

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

## **BOARD OF DIRECTORS**

**Revised** Draft Minutes of the December 16, 2009, Meeting  
City Council Chambers  
808 West Spokane Falls Blvd., Spokane, Washington

### **MEMBERS PRESENT**

Dick Denenny, City of Spokane Valley, Chairman  
Nancy McLaughlin, City of Spokane  
Richard Munson, City of Spokane Valley  
Wendy Van Orman, City of Liberty Lake  
Al French, City of Spokane  
Richard Rush, City of Spokane  
Matthew Pederson, City of Airway Heights  
Bonnie Mager, Spokane County  
Mark Richard, Spokane County

### **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 & Administration  
Molly Myers, Communications Manager  
Susan Millbank, Community Ombudsman  
Steve Doolittle, Human Resources Manager

### **MEMBERS ABSENT**

None

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, K & L Gates LLP

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1. **CALL TO ORDER AND ROLL CALL**  
Chairman Denenny called the meeting to order at 5:35 p.m. and conducted roll call.
  2. **RECOGNITIONS AND PRESENTATIONS**
    - A. **Staff Recognition of Outgoing Board Members**  
On behalf of all STA staff, Ms. Meyer recognized outgoing Board members Al French, Rich Munson and outgoing Board Chairman, Dick Denenny, for their dedication to public transportation over their years of tenure on the STA Board. She noted that these Board members were instrumental in transforming Spokane Transit into the organization it is today; recognized locally, statewide, and nationwide for success in ridership increases, cost efficiency and fiscal responsibility. She accompanied her presentation with PowerPoint slides of Mr. French, Mr. Munson and Mr. Denenny with their families.
  3. **PUBLIC EXPRESSIONS** – None.
  4. **BOARD ACTION: CONSENT AGENDA**  
**Mr. Munson moved to approve the following consent agenda items 4. A-C. Mr. French seconded and the motion passed unanimously.**
    - A. Minutes of the November 18, 2009 Board Meeting.
    - B. Minutes of the November 17, 2009 Board Workshop.
    - C. Motion to approve Accounts Payable Voucher and Warrant nos. 559473 through 559853, and Worker's Compensation Warrant nos. 203856 through 203984 totaling \$4,247,392.19 for the period November 1 through November 30, 2009.

5. BOARD ACTION: OTHER ITEMS

A. Proposed 2010 Operating and Capital Budgets

Mr. Plaster explained that the adoption of the budgets required a super majority of five votes of the Board. He said that the process has been reviewed in detail at two Board workshops, two public workshops, an employee briefing, and briefings to the Operations and Customer Service Committee. A public hearing was held at the November Board meeting with no public comments. The final proposed budget reflects a stagnant economy. Sales tax revenues, which have previously accounted for nearly three quarters of Spokane Transit's total funding, are expected to decline slightly in 2010 following two years of sizeable decreases. Staff recommends a service reduction of 2% in 2010 to assume a sustainable plan for the agency. Capital projects for 2010 include the installation of cameras on vehicles as part of the Smart Bus Initiative; the enhancement of the Plaza to improve operations; and the Downtown Transit Alternatives Analysis in cooperation with the City of Spokane. The financial summary of the 2010 budget proposal is as follows: Total revenues will be \$67,318,044, operating expenses will be \$60,625,047, capital expenditures will be \$16,718,838, and Cooperative Street and Road Projects will be \$4,220,800, with an estimated use of existing cash balance of \$14,246,642.

**Mr. Munson moved to adopt by resolution the proposed 2010 Operating and Capital budgets. Ms. McLaughlin seconded.** Mr. French added that there is not a lot of debate on this item since the Board has spent months of work to get to this point. He considers it an appropriate budget in view of the current economy and commended staff for their efforts. Mr. Denenny thanked the Board for their dedication and time spent in numerous budget meetings. **The motion passed unanimously.**

B. Revisions to Procurement Policy

Ms. Meyer explained that the current procurement policy was originally adopted in the 1980's and the most recent minor update was in 2005. Staff proposes revisions to streamline the process and ensure compliance with the Federal Transit Administration's new regulations. A presentation was made by staff to the Executive Committee on October 1, 2009 and to the Board on November 18, 2009. Discussion from the Board meeting resulted in staff removing the addition of the Executive Committee as an approving body. The most significant change to the policy is the proposed update to the contract award authority levels:

Chief Executive Officer :            Contracts up to and including \$200,000  
Board of Directors:                Contracts in excess of \$200,000

The CEO will report quarterly to the Board contracts in excess of \$100,000. Ms. Meyer said that the increase in CEO authority from \$50,000 to \$200,000 would be consistent with other transit agencies including Pierce Transit. **Mr. Richard moved to adopt by resolution STA's new procurement policy as presented. Mr. French seconded and the motion passed unanimously.**

