

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

BOARD OF DIRECTORS

Draft Minutes of the March 19, 2015, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Tom Trulove, Small Cities Representative
(Cheney), *Chair*
Patrick Rushing, Small Cities Representative
(City of Airway Heights)
Amber Waldref, City of Spokane
Karen Stratton, City of Spokane
Jon Snyder, City of Spokane (*Alternate*)
Chuck Hafner, City of Spokane Valley
Ed Pace, City of Spokane Valley
Shelly O'Quinn, Spokane County (*by phone*)
Al French, Spokane County
Rhonda Bowers, Labor Representative

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Steve Blaska, Director of Operations
Lynda Warren, Director of Finance & Information Services
Karl Otterstrom, Director of Planning
Steve Doolittle, Director of Human Resources
Beth Bousley, Director of Communications & Customer Service
Susan Millbank, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAlloon, K & L Gates LLP (*by phone*)

MEMBERS ABSENT

Candace Mumm, City of Spokane

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

Chair Trulove called the meeting to order at 1:30 p.m. and conducted roll call.

2. **APPROVE BOARD AGENDA**

Mr. Hafner moved to approve the agenda, Mr. Snyder seconded and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

None.

4. **RECOGNITIONS AND PRESENTATIONS**

None.

5. **BOARD ACTION – CONSENT AGENDA**

Mr. French moved to approve the following consent agenda items 5. A through C. Mr. Pace seconded and the motion passed unanimously.

A. Approve the minutes of the February 19, 2015 Board meeting.

B. Approve the following vouchers and payroll for February 2015:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (February)	Nos. 584122-584464	\$ 3,098,660.56
Workers Comp Vouchers (February)	Nos. 214309-214480	\$ 74,645.39
Payroll 02/06/2015	ACH – 02/06/2015	\$ 1,093,709.20
Payroll 02/20/2015	ACH – 02/20/2015	\$ 1,085,867.27
WA State – DOR (Use Tax)	ACH – W0640	\$ 8,378.81
FEBRUARY TOTAL		\$ 5,361,261.23

C. Authorize submission of Congestion Mitigation and Air Quality (CMAQ) grant applications.

6. **BOARD ACTION – COMMITTEE RECOMMENDATIONS:**

Planning & Development Committee

A. Request for Approval of West Plains Transit Center Preferred Alternative

Mr. Otterstrom explained that preliminary design of the West Plains Transit Center includes the preparation of an Interchange Justification Report (IJR) to justify a break in access along I-90 as required by the Federal Highway Administration (FHWA). A break in access includes the construction of flyer stops. Four alternatives have been reviewed, evaluated and ranked by the West Plains Transit Center Technical Committee:

Alternative #1 “Base Condition”	Alternative #2	Alternative #3A	Alternative #3B
<ul style="list-style-type: none">• Park and ride lot only• No flyer stops• No pedestrian bridge	<ul style="list-style-type: none">• Westbound center median flyer stop• Eastbound off-ramp flyer stop• Pedestrian bridge connection	<ul style="list-style-type: none">• Westbound on-ramp flyer stop• Eastbound off-ramp flyer stop• Pedestrian bridge connection	<ul style="list-style-type: none">• Westbound shoulder flyer stop• Eastbound off-ramp flyer stop• Pedestrian bridge connection
<ul style="list-style-type: none">• Buses would exit I-90, cross to the south side and service the park and ride lot and other connecting routes	<ul style="list-style-type: none">• Westbound buses would exit I-90 in the center median, load/unload and continue on to Cheney• Eastbound buses would exit I-90, stay within the off-ramp area, load/unload and continue on to Spokane• West Plains connecting routes would provide connections to the park and ride lot	<ul style="list-style-type: none">• Westbound buses would exit I-90, proceed to the on-ramp stop, load/unload and continue on to Cheney• Eastbound buses would exit I-90, stay within the off-ramp area, load/unload and continue on to Spokane• West Plains connecting routes would provide connections to the park and ride lot	<ul style="list-style-type: none">• Westbound buses would exit I-90 at the shoulder stop, load/unload and continue on to Cheney• Eastbound buses would exit I-90, stay within the off-ramp area, load/unload and continue on to Spokane• West Plains connecting routes would provide connections to the park and ride lot

Mr. Pace asked if the customers would primarily be students heading east.

