

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

BOARD OF DIRECTORS

Draft Minutes of the November 15, 2012, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Chuck Hafner, City of Spokane Valley, Acting Chair
Mark Richard, Spokane County
Amber Waldref, City of Spokane
Mike Allen, City of Spokane
Gary Schimmels, City of Spokane Valley
Art Kulibert, Small Cities Representative
(Medical Lake)
Richard Schoen, Small Cities Representative
(Millwood)
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Al French, Spokane County, Chair
Nancy McLaughlin, City of Spokane

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
Tammy Johnston, Budget & Accounting Manager
Steve Doolittle, Human Resources Manager
Molly Myers, Communications Manager
Susan Millbank, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

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

Acting Chair Hafner called the meeting to order at 10:00 a.m. and conducted roll call.

2. **PUBLIC EXPRESSIONS**

None.

3. **RECOGNITIONS AND PRESENTATIONS**

None.

4. **PUBLIC HEARING**

A. **Tariff Policy Amendment**

Mr. Blaska said the two proposed changes to the tariff policy were presented to the Performance Monitoring & External Relations Committee in October. The Committee recommended approval following the public hearing. The proposed changes are as follows:

Cash Fare for Shuttle Service

Raise the shuttle service fare from \$0.75 to the system-wide base fare of \$1.50.

Mr. Blaska explained that the #2 Medical Shuttle area has expanded and evolved and is now comparable with other routes in the system. In addition, the Federal Transit Administration changed their guidance from previous years and directed STA to further reduce the shuttle fare for reduced fare eligible passengers. As a result, STA added an additional reduced fare program for these routes with a fare of \$0.35. Very few shuttle passengers pay cash. The public hearing has been advertised since October and rider alerts were posted. No public comment has been received.

Vanpool Fare Change

The proposed vanpool fare change rounds each fare to whole dollars rather than to the nearest penny. It also establishes a \$50 minimum fare in order for a participant to receive a free bus pass. The goal is to recover 100% of administrative and operating costs. Comments have been received about the loss of the free bus pass in this proposal for some participants.

Mr. Allen arrived at 10:06 a.m.

Ms. Waldref asked what the intent was behind the free bus pass.

Mr. Blaska said the \$50 minimum fare would stop abuse of the free pass. There will be further discussion about this under the Performance Monitoring & External Relations (PM&ER) Committee Chair's report under agenda item 10.A.ii.

Mr. Hafner opened the public hearing at 10:10 a.m.

He asked three times for comments.

Hearing none, he closed the hearing at 10:11 a.m.

5. BOARD ACTION – CONSENT AGENDA

Mr. Schimmels moved to approve the following consent agenda items 5. A and B. Mr. Schoen seconded and the motion passed unanimously.

- A. Approve the minutes of the October 18, 2012 Board meeting.
- B. Approve the following vouchers and payroll for October, 2012:

| <u>DESCRIPTION</u> | <u>VOUCHER/ACH NUMBERS</u> | <u>AMOUNT</u> |
|---------------------------|----------------------------|------------------------|
| Accounts Payable Vouchers | Nos. 573591 – 573985 | \$ 5,252,384.55 |
| Workers Comp Vouchers | Nos. 210282 – 210486 | \$ 101,440.14 |
| Payroll 10/05/2012 | ACH – 10/05/2012 | \$ 1,266,518.87 |
| Payroll 10/19/2012 | ACH – 10/19/2012 | \$ 990,439.51 |
| WA State – DOR (Use Tax) | ACH – W0640 | \$ 8,350.76 |
| OCTOBER TOTAL | | \$ 7,619,133.83 |

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS

- A. Planning & Development Committee
Final Proposed 2013 Operating & Capital Budgets – Resolution.

Ms. Warren said the budgets are being brought forward to the Board for approval a month earlier than last year due to streamlining of the process. The changes between the draft budgets shown in October and the current final proposed version are as follows:

- Updated revenues and expenses (including the capital budget) are now \$75,096,115 versus \$76,242,659 in the October proposal.
- Small increase in retirement plan premium but large decrease in medical benefits from what was projected in October.
- Savings in materials and utilities.
- Federal Preventive Maintenance grant funding is \$7.5M instead of \$8.0M
- Interest earnings of 0.75% versus 1.0%.
- Use of cash is \$6.9M versus \$7.2M.