C. Draft Fixed Route Service Design Guidelines: Principles, Policies and Performance Standards

Mr. Otterstrom said these guidelines were discussed in detail at the November Board meeting and the Operations and Customer Service Committee recommended approval to the Board at their December meeting. He outlined Performance Standards 1, 2 and 3. The first standard is ridership which measures route productivity by dividing the total passenger boardings by the total revenue hours of service. Some routes will have a lower productivity rate than others which does not necessarily mean they will be eliminated. Ms. McLaughlin said it would be important to evaluate routes based on riders' needs. The second performance standard is energy consumption and how this affects the environment. The amount of energy will vary depending on various factors including weight, speed, traffic conditions,

and topography. The third standard is farebox recovery with a system wide recovery ratio goal of 20% and each route achieving no less than half the average system wide farebox recovery. Mr. Munson said the Operations and Customer Service Committee discussed this item in detail and he commended Mr. Otterstrom on a good presentation. **Mr. French moved to approve the Service Design Guidelines: Principles, Policies and Performance Standards for incorporation in the draft Comprehensive Plan for Public Transportation, superseding the service planning guidelines adopted in February 2000. Mr. Rush seconded and the motion passed unanimously.**

D. 2010 State Legislative Focus and Priorities

Ms. Millbank said the 2010 legislative session begins on January 11 and is scheduled to last 60 days. It is anticipated that balancing the State budget will consume the majority of the legislators' time and focus. STA's Legislative Priorities for 2010 are:

- Preserving the State Investment in Public Transportation
- Safeguarding Governance Structure
- Positioning for Video Dissemination
- Partnering in the Spokane Community
- Planning for the Future

Ms. Millbank said that Spokane Transit gets approximately \$2 million from the state in the form of grants which go towards funding special needs and vanpool programs. This is not a large amount but STA will oppose any efforts to reduce these grants. Due to the shortfall in sales tax revenue, some transit agencies may approach legislators to raise the ceiling of 0.9% transit sales tax to 1.0%. For the past three legislative sessions there have been attempts to change the membership of public transportation governing boards. Spokane Transit will continue to oppose proposed changes that address only single-issue constituencies and maintains support of the current system that elected officials make decisions on local issues.

Mr. Rush said it would be a good idea for staff to approach Board members in advance for their input on these priorities. **He moved to approve the 2010 State Legislative Priorities with the addition that staff approaches the legislature to request more funding for public transportation. Ms. Mager seconded.** Mr. Munson asked if that meant re-establishing the car tab fee (Motor Vehicle Excise Tax). Mr. Rush agreed. Ms. Meyer said the Washington State Transit Association (WSTA) is working with the legislature on two strategies; to understand the contribution of transit, and, through the Joint Transportation Taskforce, to increase taxation for transportation, hopefully including transit, in 2011 for 2012 approval. Mr. Rush said transit needs a sustainable tax not just sales tax. Mr. Munson said the bottom line is that the revenue comes from taxes. He said we don't want to risk losing what we have and he would rather not anger legislators by asking for more at this time. Ms. McLaughlin agreed and said the Association of Washington Cities cautions that this is not the session to ask for anything. Discussion ensued about the MVET. Ms. Mager suggested that it is our duty to point out that funds have been removed and not replaced since it's easy to forget what happened. The consensus was that Spokane Transit should not be asking the state for new taxes. Ms. Van Orman said internet sales may be a problem since often Washington State does not get any sales tax. Mr. Rush asked if Transportation Benefit Districts can fund transit. Ms. Meyer said they can but usually funds are used for roads. Mr. Richard said he could not support the motion. He said staff could still educate the legislature on transit issues without asking for more taxes. Mr. Munson agreed. Ms. Mager said she is not holding out any hope for more funding but we need to preserve what we have and consult with other transits about educating the legislature. **The motion failed with all opposing except Mr. Rush.**

**Mr. Richard moved to approve the 2010 State Legislative Priorities as presented and grant authority to the CEO to determine STA's interest on specific pieces of legislation and convey those interests to legislators and others, and report back to the Board during each Board meeting during the legislative session. Ms. Mager seconded and the motion passed unanimously.**

