

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

CITIZEN ADVISORY COMMITTEE

Meeting Minutes for June 11, 2008
Northside Conference Room

MEMBERS PRESENT

Fyrne Bemiller
Victor Frazier
Elaine Hoskin
Margaret Jones
Dean Lynch
Brenda Smits
David Swalling

STAFF PRESENT

Steve Blaska, Director of Operations
Naomi Dunning, Executive Assistant
Susan Millbank, Ombudsman
Molly Myers, Communications Manager
Jim Plaster, Director of Finance & Administration
Ryan Stewart, Planner

MEMBERS ABSENT

None

GUESTS

Laura McAloon, STA Legal Counsel

1. Call to Order and Introductions (David Swalling, Committee Member)

Chairman Swalling called the meeting to order at 5:05.

2. Minutes of the Citizen Advisory Committee – Corrections or Approval

Chairman Swalling asked the Committee to address the meeting minutes of May 14, 2008.

The Committee reviewed and approved the minutes by consensus.

3. Tariff Policy Project

a.) Fair Fares/Paratransit Fares Discussion - Susan Millbank, Ombudsman & Laura McAloon, Legal Counsel

Due to Ms. McAloon's late arrival, Agenda item 3.a. was discussed following Agenda item 3.b.

b.) Fare Elasticity Model – Ryan Stewart, Planner & Jim Plaster, Director of Finance & Operations

At the end of last month's meeting, the Committee asked Mr. Stewart to send out a blank fare elasticity template to them so they may experiment with fares on their own. The Committee members then individually submitted their input back to Mr. Stewart who presented both the individual results as well as a combined average which came out to be about 14% fare increase. Mr. Stewart reminded the Committee that results are within a range of low to high elasticity. The results were as follows:

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CAC Option (Combined Average)

Category	Current Price	Amount Increase	% Increase	New Price
Adult Cash	\$ 1.00	\$ 0.26	26%	\$ 1.26
Adult 2 HR Pass	\$ 1.00	\$ 0.26	26%	\$ 1.26
Adult Day Pass	\$ 2.50	\$ 0.46	19%	\$ 2.96
Adult Monthly Pass	\$ 33.00	\$ 4.75	14%	\$ 37.75
Adult Weekend Pass	\$ 5.82	\$ (0.32)	-5%	\$ 5.50
Adult 3 Month Pass	\$ 99.00	\$ 10.75	11%	\$ 109.75
City Ticket	\$ 19.00	\$ 2.75	14%	\$ 21.75
Student/College Pass	\$ 26.00	\$ (1.00)	-4%	\$ 25.00
Eagle Pass	\$ 25.94	\$ (0.99)	-4%	\$ 24.95
County Pass	\$ 22.50	\$ 0.63	3%	\$ 23.13
Youth Cash	\$ 1.00	\$ 0.08	8%	\$ 1.08
Youth 2 HR Pass	\$ 1.00	\$ 0.08	8%	\$ 1.08
Youth Day Pass	\$ 2.50	\$ 0.28	11%	\$ 2.78
Youth Monthly Pass	\$ 26.00	\$ 0.50	2%	\$ 26.50
Youth Summer Pass	\$ 39.95	\$ 0.28	1%	\$ 40.23
Youth Weekend Pass	\$ 5.82	\$ (0.80)	-14%	\$ 5.02
Youth 3 Month Pass	\$ 78.00	\$ 1.75	2%	\$ 79.75
VIP Cash	\$ 0.50	\$ 0.11	23%	\$ 0.61
VIP 2 HR Pass	\$ 0.50	\$ 0.11	23%	\$ 0.61
VIP Day Pass	\$ 2.50	\$ 0.25	10%	\$ 2.75
VIP Monthly Pass	\$ 16.50	\$ 2.38	14%	\$ 18.88
VIP Weekend Pass	\$ 5.82	\$ (0.51)	-9%	\$ 5.31
VIP 3 Month Pass	\$ 49.50	\$ 5.00	10%	\$ 54.50
Express Cash	\$ 1.00	\$ 0.59	59%	\$ 1.59
Express 2 HR Pass	\$ 1.00	\$ 0.59	59%	\$ 1.59
Express Day Pass	\$ 2.50	\$ 0.69	28%	\$ 3.19
Express Monthly Pass	\$ 33.00	\$ 10.25	31%	\$ 43.25
Express 3 Month Pass	\$ 99.00	\$ 26.25	27%	\$ 125.25

Average of selected "what if" prices (unweighted)

14%

	Low	%	High	%
Change in ridership =	-249,216	-3%	-498,432	-5%
Change in revenue =	\$ 277,556	5%	\$ 24,679	0%
Base Farebox Recovery Ratio =	16.19		16.19	
New Farebox Recovery Ratio =	16.93	5%	16.25	0%
Base Average Fare =	\$ 0.64		\$ 0.64	
New Average Fare =	\$ 0.69	7%	\$ 0.68	6%

CAC Option (Dean Lynch)

Mr. Stewart presented the results submitted by Mr. Lynch, which was 5% overall increase and noted a change in revenue and ridership due to increases in certain categories.

