

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

BOARD OF DIRECTORS

Draft Minutes of the November 20, 2014, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Amber Waldref, City of Spokane, Chair
Al French, Spokane County
Mike Allen, City of Spokane
Jon Snyder, City of Spokane, Alternate
Shelly O'Quinn, Spokane County
Chuck Hafner, City of Spokane Valley
Ed Pace, City of Spokane Valley (*by phone*)
Richard Schoen, Small Cities Representative
(Millwood)
Tom Trulove, Small Cities Representative
(Cheney)
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 & Information Services
Steve Doolittle, Director of Human Resources
Beth Bousley, Director of Communications & Customer Service
Susan Millbank, Ombudsman & Accessibility Officer
Lynn Holmes, Financial Services Manager
Tammy Johnston, Budget & Accounting Manager

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

MEMBERS ABSENT

Candace Mumm, City of Spokane

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

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

2. **APPROVE BOARD AGENDA**

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

3. **PUBLIC EXPRESSIONS**

Jack Wheeler, resident of Cheney, believes Spokane Transit is doing an excellent job serving Eastern Washington University students and their families. He would like to see restrooms on the first floor of the Plaza and at park and ride lots, and wastebaskets and city street maps at bus stops.

Ginger Ewing runs an art organization. She loves living in Spokane and is excited to see that attitudes here are changing for the better. She added that what separates Spokane from other cities is the great transit service.

Ms. Waldref said over 300 petitions have been received in support of the Plaza's current location.

Monique Belair said she does not own a car and relies solely on transit. She supports more frequent service and an extension of the service area.

Marian Hennings concurs with Jack Wheeler. She added that extended bus service hours would greatly assist swing shift workers. She rides the bus during the day and in the evening and has encountered no problems.

Kay Johnson selected a place to live because of its proximity to a bus line and it has improved her quality of life. She suggested increasing the number of bus stops.

4. RECOGNITIONS AND PRESENTATIONS

A. Mike Brewer – Lifetime Achievement Award

Ms. Meyer said the lifetime achievement award to Mr. Brewer was approved last month by the Board. She added that Mr. Brewer, a lifelong Spokane resident, has influenced STA decisions for the past 24 years during his tenure on STA's Board and Committees. He served as Board Chair and Chair Pro Tempore seven times and led a number of the committees including the Downtown Transit Center steering committee. His most recent role has been as a member of the Citizen Advisory Committee. He also volunteered as a participant in many contract evaluation committees.

Mr. Brewer thanked Ms. Meyer and the Board for this honor. He said his father worked as a transit operator in 1926 and drove streetcars, and he remembers riding them as a child. When he was 16 he was a maintenance man and washed the buses.

Ms. Waldref thanked him for his many years of service to Spokane Transit and the community. She also thanked his wife, Marj, for her support.

B. Third Quarter 2014 Years of Service Awards

Mr. Doolittle read the names of the employees with 5, 10, 15, 20, 25 and 30 years' service. David Eyre, Paratransit Dispatcher, has served 30 years and was in attendance for the recognition. Steve Nelson and Tim Nix with 25 years of service were also present.

Ms. Waldref said their length of service was appreciated.

C. Third Quarter 2014 Employee Recognition Winners

Mr. Doolittle read the names of those who won the employee recognition awards for the third quarter of 2014. This program was approved by the Board to acknowledge employees who go the extra mile in the course of their work.

D. Central City Line Economic Impact Study

i. Results

Ms. Meyer introduced Terry Moore, ECONorthwest. She added that staff has been working for a long time on the Central City Line (CCL) project of which economic impact is one element. Mr. Moore specializes in planning and engineering and will present the results of the study.

Mr. Moore said the STA Moving Forward Plan includes the CCL and supports a grant application to the Federal Transit Administration (FTA). He added that CCL Sounding Board meetings facilitated by the Spokane Regional Transportation Council (SRTC) have been held during 2014.

The broad focus is along the alignment from Browne's Addition to the Spokane Community College with a quarter or half mile band from that line. Good public transportation is essential to development and studies have found that it increases efficiency and land values. Better access and mobility make land more valuable as well as the addition of street improvements, sidewalks and landscaping. This combination has created change in other cities comparable to Spokane.

