

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

BOARD OF DIRECTORS

Draft Minutes of the October 19, 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
Chuck Hafner, City of Spokane Valley
Al French, Spokane County
Gary Schimmels, City of Spokane Valley
Mark Richard, Spokane County
Rhonda Bowers, Labor Representative

STAFF PRESENT

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

MEMBERS ABSENT

Nancy McLaughlin, City of Spokane
Josh Beckett, Small Cities Representative
(Liberty Lake)
Brenda Redell, Small Cities Representative
(Medical Lake)

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

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1. **CALL TO ORDER AND ROLL CALL**
Chair Waldref called the meeting to order at 5:34 p.m. and conducted roll call.
 2. **APPROVAL OF BOARD AGENDA**
Mr. French moved to approve the Board agenda as presented. Mr. Schimmels seconded and the motion passed unanimously.
 3. **RECOGNITIONS AND PRESENTATIONS**
 - A. **Richard Swinkels – Retirement**
Mr. Blaska said Coach Operator Swinkels retires after thirty years of service including 27 years of safe driving awards. He is known for his courtesy, sense of humor and professionalism and will be greatly missed.
 - B. **Timothy Nix - Recognition**
Mr. Blaska read a letter from Sergeant Dean Sprague of the Spokane Police Department. Sergeant Sprague commended Coach Operator Nix for his assistance in apprehending a bus passenger with warrants for assault. He added that Mr. Nix remained calm and professional throughout the incident and is a credit to Spokane Transit.
 - C. **Years of Service Awards**
Mr. Doolittle read the names of employees with 5, 10, 15, 20, 25, and 30 years of service. They were commended for their years of service to STA and the community.
 - D. **Third Quarter 2011 Employee Recognition Winners**
Mr. Doolittle read the names of those employees who won the employee recognition awards for the third 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. **PUBLIC EXPRESSIONS** – None.

5. BOARD ACTION: CONSENT AGENDA

Mr. French moved approval of consent agenda items 5.A through F. Mr. Hafner seconded.

Mr. Richard asked if there has been a revision to this item. Ms. Meyer said the Board is being asked to waive the procurement resolution requiring a five-year contract limit in order to release the RFP for a five year contract with two one-year options for renewal, not to approve the Scope of Work which the Operations and Customer Service committee has already done. **The motion passed unanimously.**

- A. Approve Minutes of the September 21, 2011 Board Work Session.
- B. Approve Minutes of the September 21, 2011 Board Meeting.
- C. Approve Accounts Payable Voucher and Warrant nos. 568564 through 568911, and Worker's Compensation Warrant nos. 207746 through 207918 totaling \$2,047,578.46 for the period September 1 through September 30, 2011.
- D. Approve 2012 Community Events Fare Structure.
- E. Waive the Procurement Resolution requiring a five-year contract limit in order to release the RFP for Paratransit Supplemental Transportation Service for a five year contract with two one-year options for renewal.
- F. Approve the 2012-2017 Capital Improvement Program.

6. BOARD ACTION: OTHER ITEMS

A. Approve One-Time Funding Request from Spokane Regional Transportation Council (SRTC)
Kevin Wallace, Executive Director of SRTC, spoke on behalf of the SRTC Board which recently passed a motion requesting a one-time 15% increase in contributions from financially participating agencies. This is necessary due to a number of unanticipated expenses that have occurred this year. There have been staff layoffs and furloughs. The SRTC Board asks STA for \$5,790. Ms. Meyer said Mr. Wallace has been with SRTC since September 6 and has worked hard in this short time to identify the causes of the cash flow problem. He has been quick to bring solutions to the Board.

Mr. Rush arrived at 5:48 p.m.

Mr. Richard moved to approve a one-time funding allocation of \$5,790 to SRTC to be paid immediately. Mr. French seconded and the motion passed unanimously.

7. STAFF REPORTS

A. Draft 2012 Annual Strategic Plan

Ms. Meyer said this is a business plan outlining major projects for 2012. In 2012 Spokane Transit plans to continue the same austerity measures as 2011. In 2011 sales tax revenues were higher than expected and several grant applications were successful that freed up local funding. The guiding principles for 2012 are to:

- Maintain quality and refine the service plan implemented in September 2011;
- Preserve a capital program to maintain a state of good repair and other essential capital projects; and,
- Maintain flexibility. By the end of the year make an informed decision to continue with the third phase of the service reductions in 2013 or present a funding package to voters to either sustain or enhance service.

