

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

BOARD OF DIRECTORS

Draft Minutes of the March 21, 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
Gary Schimmels, City of Spokane Valley
Mark Richard, Spokane County
Amber Waldref, City of Spokane
Mike Allen, City of Spokane
Nancy McLaughlin, City of Spokane
Patrick Rushing, Small Cities Representative
(Medical Lake Alternate)
Richard Schoen, Small Cities Representative
(Millwood)
Rhonda Bowers, Labor Representative

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
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

MEMBERS ABSENT

None

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

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

Chair French called the meeting to order at 5:34 p.m. and conducted roll call.

2. **PUBLIC EXPRESSIONS** – None.

3. **RECOGNITIONS AND PRESENTATIONS**

A. **Gold Standard Award for Transit Security**

Ms. Meyer invited Virginia Wise, Director of Grant Programs, Mass Transit & Passenger Rail Security, Transportation Security Administration to present the award.

Ms. Wise said the Gold Standard Award is given to mass transit and passenger rail systems with strong security programs as evidenced by the high scores received on recent Base Assessment for Security Enhancement (BASE) reviews. The BASE review focuses on 17 categories identified by the transit community as fundamental for a sound transit security system. Ms. Wise thanked STA's security team particularly Mike Toole, Assistant Manager, Safety & Security, and Cliff Schlienger, Security Coordinator, who have been instrumental in this effort. She read a letter from the TSA's Administrator, John Pistole, congratulating STA and presented the award to Chair French.

Ms. Meyer said 17 transit agencies were given this award out of 120 assessed. She added that over the past few years there have been changes at STA such as added security programs, lighting, signage and cameras. These improvements brought baseline assessment up.

Mr. French congratulated staff on this excellent achievement.

B. Commendation for Members of Operations & Customer Service Committee

Mr. Blaska said the new governance structure refined the Board's standing committees and the Operations and Customer Service committee was dissolved. The Citizen Advisory Committee (CAC) was retained and members of the Operations and Customer Service committee have shown an interest in joining the CAC. He recognized the citizen members of the Operations and Customer Service committee for their hard work and efforts in the years they have served: Nancy Kelly, David Driscoll, Rick Jacks, Ann Campeau, and Mike Brewer. Ann Campeau and Mike Brewer were present to receive their awards and thanked all the staff they have worked with.

Ms. McLaughlin said she has been a member of that committee for several years and will miss the professionalism and dedication of the group. She encouraged them to join the Citizen Advisory Committee and stay involved in STA.

C. Larry Eilmes, Paratransit Van Operator – Retirement

Mr. Blaska said Larry Eilmes retired after almost 22 years as a paratransit van operator. Larry provided excellent customer service and will be missed by his colleagues and customers.

D. Larry Pullom, Paratransit Van Operator – Retirement

Mr. Blaska said Larry Pullom retired after 24 years of service and never had a customer complaint. Larry had a great sense of humor and showed it in his work.

E. Garth Steele, Coach Operator – Retirement

Mr. Blaska said Garth Steele retired after 29 years of service. His favorite route was to Cheney and he also enjoyed Bloomsday. Mr. Steele was present and thanked STA for the honor of serving the people of Spokane. He also thanked Ms. Meyer, Mr. Blaska and Mr. Overhauser for their leadership.

Introducing item 4., Mr. French explained that the Board Operations Committee has worked on the Board agenda format over the past two months and has changed the Board Action items as follows: Consent; Committee recommendations; and Other items.

4. BOARD ACTION: CONSENT AGENDA

Mr. French asked if Board members wished to remove any items from the consent agenda. Ms. Bowers said she would like to revise the minutes.

Mr. Rushing moved approval of the following consent agenda items 4.B through D. Mr. Hafner seconded and the motion passed unanimously.

B. Approve the following vouchers and payroll:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers	Nos. 570499 – 570954	\$ 2,831,256.75
Workers Comp Vouchers	Nos. 208594 – 208777	\$ 61,431.56
Payroll 2/10/2012	ACH – 2/10/2012	\$ 1,246,291.89
Payroll 2/24/2012	ACH – 2/24/2012	\$ 974,580.58
WA State – DOR (Use Tax)	ACH – W0640	\$ 7,745.11
GRAND TOTAL		\$ 5,121,305.89

C. Approve an award of a five-year contract to National Color Graphic of Spokane, WA, for an estimated annual usage of \$87,000 with prices held firm for the first three years, and price adjustments for years four and five tied to the Consumer Price Index for All Urban Consumers/All Cities Average (CPI-U), effective May 1, 2012, to

D. Approve the transfer and sale of five 2007 Eldorado cutaway vehicles to Ben Franklin Transit, Richland, Washington.

4.A Approve Minutes of the February 15, 2012 Board Meeting.

