

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

PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE

Minutes of the July 1, 2015, Meeting

Southside Conference Room

MEMBERS PRESENT

Amber Waldref, City of Spokane *
Chuck Hafner, City of Spokane Valley
Patrick Rushing, City of Airway Heights
Steve Peterson, City of Liberty Lake
Rhonda Bowers, Labor Representative
E. Susan Meyer, CEO (Ex-officio)

MEMBERS ABSENT

None

* Chair

STAFF PRESENT

Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Lynda Warren, Director of Finance & Information Systems
Beth Bousley, Director of Communications & Customer Svc.
Steve Doolittle, Director of Human Resources
Don Reimer, Manager, Maintenance & Facilities
Jacque Tjards, Manager, Purchasing
Jessica Charlton, Project Manager
Don Skillingstad, Project Manager-HPT
Mike Hynes, Transit Planner I
Kathleen Weinand, Transit Planner II
Charlie Phillips, Maintenance Analyst
Merilee Robar, Exec. Asst., Finance & Information Systems

GUESTS

None

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

Chair Waldref called the meeting to order at 1:34 p.m. Introductions were made.

2. **PUBLIC EXPRESSIONS**

None.

3. **COMMITTEE CHAIR REPORT**

Chair Waldref explained that the Audit Manager from the Washington State Auditor's Office was invited to the meeting to make a presentation on STA's 2014 audit results and asked the committee members if they would mind receiving her report out of the order shown on the meeting agenda. There were no objections to allowing Ms. Pennick to give her audit report at the beginning of the meeting.

6. **COMMITTEE REPORTS**

A. **2014 STATE AUDIT**

Ms. Warren introduced Ms. Deborah Pennick, Audit Manager from the Washington State Auditor's Office. Ms. Pennick briefed the Committee on the 2014 audit results in the following areas:

- **Accountability:** STA complied with applicable requirements and provided adequate safeguarding of public resources. STA also complied with state laws and regulations and its own policies and procedures in all areas that were examined.
- **Financial Statements:** There were no uncorrected misstatements in the audit financial statements and no material misstatements in the financial statements corrected by management during the audit.
- **Federal Grant Compliance:** No deficiencies were identified in internal control, and STA complied with requirements that could have a direct and material effect on federal transit cluster programs.
- **National Transit Database (NTD) attestation engagement:** Evaluation of STA's compliance with the Federal Transit Authority's standards for reporting information included in the NTD report Federal Funding Allocation Statistics (FFA-10) form for the fiscal year ending December 31, 2014, found it was presented in conformity with the specified requirements.

Ms. Pennick added that next year the Auditor's Office will be focusing on examining pension liabilities to ensure consistency of reporting and transparency across all state and local governments.

Ms. Warren congratulated Financial Services Manager Lynn Holmes, Budget and Accounting Manager Tammy Johnson, Purchasing Manager Jacque Tjards, and the entire Finance team for their efforts in making this a clean audit. Ms. Meyer noted that this is STA's ninth year of clean audits.

4. COMMITTEE APPROVAL

A. MINUTES OF THE JUNE 3, 2015, COMMITTEE MEETING

Mr. Rushing moved to recommend approval of the June 3, 2015, Committee meeting minutes. The motion was seconded by Mr. Peterson and passed unanimously.

B. APPROVAL OF SCOPE OF WORK FOR PLAZA RENOVATION

Mr. Otterstrom explained that in December 2014, the Board voted unanimously to re-activate the Plaza Renovation project to complete the design and approve a \$4.95M budget for the project. Since that time, Spokane Transit's on-call engineering and architecture team (comprised of Coffman Engineers and ALSA Architects) has been working on the design and engineering of project elements as presented in December 2014. Mr. Otterstrom presented a list of renovations to the first and second levels of the Plaza and said that following approval, staff would issue an invitation for bids in early August. Staff anticipates proposing to the Board an award of contract for the project in October 2015. Discussion ensued.

Mr. Rushing moved to recommend approval of the Scope of Work for the Plaza renovation project and authorize staff to release an Invitation for Bids (IFB) for construction. The motion was seconded by Ms. Waldref and passed unanimously.

Mr. Otterstrom thanked Ms. Charlton, the project manager, for all her work on this project.

5. COMMITTEE ACTION

A. Board Consent Agenda

1. AWARD OF CONTRACT FOR COMMUNICATIONS AND MARKETING SERVICES

Ms. Bousley explained that the current contract for communications and marketing services will end on July 31, 2015. A Request for Proposals was developed, advertised, and distributed to 26 firms. Eleven firms attended a pre-proposal meeting on April 16, 2015, and two amendments were issued to address questions brought up during that meeting.