Projections are uncertain and are based upon assumptions and probabilities. The study projects out 20 years and makes assumptions of the area with and without the Central City Line. The positive effects of transit on development generally occur nearest to the line (0-660 feet). However, even though land values may be higher, there is no guarantee of development on that land. Some land is vacant or underutilized. The conclusion, however, is that efficient transit can increase land value and encourage development. Transit alone is not enough; supportive public policy and investment are also needed.

Transit decisions such as ridership versus coverage play a part in development. Transit right-of-way lasts forever whereas buildings do not. Transit does not pay for itself since the revenues from fares will not recover the costs. This is similar to libraries, parks and schools. The federal government believes

transit is important to a community which is why it offers grants of up to 80% for certain transit capital projects.

ii. Sounding Board Input

Mark Aden, of DCI Engineers, is a member of the CCL Sounding Board. He said Mr. Moore's report is very thorough. The consensus of the Sounding Board is that there will be a positive economic impact on the area around the CCL line. Spokane is a predictable city with slower growth than others. Some areas will require re-zoning in order to encourage new development. He suggests that private developers look at permanence and long-term investments. He agrees that new and improved infrastructure such as sidewalks, lighting and streetscape are important to the success of the project.

Ms. O'Quinn asked if the CCL mode was reviewed.

Mr. Moore said it should be premium transit service which is a faster, more comfortable service on dedicated right-of-way and/or Bus Rapid Transit (BRT).

Ms. O'Quinn said she thinks development will be made around the line eventually. However what is STA investing in? Streetcars are very expensive as is investing in a rail line or the cost of electricity. She commented that the BRT in Cleveland has a similar development around its route at a lower cost. The public wants increased transit service hours and frequency in other places such as Cheney and Spokane Valley. She is concerned about the long term costs and investment in one line rather than other areas of need.

Mr. Moore said he understood and agreed. The plans for improved transit began with Light Rail, then a streetcar and now a bus with stations, streetscape and permanence which would be eligible for federal funding.

Ms. O'Quinn said Olympia has the DASH bus line which helps with congestion and parking issues. She asked if the same degree of benefits could be accomplished with a less expensive system than \$72 million.

Ms. Waldref said premium bus service is key to economic development according to Mr. Moore's study. She added that the Cleveland bus service cost \$200 million.

Mr. Allen asked if improvements were made along a current bus line would have an economic impact.

Mr. Moore said a sense of permanence must be established to encourage development. He added that could be in the form of stations, tracks in the ground or a catenary system. The FTA wants premium service in order to consider a grant.

Ms. O'Quinn said it's not just a question of building the project; it is also the cost of the operation of the new service.

Mr. Snyder said it all started with the alternatives analysis and the more Bus Rapid Transit looks like Light Rail, the more ridership there will be. One of the modes of propulsion is induction rather than catenary.

Mr. Hafner said he represents STA and the Spokane Valley. It appears that everything is geared towards the City of Spokane in terms of investment and service. How does this affect the Spokane Valley and surrounding areas? It will cost \$4 million to run the new CCL service.

Mr. Moore said investments do not help everyone. This is a big investment for downtown and when downtowns fall apart, other areas may follow. It is similar to building a stadium or convention center.

E. Plaza Task Force Input

Mark Richard, President of the Downtown Spokane Partnership (DSP), distributed the Plaza Task Force report on behalf of the DSP, Greater Spokane Inc. and Visit Spokane Boards. He thanked the STA Board for the opportunity to comment on the Plaza renovation.

He introduced Mick McDowell, Chair of the DSP Board; Ezra Eckhart representing Steve Stevens, President of GSI; and, Bryn West, Board member, Visit Spokane. Their organizations are very supportive of transit and there was little disagreement in the approach and no mention of moving the Plaza from its current location. The Task Force held workshops and meetings with STA and non-profit groups and the report was approved by all three Boards.

Mr. McDowell said the report is comprehensive and its goals are to make recommendations to benefit transit patrons and for the Plaza remodel to be more cost effective. These include less opportunity for interactions between transit clients and people who are not transit users. In addition, they would like some STA Moving Forward projects to take place sooner such as restructuring of routes and construction of transit centers. The following are highlights of the Task Force recommendations:

- Smart Bus Technology
- Satellite locations for transfer centers
- Increased amenities such as retail
- Pre-pay fare stations
- Increased security on first floor
- To not finish second floor at present time
- Set up Business Advisory Committee to provide perspective to STA Board
- Clear and open communications with STA.

Mr. Eckhart said he represented Mr. Stevens, President of GSI, and 200 bus riders who are employees at Umpqua Bank.

