

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

BOARD OF DIRECTORS

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

MEMBERS PRESENT

Amber Waldref, City of Spokane, Chair
Chuck Hafner, City of Spokane Valley
Ed Pace, City of Spokane Valley
Shelly O'Quinn, Spokane County
Al French, Spokane County
Mike Allen, City of Spokane
Candace Mumm, City of Spokane
Tom Trulove, Small Cities Representative
(Cheney)
Richard Schoen, Small Cities Representative
(Millwood)
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

PROVIDING LEGAL COUNSEL

Brian McClatchey, K & L Gates LLP

MEMBERS ABSENT

None

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 of Cheney recently rode the electric bus on loan to STA from its manufacturer, BYD, and thanked the Board for the opportunity. He also appreciates the triple bicycle racks and would like to see more of those on the buses. He requested bus service between Spokane and Deer Park. Ms. Waldref advised that Deer Park is not in the Public Transportation Benefit Area (PTBA).

4. **RECOGNITIONS AND PRESENTATIONS**

None.

5. **BOARD ACTION – CONSENT AGENDA**

Mr. Pace moved to approve the following consent agenda items 5. A through D. Mr. Allen seconded and the motion passed unanimously.

- A. Approve the minutes of the February 20, 2014 Board meeting
- B. Approve the following vouchers and payroll for February 2014:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (February)	Nos. 579695-580052	\$ 2,612,279.64
Workers Comp Vouchers (February)	Nos. 212635-212698	\$ 36,634.43

Payroll 02/07/2014	ACH – 02/07/2014	\$ 1,026,408.08
Payroll 02/21/2014	ACH – 02/21/2014	\$ 1,018,409.46
WA State – DOR (Use Tax)	ACH – W0640	\$ 10,988.14
Travel Advance	No. 2008	\$ 585.60
FEBRUARY TOTAL		\$ 4,705,305.35

C. Adopt a resolution approving the 2014 Title VI Program.

D. By motion, authorize contract negotiations between STA and H.W. Lochner, Inc. for design and engineering services for the West Plains Transit Center scope of work as published on December 15, 2013; and, authorize the CEO to execute a contract if the terms are deemed to be fair and reasonable and in the best interest of STA. Furthermore, if said terms cannot be agreed to, recommend the CEO be authorized to proceed with said negotiations and contract execution with BergerABAM.

6. **BOARD ACTION – COMMITTEE RECOMMENDATIONS**

Planning & Development:

A. STA Moving Forward/2014 Transit Development Plan Preliminary Scenarios

Mr. Otterstrom explained that STA Moving Forward is now in Phase III, prioritizing and developing implementation scenarios, the outcome of which is a 10 to 15 year plan. Factors considered for the High Performance Transit (HPT) corridor screening are:

Existing ridership (30%); future travel demand (30%); land use planning support (30%); and, grant competitiveness (10%).

The Transit Development Plan covers six years and both this plan and STA Moving Forward are founded in *Connect Spokane*, STA’s Comprehensive long-term plan.

On February 20, 2014, the Board approved the following Scenarios A & B as a basis for preparing for public outreach.

Name	Description	Additional Sales Tax Equivalent
Scenario A	Sustain service levels and implement two or more HPT corridors, expand park and ride facilities and make other service and facility improvements	.003
Scenario B	Sustain service levels, improve facilities and expand park and ride capacity	.002

Highlights of Scenario A, in addition to sustaining service, include:

- Expanding/building Park & Ride lots at Moran Prairie, Liberty Lake, and Mirabeau, and transit centers at West Plains and Spokane Community College
- Beginning HPT network including Central City Line, Cheney corridor, Spokane Valley corridor, commuter express service from South Hill
- Improving/building connection facilities.

Ms. Mumm arrived at 1:45 pm

Ms. Waldref asked if the Cheney routes would be the first to improve.

Mr. Otterstrom said they would have later service at night and weekends. The south hill would also have more frequent service.

Ms. Bowers asked about the purchase of right-of-way relative to the proposed improvements.

Mr. Otterstrom said \$5 million is currently budgeted for right-of-way and this amount would dwindle as land is purchased. An estimated additional \$10 million would be needed.