Category	Current Price	Amount Increase	% Increase	New Price
Adult Cash	\$ 1.00	\$ 0.05	5%	\$ 1.05
Adult 2 HR Pass	\$ 1.00	\$ 0.05	5%	\$ 1.05
Adult Day Pass	\$ 2.50	\$ 0.10	4%	\$ 2.60
Adult Monthly Pass	\$ 33.00	\$ 2.00	6%	\$ 35.00
Adult Weekend Pass	\$ 5.82	\$ 0.68	12%	\$ 6.50
Adult 3 Month Pass	\$ 99.00	\$ 5.00	5%	\$ 104.00
City Ticket	\$ 19.00	\$ 1.00	5%	\$ 20.00
Student/College Pass	\$ 26.00	\$ -	0%	\$ 26.00
Eagle Pass	\$ 25.94	\$ -	0%	\$ 25.94
County Pass	\$ 22.50	\$ -	0%	\$ 22.50
Youth Cash	\$ 1.00	\$ 0.05	5%	\$ 1.05
Youth 2 HR Pass	\$ 1.00	\$ 0.05	5%	\$ 1.05
Youth Day Pass	\$ 2.50	\$ 0.10	4%	\$ 2.60
Youth Monthly Pass	\$ 26.00	\$ -	0%	\$ 26.00
Youth Summer Pass	\$ 39.95	\$ 1.00	3%	\$ 40.95
Youth Weekend Pass	\$ 5.82	\$ 0.68	12%	\$ 6.50
Youth 3 Month Pass	\$ 78.00	\$ 3.00	4%	\$ 81.00
VIP Cash	\$ 0.50	\$ -	0%	\$ 0.50
VIP 2 HR Pass	\$ 0.50	\$ -	0%	\$ 0.50
VIP Day Pass	\$ 2.50	\$ -	0%	\$ 2.50
VIP Monthly Pass	\$ 16.50	\$ 1.00	6%	\$ 17.50
VIP Weekend Pass	\$ 5.82	\$ 0.68	12%	\$ 6.50
VIP 3 Month Pass	\$ 49.50	\$ 1.00	2%	\$ 50.50
Express Cash	\$ 1.00	\$ 0.10	10%	\$ 1.10
Express 2 HR Pass	\$ 1.00	\$ 0.10	10%	\$ 1.10
Express Day Pass	\$ 2.50	\$ 0.25	10%	\$ 2.75
Express Monthly Pass	\$ 33.00	\$ 5.00	15%	\$ 38.00
Express 3 Month Pass	\$ 99.00	\$ 12.00	12%	\$ 111.00

Average of selected "what if" prices (unweighted)

5%

	Low	%	High	%
Change in ridership =	-73,999	-1%	-147,998	-2%
Change in revenue =	\$ (143,285)	-2%	\$ (205,715)	-3%
Base Farebox Recovery Ratio =	16.20		16.15	
New Farebox Recovery Ratio =	15.76	-2%	15.59	-3%
Base Average Fare =	\$ 0.64		\$ 0.64	
New Average Fare =	\$ 0.63	-2%	\$ 0.63	-2%

CAC Option (David Swalling)

Mr. Swalling's scenario presented an average of 10%.