He said he agrees that the proposed satellite depots in locations away from downtown would mean less bus traffic at the Plaza that could, in turn, result in faster boarding, less bus idling, and reduce the need for a large indoor waiting area.

Bryn West, Board Member, Visit Spokane, said there is already enough meeting space in the downtown core and there is no need for more to be built on the second floor of the Plaza. She agrees that customer service and security should move to the first floor and also create a modest expansion of retail there. She also suggested that the Plaza remodel include a student zone and employment services.

Mr. Richard thanked the Board for the opportunity to review the Plaza Remodel Plan.

Mr. Trulove asked what their suggestions are about the escalator.

Mr. Richard said moving the escalator is a large cost but it could reduce loitering on the second floor.

Ms. Waldref said the Planning & Development Committee will review the Task Force input and bring a recommendation back to the Board in December.

Ms. O'Quinn moved to direct the Planning & Development Committee to review the Task Force input and bring a recommendation back to the Board in December. Mr. Hafner seconded.

Mr. Snyder thanked the Plaza Task Force for their report. He is concerned about the conclusions, however. He said the Spokane City Council passed a resolution in favor of the original Plaza renovation. He is not sure about delaying the second floor renovation but he agrees with the Task Force goals.

Mr. Allen also thanked the group for their work.

Mr. French was appreciative of the time the Task Force spent on the report and, as Chair, he will send the study to the Planning & Development committee for consideration.

Mr. Hafner said he recused himself from the Visit Spokane Board decision in order to remain objective.

The motion passed unanimously.

5. PUBLIC HEARINGS:

A. STA's Affirmative Action Plans

Ms. Waldref opened the public hearing at 3:15 p.m.

Mr. Doolittle said the plans were recommended for approval by the Performance Monitoring & External Relations Committee (action item 6.D). The public hearing is a requirement of the Federal Transit Administration and no comments have been received. STA places job advertisements in minority publications and notifies agencies of diversity. Associated Industries, which helped conduct

the analysis, reveal that STA’s hiring and applicant practices meet or exceed women and minority standards. Statistics will be available for veterans and persons with disabilities in future reports.

Ms. Waldref asked three times for comments from the public.
 Hearing none, she closed the hearing at 3:20 p.m.

Mr. Doolittle thanked Jenni Knoll in Human Resources for her work on these plans.

B. STA Moving Forward Draft Implementation Plan

Ms. Waldref opened the public hearing at 3:20 p.m.

Mr. Otterstrom said this is an opportunity for public input on the plan. He presented a short overview of the plan. The three phase process is now in the final phase.

The Central City Line is one of many projects throughout the region. STA staff has made many presentations to over 50 organizations, over 1,000 people and an online survey with 1,700 responses. A Board workshop will be held on December 3 to discuss the plan and action will be taken at the December 18 Board meeting on the plan and a possible ballot measure. If approved, implementation could begin in the second half of 2015.

Ms. Waldref asked for comments from the public.

Cheryl Amann of Futurewise represented Kitty Klitske. She said the plan is excellent and prepares for future population growth. Futurewise also supports the Central City Line. Spokane Transit is the most cost efficient system in the state.

Mark Richard, President of the Downtown Spokane Partnership, said the key points of the Plaza renovation are also important to the Moving Forward Plan and asked that the Task Force study be accepted as input to the Plan. He said the DSP has not taken a position on the Moving Forward Plan but appreciates the opportunity to comment.

Mr. Snyder asked about DSP’s timeframe for endorsing the Plan.

Mr. Richard said he did not think there will be time to do consider it before the end of the year.

Ms. Waldref asked three times for comments from the public.

Hearing none, she closed hearing at 3:30 p.m.

6. BOARD ACTION – CONSENT AGENDA

Mr. Allen moved to approve the following consent agenda items 6. A through F. Mr. French seconded and the motion passed unanimously.

- A. Approve the minutes of the October 23, 2014 Board meeting.
- B. Approve the following vouchers and payroll for October 2014:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (October)	Nos. 582597 - 583046	\$ 3,498,208.91
Workers Comp Vouchers (October)	Nos. 213642 - 213816	\$ 46,872.63
Payroll 10/03/2014	ACH – 10/03/2014	\$ 1,052,111.57
Payroll 10/17/2014	ACH – 10/17/2014	\$ 1,046,547.17
Payroll 10/31/2014	ACH – 10/31/2014	\$ 1,061,775.25
WA State – DOR (Use Tax)	ACH – W0640	\$ 11,199.49
OCTOBER TOTAL		\$ 6,716,715.02

- C. By motion, increase the budget for the Bus Stop Signage project – Construction Contract to a maximum allowable budget of \$407,324.
- D. Adopt, by resolution, STA’s Affirmative Action Plans.

