

Spokane Transit Authority  
1230 West Boone Avenue  
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(509) 325-6000

## **BOARD OF DIRECTORS**

Draft Minutes of the December 19, 2008, Special Meeting  
STA Boardroom  
1229 West Boone Avenue, Spokane, Washington

### **MEMBERS PRESENT**

Mark Richard, Spokane County, Chairman  
Dick Denenny, City of Spokane Valley  
Al French, City of Spokane  
Richard Rush, City of Spokane  
Allan Gainer, City of Cheney  
Nancy McLaughlin, City of Spokane  
Richard Munson, City of Spokane Valley

### **MEMBERS ABSENT**

Bonnie Mager, Spokane County  
Patrick Rushing, City of Airway Heights

### **STAFF PRESENT**

E. Susan Meyer, Chief Executive Officer  
Jim Plaster, Director of Finance & Administration  
Steve Blaska, Director of Operations  
Mike Volz, Assistant Director of Finance & Administration  
Molly Myers, Communications Manager  
Susan Millbank, Ombudsman  
Steve Doolittle, Human Resources Manager

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, K & L Gates LLP

### **GUESTS**

David Swalling, Chairman, Citizen Advisory Committee

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The December 18, 2008 regular Board meeting was cancelled due to extreme winter weather conditions. The following minutes pertain to a special meeting of the Board called on Friday, December 19, 2008 at the STA Boardroom. This meeting was not televised.

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

Chairman Richard called the meeting to order at 2:04 p.m. and conducted roll call. He noted that Ms. McLaughlin is participating by conference call.

2. **RECOGNITIONS AND PRESENTATIONS**

A. **Citizen Advisory Committee Fare Structure**

David Swalling, Chairman of the Citizen Advisory Committee (CAC), made this presentation. He explained that the CAC has been evaluating Spokane Transit's Tariff Policy for the past year and now is seeking the Board's input prior to taking the proposal for public input. The CAC will request Board approval of a new Tariff Policy in May, 2009. The last time fares were increased was in 2002. It is proposed that a fare increase be implemented for both fixed route and Paratransit due to declining sales tax revenue and increased operational costs. The CAC proposes to increase fares in two phases between now and January 2011 to achieve an appropriate user fee relative to the cost of service. This action also brings STA fares more in line with other comparable transit agencies. Fixed route base fare would increase from \$1.00 to \$1.25 in the first phase. Other fare instruments such as two-hour passes, day pass, monthly pass etc) would increase in price accordingly. Phase two would increase the base fare from \$1.25 to \$1.50. It is also proposed that the Paratransit base fare should be equal to the fixed route base fare. A new fare category is proposed in order to charge a premium fare for express service. Mr. Swalling reiterated that this proposal is just the beginning of a lengthy public process and does not represent the CAC's final recommendation to the Board.

Mr. Rush arrived at 2:12 p.m.

Planned public outreach events include meetings with groups; Plaza events; special website information and feedback; telephone hot line; STA staff and Operations and Customer Service Committee; media outlet information and printed materials; and, other printed materials.

The public outreach process will take place between January and March; a recommendation will be made to the Board in March and a public hearing will take place at the April Board meeting. Board action will be taken in May.

Mr. Denenny joined the conference call at 2:20 p.m.

For the third quarter of 2008, the farebox recovery ratio at Spokane Transit is 17.2% for fixed route and 1.8% for paratransit. The fixed route recovery ratio goal is 20%, based on the general industry standards. Phase one of the proposed fare increase will increase the farebox recovery to 19.4% and to 22.4% in the second phase with total additional revenue from fares of \$2.3 million.

Mr. Gainer arrived at 2:24 p.m.

The rationale behind increasing the Paratransit fare to equal the fixed route fare is due to cost. An average Paratransit ride costs \$21.49 versus \$3.95 for a fixed route ride; and, the Paratransit service is more widely used in Spokane than in other areas. The proposal complies with state and federal law. The proposed increase in fare would raise the farebox recovery to 4.6% in phase one and to 5.3% in phase two with a total increase in revenue of \$375,000.

Mr. Munson thanked Mr. Swalling and the CAC members for their hard work on this project. He said he could not support the proposed Paratransit increase and would prefer to delay it to 2011. Mr. Rush asked if the increased fare revenue from phases one and two is based on the same ridership. Mr. Swalling said gas prices have decreased recently without an effect on ridership. Research done in other parts of the country indicates that ridership has not gone down due to fare increases. Ms. McLaughlin agreed with Mr. Munson regarding the Paratransit fare increase. She feared that people would not be able to afford to use the service. Mr. Swalling said one of the CAC members is disabled and she agreed the fare should be raised. Ms. Myers said there would be a great effort to reach the disabled community in the public outreach process. Mr. French expressed his thanks to the CAC for their efforts and commitment to this project. He added that the Paratransit fares are very low in consideration of the service provided. There is no way to compare prices with any other transportation mode, for example, taxis. Mr. Denenny said it is necessary to make the public informed of the cost factor; 95% pays so that 5% can use the service. If the taxpayers were aware of the high cost of subsidy they would probably agree to the fare increase. Mr. Munson said it is the only way customers are able to go to the doctor and STA should be sensitive to usage. Ms. Meyer said a different fare cannot be charged based on trip purpose under federal law.