An evaluation committee rated eight proposal which were received by the required due date on the following criteria: RFP compliance, commitment to project and allocation of resources, qualifications and experience of firm, key personnel and references, methodology and plan of action, and proposed cost. The five highest rated firms returned for an interview/presentation.

The evaluation committee was unanimous in its decision to award a contract to Desautel Hege (DH). They provided a very professional, comprehensive proposal and presentation, and had outstanding references. The committee was also impressed with Synergema for digital marketing. Therefore, staff is recommending an award to DH, who will serve as the prime contractor, and an award to Synergema, who will work under the direction of DH and STA's Communications and Marketing Department.

Ms. Bousley said that the cost of service will vary by level of communications and marketing commitments and hours of work incurred. The focus will be on social media and digital marketing, and less on TV and radio advertising. Staff will assign the work on a per project basis and will not exceed the allocated budget. The average expenditure for direct services over the last five years was approximately \$100K per year.

Mr. Rushing moved to recommend the Board 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. The motion was seconded by Mr. Peterson and passed unanimously.

2. RECOMMENDATION TO APPOINT ONE NEW MEMBER TO THE CITIZEN ADVISORY COMMITTEE

Ms. Bousley said the Citizen Advisory Committee (CAC) was established in 2004 to represent the interests of the community and assist STA staff and the Board of Directors in making the region

proud of its public transportation system. Their mission is to increase public participation in the functions of Spokane Transit, ensure accountability of the organization's actions, act as an educational arm of the organization to the public, educate the public about Spokane Transit and bring input from the community back to STA, and be representative of a wide range of stakeholders and transit service. Selection of members is through an application process, followed by an appointment from the Board Chair and subject to confirmation from the Board. Membership is for a two-year term, with at least one member appointed each year.

Staff recently received inquiries from individuals expressing an interest in serving on the CAC, and application forms were sent out. Three applications were returned, and after further review of those applications, staff is now recommending for consideration the appointment of Charlie Howell to the CAC. Mr. Howell is a retired Regional CEO of National Medical Transportation, served as a paramedic for 17 years, and has managed several caregiver companies and an assisted living facility. He also volunteers as a mentor/counselor to amputees at local hospitals and rehabilitation facilities, and with the Wounded Warrior Project. CAC members were unanimous in recommending consideration of Mr. Howell's appointment to the committee.

Mr. Peterson moved to recommend the STA Board of Directors appoint Charlie Howell to serve on the Citizen Advisory Committee. The motion was seconded by Mr. Hafner and passed unanimously.

3. APPROVAL OF WASHINGTON STATE TRANSIT INSURANCE POOL (WSTIP) INTERLOCAL AGREEMENT

Ms. Warren said that STA has been a member of the Washington State Transit Insurance Pool (WSTIP) since 2004, and recently they have updated their interlocal agreement. She noted that the changes were mostly administrative and not substantive. WSTIP has asked each member transit to have the updated interlocal agreement approved by their respective Board of Directors. Staff is, therefore, asking the Committee to recommend the Board approve the WSTIP Interlocal Agreement and authorize the CEO to sign any documents necessary to continue STA's participation in the program.

Mr. Rushing moved to recommend the Board approve the Washington State Transit Insurance Pool Interlocal Agreement and authorize the CEO to sign any documents necessary to continue STA's participation in the program. The motion was seconded by Mr. Peterson and passed unanimously.

4. APPROVAL OF MUTUAL AID AGREEMENT

Ms. Warren explained that in an effort to better coordinate a previously informal process, the Washington State Transit Insurance Pool (WSTIP) generated a Mutual Aid Agreement. The Agreement outlines the process for a transit to request or provide aid to another transit in the case of emergency situations. She added that the Agreement does not commit a transit agency to provide support; it merely documents the procedures to be followed.

Mr. Rushing moved to recommend the Board approve the Interlocal Agreement for Mutual Aid and authorize the CEO to sign any documents necessary to continue STA's participation in the program. The motion was seconded by Mr. Peterson and passed unanimously.

B. Board Discussion Agenda

1. ON THE OCCASION OF ITS 25TH ANNIVERSARY, ENDORSING AND RECOMMITTING TO FULL COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA) - RESOLUTION

Ms. Meyer said that July 26, 2015, marks the 25th anniversary of the Americans with Disabilities Act (ADA). Staff has, therefore, updated the Board's previous ADA resolution with the intent of not only marking the 25th Anniversary, but also demonstrating STA's endorsement and commitment to full ADA compliance.