Category	Current Price	Amount Increase	% Increase	New Price
Adult Cash	\$ 1.00	\$ 0.25	25%	\$ 1.25
Adult 2 HR Pass	\$ 1.00	\$ 0.25	25%	\$ 1.25
Adult Day Pass	\$ 2.50	\$ 0.25	10%	\$ 2.75
Adult Monthly Pass	\$ 33.00	\$ 5.00	15%	\$ 38.00
Adult Weekend Pass	\$ 5.82	\$ (0.82)	-14%	\$ 5.00
Adult 3 Month Pass	\$ 99.00	\$ 6.00	6%	\$ 105.00
City Ticket	\$ 19.00	\$ 1.00	5%	\$ 20.00
Student/College Pass	\$ 26.00	\$ (6.00)	-23%	\$ 20.00
Eagle Pass	\$ 25.94	\$ (5.94)	-23%	\$ 20.00
County Pass	\$ 22.50	\$ -	0%	\$ 22.50
Youth Cash	\$ 1.00	\$ -	0%	\$ 1.00
Youth 2 HR Pass	\$ 1.00	\$ -	0%	\$ 1.00
Youth Day Pass	\$ 2.50	\$ -	0%	\$ 2.50
Youth Monthly Pass	\$ 26.00	\$ -	0%	\$ 26.00
Youth Summer Pass	\$ 39.95	\$ -	0%	\$ 39.95
Youth Weekend Pass	\$ 5.82	\$ (1.07)	-18%	\$ 4.75
Youth 3 Month Pass	\$ 78.00	\$ 2.00	3%	\$ 80.00
VIP Cash	\$ 0.50	\$ 0.10	20%	\$ 0.60
VIP 2 HR Pass	\$ 0.50	\$ 0.10	20%	\$ 0.60
VIP Day Pass	\$ 2.50	\$ -	0%	\$ 2.50
VIP Monthly Pass	\$ 16.50	\$ 2.50	15%	\$ 19.00
VIP Weekend Pass	\$ 5.82	\$ (1.07)	-18%	\$ 4.75
VIP 3 Month Pass	\$ 49.50	\$ 3.00	6%	\$ 52.50
Express Cash	\$ 1.00	\$ 0.75	75%	\$ 1.75
Express 2 HR Pass	\$ 1.00	\$ 0.75	75%	\$ 1.75
Express Day Pass	\$ 2.50	\$ -	0%	\$ 2.50
Express Monthly Pass	\$ 33.00	\$ 12.00	36%	\$ 45.00
Express 3 Month Pass	\$ 99.00	\$ 26.00	26%	\$ 125.00

Average of selected "what if" prices (unweighted)

10%

	Low	%	High	%
Change in ridership =	-196,494	-2%	-392,987	-4%
Change in revenue =	\$ 143,578	2%	\$ (80,021)	-1%
Base Farebox Recovery Ratio =	16.20		16.20	
New Farebox Recovery Ratio =	16.58	2%	15.98	-1%
Base Average Fare =	\$ 0.64		\$ 0.64	
New Average Fare =	\$ 0.67	5%	\$ 0.66	3%

CAC Option (Fyrne Bemiller & Victor Frazier)

Mr. Frazier spoke about the spreadsheet submitted by him and Ms. Bemiller. Their general feeling was to keep the youth interested and teach them to ride the system by making it affordable with the Youth and Student fares. More significant increases were made in Adult Cash. They also increased Express Service by 100%. Mr. Frazier mentioned how he and Ms. Bemiller talked about a pass that does not expire, where the Smart Cards are programmed to be continual usage rather than gone in 30 days.

Category	Current Price	Amount Increase	% Increase	New Price
Adult Cash	\$ 1.00	\$ 0.50	50%	\$ 1.50
Adult 2 HR Pass	\$ 1.00	\$ 0.50	50%	\$ 1.50
Adult Day Pass	\$ 2.50	\$ 1.00	40%	\$ 3.50
Adult Monthly Pass	\$ 33.00	\$ 5.00	15%	\$ 38.00
Adult Weekend Pass	\$ 5.82	\$ 1.18	20%	\$ 7.00
Adult 3 Month Pass	\$ 99.00	\$ 11.00	11%	\$ 110.00
City Ticket	\$ 19.00	\$ 3.00	16%	\$ 22.00
Student/College Pass	\$ 26.00	\$ 2.00	8%	\$ 28.00
Eagle Pass	\$ 25.94	\$ 2.00	8%	\$ 27.94
County Pass	\$ 22.50	\$ 2.50	11%	\$ 25.00
Youth Cash	\$ 1.00	\$ -	0%	\$ 1.00
Youth 2 HR Pass	\$ 1.00	\$ -	0%	\$ 1.00
Youth Day Pass	\$ 2.50	\$ 0.50	20%	\$ 3.00
Youth Monthly Pass	\$ 26.00	\$ 2.00	8%	\$ 28.00
Youth Summer Pass	\$ 39.95	\$ 0.05	0%	\$ 40.00
Youth Weekend Pass	\$ 5.82	\$ -	0%	\$ 5.82
Youth 3 Month Pass	\$ 78.00	\$ 2.00	3%	\$ 80.00
VIP Cash	\$ 0.50	\$ 0.25	50%	\$ 0.75
VIP 2 HR Pass	\$ 0.50	\$ 0.25	50%	\$ 0.75
VIP Day Pass	\$ 2.50	\$ 0.50	20%	\$ 3.00
VIP Monthly Pass	\$ 16.50	\$ 2.50	15%	\$ 19.00
VIP Weekend Pass	\$ 5.82	\$ 1.18	20%	\$ 7.00
VIP 3 Month Pass	\$ 49.50	\$ 5.50	11%	\$ 55.00
Express Cash	\$ 1.00	\$ 1.00	100%	\$ 2.00
Express 2 HR Pass	\$ 1.00	\$ 1.00	100%	\$ 2.00
Express Day Pass	\$ 2.50	\$ 1.50	60%	\$ 4.00
Express Monthly Pass	\$ 33.00	\$ 12.00	36%	\$ 45.00
Express 3 Month Pass	\$ 99.00	\$ 31.00	31%	\$ 130.00