Mr. Richard thanked the Board for their input and cautioned them on taking a position at this preliminary stage.

3. PUBLIC EXPRESSIONS – None.

4. BOARD ACTION: CONSENT AGENDA

- A. Motion to approve minutes of the November 20, 2008 Board Meeting.
- B. Motion to Approve Accounts Payable Voucher and Warrant nos. 554065 through 554485, and Worker's Compensation Warrant nos. 201612 through 201796 totaling \$2,856,358.23 for the period November 1 through November 30, 2008.
- C. Motion to approve that students over the age of 18 who attend local high schools be allowed to participate in the Student Pass Program, and to amend the STA Fare Policy to reflect this addition.
- D. Motion to approve an amount up to \$5,000 for the relocation expenses of the Director of Planning.
- E. Motion to terminate the contract with Allen and McLane effective December 31, 2008, waive the procurement policy, and authorize the CEO to execute a contract for professional services effective January 1, 2009, at the same rate and terms with Tom McLane and Randall & Danskin for labor and employment legal services.

**Mr. French moved to approve consent agenda items 4. A – E. Mr. Gainer seconded and the motion passed unanimously.**

5. BOARD ACTION: OTHER ITEMS

A. Transit 2020 – Transit Center Options

Mr. Blaska explained that this item was the subject of a public hearing last month and was discussed in depth at previous Board meetings. At the public hearing, no one spoke against the proposal to remain at the Plaza and make enhancements. The Downtown Spokane Partnership spoke in favor of this recommendation and there was no opposition from stakeholders who were initially interviewed at the beginning of the process. STA employees are overwhelmingly in favor of the Plaza. **Mr. Munson moved to approve the enhanced Plaza option as the basis for development of improved STA services facility in downtown Spokane and the centerpiece of STA service architecture. Mr. French seconded.** Mr. Richard asked what will happen following this approval. Mr. Blaska said staff will move forward with the Transit 2020 recommendations, specifically launching the enhancement of the Plaza and the hiring of a project contractor. In the 2009 budget, \$100,000 is available for design and engineering; in 2010 there is \$1 million set aside for the project and in 2011 there is \$2 million. Any action taken will require Board approval. Staff will return to the Board in January with a timeline for the process. **The motion passed unanimously.**

B. Proposed 2009-2015 Transit Development Plan – Resolution

Mr. Howell said the TDP has been discussed by the Operations and Customer Service Committee who recommended approval. The public outreach process included workshops at the Plaza and a public hearing at the last Board meeting as well as publication on the STA website and libraries. Proposed changes to the TDP since the last draft was published on October 29, 2008 include updated fixed route ridership projection to reflect the current ridership growth projections for 2008 and beyond; and, updated Capital Projects. One comment was received from Mr. Nick Beamer, Executive Director of Aging and Long Term Care of Eastern Washington. Mr. Beamer recommended STA plan for a larger aging population than before with far more people needing the services STA provides. Secondly he said there are people who cannot access public transportation, either fixed route or Paratransit, who are using a volunteer program called "Care Cars." He added that STA has an opportunity to apply for funding for this program through New Freedom funds and encouraged this as an objective.

Ms. McLaughlin asked STA to be aware of the aging population in its planning and asked who would be the designated recipient of the New Freedom funds. Mr. Howell said he is working with the

Spokane Regional Transportation Council and the grant amount would be \$90,000 per year with a local match required. He confirmed that recognizing the aging population increase is a regional transportation issue and he is actively involved in the Human Services Coordination Plan. Ms. Meyer said she agreed that Spokane Transit should be the designated recipient for JARC and New Freedom funding and will administer the program. She added that Care Cars could be a project to be submitted in the Call for Projects in 2009.

Ms. McLaughlin asked if there had been any follow-up with the Parks Department on the Albi Stadium park and ride lot. Ms. Meyer said she had not received a response from the Parks Department but would call to check on the status.