E. Paratransit Supplemental Pass Program

Mr. Blaska said that since the Board approved the fare increase in June, 2009, staff has been working with other agencies to seek alternatives for low income paratransit customers. The most promising alternative establishes a grant-funded opportunity for social service entities to distribute discounted paratransit passes to low income paratransit users. The distribution and eligibility of passes would be similar to the current arrangements with the "Feed Spokane" program. STA would set aside a fixed portion of the two-year Washington State Special Needs grant for a pilot program and the grant would fund the subsidy of each discounted fare. **Mr. French moved to have the Board concur with the concept for this program prior to staff collaboration with other community agencies. Ms. Mager seconded.** Mr. Munson commended staff for their work on this project and said it was essential. Mr. Blaska said the appropriate social agencies would qualify individuals; STA does not have the capability. Mr. Richard thanked staff and asked that they monitor the use of monthly passes. **The motion passed unanimously.**

6. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. STA Holiday Service and Office Hours
- D. October 2009 Financial Results Summary
- E. October 2009 Financial Highlights
- F. October 2009 Operating Indicators
- G. November 2009 Ridership Highlights
- H. Third Quarter 2009 Performance Measures
- I. Washington State Special Needs Grant Funding
- J. Draft 2010 – 2015 Transit Development Plan

7. CEO REPORT

In the interests of time, Ms. Meyer said she would not present a report.

8. STAFF REPORTS:

A. Spokane Regional Transportation (SRTC) Interlocal Agreement

Ms. McAloon said the Board discussed this agreement at length at the November Board meeting and questions were raised by Board members about real estate ownership and changing the form of SRTC. At that time, Ms. McAloon agreed to review the draft agreement with SRTC's Legal Counsel, Stan Schwartz. Ms. McAloon said she had reviewed the draft agreement and made redlined changes for review by Mr. Schwartz. She edited the draft to delete authority to own real property as directed by the STA Board and conveyed the STA Board's questions about the SRTC Board's creation of a separate legal entity. She also edited the draft to use citations of the federal and state statutes and regulations instead of "Federal Transportation legislation;" specifically identified all members of SRTC; added cross-references to define powers and form for RCW Ch. 39.34; deleted language allowing SRTC

Board's rules of procedure to be revised by amendment of the Interlocal Agreement; and, suggested website publication for final effective action to save the cost of recording.

Mr. French said the SRTC has a desire to own its facility – the Intermodal Center – which is now being rented from the City of Spokane. He didn't know if they wanted to buy other real estate. Mr. Richard said he believed their primary focus was to own their facility. Mr. French said the interlocal agreement is between many entities and if SRTC is contemplating owning real estate, those entities should be involved in the details. Ms. McAloon said one jurisdiction could be designated as a property holder for SRTC. Ms. McLaughlin said the SRTC Board directed their staff to take the original draft agreement and disseminate it to all sixteen jurisdictions for review as STA is now doing. Mr. Rush said Section 1 of the agreement gives SRTC the authority to become a separate legal entity. Mr. Pederson disagreed with the ownership of real estate issue, especially to property outside of the building they are housed in. Mr. Richard suggested there may have been a clash between the STA and SRTC attorneys. Mr. Schwartz, was sensitive to the fact that changes were made to the draft which were not critical to the objectives of the agreement. Mr. Richard added that we need to show good leadership and work together. SRTC should identify the process and all jurisdictions take the time to review it. Ms. McAloon said Mr. Schwartz had a personal concern as to how edits were done and she emailed and called him about it. She said the old historical SRTC agreement from 1966 had interpretation problems and she sought to add clarifying citations. Mr. French said he had not yet seen the draft agreement at a Spokane City Council meeting for review. Ms. McLaughlin said STA stepped up first with a review and comments. The next step is for SRTC's attorney to make the legally required changes suggested by STA, circulate this document to all jurisdictions for review and comment, and the SRTC Board will decide what changes to accept.

B. STA Support to 2010 U.S. Figure Skating Championships

Mr. Blaska said STA will provide similar support as was previously given for the 2007 Championships. Forty-foot hybrid buses will be used for most of the day with a transition to sixty-foot coaches during the peak periods. Shuttles will operate on a ten minute frequency on two routes. A special event pass will be available for \$12 for the duration of the event: January 14 – 24. Mr. Richard said STA is a tremendous partner in putting on this event and provides an excellent service for attendees and competitors. It shows how the employees of Spokane Transit go above and beyond their scope of work.

