

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

BOARD OF DIRECTORS

Revised Minutes of the February 15, 2012, Meeting
City Council Chambers
808 West Spokane Falls Blvd, Spokane, Washington

MEMBERS PRESENT

Al French, Spokane County, Chair
Chuck Hafner, City of Spokane Valley
Amber Waldref, City of Spokane
Mike Allen, City of Spokane
Nancy McLaughlin, City of Spokane
Art Kulibert, Small Cities Representative
(Medical Lake)
Richard Schoen, Small Cities Representative
(Millwood)
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Mark Richard, Spokane County
Gary Schimmels, City of Spokane Valley

STAFF PRESENT

Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Lynda Warren, Director of Finance
Lynn Holmes, Assistant Director of Finance
Steve Doolittle, Human Resources Manager
Susan Millbank, Ombudsman & Accessibility Officer
Molly Myers, Communications Manager

STAFF ABSENT

E. Susan Meyer, Chief Executive Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

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

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

2. **PUBLIC EXPRESSIONS** – None.

3. **RECOGNITIONS AND PRESENTATIONS**

A. **Years of Service Awards**

Mr. Doolittle read the names of employees with 5, 10, 15, 20, 30 and 40 years of service. Coach Operator Mike McLean has 40 years of service. He was present in the audience and was thanked by the Board. All these employees were commended for their years of service to STA and the community.

B. **Fourth Quarter 2011 Employee Recognition Winners**

Mr. Doolittle read the names of those employees who won the employee recognition awards for the fourth quarter of 2011. This program was approved by the Board to acknowledge employees who go the extra mile in the course of their work.

4. **BOARD ACTION: CONSENT AGENDA**

Mr. Hafner moved approval of consent agenda items 4.A through D. Mr. Schoen seconded and the motion passed unanimously.

A. Approve Minutes of the January 13, 2012 Special Board Meeting.

B. Approve Accounts Payable Voucher and Warrant nos. 570146 through 570498, and Worker's Compensation Warrant nos. 208428 through 208593 totaling \$5,030,317.16 for the period January 1 through January 31, 2012.

- C. Approve the purchase of twelve (12) Eldorado cutaway vans from Schetky Northwest Sales Inc., Portland, Oregon, through the Washington State Purchasing Cooperative contract, and authorize disposal or transfer of the surplus Paratransit vehicles. Total project cost will not exceed the budgeted amount of \$1,171,320.
- D. Approve the purchase of eight (8) replacement 7-passenger vanpool vans and ten (10) additional 12- passenger vanpool vans for a total cost not to exceed \$482,040, and authorize disposal or transfer of the surplus vanpool vehicles.

5. PUBLIC HEARING

A. Amendment to Capital Improvement Plan: Fleet Replacement Schedule

Mr. Blaska said this hearing has been advertised in the Spokesman Review and there have been no comments. Due to time constraints, staff requests Board action at tonight's meeting. The amendment to the Capital Improvement Plan (CIP) pertains to the fleet replacement schedule. Federal requirements maintain that the buses should be fully depreciated at 12 years or 500,000 miles. Due to STA's maintenance practices, the agency retains buses for 15 years or 750,000 miles. Two developments necessitate a change to this practice: the 7% service reduction planned for 2013 has been removed; and, ridership has increased rather than decreased even after service reductions of 10%.

Mr. Allen asked why this happened. Perhaps increased gas prices had an effect?

Mr. Blaska replied that the Board's guidance has been to retain quality of service. The service that was eliminated or reduced was generally very low performing. The productive service areas were reinforced with better routing and frequencies resulting in greater ridership than previously expected.

Staff recommends the following:

- Extend the service life of eight 40' buses from 15 to 17 years.
- Immediately purchase three 60' buses. STA took advantage of an offer from New Flyer Industries to acquire three used buses, each with approximately 350,000 miles, for a total estimated cost of \$179,000 (\$74,000 capital cost; \$105,000 maintenance cost). New Flyer is the same manufacturer for the ten 60' coaches currently in STA's fleet (\$0.9M in cost avoidance).
- Operate with less than a 20% spare ratio for our 40' bus sub-fleet. Eight (8) rather than eleven (11) 40' replacement buses will be purchased. This is accomplished by retaining three of the six maintenance positions that were planned to be eliminated. The greater number of mechanics allows for faster maintenance turnaround time (\$1.4M in cost avoidance).

Other opportunities for cost saving measures include: Apply for FTA State of Good Repair grant for the eight 40' buses; implement alternative Boone Master Facility Plan (\$2M savings); and, delay vanpool expansion plan (\$0.6M savings). There is also a possibility of selling six or seven of the 29' coaches that are not being fully utilized.

