

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

PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE

Minutes of the March 2, 2016, Meeting

Southside Conference Room

MEMBERS PRESENT

Chuck Hafner, City of Spokane Valley*
Tom Trulove, City of Cheney
Keith Kopelson, City of Liberty Lake
Rhonda Bowers, Labor Representative
E. Susan Meyer, CEO (Ex-Officio)

MEMBERS ABSENT

Steve Lawrence, City of Airway Heights
John Higgins, City of Medical Lake (Ex-Officio)

* Chair

STAFF PRESENT

Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Lynda Warren, Director of Finance & Information Systems
Steve Doolittle, Director of Human Resources
Don Reimer, Manager, Maintenance & Facilities
Jessica Charlton, Project Manager
Don Skillingstad, Project Manager, HPT
Brandon Rapez-Betty, Sr. Communications Specialist

GUESTS

Victor Frazier, Citizen Advisory Committee Member
Tom Arnold, Principal, Coffman Engineers
Siri Ashworth, Project Manager, Coffman Engineers

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

Chair Hafner called the meeting to order at 1:31 p.m. Introductions were made.

2. **PUBLIC EXPRESSIONS**

None.

3. **COMMITTEE CHAIR REPORT**

Chair Hafner thanked Mr. Blaska for taking time to go over the monthly Committee packet in advance with him to provide a full picture of those items coming before the Committee and Board.

4. **COMMITTEE APPROVAL**

A. **MINUTES OF THE FEBRUARY 3, 2016, COMMITTEE MEETING**

Mr. Kopelson moved to recommend approval of the February 3, 2016, Committee meeting minutes. The motion was seconded by Mr. Trulove and passed unanimously.

5. **COMMITTEE ACTION**

A. **Board Consent Agenda**

1. **REQUEST TO APPROVE THE BUDGET AMOUNT FOR THE JEFFERSON LOT IMPROVEMENT PROJECT**

Mr. Otterstrom explained that the Jefferson Lot is the most heavily used park and ride lot in STA's system and it is served by the Cheney/Spokane route, used extensively by students traveling to Eastern Washington University. The lot is owned by the Washington State Department of Transportation (WSDOT) and leased to the City of Spokane, who sub-leases it to STA. The current lease with the City expires in May 2021, concurrent with the expiration of the City's lease with WSDOT. STA is seeking affirmation from WSDOT that the lot will continue to be available for lease following the expiration of the City's lease.

General maintenance improvements (replacement of failing asphalt and concrete, widening the approach where buses enter, seal coating and re-striping the lot), as well as service and operational improvements (the installation of fiber optic cabling, security cameras, and a new ADA-accessible, raised passenger loading platform with real time signage), are needed in order to make the lot safer and easier for riders to use. The construction work would be completed during the summer months, and a specific construction schedule will be prepared prior to going out to bid.

Since the project was approved and funded as three separate projects in the Capital Improvement Plan, staff is requesting the Committee recommend that the Board approve the scope of work as a single project with a budget of \$554,000. An award of contract is anticipated to be issued in May 2016 by the CEO, as the total project cost is under \$1M and within her authority.

Mr. Trulove moved to recommend the Board approve consolidating the three separate projects as a single project with a budget amount of \$554,000. The motion was seconded by Mr. Kopelson and passed unanimously.

2. AWARD OF CONTRACT FOR PLAZA UPGRADES

Mr. Otterstrom said that in December 2014, the Board authorized the Plaza Upgrade project to proceed to final design and approved a total project budget of \$4.95M. In July 2015, the Performance Monitoring and External Relations Committee approved a scope of work to be issued to solicit bids. Only one bid was received, and because it exceeded the allowable budget, staff elected to go back out for re-bid.

The bid included ten different additive options, four of which staff recommend selecting as they are important features that aid in achieving the project's goals and would be more cost effective to complete concurrently with the base bid work.

STA received four (4) proposals. An evaluation committee (composed of internal stakeholders and STA's legal counsel) determined that Walker Construction, Inc., was the lowest, most responsible and responsive bidder.

