

Spokane Transit Authority
1230 West Boone Avenue
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(509) 325-6000

BOARD OF DIRECTORS

Draft Minutes of the May 18, 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
Josh Beckett, Small Cities Representative
(Liberty Lake)
Rhonda Bowers, Labor Representative

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
Molly Myers, Communications Manager
Lynn Holmes, Assistant Director of Finance

MEMBERS ABSENT

Al French, Spokane County
Mark Richard, Spokane County
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 5:35 p.m. and conducted roll call.

2. APPROVAL OF BOARD AGENDA

Ms. Meyer said she would like to add item 3.D under recognitions to the agenda. **Ms. McLaughlin moved to approve the Board agenda as amended. Mr. Rush seconded and the motion passed unanimously.**

3. RECOGNITIONS AND PRESENTATIONS

A. Jim Richey, Financial Analyst - Retirement

Mr. Plaster said it was with mixed emotion that he brings forward this recognition of Jim Richey. Jim began his career at STA in 1991 in the Information Systems (IS) department. In 1995 he was promoted to IS Manager and in 2003 he joined the Finance Department as a Financial Analyst. In this capacity he provided key support for labor negotiations cost and benefit analysis and later was instrumental in the restructure of STA's health and retirement benefits. Mr. Plaster thanked Jim for his twenty years of service and wished him and his wife, JoAnn, all the best for the future. Mr. Plaster presented him with a plaque of recognition for his service to STA and the community. Ms. Waldref thanked Jim for his years of service and Ms. Meyer added her own thanks.

B. 2010 Safety Awards

Names of all the employees with over one year of safe service are included in the Board information packets. Mr. Doolittle read out the names of those employees with more than twenty years of safe service. He added that Coach Operator Gary Anderson is at the top with 34 years of safe driving.

C. 2010 Perfect Attendance Awards

Mr. Doolittle read the name of employees with perfect attendance. He said there were 57 employees and this accounts for 10% of total employment which is a very good number in the transit industry.

Ms. Waldref thanked the employees for their dedication and hard work and commended Board member, Ms. Bowers, for her 15 years of safe driving as a fixed route coach operator.

D. Jan Watson, Clerk of the Board

Ms. Meyer recognized Ms. Watson for her efforts in organizing the Board packets into an electronic format that can be emailed. This will save a considerable amount of time and resources.

4. PUBLIC EXPRESSIONS

Eight citizens spoke about New Freedom funding; an action item taken by the Board at the April 20, 2011 meeting. A letter from the Chairman of Aging and Long Term Care of Eastern Washington (ALTCEW) is included in the grey folders requesting that the STA Board reconsider their decision to decline funding for the ALTCEW Care Cars program.

Nick Beamer, Director of ALTCEW, said it was a shock to learn that their application for funding for the next two years has been denied. The funding was instead allocated to the City of the Spokane Valley for sidewalk improvement and Americans with Disabilities Act (ADA) accessibility. He said ALTCEW wants to appeal the decision. He said he had never before participated in a process where no notice was given and no letter was sent to the applicants with the decision. The Care Cars program serves people that paratransit cannot, including those live outside the Paratransit boundary. He added that ALTCEW has a local funding match.

Pam Sloan, Director of Elder Services, said the population served by the program includes people without access to transportation to take them to medical appointments. They include the frail and elderly, and those undergoing cancer treatment; some are not Medicaid eligible.

Marion Wies said the funding for Care Cars will be rescinded on June 30, 2011. She added that a taxi would be their riders only alternative and most cannot afford that.

Marissa Wies said she is a social worker for elder services. She said with the Care Cars program the elderly with dementia have a better chance of remaining in their own homes.

Mac Hatcher said Care Cars has about 40 volunteer drivers.

Bonnie Jean Winfree said she uses Care Cars since she lives outside the paratransit pick-up area. She supports the program.

Don Kelly volunteers at Care Cars. He said lots of people have no caregivers. Riders are so grateful for the program. Some volunteers forfeit reimbursement for gas expense to keep the program going.

Eleanor Hollis has been driving for Care Cars for 14 years and said the program is really needed.

Ms. Waldref asked staff to revisit the issue and explain what happened last month.

Mr. Otterstrom first explained the background of other Washington State Department of Transportation (WSDOT) grants for various special needs transportation projects and programs, like Care Cars. Spokane Regional Transportation Council (SRTC) assists WSDOT locally in that process through a Call for Projects and the ranking of local projects. ALTCEW did not apply for funding in the last call for projects in the Fall of 2010, nor in the earlier biennium.

