

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

BOARD OF DIRECTORS

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

MEMBERS PRESENT

Amber Waldref, City of Spokane, Chair
Richard Rush, City of Spokane
Nancy McLaughlin, City of Spokane
Gary Schimmels, City of Spokane Valley
Dean Grafos, City of Spokane Valley
Rhonda Bowers, Labor Representative
Mark Richard, Spokane County
Al French, Spokane County

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Jim Plaster, Director of Finance & Administration
Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Steve Doolittle, Human Resources Manager
Susan Millbank, Ombudsman & Accessibility Officer
Lynn Holmes, Assistant Director of Finance

MEMBERS ABSENT

Josh Beckett, Small Cities Representative
(Liberty Lake)
Brenda Redell, Small Cities Representative
(Medical Lake)

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

1. CALL TO ORDER AND ROLL CALL

Chair Waldref called the meeting to order at 5:32 p.m. and conducted roll call.

2. APPROVAL OF BOARD AGENDA

Ms. Waldref said a new item, 9.D has been added and the revised agenda is in the gray folders. **Mr. French moved to approve the Board agenda as amended. Mr. Rush seconded and the motion passed unanimously.**

3. RECOGNITIONS AND PRESENTATIONS

A. Coach Operator Retirements – presented by Steve Blaska

i. Terry Davis

Terry is the most senior coach operator with 45 years of service in public transportation. He has a great demeanor and a lot of talent; his positive attitude is inspiring and will be missed. Terry met his wife, Claudia, at STA and she will be remaining as a coach operator. Terry and Claudia were present and received a standing ovation.

ii. Ray Baune

Ray has been a coach operator for 32 years and had anticipated working for several more years until he met his wife and decided to retire and travel the world.

iii. John Ruscio

John has been a coach operator for 30 years. Mr. Blaska said John was the first person he met at STA and was impressed by his warm welcome.

iv. Dan Wear

Dan has been a coach operator for 29 years and is highly respected by both his customers and fellow employees.

v. Sally Fleming Sally has been a coach operator for 27 years and spent a significant part of her career selecting late work which she found to be very fulfilling.

Ms. Waldref thanked these employees for their outstanding service and dedication.

4. PUBLIC EXPRESSIONS – None.

5. PUBLIC HEARING

A. Draft 2011-2013 Service Implementation Plan

Ms. Waldref opened the public hearing at 5:42 p.m. and asked Mr. Otterstrom to make a presentation.

Mr. Otterstrom said the Service Improvement Plan is required by STA's Comprehensive Plan to provide a review of service performance and a three-year outlook on service changes. It is posted on STA's website and has been revised since the May Board meeting. The plan will be taken to the Operations and Customer Service Committee and Board for action in July. There will be an opportunity for Board discussion after this hearing.

The plan includes the Board approved 2011 service reductions; informs the Board and the public of possible service improvements or revisions in 2012 and 2013; and, includes a revised Route Performance Report. Mr. Otterstrom provided a summary of existing conditions for various routes, noting that Route #62, Medical Lake, does not meet STA's policy regarding service headway and span. Mr. French said he believed the Board approved the continuation of that service as an exception to the policy. Mr. Otterstrom agreed that was the case. He outlined the service implementation summary of dates, noting that no more service reductions are anticipated until September, 2013.

Ms. Waldref asked three times for public comments. There were none. She closed the hearing at 5:52p.m.

6. BOARD DISCUSSION: DRAFT 2011-2013 SERVICE IMPLEMENTATION PLAN

Ms. Meyer said this is a discussion opportunity for the Board prior to making a decision on the Service Implementation Plan next month. Ms. Waldref said this opportunity is a good idea. There was no further discussion.

7. BOARD ACTION: CONSENT AGENDA

Mr. French moved approval of the following consent agenda items 7.A and B. Mr. Grafos seconded and the motion passed unanimously.

A. Approve Minutes of the May 18, 2011 Board Meeting.

B. Approve Accounts Payable Voucher and Warrant nos. 566985 through 567364, and Worker's Compensation Warrant nos. 206943 through 207130 totaling \$1,699,401.73 for the period May 1 through May 31, 2011.