Mr. Otterstrom said that staff is recommending an award of contract to Walker Construction, Inc., for the total base bid, plus additive options, for a total contract value of \$3,502,800, excluding any applicable Washington State sales tax and construction contingency reserved by STA. With all expenses required for the project (including contracts for architectural and engineering services, construction, secure access and security cameras, special inspection, and fees such as advertising, permitting, and reserved construction contingency), the project is anticipated to be within the \$4.95M budget approved by the Board.

Mr. Trulove moved to recommend the Board award a contract for the Plaza Upgrade project to Walker Construction, Inc. for a contract value of \$3,502,800, excluding sales tax. The motion was seconded by Mr. Kopelson and passed unanimously.

B. Board Discussion Agenda

(No items were presented this month.)

6. REPORTS TO COMMITTEE

A. PURCHASE OF NINE (9) FIXED ROUTE REPLACEMENT COACHES

Mr. Blaska explained that in accordance with STA's adopted 2016-2021 Capital Improvement Program (CIP) and Vehicle Replacement Plan, nine Fixed Route coaches are scheduled to be replaced in 2018. Vehicles scheduled for replacement exceed the Federal Transit Administration (FTA) minimum service life guidelines of twelve years or 500K miles. The CIP has identified \$4,498,520 in local funds and \$1,121,265 in federal funds for a total of \$5,619,785 for the replacement of these vehicles.

The Washington State Cooperative Contract (WSCC) has low floor, clean-diesel powered coaches that satisfy STA's requirements. Purchasing from the WSCC ensures competitive pricing and saves significant time over the development of specifications, release of a request for proposals, and the awarding of a contract. STA's 2018 coach requirements include the purchase of three (3) 60-foot coaches and six (6) 40-foot coaches. Staff recommends purchasing the three 60-foot articulated coaches from New Flyer Industries and the six 40-foot coaches from Gillig Corporation. The quoted unit price to purchase a 2018 60-foot articulated coach is \$694,160, which represents a 17.3% cost above STA's 2009 purchase. The quoted unit cost to purchase a 2018 40-foot coach is \$419,838, which represents a 2.3% increase cost above the current purchase. The increase in pricing is attributed to the Producer Price Index increase, as well as the 2010, 2013, and 2017 Federal Engine Emissions Standard requirements.

The total quoted pricing for these nine (9) vehicles is currently \$5,011,042 (including sales tax and a \$1,000 per unit fee to purchase off of the WSCC). Staff anticipates the need for approximately a 5% contingency budget to make minor changes to enhance operator and passenger amenities (e.g., pre-wiring for camera and CAD/AVL, passenger seating and securements, disc brakes, composite flooring, and electric fan drives). It will also be necessary for Maintenance staff to travel to the manufacturing facility to conduct pre-production meetings and on-line inspections during production to ensure quality control and contract specification compliance. The total anticipated cost of this purchase (including taxes, contingency, and travel) will not exceed the budgeted amount of \$5,619,785. Mr. Blaska noted that STA's Procurement Policy authorizes the CEO to award a contract for replacement of equipment included the Board-approved CIP.

B. YEAR END 2015 UNAUDITED FINANCIAL REPORT

Ms. Warren gave the 2015 Unaudited Year End Financial Report to the Committee.

- Revenues were \$1.7M (2.5%) over budget; \$7.1M (2.5%) above 2014 actual.
 - Fares & Other Transit Revenue were \$1.2M (10.6%) below budget; \$798K (7.4%) below 2014.
 - Sales Tax Revenue was \$2.9M (5.9%) above budget; \$3.4M (7.1%) above 2014.
 - Federal and State Grants Revenue was \$109K (1.3%) above budget; \$1.3M (13.3%) below 2014.
 - Miscellaneous Revenue was \$80K (12%) below budget; \$471K (393%) above 2014.