Service

- The fixed route ridership goal is to achieve approximately 10 million trips. This goal retains 90% of the record ridership experienced in 2009.
- The paratransit goal is to contain ridership to 2011 levels at approximately 6% lower than 2010 (500,000 trips); implement an In-Person Assessment Program for eligibility in July 2012; and complete the co-location of In-Person Assessment and Mobility Training at the Plaza.

- The vanpool goal is to achieve 8% ridership growth over 2011 (approximately 260,000 trips) by fully developing the remaining capacity of the current inventory of vanpool vehicles. The fleet size will be 108 vanpool vans and 16 special use vans. The special use vans are contracted to outside organizations to provide trips to individuals who are eligible for paratransit at a much lower cost.

Major Projects

- Central City Transit Project – submit FTA Small Starts grant application.
- Smart Bus Program – award a contract for Computer Aided Dispatch and Automated Vehicle Locator capabilities. Full operational capacity is expected in early 2014.
- Business System Upgrade - Government Finance Officers Association (GFOA) has been selected to help guide the selection of software solutions.
- Vehicle Replacements – replacement of six 1997 New Flyer coaches with hybrid-electric vehicles and replacement of 12 paratransit vans.
- Vanpool program software – implementation.

Staffing

In conjunction with the service reductions, 17 coach operator positions were eliminated in 2011 with no layoffs, due to attrition and a voluntary separation incentive. The service reduction plan estimated a reduction in coaches, however, due to additional service demand particularly from Eastern Washington University the full number of buses is still in service. With a reduced fleet came the expectation that six mechanic positions would be eliminated. A similar voluntary separation incentive will be required in addition to normal attrition. Since 2009, nine essential positions have been deferred. In 2012 it is proposed to fill the following three: One mechanic in paratransit (saving one fixed route mechanic); one Information Systems specialist (for Smart Bus Program implementation); and, one Human Resources specialist for benefits administration. Minimal, if any, general wage adjustments will be provided and market adjustments will be deferred for another year. Cost savings from restructuring employee benefits in 2011 will continue in 2012.

Ms. Waldref asked how the Smart Bus technology will help the customer.

Mr. Blaska said the customer will have accurate information as to where their bus is and when they can expect it. Delays due to weather and detours will be communicated. It will be possible to see when the next bus is due on a digital screen. There will also be automatic announcements of stops in accordance with ADA requirements.

Mr. French said he participated in the recent American Public Transportation Association (APTA) Annual meeting and EXPO. He benefitted from networking with transit professionals from across the country and it was agreed that the quality of service should be maintained even if service reductions are necessary due to the poor economy. He added that it is important to plan for the future so that STA has the opportunity for federal funding for “shovel ready” projects such as the Central City Project.

Ms. Waldref commented on the increased demand for service in Cheney.

Ms. Meyer said “tripper” buses are being used to supply the demand. It will be monitored closely since the additional service could consume part of the service reduction savings.

C. Draft 2012 Operating and Capital Budgets

Ms. Warren thanked those involved with the budgets this year including Jim Plaster, E. Susan Meyer, Steve Blaska, Karl Otterstrom, Lynn Holmes and Tammy Johnston. She said that a Board Budget Workshop will be held November 2 at STA between 3 p.m. and 5 p.m. to discuss the budget in detail. On June 29, the Board held a budget guidance workshop and the assumptions for the 2012 budget are based on the following guidance:

- Sales tax assumption of 0.0% in 2011 and 2012.
- Defer Phase 3 of service reduction plan to 2013.

- Acknowledge continuation of essential capital projects approved in Capital Improvement Plan.
- Fill three deferred positions and defer six positions.

The sales tax assumption for 2011 was originally budgeted at -2%. It is anticipated to be 2.7% by the end of the year. Other jurisdictions including City of Spokane, City of Spokane Valley, and Spokane County are assuming between 0.0 and -1.0%. In July, the Department of Revenue miscalculated sales tax revenues for various jurisdictions including Spokane Transit and there was an overpayment which will be rectified in November. Sales tax revenues assume 68.2% of the 2012 operating budget, and labor and benefits assume 67% of the operating expenses. Paratransit is 20% of the operating budget and provides 5% of the rides. The cost of fuel is 20% higher than the previous year.

Capital Budget

Ms. Warren said the capital budget includes vehicle replacement (six fixed route buses and 12 paratransit vans); the Boone Avenue Facility Master Plan; Smart Bus program; the Plaza renovation.

