

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

## **BOARD OPERATIONS COMMITTEE MEETING**

Meeting Minutes for September 10, 2014  
Northside Conference Room

### **MEMBERS PRESENT**

Amber Waldref, City of Spokane, Board Operations  
Committee Chair  
Al French, Spokane County, Planning &  
Development Committee Chair  
Mike Allen, City of Spokane, Performance  
Monitoring & External Relations Committee Chair  
Tom Trulove, City of Cheney, Vice Chair  
E. Susan Meyer, Chief Executive Officer, Ex-officio

### **MEMBERS ABSENT**

None

### **STAFF PRESENT**

Steve Blaska, Director of Operations  
Steve Doolittle, Director of Human Resources  
Karl Otterstrom, Director of Planning  
Lynda Warren, Director of Finance & Information Services  
Beth Bousley, Director of Communications & Customer  
Service  
Susan Millbank, Ombudsman & Accessibility Officer  
Brandon Rapez-Betty, Sr. Communications Specialist  
Jan Watson, Executive Assistant to the CEO & Clerk of the  
Authority

### **GUESTS**

None

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

Chair Waldref called the meeting to order at 12:33 p.m. and conducted roll call.

#### **2. APPROVE COMMITTEE AGENDA**

Ms. Waldref suggested discussing the meeting with the downtown business groups under Chair's Comments.  
Ms. Meyer suggested that that discussion include common messaging, open public meetings and future meetings.  
Ms. Waldref suggested taking agenda items out of order to allow Mr. French time to arrive. The meeting will begin with Item #7, Transit Leadership Summit.

#### **7. TRANSIT LEADERSHIP SUMMIT**

Ms. Meyer said the Leadership Summit would be a large forum for public input on STA Moving Forward. Each Board member would recommend ten (10) individuals to be included in this group. The meeting will be facilitated.  
Mr. Otterstrom said there will be a competitive bid for the facilitator who will have transit experience.  
Ms. Meyer said it will be within the CEO's authority.  
Mr. Allen asked about the schedule.  
Ms. Meyer said the date would be either November 12 or 13.

Copies of the STA Moving Forward Public Outreach Summary for September – November 2014 and the Public Outreach Schedule were handed out and reviewed.

Discussion was held regarding the value added for the Summit and other outreach strategies.

Mr. Allen asked if the Leadership Summit would be at the Plaza and suggested a bus tour be included.

Ms. Bousley suggested a presentation to the large group at the Plaza first, followed by two smaller groups of bus tours which could include workshops.

Mr. Allen agreed and also said that the group could come together at the end for a summary. He suggested a bus ride on Sprague Avenue to the Community College, Northtown, Browne's Addition and the Jefferson Lot.

Ms. Waldref suggested the proposed Central City Line route. Breaking up the meeting with a bus tour can stimulate more engagement. There is value to include people from different sectors as they often have varied perspectives.

Mr. Trulove said he has taken State transportation tours and it is a very effective tool. It is good to have a visual experience to connect to.

Mr. Allen said the bus ride would be more important than the Plaza, although it would be nice to have both.

Ms. Waldref said that she and Mr. French will be involved in the Telephone Town Hall meeting on September 24. She asked if the list of general questions could be shared with Board members prior to the Town Hall meeting. In addition to the Town Hall meeting, there will be several Open Houses, Community Presentations, a Leadership Summit, Public Polling, a hotline and an email feedback option.

Ms. Bousley said the results from the October polling would likely be available in early November.

**5. COMMITTEE CHAIR REPORTS**

b. Mike Allen, Performance Monitoring & External Relations (PM&ER)

Mr. Allen said three items were forwarded to the Board consent agenda; approval to pay retainage for 1212 Sharp Tenant improvements, STA Lifetime Achievement Award: Bill Luke, and Request for “Free Ride Day” – November 28, 2014.

Ms. Bousley said that coupons will be given out for the “Free Ride Day”. Tables will be set up at Northtown, Valley Mall and River Park Square to promote this event and hand out the coupons. November 28<sup>th</sup> (Black Friday) is typically a low ridership day.

Mr. Allen asked about marketing.

Ms. Bousley said that once approved by the Board, this event will be part of the media schedule.

