

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

BOARD OF DIRECTORS

Draft Minutes of the September 19, 2013, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Chuck Hafner, City of Spokane Valley, Chair
Al French, Spokane County
Gary Schimmels, City of Spokane Valley
Amber Waldref, City of Spokane
Nancy McLaughlin, City of Spokane
Richard Schoen, Small Cities Representative
(Millwood)
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Mike Allen, City of Spokane
Shelly O'Quinn, Spokane County
Art Kulibert, Small Cities Representative
(Medical Lake)

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
Lynn Holmes, Assistant Director of Finance
Molly Myers, Communications Manager
Susan Millbank, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

GUESTS

Tom Arnold, Coffman Engineers, Inc.
William Hockett, Critical Data, Inc.
Clarissa Folsom, Critical Data, Inc.

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

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

Mr. French and Ms. Waldref arrived at 10:03 a.m.

2. **APPROVE BOARD AGENDA**

Ms. McLaughlin moved to approve the agenda, Ms. Waldref seconded and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

Mike Rogers said he attended the recent Planning & Development Committee meeting and Board Workshop and said there should have been more of a security presence. He provided the Board with his views about the CEO and added that in order for transit to be sustainable, STA should be planning for a 20% service reduction if there are no increased revenues.

4. **RECOGNITIONS AND PRESENTATIONS**

A. **Claudia Olson - Retirement**

Mr. Blaska said Claudia began her career with Spokane Transit in 1989 as an Accounting Specialist in the Finance Department and most recently worked in the Maintenance Department. She has been recognized multiple times for her excellent performance.

B. **Wall of Fame Awards**

Mr. Doolittle explained that the Washington State Department of Transportation (WSDOT) recognizes exemplary employees from across the state through their Wall of Fame Awards. Mr. Doolittle reported

the following STA winners: Steven Hopkins, Fixed Route Supervisor; Chris Tohm, Communications Specialist; and, the Employee Advisory Council team. These Wall of Fame recipients are nominated by their fellow employees and selected by a panel of last year's winners. Mr. Hafner congratulated these employees.

5. BOARD ACTION – CONSENT AGENDA

Ms. McLaughlin moved to approve the following consent agenda items 5. A through F. Mr. Schoen seconded and the motion passed unanimously.

- A. Approve the minutes of the July 25, 2013 Board meeting.
- B. Approve the minutes of the September 5, 2013 Board Workshop.
- C. Approve the following vouchers and payroll for July and August, 2013:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (July)	Nos. 577056 - 577384	\$ 2,403,394.50
Workers Comp Vouchers (July)	Nos. 211681 - 211852	\$ 75,335.80
Payroll 7/12/2013	ACH – 7/12/2013	\$ 1,060,164.51
Payroll 7/26/2013	ACH – 7/26/2013	\$ 996,110.30
WA State – DOR (July Use Tax)	ACH – W0640	\$ 6,477.49
JULY TOTAL		\$ 4,541,482.60
<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (August)	Nos. 577385 - 577773	\$ 3,524,968.43
Workers Comp Vouchers (August)	Nos. 211853 - 211980	\$ 44,628.79
Payroll 8/9/2013	ACH – 8/9/2013	\$ 1,068,277.36
Payroll 8/23/2013	ACH – 8/23/2013	\$ 1,010,939.47
WA State – DOR (August Use Tax)	ACH – W0640	\$ 6,182.36
AUGUST TOTAL		\$ 5,654,996.41

- D. Approve, by motion, the award of contract for lease of tire vehicle mileage and services to Bridgestone/Firestone, Inc., for five years beginning December 1, 2013, for an estimated first-year amount of \$333,899.00 based on current levels of service.
- E. Accept the CAD/AVL Remodel Project as complete and authorize, by motion, the release of \$12,475.65 in retainage.
- F. Approve, by motion, the request for two Board members, Amber Waldref and Al French, to attend the 2013 APTA Annual Meeting.

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS

None.