Mr. Richard noted that he was absent at the last Board meeting.

8. BOARD ACTION: OTHER ITEMS

A. Tariff Policy Amendment – Resolution

Mr. Blaska said the point of the proposed amendment is to expand retail pass sales outlets. This would be more convenient for customers and would result in less stress at the Plaza customer service counter. Staff proposes to initiate a pilot program which would allow vendors to buy passes at the same discount as the employer sponsored bus pass program currently offers. Vendors who purchase more than 100 passes get a discount of \$3 per pass but the pilot program will allow them to buy less than 100 initially at the discounted rate. The proposed amendment to the Tariff Policy reads: *Pass Outlet Program – adult, youth and reduced fare 31-day passes are made available to authorized pass outlets in quantities of at least 100. Passes will be provided to the pass outlet at a discount of \$3.00 per pass.*

Mr. French asked where the current outlets are.

Mr. Blaska said, in addition to the Plaza and Boone Avenue outlets, passes are sold at ticket vending machines. Also, higher education facilities purchase the discounted student passes and passes are purchased in bulk by the State and school districts.

Mr. French moved to adopt a resolution approving the amendment to the Tariff Policy as proposed. Ms. McLaughlin seconded.

Ms. Bowers asked if this would increase the number of passes sold and also what the impact would be on STA's customer service staff.

Mr. Blaska said the desire is to increase sales and it would offer welcome relief for the staff who are extremely busy currently.

The motion passed unanimously. Ms. Waldref said she hopes this is successful as it provides good customer service.

9. STAFF REPORTS

A. May 2011 Ridership Highlights

Mr. Blaska said that fixed route ridership increased by 8.3% for the month of May with a 2.0% increase year-to-date. There was an additional weekday in May 2011. Paratransit decreased by -3.0% in May for a total year-to-date decrease of -6.9%.

B. April 2011 Financial Highlights

Mr. Plaster reported that operating revenue (derived from fares) year-to-date was \$3.7M, representing a favorable budget variance of 0.8%. Total revenue year-to-date of \$19.8M shows a favorable budget variance of 0.8%. Operating expenses were \$18.6M with a favorable budget variance of 3.4%. Although fuel had a 2.1% favorable variance, it increased by 29.7% from April, 2010. Overall, year-to-date favorable budget variances (revenues and expenditures combined) were approximately \$820,000. Capital expenses were \$1.9M. Sales tax revenue for May was 6.3% favorable to budget. The year-to-date is a favorable variance of 3.3%. The increase in sales tax revenue is due to an amnesty program which resulted in a higher distribution level. The three month amnesty was provided by the Department of Revenue to taxpayers who were delinquent in their tax payments and were offered an opportunity to pay now and avoid penalties.

Comparing actual results year-to-date of other jurisdictions in the region, STA has a 1.3% increase in sales tax cash receipts. The city of Airway Heights saw an increase of 15.9%.

C. 2011 State Legislative Session Final Report

Ms. Millbank said last November the Board adopted STA's legislative priorities. This has been a painful session for the state and the Governor said only essential functions of government can be funded. The general fund and capital budget were not resolved so a special session was called. Both budgets passed on a bi-partisan basis. The transportation budget passed in regular session.

STA fared well considering the magnitude of other cuts in the state. The transportation budget remained the same as the 2009-2011 biennium with \$40M in regional mobility grants. STA received \$1.352M for improvements to the Plaza. State representative Andy Billig was very supportive of this effort. The Special Needs Grant amount is the same as last year at \$19.5M of which STA will receive \$1.4M. The Vanpool Grant is \$6M statewide, of which a higher amount is set aside for the Ft. Lewis/McChord area in Tacoma. This will lower the amounts for other areas including Spokane. However, STA will expect to receive enough for ten replacement vans. STA requested \$920K for the automatic stop announcement program which did get visibility but not funding.

Bills Impacting STA and General Transit Issues

ESHB 1967 – Date changed for information to be submitted to the state. The Transit Development Plan used to be due in April and now it is due in September.