Ms. Bowers asked that this statement (in red) should be added to the minutes under item 6.A:

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. Richard moved to approve the minutes as revised. Ms. McLaughlin seconded and the motion passed unanimously.

5. BOARD ACTION – COMMITTEE RECOMMENDATIONS

A. Award of contract for Purchase of 42 Eldorado vans for Paratransit Supplemental Demand Response Service

Mr. Blaska said the current Purchased ADA Paratransit contract requires the contractor to purchase their own vehicles. Then STA enters into a lease back agreement in order to qualify for tax benefits on fuel purchases. The contractor recovers their capital cost through an additional cost per hour charge for their service. The agreement was intended to take advantage of potential savings on van purchases due to the buying power of the contractor's parent company. The current Request for Proposals asked for a breakdown of capital costs and it was ascertained that the vendors' costs were substantially higher than what STA could obtain from the State contract. The recommendation of the Performance Monitoring & External Relations committee is to purchase 42 vehicles for paratransit supplemental demand response service.

Mr. Richard commented that this item has been brought before the full Board for discussion even though it was recommended for approval by the Performance Monitoring & External Relations committee. He added that it was an example of what Ms. Bowers was concerned about earlier.

Mr. Allen moved to approve the purchase of 42 El Dorado vans from Schetky Northwest Sales, Inc., Portland, Oregon, through the Washington State Purchasing Cooperative contract with a total project cost not to exceed a budgeted amount of \$3,926,000. Ms. McLaughlin seconded and the motion passed unanimously.

B. Award of Contract to Provide Paratransit Supplemental Demand Responsive Service for ADA-Qualified Individuals

Mr. Blaska reported that the current contract expires on December 31, 2012. The evaluation committee focused on six criteria: cost; experience and references; proposal responsiveness; innovation; customer focus; and, financial viability. MV Transportation, Inc. received 95.38 points which was an outstanding score. The firm has a very strong customer focus, culture of technology; real time customer information tools, additional onboard cameras for safety and training; detailed operational and maintenance reporting; demonstrated ability to meet STA's standards and a corporate philosophy that matches STA's. They are also pioneers of Trapeze program software. The recommendation of the Performance Monitoring & External Relations committee is to award a five year contract with 2 one-year options to MV Transportation, Inc. David Smith of MV Transportation, Inc. is in the audience.

Mr. Hafner said these two items were discussed at length at the committee meeting. Staff gave a lot of information in an easy to understand format. He thanked staff for their efforts. Mr. Blaska recognized Denise Marchioro, Paratransit Manager, and Jacque Tjards, Purchasing Manager, for their efforts on this project.

Mr. Allen moved to approve an award of a 5-year contract, plus two 1-year options for renewal, for supplemental ADA paratransit services to MV Transportation, Inc., to commence January 1,

2013, with STA providing vans and insurance. A lease agreement and insurance deductibles will be incorporated into the contract. Also approve that staff negotiate final terms in the best interest of STA. Ms. Waldref seconded and the motion passed unanimously.

6. BOARD ACTION – OTHER
None.

7. BOARD OPERATIONS COMMITTEE:
A. Chair's Report

Mr. French reported that the committee had looked at moving Board meetings to STA's Boardroom on Boone Avenue during the daytime. Currently the meetings are at City Hall at 5:30 pm and are televised and broadcast by City Channel 5. In recent years, public participation in the meetings has waned. Also, technology has changed to the extent that a DVD of the meeting can be posted on STA's website the same day and can continue to be broadcast several times by Channel 5.

Another point that came out of the recent Board governance change recommended by Doug Eadie was that Board members not sit on a dais but around a table with staff. All Board members prefer this arrangement. Ms. Watson has worked with Health District staff to facilitate a similar broadcasting of STA Board meetings that they currently do for their own Board meetings. Several STA Board members are also Health Board members and they agreed, although the meetings are not televised live, the quality and ability of public viewing of the meetings are excellent.

