

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

BOARD OF DIRECTORS

Draft Minutes of the October 23, 2014, Special Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Amber Waldref, City of Spokane, Chair
Al French, Spokane County
Shelly O'Quinn, Spokane County
Ed Pace, City of Spokane Valley
Chuck Hafner, City of Spokane Valley
Mike Allen, City of Spokane
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
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
Tammy Johnson, Budget & Accounting Manager

PROVIDING LEGAL COUNSEL

Kevin Connelly, 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 4:30 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**

Phil Sokolowski is a Mead resident and said there is no transit service due to a lack of ridership years ago. There is an action group in Mead of 290 people who wish to improve the area. He added that students ride the bus but it can be difficult to get to the Hastings Park and Ride lot. He said express bus service at peak times would be appreciated.

Jack Wheeler is advocate for Spokane Transit. He suggested more restrooms and amenities at the Plaza and Park and Ride lots as well as more frequent bus service.

4. **BOARD ACTION – CONSENT AGENDA**

Mr. Allen moved to approve the following consent agenda items 4.A - H. Mr. Pace seconded and the motion passed unanimously.

A. Approve the minutes of the September 18, 2014 Board meeting.

B. Approve the following vouchers and payroll for September 2014:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (September)	Nos. 582278-582596	\$ 1,963,673.41
Workers Comp Vouchers (September)	Nos. 213531-213641	\$ 71,642.16
Payroll 09/05/2014	ACH – 09/05/2014	\$ 1,039,302.74

Payroll 09/19/2014	ACH – 09/19/2014	\$	1,086,999.39
WA State – DOR (Use Tax)	ACH – W0640	\$	6,090.37
SEPTEMBER TOTAL		\$	4,167,708.07

- C. Approve the 2015 Special Event fare structure for First Night, Bloomsday, Hoopfest, and Valleyfest, as presented.
- D. Approve William “Bill” Luke as recipient of the STA Lifetime Achievement Award for his exceptional involvement in the promotion and practice of public transit in the Spokane Region and for providing outstanding and consistent effort which, through his dedication and commitment, has led to the advancement and betterment of the public transit industry.
- E. Approve Mike Brewer as recipient of the STA Lifetime Achievement Award for his exceptional involvement in the promotion and practice of public transit in the Spokane Region and for providing outstanding and consistent effort which, through his dedication and commitment, has led to the advancement and betterment of the public transit industry.
- F. Accept the Valley Transit Center Improvements project as complete and authorize release of \$15,018 in retainage to M.E. Uphus Construction, pending certificates approving release from the Department of Revenue, Employment Security, and the Department of Labor and Industries.
- G. Approve the appointment of Larry Lapidus as a member of the Citizen Advisory Committee.
- H. Adopt a resolution amending the functional descriptions of the Board Operations Committee.

5. RECOGNITIONS AND PRESENTATIONS

A. Ron Bechtold, Coach Operator - Retirement

Mr. Blaska recognized Coach Operator Bechtold for his 22 years of service and 20 years of safe driving awards. He drove primarily the #24 Monroe route which is a difficult one to maneuver because of the narrow lanes. Mr. Bechtold has always been a professional driver and dedicated employee. He was present to receive the award.

Ms. Waldref congratulated him.

Mr. Bechtold said it is a stressful job to drive a large vehicle in traffic without an accident especially in winter. He learned a lot at Spokane Transit during his years of service.

B. Bill Luke – Lifetime Achievement Award

Ms. Meyer presented the Lifetime Achievement Award to Bill Luke. He is the first recipient of this award. Mr. Luke has made a significant contribution to transit. After World War II, he worked with bus schedules and in the 1960’s he moved to Spokane to work for Empire Bus Lines. Shortly after, he started BusRide magazine which is still published to this day for the industry. His transit history continued in the 1980’s with participation in committees of the Spokane Public Transportation Benefit Area (PTBA) and he was involved in downtown transit studies at that time. He has collected transit photographs from all over the world and enjoys the respect of many in the transit industry.

Mr. Luke said he wanted to be on the STA Board but was not an elected official. He did, however, enjoy participating in STA committees and said it was a good operation.