As for the New Freedom grant program, it is one of two federal programs for which STA is the Designated Recipient. The other is the Job Access and Reverse Commute (JARC) grant. At STA's request, SRTC issued a call for projects for both grants. At the January 2011 meeting, the SRTC Board ranked project applications received in a priority list. STA did not participate in the scoring of these projects as the agency applied for one of them. The application deadline closed months ago and no new programs can be included at this stage. The purpose of the New Freedom funding is to provide access that goes above and beyond the regulations of the Americans with Disabilities (ADA) Act, for example sidewalk improvements to provide better accessibility for wheelchairs. In 2006 the funding expired without being obligated. Funding for years 2007 and 2008 was awarded in 2009. ALTCEW was awarded \$259K but \$142K of that funding was not billed for reimbursement by the end of the biennium. The recent call for projects was announced in January, 2011 and advertised on both SRTC

and STA's websites. SRTC also sent notice via email to ALTCEW as well as other agencies involved in special transportation services. The amount of \$469K was identified for JARC and \$252K for New Freedom funding. The due date was February 15, 2011. Four applications were received (including ALTCEW's Care Cars (called CTAB program) and the SRTC Board recommended three for funding to the STA Board. These projects included preservation of STA bus service to Medical Lake; KALTRAN's transit service for the Kalispel Tribe from Usk to North Spokane; and, sidewalk improvements for the City of the Spokane Valley. The latter was the first priority for the entire New Freedom funding. ALTCEW was challenged in providing a local match and a letter from Spokane Mental Health advised that the local match was contingent upon the receipt of a block grant which had not yet been awarded. ALTCEW has approximately \$100K remaining from the previous grant of which funding will be exhausted in early 2012.

Mr. Rush asked if ALTCEW made any application for funding.

Mr. Otterstrom said they did not apply to the state grant program but they did apply for New Freedom funding at the local level.

Mr. Schimmels asked if there was public testimony at the April 20, 2011 STA Board meeting.

Ms. Waldref said two members of the Kalispel Tribe spoke in favor of the KALTRAN funding.

Mr. Schimmels said the procedures have been correctly followed and he did not know what else could be done at this point.

Ms. McLaughlin said the letter from the ALTCEW Chair noted that they had not been informed by SRTC or STA about the funding decision.

Mr. Otterstrom said the Kalispel Tribe was a good example of being engaged in the process. The calendar of events was shared and the process was advertised.

Ms. Waldref said it is a difficult situation and grants cannot be given to all since funding opportunities are very limited. She added that Mr. Richard said Spokane County had provided some funding for Care Cars and suggested the Commissioners speak with ALTCEW about continuing that alternate funding.

Ms. McLaughlin agreed that it is very important to apply for any and all grants that may be available including those at the state level.

Ms. Meyer said STA is very supportive of the Care Cars program (also known as CTAB). Staff worked with ALTCEW several years ago to ensure their eligibility for the grant. The remaining \$100K will be adequate to continue the program until January, 2012. ALTCEW scored lower on the local match which was dependent upon obtaining another grant. Mr. Beamer said there was a local match but that information was not given to the scoring committee. Since that time it has been ascertained that they were not successful in obtaining the grant in question.

Mr. Beamer asked if he could speak and Ms. Waldref agreed.

He said he was not aware of the availability of the remaining \$100K but even if they receive it, after early 2012 there will be a need for further funding. He said he did not know why his agency did not apply for the state grant and thought perhaps they would not qualify. He added that he did not look on SRTC or STA's websites to look for agendas that may refer to the grant process. He noted, however, that an SRTC agenda had listed "Call for Projects" under administrative items but he did not realize that meant action on New Freedom funding. He would like STA to delay entering into an agreement with Spokane Valley for their project.

Ms. Waldref said the comments about the specificity of the agendas are duly noted. There will be no delay on the Agreement.

5. BOARD ACTION: CONSENT AGENDA

Ms. McLaughlin wanted to make sure the times that she and Mr. Schimmels participated by telephone at the April 20 Board meeting are specified in the minutes. Ms. Watson said the times are included.

Mr. Beckett moved approval of the following consent agenda items 5.A-D. Mr. Rush seconded and the motion passed unanimously.

