

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

BOARD OF DIRECTORS

Minutes of the September 15, 2010, Meeting
City Council Chambers
808 West Spokane Falls Blvd., Spokane, Washington

MEMBERS PRESENT

Wendy Van Orman, City of Liberty Lake, Chair
Amber Waldref, City of Spokane
Jon Snyder, City of Spokane
Dean Grafos, City of Spokane Valley
Gary Schimmels, City of Spokane Valley
Mark Richard, Spokane County
Patrick Rushing, City of Airway Heights
Rhonda Bowers, Labor Representative

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Jim Plaster, Director of Finance & Administration
Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Mike Volz, Assistant Director of Finance
Steve Doolittle, Human Resources Manager
Molly Myers, Communications Manager

MEMBERS ABSENT

Richard Rush, City of Spokane
Bonnie Mager, Spokane County

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

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1. **CALL TO ORDER AND ROLL CALL**
Chair Van Orman called the meeting to order at 5:37 p.m. and conducted roll call.
 2. **APPROVAL OF BOARD AGENDA**
Ms. Van Orman called Board members' attention to a revised agenda with an additional item under 9.A New/Old Business. **Mr. Snyder moved to approve the revised agenda, Mr. Schimmels seconded and the motion passed unanimously.**
 3. **RECOGNITIONS AND PRESENTATIONS** – None.
 4. **PUBLIC EXPRESSIONS** – None.
 5. **BOARD ACTION: CONSENT AGENDA**
Mr. Rushing moved to approve consent agenda items 5. A-I. Ms. Waldref seconded and the motion passed unanimously.
 - A. Motion to approve minutes of the July 21, 2010 Board Meeting.
 - B. Motion to approve Accounts Payable Voucher and Warrant nos. 562814 through 563300, and Worker's Compensation Warrant nos. 205055 through 205264 totaling \$2,920,748.14 for the period July 1 through July 31, 2010; and, Accounts Payable Voucher and Warrant nos. 563301 through 563649, and Worker's Compensation Warrant nos. 205265 through 205451 totaling \$1,418,018.20 for the period August 1 through August 31, 2010.
 - C. Motion to approve Board Member travel to American Public Transportation Association (APTA) Annual Meeting.
 - D. Motion to adopt a resolution adopting Equal Employment Opportunity Policy and Affirmative Action Plan.

- E. Motion to accept contract work for phase one of Facility Surveillance Cameras (Boone and Plaza).
- F. Motion to award contract for Uniform Supply.
- G. Motion to award contract for On-Board Video and Audio Surveillance System.
- H. Motion to extend contract for Professional Services Agreement for State Legislative and Government Relations Consulting Services.
- I. Motion to approve Spokane Regional Transportation Council (SRTC) Interlocal Agreement.

6. BOARD ACTION: OTHER ITEMS

A. Comprehensive Plan Amendment

1) Staff Report

Mr. Otterstrom said the Comprehensive Plan was adopted by the Board at their July 21, 2010 meeting. The Board agreed to adopt the plan under the condition that staff would return at the September meeting with an amendment. The proposed amendment is part of the system infrastructure element, policy 3.6 pedestrian infrastructure and reads as follows:

As funding allows, Spokane Transit may partner with local jurisdictions to improve pedestrian infrastructure in locations where there is a direct and tangible benefit to customers accessing a transit stop or other transit facility.

The amendment has been approved by the Operations and Customer Service Committee and recommended to the Board for approval. A public hearing is required.

2) Public Hearing

Ms. Van Orman opened the public hearing at 5:41 p.m. Mr. Snyder thanked Mr. Otterstrom and the Operations and Customer Service Committee for their work on this important addition to the Comprehensive Plan. Ms. Van Orman asked three times for public comment.

Mike Lyons of 1120 West 14th Avenue advised the Board to direct transit to where the customers are and to run the agency like a service rather than a business.

Hearing no further public comments, Ms. Van Orman closed the public hearing at 5:43 p.m.

3) Resolution No. 669-10 – Board Adoption

Mr. Rushing moved to approve resolution no. 669-10 amending the Comprehensive Plan as presented by staff. Ms. Waldref seconded and the motion passed unanimously.

