

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

BOARD OF DIRECTORS

Draft Minutes of the March 21, 2013, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Chuck Hafner, City of Spokane Valley, Chair
Gary Schimmels, City of Spokane Valley
Nancy McLaughlin, City of Spokane
Amber Waldref, City of Spokane
Mike Allen, City of Spokane
Shelly O'Quinn, Spokane County
Art Kulibert, Small Cities Representative
(Medical Lake)
Richard Schoen, Small Cities Representative
(Millwood)
Rhonda Bowers, Labor Representative

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Steve Blaska, Director of Operations
Karl Otterstrom, Director of Planning
Lynda Warren, Director of Finance
Steve Doolittle, Director of Human Resources
Lynn Holmes, Assistant Director of Finance
Molly Myers, Communications Manager
Susan Millbank, Ombudsman & Accessibility Officer

MEMBERS ABSENT

Al French, Spokane County

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

1. CALL TO ORDER AND ROLL CALL

Chair Hafner called the meeting to order at 10:00 a.m. and conducted roll call.

2. APPROVE BOARD AGENDA

Mr. Allen moved approval of the agenda, Ms. Waldref seconded and the motion passed unanimously.

3. PUBLIC EXPRESSIONS

None.

4. RECOGNITIONS AND PRESENTATIONS

A. John Nine, Maintenance Foreman, Retirement

Mr. Blaska said Mr. Nine has spent 22 successful years in the Maintenance Department at STA following 22 years in the Air Force. As Sunrise Shift foreman he trained and mentored mechanics and was instrumental in the Quality Counts program, setting up and coordinating the cleaning efforts. Mr. Blaska thanked Mr. Nine for his service and said he will be greatly missed.

5. PUBLIC HEARING

A. Title VI Policies & Standards

Mr. Hafner opened the public hearing at 10:06 a.m.

Mr. Otterstrom explained that Title VI Policies & Standards are part of the Civil Rights Act and the federal government published a circular in October, 2012 updating requirements and guidelines for federal grant recipients. The deadline for compliance is March 31, 2013. The tenant of the guidelines is that minorities and low income people must not be discriminated against.

The service policies address:

- Distribution of Transit Amenities for each mode
- Vehicle assignment for each mode
- Major service changes

- Disparate Impact Policies (minorities)
- Disproportionate Burden Policy (low-income)

The service standards address:

- Vehicle load for each mode
- Vehicle headway for each mode
- On-time performance for each mode
- Service availability for each mode

Mr. Otterstrom added that comments have been received from various jurisdictions including Spokane Regional Transportation Council (SRTC). The final draft was recommended to the Board for approval by the Planning & Development Committee and staff will request Board approval under item 7.A.

Ms. Bowers asked why the public hearing was not held in the evening.

Ms. Meyer said when the Board approved moving their meetings to the Boone Avenue facility during the day, it was agreed that only certain public hearings such as the budget and major service changes would be held in the evening.

Ms. McAloon added that the public can write in with their comments and also express them on STA's website.

Mr. Hafner asked for public comment three times. There was none.

He closed the hearing at 10:15 a.m.

6. **BOARD ACTION – CONSENT AGENDA**

Ms. McLaughlin moved to approve the following consent agenda items 6. A through D. Mr. Allen seconded and the motion passed unanimously.

- A. Approve the minutes of the February 21, 2013 Board meeting.
B. Approve the following vouchers and payroll for February, 2013:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers	Nos. 575197 - 575583	\$ 3,939,060.29
Workers Comp Vouchers	Nos. 210919 - 211057	\$ 119,520.60
Payroll 02/08/2013	ACH – 02/08/2013	\$ 997,374.51
Payroll 02/22/2013	ACH – 02/22/2013	\$ 999,850.28
WA State – DOR (Use Tax)	ACH – W0640	\$ 8,563.09
FEBRUARY TOTAL		\$ 6,064,368.77

- C. Approve an Interlocal Agreement with Spokane Regional Transportation Council (SRTC).
D. Award a construction contract for the Emergency Generator Replacement Project to the responsive and responsible low bidder Colvico, Inc., for the Base Bid Amount of \$258,790 plus Washington State sales tax (WSST), plus a 15% construction contingency as allowed by STA's Procurement Policy.

7. **BOARD ACTION – COMMITTEE RECOMMENDATIONS**

Planning & Development Committee:

- A. Title VI Policies & Standards

This item was the subject of the public hearing under item 5.A.
There were no comments from the Board.

Mr. Schoen moved to approve the proposed Title VI Policies & Standards as recommended by the Planning & Development Committee. Ms. Waldref seconded and the motion passed unanimously.

8. **BOARD ACTION - OTHER**

None.

9. **BOARD OPERATIONS COMMITTEE:**

A. **Chair's Report**

Mr. Hafner reported that the streamlining of Board and Committee work was discussed and the March Board agenda reviewed.

10. **PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:**

A. **Chair's Report**

i. **Year End 2012 Financial Results Summary**

Mr. Allen asked Ms. Warren to present this item.