SHB 1967 – Requires state facilities to locate next to existing transit facilities. This bill was vetoed by the Governor but she asked the state departments to consult with transit agencies prior to relocation and this is a step forward.

ESSB 5457 – Authorizes a \$20 congestion fee for King County Metro which would come from local funding.

SHB 2053 – Last minute bill that introduces many fee increases, funding from which would be used for cities, counties, police, a ferry, and public transportation. This bill did not pass but was a step forward since public transportation was included.

Mr. Richard said these bills increase visibility for public transportation and he would like to see Board members discuss approaches for funding in the future. He added that if all developments were required to be located next to transit facilities, it would hamper new business.

Ms. Millbank said the Governor was also concerned about that and that's probably why she vetoed the bill. It is better that she asked the state agencies to consult with transit agencies but that is only a suggestion.

EHB 1171 – Eliminates the overwhelming planning process required to implement a High Capacity Transportation system. Only Sound Transit is affected.

HB 1899 – Changes the penalty amount for Public Records Act violations. The maximum fine of \$100 per day remains the same, but the minimum amount has been changed from \$5 per day to as little as zero.

SHB 2021 – Limits the annual increase amounts in state retirement program PERS Plan 1.

EHB 2123/SB 5801 – Both bills relate to Workers' Compensation issues.

Bills Returning in 2012

HB 2053 – Funding transportation needs.

HB 1034 – Making Public Records Requests by or on behalf of an inmate ineligible for penalty fees.

HB 1742 – Alternate early retirement benefit formulas eliminated for new members of PERS.

HB 2016 – Proposes the state make numerous local funding options available for public transportation.

SB 5552 – Requires public agencies and municipalities to post certain information on their websites.

Ms. Millbank said in the interim, staff will continue discussion with local legislators. The Governor is appointing an advisory committee to develop a ten year funding strategy for statewide transportation systems. The Washington State Joint Transportation Committee will discuss regional needs and potential funding packages.

Ms. Waldref asked if there are plans to engage the Board.

Ms. Meyer said she will be working through the summer with the Washington State Transit Association (WSTA) on a legislative agenda and will bring it back to the Board for discussion on the priorities.

Mr. Rush asked about the Plaza improvements and asked when there will be a contract for that work.

Mr. Otterstrom said first operational enhancements need to be made to Wall Street for the planned Plaza improvements to work. He is working with City of Spokane staff in this regard and the City Engineering Services Department will do the design. The City is doing the work in the right-of-way and a consultant will be designing exterior Plaza improvements, including a shelter and awnings. No conceptual design has been approved by the City yet.

Mr. Rush said he would ask City staff for an update.

Ms. Waldref asked what the funding sources would be for the fees addressed in HB 2503.

Ms. Millbank suggested a Motor Vehicle Excise Tax (MVET) on vehicle miles traveled and a tax on fuel.

Ms. McAloon said a head tax and property tax are also possible options.

Ms. Waldref said it is important to look for funding sources other than sales tax since that is so closely tied to the economy.

Ms. McLaughlin said caution should be taken on these taxes. She cited an example in Missouri where the gas tax costs one cent to administer, however the vehicle miles traveled (VMT) tax takes 20 cents out of every dollar for administration costs.

Ms. Waldref thanked Ms. Meyer for her efforts in making STA's legislative priorities heard.

D. Central City Transit Alternatives Analysis (CCTAA) Update

Mr. Otterstrom provided some background on the project. He said the primary objectives are to move people without more cars and promote economic development. This is a joint project between STA and the City of Spokane. The mode and alignment alternatives have been evaluated with public input. It has been an engaging process with positive feedback and many people involved.

Alignment

The proposed alignment is from Browne's Addition to the University District including the Riverpoint campus and Gonzaga University via Spokane Falls Boulevard. In the future, an extension to the south to include the hospitals would be considered. There are currently 142K trips are taken daily in this area; 26K jobs; 5100 existing housing units; and, 1600 daily bus riders. The travel time for the three-mile corridor is 12 to 15 minutes.

Mr. Richard asked if the 1600 bus riders would be traveling along the corridor or getting on and transferring somewhere else.

Mr. Otterstrom said those riders would not necessarily complete their trip on this corridor.