Mr. Richard commented that the County is experiencing a similar experience with savings in benefits. The assumption for sales tax revenue in 2013 is 0.0% and the proposed 2013 budget is less than this year's budget.

Fixed route operations are the biggest expense at \$40.5 or 66% of the total.

Sales tax is projected to be \$42.1M or 68% of the total.

Labor and benefits are approximately 66% of the total budget with benefits representing paid time off which is a federal reporting requirement.

These are similar percentages to 2012.

The Capital Budget of \$14.1M was approved in the Capital Improvement Program.

Ms. Bowers asked about the paid time off as part of benefits.

Ms. Warren said the benefits category includes medical, dental as well as paid time off.

Mr. Richard said the second quarter of 2015 will be the crash point where STA will need to ask for additional funding or reduce service. He added that it is critical to reinvest in the agency.

Mr. Allen agreed that it may be necessary to go for a vote for additional funding in 2014. He added that there will be many items on the ballot at this time.

Ms. Meyer commented that the High Performance Transit project with its Corridor Advisory Panels is in process now in order to have a detailed report to present to the Board next year. At that time, the Board will decide on a ballot measure and how much funding to request.

Ms. Waldref reiterated that there will be many other priorities for Spokane to consider at that time. It is essential to have strong leadership on the Board. Last year the planned 9% service reduction was cancelled due to the efforts of STA staff to find alternatives. She thanked the Board and staff.

Ms. Waldref moved to adopt by resolution the 2013 Final Proposed 2013 Operating & Capital Budgets. Mr. Allen seconded and the motion passed unanimously.

B. Performance Monitoring & External Relations Committee

i. Award of Contract for Drug and Alcohol Testing, Medical Review Officer Services, and Occupational Health Services.

Mr. Hafner said he has been actively involved in the evaluation committees for awards of contract and this has been an educational experience.

Mr. Doolittle said he appreciated Mr. Hafner's involvement. He added that Occupational Medicine Associates (OMA) currently has the contract which expires on December 31, 2012. These services are federally mandated. OMA was rated first by the evaluation committee at the same cost as currently being charged which is lower than the other vendor. Although there was no quorum present, the consensus of the PM&ER Committee was to recommend Board approval.

Mr. Schoen moved to approve a contract with Occupational Medicine Associates for drug and alcohol testing, medical review officer services, and occupational health service for five years at a cost of approximately \$230,000 for the entire term of the contract. Ms. Waldref seconded the motion.

Ms. McAloon said routine items such as this can be included on the Board Consent Agenda.

Ms. Waldref said the board agenda was discussed at the Board Operations Committee and the members decided to put the item under Committee Recommendation instead of consent.

The motion passed unanimously.

ii. Plaza Second Floor Improvements (Mobility Center) – Acceptance of Project and Release of Retainage.

Mr. Otterstrom explained that projects over \$250K must be approved by the Board.

Staff requests acceptance by the Board for work done at the Plaza for a Mobility Center and drivers' room, in order to release retainage.

Mr. Schimmels moved to accept the Plaza Second Floor Tenant Improvements project as

complete and authorize release of \$10,570.14 in retainage. Mr. Allen seconded and the motion passed unanimously.

C. Board Operations Committee

STA Fairgrounds Property – Schedule Public Hearing for December 20, 2012.

Mr. Otterstrom said the purpose of this item is to review the history and background of the property and ask the Board to schedule a public hearing for its disposition as surplus.