Average of selected "what if" prices (unweighted)

	Low	%	High	%
Change in ridership =	-417,288	-4%	-834,575	-9%
Change in revenue =	\$ 628,471	10%	\$ 141,592	2%
Base Farebox Recovery Ratio =	16.20		16.20	
New Farebox Recovery Ratio =	17.88	10%	16.58	2%
Base Average Fare =	\$ 0.64		\$ 0.64	
New Average Fare =	\$ 0.74	16%	\$ 0.72	12%

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CAC Option (Brenda Smits - Categories Removed)

Mr. Stewart presented the results submitted by Ms. Smits. She asked to remove the Adult Three Month Pass, County Pass, VIP Three Month Pass and Express 3 Month Passes based on an idea that they may not be used very much. The Express fare was also raised higher than the regular Adult Pass. The changes resulted as a 13% average of fare increase. Mr. Stewart continued to say that Ms. Smits' results yielded the largest increase submitted by Committee members.

Category	Current Price	Amount Increase	% Increase	New Price
Adult Cash	\$ 1.00	\$ 0.25	25%	\$ 1.25
Adult 2 HR Pass	\$ 1.00	\$ 0.25	25%	\$ 1.25
Adult Day Pass	\$ 2.50	\$ 0.50	20%	\$ 3.00
Adult Monthly Pass	\$ 33.00	\$ 7.00	21%	\$ 40.00
Adult Weekend Pass	\$ 5.82	\$ (2.32)	-40%	\$ 3.50
City Ticket	\$ 19.00	\$ 6.00	32%	\$ 25.00
Student/College Pass	\$ 26.00	\$ -	0%	\$ 26.00
Eagle Pass	\$ 25.94	\$ -	0%	\$ 25.94
Youth Cash	\$ 1.00	\$ 0.25	25%	\$ 1.25
Youth 2 HR Pass	\$ 1.00	\$ 0.25	25%	\$ 1.25
Youth Day Pass	\$ 2.50	\$ 0.50	20%	\$ 3.00
Youth Monthly Pass	\$ 26.00	\$ -	0%	\$ 26.00
Youth Summer Pass	\$ 39.95	\$ 0.05	0%	\$ 40.00
Youth Weekend Pass	\$ 5.82	\$ (2.82)	-48%	\$ 3.00
Youth 3 Month Pass	\$ 78.00	\$ -	0%	\$ 78.00
VIP Cash	\$ 0.50	\$ 0.10	20%	\$ 0.60
VIP 2 HR Pass	\$ 0.50	\$ 0.10	20%	\$ 0.60
VIP Day Pass	\$ 2.50	\$ 0.50	20%	\$ 3.00
VIP Monthly Pass	\$ 16.50	\$ 3.50	21%	\$ 20.00
VIP Weekend Pass	\$ 5.82	\$ (2.82)	-48%	\$ 3.00
Express Cash	\$ 1.00	\$ 0.50	50%	\$ 1.50
Express 2 HR Pass	\$ 1.00	\$ 0.50	50%	\$ 1.50
Express Day Pass	\$ 2.50	\$ 1.00	40%	\$ 3.50
Express Monthly Pass	\$ 33.00	\$ 12.00	36%	\$ 45.00

Average of selected "what if" prices (unweighted)

13%

	Low	%	High	%
Change in ridership =	-309,083	-3%	-618,167	-7%
Change in revenue =	\$ 677,676	11%	\$ 376,687	6%
Base Farebox Recovery Ratio =	16.28		16.28	
New Farebox Recovery Ratio =	19.32	19%	18.51	14%
Base Average Fare =	\$ 0.65		\$ 0.65	
New Average Fare =	\$ 0.74	15%	\$ 0.73	14%

Mr. Frazier asked Mr. Stewart if he also used a 0% ratio change in elasticity and Mr. Stewart said that he did not because it is not reflective of what would be expected of a fare change and cautioned that there would be a financial burden on certain areas.