Mr. Rushing moved to recommend the Board approve the resolution celebrating the 25th anniversary of the Americans with Disabilities Act (ADA); endorsing and re-committing STA to full compliance with the act; and delegating to the Chief Executive Officer the

authority to make operational decisions to assure compliance. The motion was seconded by Mr. Peterson and passed unanimously.

6. COMMITTEE REPORTS

A. 2014 STATE AUDIT

(This report was given at the beginning of the meeting.)

B. PREPARATION FOR FIXED ROUTE BUS REPLACEMENT PROGRAM

Mr. Blaska explained that during this meeting, and over the next two Committee meetings, staff plans to provide a series of presentations to engage the Committee in the decision-making process resulting in a procurement mechanism for STA's next generation of coaches. STA plans to replace a fleet of 127 coaches between 2018 and 2026, and technology developments, as well as emerging state and federal requirements, need to be considered. The award of contract process can take up to 12 months and due to production schedules, it could be between 18 and 24 months between order and delivery.

The process includes determining the schedule and quantity of vehicles to sustain the current level of service, plus accommodating a growth or reduction in fixed route service. At the September meeting, staff will present an evaluation of fuel alternatives including diesel, biodiesel, hybrid diesel/electric, compressed natural gas, all-electric battery, fuel cell, liquefied natural gas, and methanol/propane. In October, staff will discuss choosing a procurement mechanism. Contract options will be evaluated based on the ability of that mechanism to comply with STA's delivery timelines and fuel decisions.

In response to a question from Mr. Peterson, Mr. Blaska also covered the cost of leasing options, noting that as a fleet replacement strategy, it would be significantly more costly to lease over a 15-year vehicle lifecycle. Mr. Blaska concluded with a review of STA's Vehicle Procurement schedule, the Vehicle "State of Good Repair" schedule, and STA's Funding Plan. Brief discussion ensued.

C. CENTRAL CITY LINE PROJECT STATUS UPDATE

Ms. Meyer, as part of her CEO Report, commented that in July, the State Legislature approved a \$16B revenue package which relies on an 11.9-cent per gallon gas tax increase. However, they have not approved a spending bill or the bond bill as yet, which are required in order to pay for the revenue package. In the package, there is \$15M toward capital costs of the Central City Line (CCL). That money will be used as the local match for future federal grants.

Mr. Otterstrom provided an overview of the CCL project description, the project background including past milestones, and major elements and components of the pending project development phase, including stakeholder involvement. He also covered funding sources noting that the estimated capital cost of \$72M could be funded exclusively by state and federal grants. Additional revenue would be needed for operating the service beginning as early as 2020.

Ms. Bowers left the meeting at 3:07 p.m.

Mr. Otterstrom added that a letter was just received from the FTA initiating project development for the CCL project. This is a confirmation of the project's eligibility for federal funding; it allows any project expenses, especially local funds (which includes state funding), to count toward matching funds in the future, and it puts a "bullseye" on the project from a federal standpoint whereby members of Congress will have been notified and will be tracking the project and possibly visiting Spokane in the future to see how the project is progressing. Mr. Otterstrom added that although the spending bill and bond bill have not yet been passed, this does mean that there is new transportation revenue to fund this and other projects.

Next steps include issuing a work order for preliminary engineering work under the existing contract (as authorized by the STA Board in November 2014), and finalizing plans for a proposed project steering committee, which would go to the Board for approval in fall 2015.

7. CEO REPORT

(Ms. Meyer's report was included with item 6C, above.)

8. COMMITTEE INFORMATION

- A. May 2015 Financial Results Summary – *as presented.*
- B. June 2015 Sales Tax Revenue Information – *as presented.*
- C. May 2014 Operating Indicators – *as presented.*
- D. Community Outreach and Involvement – *as presented.*
- E. September 2015 Service Revisions – *as presented.*

9. SEPTEMBER 2015 COMMITTEE PACKET AGENDA REVIEW

Chair Waldref 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

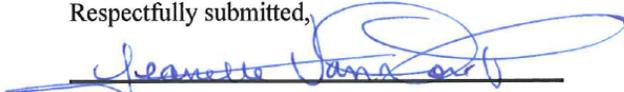
Chair Waldref commented that she would not be present for the STA Planning and Budget Workshop scheduled for July 8, 2015, because she would be on vacation.

12. ADJOURN

Chair Waldref adjourned the meeting at 3:20 p.m.

13. NEXT MEETING – WEDNESDAY, SEPTEMBER 2, 2015, 1:30 P.M., STA SOUTHSIDE CONFERENCE ROOM, 1230 WEST BOONE AVENUE

Respectfully submitted,



Jeanette Van Dort, Executive Assistant