Mr. French arrived at 12:55 p.m.

Mr. Otterstrom said that the 1212 Sharp project was completed under budget.

Ms. Meyer suggested a tour of the area for the Committee members.

Mr. Blaska suggested holding a committee meeting at the facility.

Ms. Meyer said that the next project will be relocating Human Resources to the vacated Paratransit space and building a secured area for the entrance to the 1230 W. Boone office.

**4. COMMITTEE ACTION/DISCUSSION**

a. July 16, 2014 Committee Minutes

*Mr. French moved approval of the July 16, 2014 minutes and Mr. Allen seconded. The motion passed unanimously.*

**5. COMMITTEE CHAIR REPORTS**

a. Al French, Planning & Development (P&D)

Mr. French said the majority of the meeting was spent discussing the Draft 2015 Budget. Susan Meyer and Lynda Warren did an excellent job. The presentation was very thorough.

Ms. Meyer asked what level of detail the Board would want to hear.

Mr. French suggested that the Board meeting presentation be similar in detail to the Planning & Development committee presentation. Because the meeting is televised, it is as much about informing the public as informing the Board members.

Mr. Allen agreed.

Ms. Waldref asked about the presentations for September & October.

Ms. Warren said the Draft 2015 presentation will be given at the September Board meeting. The automated narrated version of the budget presentation will be available on STA’s website for the public and employees after the September Board meeting. At the October Board meeting in addition to a summary, any changes to the budget will be highlighted.

Mr. French said it was a very streamlined process and the narrated budget video was excellent.

**3. CHAIR’S COMMENTS**

a. October 23, 2014 Board Meeting Time

Ms. Waldref asked about timing for the October Board meeting which includes a public hearing. A commitment was made when STA Board meetings were moved from City Hall to the STA facility to offer public hearings for the budget or service changes, for example, at a later time to accommodate anyone that might like to attend after work.

Ms. Watson said that in 2013 the October Board meeting began at 4:00 p.m. and the public hearing began at 5:00 p.m. Discussion ensued regarding potential meeting conflicts.

*All members agreed by consensus to begin the October 23 Board meeting at 4:30 p.m. and the public hearing at 5:30 p.m.*

Ms. Waldref suggested completing the remaining agenda items; 6, 8 and 9 prior to the discussion regarding the meeting with the downtown business groups. That discussion will be held under Item 3 Chair's Comments. All members were in agreement.

**6. APPROVAL OF CONTRIBUTION TO CERTAIN EMPLOYEES' EXISTING HEALTH REIMBURSEMENT ACCOUNT (HRA VEBA) IN 2015**

Ms. Meyer said STA will introduce a new health care plan option in 2015; the Consumer Driven Health Plan (CDHP) offered by Group Health. This new high deductible option will have significantly lower premiums and thus lower costs to STA and to employees. Staff proposes to share a portion of these savings with employees who elect the CDHP in 2015. The cost savings would be shared by making a contribution to an employees' Health Reimbursement Account (HRA) VEBA account. The 2015 contribution would be \$1400 for employee only and \$2800 for employee plus dependents. These contribution amounts are the new deductible amounts in the CDHP.

Ms. Meyer reviewed the medical costs and general information. In 2014 health care costs for STA were \$5.6M. The 2015 premium increase projection provided by Moloney & O'Neill (insurance brokers) is 8-12%. The estimated 2018 STA cost is \$7.6M (36% increase) which assumes 8% annual increases. The 10-year average Premera increase is 9%. The 2012 increase was 8.59% reduced from 11.5% using STA's Refunding Reserve account. Ms. Meyer explained that with a Reserve account STA agrees to leave a certain amount of money in an account. This account along with STA's experience assists in determining the rates. In 2013 there was no increase. In 2014 the initial proposed Premera increase was 12.9%, but STA's positive experience in 2013 along with the Refunding Reserve account kept the increase to 0%. Currently 79% of employees are in the Premera plan, 17% are in the Group Health Buy-Up Plan and 4% are in the Group Health Core Plan. Employees pay 5% of their premiums and 15% of their dependents' premiums.