Mr. Plaster asked Mr. Frazier if his question is deriving from the fact that this is predictive modeling and the ratios of the elasticity factors have never been through a cycle of increasing fuel prices and ridership increases as are currently being experienced. Mr. Frazier said that Mr. Plaster was correct.

Ms. Hoskin stated that intuitively she would also agree and the unfortunate situation with forecast based on historical data is when something changes it is not as predictable. In addition to fuel prices, the basic cost of living prices are going up and in general, people are poorer. She continued by saying perhaps the way to continue is to look at groups that may be the most impacted by fare increases and keep the impact to zero. In the foreseeable future, it looks as though costs are not going to drop back down to where they were, and fuel costs are going to impact the proportion of the farebox recovery ratio. Ms. Hoskin stated that she did not know how much of STA's budget is dedicated to fuel, in addition to sales tax receipts being lower than projected, and rising fuel costs and asked if there are significant changes proposed for the TDP. She continued by stating she previously did not feel a need for an increase in fares, however, with the significant changes over the last two months, she has now changed her mind.

Mr. Plaster directed the Committee's attention to the May 14, 2008 minutes, specifically to the Financial Projection which was presented to the Board in December 2007 and to the CAC in May 2008. This model indicates a decline in the cash balance from about \$58 M at the end of 2007 into 2008, and declining to less than \$20 M at the end of 2012, leaving about \$2.7 M available for uncommitted efforts. He continued by stating many phone calls have been received inquiring about the \$58 M in cash and how can a sales tax reauthorization be justified when STA has that much money. Mr. Plaster explained by stating if the \$58 M is viewed as an isolated snapshot, an incorrect vision is left of what the plans and needs are, therefore, it is necessary to look at a multiple year basis which shows \$21.9 M is committed to balance the 2008 budget; \$5.5 M for self insurance reserves and \$8.6 M for operating reserves under Board policy; \$19.5 M committed to capital programs between 2009 and 2001, primarily the replacement of vehicles, after which leaves an uncommitted balance of \$2.7 M after 2012.

Mr. Plaster reiterated that it is not as if the \$58 million is available, rather, it is already committed as suggested by the Board adopted plan in the TDP, leaving \$2.7 M available in 2012 to complete items such as capital modifications to the Plaza or the Intermodal Center which have not been planned in the capital program, or to consider the growing list of service enhancements as Mr. Blaska presented to the Committee last month. Mr. Plaster stated that there is not as much money available as it seems.

Mr. Plaster reminded that the forecast model already presumes 2.5% per year fare escalation on the average fare. While this is not Board policy, this is done for modeling purposes to be captured and implemented every fifth year for that level of fare increase. He stated that fares are not the primary revenue source and said the real concern is of the sales tax distribution and how it did not improve for the month of May as was hoped.

Ms. Smits asked Mr. Plaster if this model is without increase to routes or change to the current schedule. Mr. Plaster confirmed this model to be at the service level budgeted for 2008, however, it does contemplate a very small growth in Fixed Route service of .5 % per year and about 2.0% per year in Paratransit service. He concluded that the operating expenses do capture very small service level increases.

Mr. Lynch asked Mr. Plaster to verify that the projection model assumes the current .06% sales tax in addition to a 2.5% annual fare increase, which leads to \$2.7 M in 2012.

Mr. Plaster confirmed these numbers and stated that he will provide the results of what the model would look like if the 2.5% fare increase were taken out.

Ms. Hoskin asked which TDP the model was based on.

Mr. Plaster stated the model is based on the current, adopted TDP, not the draft TDP, and added that the projection model does not yet include negative sales tax growth, nor increasing fuel costs.

Mr. Plaster continued by stating total fuel budgeted for 2008 is at approximately \$5M, and if the trend in rising gas prices continues, a \$500,000 or more unfavorable variance may be seen.

Mr. Lynch asked if any other comparisons such as a 1, 3, or 5 percent should be reviewed or if the Committee has enough information to work with.

Mr. Frazier stated he thought there was enough information, Mr. Lynch agreed.

Ms. Smits asked if when looking at the results, how much of a difference this will make.

Mr. Plaster replied that the dollar amount would compound each year and added that if the sales tax in 2008 went to no growth, the uncommitted funds available would change from the \$2.7M positive, to a negative \$ 1.8M in 2012. If we assume that the sales tax growth drops to a negative percent, s uncommitted funds become a negative \$7.3 M in 2012. A mid year update will be taken to the Board after receiving six distributions and we would like to give an update following the July Board meeting.

Mr. Swalling stated that looks like the Committee needs to ultimately make the choice to determine a recommendation and how to arrive at the recommendation.

Ms. Hoskin asked if there is a way in modeling to impact the different fare buckets in order to maximize fare revenue.