Mode

Enhanced bus, modern electric trolleybus and modern streetcar are the modes under consideration. The look of the streetcar can be replicated with the bus and trolley. The streetcar itself must run on rail versus rubber tires, has overhead electric wires and can have zero carbon operations. The cost, at \$105M, is the highest of the three options. It is anticipated that the streetcar project in Seattle will take over 100 years to offset the cost. The electric trolleybus (at a cost of approximately \$36M) can be carbon neutral and the enhanced diesel electric hybrid bus is the lowest cost at \$15M since it requires no new infrastructure. Mr. Otterstrom said the Board wanted to get input from business and property owners along the proposed corridor who would benefit, be impacted and help pay. Funding scenarios were shared with downtown stakeholders at a meeting on May 25, 2011. STA's contribution requires increased taxes requiring a regional vote for capital and operating costs in addition to other transit funding needs.

Enhanced Bus

Cost: \$15M

This could be paid for in total by STA with local funding from an additional 1/10th percent sales tax. Part of the funding could also be from grants.

Electric Trolleybus

Cost: \$36M

In addition to the \$15M provided by STA, other partners (including property owners, City of Spokane and the state) would pay \$1.5M, and a Federal Transit Administration (FTA) Small Starts Grant could be applied for in the amount of \$18M.

Streetcar

Cost: \$105M

In addition to the \$15M provided by STA, other partners would pay \$33.5M and the FTA Grant would be \$52.5M.

These are just capital, not operating, costs.

Ms. Meyer said STA Board approval would be needed for STA's portion of \$15M.

Mr. Otterstrom said it would be a challenge to get the FTA Small Starts funding.

Ms. Bowers asked if the proposed trolleybus vehicles are European-made.

Mr. Otterstrom said they are.

Ms. Meyer said American-made would be preferable but a European manufacturer would have to undertake a joint venture with a US company.

Operating Costs

Costs for operating each mode for ten years are estimated at:

Enhanced Bus - \$30M

Electric Trolleybus - \$35M

Streetcar - \$40M

Survey

A survey was conducted by the Downtown Spokane Partnership (DSP) about the CCTAA. Key people in the business district responded to the survey with 51 responses received. A majority supported the statement that a downtown circulator is necessary. Ninety percent of the respondents came to meetings or reviewed materials about the project online, and this project rates number three in a list of important Spokane projects. The major disadvantage of the streetcar is cost.

Mr. Richard commented that the light rail project failed at the ballot for the same reasons; most people liked the idea but did not want to pay for it.

Ms. Meyer added that at this time only a locally preferred alternative is being chosen, not the project funding.

Mr. Grafos asked how the perceived economic benefits are evaluated and commented that the costs would be also borne by people outside the relatively small downtown area.

Ms. Meyer said the streetcar in Portland, Oregon, has been shown to have increased the value of property close to the alignment. The same can be said for the Bus Rapid Transit line in Cleveland, Ohio.

Mr. French asked if staff is aware of a transit agency in the state that is successfully using biodiesel fuel.

Mr. Blaska said Intercity Transit in Olympia is and they are smaller than STA. Due to the delivery and storage systems for this fuel, costs are higher. Staff will continue to monitor that situation.

Mr. French said he would not support it if it costs more.

Ms. Meyer said staff will come back to the Board in July with a recommendation on the locally preferred alternative. She asked if Board members needed any additional information prior to this.

Mr. Richard said he would like to see more details of the survey. He also expressed sensitivity to taxpayers who would be paying the STA share of \$15M.

Mr. Rush encouraged staff to listen to feedback from the partners involved.

Ms. Meyer said she had an enthusiastic meeting with Dr. McCulloh, Gonzaga University. The university plans to include the project in their master plan which will influence parking options and the location of a student center.

Mr. Rush asked if the growth will be in parking or transit.

Mr. French said the goal is to attract more traffic and have the cars park outside the core and use the circulator to move around. He asked if Gonzaga and the University District are partners in the funding.

Ms. Meyer said they are not agreeing to anything specific; however they would not be exempt from a Local Improvement District (LID). She added that Portland State University contributed \$10M to the streetcar project in that city.