The Board Operations Committee recommends that the STA Board meetings be moved to STA's Boardroom at 1229 West Boone Avenue on the third Thursday of the month at 10 a.m. which is a convenient time for Board members based on a poll conducted by Ms. Watson.

Ms. Bowers was concerned about transparency if the meeting time is changed to daytime and the Board has eliminated citizen members of the standing committees.

Mr. French said the only reason meetings were moved to City Hall was that it was cost-prohibitive to broadcast from STA. At that time there was no website and no capability of reaching the thousands of people we do now through the web. If there is a major issue that would generate public comment such as a service change, the Board can hold the public hearing after working hours.

Ms. Waldref appreciated both points of view. She liked the new location and time and indicated that there are other avenues from which to take comments from the public such as open houses and input from the website.

Ms. Bowers said Mr. Eadie suggested decisions can be made in committees since our Board is small compared to others.

Ms. Meyer said the Board size is established by state statute and comments by Mr. Eadie were simply his observations.

Mr. Hafner said he has never liked the dais configuration and would much rather be sitting at a table with staff. He also does not like the lack of parking at City Hall. He thinks the new committee structure is very good and gives Board members an opportunity to get involved and discuss issues in detail.

Mr. Richard commented that he has served six years on the STA Board. Apart from occasional instances where the Board is considering significant issues, the number of staff outweighs the public every month. Board members and staff come to the meeting and have already worked a full day. If people are able to watch a broadcast on TV or the web, they will see the same thing and if the technology is available to streamline meetings it should be used to the fullest.

Mr. Allen said the proposed changes are good and it's not changing the public's access. Meetings in the evening conflict with neighborhood council meetings. He likes the committee structure. Mr.

Rushing said when he first joined the Board the meetings were at STA in the afternoon and it worked very well. He asked what precipitated the move to City Hall.

Mr. French said it was as a result of the Taskforce's recommendation in 2003 that the STA Board go to a televised evening meeting. A big complaint was the lack of parking and over time people watched it on television.

Other Board members commented positively on the proposed change.

Mr. Rushing moved to approve the change of location, day and time of the STA Board meeting to the STA Boardroom, 1229 Boone Avenue, on the third Thursday of the month at 10:00 a.m. Mr. Allen seconded and the motion passed unanimously.

Mr. Richard asked staff to bring this back for review in December.

8. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Ms. Waldref reported that there were three main topics of discussion at the Planning & Development Committee meeting held on March 7, 2012:

- Responsibilities of the committee regarding strategic and operational planning including budget;
- Design of major planning processes; and,
- High Performance Transit Network (HPTN) development and Central City Line Small Starts grant application.

She added that there are plans to be reviewed and updated including the Transit Development Plan, Capital Improvement Plan, Service Implementation Plan, Strategic Plan and Budget.

Regarding the HPT Network development, Mr. Otterstrom said there is a long list of projects for the committee to review and screen in order to provide a manageable list. There will be outreach to the community and interaction with jurisdictional partners.

9. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Mr. Hafner reported that the committee met on March 7, 2012 and discussed a number of items for Board recommendation. They also discussed their twelve responsibilities and how these are to be integrated into the agendas. The next step will be to review the reports that currently come to the Board for information and assess how they may be revised in a manner that is easier to understand.

10. STAFF REPORTS

A. Ridership Highlights

Mr. Blaska reported that there was holiday in February and ridership experienced a 5.6% increase over February 2011.

B. Financial Highlights

Ms. Warren reported that January shows the operating fare revenue below budget and below January 2011. Last January the 31-day rolling pass was introduced and high sales volume distorted the figures. There is a positive variance in overall revenue of \$951K. The operating expenses were favorable in February at \$4.8M. Fuel was under budget but cost more than in 2011. Only \$1M was spent in the capital budget but more will be spent shortly on paratransit vehicles. The combined favorable revenue and expenditures for January 2012 were \$351K.

Sales tax revenue in February (November sales activity) was up by 4.1% with a year-to-date increase of 3.8%.

11. CEO REPORT

Ms. Meyer reported that she and Mr. French attended the recent American Public Transportation Association (APTA) legislative conference in Washington, D.C. They called on the congressional delegation, and the Federal Transit Administration (FTA) Administrator, Peter Rogoff, to brief him on the Central City Line project in advance of the Small Starts funding application.