**Mr. French moved to adopt by resolution the proposed 2009-2015 Transit Development Plan with changes as presented. Mr. Munson seconded.**

Mr. Richard said the County has allocated funding for Care Cars through the first quarter of 2009 and believed the City of Spokane also contributes to the program. He added that it is an excellent program. **The motion passed unanimously.**

C. Proposed 2009 Operating and Capital Budgets – Resolution

Mr. Plaster thanked Mike Volz, Tammy Johnston and Gordon Howell for their work on the budget. The public outreach process was extensive with two Board workshops, two public workshops, an employee briefing, a briefing to the Operations and Customer Service Committee, and a public hearing at the December Board meeting. Staff and the Board have worked hard to prioritize and refine assumptions and programs for 2009 in order to sustain services by planning to use cash reserves to bridge STA to a period of hoped for economic recovery. The final summary of the 2009 budget proposal is as follows: Total revenues at \$64,992,164; total operating and capital expenditures at \$76,237,262; Cooperative Street and Road Projects at \$3,265,850; and an estimated use of existing cash reserves of \$14,510,948.

Mr. French asked if the state is cutting back on funding to transit since he noticed the state grant for 2009 is \$911,210. Ms. Meyer said there are reductions proposed in the Governor's budget but it is not known if the special needs grant will be affected. Mr. Munson asked if the Cooperative Street and Roads projects are completed and said if the jurisdictions do not finish their projects in time, STA should take back the funding. Mr. Plaster said the projects are partially completed; \$6 million was appropriated in 2008 and 2009 commitments to finish have been communicated. He added that it would be unlikely to have additional projects. Mr. Munson requested that staff bring a policy criteria to the Board. Mr. Gainer said the subject was brought up at the SRTC meeting and they support actual, active projects. Ms. Meyer confirmed that STA does not pay until the project is complete.

**Mr. Munson moved to adopt by resolution the proposed 2009 Operating and Capital Budgets. Mr. Gainer and Mr. French seconded.** Mr. Denenny said fuel prices are the wild card in the budget and if the lower costs are maintained, STA will save some money. Mr. Plaster said the savings could be between \$1.5 and \$2 million and staff will watch the progress closely throughout the year. Mr. Munson said he was impressed with the level of professionalism this budget shows and commended staff for their hard work. The budget is realistic for the hard times the country is experiencing. **The motion passed unanimously.**

D. 2009 State Legislative Focus and Priorities

Ms. Millbank outlined STA's legislative priorities for 2009: Effective organizational strategies; unfunded mandates (avoidance); climate change initiatives; critical transportation projects; realistic funding strategies; and, productive community partnerships. A copy of the Governor's budget is included in Board members' grey folders. Legislation that may be introduced in 2009 includes proposed tax within the area of a High Capacity Corridor. This tax could take the form of a separate

sales tax, employment tax or other funding sources. It is also anticipated that the PTBA Board composition issue will be discussed again. In the last session it was proposed that a representative of a collective bargaining unit would be added to the Board as a non-voting member and it failed. Mr. French said if the legislature in Olympia believes the Board should be expanded to include a Union member, a member of the business community should also be included. He added that he is comfortable with the Board composition as it is currently.

Ms. Millbank said STA's request for 25 vanpool vans is included in the Governor's budget. Mr. Munson asked if it includes a request for funding for Bus Rapid Transit. Ms. Meyer said it is not in the budget. STA's proposal is not far enough along but will be brought before the Board at the January meeting. Discussion followed regarding land use and public transportation issues, climate change initiatives, and realistic funding strategies. Greater Spokane Incorporated included STA's request for vanpool vans in its legislative agenda for 2009 and is asking for approval. **Mr. Munson moved to approve the 2009 State Legislative Focus and Priorities as presented and grant authority to the CEO to determine STA's interest in specific pieces of legislation and convey those interests to legislators and others. Mr. French seconded.** Mr. Richard agreed with Mr. French's opinion that if a labor union representative is included in the Board composition, a representative from the business community should also be included. Ms. Meyer said STA would monitor the issue. She serves on the Washington State Transit Association Board but has not seen any new legislation on this subject yet. Last year the position was "non-voting" and was not allowed to be present in Executive Session. Any position STA takes will be brought back to the Board. **The motion passed unanimously.**

6. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. STA Holiday Service Hours
- D. October 2008 Operating Indicators
- E. October 2008 Financial Results Summary

7. CEO REPORT

Ms. Meyer reported that STA has requested the following capital projects be included in the state's economic stimulus package: 8 hybrid electric buses; security cameras in park and ride lots; and, maintenance and preservation projects at STA's Boone Avenue facility. Total is approximately \$10 million.