Chair French opened the Public Hearing at 5:52 pm. He asked three times for public comment. No comments were received.

Chair French closed the Public Hearing at 5:53 pm.

B. Action: Amendment to Capital Improvement Plan: Fleet Replacement Schedule

Ms. McLaughlin moved to approve the recommended change as recommended by staff to the Capital Improvement Plan as presented. Mr. Allen seconded and the motion passed unanimously.

Mr. Allen, Ms. Waldref and Ms. Bowers complimented staff on their efforts.

6. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Chair French briefed the Board on the February 9, 2012 meeting of the Board Operations Committee. The committee recommended that the Citizen Advisory Committee (CAC) be reconfigured to reflect a different structure. Citizen input is invaluable and now the scope is intended to be broad rather than task oriented. Ms. Waldref suggested the committee's name be changed to "Citizen Sounding Board" with citizen members of the current CAC and Operations and Customer Service Committee invited to join. Two standing Board Committees have been confirmed: Planning & Development and Performance Monitoring & External Relations. Since there are four voting members on each committee, there is a possibility of a tie vote. A suggestion of the Board Operations Committee is that if there is a tie and a committee reaches impasse, they will send the item to the Board Operations Committee to resolve. The committee guidelines have been amended to reflect this change.

Ms. Waldref said she welcomes citizens from those committees to join the new one since the Board wants their input and advice. She also has no problem with the name remaining "Citizen Advisory Committee."

Ms. McLaughlin, Chair of the Operations and Customer Service Committee, thanked the members of that committee for their hard work and service. She hopes the citizen members will join the new committee.

Ms. Bowers requested clarification on the status of the Operations and Customer Service Committee and CAC.

Mr. French said the Citizen Advisory Committee will continue and the Operations and Customer Service Committee will be dissolved.

Ms. Bowers shared her concern that she will not be able to vote on a committee of the Board since she is a non-voting Board member. She is also concerned about the Board Operations Committee deciding issues that the other two committees cannot resolve **and added that the governance changes now allow for decisions formerly achieved by a quorum of Board members to be made by a party of three.**

Mr. French said any item that cannot be resolved will go to the full Board for a decision.

Ms. Bowers said the elimination of the Operations and Customer Service Committee has effectively removed the union members who could vote at the committee level.

Mr. Hafner said he anticipated most items would not have any problems with voting recommendations.

Mr. French reminded the Board that Mr. Doug Eadie's recommendations, approved by the Board in September, 2011, were that standing committees should consist of Board members only.

Ms. Waldref said she remembered the discussion of consensus versus voting and Ms. McAloon had recommended a voting structure.

Ms. McAloon agreed and added that it is very difficult to document by consensus. She added that not only would the committees recommend action to the full Board, they would also approve items such as the release of Requests for Proposals in excess of the CEO's authority.

Ms. Waldref asked if union members could participate in the Citizen Advisory Committee.

Mr. Blaska said it would be just for citizen members but the meetings are all public and anyone can listen and make public expressions.

7. BOARD ACTION: OTHER ITEMS

A. Future of Executive Committee, Operations & Customer Service Committee and Citizen Advisory Committee

Ms. Waldref moved to:

- 1) Retain the Citizen Advisory Committee and invite current CAC members to continue and Operations and Customer Service citizen members to join; and,**
- 2) Dissolve the Operations & Customer Service Committee.**

Mr. Hafner seconded and the motion passed unanimously.

Ms. Waldref noted Ms. Bowers' input and concerns. She acknowledged that Ms. Bowers will participate as a non-voting member of the Performance Monitoring & External Relations Committee and asked Mr. Blaska if there are other ways to obtain employee input.

Mr. Blaska said there are all employee meetings, surveys, labor/management meetings, safety, and employee advisory committee meetings at which employees can provide input.

B. Approval of 2012 Board and Committee Meeting Calendar

Ms. McLaughlin moved to approve the Board and Committee meeting calendar with the deletion of the Operations and Customer Service Committee meetings. Mr. Hafner seconded and the motion passed unanimously.

C. Amendment to Board Governing Committees' Functions: Resolution

The functions have been amended to include "*Resolving conflict if the Planning & Development Committee or the Performance Monitoring & External Relations Committee is unable to reach consensus.*"

Mr. Allen moved to adopt a resolution amending the Board Governing Committees' functions as presented. Ms. McLaughlin seconded and the motion passed unanimously.

D. Amendment to Board Governing Committees' Guidelines: Resolution

The guidelines have been amended to include the appointment of committee members "*to an annual term*" and "*committee action will be taken by a vote of the eligible voting members.*"

Ms. Waldref moved to adopt a resolution amending the Board Governing Committees' guidelines as presented. Mr. Schoen seconded and the motion passed unanimously.