B. Washington State Department of Transportation Regional Mobility Grant

Mr. Otterstrom said staff proposes to submit a regional mobility grant to the Washington State Department of Transportation (WSDOT). STA's grant proposal is for improvements to the exterior of the Plaza including expanding the use of Wall Street for bus flow and staging. The estimated cost is \$1,690,000 of which \$1,352,000 will be requested from the grant. The remaining \$338,000 will be a local match which is within the existing budget set aside for this purpose.

Among other criteria to be considered for the grant, WSDOT requires a greenhouse gas reduction policy. In order to be competitive for the grant, staff is requesting the Board adopt an interim policy regarding greenhouse gas emissions as follows:

As a matter of policy, Spokane Transit recognizes the benefits of reducing greenhouse gas emissions. The Comprehensive Plan for Public Transportation, adopted by the Board of Directors in July 2010, contains an unfinished element titled "Energy and Environment." The Spokane Transit Board of Directors requests the Citizen Advisory Committee to develop policies regulating greenhouse gas emissions to be included in the Comprehensive Plan.

It should be noted that this policy is not intended to displace the policy to be developed by the Citizen Advisory Committee (CAC) as part of the sustainability process.

Mr. Snyder asked if the grant funding is for capital purchases only.

Mr. Otterstrom said there are opportunities for operational assistance. The nature of the program is to assist those areas with long distances and high congestion. The closest project STA has is the Plaza due to its location in the region and connectivity to the entire Public Transportation Benefit Area (PTBA). Ms. Meyer added that part of the criteria for operational assistance is that the agency is creating new service.

Mr. Snyder suggested the idea of a route serving Coeur d'Alene.

Mr. Otterstrom said that would not be considered since it is not within Washington State.

He said other projects considered by staff for the grant included radio replacement and Smart Bus technology but these do not meet the congestion relief criteria. Congestion relief is focused mainly on the Puget Sound region.

Mr. Richard expressed his concern about the wording of the proposed policy and its commitment since he did not believe this would be a mandate.

Mr. Otterstrom said the CAC would bring this back in more detail but the interim policy is needed now for the grant application and it would qualify STA to at least be considered.

Mr. Rushing asked if the federal government already has this rule through the Environmental Protection Agency.

Mr. Otterstrom said he is not aware of any current regulations and this is a state issue.

Mr. Richard said he would be amenable to changing the wording from "regulating" to "reducing" in the policy. He added that STA is aggressive in its efforts to reduce emissions for example, the purchase of hybrid buses.

Ms. Meyer agreed and said that one of the objectives of the CAC's Sustainability Plan is to show how much STA already does for the good of the environment.

Mr. Snyder moved to adopt the interim greenhouse gas emission policy with the following amendment:

The Spokane Transit Board of Directors requests the Citizen Advisory Committee to develop policies ~~regulating~~ to reduce greenhouse gas emissions to be included in the Comprehensive Plan.

Mr. Richard seconded and the motion passed unanimously.

Mr. Snyder commented that some good points were made in this discussion.

C. Appointment of up to Three Board Members to Legal Services Evaluation Committee

Ms. Van Orman recommended the assistance of the Executive Committee which consists of the Chair, Vice Chair and Past Chair to review proposals and conduct interviews for legal services.

Mr. Snyder moved to appoint the Executive Committee members, Ms. Van Orman, Ms. Waldref, and Mr. Richard, to serve on the legal services evaluation committee. Mr. Rushing seconded and the motion passed unanimously.

D. Board Chair's Nomination and Confirmation of Appointment of Non-Voting Member to SRTC Board

At the July 16, 2009 STA Board meeting, Board members requested two voting members be appointed to the SRTC Board: an elected official and the Chief Executive Officer. Ms. Van Orman said that during the process of reviewing SRTC's Interlocal Agreement it was agreed that STA would appoint a non-voting member to the SRTC Board. **Ms. Van Orman nominated E. Susan Meyer, STA's CEO, for the non-voting position on the SRTC Board. Mr. Rushing moved to approve the nomination and Mr. Schimmels seconded.** Mr. Snyder asked if Ms. Van Orman is a voting member of the SRTC Board. She is STA's voting member and will continue until her tenure expires at the end of the year. She added that the point of having a staff member on the SRTC Board was to benefit from the technical expertise. **The motion passed unanimously.**

7. STAFF REPORTS:

A. Financial Forecast

Ms. Meyer said this is a brief preview of what will be discussed in detail at the Board Budget Workshop to be held on October 7. Its purpose is to provide background information for the service reduction proposal.

