

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

## **BOARD OF DIRECTORS**

Draft Minutes of the July 16, 2015, Meeting  
Spokane Transit Boardroom  
1229 West Boone Avenue, Spokane, Washington

### **MEMBERS PRESENT**

Tom Trulove, Small Cities Representative  
(Cheney), *Chair*  
Steve Peterson, Small Cities Representative  
(Liberty Lake)  
Patrick Rushing, Small Cities Representative  
(Airway Heights)  
Amber Waldref, City of Spokane  
Candace Mumm, City of Spokane  
Chuck Hafner, City of Spokane Valley  
Ed Pace, City of Spokane Valley  
Shelly O'Quinn, Spokane County  
Al French, Spokane County  
Rhonda Bowers, Labor Representative  
Richard Schoen, Small Cities Representative  
(Millwood) *Ex Officio Alternate*

### **STAFF PRESENT**

E. Susan Meyer, Chief Executive Officer  
Steve Blaska, Director of Operations  
Lynda Warren, Director of Finance & Information Services  
Karl Otterstrom, Director of Planning  
Steve Doolittle, Director of Human Resources  
Susan Millbank, Ombudsman & Accessibility Officer

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, K & L Gates LLP

### **MEMBERS ABSENT**

Kevin Freeman, Small Cities Representative  
(Millwood) *Ex Officio*

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

Chair Trulove called the meeting to order at 1:30 p.m. and conducted roll call.

#### 2. **APPROVE BOARD AGENDA**

**Mr. Hafner moved to approve the agenda, Mr. Pace seconded and the motion passed unanimously.**

#### 3. **PUBLIC EXPRESSIONS**

The Reverend Alan Daugherty said he appreciates public transportation. He recently noticed a bus with advertising for Planned Parenthood and asked if it is appropriate to have that organization advertise on public buses.

Ms. O'Quinn arrived at 1:35 p.m.

#### 4. **RECOGNITIONS AND PRESENTATIONS**

##### A. **Anne Irmer, Vanpool Manager – Retirement**

Mr. Blaska said Ms. Irmer has served Spokane Transit for 33 years. She began as a Coach Operator and transitioned into becoming a Fixed Route Clerk, Scheduling Analyst and, in 1999, headed the vanpool program. Under her leadership, vanpool annual ridership has tripled. Her retirement plans include a trip to Europe.

**B. Bruce Curran, Facilities & Grounds Foreman – Retirement**

Mr. Blaska said Mr. Curran started his career with Spokane Transit in 1985 as Servicer/Cleaner. He was promoted to 2<sup>nd</sup> Class and then 1<sup>st</sup> Class Journeyman Technician, followed by Foreman. He has been the ultimate “go to” person for any request of the Facilities Department and his excellent customer service skills will be missed.

**C. Anita Wallen, Paratransit Van Operator – Retirement**

Mr. Blaska said Ms. Wallen began her career with STA in 1989 and has received 21 safety awards. She has been a great asset to the Paratransit Department over the years and has been appreciated by both customers and colleagues.

**D. Second Quarter 2015 Years of Service Awards**

Mr. Doolittle read the names of the employees with 5, 10, 20, 25, and 30 years’ service. Mr. Trulove presented Ms. Meyer with a 10 year service pin. Teresa Overhauser, Technology Project Manager, has served Spokane Transit for 30 years and Chuck Bercier, Journeyman Vehicle Technician in Fixed Route, has 35 years of service. Kathy Tomayko, Coach Operator, Don Scouton, Foreman, and Charlie Phillips, Maintenance Analyst, were present to receive their 25 year service award pins.

**E. Second Quarter 2015 Employee Recognition Winners**

Mr. Doolittle read the names of those who won the employee recognition awards for the second quarter of 2015. This program was approved by the Board to acknowledge employees who go the extra mile in the course of their work.

**5. BOARD ACTION – CONSENT AGENDA**

**Mr. Pace moved to approve the following consent agenda items 5. A through I. Mr. Hafner seconded and the motion passed unanimously.**

- A. Approve the minutes of the June 18, 2015 Board meeting.
- B. Approve the minutes of the June 18, 2015 Board workshop.
- C. Approve the following vouchers and payroll for June 2015:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (June)	Nos. 585625 - 585958	\$ 3,055,342.39
Workers Comp Vouchers (June)	Nos. 215098 - 215155	\$ 23,704.01
Payroll 06/12/2015	ACH – 06/12/2015	\$ 1,140,612.20
Payroll 06/26/2015	ACH – 06/26/2015	\$ 1,103,249.35
WA State – DOR (Use Tax)	ACH – W0640	\$ 6,903.03
<b>JUNE TOTAL</b>		<b>\$ 5,329,810.98</b>

- D. Award a five-year contract to DH for communications and marketing services commencing August 1, 2015, and award a five-year contract to Synergema for digital marketing commencing August 1, 2015.
- E. Appoint Charlie Howell to serve on the Citizen Advisory Committee (CAC).
- F. Approve the Washington State Transit Insurance Pool (WSTIP) Interlocal Agreement and authorize the CEO to sign any documents necessary to continue STA’s participation in the program.
- G. Approve the Interlocal Agreement for Mutual Aid and authorize the CEO to sign any documents necessary to continue STA’s participation in the program.