Ms. Warren said the financial results and budget forecast (item 11.A.i) will be presented together.

Revenues & Expenses

The operating revenue is 2.6% above budget and includes passenger fares, Eastern Washington University passes, vanpool fares, and advertising revenue.

Sales tax revenue is 2.9% over budget with the month of February 3.4% over 2012. Revenue for March, representing January sales, is expected soon. The last four months of 2012 were over budget as are the first two months of 2013. This is a positive trend.

Federal and State grants revenue is 4.5% above budget.

The total revenue variance for 2012 is 3.1% over budget for a total of \$62.7M. Operating revenue exceeded operating expenses by \$6.4M.

There is a \$50.2M cash balance. It should be noted that the federal government paid for two years' worth of a grant that had not been paid in 2011.

Ms. Meyer advised that the cash balance above the Board designated reserves will be consumed by capital projects.

Capital report

The budget for revenue vehicles was exceeded due to the purchase of paratransit vans for the new contractor, MV. The purchase of these vans saved \$800K and some 2011 vans were received and paid for in 2012. These vans are registered under MV, not STA.

Budget Forecast Model

The forecast model has been revised to start in 2011. The red cash balance line crosses the Board designated reserves line in the third quarter of 2016. The sales tax assumptions used for the 2013 budget through 2016 were very conservative at zero and 1% growth.

Ms. Meyer said capital will be needed for fleet replacement in the out years and STA is still on track for a ballot measure in the spring of 2014.

Ms. Bowers asked what percentage of funding for replacement vehicles is obtained through federal grants.

Ms. Meyer said federal grant Section 5307 is used for preventive maintenance; local funds are used to purchase replacement buses. In the past, there were several federal appropriations obtained to purchase hybrid buses but these have been stopped.

Mr. Otterstrom added that in the past transit agencies relied on Section 5309 funding for replacing their fleet but that is no longer available. Some federal funds are available for the purchase of paratransit vans but those opportunities are limited.

Ms. Meyer said STA has always planned for the funding of its replacement fleet. Those agencies which relied on federal funds are in crisis as a result of the cuts.

Mr. Hafner mentioned that the new streamlined process of reporting from the recommendation of the Performance Monitoring & External Relations committee was used successfully in this presentation.

Ms. Meyer said the favorable 2012 end-of-year financial results have given STA another year before the cash balance goes below the designated reserves.

11. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

i. Budget Forecast Update – reported above.

Ms. Waldref said she chaired the meeting for Mr. French in his absence. The committee continued its review of the High Performance Transit (HPT) corridors. Meetings of the Corridor Advisory Panels (CAP) have taken place as well as Open Houses to give the public the maximum opportunity to provide input.

Ms. Waldref asked Mr. Otterstrom for an overview.

ii. High Performance Transit Corridor Review

Mr. Otterstrom reported that ridership has increased to almost the record level experienced in 2009 and there are fewer routes than at that time. Paratransit demand is twice per capita than that of other systems nationwide and vanpool has double digit growth.

Over the next 20 years the Spokane County population is expected to increase by 100K which could mean a demand in transit ridership of 14 – 19M annually. It is important that Spokane Transit is ready to meet these demands.

Phase III of STA Moving Forward will take place in the fall of 2013 and will address implementation scenarios.

Conceptual projects include:

- Seven connection facilities
- Six distinct HPT corridors
- Basic and commuter service improvements
- Infrastructure and service requirements to sustain and maintain the system

Mr. Otterstrom described the three proposed lines (green, red and blue) and appropriate modes of travel (e.g. bus, streetcar, rail, etc.).

The six corridors are:

- Central City
- I-90 West (Cheney)
- North Division
- North Monroe/South Regal
- I-90 East (Valley)
- East Sprague

Mr. Otterstrom said each corridor would increase ridership with investments in vehicles, connection facilities, and infrastructure such as shelters and improved sidewalks.

Ms. McLaughlin asked how the anticipated gains in ridership can be projected.

Mr. Otterstrom said staff looked at current ridership and anticipated the increased ridership when other factors such as increased frequency of service were added. He said the estimates are conservative and 110K more rides would indicate a 1% increase in service.

He emphasized the need to plan and work with other jurisdictions to discuss such priorities as land use and signal priority. There are large parcels of land with parking lots available near some corridors.

Mr. Schimmels left at 10:50 a.m.

The following table shows the Open House schedule. The event on April 10 is an Open House for all the corridors.