Mr. Otterstrom explained that this is a multi-modal facility including a park and ride lot for people working in downtown Spokane or the Spokane Valley. It will be very useful for students going to Cheney as well as riders going to the West Plains area in general.

Mr. Rushing arrived at 1:46 pm.

Mr. French said the Caterpillar Company in Airway Heights is very interested in the project and the President of the new warehousing distribution facility has asked when his employees will be able to use transit.

Mr. Snyder asked if state funding is in the transportation package and is STA in agreement with the plans Washington State Department of Transportation has for that area.

Mr. Otterstrom said part of the funding is from the state and staff works closely with WSDOT.

Ms. Bowers said West Plains Transit Center will be a satellite for transit service in that area.

Mr. Otterstrom added that it will provide connections between Medical Lake, Cheney and Airway Heights without the need for riders to transfer in downtown Spokane.

Mr. Trulove said the core stakeholder group has met several times and is very supportive of the plan.

Mr. Otterstrom said the flyer stops will pay for themselves over 10 years. He added that there will be a public open house at the Spokane airport on March 24 with a focus on design. The project will be funded as part of the Moving Forward plan and a state Regional Mobility grant. It is anticipated that property acquisition and 30% design will begin this year.

At their February 11, 2015 meeting, the West Plains Transit Center Core Stakeholder Group unanimously accepted the alternatives analysis and recommended Alternative #2 to the STA Board for approval.

The Planning & Development Committee recommended the Board approve Alternative #2 as the preferred alternative for the West Plains Transit Center for purposes of the Interchange Justification Report and further design development contingent on the completion of the Spokane County Essential Public Facilities siting process.

Mr. French moved approval as presented, Mr. Rushing seconded and the motion passed unanimously.

Board Operations Committee

6. B. Public Transportation Improvement Conference (PTIC)

Mr. Trulove said the Public Transportation Improvement Conference (PTIC) met on February 19, 2015 and reviewed the composition of the STA Board. The outcome of this meeting was to adjust the Board composition by increasing the voting members from the small cities from two to three and to reduce the number of voting members from the City of Spokane from three to two. He added that immediately following the meeting, Legal Counsel incorporated these changes to the STA Bylaws as a draft (document #1 in the Board packet with changes in red text) and the Clerk forwarded this draft to all jurisdictions in the Public Transportation Benefit Area (PTBA) for review and comment. Mr. Trulove's was the only comment received suggesting that the third seat on the Board for the small cities be taken from the current rotation schedule – Liberty Lake. He also suggested that a small city should appoint an alternate from its own elected officials or one of the other small cities. These amendments were included in document #2 (in blue text) in the Board packet and if the Board wishes to adopt these changes, the Clerk will need to forward this draft to the jurisdictions before action can be taken.

Ms. O'Quinn suggested adopting the changes in document one (red text) that the PTIC approved and has already been sent out to the jurisdictions. She added that the additional suggestions by Mr. Trulove could be circulated and discussed at the April Board meeting.

Mr. French said the proposed Bylaws amendments do not include the Chair rotation.

Ms. McAloon agreed and added that this issue was not discussed at the recent Board Operations Committee meeting.

Ms. O'Quinn reiterated that the PTIC approved amendments should be adopted now.

Mr. Snyder asked Mr. Trulove if the Bylaws could be approved next month when Ms. Mumm would be present.

Ms. Waldref said the amendments need more work and there could be several changes, for example, weighted voting.

Mr. Rushing commented that weighted voting defeats the purpose of the PTIC's decision. Two entities combined could control the Board.

Mr. Hafner agreed and said the other Bylaws changes can be made at the next meeting.

Ms. O'Quinn moved to approve the STA Bylaws that have been circulated to jurisdictions and adopt the decision of the PTIC. Mr. Rushing seconded for the purpose of discussion.