The property consists of 11 acres near the Spokane County Fair & Expo Center. In April, 2001 STA purchased the property from the Union Pacific Railroad for \$800K including an 80% match of federal funds. At that time the assumption was to construct a Park and Ride as part of the implementation of High Capacity Transit in the South Valley Corridor. Light rail was envisioned through the site as well as the installation of 250 – 300 parking stalls. These plans did not come to fruition and the site has been used for coach and van training purposes. Spokane County has indicated a desire to purchase the property but has no plans to develop it within the next five to ten years. Since the property was partially paid with federal funds, the Federal Transit Administration (FTA) has to approve a sale. The funds used can be applied to another capital project, for example, bus purchases or preliminary engineering and design for the Central City Line. The site may continue to be used for STA training purposes with County approval. Staff recommends the Board schedule a public hearing for December 20, 2012 to allow public input.

Ms. McAloon explained that a public hearing is required by statute for the disposal of public property and an appraisal is not required prior to the hearing.

Mr. Richard said he would recuse himself due to a potential conflict of interest. He said Spokane County is landlocked in this area and would like the ability to expand the current fairgrounds area. He appreciated the work done by staff.

Mr. Schimmels moved to schedule a public hearing for the disposition of surplus real property for December 20, 2012, or a later date, at such time as is convenient for the public and provide notice as required by RCW 39.33.020. Ms. Waldref seconded and the motion passed with Mr. Richard abstaining.

7. BOARD ACTION – OTHER

None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

None.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Ms. Waldref briefly recapped the committee meeting of October 31, 2012 (November meeting).

i. Plaza Interior Renovation – Alternatives Development Update

Ms. Waldref said this project is now in the stakeholder outreach process and asked if anyone should be added. Mr. Otterstrom said the Committee has added the lead planner from the City of Spokane.

Mr. Richard asked if the Plaza tenants have been contacted. Mr. Otterstrom said they have.

Mr. Allen asked if there are any other companies that may be considered large partners.

Mr. Blaska said there are banks including Sterling Savings, and Travelers Insurance.

The next step is to reach out to the stakeholders.

ii. Draft 2013 Committee Program

Ms. Waldref said the Committee reviewed a proposed 2013 planning calendar. There is a lot of work to do including the Moving Forward project, updates to STA plans, and reviewing the reports from the Corridor Advisory Panels.

Mr. Richard commended the committee and its Chair for their long term vision.

Ms. Waldref commended the work of Mr. Otterstrom and his department.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Mr. Hafner briefly recapped the committee meeting of October 31, 2012 (November meeting).

i. Tariff Policy Amendment

Mr. Blaska said this is an opportunity for Board discussion after the public hearing and prior to Board approval in December. No comments have been received regarding the cash fare for the shuttle, but there have been comments about the change to a \$50 minimum vanpool fare to obtain a free bus pass. Staff will revisit this and come back to the committee in December with a recommendation.

He added that some participants will accept the employer subsidized vanpool at a cost of \$25, obtain a free bus pass worth \$45, and then not use the vanpool. Mr. Blaska said 77 people have a free bus pass out of the 1,000 participants of the program and 22 pay less than \$50.

ii. Quality Counts! Survey Program

Mr. Blaska made a presentation on the Quality Counts! Program.

He likened it to a "mystery shopper" program used in many industries. The "Excellent" review is a very high bar to reach and he mentioned Coach Operator Dave Schultheis who received nine out of nine excellent reviews. Feedback from these reports are given to the employees.

11. CEO REPORT

Ridership

Ms. Meyer reported that fixed route ridership in October increased 12.0% over October 2011 for an increase of 1.8% year-to-date. Paratransit ridership increased 8.7% over last year for an increase of 1.6% year-to-date. It should be noted that there were two more weekdays in October 2012 than in October 2011. Out of the top ten ridership days in STA's history, three were in 2012 and it is likely that ridership for the year will top 11M barring any weather problems.

Grants Update

- The Federal Transit Administration (FTA) announced they would not be awarding Fiscal Year 2012 funding for alternative analyses. STA's request to conduct one on Division Street for High Performance Transit (HPT) was therefore not funded.
- The Spokane Regional Transportation Council (SRTC) awarded STA \$495K for the design of HPT facilities and communications components.
- STA will submit a request for funding through the state for the operations of Route 68 (Cheney). The funding source is expected to be federal formula funds under Section 5311. This project has been rated number one on the priority list by SRTC.