Ms. Bowers reiterated her concern about the issue of voting.

E. Approval of Board Member Performance Expectations

Ms. McLaughlin moved to approve the following Board member performance expectations, Ms. Waldref seconded and the motion passed unanimously.

- 1) Attendance: Limit of two unexcused absences per year.*
- 2) Be prepared.
- 3) Be Respectful of Other Board Members and Staff.
- 4) Relationships with CEO and Staff:
 - Call Directors or Clerk for Routine Information.
 - All Other Requests Should be Made to CEO.
- 5) Actively Participate in Board and Committee Assignments.

**The absence should be communicated to the Board or Committee Chair and will be defined as excused/unexcused at his/her discretion.*

F. 2012 Federal Legislative Advocacy Agenda

Ms. Millbank said the agenda is to determine STA's focus on federal issues and legislation. President Reagan set aside funding for mass transit 30 years ago and started the Mass Transit Account. There have been several authorizations since then. The last authorization expired in 2009, and its current extension at the end of March, 2012. The Senate has proposed a bill that would reauthorize public

transportation funding at the current levels (\$10.5B per year) for two years. The House has proposed a 5 year reauthorization bill that eliminates dedicated funding to the Mass Transit Account.

STA will keep congressional members up to date on its projects including the Central City project; watch for grant opportunities; continue to advocate for increased investments in public transportation; advocate for maintaining dedicated funding from FTA Section 5307 and 5309 grants for preventive maintenance and bus facilities.

Ms. Waldref moved to approve the 2012 Federal Advocacy Agenda as presented and grant authority to the CEO to determine STA's interest on various issues and specific pieces of legislation and convey those interests to legislators and others, and report back to the Board in a timely manner. Ms. McLaughlin seconded and the motion passed unanimously.

G. Spokane Transit Travel Policy

Ms. Warren said the current STA Travel Policy has been in effect since 1986. There have been many changes in the travel industry since then, for example, airlines charge fees for baggage. Staff recommends the policy be revised to include updated federal and state changes which allow meals to be paid on a per diem basis. Other jurisdictions already have these changes in place. It is also proposed that the mileage reimbursement be based on the IRS rate.

Mr. Allen commented that these old procedures are outdated and agreed that the policy should be changed.

Mr. Hafner moved to adopt a resolution establishing a more current travel policy, replacing Resolution No. 263-86, and authorizing the CEO to implement procedures to carry out this policy. Ms. Waldref seconded and the motion passed unanimously.

H. Spokane Transit Credit and Purchasing Card Policy

Ms. Warren said the Revised Code of Washington (RCW) requires a credit card policy. STA currently has a blanket credit card with no individual names which can cause difficulties for employees when they are traveling. It is proposed to establish a credit card policy for business travel, registration fees and miscellaneous small purchases. It should be noted that 81% of purchases are less than \$3K. A purchasing card policy will streamline the process and improve reporting. The CEO will determine reasonable spending limits. Cash advances and personal purchases will be prohibited.

Mr. French noted that when Spokane County changed their policy, they managed to obtain lower purchase prices. Ms. McLaughlin agreed and added that car rentals are very difficult without a credit card in the renter's name.

Mr. Allen asked if an employee with a corporate credit card will have to undergo a credit check.

Ms. Warren said the credit card company has not yet been selected and that would depend on its policies.

Ms. McLaughlin moved to adopt a resolution establishing a credit and purchasing card policy and authorizing the CEO to implement procedures to carry out this policy. Mr. Allen seconded and the motion passed unanimously.

8. STAFF REPORTS

A. Fixed Route System Ridership Analysis – Year End 2011 Assessment

Mr. Blaska reported that the net result was a 1.1% increase in ridership for 2011. This was a much better result than expected since the service reductions were anticipated to cause lower ridership.

North

Even with the elimination of routes #30 and #31, ridership grew by 2.7%. It appears that passengers who used the Garland route migrated to other routes.

Ms. Waldref asked about the service to the community colleges that went to half hour frequency.

Mr. Blaska said the new route experienced strong growth.

South

Even with the elimination of routes #41 and #46, ridership in the south remained neutral. It appears that much of the ridership from #46 Altamont migrated to the increased service provided on #2 the southside medical shuttle and #45 Regal.

West

Ridership grew by 12% on routes #60 and #61 in the West Plains which were not affected by the service reductions. The combination of Cheney routes resulted in the largest increase in ridership of 14.5%. Additionally Cheney has a new local route # 68. As a result of decreased service in Medical Lake, ridership declined by 31.3%.