As a preface to her presentation on expenses, Ms. Warren explained that the Government Accounting Standards Board (GASB 68) issued standards on how pensions should be reported. She said that any unfunded pension liability needs to be reported on financial statements. The net pension liability is the difference of the market value of the pension fund assets and the benefit obligations at a specific date. This information is obtained from the Washington Department of Retirement Systems. There is a liability on the balance sheet of \$25.6M. Annual GASB 68 expenses are calculated based on actual contributions recorded each payroll. This resulted in 2015 additional expenses of \$733,549. Without GASB 68, the expenditures for 2015 would have been \$59,882,374 or \$5.7M (8.7%) below the 2015 budget. Brief discussion ensued.

- Expenses were \$5.0M (7.6%) under budget; \$1.7M (2.9%) above 2014 actual.
 - Fixed Route Expenses were \$3.0M (6.8%) under budget; \$1.1M (2.9%) over 2014.
 - Paratransit Expenses were \$875K (7.3%) under budget; \$298K (2.7%) over 2014.
 - Vanpool Expenses were \$263K (30%) under budget; \$144K (19%) under 2014
 - Plaza Expenses were \$22K (\$1.7%) over budget; \$59K (4.4%) above 2014.
 - Administrative Expenses were \$875K (11.4%) under budget; \$354K (5.5%) above 2014.

Ms. Warren noted that there was a favorable revenue budget variance of \$1.7M, and a favorable expense budget variance of \$5.0M, for a total favorable budget variance of \$6.7M. In 2015, total revenues exceeds total operating expenses by \$9.9M.

She concluded with a review of the Capital Budget Status Summary, the Federal Grant Report, and 2015 Cash Balance figures. She said that due to the timing of projects, approximately \$6.5M of the adopted Capital Budget remained unexpended in 2015.

C. YEAR END 2015 PERFORMANCE MEASURES

Mr. Blaska reviewed the year end 2015 Performance Measures with the Committee. He commented that the Committee had previously provided input on which of the Performance Measures they wanted to see in the packet each quarter, and requested their input on whether this information was sufficient for a clear picture of STA's performance, based on the complete presentation which was included at the end of the Committee packet.

Mr. Blaska explained that the Performance Measures are tied to STA's five Priorities and Objectives, and each one has several performance metrics associated with it. Highlighted were the results of those measures requested by the Committee:

- Ridership
 - Fixed Route provided 10,815,736 rides in 2015, a 4.5% decrease from 2014. The decrease can be traced primarily to fewer riders in the college programs (EWU and the Community Colleges).
 - Paratransit provided 464,449 rides in 2015, a 2.3% decrease from 2014. Mobility Training, the In-Person Assessment program, and the Van Grant program are all contributing to keeping Paratransit ridership, and costs, down.
 - The Vanpool program provided 219,578 rides in 2015, a 10.9% decrease from 2014. Mr. Blaska noted that this mode is extremely sensitive to gas prices, resulting in smaller vanpool groups.
- On-Time Performance
 - Fixed Route on-time performance was 95.4%; the goal is 85%. Since July, rather than random timepoint checks by Supervisors, the CAD/AVL system makes these calculations. Observations went from approximately 650 per month to around 27.7K.
 - Paratransit on-time performance was 93.36%; the goal is 95%. This is a measurement of every trip. Mr. Blaska noted that severe weather late in the year accounted for not meeting the goal.
- Professional and Courteous
 - With a goal of 4.5 (out of a possible 5), the overall company-wide score was 4.68. Fixed Route scored 4.71; Paratransit scored 4.67, and Customer Service/Reservations/Security/Admin/Management scored 4.67.
- Annual Employee Evaluations
 - All active Fixed Route and Paratransit Operators have had ride checks.
- Cost Effectiveness
 - The cost per passenger for Fixed Route was \$4.36; this is 68.3% of the urbanized average.
 - The cost per passenger for Paratransit was \$27.78; this is 59.4% of the urbanized average.
- Preventable Accidents
 - Fixed Route had a total of 38 preventable accidents in 2015; this is below STA's standard of 0.08 per 10,000 miles.
 - Paratransit had a total of 12 preventable accidents in 2015; this is below STA's standard of 0.10 per 10,000 miles.

