

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

## **BOARD OF DIRECTORS**

**REVISED** Minutes of the June 30, 2010, Board Workshop  
Southside Conference Room, Spokane Transit  
1229 West Boone Avenue, Spokane, Washington

### **MEMBERS PRESENT**

Wendy Van Orman, City of Liberty Lake, Chair  
Patrick Rushing, City of Airway Heights  
Mark Richard, Spokane County  
Bonnie Mager, Spokane County  
Gary Schimmels, City of Spokane Valley  
**Rhonda Bowers, Labor**

### **MEMBERS ABSENT**

Amber Waldref, City of Spokane  
Jon Snyder, City of Spokane  
Richard Rush, City of Spokane  
Dean Grafos, City of Spokane Valley

### **STAFF PRESENT**

E. Susan Meyer, Chief Executive Officer  
Jim Plaster, Director of Finance & Administration  
Steve Blaska, Director of Operations  
Karl Otterstrom, Director of Planning

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, K & L Gates LLP

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#### 1. **CALL TO ORDER**

Past Chair and Executive Committee Member, Mark Richard, called the meeting to order at **2:36 p.m.** in Ms. Van Orman's absence.

#### 2. **DRAFT COMPREHENSIVE PLAN FOR PUBLIC TRANSPORTATION**

Ms. Meyer said the Comprehensive Plan establishes planning goals and policies; educates customers, residents and businesses on transit's role in regional goals; projects a vision of transit short and long-term; and, complies with a statutory requirement in RCW 36.57A.

Mr. Otterstrom explained that the Comprehensive Plan is long-term and provides the basis for the six-year Transit Development Plan; the six-year Capital Program; the Service Implementation Plan; and, the Annual Strategic Plan and Budget. The plan is linked to other regional plans including the Spokane Regional Transportation Council's (SRTC) Metropolitan Transportation Plan. The plan was the subject of a public hearing at the June 16, 2010 public hearing and was discussed at the Operations and Customer Service Committee on June 9. Mr. Snyder has provided feedback on the plan. Input so far received has included using mobile devices and technology in communication methods; reinforce support for bicycle and pedestrian infrastructure; and, ensure STA communicates the importance of transit in land planning and development decisions.

Mr. Schimmels asked how STA can get the attention of developers.

Mr. Otterstrom said staff is proactive and finds opportunities to talk to developers and City or County staff. It was suggested that staff also talk to Realtor associations.

Mr. Richard suggested there could be a benefit or incentive given to developers who provide infrastructure.

Mr. Blaska said prospective tenants like the Washington State government offices have a requirement that their offices be close to a transit route.

Ms. Van Orman arrived at 2:55 p.m.

Mr. Otterstrom said the next step is the Operations and Customer Service Committee to recommend approval of the Plan to the Board at their meeting of July 7, 2010. Staff will ask for Board approval on July 21, 2010.

3. CONCUR WITH NEAR-TERM STRATEGY AND OBTAIN 2011 GUIDANCE

Ms. Meyer showed a projection model of the assumptions used for the 2010 Budget which assured a sustainable financial plan through 2015. She added that current assumptions indicate it will take nine years for existing sales tax revenue to grow back to the 2007 level. In order for the Board designated reserves (catastrophic self-insurance and operating reserve) to remain at minimum, service reductions at 2% in 2010 and 7% in 2011 and 2012 are necessary. There will be 32 fewer buses and no facility expansion. The forecast for 2011 includes a possibility of savings in employee benefits, a federal earmark request of \$2M for paratransit vans, \$5M in pending grants, and a rebound in retail activity. However the June sales tax revenues are lower than anticipated, causing additional concern.

Mr. Richard asked if an annual growth of 3% was realistic in past planning.

Mr. Plaster said it was a reliable long-term assumption, but since sales tax revenues have decreased so much, STA will have \$80M less revenue than previously estimated from 2008-2015.

Staff is planning now for the 2011 service reduction and will plan in 2011 for the 2012 reductions. Developing a visionary plan now depends on whether there could be a positive vote for increased sales tax in 2012 which would mean no 2012 service reductions.

Mr. Schimmels asked about the last ballot issue.

Ms. Meyer said it was in 2008 and it successfully implemented the 6/10ths of one percent sales tax without a sunset clause. It did not increase the sales tax allowed for transit. There is still 3/10ths of one percent available. If there is no additional sales tax in 2012 the service reductions will likely include elimination of Sunday and evening service.

Ms. Van Orman asked about the implementation of the High Performance Transit Network project.

Ms. Meyer said if STA is successful in a ballot measure to obtain an additional 3/10ths, any funding left over after taking away the proposed service reductions would be used to go forward with projects such as the HPTN and streetcar. However, there would not be enough to build and implement a streetcar service so federal funding would be needed as well.

Mr. Richard said the additional sales tax should be used to avoid service reductions rather than try to expand service. He asked what percentage would be needed to avoid the reductions.

Ms. Meyer said approximately one tenth to one tenth and a half. She added that proposed reductions for 2011 would be to combine routes for more efficiency.

Ms. Mager said it is a mistake to put more than one question on the ballot so the wording on a sales tax increase should be very clear.

Mr. Rushing asked what happens when the maximum 9/10ths is reached.

Ms. Meyer said several transit agencies in the state are already at that level and are cutting service. They will have to try another source such as a Motor Vehicle Excise Tax or an employee tax which are unappealing to voters.

Ms. Meyer said the service reductions planned for September, 2010 will involve the reduction of six positions but these will be reduced through attrition. The anticipated loss of positions for the 2011 service reduction is between 40 and 45. It is proposed to keep planning for the Downtown Transit Alternatives Analysis in conjunction with the City of Spokane since funds are available through both state and federal grants for the planning part of the project.

**The Board concurred with the near-term strategy and 2011 guidance as presented.**

4. MILESTONES

Mr. Otterstrom said planning for the 2011 service reductions has already begun and will be brought before the Board at their September 15, 2010 meeting. The draft recommendation for public comment will be presented to the Board in January, 2011 with hearings in February. Final recommendation will be brought before the Operations and Customer Service Committee and the Board in March, 2011.

The 2011 Budget will include two Board workshops: October 6 and November 3; a draft presentation to the Board at their October 20, 2010 meeting; a public hearing on November 17, 2010 and a request for adoption on December 15, 2010. The proposed budget will also be reviewed and discussed by the Operations and Customer Service Committee in October and November.

5. MISCELLANEOUS

Ms. Meyer said an Employee Appreciation Day is being held today with staff cooking breakfast all day. Employees from the Washington State Department of Retirement Systems and Healthcare Authority are visiting STA to explain their retirement and health and welfare benefits programs.

Mr. Plaster said a lot of research has been undertaken by staff to analyze the benefits to Spokane Transit and its employees of these plans. He said that Washington State is one of only four states nationwide to have a healthy, well funded retirement plan for its employees.

Ms. Meyer said the state health plan is more reasonably priced than the current insurer, Premera. This saving would counteract the possible higher cost of the retirement plan. She added that preventative medical services are free under the state plan. STA cannot continue with Premera long-term since increases in costs have been averaging 14.97% a year. The state plan has increased only 3.7% per year. Further discussion ensued about health insurance.

6. ADJOURN

With no further business to come before the Board at this workshop, Chair Van Orman adjourned the meeting at 3:50 p.m.

Respectfully submitted,

Jan Watson  
Executive Assistant to the CEO  
& Clerk of the Authority