East

There is some reduction of ridership in the Spokane Valley but overall an increase of 3.6% was experienced. Commuter service from Liberty Lake has declined; it now stops at Mirabeau and a decline was anticipated since commuters prefer non-stop service and less full buses.

Mr. Schoen of Millwood commented that he rode route #94 and it was standing room only.

Mr. Hafner thanked Mr. Otterstrom for his excellent work on the service changes.

B. 2011 Year End Performance Measures

Mr. Blaska reported a 1.1% increase in fixed route ridership with a total of 10,831,987. The goal for 2011 was to sustain 85% of the record ridership set in 2009 and this goal was exceeded. The goal in paratransit is to control growth and enable passengers to use fixed route through mobility training. There was a reduction in paratransit ridership of 6.1%.

The goal for vanpool was a 19% increase and this program experienced an 11.7% growth which is still the highest ridership in history.

Under the cost per passenger measure, it was found that unit costs improved with higher ridership. STA is at 81% of the cost average for urban systems.

The goal for the Call Center was not achieved due to low staffing levels.

Mr. Allen asked if callers know what the hold time is when they call. Mr. Blaska said STA does not have that software; it is quite expensive. Many callers are asking where the bus is and the Smart Bus technology will help to alleviate that problem.

Under the Quality Counts program, all work groups have exceeded the goal of 4.5 out of 5 for professional and courteous service.

The goal of 100% for the Americans with Disabilities Act (ADA) stop announcements was not reached; it is currently at almost 85%. Under vehicle cleanliness, the performance of the maintenance crew is outstanding with 98.5% of the goal reached in fixed route and 99.4% in paratransit.

C. 2011 Year End Financial Highlights

Ms. Warren reported the operating revenue (fares) growth is up 7.3% and total revenue at \$62.6M is up 3.5% over the previous year. Operating expenses are below budget and \$964K below 2010. The total combined favorable revenue and expenditures budget variances is \$12.3M.

The 2012 sales tax for January (representing November sales) is 3.4% above budget which is great news.

D. 2012 State Legislative Update

Ms. Millbank reported that the session ends March 8, 2012 and there are various bills concerning transportation:

ESSB 6455 - raises fees on vehicles that will be distributed to the motor vehicle fund and the State Patrol. *No direct transit benefit.*

SSB 6582 – Transportation Benefit District may impose a \$40 vehicle fee or 1% MVET. *No direct transit benefit.*

SHB 2751 - allows counties to impose 1% or transit to obtain 0.5% Motor Vehicle Excise Tax (MVET). This requires a vote of the people.

SHB 2660 – \$1.50 petroleum barrel fee dedicated to pavement. *No direct transit benefit.*

ESHB 2053 – fee bill from last year that still may be considered.

ESHB 2553 – amending legislation passed in 2010 regarding non-voting labor members on PTBA governing boards.

Mr. Schoen requested details of this bill.

Ms. Millbank said the current law provides for the Chair to exclude the non-voting labor member from Executive Sessions. The proposed amendment specifies that the Chair may exclude the non-voting labor member only from Executive Sessions that discuss contract negotiations, personnel matters, litigation, and conflict of interest issues. Other subjects do not apply. Also under the amendment, the non-voting labor member may attend Board sub-committee and work group meetings. Other transit agencies in Washington State have prevented the non-voting labor Board member from attending these meetings. STA has not. This bill will be opposed by transit. The Washington State Transit Association (WSTA) voted neutral after the amendment.

HB 2736 – texting while driving a commercial vehicle. The current language involves coach operators and states that it is not texting if a person operating a moving motor vehicle while using an electronic wireless communications device to relay information that is time sensitive between a transit or for-hire operator and that operator’s dispatcher. It is permissible as long as the driver pulls over and the vehicle is stopped.

Ms. Meyer is the President of the Washington State Transit Association (WSTA) and is actively engaged in legislative issues.

Ms. Waldref asked why medium and small transit agencies are opposed to the bill regarding labor members.

Ms. Millbank said when the original bill was passed, compromises were made and they believe those are sufficient.

Mr. French commented that elected officials can lose their office if there is a violation of Executive Sessions.

Ms. McAloon agreed and added that other Board members could be fined \$100.

Ms. Waldref asked for an email update on this bill.

Ms. McAloon added that the reasons for Executive Sessions are clear and this new proposed legislation uses different wording. If it passes in this form it will create a lot of legal work and will not be consistent with the Open Public Meetings Act.