Ms. Bowers said she is concerned that some projects in the Transit Development Plan including pilot service to Post Falls and Coeur d'Alene, Idaho are outside of the PTBA.

Ms. Bowers asked about the cost of fleet expansion.

Mr. Otterstrom said it is a matter of taking existing service and making it better, and adding an increment of new buses when there is service growth in a corridor.

Ms. Bowers said that would require a large capital investment.

Mr. Otterstrom said it would be budgeted.

Ms. Bowers said Mr. French asked the same questions about all the scenarios except the Central City Line (CCL).

Mr. Otterstrom said each corridor has been scored on density, ridership and future travel patterns. The Central City Line corridor is dense enough to rank it high. Ridership patterns are available from the Spokane Regional Transportation Council (SRTC).

Ms. Bowers said there is density around Spokane Community College but the CCL will stop at Gonzaga University.

Mr. Otterstrom said the density is higher if the line only goes to Gonzaga.

Ms. Meyer said in the next few months staff will recommend an extension of the line to SCC or not, based on costs, value, connectivity and construction of a maintenance facility.

Highlights of Scenario B, in addition to sustaining service, include:

- Expanding/building Park & Ride lots at Moran Prairie and Liberty Lake
- Building transit centers at West Plains and Spokane Community College
- Improving facilities.

Mr. Allen asked if analysis has been done on the West Plains Transit Center as to the passengers who would come back into Spokane after traveling to the transit center?

Mr. Otterstrom said staff is looking at Census Bureau data for people who live there and work in downtown Spokane. It is assumed that 100 parking stalls could be filled.

Mr. Allen asked what percentage is assumed of those driving downtown.

Mr. Otterstrom said about 20% of those driving currently may use the transit center.

Ms. Waldref asked why not improve service over facilities.

Mr. Otterstrom said costs are higher and grants would more likely cover facilities than operating costs.

Mr. Otterstrom addressed the revenue allocation by scenario with Scenario A requiring .003 (three tenths of one percent) additional sales tax versus Scenario B at .002 (two tenths of one percent).

Ms. Meyer added that one tenth amounts to approximately \$7 million per year.

Ms. O'Quinn asked how long it would be before STA ran out of money after these scenarios because she just wanted to make sure the taxpayers would not be asked for more tax increases in five years.

Ms. Meyer said STA has received the same rate of funding since 1981. In 2004 the voters agreed to three tenths of one percent increase in sales tax with a sunset clause due to the loss of funding through the Motor Vehicle Excise Tax (MVET). In 2008 that sunset clause was removed.

Mr. Hafner commented that the maximum amount of sales tax for transit is limited to nine tenths of one percent. STA is currently at six tenths.

Ms. Meyer noted that STA received approximately \$10 million from fares and also funding from federal and state grants.

Mr. Otterstrom said many opportunities for public outreach on the scenarios are planned through July including briefings with city councils, neighborhood groups, business representatives, and tele-town hall meetings. A public hearing will be held at the June 19, 2014 Board meeting with the final scenarios brought to the Board for approval in July.

Mr. French moved to approve the preliminary scenarios as the basis of initial public outreach. The recommendation assumes further refinement and development as the result of input and further technical evaluation. Mr. Allen seconded and the motion passed unanimously.

7. BOARD ACTION – OTHER:

None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Ms. Waldref said she, Ms. Meyer and Mr. French reviewed their trip to Washington, D.C. where they met with Senators Murray and Cantwell and Congresswoman McMorris Rodgers. They received positive feedback. They also met with Federal Transit Administration (FTA) officials about the Central City Line project. There is an FTA Small Starts grant opportunity this Fall.

The committee also discussed a calendar for the ballot initiative proposed for April 2015 and the Citizen Advisory Committee's responsibilities.

9. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

i. 2013 Unaudited Year-End Financial Report

Mr. Allen reported that the committee recommended the two consent agenda items for approval to the Board, and reviewed the performance measures, vanpool program and financial reports.

Ms. Warren said the financial reports are presented twice a year.

2013 Operating Revenue

Includes fares and advertising

\$10,812,077: 0.5% below budget (\$51,000)

It is proposed to change the name of "operating revenue" to "fare and other transit revenue."

2013 Sales Tax Revenue

\$45,360,083: 7.7% above budget (\$3.26 million)

This is still below the high revenues experienced in 2007.