Mr. Allen said the latter would work well with the proposed Eastern Washington University "Gateway Project" which envisions a multi-use structure at the entrance to the university. The plan includes a transit station.

Land Use Update

- Staff is coordinating with the City of Spokane as it begins an outreach process on a development spanning Regal Street south of the Palouse Highway.

- Spokane developer, Walt Worthy, announced plans for a convention hotel downtown. The City of Spokane is working with him on a south entrance that would interact with Main Avenue and the future Central City line.
Ms. Waldref asked if a route for the Central City Line been adopted.
Ms. Meyer said it has not but Main Avenue makes the most sense.
- STA staff met with representatives from Hanson Industries, Walt Worthy and others about the possibility of transit on Indiana Avenue, east of Sullivan. This would require additional funding or a cut in service elsewhere.
- Wal-Mart opened on East Sprague last month. The City of Spokane did not require them to include a shelter at the westbound direction even though there is high ridership.
- Staff will be working with the City of Spokane on urban design concepts for Lincoln Heights in the context of the proposed HPT corridor.

Pass Programs

Staff is working with Washington State University on a new universal pass.

12. BOARD INFORMATION

- A. Committee Minutes
- B. September 2012 Financial Results Summary
- C. October 2012 Sales Tax Summary
- D. September 2012 Operating Indicators
- E. Third Quarter Performance Measures
- F. Third Quarter Operating Indicators
- G. STA Holiday Service and Office Hours
- H. Paratransit Services Van Rider Satisfaction Survey
- I. STA Moving Forward: HPT Projects Review – CAP Update

13. EXECUTIVE SESSION

At 11:33 a.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purpose:

Discussing, planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining.

The STA Board of Directors will reconvene in open session at approximately 11:43 a.m. If it becomes necessary to extend the Executive Session, a member of the staff will return to announce the time at which the STA Board will reconvene. If any action is to be taken as a result of discussions in the executive session, that action will occur in open public session.

At 11:43 a.m., Ms. McAloon announced the Board of Directors will reconvene at 11:48 a.m.

At 11:48 a.m. the Board of Directors reconvened and Acting Chair Hafner declared the meeting back in public session. No action was taken.

14. NEW BUSINESS – None.

15. BOARD MEMBERS' EXPRESSIONS

Mr. Richard said his tenure as Spokane County Commissioner ends at the end of December. He may not be able to attend the December 20 STA Board meeting but wanted to thank Board members, staff and the public for his years on the STA Board and express his appreciation to everyone he has worked with. Mr. Hafner said he will be greatly missed.

Ms. Waldref attended the Health & Equity Conference in Tacoma which focused on connections between transportation, economic development, and social equity. She learned that economic development does not just happen; there is a need to work with developers in advance with housing, retail and transit in mind. She also attended the RailVolution conference in Los Angeles and gathered some good information to use as STA plans the High Performance Transit corridors. She said 80% of successful planning and design relies on public input and STA is doing that very well with the Moving Forward program.

Mr. Hafner also attended a business workshop. He said there are many businesses, some are successful, others are not. It all depends on leadership. STA will move forward successfully with its current leadership.

16. ADJOURNED

With no further business to come before the Board, Acting Chair Hafner adjourned the meeting at 12:07 p.m.

Respectfully submitted,

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

A video of the Board meeting may be viewed on STA's website
www.spokanetransit.com the day after the meeting.

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

| | |
|-----------------------------|------------|
| Saturday, November 17, 2012 | 4:00 p.m. |
| Monday, November 19, 2012 | 10:00 a.m. |
| Tuesday, November 20, 2012 | 8:00 p.m. |

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

| | |
|---|---|
| Planning & Development | December 5, 2012, 10:00 a.m. (Southside) 1229 West Boone |
| Performance Monitoring & External Relations | December 5, 2012, 1:30 p.m. (Southside) 1229 West Boone |
| Board Operations | December 12, 2012, 12:30 p.m. (Northside) 1230 West Boone |

Next Board Meeting: Thursday, December 20, 2012, 10:00 a.m. STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.