Ms. McAloon explained the difference between the two documents outlining the Bylaws amendments. She added that at the January Board meeting, the Bylaws were changed with regard to the rotation of the Chair position. A majority of seven votes would be required to change the Board Chair rotation. Ms. Waldref said she was against the motion since the Bylaws need more discussion and clarification. Mr. Hafner agreed with the motion; the PTIC decision should be adopted now and other clarifications can come later.

Mr. Rushing likes the amendments but would appreciate further discussion with the small city Mayors. Mr. Pace sees no reason to delay the PTIC decision.

Ms. McAloon confirmed that there is no legal reason not to adopt the PTIC decision today.

Mr. Hafner offered that once the three small city representatives are seated on the Board, the debate will be more comprehensive regarding alternates and Chair rotation.

Ms. O'Quinn commented that this is a stalling tactic.

Mr. Snyder called for the question, Mr. French seconded and the motion passed unanimously.

Ms. O'Quinn's motion on the floor failed 5 to 4 with Ms. O'Quinn, Mr. Rushing, Mr. Hafner and Mr. Pace in favor; and Ms. Waldref, Mr. French, Ms. Stratton, Mr. Snyder and Mr. Trulove opposing.

Ms. O'Quinn suggested discussion today so that the item will be ready for action in April and there will be time to circulate the amended draft Bylaws to the jurisdictions.

Mr. Trulove said he did not believe agreement could be reached at today's meeting.

Mr. French moved to request Legal Counsel to draft a new set of amended Bylaws, adding a change of vote from 7 to 6 to change the rotation of the Chair. Mr. Rushing seconded.

Ms. Waldref said there was an informal decision at the December 2013 Board meeting to switch the Chair rotation from small cities to the City of Spokane since neither of the two small city members desired to become Chair at that time. In January 2015, the Board appointed Mr. Trulove to the Chair position and amended the Bylaws so that a Chair could be appointed out of rotation with a vote of 7 out of 9 Board members so that no two entities could block the vote. Mr. French is now suggesting that be changed to six.

Mr. Snyder commented that some Boards he serves on are moving away from rotations and a member who wishes to be Chair can be appointed if agreeable to the Board. Some Chairs serve for two years.

Mr. Hafner was not in agreement about making this decision when the third small city representative is not yet on the Board.

Ms. McAloon added that the proposed Bylaws amendment from Mr. Trulove includes a change regarding small city alternates. Currently an alternate must come from another small city not on the Board; the change would allow a small city to select an alternate from its own elected officials.

Mr. Trulove said he also had an idea to add two ex-officio members from the small cities not on the Board so that they would be educated and connected.

Ms. McAloon added that once the draft is complete it will need to be circulated to all the jurisdictions and the Board can take action at the April meeting. The Board is not required to adopt all the amendments if they do not agree with them. Comments on the draft should be sent to Legal Counsel or the Board Chair, Mr. Trulove.

**Mr. Hafner called for the question, Mr. Snyder seconded and the motion passed unanimously.
The motion on the floor passed unanimously.**

Ms. O'Quinn said discussion on the other changes to the Bylaws could take months; the PTIC change needs to be made as soon as possible.

Ms. McAlloon said the deadline for circulating the Bylaws would be April 3. Any suggestions from the Board need to be made before then.

Mr. French suggested moving the April Board meeting from April 16 to 23 to allow more time and in the event that there would be no quorum at the April 16 meeting due to meeting conflicts by several Board members.

Discussion ensued about a date for the April Board meeting, noting that there would be a conflict with the Health District Board the afternoon of April 23.

Mr. Snyder moved to change the STA Board meeting from April 16 to April 23, 2015; make a request to the Health District Board to change their Board meeting to April 30; and, use April 3, 2015 as the deadline for submission of Board comments regarding the Bylaws to Legal Counsel. Ms. Waldref seconded and the motion passed unanimously

7. **BOARD ACTION – OTHER:** None.

