

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

BOARD OF DIRECTORS

Draft Minutes of the May 21, 2015, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Tom Trulove, Small Cities Representative
(Cheney), *Chair*
Steve Peterson, Small Cities Representative
(Liberty Lake)
Patrick Rushing, Small Cities Representative
(Airway Heights)
Amber Waldref, 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
Al French, Spokane County
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

None

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 McAloon, K & L Gates LLP

GUEST

Mayor Kevin Freeman, City of Millwood
Gordon Budke, Budke Consulting, PLLC

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. Pace moved to approve the agenda, Mr. French seconded and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

Mayor Freeman, Millwood

Mayor Freeman said that the City of Millwood will agree with any decision made by the small cities' representatives on the STA Board regarding the proposed amendments to the STA Bylaws.

Gordon Budke, Budke Consulting

Mr. Trulove introduced Mr. Budke as a retired Certified Public Accountant (CPA) who has his own financial consulting firm, serves on many boards, and is well regarded in Spokane's business circles. He volunteered his time 8 years ago to assist Spokane Transit with financial planning.

Mr. Budke said he was a previous critic of STA and changed his mind when he worked with staff on the financial planning process. He is pleased with STA's long term planning process and sound business assumptions. He is particularly impressed with the decision to operate with cash not debt and believes this to be a sound business judgment since major capital investments such as fleet replacement can be accomplished without the need to borrow money. He encouraged the Board to get this message out to the public. He praised STA's financial team for their efforts in financial stewardship.

Mr. French thanked Mr. Budke for his help with the financial planning and appreciated him coming to speak today. He added that STA has limited revenue with few sources that are not flexible.

Ms. O'Quinn asked if the Board is discussing finances and debt at this meeting.

Mr. Trulove said not as this meeting but will be doing so at the upcoming Strategic Planning & Budget Workshop in July.

Mr. Hafner also thanked Mr. Budke.

4. RECOGNITIONS AND PRESENTATIONS

A. Al Stewart, Fixed Route Mechanic – Retirement

Mr. Blaska said Mr. Stewart retired from STA after 27 years of service, and he earned 21 safety awards. He was so well thought of by his colleagues that they named their maintenance tow truck "Big Al" in his honor.

B. 2014 Safety Awards

Mr. Doolittle scrolled through the names of 257 employees who earned a safety award and read the names of those with between 25 and 35 years of safe service. Coach Operator, Claudia Davis has 35 years of safe service and Fixed Route Mechanic, Steve Caro has 36 years.

C. 2014 Perfect Attendance Awards

Mr. Doolittle scrolled through the names of employees with perfect attendance in 2014.

5. PUBLIC HEARING:

A. Bus Stop Policy Framework – Preliminary Draft Comprehensive Plan Amendments

Mr. Trulove opened the public hearing at 1:48 p.m.

Mr. Otterstrom said these are substantive changes to the Comprehensive Plan and address Americans with Disabilities Act (ADA) compliance. This is a two phased project with the public hearing and Scope of Work in Phase I. The proposed amendments to the Comprehensive Plan include:

- New High Performance Transit (HPT) stations and stops with a higher level of investment
- Design standards for bus stop areas
- ADA Transition Plan
- Periodic Review of Conditions
- Changes to Title VI policy to identify HPT facility standards for installing transit amenities

Ms. Waldref asked what the design standards are.

Mr. Otterstrom said they include at least the minimum requirements of ADA; lighting at shelters; and locations away from parking. He added that the design of shelters is not included. However, the City of Spokane's bus bench contract will soon expire so it would be preferable to work towards a similar, cohesive look for benches and shelters in the region.

Ms. Meyer said STA does not own or maintain any benches unless they are in a shelter. Each jurisdiction manages their own "bus" benches and any advertising allowed on them.

Mr. Peterson asked if there is advertising in shelters.

Ms. Meyer said there is not.

Mr. Trulove asked three times for comments from the public.

Hearing none, he closed the hearing at 2:00 p.m.

6. BOARD ACTION – CONSENT AGENDA

Ms. O'Quinn asked for a correction to the minutes to specify that she requested STA's marketing costs from January "of last year to present."

Mr. Rushing moved to approve the following consent agenda items 6. A through E with the minutes amended as requested. Ms. Waldref seconded and the motion passed unanimously.