Mr. Blaska gave an update on how the extreme winter weather conditions have affected STA's service. More snow is expected at the weekend. Currently #23, 24, 25, 44, 74 and 90 are all in service. The emphasis on Paratransit service is for medical and nutritional purposes. In addition to the efforts of coach operators, mechanics and grounds personnel, Mr. Blaska commended the efforts of managers Andrew Overhauser, Frank Bezemer, Don Reimer, Todd Griffith, Denise Marchioro, Mark Curtis, Molly Myers, Chris Tohm and Peggy Robideaux. Ms. Meyer also commended Mr. Blaska for his many hours of work over this critical period. Mr. Munson thanked staff for their commitment and also the area's snowplow crews. Mr. Denenny asked if there has been a response on the Liberty Lake right-of-way. Ms. Meyer said the right-of-way was encroached by 20 feet instead of the 28 feet allowed. She is going to meet with the Mayor and staff to see why this happened since it is inconsistent with Liberty Lake's advocacy of light rail. Mr. French said it was his understanding that STA has agreements with the City of Spokane, City of Spokane Valley and the County and is attempting to have Liberty Lake do the same. Mr. Munson reiterated that the City of the Spokane Valley has right-of-way preserved in ordinances and their comprehensive plan.

8. NEW BUSINESS:

A. Election of 2009 STA Governing Board Officers

**Mr. French moved to appoint Dick Denenny, City of the Spokane Valley, as Chairman for 2009. Mr. Munson seconded and the motion passed unanimously.** The election of the Chair Pro Tempore was postponed until the January Board meeting.

B. Proposed 2009 Committee and Board Meeting Calendar

Since there are two Association of Washington Cities' meetings in 2009 which are scheduled for the same time as the STA Board meetings in February and June, staff will bring back a new calendar at the January Board meeting. **Mr. French moved to set the date for the January Board meeting as January 15, 2009 at 5:30 pm at City Council Chambers, 808 West Spokane Falls Blvd. Mr. Munson seconded and the motion passed unanimously. Mr. French moved to approve the proposed committee meeting calendar for 2009. Mr. Munson seconded and the motion passed unanimously.**

9. BOARD MEMBERS' EXPRESSIONS

A. Presentation of Commendation to Allan Gainer (Retiring Board Member)

Mr. Munson moved to recognize Mayor Allan Gainer for his service and dedication to public transportation. Ms. McLaughlin seconded and the motion passed unanimously. Mr. French said it had been a pleasure working with Mayor Gainer and appreciated his support of STA and his service as the representative to the SRTC Board. Ms. McLaughlin and Mr. Munson also thanked Mayor Gainer. Mr. Richard thanked him for his diligence and support of transit and presented him with a plaque of commendation. Mr. Gainer said this was his first Board membership since being elected Mayor of Cheney and it has given him a lot of perspective and knowledge. He asked the Board to keep looking after his students at Eastern Washington University.

B. Presentation of Gavel to 2009 Board Chairman

Since Mr. Denenny participated by conference call, he verbally accepted the gavel from Mr. Richard with thanks.

C. Presentation of Commendation to Mark Richard (Retiring Board Chairman)

Mr. Denenny expressed his appreciation of Mr. Richard's service and leadership as the 2008 STA Board Chairman, noting in particular the efforts he made in an election year. In Mr. Denenny's absence, Mr. French presented Mr. Richard with a plaque of commendation. Mr. Richard congratulated his fellow Board members for their service to public transportation and said they had accomplished much in the past year. He thanked them for their friendship.

10. EXECUTIVE SESSION

At 4:17 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purpose:

1. Reviewing the performance of a public employee.

While the provisions of the open public meeting law do not apply to planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining and grievance proceedings, the STA Board Directors is announcing their intent to discuss these matters also.

The STA Board of Directors will reconvene in open session at approximately 4:50 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 at the open public session.

At 4:50 p.m., Ms. McAloon returned to announce the Board would reconvene at 4:55 p.m.

At 4:55 p.m., Ms. McAloon returned to announce the Board would reconvene at 5:00 p.m.

At 5:00 p.m. the Board of Directors reconvened and Chairman Richard declared the meeting back in open public session.

**Mr. French moved to approve a three year employment contract with the CEO, E. Susan Meyer, as discussed by the Board. Mr. Munson seconded and the motion passed unanimously.**

11. Next Committee Meetings (1230 West Boone Avenue, Spokane, Washington):  
Operations & Customer Service                      January 7, 2009, 1:30 p.m. (Southside Conference Room)  
Citizen Advisory Committee                              January 14, 2009, 5:00 p.m. (Northside Conference Room)
12. Next Board Meeting, Thursday, January 15, 2009, 5:30 p.m., City Council Chambers, 808 West Spokane Falls Blvd., Spokane, Washington.
13. ADJOURNED  
With no further business to come before the Board, Chairman Richard announced that it has been a pleasure for him to have served as Chairman in 2008 and he adjourned the meeting at 5:02 p.m.

Respectfully submitted,

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