9. CEO REPORT – None.

10. BOARD INFORMATION

- A. Committee Minutes
- B. December 2011 Operating Indicators
- C. December 2011 Financial Results Summary
- D. Fourth Quarter 2011 Capital Budget Status Report

E. Fourth Quarter 2011 Statement of Net Assets and Federal Grants

11. NEW BUSINESS

A. Approval for Board Member Travel to APTA Legislative Conference and Congressional Appointments

Mr. Allen moved approval for Chair French to attend the 2012 American Public Transportation Association (APTA) legislative conference and congressional appointments in Washington, D.C. in March. Mr. Hafner seconded and the motion passed unanimously.

B. Appointment of Two Alternates to Spokane Regional Transportation Council (SRTC) Board – One Voting, One Non-Voting

Mr. Blaska explained that Chair French and Ms. Meyer were appointed to the SRTC Board in January, 2012 as voting and non-voting members respectively. SRTC has now requested that the STA Board appoint alternates – one voting and one non-voting.

Ms. McLaughlin nominated Mr. Hafner as an alternate voting member of the SRTC Board. Mr. Allen seconded and the motion passed unanimously.

Ms. McLaughlin nominated Karl Otterstrom, STA's Planning Director, as an alternate non-voting member of the SRTC Board. Ms. Waldref seconded and the motion passed unanimously.

12. BOARD MEMBERS' EXPRESSIONS

Ms. Bowers thanked the Board for their patience in allowing her concerns to be heard.

Mr. French said her input is valued.

Mr. Allen said he rode STA for years and complimented the coach operators on their responsiveness. He asked about ridership month by month compared to gas prices. Mr. Blaska said he would get that information to him.

Mr. Schoen said a friend moved back from Denver and told him that Spokane's public transportation is much better, cheaper and cleaner.

Mr. French said the Board Operations Committee discussed the location and timing of the Board meetings. When the agency was reorganized in 2003 under the supervision of the Taskforce, there was a need for more transparency. Board meetings were moved from Boone Avenue and televised at City Hall in the evening for optimum public outreach. This has been a burden on staff and is expensive. It is rare nowadays to see any public attendance at the Board meetings at City Hall and the committee is considering moving the meetings back to the Boone Avenue facility to take place in the afternoon. Technology has changed since 2003 and it is now possible to record Board meetings and post them on the website. This is done now in addition to being televised.

Mr. French also reminded the Board of Mr. Eadie's comments about the use of a dais. He offered that this is intimidating and meetings are better held with Board members and staff around a table for maximum productivity.

Ms. Waldref agreed that meetings at STA's offices would be more convenient and there is a capacity to record and view on the website.

Mr. Hafner urged Board members to seriously consider these options; he has never liked sitting at a dais. He believes there is a more positive atmosphere meeting around a table like he experienced at the January Board meeting at STA's Boone Avenue facility. He added that the parking is better at Boone Avenue.

Mr. Allen said it is a good idea and asked that the video production be comparable.

Ms. McLaughlin said she would like the meetings held at STA during the day.

Ms. Bowers agreed with Mr. Hafner about the dais and said it would be beneficial for staff to be at their working location. She also agreed that the public does not attend the current Board meetings at City Hall unless it's an issue such as service reductions.

Mr. French said the Board Operations Committee will bring their recommendations back to the Board next month.

13. EXECUTIVE SESSION

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

1. 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.
2. 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 STA Board of Directors 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 8:10 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. Board action is anticipated.

At 8:10 p.m. the Board of Directors reconvened and Chair French declared the meeting back in public session.

- A. **Ms. Waldref moved to approve a labor contract with ATU #1598 beginning February 1, 2012 through January 31, 2015. Mr. Allen seconded and the motion passed unanimously.**
- B. **Mr. Hafner moved to approve the purchase of the following properties from McMain Office Parks for the price of \$853,000 and authorize the CEO to sign all closing documents:
1212 West Sharp, 1325 North Jefferson, 1211 West Sinto, 1217 West Sinto, 1223 West Sinto, and 1229 West Sinto.
Ms. Waldref seconded and the motion passed unanimously.**

14. ADJOURNED

With no further business to come before the Board, Chair French adjourned the meeting at 8:15 p.m.

Respectfully submitted,

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

Cable 5 Broadcast Dates and Times of February 15, 2012 Board Meeting:

Saturday, February 18, 2012	4:00 p.m.
Monday, February 20, 2012	10:00 a.m.
Tuesday, February 21, 2012	8:00 p.m.

Next Committee Meetings (STA Conference Rooms, West Boone Avenue, Spokane, Washington):

Planning & Development	March 7, 2012, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	March 7, 2012, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	March 14, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Wednesday, March 21, 2012, 5:30 p.m. City Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.