- A. Approve Minutes of the April 20, 2011 Board Meeting.
- B. Approve Accounts Payable Voucher and Warrant nos. 566596 through 566984, and Worker's Compensation Warrant nos. 206788 through 206942 totaling \$3,500,031.30 for the period April 1 through April 30, 2011.
- C. Approve Award of Contract for Six Fixed Route Coaches.
- D. Approve Award of Contract for Mobility Training and Option for Paratransit ADA Eligibility In-Person Assessment.

6. BOARD ACTION: OTHER ITEMS – None.

7. STAFF REPORTS

Ms. Meyer said she and Mr. Otterstrom wished to split this item into two presentations – Phase III Service Reductions and Service Implementation Plan. Ms. Waldref agreed.

Phase III Service Reductions

Ms. Meyer said there is an upcoming Board workshop on Budget Guidance/Annual Strategic Plan. It will take place on Wednesday, June 29, 2011 from 1:30 pm to 3:30 pm at STA's office. Since the 2011 budget was adopted last year, conditions have changed. The proposed 2011 service reductions were approved; the current sales tax trend for 2011 is currently positive; a new conservative contract with Amalgamated Transit Union (ATU) 1015 has been approved; and, STA has applied for and received grants of \$3.2M.

Staff recommends postponing Phase III of the service reductions from 2012 to 2013. This would allow time to monitor the economy and for preparation of a ballot measure or service cuts, if necessary. Phase III would be the most difficult reduction as it could eliminate weekend and evening service.

Mr. Rush asked if there are any projections for sales tax.

Ms. Meyer said staff is assuming flat sales tax revenues for 2011 and 2012; a 2% increase in 2013; and, 3% for the years following.

Mr. Plaster said he is working on sensitivity analyses for the June workshop. He said the economy is still shifting but he is confident that the planned service reductions can be deferred.

A. Draft 2011-2013 Service Implementation Plan

Mr. Otterstrom said the Service Implementation Plan is a requirement of STA's Comprehensive Plan and must be prepared annually. The draft 2011-2013 plan incorporates the 2011 service reductions and includes a route performance report. There will be a public hearing on the plan in June and staff will ask for a recommendation for approval from the Operations and Customer Service Committee at their July meeting with Board action also in July. It is anticipated that there will be minor schedule modifications in 2012.

Mr. Beckett asked what kind of modifications.

Mr. Otterstrom said there could be time point changes but these will be tested by STA's coach operators before being implemented. There may also be some modifications to finish the northside connectivity issues pertaining primarily to the elimination Route #31 Garland. New schedules would be printed should this occur.

Ms. Meyer pointed out that any proposed modifications would be approved by the Board first.

B. First Quarter 2011 Performance Measures - Results
Ridership

Mr. Blaska reported that the fare increase and service reductions have not affected bus ridership; it has increased by 0.4% year-to-date. It has also been the highest ridership ever for STA in the month of March, probably due to the increasing cost of fuel.

Paratransit ridership has declined, in part we suspect, because of the fare increase. There was snow in February, mobility training has encouraged people to use the bus, and there are fewer programs for people to attend. A decline was experienced in special use vans due to driver turnover. Rideshare is growing by 14.3% year-to-date.

Efficiency

STA is at 78.3% of the average cost per revenue hour for urban transit agencies. The cost is lower this year due to savings in costs for health and retirement benefits. STA's cost per passenger remains the lowest of all urban systems and is second only to King County Metro in passengers per hour. Paratransit remains the lowest of all urban systems in cost per passenger and the highest in passengers per hour.

Mr. Beckett commented that the Valley Mall park and ride for Bloomsday was less crowded this year. Ms. Meyer said ridership increased this year and she will address it in her CEO report.

C. April 2011 Ridership Highlights

Mr. Blaska said that fixed route ridership increased by 1% for the month of April with a 0.5% increase year-to-date. However due to an extra weekday in 2010 the true ridership increase is 3.2%. Paratransit decreased by -8.5% in April for a total year-to-date decrease of -7.9%.