9. NEW BUSINESS

A. Election of Interim Board Chairman

The next STA Board Chairman is to be elected from one of the small city representatives. However, it is not known at this time who the appointees to the STA Board will be. **Mr. Pederson moved to appoint Ms. Van Orman as interim Board Chair. Ms. Mager seconded.** Mr. French said that in January the STA Board will include five new members. He is comfortable appointing a permanent Chair at this time. Mr. Richard agreed that putting an imposition on a new Board, five of whom have no transit experience, would not make sense. He agreed to appoint a permanent Chair at this meeting. Ms. McLaughlin agreed and added that expertise will be needed with a new Board. Mr. Rush said it was presumptuous to let an exiting Board decide. Mr. Pederson agreed. Ms. Meyer said Patrick Rushing is the likely appointee for Airway Heights and he has experience on the Board. Ms. McAloon reminded the Board that when the Town of Millwood was to elect a Chair they decided to ask Mr. Sayrs of Liberty Lake to serve since he had transit experience. Mr. Richard said the SRTC and Health Boards have both already elected Chairs for 2010. In the past the STA Board has done the same at their December meeting. **Mr. Richard offered a friendly amendment to strike the word "interim" and insert "for 2010." Mr. French seconded.** Mr. Richard said Ms. Van Orman is the best choice

for continuity. She has shown a commitment and a desire to learn. Discussion ensued about the terms of the Chair, Chair Pro Tempore, and appointment to the Executive Committee. **The amended motion passed with Mr. Munson, Mr. Rush and Mr. Pederson abstaining.**

**Mr. French moved to nominate Ms. McLaughlin as Chair Pro Tempore for 2010. Mr. Richard seconded.** Mr. French said she has the greatest length of tenure and experience from the City of Spokane. Mr. Rush said he had the same objection as before; no appointments have been made by the City of Spokane to the STA Board yet. Ms. McLaughlin said she has been on the STA Board for four years and would like to continue. **The motion passed with Mr. Munson, Mr. Rush, Ms. Mager and Mr. Pederson abstaining.**

B. Proposed 2010 Committee and Board Meeting Calendar

**Mr. French moved to approve the 2010 Committee and Board meeting calendar as presented. Mr. Richard seconded and the motion passed unanimously.**

10. BOARD MEMBERS' EXPRESSIONS

A. Presentation of Commendation to Al French (Retiring Board Member)

B. Presentation of Commendation to Rich Munson (Retiring Board Member)

C. Presentation of Commendation to Matthew Pederson (Retiring Board Member)

Mr. Denenny presented Mr. French, Mr. Munson, and Mr. Pederson with plaques of commendation and thanked them for their exemplary service to public transportation.

D. Presentation of Gavel to 2010 Board Chairman

Mr. Denenny presented the gavel to the new Board Chairman, Mayor Wendy Van Orman.

F. Presentation of Commendation to Dick Denenny

Ms. Meyer presented Mr. Denenny with a plaque of commendation as the 2009 Board Chairman. She thanked him for his outstanding leadership.

Mr. French said he wanted to express his appreciation to Ms. Meyer for her dedication to Spokane Transit. He explained that she has voluntarily directed the payroll department to waive a wage increase that would have been due to her for 2010. He commended her for setting this example and exemplifying her leadership of the organization. The Board gave Ms. Meyer a standing ovation.

Ms. McLaughlin said the Federal Omnibus bill has been passed and presented to the President for signature on December 15. It is likely that transit will get a portion of the funds in addition to highways and rail. Ms. Meyer said, following Senator Patty Murray's advocacy, \$1.27M in federal appropriations has been approved for STA's bus hybridization project as part of the omnibus bill.

Mr. Pederson thanked Board members and staff and recognized the proficiency of staff at Spokane Transit. He added that the turnaround the agency has made has been substantial.

Mr. Munson said he has enjoyed being on the Board and also commended staff for their level of professionalism.

Mr. Rush left at 8:49 p.m.

11. EXECUTIVE SESSION

At 8:50 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 9:05 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 at the open public session.

At 9:05 p.m., Ms. McAloon returned to announce the Board would reconvene at 9:10 p.m.

At 9:10 p.m., Ms. McAloon returned to announce the Board would reconvene at 9:15 p.m.

At 9:15 p.m., the Board of Directors reconvened and Chair Van Orman declared the meeting back in open public session.

12. CABLE 5 BROADCAST DATES AND TIMES OF THE DECEMBER 16, 2009 BOARD MEETING:

Saturday, December 19, 2009	4:00 p.m.
Monday, December 21, 2009	10:00 a.m.
Tuesday, December 22, 2009	8:00 p.m.

13. NEXT COMMITTEE MEETINGS (1230 West Boone Avenue, Spokane, Washington):

Operations & Customer Service	January 6, 2010, 1:30 p.m. (Southside Conference Room)
Citizen Advisory Committee	January 13, 2010, 5:00 p.m. (Northside Conference Room)

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

15. NEXT PUBLIC HEARING: Wednesday, January 20, 2010, 5:30 p.m., City Hall Council Chambers, 808 West Spokane Falls Blvd, Spokane, Washington to discuss:

Draft 2010 – 2015 Transit Development Plan

16. ADJOURNED

With no further business to come before the Board, Chair Van Orman adjourned the meeting at 9:21 p.m.

Respectfully submitted,

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