Ms. Meyer said that the new CDHP plan is a "PPO-like" plan. This plan matches the Public Employees Benefit Board's (PEBB) Uniform Medical Plan (UMP) CDHP. STA has been mirroring the State's medical plans for about four years. STA has been declined twice by PEBB and is in the process of applying again. The new CDHP will be offered to all four employee groups, but only the Management & Administration group can elect the plan this fall. The other three groups will only be able to select the plan if unions and STA negotiate it.

Being a Trustee over one group, Mr. Trulove commented that most employees are choosing Group Health over Premera. Mr. Doolittle said that at STA more employees are choosing Group Health due to lower cost and similar benefits especially the last couple of years. Group Health is less rigid on requiring use of their healthcare facilities and doctors.

Mr. Trulove said that those that will pay the Cadillac tax will be providing the subsidy for those in the Affordable Care Act (ACA). If the tax collected isn't enough, then the economics of the program doesn't work.

Ms. Meyer said that the estimated Cadillac tax to STA would be \$50,000 in 2018.

Mr. Doolittle commented that the Premera plan creates this tax. The Group Health plan does not.

Ms. Meyer said that every individual that moves from the Premera plan to CDHP saves STA \$1,316 and each family that moves saves STA \$4,201. Assuming 5% of Premera plan participants move to the CDHP, then the annual net savings to STA would be \$46,591. There is also a savings to STA if employees move from Premera to the two other Group Health plans.

***Mr. Allen moved to approve by resolution and forward to the Board the 2015 VEBA/HRA contribution of \$1,400 or \$2,800 (employee only or employee plus dependents respectively) for those employees who enroll in the new CDHP, and direct the CEO to establish procedures for implementation. Mr. French seconded and the motion passed unanimously.***

Mr. Blaska said that if the unions approve this new plan prior to open enrollment, then the CDHP plan would be available to them also.

**8. WEST PLAINS TRANSIT CENTER CORE STAKEHOLDER GROUP – NEW MEMBER**

Ms. Meyer said that at the July 24 meeting the Board approved the formation of the West Plains Core Stakeholder Group. The group includes representation from Spokane County, City of Cheney, Spokane Airport, West Plains Chamber of

Commerce, Washington State Department of Transportation, Spokane Regional Transportation Council, the Federal Highway Administration (FHWA) and STA. Mr. French had a conversation with Mr. Brad Gile, Caterpillar Logistics Center Manager.

Mr. French said that Mr. Gile was interested in supporting the group because many Caterpillar employees want to use transit. Caterpillar is a local business located at that interchange.

Ms. Meyer said that STA staff support this addition to the group. Mr. Gile would be able to provide input from a non-agency, non-regulatory perspective.

As a current member of the stakeholder group, Mr. Trulove said he supported this addition.

*Mr. French moved to approve and forward to the Board the appointment of Mr. Brad Gile, Caterpillar Logistics Center Manager, to the Core Stakeholder Group for the West Plains Transit Center project. Mr. Allen seconded and the motion passed unanimously.*

**9. BOARD OF DIRECTORS AGENDA: SEPTEMBER 18, 2014 – REVIEW**

Mr. Otterstrom said that Bill Luke, first recipient of the STA Lifetime Achievement Award is unable to attend the September Board meeting. Mr. Luke will be invited to the October meeting.

*Mr. French moved to approve the revised agenda. Mr. Allen seconded and the motion passed unanimously.*

**3. CHAIR'S COMMENTS - CONTINUED**

Ms. Waldref said that at the July 24 Board meeting the Board voted to table both Phase I and II Plaza renovations to allow time for more input into the re-design. The first meeting of the Downtown Spokane Partnership (DSP), Visit Spokane, Public Facilities District (PFD), and Greater Spokane Inc. (GSI) was today. This group will return to STA no later than November 15, 2014 with input. STA was invited to the first half of their meeting to give a presentation. In addition to Commissioner French, herself and STA staff at the meeting were STA contractors; Coffman Engineers, ALSC Architects, Bill Hockett, of Critical Data Inc. who had prepared a market study, and Steven Pohl, Marketing with NAI Black. The presentation included history of the Plaza, objectives of the re-design and how the re-design meets the objectives. Also included in the presentation was an overview of the Smart Bus Technology and STA Moving Forward. The meeting included a facilitator at Ms. Waldref's suggestion. Some issues and concerns were shared; safety, behavior both inside and outside the Plaza, and idling buses. Jeff Warner, ALSC Architects, reviewed the re-design in detail for the group. In the presentation were slides showing where buses load currently and what it would look like in six years with fewer loading zones and load and go stations. Following the presentation was a question and answer session.