Mr. Stewart replied that it can be done but it is a shot in the dark. The fare elasticity numbers are constant across all fare categories.

Mr. Blaska submitted it might be possible to figure some things out by comparing the results submitted by the Committee. By eliminating discounts as Ms. Smits did, she maximized revenue with little impact to ridership. She also lowered fares in some categories.

Ms. Smits asked Mr. Swalling if he wanted a consensus for moving forward to a fare increase.

Ms. Hoskin said that she thinks there is not a way to not increase the fares, based on economics and gas prices.

Mr. Stewart reminded the Committee that the fare model is not based on demographics and when speaking about fare increases in certain categories it will have a greater impact to ridership than other categories.

Mr. Blaska addressed the current Smart Card limitation, which is how to recharge it. New vending machines will be here in July, expanding the locations where it can be reloaded. The machine allows for a card to reload as a pass or a Smart Card but not both. He continued to say that ultimately, recharging online would be ideal and technology issues are being worked out by the vendor. The card understands there is one central data base tied to a card number assigned to each card holder. The challenge with doing this at STA is every bus would have to have the capability to recognize every rider's number. There should be ways to work around the technology. He reiterated this is just like a cash transaction.

Mrs. Jones said she thought the Eagle pass should be increased based on the gas used to go the distance to Cheney and is very similar to an express route as there are little or no stops.

Mr. Blaska replied that the County Pass and the Eagle Pass are contracted and the formula for the contract goes up as the regular fare does.

Ms. Smits reminded that the Committee wanted it to keep it simple. There wasn't much of a discount between the One Month Pass and the Three Month Pass, another reason to eliminate it.

Mr. Blaska stated there are a large number of customers buying the Youth pass in June. Even though they can get a Summer Youth Pass, they are choosing to pay the \$20 per month vs. the cheaper Summer Pass because they don't have the money to put forth at one time. All ridership goes down in the summer and is hard to say that there is a decline in sales, as it really is a couple of criteria happening at the same time.

Mr. Frazier questioned if the Three Month pass is worth considering any longer.

Mr. Lynch agreed and stated that the Committee should no longer consider any Three Month Pass (Adult, Youth, Express, VIP), excluding Youth Summer Pass.

All Committee members were in favor of this suggestion.

Ms. Bemiller stated as a Paratransit user, it is difficult for her to get out and purchase the pass. So the three month pass is much more convenient for her to buy.

Ms. Smits asked if the three month pass is feasible for VIP if it is too much to pay all at once, and thought that the majority of people in this customer category may have trouble producing enough funds to purchase a pass three months at a time.

Mr. Swalling asked if the Committee is ready to make a recommendation.

Mr. Lynch stated that the current climate of the economics the citizens are facing, he is inclined to not increase fares. He doesn't desire to slow the process, but wanted to share his thoughts.

Mr. Swalling asked Mr. Stewart to remove four categories: Three Month Pass for Adult, Youth, Express, VIP, (excluding Youth Summer Pass) from each tab submitted and resend them out to the Committee members.

Ms. Hoskin said she would like to see the maximization of revenue increase and ridership decline by fare category to see which ones are impacted most and where the opportunity lies to provide an objective view

Ms. Smits said that Express service needs to pay more than any other category, and the Youth category needs to stay low.

Mr. Stewart offered to provide ridership by fare category, showing ridership and revenue impacts with percentages.

3.a.) Fair Fares/Paratransit Fares Discussion - Susan Millbank, Ombudsman & Laura McAloon, Legal Counsel

Ms. Millbank introduced Ms. Laura McAloon, STA General Counsel Attorney, to discuss Paratransit fares.

Ms. McAloon began by stating the way that STA service looks today, is largely due to the Americans with Disabilities Act (ADA) which became mandatory in 1991. Since its inception in 1981, STA has provided special transportation services, and absorbed Spokane Area Special Transportation Agency (SASTA), which was a City/County/Eastern Washington Area on Aging joint operating program. Within a short time, SASTA was renamed Special Transportation and provided door-to-door transportation services for people with disabilities and people over 80 years of age.