Ms. Bowers asked if 2007 was the highest amount, what were the amounts before that.

Ms. Warren said she would get that information. She commented that 2006 was also high.

Ms. Meyer said \$25 million less sales tax has been collected since 2007.

Mr. Allen asked if there have been trends reflecting the anomalies in the economy.

Ms. Warren said she would prepare that information for the next Performance Monitoring & External Relations committee meeting.

2013 Federal & State Grants Revenue

\$8,994,140: 7.9% above budget (\$656,000)

2013 Miscellaneous Revenue

\$522,940: 9.2% above budget (\$44,300)

2013 Revenue Summary

\$65,689,240: 6.3% above budget (\$3,904,000)

2013 Fixed Route Expenses

\$38,489,954: 5.1% under budget (\$2,080,000)

Savings are due primarily to fuel and maintenance.

2013 Paratransit Expenses

\$10,479,278: 11.3% under budget (\$1,330,000)

Savings due to using contracted service less than anticipated.

2013 Vanpool Expenses

\$713,300: 19.3% under budget (\$171,000)

Vanpool fares covered 99.5% of expenses.

2013 Plaza Expenses

\$1,307,362: 0.5% above budget (\$6,000)

2013 Administrative Expenses

\$6,162,475: 3.9% under budget (\$253,000)

2013 Expense Summary

\$57,152,369: 6.3% under budget (\$3,828,000)

2013 Budget Summary

\$7,700,000 favorable budget variance

2013 Capital Budget

\$14,115,538 budgeted

\$6,280,321 expensed due to timing of project payments

Balance held over to 2014

2013 Cash Balance

\$56,300,000 including \$20 million in Board designated reserves.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

i. Updated Financial Forecast

Ms. Warren said the financial forecast through 2020 shows sustainability through the second quarter of 2019.

Ms. Meyer commented that a service reduction had been assumed in 2012 but was deemed unnecessary. However, funds need to be saved for vehicle replacement.

11. CEO REPORT

Performance Measures (item 12.D)

Ms. Meyer mentioned that the Spokane region gets more service per dollar in the state, second only to King County Metro.

Mr. French left at 2:55 p.m.

Ridership

Ms. Meyer reported that fixed route ridership in February decreased by 0.3% over February 2013 for a year to date increase of 0.3%. Paratransit ridership decreased 2.4% over February 2013. There was the same number of weekdays in February 2014 as in February 2013.

Sales Tax

February sales tax revenue (based on December sales) increased by 3.1% above Feb 2013.

Legislative Trip to Washington, D.C.

See Ms. Waldref's earlier report.

Ms. Meyer said in addition she met with New Flyer about the design of a vehicle for the Central City Line. They have met with other transit agencies and are committed to designing a vehicle in 2015. The vehicle would be suitable for Bus Rapid Transit.

12. BOARD INFORMATION

- A. Committee Minutes
- B. January 2014 Financial Results Summary
- C. February 2014 Sales Tax Summary
- D. Year End 2013 Performance Measures
- E. January 2014 Operating Indicators
- F. 2013 State Audit
- G. Plaza Renovation 30% Design Update

13. NEW BUSINESS – None.

14. BOARD MEMBERS' EXPRESSIONS

Ms. Waldref said she put photos she had taken in Washington, D.C. in her newsletter.

15. EXECUTIVE SESSION

At 3:00 p.m., Mr. McClatchey 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 3:10 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 3:10 p.m., the Board of Directors reconvened and Chair Waldref declared the meeting back in public session.

Mr. Hafner moved to approve agreement of the wage re-opener for ATU 1598 as presented by staff. Mr. Allen seconded and the motion passed unanimously.

Ms. Waldref thanked staff for the opportunity to ride the electric bus and reminded the Board that the STA annual awards banquet will take place on Sunday, March 30, 2014.

Ms. Mumm also thanked staff for the bus tour of the proposed High Performance Transit routes.

16. ADJOURNED

With no further business to come before the Board, Chair Waldref adjourned the meeting at 3:15 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 March 20, 2014 Board Meeting:

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

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

Planning & Development	April 2, 2014, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	April 2, 2014, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	April 9, 2014, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, April 17, 2014, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.