- H. Approve the Resolution celebrating the 25th anniversary of the Americans with Disabilities Act (ADA); endorsing and reaffirming commitment to STA's full compliance with the act; and delegating to the CEO the authority to make operational decisions to assure compliance.
- I. Approve travel for Board Members Ed Pace and Candace Mumm to attend the American Public Transportation Association (APTA) Annual Meeting in San Francisco.

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS: None.

7. BOARD ACTION – OTHER: None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Mr. Trulove said a Board workshop was held on July 8, 2015. He commented that there are still some budget questions to be answered and the forecast chart is difficult to understand. A meeting is proposed with Ms. Warren and financial staff from each jurisdiction represented on the Board to go over STA's budgeting process. The staff will provide the information shared at this meeting with their Board member(s). He added that the Board needs to discuss the Capital Improvement Program (CIP) and the Transit Development Plan (TDP) in the near future and suggested that a special meeting of the Planning & Development Committee be convened in August. He said the Board will get back on track with financial matters as a result of these meetings and the Moving Forward Plan and ballot issues can be discussed at a later date.

Mr. Pace said this is a good process and he will ask Ms. Warren for a one-on-one briefing to discuss basic financial information.

Mr. Hafner suggested that Board members join the Planning & Development Committee meeting if their schedule allows. He would like to ensure capital and operating financial matters are discussed in detail.

Ms. Meyer said the special meeting for the Planning & Development Committee will primarily discuss the CIP and budget discussion will follow at the regularly scheduled meeting of that committee on September 2, 2015.

Ms. Mumm suggested looking at a trendline of 2.5% or 3% for sales tax growth.

Mr. French commented that the CIP is a working document which is reviewed and updated regularly. It has taken years of Board-approved work to get to this point. New Board members are being educated as to the work already done and any changes that the Board wishes to make from this point forward should be brought forward.

Mr. Trulove said it is important to understand the document and procedure, not reinvent it.

Ms. Meyer said the CIP is part of the TDP which will be considered for approval by the Board in September and then submitted to the state.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French said staff must have a starting point with which to begin the budget process.

Ms. Warren said pending review by the Planning & Development Committee and approval by the Board, staff is proposing sales tax revenue assumption at a trendline of 2.5%.

Other assumptions are as follows:

- 1% Interest income
- 12% Health Insurance premium increase
- 5% Dental Insurance premium increase

Fuel (Energy Information Administration (EIA) + ½ standard deviation)

Diesel \$3.00

Gas \$2.83

Ms. Warren said the EIA forecast in November 2014 resulted in approximately \$800K in savings but the Board adopted the budget at the projected rates.

Ms. Mumm requested that financial projections with a trendline of 3% as well as 2.5% be presented at the August Planning & Development Committee meeting.

Ms. O'Quinn asked if these assumptions will be discussed at this committee meeting.

Ms. Meyer said they will be discussed at the regularly scheduled Planning & Development Committee meeting on September 2 since the special meeting in August is to discuss the capital budget.

Ms. O'Quinn said she understood following the July 8, 2015 workshop there would be more financial education before the budget is presented at the September 2 meeting.

Ms. Mumm asked if a trend of 3% can be shown in addition to the 2.5%.

Ms. Meyer agreed.

Ms. O'Quinn concurred that she would like to see the effect of a 3% trendline.

Mr. Peterson wanted to know what it will cost to run a bus company in 2016 from both a revenue and an expense perspective. He also asked how to develop revenue other than sales tax; higher fares for example.

Mr. Trulove said the fare structure is already in place and the formula grant amounts are known.

Mr. French said there were cash balance questions at the workshop. It is important to see how much cash will be required for short and long term needs. The agency is still catching up from the recession.

Ms. Warren said she will provide both 2.5% and 3% figures as a trendline and will request Board guidance on the other assumptions outlined earlier.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Ms. Waldref said the committee reviewed, discussed, and recommended for approval consent agenda items 5. D through H. She noted that the Washington State Auditor's office gave Spokane Transit an unmodified report for the ninth year. This is a tremendous achievement. Also at the committee meeting, reports were given on the fleet replacement program and Central City Line project. In addition, the committee approved a Scope of Work for the Plaza renovation.