Chair Hafner asked the Committee members to let Mr. Blaska know if there were any other Performance Measures they felt should be included in the quarterly reports.

7. CEO REPORT

- A. Ms. Meyer said that the American Bus Benchmarking Group (ABBG) will hold its Paratransit Workshop in Spokane on March 22-23, 2016. Representatives from approximately 20 ABBG agencies from across the country are expected to attend. Spokane Transit was chosen because its Paratransit program, under the direction of Transportation Manager Denise Marchioro, is superior. STA will host the ABBG Member Visit on March 21st from 1:00 - 4:00 p.m.
- B. Ms. Meyer asked Mr. Blaska to provide information about the upcoming Job Fair. Mr. Blaska reported that the Downtown Spokane Partnership (DSP) announced that a Job Fair would be hosted at the STA Plaza on Thursday, March 3rd.
- C. Ms. Meyer said that an STA bus will participate in the local St. Patrick's Day Parade, and STA employees and their families will distribute candy to children along the route.
- D. Ms. Meyer said that the annual Employee Awards Dinner will take place on Sunday evening, March 6th, at Northern Quest Resort and Casino. This is the one opportunity STA has to honor those employees who have done an excellent - and safe - job over the prior year.
- E. Ms. Meyer said that the local Rodeo – an annual competition of bus and van drivers' operating skills – will be held on March 26th. She noted that two years ago, STA Coach Operator Gabe Fernos was the National Champion. She mentioned that she is unable to invite Board members to actually drive a coach

(due to insurance reasons), but they are welcome to join the festivities early that morning at the Jefferson Lot Park & Ride.

- F. Ms. Meyer reported that the 2015-2017 Supplemental Transportation Budget is currently being negotiated between House and Senate. The \$15M that the State has earmarked for the Central City Line needs to be tracked to ensure that it does not get lost. Staff is monitoring that funding.
- G. Ms. Meyer said that the American Public Transportation Association Legislative Conference will hold their next meeting on March 12 – 16. Mayor Freeman, Commissioner French, Councilmember Mumm, and Ms. Meyer will be attending the meeting.
- H. Ms. Meyer said that the third Central City Lines Open House was held on Tuesday, March 1st, in Browne’s Addition. Input was received on the downtown alignment, shelter options, and an overlay plan.
- I. Ms. Meyer said that also on Tuesday, March 1st, the Liberty Lake Council passed a resolution to identify any small city Mayor to be the STA alternate in the absence of the appointed representative or alternate representative to STA.

8. COMMITTEE INFORMATION

- A. February 2016 Sales Tax Revenue Information – *as presented.*
- B. 2015 State Audit Timeline – *as presented.*
- C. Year End 2015 Safety & Loss Summary – *as presented.*
- D. January 2016 Operating Indicators – *as presented.*
- E. Communications Update – *as presented.*

9. APRIL 2016 COMMITTEE PACKET AGENDA REVIEW

Chair Hafner asked if there were any comments about the draft agenda for the next Committee meeting.
None were forthcoming.

10. NEW BUSINESS

None.

11. COMMITTEE MEMBERS’ EXPRESSIONS

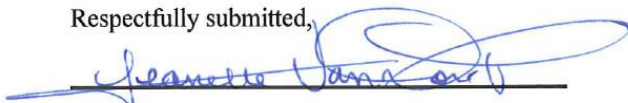
None.

12. ADJOURN

Chair Hafner adjourned the meeting at 3:10 p.m.

13. NEXT MEETING – WEDNESDAY, APRIL 6, 2016, 1:30 P.M., STA SOUTHSIDE CONFERENCE ROOM, 1230 WEST BOONE AVENUE

Respectfully submitted,



Jeanette Van Dort, Executive Assistant