- A. Approve the revised minutes of the April 23, 2015 Board meeting.
- B. Approve the following vouchers and payroll for April 2015:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (April)	Nos. 584846 - 585273	\$ 4,930,785.07
Workers Comp Vouchers (April)	Nos. 214620 - 214853	\$ 60,362.01
Payroll 04/03/2015	ACH – 04/03/2015	\$ 1,064,270.65
Payroll 04/17/2015	ACH – 04/17/2015	\$ 1,093,969.89
WA State – DOR (Use Tax)	ACH – W0640	\$ 7,629.20
Travel Advance Vouchers	Nos. 2012 – 2013	\$ 921.60
APRIL TOTAL		\$ 7,157,938.42

- C. Accept Bus Stop Signage Replacement Project and Pay Retainage.
- D. Award Contract for Armored Car & Cash Processing Services.
- E. Approve Valley Transit Center/Appleway Trail Parking Agreement.

7. BOARD ACTION – COMMITTEE RECOMMENDATIONS:

Board Operations Committee

A. Appointment of Board Members to Committees

Mr. Trulove recapped the decision of the Public Transportation Improvement Conference (PTIC) to change the composition of the STA Board. Since the STA Bylaws have now been amended to reflect the change in composition, it is proposed to replace Councilmember Stratton (City of Spokane) with Mayor Peterson (Small Cities representative from Liberty Lake) on the Performance Monitoring & External Relations Committee.

Mr. Hafner said he would like to see membership on the Board Operations Committee that reflects a member from each jurisdiction (four members).

Ms. McAloon said she would work with Mr. Hafner to draft a resolution that would change the Board Operations Committee composition.

Ms. O’Quinn asked if she should make a motion to adopt the resolution now.

Ms. McAloon said she recommends drafting a resolution and bringing it back to the Board next month to allow the Board to have the proposed language and changes to review prior to taking action.

Mr. French moved to direct Legal Counsel to compose a resolution to amend the composition of the Board Operations Committee to four members, one from each jurisdiction. Ms. O’Quinn seconded the motion.

Ms. Bowers said if changes are made to incorporate each jurisdiction, a labor representative should also be included.

Mr. Snyder asked if Mr. Peterson or Mr. Rushing are interested in serving on another STA committee and have the time and desire to do so.

Ms. O’Quinn requested a friendly amendment to Mr. French’s motion: Direct Legal Counsel to work with Board members to develop a resolution amending the composition of the Board Operations Committee to four or five members, representing each jurisdiction, with the intent to increase participation and bring this item back to the Board next month. Mr. French accepted the friendly amendment.

Mr. Trulove said all Board members are currently included in the Planning & Development Committee and Performance Monitoring & External Relations Committee except the Board Chair. The Board Operations Committee comprises the Chairs of each of those committees, the Board Chair, and the Chair Pro Tempore.

Mr. French asked Legal Counsel whether Board members represent the interests of STA or their own jurisdictions while serving on the STA Board.

Ms. McAloon said Board members are representatives of STA when they sit on this Board under the PTBA statute. She added that a duty of the Board Operations Committee is to recommend revisions to Board policy so this change in composition should go through the Board Operations Committee for recommendation to the full Board.

Mr. Trulove agreed the proposed amendment language should be presented to the Board Operations Committee and then to the full Board.

Ms. Bowers said she remembers when the Board Governance structure was changed and why. It was mainly due to all business having to be discussed at the Board level resulting in four hour meetings.

Mr. French said he appreciated Ms. Bowers' comments and he also commented that the Board and Committee formats that came out of that Board retreat. He added that it was a streamlining effort since many hours had been previously spent in Board and Committee meetings. He said if the proposal is now to go back to more work, meetings, and a greater demand on Board members' time; they should be committed to attend these meetings.

Mr. Trulove said he learned a lot on the Board Operations Committee when he served last year as Chair Pro Tempore.

Mr. Snyder said that anyone can attend these meetings since they are open to the public.

Ms. Waldref said she has no problem with increasing membership in that committee.

Mr. Hafner clarified that the four representatives would be one from each of the following municipalities: Small Cities; City of Spokane; City of Spokane Valley; and, Spokane County.

The motion passed unanimously.

8. BOARD ACTION – OTHER:

A. Proposed STA Bylaws Amendments

i. Alternates

The proposed amendment is that an alternate member from a Small City may be a representative of that city. The current bylaws only allow for an alternate to be from a Small City not sitting on the Board.