Ms. Meyer said the other Lifetime Achievement Award recipient, Mike Brewer, will be in attendance at the November 20, 2014 Board meeting.

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS:

Planning & Development Committee:

A. Draft 2015 Annual Strategic Plan

Ms. Meyer said the plan has been recommended for approval by the Planning & Development committee with a revision to identify the staffing positions for 2015.

She added that 2014 is expected to have the highest ridership since 1953. STA is second only to King County Metro, Seattle, for ridership productivity (the average number of passengers per hour) and has always maintained a conservative financial position with the result that costs are lower than the urban state average. STA pays cash for capital items and thus incurs no debt. In 2015 sales tax revenue is expected to reach the same level as 2007. STA has been successful in recent years in competing for grants.

Ridership

The goal for 2015 is an increase of 0.5% for fixed route over 2014, flat for paratransit, and 9% for vanpool (a goal which was set in 2013 and 2014 but not achieved). Fares will remain unchanged in 2015 with projected increases in 2016 and 2018. Staff will present a fare analysis to the committee and Board in November.

Major Projects

Major projects in 2015:

- Smart Bus technology completion
- Plaza Renovation will move ahead with Board direction, taking into account downtown business input
- Facilities Master Plan
- Business Systems Upgrade

Staffing

New coach operators – 5

PC Specialist for Smart Bus technology

Assistant Manager, Facilities & Grounds

Compensation & Benefits

A 2% general wage increase is included for the Management & Administrative group.

Introduction of a voluntary lower cost, high deductible health plan.

Retirement contribution (directed by State of Washington) increase of 2% in July 2015 – December 2015.

Future Planning

STA Moving Forward began several years ago and is now in the final public outreach process.

There are changes in who rides transit and the “Millennials” now number 80 million nationwide. They are choosing to live in communities with good public transportation. Similarly some “Boomers” are opting for an urban lifestyle which also relies on transit service.

In December, the Board will decide on the adoption of the STA Moving Forward Plan which includes 24 projects. They will also decide on whether to have a transit ballot measure in the spring of 2015.

Ms. O’Quinn asked if the 2% increase in wages was included originally in the draft plan.

Ms. Meyer said it was included in the revision and mentioned in the draft 2015 budget presentation.

Ms. Waldref suggested the compensation and benefits part be struck from the plan.

Ms. O’Quinn clarified that she asked for the new position detail but not the 2% wage increase.

Mr. French moved to amend the draft 2015 Annual Strategic Plan with the deletion of the paragraph on page 5 under Compensation & Benefits beginning “The 2015 draft budget and this 2015 draft Strategic Plan includes a 2% general wage increase . . .” and ending “Budget coming to the Board in November.” Ms. O’Quinn seconded and the motion passed unanimously.

Mr. Allen moved to approve the Draft 2015 Annual Strategic Plan as amended, Mr. Pace seconded and the motion passed unanimously.

B. Approval of Preliminary Engineering for Central City Line (CCL) Project

Mr. Otterstrom said on October 1, 2014, the Planning & Development Committee recommended Board approval of this item 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. He gave a brief background of the project. In October, with Board approval, staff submitted a request to the Federal Transit Administration (FTA) to enter project development and secured \$1.875 million in state and federal grant funding for preliminary engineering (30% design). Should the project receive a federal Small Starts grant in the future, all locally funded project expenses incurred after entry into project development will go toward the local match requirements. With a Small Starts grant of \$56.2 million, the local match could be as low as \$12.2 million because of other grants already received.

Mr. Allen asked how much of this is held in escrow.

Mr. Otterstrom said the local match is not held in escrow; a financial model showing cash flow will be sent to FTA showing where the local match comes from.

Mr. Hafner asked how contingent the project is on the sales tax increase of 3/10ths of one percent.

Mr. Otterstrom said half of the STA Moving Forward resources are going towards sustainability of the current system. Funding for other projects including Park and Ride lots, the West Plains Transit center, and the CCL would account for the other half. He added that the Board can cancel the project during the preliminary engineering stage.

Ms. Meyer added that most of the projects listed in the Moving Forward plan cannot be completed unless the ballot measure passes. If there is no sales tax increase, the Board may need to consider reducing service since there will be insufficient resources to maintain the current level of service after approximately 2017.