2012 Source and Use of Funds

It is anticipated that operating revenues (\$60.9M) will exceed operating expenses (\$58.9M). However it will be necessary to draw down \$10.5M for capital projects. The Board designated reserves of 15% of operating costs and \$5.5M for self-insurance leave an estimated cash balance at the end of 2012 of \$17.9M.

2011 Change in Cash

The budgeted decrease in cash for 2011 was estimated to be \$11M. However, due to favorable revenue and expense variances, and the rollover of capital projects and cooperative street and road projects, staff anticipates a decrease in cash of \$1.9M for 2011.

Mr. Richard asked if the cooperative street and road projects have now ended. Mr. Otterstrom said they are finished but not all paid for by the end of 2011 so a rollover in funding to 2012 is necessary.

Ms. Warren said the budget outreach process includes a Board workshop on November 2, individual Board member meetings with staff if requested, four employee meetings on November 8, public workshops on November 9 and 10, public hearing at the November 16 Board meeting, and adoption of the budget at the December 15 Board meeting.

Ms. Waldref thanked Ms. Warren for a good presentation.

8. CEO REPORT

Ms. Meyer said two federal grants have been awarded to Spokane Transit:

- \$1,066,000 for replacement of vehicle lifts, bush washer and emergency generators; and,
- \$937,056 for the replacement of 12 paratransit vans.

She gave her thanks to Mr. Otterstrom and his team for their diligence in obtaining these grants.

The Washington State Transportation Commission is conducting a survey on state transportation issues. This survey is available online at:

www.voiceforwashingtonsurvey.org and 100,000 postcards have been mailed out. The results of the survey will be taken to the Governor's taskforce – Connecting Washington, and ultimately to the legislature.

9. NEW BUSINESS – None.

10. BOARD MEMBERS' EXPRESSIONS

Mr. Schimmels thanked the Board for approving the funding request from SRTC.

Mr. French referred to the APTA Annual meeting. Approximately 17,000 vendors and participants attended and he received good feedback from other transit professionals. Compared to other transit

agencies nationwide, Spokane Transit is in a very good financial position. Other agencies are estimating service of cuts of 30 – 40%, in addition to requesting an increase in sales tax. This is a tribute to the entire STA staff team and positions us well for federal funding opportunities. He added that Ms. Meyer was a presenter at the meeting on a panel discussing quality service in public transit. Ms. Meyer said the other presenters included system managers from Hong Kong, Dallas Ft. Worth and Utah.

11. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. August 2011 Financial Results Summary
- D. Quarterly Procurement Report
- E. August 2011 Operating Indicators
- F. Third Quarter 2011 Travel Report

12. EXECUTIVE SESSION

At 6:55 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the purpose of:

- 1. Discussing, planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining.
- 2. Review the performance of a public employee.

The STA Board of Directors will reconvene in open session at approximately 7:40 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.

At 7:40 p.m., Ms. McAloon returned to announce the Board would reconvene at 7:50 p.m.

At 7:50 p.m., Ms. McAloon returned to announce the Board would reconvene at 7:55 p.m.

At 7:55 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:10 p.m.

At 8:10 p.m., Ms. McAloon returned to announce the Board would reconvene at 8:25 p.m.

At 8:25 p.m., the Board of Directors reconvened and Chair Waldref declared the meeting back in open public session.

Mr. French moved to approve a voluntary separation memorandum of understanding as negotiated with ATU #1015 as a means of achieving the reduction in maintenance mechanic positions required by the service reduction plan to avoid lay-offs. Mr. Rush seconded and the motion passed unanimously.

13. CABLE 5 BROADCAST DATES AND TIMES OF THE OCTOBER 19, 2011 BOARD MEETING:

Saturday, October 22, 2011	4:00 p.m.
Monday, October 24, 2011	10:00 a.m.
Tuesday, October 25, 2011	8:00 p.m.

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

Operations & Customer Service	November 2, 2011, 1:30 p.m.
Citizen Advisory Committee	November 9, 2011, 5:00 p.m.

15. NEXT BOARD WORKSHOP: Wednesday, November 2, 2011, 3:00 p.m., STA Southside Conference Room, 1229 West Boone Avenue, Spokane, Washington, to discuss:
Draft 2012 Capital and Operating Budgets

16. NEXT BOARD MEETING: Wednesday, November 16, 2011, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.
17. NEXT PUBLIC HEARING: Wednesday, November 16, 2011, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington, to discuss
Draft 2012 Capital and Operating Budgets
18. ADJOURNED
With no further business to come before the Board, Chair Waldref adjourned the meeting at 8:30 p.m.

Respectfully submitted,

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