Mr. Plaster referred to the former 2009 baseline financial projection after the recession began. At that time sales tax growth was projected at -9% for 2009, -1% for 2010, 2% for 2011 and 3% for 2012 and beyond. The 2010 sustainable plan showed an actual sales tax growth for 2009 of -8.4% and projections of -1.6% for 2010, 2% for 2011 and 3% for 2012 and beyond with service level reductions of 2% in 2010, and 7% each year for 2011 and 2012 with a reduction of \$22.3M in capital expenses.

The economy has not yet recovered and experts say it may take three to five years. Mr. Plaster said that a favorable 2010 operating expense variance of \$4.0M - \$4.5M is projected (mostly non-recurring), mainly due to lower fuel prices and staffing costs than budgeted. It is anticipated that there will be a cumulative loss in sales tax revenue of \$80.7M by 2015. For Spokane Transit to live within its means, the proposed service reductions in 2011 and 2012 are still necessary.

Mr. Richard asked if the state grant in item 6.B was included in the budget.

Mr. Plaster said the local funds are budgeted but the grant funding is not included.

Discussion followed about STA's dependence on sales tax.

Mr. Snyder commented that the federal preventive maintenance grant allows STA to use other budgeted funding for operations. He added that he would like to see the following discussed at the budget workshop:

- 1) What a 7% service reduction means in terms of employment.
- 2) Discussion of cash reserves and the pros and cons of using these for operational and capital expenses.
- 3) Discussion of other funding sources.
- 4) Proposed sales tax rate increase and what assumptions could be made with that revenue.

Ms. Meyer said she could answer several of these questions. There would be approximately 45 jobs affected over the three year period of service reductions. It is hoped that these reductions in jobs can be achieved through attrition and nine have already been achieved. Other funding sources include a 0.9% sales tax for High Performance Transit (HPT) and fare increases. She explained that there will be an increase of \$1.2M in revenue in 2011 from the fare increase. Paratransit fares will be increased to match fixed route.

B. Preliminary Proposal: September 2011 Service Reduction

Ms. Meyer said this is the second phase of a three year service reduction plan. Transit agencies nationwide have been trying to deal with the loss of revenue from sales tax which will not be recaptured. Spokane Transit is more cost-effective than most others in the state. Hiring has been

deferred and phased fare increases have been put into place following eight years of no increases. This year the fare recovery ratio is 20%. STA has aggressively sought funding from grants and appropriations. Public and employee input will be sought for six months on the proposed service reductions with a Board decision expected in March, 2011 and implementation in September, 2011 (March, 2012 for paratransit). Staff is not proposing to request a sales tax increase.

Mr. Otterstrom said the Board's guidance in April 2010 was to sustain quality, keep planning for the future, minimize ridership impact, and consider public input. There will be considerable public input. Staff plans to meet with all jurisdictions this fall. The proposed changes will reduce service by 34,000-38,000 hours with a cost reduction of \$3.4-\$3.8M. Routes #41 (Latah), #62 (Medical Lake) and #67 (Medical Lake and Geiger) are slated for elimination and the fleet will be reduced by between eight and eleven buses. It is anticipated that between 740,000 and one million rides will be lost (between 6% and 9% of current fixed route ridership). *Full details of the proposed service reductions are outlined in the September 2011 Service Reductions Preliminary Proposal attached.*

Mr. Rushing asked if the elimination of bus service to Medical Lake would mean that city would remove itself from the Public Transportation Benefit Area (PTBA).

Ms. Meyer said they could vote to leave but staff hopes they will seek alternatives to get into the service area or create vanpools. Staff will work with the hospitals to encourage vanpool use.

Mr. Otterstrom said the Medical Lake routes have low ridership and do not perform to the service standards. He added that there are plans for a park and ride lot there.

Mr. Richard added that there are plans for a jail in that area in 2016.

Mr. Otterstrom said much of the other reductions involve realignments and consolidation of routes that are low performing. Board members commented on the proposals.

Mr. Rushing asked if this will be discussed in detail at other meetings.

Ms. Meyer said this is the proposal to take to the public. Following public input, the Board will have the opportunity to discuss it at future meetings.

Mr. Snyder commented that this is the most important issue for STA in 2011.

Mr. Otterstrom said staff is working closely with the university in Cheney where there are some service reduction proposals. Ms. Bower had a suggestion to better serve that area.

Approximately 100 paratransit riders will be affected by the change in fixed route service.