Ms. O’Quinn pointed out that there will be a Board workshop on December 3 to discuss the Moving Forward plan and asked if this agenda item could be postponed until after that date. She added that the Central City Line project is a big concern for Board members.

Mr. Otterstrom said the funding for preliminary engineering has been awarded by the State of Washington Regional Mobility grant and the Congestion Mitigation & Air Quality (CMAQ) grant via the Spokane Regional Transportation Council (SRTC). Such grants have time sensitivity and funding may be revoked.

Mr. Allen said he would like to see the Economic Impact Study before making a decision.

Ms. Waldref said STA has applied to FTA for project development status which shows commitment to the project. She would not want to delay this aspect.

Ms. O’Quinn moved to table the vote on the Central City Line Preliminary Engineering to the December Board meeting. Mr. Allen seconded.

Ms. O’Quinn added that she likes the STA Moving Forward projects, of which the Central City Line is a major part, but asked if the public is willing to pay for them.

Ms. Waldref said more information on the projects will be outlined at the Board Workshop on December 3. She added that she agrees with approval of the preliminary engineering but the ballot measure is a separate issue.

Mr. Pace said the preliminary engineering will be good for a certain period of time and he is willing to approve it.

Mr. Otterstrom clarified that all designs need updating after 3 or 4 years; after that it would need to be re-done.

Mr. Hafner said he would prefer to wait until December. He added that constituents in the Spokane Valley are asking what would the Central City Line do for them and why should they agree to a sales tax increase to pay for it. Mr. Schoen sees no risk in approving preliminary engineering now. He added that if 3/10^{ths} of one percent is approved by voters, there would be a new transit center at Mirabeau in the Spokane Valley.

Mr. Hafner asked what can be achieved with 2/10ths of one percent versus 3/10ths.

Mr. Pace agreed with Mr. Hafner regarding what constituents in the Spokane Valley are saying.

This will be discussed at the Board workshop on December 3, 2014.

Mr. Allen agrees with the motion requesting a delay until the December meeting. He is not comfortable spending taxpayers' dollars without having enough information.

Ms. O'Quinn, Mr. Trulove, Mr. Allen and Mr. Hafner voted for the motion.

Mr. French, Mr. Schoen, Mr. Pace and Ms. Waldref voted against the motion.

The motion failed as a result of a 4/4 tie.

Mr. French asked for clarification of the motion wording in that the project would have to be accepted into Project Development by the Federal Transit Administration before the preliminary engineering would begin.

Mr. Otterstrom said that is correct.

Mr. French said there is time to delay approval of this item.

Mr. Pace 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. Schoen seconded.

Mr. French, Mr. Schoen, Mr. Pace and Ms. Waldref voted for the motion.

Mr. Trulove, Mr. Allen, Mr. Hafner and Ms. O'Quinn voted against the motion.

The motion failed as a result of a 4/4 tie.

Mr. French moved to put the item on the December Board agenda for action. Ms. O'Quinn seconded.

Ms. O'Quinn said although the Planning & Development committee recommended this item for approval, it was not included in the consent agenda because the committee believed it needed more discussion.

Mr. Allen asked if it could go to the November Board agenda instead since the results of the Economic Impact Study will be received by then.

Ms. O'Quinn said the full Board would not have seen those results until the November Board meeting.

Mr. Allen asked about the volume of the Economic Impact Study.

Mr. Otterstrom said it was approximately 200 pages.

Ms. O'Quinn requested that the document be emailed to Board members as soon as possible.

Mr. Otterstrom said the Central City Line Sounding Board would see the results first on approximately November 7.

Ms. O'Quinn said the Board is being asked to make a decision and spend taxpayers' money without complete information that will be available at a later date.

Discussion followed regarding the availability of Board members for meetings in November.

Mr. French amended his motion to place consideration of the Central City Line Preliminary Engineering item on the November 20, 2014 Board agenda and direct the Chairs of the Planning & Development Committee and Performance Monitoring & External Relations Committee to meet during the second week of November to receive and discuss the results of the Economic

**Impact Study. If members cannot attend they should be given the opportunity to be briefed by a committee member and staff. If the Economic Development study is not received in a timely fashion, the item should be deferred until the December Board meeting.
Mr. Allen seconded.**

Mr. Hafner said it would be better to leave it until the December meeting, after the workshop.