Ms. Meyer said she was invited to participate in an Urban Mobility Summit with General Motors and other transit CEO's. The subject was the future of public transportation and automobiles.

Federal Legislative Update

S 1813 (Transportation Reauthorization) passed out of the senate with a bi-partisan vote of 74-22. The bill funds both public transportation and highways at current levels and extends dedicated motor fuel taxes to support these programs for two years.

HR 7 is the House transportation bill that would eliminate dedicated transit funding but the outcry against it was dramatic. The House now appears to want an extension (the bill expires March 31, 2012).

Mr. Rushing said Speaker Boehner does not want to eliminate dedicated funding. Senator Murray was instrumental in making amendments to the Senate bill to enable it to pass.

State Legislative Update

ESB 2660 increases certain vehicle-related fees and establishes a \$100 annual fee for electric vehicles. It establishes the Public Transportation Grant Program Account to provide funding for transit authorities' operations.

ESHB 2190 authorizes \$9M for one year of funding for public transit agencies distributed by formula. STA's share is approximately \$560K. This is new funding in addition to special needs, vanpool capital grants and regional mobility grants.

Mr. Richard asked if this is a distribution formula rather than a grant.

Ms. Meyer said it is a formula and STA can count on the funding rather than compete for it.

SB 6582 provides ways for counties to impose a 1% Motor Vehicle Excise Tax (MVET) that could be used for transit and the ability for Transportation Benefit Districts to increase fees from \$20 to \$40 by councilmanic approval. This may only apply to three large Puget Sound agencies.

ESHB 2553 amending legislation passed in 2012 regarding non-voting labor members on PTBA governing boards – did not pass, however;

ESHB 2190 contains a provision requiring Washington State Department of Transportation (WSDOT) to conduct a survey regarding participation of Board members, both voting and non-voting, between 2009 and 2012.

HB 2736 concerns texting while driving a commercial vehicle. This bill will return next session.

Mr. French said Ms. Meyer did an outstanding job with the congressional delegation and staff. He spoke with CEO's and Board members across the nation whose transit agencies are doing badly due to a lack of support from their state and the poor economy. Spokane Transit is definitely doing it right. Almost half of the legislators have never voted on the transportation reauthorization bill since the last one was in 2005; they have just voted on continuation bills.

Ms. Meyer added that APTA has invited her to present to them and to other agencies about STA's business models.

She added that the Washington State Transit Association, of which she is President, has issued a counterpoint to an article from the Washington Policy Center which claims that transit agencies in the state are overfunded.

12. BOARD INFORMATION

- A. Committee Minutes
- B. 2011 State Audit
- C. January 2012 Financial Results Summary
- D. January 2012 Operating Indicators
- E. Ridership and Fuel Prices – Seasonal Analysis

13. NEW BUSINESS

None.

14. BOARD MEMBERS' EXPRESSIONS

Mr. Hafner appreciates the Board meetings being moved.

15. EXECUTIVE SESSION

At 7:17 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session.

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.

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.

The STA Board of Directors will reconvene in open session at approximately 7:35 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 7:30 p.m. Mr. Hafner and Mr. Schimmels were recused from the Executive Session and left the meeting.

At 7:35 p.m., Ms. McAloon returned to announce the Board would reconvene at 7:40 p.m.

At 7:40 p.m. the Board of Directors reconvened and Chair French declared the meeting back in public session.

Mr. Rushing moved to approve a resolution for the purpose of authorizing the transfer of the Balfour Park property to the City of Spokane Valley and providing for other matters relating thereto. Mr. Schoen seconded and the motion passed unanimously.

16. ADJOURNED

With no further business to come before the Board, Chair French adjourned the meeting at 7:42 p.m.

Respectfully submitted,

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

Cable 5 Broadcast Dates and Times of March 21, 2012 Board Meeting:

Saturday, March 24, 2012	4:00 p.m.
Monday, March 26, 2012	10:00 a.m.
Tuesday, March 27, 2012	8:00 p.m.

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

Planning & Development	April 4, 2012, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	April 4, 2012, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	April 11, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Wednesday, April 18, 2012, 5:30 p.m. City Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.