D. March 2011 Financial Highlights

Mr. Plaster reported that operating revenue (derived from fares) year-to-date was \$2.8M representing a favorable budget variance of 3.2%. Total revenue year-to-date of \$15.4M shows a favorable budget variance of 2.3%. Operating expenses were \$13.9M with a favorable budget variance of 4.3%. Although fuel had a 6.4% favorable variance, it increased by 26.9% from March, 2010. Overall, year-to-date favorable budget variances (revenues and expenditures combined) were approximately \$967,000. Sales tax revenue for April was -2.2% unfavorable to budget. The year-to-date is a favorable variance of 2.5%. A pattern is not yet emerging since there have been two favorable and two unfavorable months. Comparing actual results year-to-date of other jurisdictions in the region, STA has a 0.5% increase in sales tax cash receipts. The city of Airway Heights saw an increase of 24.1%.

Mr. Plaster added that some tax revenue from the Amnesty Program will appear in May and June. The Department of Revenue has estimated the program totals at \$321M, with 17% or 18% going to local governments.

Mr. Beckett asked if the costs of the fall service reduction have been budgeted.

Mr. Plaster said they have.

Mr. Blaska added that new schedules will be published as close to the service reduction as possible. He added that there is a labor cost to move bus stop signs but staff time will be prioritized to fit this need.

8. CEO REPORT

2011 Bloomsday Ridership

Ms. Meyer announced that the Bloomsday shuttle service increased by 6.5% (22,328 total rides) this year and regular service increased by 12.9% (11,894 rides). The Valley Mall and Northtown Mall were the most utilized park and ride lots for the shuttle. The number of Bloomsday finishers increased 1.18% (total 51,260). STA carried 20% of the runners.

Mr. Rush asked if the sale of transit passes could be improved.

Ms. Meyer said STA staff give pre-sold tickets to runners as well as sell tickets at the Convention Center. Staff will meet with Bloomsday officials to see if any improvements can be made. STA is now at the maximum capacity for drivers and vehicles to provide this special service.

State Legislative Update

Ms. Meyer reported that the special session ends on May 25. There is speculation about an additional special session. A final legislative report will be given to the Board after the session ends.

Transportation Budget

This budget has been signed by the Governor. It includes Regional Mobility grants at \$40M (including STA's Plaza Improvement project at \$1,352,000). Vanpool and Special Needs Grants are approved at \$6M and \$19M respectively, which is the same as the 2009-2011 biennium.

9. NEW BUSINESS

Ms. Waldref brought up the topic of Board governance. She said staff does an excellent job of providing the Board with detailed information to help them make decisions. However, she suggested the Board could be more engaged, particularly with the annual budget process. She believes the Board would benefit from governance training from a consultant who has specific experience with transit Boards. Ms. Meyer said she understands there has been a degree of frustration among some Board members in not having enough input early on in the budgeting process, for example. Doug Eadie is a consultant who has worked for many years for the transit industry and with non-profit organizations advising their Boards on becoming even more effective and successful.

Mr. Rush commented that STA staff has engaged the Board better than other Boards he has had experience with.

Ms. McLaughlin said such training would be worthy of Board members' time.

Ms. Meyer said a powerpoint from Mr. Eadie is included in the grey folders. He would work with the Board to get a sense of issues, make a recommendation and help to implement solutions.

Ms. Meyer said she would look at setting up a session with Mr. Eadie and the Board in July or early August.

10. BOARD MEMBERS' EXPRESSIONS

Ms. Waldref said she attended the Nevada-Lidgerwood Council meeting and thanked Mr. Otterstrom for his work on bus stop consolidation and service reductions.

11. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. March 2011 Operating Indicators
- D. First Quarter 2011 Operating Indicators
- E. March 2011 Financial Results Summary
- F. First Quarter 2011 Capital Budget Status Report
- G. First Quarter 2011 Statement of Net Assets and Federal Grants

12. EXECUTIVE SESSION – None.

13. CABLE 5 BROADCAST DATES AND TIMES OF THE MAY 18, 2011 BOARD MEETING:

Saturday, May 21, 2011	4:00 p.m.
Monday, May 23, 2011	10:00 a.m.
Tuesday, May 24, 2011	8:00 p.m.

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

Operations & Customer Service	June 1, 2011, 1:30 p.m.
Citizen Advisory Committee	June 8, 2011, 5:00 p.m.

15. NEXT BOARD MEETING: Wednesday, June 15, 2011, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.

16. NEXT PUBLIC HEARING: Wednesday, June 15, 2011, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington, to discuss:

Draft 2011-2013 Service Implementation Plan

17. ADJOURNED
With no further business to come before the Board, Chair Waldref adjourned the meeting at 7:44 p.m.

Respectfully submitted,

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