In 1982, the Board adopted a fare policy which established a \$0.75 one-way fare for the Special Transportation service. At that time, a bus ride cost \$0.50. Transfers were included in the fixed route fare, however, they were not included in the higher Special Transportation fare. This fare change triggered a lawsuit by Citizens for Fair Fares against STA asserting STA's higher fare charge for use of Special Transportation service was a violation of the Washington Law Against Discrimination. An entity cannot discriminate against people in a place of public accommodation on the basis of disability, gender, race, national origin, etc. This law in Washington has existed since 1957, placing Washington ahead of its time for laws against discrimination of disabled persons. The 1983 Fair Fares lawsuit was based on a claim that charging persons with a disability more than the cost of a person without a disability riding a bus was discriminatory. The outcome of this case was detailed with findings of fact, which described the differences between the fixed route service and Special Transportation service and stated they were not comparable. Spokane Transit argued that Special Transportation was better as it provided door to door service, whereas a fixed route rider must go where the bus stops. According to the judge deciding the case, STA had made a conscious decision not to equip its buses with wheelchair lifts, and instead provided a special transportation service using vans that were lift equipped. These vans were the only part of STA's fleet that was lift equipped, thereby making a person using a wheelchair unable to access the fixed route system, leaving no alternative but to use the higher priced vans. Ms. McAloon said this was the heart of the argument and deemed unfair to treat the Special Transportation riders differently. Although it was better service, it was still discriminatory to have the higher rate. The ruling from this case stated that STA cannot charge more for a Special Transportation ride than is charged for a regular adult fare on the fixed route system.

Ms. McAloon continued by stating in 1991, the ADA set parameters stating that all buses must be lift or ramp equipped and accessible to people who are disabled. Additionally, every transit organization must

offer Paratransit service for eligible people who are disabled that is comparable to fixed route service. As a result of the ADA, Special Transportation service ended, and STA established Paratransit service that is fully compliant with both the WLAD and the ADA. One change was that the service area for Paratransit became a ¼-mile corridor around each fixed route instead of providing Special Transportation service within the entire Public Transportation Benefit Area (PTBA), which is STA's taxing district.

This change triggered another lawsuit (Fell vs. Spokane Transit) stating it was a violation of the Washington law against discrimination, which in some cases provides greater protections than federal laws such as with the ADA. The case went to the Washington State Supreme Court and became a question of where STA's place of public accommodation is. STA argued that its place of public accommodation is the Plaza and other transit centers, bus stops, the buses themselves and the fixed routes. This is where STA cannot discriminate. Mrs. Fell's attorneys argued that Spokane Transit's place of public accommodation is the entire taxing district. The Washington State Supreme Court sent this case back to the trial court level, which meant it was a fact question for a jury to decide. Spokane Transit decided at the time that it made better business sense to settle the case and enter into a settlement agreement with the Plaintiffs. This case had been certified as a class action lawsuit meaning the Plaintiff was bringing this lawsuit on behalf of every person who is disabled. Part of the settlement agreement was that STA would establish a Paratransit service area that was a 1 ½ mile boundary around each fixed route for a period of five years.. After five years STA would reduce the boundary to a ¾- mile corridor around each fixed route, which is the distance the ADA describes as comparable to fixed route service. This did not take place exactly at the five year mark, however, it was implemented in January of 2005. Two hundred and twelve people were impacted by this boundary change, and each person was individually notified of the change.

The belief system at STA has been that the Paratransit fare is limited to the fare charged on fixed route to a person who is disabled. According to the facts of the Fair Fares case, STA can charge as much for a Paratransit ride as is charged for the base fare (adult fare) on the fixed route system. The ADA says that a public transportation system can charge a Paratransit fare that is up to two (2) times the rate of a full fare on the fixed route. Whereas, Washington law governs that STA cannot charge more than would be charged to a person without a disability. Ms. McAloon concluded that the Paratransit fare cannot go as high as the federal regulations permit, however, Ms. McAloon said in her opinion, a fare could be equal to what is charged for an adult Fixed Route fare. Ms. McAloon also noted, since 2006, the entire Fixed Route fleet has been wheelchair accessible. People who use wheelchairs are no longer limited to using only the Paratransit system.

Ms. Bemiller, a current Paratransit rider, stated the Paratransit fares are currently too low. Ms. Bemiller continued to say that there is a lot of work the drivers have to do and they do it very well. There are many Paratransit riders who need a large amount of help when loading on the van. Ms. Bemiller stated she feels the fare should be three times the Fixed Route rate and this would make her feel to be more of an equal rather than discriminated against. Ms. Bemiller added, when the weather is nice, she uses the Fixed Route service.

Ms. Millbank stated that there are many Paratransit eligibility categories and the eligibility program is very individualized to each person with a careful review of their mobility impairments. A person could just have service in the winter time, or could have service if there is a barrier between them and the bus stop, no sidewalks, etc. A lot of people who use power wheelchairs, have winter service, but are expected to use fixed route service the other months of the year.