Ms. O'Quinn moved approval of the amendment of the STA Bylaws regarding alternates (Section 2.2), Mr. Rushing seconded and the motion passed unanimously.

ii. Ex-Officio Directors

The proposed amendment is that Ex-Officio Board members (directors) may be included on the Board from the Small Cities not represented. They would participate in meetings and receive information packets but could not vote.

Mr. Trulove said the idea behind this is to keep the cities not represented involved and up-to-date in STA Board issues. They may also need to attend committee meetings.

Ms. O'Quinn suggested that they not be required to attend committee meetings.

Mr. Rushing, Mr. Pace and Mr. Snyder agree with the proposal.

Mr. Pace moved approval of the amendment of the STA Bylaws regarding Ex-Officio Directors (section 2.3), Ms. Waldref seconded and the motion passed unanimously.

iii. Weighted Voting

Ms. Waldref proposed a new Bylaws section 3.9 regarding weighted voting. She said the Spokane Regional Transportation Council (SRTC) added this to their bylaws as a result of larger cities losing some of their votes when smaller cities were added to the Board. She agreed that this is a complicated issue but values feedback from STA Board members on the proposal.

Mr. Rushing said STA and SRTC have no connection and SRTC has fees for membership on their Board.

Ms. Waldref said there is no RCW involved in SRTC's membership but they do balance the interests of many parties.

Mr. Pace said he believes in making government simpler; there is no connection to SRTC and the PTIC clearly indicated the composition of the STA Board.

Mr. Rushing said it does not make sense to give the City of Spokane more than one vote and the small cities less than one vote. This was not the intention of the PTIC.

Discussion followed regarding votes for jurisdictions depending on population and/or ridership.

Mr. Snyder disagreed with the PTIC decision since the one jurisdiction representing the majority of sales tax funding, population and ridership had a seat taken away. There may be a Title VI violation since it impacts more low income people in the City of Spokane in terms of representation.

Mr. Peterson said he served on the SRTC Board when they instigated the weighted vote and he does not remember it ever being used.

Mr. Rushing said the focus of the STA Board should be on STA as a whole and not on an individual jurisdiction's needs.

Mr. Snyder said there is no evidence of any jurisdiction being hurt by votes made by the City of Spokane Board members. In fact they were considerate of the needs of other jurisdictions.

Mr. Snyder moved approval of the amendment of the STA Bylaws to adopt Weighted Voting (section 3.9), Ms. Waldref seconded.

Mr. Hafner asked if this motion is voted down does it mean one vote for each jurisdiction.

Ms. McAloon said yes it would, as the PTIC determined.

Mr. Hafner and Mr. Pace said they would vote against the motion.

Mr. Peterson called for the question, Mr. Pace seconded.

The motion failed 5 to 4.

Ms. Waldref said at the PTIC the Board composition was discussed but not how voting would be weighted. Discussion on voting structures ensued.

The motion to amend the STA Bylaws to adopt weighted voting failed 6 to 3 as follows:

No – Mr. Trulove, Mr. Hafner, Mr. Pace, Ms. O'Quinn, Mr. Peterson, Mr. Rushing

Yes – Mr. Snyder, Ms. Waldref, Mr. French

Ms. McAloon said the STA Bylaws remain as written.

iv. Votes for Rotating Chair

Mr. French suggested reducing the number of votes needed to amend the rotation of the Board Chair from 7 to 6 votes.

Ms. O'Quinn moved approval of the amendment of the STA Bylaws to change the number of votes required to change the rotation of the Chair from seven to six (Section 4.1). Mr. Hafner seconded and the motion passed unanimously.

Ms. McAloon noted that the action recommended in item 7.A had not yet been taken.

Appointment of Board Members to Committees.

Mr. Hafner moved to confirm the appointment of Mayor Peterson, City of Liberty Lake, to the Performance Monitoring & External Relations Committee. The appointments of Spokane City Councilmembers Waldref and Mumm will continue as approved by the Board on January 15, 2015. Ms. Waldref seconded and the motion passed unanimously.

9. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Mr. Trulove reported that the recent ballot measure and its failure by a very narrow margin were discussed by the committee. A Board Workshop will be scheduled in June for the purpose of discussing the results and planning for the future. In order to prepare for the workshop, the Board Operations Committee and Chuck Hafner will meet to discuss the agenda at a date to be determined. Discussion ensued on the timing of these meetings.

