

2016 Annual Strategic Plan

Introduction

Spokane Transit Authority remains a strong and vibrant organization because of the communities we serve, a strong governing Board that provides robust and thoughtful policy leadership, the 500-plus dedicated professionals who work here, our commitment to financial stewardship, and, of course our customers.

We are guided by our Mission, Vision and Priorities:

Mission

We are dedicated to providing safe, accessible, convenient, and efficient public transportation services to the Spokane region's neighborhoods, business and activity centers. We are leaders in transportation and a valued partner in the community's social fabric, economic infrastructure, and quality of life.

Vision

We aspire to be a source of pride for the region.

Priorities

- Ensure Safety
- Earn and Retain the Community's Trust
- Provide Outstanding Customer Service
- Enable Organizational Success
- Exemplify Financial Stewardship

Background

Operating costs for Fixed Route (bus) and Paratransit services continue to be the lowest of the large urban systems in the state. STA is well below the average cost for fixed route service, about 85%. Paratransit service is roughly 65% of the urban average, which means our communities receive more service for the dollar than in other areas in the state. (Through the second quarter of 2015).

The average number of passengers boarding a bus each hour it's in service is second only to King County Metro in the Puget Sound area. Farebox recovery, the portion of the trip cost paid by a customer, remained about 20% for bus service and about 5% for Paratransit, which are the objectives.

*Adopted by STA Board
10/22/15*

2016 Annual Strategic Plan

2016 Plan

We will maintain the current level of services with existing resources in 2016. Our efforts will focus primarily in four areas:

1. Increasing bus ridership, primarily in collaboration with our partners using a Universal Transit Access Pass (UTAP) - universities, City of Spokane and Spokane County - to recoup the decline to date in 2015;
2. Maintaining operating costs at or below 95% of the state urban average;
3. Maintaining essential capital projects; and
4. Planning for the future. Maintain the vision for sustaining and providing more and better transit service consistent with STA's comprehensive plan, *Connect Spokane*. Evaluate project and service costs in the 10-year plan and conduct a review of and update the Comprehensive Plan in mid-2016.

a) Ridership

After record ridership in 2014, bus ridership declined slightly in 2015--primarily among organizations with a Universal Transit Access Pass (UTAP), including universities and colleges, the City of Spokane and Spokane County. After contacting other agencies in Washington and other states, many of whom were also experiencing ridership declines, the consensus seemed to be that staff and students were more likely to have access to a car. Sustained lower cost of gas and the convenience of a car were thought to outweigh the value of riding the bus, cost savings, using the trip to work or study, etc. Van Pool ridership also slipped, owing, we believe, to the same reason as bus ridership. Paratransit ridership is down slightly as a result of special use vans operated by other organizations, Mobility Training and the In Person Assessment program for establishing Paratransit eligibility. Working with our UTAP partners we will develop and promote additional ways to win these bus and vanpool riders back. We will seek to maintain the other existing employer pass programs and expand to more employers. UTAP partners include the City of Spokane and Spokane County, Washington State University Spokane, the Community Colleges of Spokane, and Eastern Washington University. The new pass program just introduced at Gonzaga University has yielded hundreds of trips in the first few days.

*Adopted by STA Board
10/22/15*

2016 Annual Strategic Plan

2016 Ridership Goals

- Fixed Route (bus): Recover 1.5% of the expected ridership decline in 2015 (through July)
- Paratransit: Maintain 2015 ridership
- Van Pool Goal: 7%

b) Maintaining operating costs

Maintain operating costs at or below 95% of the statewide urban average. This is accomplished by smart service planning, maintaining a state of good repair with vehicles and facilities; and controlling labor, benefit and administrative costs.

c) Maintaining essential capital projects

With the Board's guidance to sustain quality service, we will continue and complete a group of multi-year capital projects which will result in the organization being even more efficient and effective, and make the system easier for customers to use.

Plaza renovation

With input from customers and downtown business stakeholders, the Board approved final plans for the Plaza remodel that have been developed using design principles that incorporate safety and security, and that will maximize space for transit use and customer service, minimize open, un-programmed areas, and provide a more visible security presence. The contract for construction is expected to be awarded in December of 2015 and the project completed in 2017.