Mr. Blaska stated the Paratransit fare is not tied to what can be charged for VIP. Currently the two fares are the same, and are based on the case history in Spokane that evolved to the assumption that they are tied together. Mr. Blaska also noted that in Spokane, this is a very sensitive issue and STA has been sued twice, in addition to a third lawsuit threatened even after the five year time frame going to the ¾ mile boundary was extended. STA has elected to not address a differential Paratransit fare since 1989. This is not a legal constraint, however, there are very powerful local considerations in the history of Spokane. STA was the only transit sued over the ¾ mile boundary change, which could have been a finding that affected all transit systems in the state.

Mrs. Jones stated if the new pricing currently under review were to be implemented, \$1.50 for an Adult fare, then the VIP fare should be raised to \$.75, thereby raising the Paratransit fare to \$.75.

Mr. Blaska stated he didn't think there would be an issue if the standard fare were to be raised, therefore raising the VIP and Paratransit by default. However, if Paratransit went to full fare, there would be a push back from the community. Mr. Blaska added that many users will say exactly what Ms. Bemiller stated earlier regarding the inequality of price to value of the service.

In terms of dollars, about 500,000 Paratransit rides were given in 2007, this would equal about \$250,000 in revenue if it were equated to an Adult full fare at \$1.00 per ride. This is a gross figure, as many people that participate in the program are monthly pass holders.

Ms. Millbank stated when the last fare increase took place, there were multiple testimonies that the public could not afford the new rates.

Mrs. Jones submitted that she has an issue with having a discount when people use the service for trips to places such as a casino.

Ms. Millbank stated by federal law, any Paratransit trip is as important as any other trip, and cannot be prioritized or questioned just as fixed route does not ask for this information from its riders.

c.) Tariff Policy Calendar Review/Update

Due to limited time, the Committee elected to move this item to the next meeting in July.

4. General Business

None.

5. Public Expressions - Items 5.a. and 5.b. were verbally summarized for the Committee by Mr. Blaska.

a.) June 2, 2008 Proposal from Citizen Regarding Quest Pass

A copy of a proposal by Mr. David Bilsland was given to the Committee, entitled, "A Proposal to Promote Opportunities for Community and Economic Growth from the Bottom Up". Mr. Bilsland's general suggestion is to have a special fare structure for those that are eligible for food stamps/low income discount. Mr. Blaska reminded the Committee in their early deliberations, this customer category was reviewed, and the Committee collectively decided that the best way to deal with this qualification would be through the social service entities that provide the bus passes. Mr. Blaska stated one of the issues is how would STA determine qualification for the lower fare and once they use the fare, what identity is associated with it.

b.) June 8, 2008 Email from Citizen Regarding Bus Pass for Teachers

An email was received by a Spokane teacher, Ms. Palmer who used to live in Alaska where a "Classroom Pass" program for elementary school teachers had been developed. Mr. Blaska researched this program and found it is still offered and is now \$50. In essence, the teachers buy a pass and use that one pass for field trip groups up to 30 students. Mr. Blaska was under the impression that this pass would cover multiple field trips over the course of the year. Currently, STA's position is that we have a Smart Card and is available for the school districts to purchase. For example, they could purchase a Smart Card for \$60 and could take one class of 30 students to and from their destination. If their trip was less than two hours, they could ride for \$30. If the school calls ahead of time provides the number of students, the time and location of pickup (at a regular STA stop/route) an extra bus will be put on the route.

c.) Mr. Lynch shared that he ran into Rich Hadley, Greater Spokane Inc. President, and told Mr. Hadley that he is on the Citizen Advisory Committee for STA which is currently reviewing a fare increase. Mr. Lynch said that Mr. Hadley's reaction was one of surprise and said "no way" and asked Mr. Lynch how this could even be considered when the citizens just reauthorized the sales tax Mr. Lynch replied that he appreciated

Mr. Hadley's stance and told him the Committee is going through a detailed and lengthy process. Mr. Lynch wanted the Committee to be aware and to expect "push back" from the business community.

Ms. Myers commented that timing is everything and is why conversations about timing are so important.

Mr. Swalling added that this was the sentiment of Ms. E. Susan Meyer at the last CAC meeting.

Mr. Lynch said he told Mr. Hadley there may be a possibility to develop a recommendation, however, wait for implementation, which Mr. Hadley seemed more agreeable to rather than immediate implementation.

- d.) Mr. Swalling congratulated STA staff for their success and hard work on the recent sales tax reauthorization.

6. Agenda for Next Meeting

- a.) Tariff Policy Project Calendar review.
- b.) Public Outreach discussion.
- c.) CAC Statewide Meeting discussion.

With there being no further business to come before the Committee, the meeting was adjourned at 7:05 p.m.

Respectfully submitted,

Naomi Dunning
Executive Assistant