8. **BOARD OPERATIONS COMMITTEE:**

A. **Chair's Report**

Mr. Trulove said the PTIC meeting and STA Bylaws were discussed.

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

A. **2014 Unaudited Year-End Financial Report**

Ms. Waldref said the committee discussed the 2014 performance measures and financial report.

Ms. Warren gave the financial report and forecast. The figures are unaudited at present but the state auditors are on property now and no changes are expected.

Operating Revenue (2% under budget; \$224K)

A change to the STA employee bus pass program to match the Universal Transit Access Pass (UTAP) like other employers resulted in a budget difference.

Sales Tax Revenue (5.5% over budget; \$2.5M)

Every month in 2014 showed an increase over the previous year. Prior to the recession the highest year for sales tax revenue was 2007 and 2014 surpassed that year by 2.8%.

Federal & State Grants Revenue (6.4% over budget; \$608K)

These grants are over budget primarily due to the timing of capital purchases.

Miscellaneous Revenue (72% under budget; \$318K)

Interest income was at ¾ of one percent and the revenue from the disposal of salvage items was lower than anticipated.

Fixed Route Expenses (5.7% under budget; \$2.4M)

These expenses were lower than expected due to the lower cost of fuel and less vehicle repairs.

Paratransit Expenses (8% under budget; \$950K)

Paratransit labor and benefits were lower than anticipated due to the timing of the labor contract settlement.

Vanpool Expenses (12.1% under budget; \$104K)

Vanpool covered all its operating and administrative expenses.

Administrative Expenses (8.1% under budget; \$584K)

These expenses were lower due to the timing of hiring staff and obtaining computer related materials.

Expense summary

STA ended the year 2014 at \$4M under budget.

Ms. Waldref asked about replacing the electric batteries on the hybrid vehicles.

Mr. Blaska said replacements were budgeted but the vehicles have not yet needed them. Those funds have been rolled into the 2015 budget.

2014 Budget Summary

Favorable revenue budget variance	\$2.6M
Favorable expense budget variance	<u>\$4.0M</u>
<u>Total</u> favorable budget variance	\$6.6M

Cash Balance

The balance is \$59M cash including \$21M in reserves.

Forecast

The Board reviewed the forecast last November and at that time the reserve line was crossed in the 2nd quarter of 2017.

With a 2.5% sales tax trend assumption in the adopted budget, the line moved to the 1st quarter of 2018. If the sales tax trend had been projected at 3%, the line would have moved to the 3rd quarter of 2018.

Mr. French commented that during the recession years (2008 – 2012) the reserve account did not grow at the same rate as normal years; since sales tax revenue decreased and funding for fleet replacement suffered. He added that it takes several years of revenue growth to make up for capital expenses. If revenue had grown with the budgeted trend from 2007 there would have been approximately \$82M in reserves – an amount needed for fleet replacement.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Updated Financial Forecast

The presentation in item 9.A. refers to the financial forecast as well as the financial report.

11. CEO REPORT

Ridership

Ms. Meyer reported that fixed route ridership in February decreased by 0.8% over February 2014 for a year-to-date decrease of 2.2%. Ridership by students at the Spokane Community Colleges and Eastern Washington University showed a slight decrease. Paratransit ridership decreased 3.5% over February 2014 with 4.1% decrease year-to-date. Vanpool ridership decreased by 7.0% over February 2014 for a year to date decrease of 7.3%. The number of riders in the vans decreased. It should be noted that February 2015 had the same number of weekdays as February 2014.

Sales Tax Revenue

February 2015 sales tax revenue (based on December sales) increased by 8.8% (\$390K) above February 2014 for a year-to-date increase of 7.9% over budget.

Operating Expenditures

Operating expenditures through January 2015 were 9.3% (\$512K) under budget, mostly due to lower than anticipated fuel costs at almost 40% below budget and the timing of expenditures for computer services and materials.

State Legislative Update

The session is scheduled to end on April 26.

On March 26 the Senate may hear the multi-year transportation revenue bill and a supplemental budget for transportation agencies and programs for the 2015-2017 biennia. The supplemental budget has regional mobility grants which include the Central City Line project.