Business systems replacement

The business system is being converted from the antiquated one that has been in place for over 20 years. The result will be significantly streamlined processes that will enable staff to spend more time on strategic efforts and less on the paper-intensive work required today. The project is expected to be complete in 2016.

Fare Collection Update

We will begin the process of planning the mid-life upgrade of our fareboxes. This is an opportunity to consider changes to improve the functionality and introduce different fare media. This comprehensive review of various fare media and pass programs will shape the requirements for our fare collection system.

West Plains Transit Center (WPTC)

The project will create connectivity among the three cities in the West Plains, which doesn't currently exist. It includes a park and ride lot on the south side of the freeway

2016 Annual Strategic Plan

near the Medical Lake interchange off I-90, a flyer stop in the highway right of way, and connection by covered bridge to the new 100+ space park and ride lot. A total of \$8.8M in grants has been approved and/or programmed by the state. The project requires additional funding to complete. This is a continued planning effort for future service enhancements.

Central City Line

The Central City Line (CCL) will be a new 6-mile bus route connecting Browne's Addition to the west, and Spokane Community College to the east, by way of downtown, the University District and Gonzaga University. State and federal grants have been awarded to STA and will fund the work required during Project Development phase of the Federal Transit Administration's Small Starts grant program. It will include preliminary engineering and design, environmental assessments, and finalizing route and station locations. The application for the Small Starts grant will be made in 2016. The state legislature approved \$15M in capital funding for the project in 2015. If the application is successful, state funding will leverage about \$54M in a Small Starts grant. If a timely decision is made about the source of funding for operations, the project could begin service in 2020. This is a continued planning effort for future service enhancements.

d) Planning for the future

Maintain the vision contained in STA's Comprehensive Plan, *Connect Spokane*, and the 10-year plan. Update *Connect Spokane* in the second half of the year. Evaluate the costs of the new service and projects in the 10-year plan to ensure a balance between cost effectiveness and service quality.

Fares

Fare strategy is an essential component of meeting the financial requirements to sustain service and fund additional service. Although projected previously, there will be no increase in bus and Paratransit fares and passes (or Van Pool) in 2016. The Board's direction was to consider a fare increase only when it can be integrated into an action plan for the future. If a fare increase is contemplated for some time in 2017, we will conduct community outreach in 2016, with the goal of providing notice well in advance of any change. That strategy was well received when the Board made its last fare-increase decision in 2009. Fixed Route (bus) is close to meeting the farebox recovery objective of 20% and Paratransit is meeting its objective of 5%. (Farebox recovery refers to the portion of the trip cost paid by customers.)

Staffing

Since 2008, we have taken an incremental approach to adding new positions identified as strategic to the organization's success. This philosophy continues in 2016 with the

2016 Annual Strategic Plan

addition of one position—a trainer—which is necessary to meet new-hire operator training and testing requirements, and annual advanced training for Fixed Route bus, Paratransit and Maintenance. Early in the 2016 budget planning, we also included one additional security position to increase the visibility of security in and around the Plaza.

Compensation

We are fortunate to have smart, dedicated and hard-working employees and our objective is to retain them and attract others by providing competitive, market-based compensation. Every two years, we compare the wages of STA positions with wages of similar positions in the local labor market, a small group of other transit agencies, and local governments.

Contracts with all three labor groups have been approved. The next contract to expire is in early 2017, making 2016 the first year in the past ten that we won't be bargaining one or more of the contracts.

Administrative (M&A) employees, who are not represented by a union, will receive a 2.5% general wage increase in 2016, which will still leave the group's average wage below market.

Benefits

Based on guidance from the insurance broker, STA is budgeting a 2016 rate increase of 12%. This is due, in part, to actual experience year to date 2015, which exceeds the budget. Final rates for all the medical plans are expected in October.

Employees in the M&A group will increase their share of medical premiums for the higher cost Premera plan only; from 5% to 7% for employee-only coverage and 15% to 17% for dependent coverage. In 2017, the employee-only premium share will go up to 10% and dependent share to 20%. This is consistent with the other represented work groups.

Employees may choose one of two Group Health plans or the lower cost, high-deductible Consumer Driven Health Plan (CDHP), introduced in 2015.

Employer rates for the retirement benefit increased from 9.21% to 11.18% in July 2015; they are expected to be stable through 2016. Employee rates also increased from 4.92% to 6.12%.