Mr. Trulove said the committee also discussed leasing guidelines for the Plaza.

Ms. Meyer added that the Board set a tenant mix for the first floor and it is proposed that space on the second floor will be available for community events.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French said the committee discussed the Bus Stop Policy, Transit Development Plan, ballot exit polling and the Board workshop.

11. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Ms. Waldref said the committee reviewed, discussed, and recommended for approval consent agenda items 6.C, D and E. The committee decided to postpone an item regarding public outreach related to proposed fare increases until after the Board workshop. Staff has taken a preliminary look at whether fare increases are needed to meet the 20% farebox recovery and meet Title VI requirements. The committee also discussed marketing expenditures and how these are tracked, and staff from SRTC came to talk about Horizon 2040.

12. CEO REPORT

Ridership

Ms. Meyer reported that fixed route ridership in April decreased by 4.7% over April 2014 for a year-to-date decrease of 3.0%. Other transit agencies in the state are also experiencing ridership decreases. Staff plans to work with student groups to increase awareness.

Paratransit ridership decreased 1.9% over April 2014 for a 2.9% decrease year-to-date. Vanpool ridership decreased by 11.6% over April 2014 for a year to date decrease of 8.6%. Some members of vanpools have dropped out, making it more expensive for those left to participate.

It should be noted that April 2015 had the same number of weekdays as April 2014.

Non-Capital Revenue

Non-capital revenue through March 2015 was 5.0% (\$836K) above budget and 1.3% below 2014 actual.

Sales Tax Revenue

April 2015 sales tax revenue (based on February sales) increased by 6.6% (\$219K) above April 2014 for a year-to-date increase of 5.5% over budget. The trend line for the budget is set at 2.5% growth per year.

Mr. French asked if there is a breakdown for new construction.

Ms. Warren said new construction is usually a one-time occurrence. Last month the sales tax revenue was mostly from retail; mainly auto sales.

Operating Expenditures

Operating expenditures through March 2015 were 8.1% (\$1.3M) under budget, mostly due to lower than anticipated fuel costs at 50% below budget and the timing of expenditures for contracted transportation, computer materials, and vehicle repairs.

State Legislative Update

The special session called by the Governor ends on May 28. If the operating budget is not approved by that date there will be second special session.

No information is yet available regarding STA's projects - the Central City Line and West Plains Transit Center.

Federal Legislative Update

A short-term bill was passed to extend the MAP 21 transportation bill to July 31, 2015.

Legislators are working on a reauthorization.

Ms. Meyer said Gregory Nadeau, Acting Administrator of the Federal Highway Administration, and Secretary Lynn Peterson, Washington State Department of Transportation, were in Spokane yesterday for a news conference about the North Spokane Corridor. The near crisis state of Washington's crumbling infrastructure was also discussed.

Ms. Meyer reported that she is attending the Washington State Transportation Improvement Board (TIB) meeting and the Transit Cooperative Research Program Oversight & Project Selection (TOPS) committee meeting during the month of June.

13. BOARD INFORMATION

- A. Committee Minutes
- B. March 2015 Financial Results Summary
- C. April 2015 Sales Tax Summary
- D. March 2015 Operating Indicators
- E. First Quarter 2015 Performance Measures

14. NEW BUSINESS – None.

Mr. Snyder left at 3:25 p.m.

15. BOARD MEMBERS' EXPRESSIONS

Ms. Waldref thanked citizens for voting on Proposition 1.

Mr. Trulove said the Board owes it to voters to work through the issues and decide how to plan for the future.

16. EXECUTIVE SESSION

At 3:27 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purpose:

1. 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 3:40 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 in open public session.

At 3:40 p.m., the Board of Directors reconvened and Chair Trulove declared the meeting back in public session.

17. ADJOURNED

With no further business to come before the Board, Chair Trulove adjourned the meeting at 3:41 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 May 21, 2015 Special Board Meeting:

Saturday, May 23, 2015	4:00 p.m.
Monday, May 25, 2015	10:00 a.m.
Tuesday, May 26, 2015	8:00 p.m.

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

Planning & Development	June 3, 2015, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	June 3, 2015, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	June 10, 2015, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, June 18, 2015, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.