Washington D.C. Meetings

Ms. Meyer recapped the APTA Legislative conference she recently attended with Board Chair, Tom Trulove and Board member, Al French. There is concern about the lack of re-authorization of the transportation bill MAP-21 but it is anticipated that there will be extensions to the deadline. Ms. Meyer and Mr. French met with Congresswoman McMorris Rodgers and Senator Cantwell, and also with staff from the Federal Transit Administration (FTA) regarding a Small Starts grant application for the Central City Line. FTA staff was pleased with the progress made to date including work with the bus manufacturers on a Buy America compliant vehicle, and they requested a copy of the Economic Development analysis. They are waiting to enter STA into project development until the state approves a grant of \$1.7M. The Central City Line project is ranked sixth in the state.

Ms. Meyer said the New Flyer bus manufacturer sent her designs of a sleek battery electric bus. STA is required to do a competitive procurement or purchase vehicles off the state contract.

WAVE (Wireless Advanced Vehicle Electrification) has four conductive charging projects currently with proposals for three more.

STA Moving Forward/Proposition 1

Staff has compiled a chart showing the use of new revenue for 2016 – 2025 should the ballot initiative be successful.

The estimated new revenue generated is \$270M over ten years and \$5M cash on hand will be added totaling \$275M.

Maintaining service including fleet replacement is estimated at 42% (\$117M).

New service including the Moving Forward projects is estimated at 58% (\$158M).

The estimates were 45%/55% respectively in the ballot brochure that was calculated in 2014.

Ms. Waldref asked if it included fares or other revenue sources such as grants.

Ms. Meyer said it does not.

Mr. Rushing commented that the decrease in February 2015 ridership could be due to lower gas prices.

Mr. French also added that the winter this year has been mild; snow usually produces more transit riders.

12. BOARD INFORMATION

- A. Committee Minutes
- B. January 2015 Financial Results Summary
- C. February 2015 Sales Tax Summary
- D. 2014 State Audit
- E. Year End 2014 Performance Measures
- F. Fixed Route System Ridership Analysis – 2014 Year End Summary
- G. January 2015 Operating Indicators
- H. Plaza Operating Tactics Evaluation
- I. STA Proposition 1 Public Education Update
- J. Bus Stop Policy Framework

13. NEW BUSINESS – None.

14. **BOARD MEMBERS' EXPRESSIONS**

Mr. Rushing commented that the bus shelter at Hayford Road in Airway Heights near Walmart does not meet ADA requirements.

Mr. Otterstrom said that unfortunately many bus stops and shelters have that problem due to the lack of amenities such as ADA compliant sidewalks. STA staff is working on improving those conditions.

Mr. Trulove said the APTA Legislative conference was very informative and he appreciated APTA's efforts to press the government to move forward on a long-term transportation bill.

Mr. French said he was encouraged by New Flyer's work on a new vehicle design that the STA Board and staff have envisioned. As of the end of 2015 it is hopeful that a new vehicle production will be underway in the United States. It will be five years before the CCL needs the vehicle. He added that he saw a similar vehicle in Las Vegas recently that was foreign made and purchased with local funds. He complimented Ms. Meyer on her diligence in working with the manufacturers; both New Flyer and WAVE.

15. **EXECUTIVE SESSION – None.**

16. **ADJOURNED**

With no further business to come before the Board, Chair Trulove adjourned the meeting at 3:30 p.m.

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 week after the meeting.

Cable 5 Broadcast Dates and Times of March 19, 2015 Board Meeting:

Saturday, March 21, 2015	4:00 p.m.
Monday, March 23, 2015	10:00 a.m.
Tuesday, March 24, 2015	8:00 p.m.

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

Planning & Development	April 1, 2015, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	April 1, 2015, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	April 6, 2015, 12:30 p.m. (Northside) 1230 West Boone

Next (Special) Board Meeting: Thursday, **April 23**, 2015, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington (**note: 4th Thursday**)