- E. Adopt, by resolution, the construction and implementation of the Boone Garage Preservation Project.
- F. By motion, approve the purchase of seven Eldorado cutaway vans from Schetky Northwest Sales Inc., Portland, Oregon, through the Washington State Purchasing Cooperative contract and authorize the disposal or transfer of the seven surplus Paratransit vehicles. Total project cost will not exceed the budgeted amount of \$676,946.

Mr. Allen asked the Chair if the Board could take a short break.
 Ms. Waldref adjourned the meeting to take a break at 3:30 p.m.
 Ms. Waldref reconvened the meeting at 3:40 p.m.

7. **BOARD ACTION – COMMITTEE RECOMMENDATIONS**

Planning & Development Committee:

A. **Final Proposed 2015 Operating & Capital Budgets**

Ms. Warren said this is the final step in the budget process and the Planning & Development Committee recommended approval. She summarized the changes between the draft and the final proposed budget.

Changes to Expenditures:

- Labor contract (ATU 1015) adds \$919,044
- Health Benefits reduced by \$83,998
- Consulting services reduced by \$70,000
- Property & Liability Insurance increase of \$65,935

Changes to Revenues

- Decrease in fares of \$73,042
- The changes from draft to final proposed are 0.9%.

Ms. Warren said the Energy Information Administration has within the last few days changed their fuel forecasting. This would change the STA budget for a potential savings in fuel of between \$700,000 and \$800,000. The Board can adopt the budget as presented and know there is expected to be a lower cost in this category.

The capital budget remains the same at \$18,648,333.
 Revenues over operating expenses are \$3.2 million with a decrease in cash of \$17.3 million. The projected cash after Board designated reserves is \$15,646,351.

Ms. Waldref said the difference in projected fuel costs means there would be less cash needed to draw down.

Mr. French added that fuel is always a volatile commodity.

Mr. French moved to adopt, by resolution, the final proposed 2015 Operating and Capital Budgets as presented:

<u>Source of Funds:</u>		<u>Use of Funds:</u>	
Revenues	\$68,808,293	Operating Expenses	\$65,568,565
Capital Grants	3,595,020	Capital Projects	17,971,387
From Cash Balance	17,389,430	Fleet Replacement Allocation	6,252,791
Total Source of Funds	\$89,792,743	Total Use of Funds	\$89,792,743

Mr. Allen seconded and the motion passed unanimously.

Ms. Warren thanked her finance team, particularly Lynn Holmes and Tammy Johnston, for their efforts.

Amber thanked staff for a great job.

B. Conditional Approval to Begin Preliminary Engineering for the Central City Line Project

Mr. Otterstrom said this item was deferred from the October 23, 2014 Board meeting. Approval of the item is conditional upon official entry into the Project Development approved by FTA.

Mr. Allen asked about the scope of work.

Mr. Otterstrom said it covers 30% design.

Mr. Pace joined meeting by phone at 3:55 p.m.

STA has already secured state and federal grants of \$1.875M to do the preliminary engineering.

Mr. French moved to authorize preliminary engineering activities on the Central City Line up to an amount not to exceed \$1.875 million on the condition that it not begin prior to official entry into Project Development as approved by the Federal Transit Administration. Mr. Allen seconded the motion.

Mr. Hafner commented that the recommendation states it will not begin until entry into project development so if the FTA gives the go ahead tomorrow, can STA proceed? The tax increase for matching funds has not yet been approved.

Mr. Otterstrom said entry into project development begins as soon as FTA sends a letter of approval to STA's CEO. From the date of that letter, any expenses incurred are considered part of a local match. This is followed by a Small Starts grant application.

Mr. Hafner said the public has not been asked to fund this project and to spend \$1.9 million now is not good common sense.

Mr. Allen said if the preliminary engineering work is done now, can it be used later.

Mr. Otterstrom said it would be useful from a perspective of establishing where stations should be located, for example, for a route.