The motion passed with Mr. Hafner opposing.

Mr. Hafner and Mr. Trulove left at 6:07 p.m.

7. BOARD ACTION – OTHER:

A. Nomination of Chief Executive Officer for 2015 American Public Transportation Association (APTA) Outstanding Public Transportation Manager

Ms. Waldref said she has attended three meetings of the American Public Transportation Association (APTA). At the recent APTA Annual meeting in Houston, there were approximately 15,000 participants. It is a national association of the transit industry and Mr. French was the recipient of the Board Member of the Year award in 2008. APTA awards are highly prestigious. She added that Ms. Meyer would be an excellent candidate for the award; she has done amazing work at STA to make the system efficient and put together a top notch staff. She is also known on a national level for her work.

Mr. Pace moved to nominate E. Susan Meyer, Chief Executive Officer for the 2015 APTA Outstanding Public Transportation Manager. Mr. Schoen seconded.

Mr. French added that this award acknowledges strong leadership and incredible staff and employees. Spokane Transit is always on the cutting edge and this is a statement to the agency as a whole.

The motion passed unanimously.

8. EXECUTIVE SESSION

At 6:15 p.m., Mr. Connelly 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 6:25 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 6:25 p.m., the Board of Directors reconvened and Chair Waldref declared the meeting back in public session.

Mr. Allen moved to approve a labor contract with ATU Local #1015 beginning April 1, 2014 through March 31, 2017. Mr. Pace seconded and the motion passed unanimously.

In the interests of time there were no committee reports (items 9, 10 & 11).

12. CEO REPORT

Ridership – September 2014

Fixed Route: 0.2% increase over August 2013; 1.9% increase year-to-date
Paratransit: 5.5% decrease over August 2013; 1.5% decrease year-to-date
Vanpool 7.4% decrease over August 2013; 2.3% increase year-to-date

Non-Capital Revenue through August 2014

5.1% (\$1.9 million) over budget

6.0% (\$2.2 million) above 2013 actual

September 2014 Sales Tax Revenue (July retail sales)

9.6% (\$380,000) over September 2013

4.8% (\$1.8 million) year-to-date over budget

Operating Expenditures through August 2014

7.1% (\$2.6 million) below budget

13. BOARD INFORMATION:

- A. Committee Minutes
- B. August 2014 Financial Results Summary
- C. September 2014 Sales Tax Summary
- D. August 2014 Operating Indicators
- E. Central City Line Land Use Plan Initiation
- F. High Performance Transit Facility Design

14. NEW BUSINESS – None.

15. BOARD MEMBERS' EXPRESSIONS – None.

16. PUBLIC HEARING

A. Proposed 2015 Operating & Capital Budget

Ms. Waldref opened the public hearing at 6:27 p.m.

Ms. Warren said the budget has not changed since the draft and is now in “Proposed” form. The budget video is on the STA website:

<http://www.spokanetransit.com/about-sta/view/proposed-2015-budget>

The video was presented to the Board.

Ms. Warren said action on the budget will be taken at the November 20, 2014, Board meeting and it will include any changes such as the ATU #1015 contract. She thanked all who were involved in the budget preparation including Lynn Holmes and Tammy Johnston. No questions or comments were received and 16 people other than STA employees watched the video.

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

Hearing none, she closed hearing at 6:40 p.m.

Ms. Waldref said there will be a meeting tomorrow, October 24, with Downtown Spokane Partnership staff about the recommendations of the Plaza Task Force. These recommendations will be shared with the STA Board at the November 20, 2014 Board meeting.

17. ADJOURNED

With no further business to come before the Board, Chair Waldref adjourned the meeting at 6:42 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 October 23, 2014 Board Meeting:

Saturday, October 25, 2014	4:00 p.m.
Monday, October 27, 2014	10:00 a.m.
Tuesday, October 28, 2014	8:00 p.m.

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

Planning & Development	Nov 5, 2014, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	Nov 5, 2014, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	Nov 12, 2014, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, November 20, 2014, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.