11. CEO REPORT

Ridership

Ms. Meyer reported that fixed route bus ridership in June increased by 0.2% over June 2014 for a year-to-date decrease of 3.5%. This decrease is similar to other agencies in Washington State and throughout the country. Staff is evaluating how to project ridership for 2016 since fuel prices are still low.

Paratransit ridership increased 0.3% over June 2014 for a 2.8% decrease year-to-date. The goal is to sustain the level of ridership.

Vanpool ridership decreased by 10.5% over June 2014 for a year to date decrease of 10.1%. There are four fewer vans in service and there has been a reduction in the number of riders in some vanpool groups which makes them more susceptible to closing.

It should be noted that June 2015 had one more weekday than in June 2014.

Non-Capital Revenue

Non-capital revenue through May 2015 was 3.5% (\$978K) above budget and 0.2% below 2014 actual.

Sales Tax Revenue

June 2015 sales tax revenue (collected on April retail sales) increased by 2.3% (\$89K) above June 2014 for a year-to-date increase of 5.0% over budget. The change is mainly due to auto sales and some construction.

### Operating Expenditures

Operating expenditures through May 2015 were 8.3% (\$2.2M) under budget, mostly due to lower than anticipated fuel costs at 51% below budget, and the timing of expenditures for contracted transportation for para, computer materials, and vehicle repairs.

### Public Employees' Benefits Board (PEBB)

Ms. Meyer explained that these are employee health and welfare plans administered by the state Health Care Authority (HCA).

In 2010, Spokane Transit recommended restructuring employee healthcare plans to achieve a net savings since PEBB had lower premium rates and lower average premium increases. HCA denied the application asserting that STA's large claims exceeded their underwriting criteria. Following STA's appeal, the Office of Administrative Hearings ruled in favor of STA in 2011, stating that STA's application should have gone through the rule-making process.

HCA then stopped accepting new applications until the rule-making process could be completed which was after the 2013 benefit year.

STA then applied to PEBB for the 2014 benefit year using the new criteria published in the new rule-making. This application was denied due to HCA including STA Medicare retirees in their demographic analysis. When challenged, HCA conceded that Medicare retirees should not have been included and STA passed the demographics criteria. HCA then requested the Diagnosis Related Group codes for the large claims. However, Premera refused based on patient confidentiality. STA requested a decision based on the data already provided and did not receive a decision in time to enroll for 2014.

STA updated the data and applied again for the 2015 benefit year. A response was not received in time to enroll for 2015, however in February 2015 STA was notified for acceptance into the program in 2016.

Ms. Meyer explained that joining PEBB in 2016 would cost over 17% more than the current plans STA has with Premera and Group Health which mirror the PEBB benefit plans. Staff has decided not to join the PEBB health plan for 2016 since it is not cost effective but will continue to mirror the plan and will review plan costs and benefits annually.

### State Grants

The 2015 – 2017 Transportation Budget includes:

\$8.9M West Plains Transit Center

\$2.2M Central City Line

These funds will be used for project development.

### State Appropriation

\$15M Capital Grant for Central City Line

This satisfies the local match requirement for a federal Small Starts capital grant and will not be spent until after the grant application has been rated by the Federal Transit Administration (FTA) in late 2017.

## 12. BOARD INFORMATION

- A. Committee Minutes
- B. May 2015 Financial Results Summary
- C. June 2015 Sales Tax Summary
- D. May 2015 Operating Indicators
- E. 2014 State Audit
- F. Preparation for Fixed Route Fleet Replacement Program

13. NEW BUSINESS – None.

14. BOARD MEMBERS' EXPRESSIONS

Mr. Peterson encouraged attendance at the Barefoot Soccer Tournament in Liberty Lake on July 24 through 26.

Ms. Waldref rode transit on her recent vacation in Puerto Vallarta, Mexico, and appreciates the quality of STA's buses.

15. EXECUTIVE SESSION

At 2:44 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purpose:

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.

The STA Board of Directors will reconvene in open session at approximately 2:54 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 2:54 p.m., the Board of Directors reconvened and Chair Trulove declared the meeting back in public session.

**Mr. Rushing moved to approve a labor contract with AFSCME Local # 3939 beginning July 1, 2015 through June 30, 2018. Ms. Waldref seconded and the motion passed unanimously.**

16. ADJOURNED

With no further business to come before the Board, Chair Trulove adjourned the meeting at 2:56 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](http://www.spokanetransit.com) the week after the meeting.

Cable 5 Broadcast Dates and Times of July 16, 2015 Board Meeting:

Saturday, July 18, 2015	4:00 p.m.
Monday, July 20, 2015	10:00 a.m.
Tuesday, July 21, 2015	8:00 p.m.

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

Planning & Development	September 2, 2015, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	September 2, 2015, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	September 9, 2015, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, September 17, 2015, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.

*\*Note there are no regular Board or Committee meetings in August.*