The consensus of the Board was to hear public and employee input.

C. System Ridership Analysis: Six Month Assessment

Mr. Blaska said ridership has decreased by 4% nationwide. Fewer people are paying cash and may have switched to passes. Youth ridership is down 25%. There may be less discretionary income available and there may be less youth programs offered due to budget cuts. There is a loss in ridership on the Valley commuter routes possibly due to gas prices remaining stable.

Mr. Rushing left at 7:35 p.m.

Overall the system is performing well and needs to retain as many riders as possible with the proposed service reductions. In the future the economy will improve and gas prices will increase.

Mr. Snyder commented that STA is still beating the national average.

D. July and August Ridership Highlights

E. June and July Financial Highlights

Items D and E were not presented due to time constraints.

8. CEO REPORT

A. Roadeo Results

Ms. Meyer reported the STA Roadeo winners as follows:

Fixed Route

1 st Place	Gabe Fernos
2 nd Place	Mike Hogue
3 rd Place	Jim Orvis
Rookie of the Year	John Schlabach

Paratransit

1 st Place	Jill Thornton
2 nd Place	William Ybarra
3 rd Place/Rookie of the Year	Darren Harder

They will compete in the state competition on September 19, 2010. The State Roadeo will be held in conjunction with the Washington State Department of Transportation (WSDOT) conference in Spokane.

B. DTAA Update

Ms. Meyer said an update on the Downtown Transit Alternatives Analysis (DTAA) will be presented to the Board in October.

C. Rodney Morgan, Coach Operator

Ms. Meyer reported that Rodney Morgan passed away. He had worked at STA as a Coach Operator since 2003 and will be greatly missed.

D. 2010 Service Reductions

The elimination of routes #35 and #47 will take effect on September 19, 2010.

9. NEW/OLD BUSINESS

A. Establish Effective Date of Participation in Washington State Public Employees' Retirement System (PERS) – Resolution

Mr. Plaster requested the Board adopt a resolution revising the starting date of the PERS program from October 1 (as specified in resolution 668-10 passed by the Board in July) to October 3, 2010. This is requested because STA has a bi-weekly payroll system that would accommodate the October 3 date in a much more efficient manner. PERS has agreed to this change in date. **Ms. Waldref moved to adopt the resolution with a revised effective date from October 1 to October 3, 2010. This resolution is intended to replace resolution no. 668-10. All wording is the same as in resolution 668-10 except the effective date which is changed from October 1, 2010 to October 3, 2010. Mr. Schimmels seconded and the motion passed unanimously.**

10. BOARD MEMBERS' EXPRESSIONS

Mr. Snyder and Ms. Waldref said their children are enjoying riding the bus and the drivers are very friendly.

11. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. June and July 2010 Financial Results Summary
- D. Second Quarter 2010 Capital Budget Status Report
- E. Second Quarter 2010 Statement of Net Assets and Federal Grants
- F. June and July 2010 Operating Indicators
- G. Second Quarter 2010 Operating Indicators
- H. Second Quarter 2010 Performance Measures
- I. Mobility Orientation (Travel Training) Program Fourth Year Review
- J. Transit Enhancement Program Detail

12. EXECUTIVE SESSION

Mr. Richard was excluded from Executive Session since County business was due to be discussed. He left at 7:49 p.m.

At 7:50 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session to discuss real estate.

The STA Board of Directors will reconvene in open session at approximately 8:00 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 8:00 p.m., the Board of Directors reconvened and Chair Van Orman declared the meeting back in open public session.

13. CABLE 5 BROADCAST DATES AND TIMES OF THE SEPTEMBER 15, 2010 BOARD MEETING:

Saturday, September 18, 2010	4:00 p.m.
Monday, September 20, 2010	10:00 a.m.
Tuesday, September 21, 2010	8:00 p.m.

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

Operations & Customer Service	October 6, 2010, 1:30 p.m.
Citizen Advisory Committee	October 13, 5:00 p.m.

15. NEXT BOARD WORKSHOP (STA Southside Conference Room, 1229 West Boone Avenue, Spokane, Washington):

Board Budget Workshop October 7, 2010, 10:00 a.m. to noon

16. NEXT BOARD MEETING: Wednesday, October 20, 2010, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington.

17. ADJOURNED

With no further business to come before the Board, Chair Van Orman adjourned the meeting at 8:03 p.m.

Respectfully submitted,

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