STA MOVING FORWARD

Open House Schedule

Date	Meeting	Location	Time
3/6	Cheney HPT Corridor Open House	Wren Pierson Community Center 615 4 th Street, Cheney	4pm-6:30pm
3/13	Division HPT Corridor Open House	Northtown Mall (Next to Barnes & Noble)	2pm-6pm
3/20	North Monroe – South Regal HPT Corridor Open House	River Park Square (outside Nordstrom)	11am-2pm; 4:30pm-6pm
3/27	Valley HPT Corridors Open House	Spokane Valley Mall (next to Food Court)	2pm-6pm
4/10	STA Moving Forward Open House	Lincoln Center 1316 N Lincoln Street	4:30pm-7pm



For comprehensive information on STA's Moving Forward project, visit the following website:

www.stamovingforward.com

12. **CEO REPORT**

Ridership

Ms. Meyer reported that fixed route ridership in February decreased 0.3% over February 2012 for a year to date increase of 3.4% and a 3.3% increase in average weekday ridership. Paratransit ridership decreased 4.6% over February 2012. There was one less weekday in February 2013 than in February 2012.

Mini Hybrid - Engineered Machine Products (EMP)

STA's Maintenance Department performed tests to evaluate the results of a 60' coach they equipped with 'mini-hybrid' technology. The EMP cooling system is a fuel saving measure. The tests showed a 5.4% increase in fuel economy (annual savings of \$1,760 at \$3.33 per gallon). An added benefit is a large reduction in the hydraulic fluid used by a standard engine cooling system. For comparison, fully equipped Hybrid Diesel-Electric coaches get a 15% increase in fuel economy over regular diesel buses. Mr. Blaska said that maintenance staff – Don Reimer, Todd Griffith and Charlie Phillips – watched this technology develop and saw its success in other agencies. Staff will be ordering the EMP technology to be included in the 2014 bus procurement.

Traffic Trends

Ms. Meyer showed a graph of trends in Spokane County between 1995 and 2011 for plane trips; traffic on I-90, the Monroe Street bridge, state routes; and, bus ridership. STA ridership is dramatically higher

compared to the population growth and it the first time the County Annual Vehicle Miles of Travel (AVMT) and traffic on I-90 and state routes has dropped below the population growth since 1996. Traffic on the Monroe Street bridge dropped significantly between 2006 and 2009.

Legislative Update

Representative Alexander is considering a bill to suspend the provisions that mitigate the negative impacts to local sales tax revenue experienced by some local jurisdictions due to Washington's participation in the Streamlined Sales and Use Tax Agreement. These mitigation payments are worth approximately \$207K to STA and would cause a considerable impact on transit and other local government agencies. It is proposed that those funds would be re-routed to fund education at the K-12 grade level.

13. BOARD INFORMATION

- A. Committee Minutes
- B. January 2013 Financial Results Summary
- C. February 2013 Sales Tax Summary
- D. 2012 Year End Performance Measures
- E. January 2013 Operating Indicators
- F. 2012 State Audit
- G. Preliminary Proposed September 2013 Service Changes

14. NEW BUSINESS

None.

15. BOARD MEMBERS' EXPRESSIONS

Mr. Allen attended the American Public Transportation Association (APTA) Legislative Conference in Washington, D.C. with Ms. Meyer in early March. He learned a lot about transit issues and was impressed by Ms. Meyer's relationship building in Washington D.C.

16. EXECUTIVE SESSION

At 11:15 a.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purposes:

1. Discussing, planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining.
2. Discussion with legal counsel representing STA in litigation or potential litigation to which STA, the STA Board of Directors, or STA employees are, or are likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to STA.

The STA Board of Directors will reconvene in open session at approximately 11:25 a.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. No action is anticipated.

At 11:25 a.m., Mr. Doolittle announced the Board of Directors will reconvene at 11:35 a.m.
At 11:35 a.m., Mr. Doolittle announced the Board of Directors will reconvene at 11:45 a.m.
At 11:45 a.m., Mr. Doolittle announced the Board of Directors will reconvene at 11:55 a.m.
At 11:55 a.m., Mr. Doolittle announced the Board of Directors will reconvene at 12:00 p.m.

At 12:00 p.m., Mr. Otterstrom announced the Board of Directors will reconvene at 12:05 p.m.

At 12:05 p.m. the Board of Directors reconvened and Chair Hafner declared the meeting back in public session.

Mr. Otterstrom announced he and Mr. Hafner will be heading a bus tour of routes in the Spokane Valley on Wednesday, April 3, 2013. Interested Board members are advised to meet at Boston's Pizza, 14004 East Indiana, at 2:10 p.m. The tour will return to Boston's Pizza at 4:30 p.m.

17. **ADJOURNED**

With no further business to come before the Board, Chair Hafner adjourned the meeting at 12:06 pm.

Respectfully submitted,

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

A video of the Board meeting may be viewed on STA's website
www.spokanetransit.com the day after the meeting.

Cable 5 Broadcast Dates and Times of March 21, 2013 Board Meeting:

Saturday, March 23, 2013	4:00 p.m.
Monday, March 25, 2013	10:00 a.m.
Tuesday, March 26, 2013	8:00 p.m.

Next Committee Meetings (STA Conference Rooms, West Boone Avenue, Spokane, Washington):

Performance Monitoring & External Relations	April 3, 2013, 10:00 a.m. (Southside) 1229 West Boone
Planning & Development	APRIL MEETING CANCELLED
Board Operations	April 10, 2013, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, April 18, 2013, 10:00 a.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.