Mr. Snyder said this is the first big step in the STA Moving Forward Plan; there is a lot of good information that can be used for regional projects. The CCL is an excellent transit corridor; the City of Spokane will need to do a lot on this project in terms of zoning.

Mr. French said he and staff have met with FTA officials over the past three years and they advised it is prudent to get funding into the local match. The investment can be used for other modes but STA would lose this grant funding.

Ms. O'Quinn asked if anything has happened since the last Board meeting to indicate that the grant funding would be lost.

Mr. Otterstrom said there is not.

Ms. O'Quinn said this is a process issue. The Board has not approved the Moving Forward Plan; it will be on the December agenda. She added that there are other factors for the CCL that have to be considered such as evaluating conductive charging. If STA does not go forward with the plan will the grant funds have to be paid back.

Mr. Otterstrom said one of the grants (Congestion Mitigation & Air Quality Improvement: CMAQ) is based on environmental issues that STA would need to quantify.

Ms. O'Quinn said STA could run the risk of losing these funds if the conductive charging mode was not chosen.

Mr. Pace commented that there are battery powered electric buses in Austin, Texas, where is he currently.

Mr. Trulove asked if the Board approves preliminary engineering, does that imply support for the project and modifications.

Mr. Otterstrom said there are several actions that still need to be taken and if the project is cancelled, the funding can be returned. The Moving Forward Plan including the CCL is already adopted as part of the STA Comprehensive Plan and SRTC's Horizon 2040 Plan.

Mr. Schoen asked when FTA will make a decision on entry into Project Development.

Mr. Otterstrom said FTA has more questions about STA's application but it should be within a few months.

Mr. Allen said his questions about this item have been answered and he supports the preliminary engineering.

Ms. O'Quinn asked if it is legal to spend the grant money.

Mr. Otterstrom said it is part of Horizon 2040 and addresses environmental issues.

Ms. Waldref said she is supportive of moving forward with the preliminary engineering.

The motion passed with Ms. O'Quinn and Mr. Hafner opposing.

Mr. Snyder and Mr. Trulove left at 4:19 p.m.

8. BOARD ACTION – OTHER:

None.

9. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Ms. Waldref thanked the Board members who attended the recent Transit Leadership Summit. She also thanked staff for an excellent job in organizing the event.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

None.

11. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

None.

12. CEO REPORT

Ridership – October 2014

Fixed Route: 1.6% increase over October 2013; 2.4% increase year-to-date

Paratransit: 1.9% decrease over October 2013; 1.4% decrease year-to-date

Vanpool 0.4% decrease over October 2013; 2.4% increase year-to-date

Non-Capital Revenue through September 2014

5.3% (\$2.6 million) over budget

6.5% (\$3.2 million) above 2013 actual

October 2014 Sales Tax Revenue (August retail sales)

8.1% (\$320,000) over October 2013

5.2% (\$2.5 million) year-to-date over budget

Operating Expenditures through September 2014

7.3% (\$3.4 million) below budget

Ms. Meyer reported that she has been appointed to the Washington State Transportation Improvement Board by Secretary Lynn Peterson of the Washington State Department of Transportation.

13. BOARD INFORMATION

A. Committee Minutes

B. September 2014 Financial Results Summary

C. October 2014 Sales Tax Summary

- D. Third Quarter 2014 Performance Measures
- E. September 2014 Operating Indicators
- F. STA Holiday Service and Office Hours

14. EXECUTIVE SESSION

At 4:22 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purpose:

- 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.

The STA Board of Directors will reconvene in open session at approximately 4:27 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 4:27 p.m., the Board of Directors reconvened and Chair Waldref declared the meeting back in public session. No action was taken.

15. NEW BUSINESS

None.

16. BOARD MEMBERS' EXPRESSIONS

None.

17. ADJOURNED

With no further business to come before the Board, Chair Waldref adjourned the meeting at 4:30 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 November 20, 2014 Board Meeting:

Saturday, November 22, 2014	4:00 p.m.
Monday, November 24, 2014	10:00 a.m.
Tuesday, November 25, 2014	8:00 p.m.

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

Planning & Development	December 3, 2014, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	December 3, 2014, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	December 10, 2014, 12:30 p.m. (Northside) 1230 West Boone

Next Board Workshop: Wednesday, December 3, 2014, 10:30 a.m., Southside, 1229 West Boone Avenue, Spokane, Washington, to discuss: *STA Moving Forward*.

Next Board Meeting: Thursday, December 18, 2014, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.