Ms. Waldref said it would be helpful to hear from stakeholders at the July Board meeting.

10. CEO REPORT

Spokane Regional Transportation Council (SRTC)

Ms. Meyer updated the Board on the search for a new Executive Director for SRTC. There are six Skype interviews scheduled for June 16 and the three final candidates will be invited to Spokane to interview with the SRTC Board on July 14.

The SRTC Board approved a memorandum of understanding with STA for cost-sharing of the Travel Demand Model update. STA's share is not to exceed \$75K. The Vision Report is completed and can be found at the following website:

<http://www.spokanetransportationvision.com/>

Aging & Long-Term Care of Eastern Washington (ALTCEW)

At the last Board meeting there was discussion about the Community Transportation Across Boundaries (CTAB) program, formerly Care Cars, and its funding. STA will notify the Washington State Department of Transportation to allow ALTCEW to carry forward unspent grant funding of \$100K from the 2009-2011 award beyond the cut-off date of June 30, 2011.

Ms. Meyer said volunteers provide this service but the cost of a ride is approximately \$80. The number of clients served is less than 200. The program is operated by Spokane Mental Health but STA has never worked with that agency, only ALTCEW.

Mr. French said a ride on STA's paratransit service costs between \$20 and \$22.

Mr. Richard said the CTAB program is more of a "hands-on" approach and the drivers are more like caregivers. He appreciates what STA is doing to help.

Mr. Schimmels asked how long the \$100K will last.

Ms. Meyer said until January or February, 2012.

Mr. Schimmels asked how ALTCEW can apply for more financial assistance.

Ms. Meyer said they will not receive New Freedom funding for the next two years and they have not applied for other funding.

Mr. Schimmels said he does not know if the City of the Spokane Valley provides financial support.

Ms. Meyer said Spokane County does and it would be important to review the program's administrative costs.

Board Governance Workshop

Ms. Meyer announced the workshop will take place:

Friday, July 15, 2011.

9:00 am – 2 pm.

Centerplace Event Center in the Spokane Valley.

She reminded the Board members to schedule a one-hour telephone call with Doug Eadie, the consultant, as soon as possible through Jan Watson, Clerk of the Authority at 509-325-6096 or jwatson@spokanetransit.com.

Third Party Transit Mapping

Mr. Otterstrom showed Board members a new mapping system called "Mapnificent." It is not compatible with Internet Explorer and must be accessed through Firefox. It is similar to the Google Trip Planner but it is specific to a transit agency's information and data and STA is already on it. It is a great tool for people to use to decide where to live within 15 minutes by public transportation from their place of work.

11. NEW BUSINESS – None.

12. BOARD MEMBERS' EXPRESSIONS – None.

13. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. Paratransit Fare Subsidy Update

- D. April 2011 Operating Indicators
 - E. April 2011 Financial Results Summary
14. EXECUTIVE SESSION – None.
15. CABLE 5 BROADCAST DATES AND TIMES OF THE JUNE 15, 2011 BOARD MEETING:
- | | |
|-------------------------|------------|
| Saturday, June 18, 2011 | 4:00 p.m. |
| Monday, June 20, 2011 | 10:00 a.m. |
| Tuesday, June 21, 2011 | 8:00 p.m. |
16. NEXT COMMITTEE MEETINGS (STA Southside Conference Room, 1229 West Boone Avenue, Spokane, Washington):
- | | |
|-------------------------------|--------------------------|
| Operations & Customer Service | July 6, 2011, 1:30 p.m. |
| Citizen Advisory Committee | July 13, 2011, 5:00 p.m. |
17. NEXT BOARD WORKSHOP: Wednesday, June 29, 2011, 1:30 p.m. – 3:30 p.m., STA Southside Conference Room, 1229 West Boone Avenue, Spokane, Washington, to discuss:
2012 Annual Strategic Plan and Budget Guidance
18. NEXT BOARD MEETING: Wednesday, July 20, 2011, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.
19. ADJOURNED
With no further business to come before the Board, Chair Waldref adjourned the meeting at 8:00 p.m.

Respectfully submitted,

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