Ms. Waldref said there was discussion regarding the 1<sup>st</sup> floor retail and 2<sup>nd</sup> floor meeting spaces. A question was raised regarding the intent for the meeting rooms and how much new meeting space is available in the downtown area. Concern was expressed about STA meeting space competing with hotels and other venues. Mr. Pohl shared information on current vendors and the marketing outlook.

Discussion ensued regarding meeting space in the adjoining buildings.

Mr. French said 11 of the 25 people attended the stakeholder meeting today. Bruce Gallaher of Pyrotek commented that the Plaza was one of the reasons their offices are located where they are. Transit is used by at least one-third of Pyrotek employees including Mr. Gallaher.

Mr. French said there has been a 30% reduction in vehicle trips per day in the downtown core since the early 1980's. One reason for the reduction is due to the increase in transit ridership. Dollars not spent on vehicles or parking could be spent at other businesses and that is value to the downtown business group.

Mr. Otterstrom said that Mr. Gallaher said that Pyrotek employees using transit save \$100,000 per year.

Ms. Waldref commented that the more local people who use transit to go downtown allows additional parking for shoppers and visitors.

Mr. Trulove asked if the group is focused on "no transit downtown".

Ms. Waldref said some members of the group are focusing on business reasons and asking good questions.

Mr. French said Mr. Zimmerman of Smart Growth America has said that millennials choose where they will live after college by choosing a community first (which includes public transportation & housing) and finding a job second. Education on these facts is important.

Mr. Trulove said that there is a large retirement community in Cheney. Many have discovered that they can take transit to Spokane for an evening of entertainment and a night at a hotel without worrying about parking.

Ms. Meyer said a message that has been received was about spending the money on the Plaza remodel. There is also interest in why administrative offices are not located at the Plaza and could they be. Both revenue producing and non-revenue producing tenants will be reviewed. A question was raised about security statistics.

Discussion ensued regarding security, police and number of arrests.

Mr. Otterstrom said there are 21,000 boardings (on or off) at the Plaza each day.

Ms. Waldref said it is the location with the highest density of people.

Mr. Allen asked about current and future transit boarding locations at the Plaza.

Ms. Waldref said included in the presentation to the group was a slide showing where boardings are currently and where they will be after STA Moving Forward. In the future there will be fewer boarding locations and some load and go stations.

Ms. Meyer said there will be fewer bus routes and zero boardings in front of Spokane Regional Business Center (SRBC).

Ms. Waldref said there will be fewer idling buses.

Mr. Allen asked about a breezeway between the Peyton Building and the Plaza.

Mr. Blaska said that the Peyton Building restricts access.

Ms. Waldref said that in summary, the conversation was respectful, good feedback and the questions were expected. There will be follow up to some items. Prior to the first meeting, DSP President Mark Richard was asked if the STA portion of the meeting could be open to the public. The request was denied.

Discussion ensued regarding open public meetings.

Ms. Meyer said that it was a good meeting, productive, plans were shared, and there were requests for additional information.

Mr. Otterstrom said that the group shared the common interest of having a good transit system downtown.

Mr. Blaska said all in attendance agreed on the objectives of the project. A question was asked if these plans would “solve the problem”. He responded saying that this is the best plan to help alleviate some of the issues.

Mr. Trulove said that people perceive the problem differently.

Mr. Meyer commented that only half of the group was in attendance.

Ms. Waldref said the next three meetings are set, but STA has not been invited to attend at this time.

The four minute Plaza Time lapse video was viewed.

**10. CEO REPORT** - No report

**11. NEW BUSINESS** - None

**12. ADJOURN**

Chair Waldref moved to adjourn the meeting and all members approved. With there being no further business to come before the Committee, Chair Waldref adjourned the meeting at 2:14 p.m.

Respectfully submitted,

Merilee Robar  
Executive Assistant to the Director of Finance & Information Services