7. BOARD ACTION – Other

A. Plaza Interior Renovation Space Program Recommendations

Mr. Otterstrom introduced consultants from Coffman Engineers and Critical Data who have been working on this project and distributed a best use market study from Coffman Engineers. The Planning & Development Committee has looked at options for the Plaza space and staff has conducted public outreach and analysis. The study conducted by Nelson/Nygaard consultants in 2008 has also been reviewed again. The interior renovation project was put on hold due to the economic downturn. The goal of the project is to support a vibrant downtown and in December 2012 the Board approved design criteria as follows:

- *Increase ridership (with enhanced customer information)*
- *Foster and enhance safety and security*

- *Improve functionality and efficiency of Plaza for transit customers and the Spokane community*
- *Reduce loitering opportunities*
- *Consider overall return on investment, overall community benefit*
- *Ensure design and uses are complementary to adjacent properties*

The first floor of the Plaza is mostly open space; more than is required for STA Operations. The second floor is much larger. In the market study many options were reviewed and other transit centers in downtown areas evaluated. Other uses besides office space and retail were studied. Major findings of the study showed the office vacancy rate on the skywalk level is 13%. Most businesses want to be on street level, especially food services. The office space for the Plaza is Class B which has a 19% vacancy. Class B is described as space on a higher floor; an older building but well maintained; and, limited access. Class A is higher quality space, well located, which attracts the highest rent.

Another option considered was to house non-profit or government agencies. The customers of such offices would need to come to the Plaza in person for their business and the Board did not consider this an appropriate use of the facility. Specialty users such as medical offices, restaurants, dance studio, and an aquarium were also not considered feasible.

A museum or cultural center on the second floor was a suggestion and several organizations including the Museum of Arts and Culture (MAC) and Native American tribal community have said they are considering the opportunity. The latter have grant funding for an interpretive center location and the Plaza would be ideal.

In conclusion, feedback from analysis and stakeholder response indicate that the community benefits of the second floor renovation are more important than the financial return on investment. A mix of uses would appear to be the best option.

First Floor Program Recommendations:

- Convenient customer service information and point of sales office
- Increase capacity for food and retail to 4,000 square feet
- Public restrooms
- Customer ease of use through technology

Second Floor Program Recommendations

- At least 6,000 square feet for a museum/cultural center
- Up to 4,000 square feet for meeting rooms
- Provide for STA's operational requirements

Mr. Otterstrom said following Board approval of staff's recommendations, in October through January a 30% design of the Plaza renovation will be prepared in consultation with customers and potential tenants. In early 2014 approval would be sought for final project budget and design, and construction would begin in mid-2014.

Ms. McLaughlin thanked Mr. Otterstrom for his excellent presentation and Ms. Meyer for her leadership and being a great CEO, and for not allowing the process to slow down. She asked if any potential tenants are ready to sign a memorandum of understanding. Mr. Otterstrom said he would come back to the Board this fall with commitment from tenants since they will need to provide input on the design work.

Ms. Meyer said staff is looking at between 6,000 and 9,000 square feet for a museum. The MAC is setting up a facilities committee and they will be included in any space design discussions as well as the tribes.

Ms. Waldref commented that the tribes have artifacts to display and currently do not have enough room.

Ms. Bowers asked what the current tenants think about these plans.

Mr. Otterstrom said those housed on the second floor are very interested in moving down to the first floor.

Mr. Hafner said this is a good plan and will benefit STA and the community.

Ms. McLaughlin moved to recommend acceptance of the programmatic recommendations for the first and second floors of the STA Plaza. Mr. Schoen seconded and the motion passed unanimously.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Mr. Hafner said the committee discussed STA Moving Forward and timing of a ballot initiative. They concluded that the spring of 2014 is too soon and February 2015 is the earliest a ballot initiative could be considered. Different options for the Moving Forward corridors and plans will be reported to the Planning & Development Committee.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

i. Draft 2014 Operating and Capital Budget

Mr. French said the committee discussed the Plaza renovation and the Budget.

Ms. Meyer said Ms. Warren's idea for a narrated video last year was so successful that staff decided to do it again this year. The video was shown to the Board. The video is available on the website at:

<http://www.spokanetransit.com/about-sta/view/proposed-2014-budget>

Ms. McLaughlin said it was excellent.

Ms. Warren said there was one person who attended a public meeting about the 2012 budget and 50 people who watched the 2013 budget video online.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

In Chairman Allen's absence, Mr. Blaska said the committee recommended action items to the Board under the consent agenda.

