE SESSION

At 7:55 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the purpose of:

1. Reviewing the performance of a public employee.
2. Discussing, planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining.

3. 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.

The STA Board of Directors will reconvene in open session at approximately 8:05 p.m. 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 in open public session.

At 8:05 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:15 p.m.
At 8:15 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:25 p.m.
At 8:25 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:30 p.m.
At 8:30 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:40 p.m.
At 8:40 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:55 p.m.

At 8:55 pm the Board of Directors reconvened and Chair Waldref declared the meeting back in public session.

14. CABLE 5 BROADCAST DATES AND TIMES OF THE DECEMBER 15, 2011 BOARD MEETING*:

Saturday, December 17, 2011	4:00 p.m.
Monday, December 19, 2011	10:00 a.m.
Tuesday, December 20, 2011	8:00 p.m.

* **The meeting was not broadcast live**

15. NEXT COMMITTEE MEETINGS (STA Southside Conference Room, 1229 West Boone Avenue, Spokane, Washington):

Operations & Customer Service	January 4, 2012, 1:30 p.m. (this meeting has since been cancelled)
Citizen Advisory Committee	January 11, 2012, 5:00 p.m.

16. NEXT BOARD MEETING: Wednesday, January 18, 2012, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.

17. ADJOURNED

With no further business to come before the Board, Chair Waldref adjourned the meeting at 8:57 p.m.

Respectfully submitted,

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