11. CEO REPORT

Ridership

Ms. Meyer reported that fixed route ridership in August decreased by 2.4% over August 2012 for a year to date increase of 0.5%. Paratransit ridership decreased 5.9% over August 2012 for a year to date decrease of 2.0%. There was one less weekday in August 2013 than in August 2012.

Washington State Transit Association (WSTA) Symposium/State Rodeo

The Symposium and State Rodeo were held in Spokane August 25 – 28, 2013. There were approximately 250 attendees and a vendor exposition. Secretary of Transportation, Lynn Peterson, was in attendance. Spokane Transit hosted the Rodeo and the maintenance portion took place at the Boone Avenue facility.

STA Coach Operator, Gabe Fernos, took first place in the 40 ft. coach competition.

STA Paratransit Van Operator, Rob Howard, took first place in the van competition.

STA's Maintenance Team of Bill Callen, Thomas Lightly, and Robert Vargas, took fourth place in the maintenance competition.

American Bus Benchmarking Group (ABBG) Annual Meeting

Ms. Meyer said STA joined the American Bus Benchmarking Group and she and Lynda Warren recently attended their Annual Meeting. The focus of this group is to measure Key Performance Indicators (KPIs) of transit agencies nationwide.

Fifteen transit agencies submitted their KPIs and the Imperial College of London evaluated and compared the results on 100 different matrices. Staff will work through the data and take it to the Performance Monitoring & External Relations Committee. STA's results exceeded expectations.

Fall Service Change

The fall service change took place on Sunday, September 15, 2013. Staff was available at multiple locations to answer questions from passengers. The new transit bays at Spokane Community College are open. Mr. Otterstrom is offering a bus tour on Tuesday, October 1.

Sales Tax

Sales tax has increased by 5.9% year-to-date; it has now increased for 12 consecutive months.

Staffing

Beth Bousley has been hired as Director of Communications & Customer Service. Beth has lived in Spokane for four years and worked as an advertising account manager and contractor. Her prior experience included marketing leader for the ATT "Go Phone" campaign. She will accompany Ms. Meyer and two Board members to the APTA Annual Meeting.

12. BOARD INFORMATION

- A. Committee Minutes
- B. July 2013 Semi-Annual Financial Reports
- C. July 2013 Financial Results Summary
- D. August 2013 Sales Tax Summary
- E. June 2013 Operating Indicators
- F. July 2013 Operating Indicators
- G. Second Quarter Performance Measures
- H. Six Month Ridership Analysis

13. NEW BUSINESS

None.

14. BOARD MEMBERS' EXPRESSIONS

Ms. McLaughlin apologized that she missed the Moving Forward Workshop. She added that the materials were very informative and appreciated the high level of excellence and professionalism exhibited by Ms. Meyer as Chief Executive Officer.

Ms. Waldref and Mr. French said they appreciated the opportunity to attend the APTA Annual Meeting.

15. EXECUTIVE SESSION

At 11:13 a.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 11:23 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.

Ms. Waldref and Mr. French left at 11:16 a.m.

At 11:23 a.m., the Board of Directors reconvened and Chair Hafner declared the meeting back in public session. No action was taken.

16. ADJOURNED

With no further business to come before the Board, Chair Hafner adjourned the meeting at 11:25 a.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 day after the meeting.

Cable 5 Broadcast Dates and Times of September 19, 2013 Board Meeting:

Saturday, September 21, 2013	4:00 p.m.
Monday, September 23, 2013	10:00 a.m.
Tuesday, September 24, 2013	8:00 p.m.

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

Performance Monitoring & External Relations	Oct 9, 2013, 10:00 a.m. (Southside) 1229 West Boone
Planning & Development	Oct 10, 2013, 11:00 a.m. (Southside) 1229 West Boone
Board Operations	Oct 16, 2013, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: **Thursday, October 24, 2013, 4:00 p.m.**, STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.

Next Public Hearing: **Thursday, October 24, 2013, 5:00 p.m.**, STA Boardroom, 1229 West Boone Avenue, Spokane, Washington, to discuss:

Draft 2014 Operating and Capital Budget

NOTE: Board and Committee meetings for the month of October are a week later than usual and the Board meeting will be at 4:00 p.m.