

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

## **BOARD OF DIRECTORS**

Draft Minutes of the January 15, 2009, Meeting  
City Council Chambers  
808 West Spokane Falls Blvd., Spokane, Washington

### **MEMBERS PRESENT**

Dick Denenny, City of Spokane Valley, Chairman  
Mark Richard, Spokane County  
Al French, City of Spokane  
Richard Rush, City of Spokane  
Bonnie Mager, Spokane County  
Nancy McLaughlin, City of Spokane  
Richard Munson, City of Spokane Valley

### **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  
Gordon Howell, Planning and Grants Manager

### **MEMBERS ABSENT**

Wendy Van Orman, City of Liberty Lake  
Patrick Rushing, City of Airway Heights

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, K & L Gates LLP

### **GUESTS**

Cody Zimbelman, Washington State Auditor's Office

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

Chairman Denenny called the meeting to order at 5:34 p.m. and conducted roll call.

#### 2. **RECOGNITIONS AND PRESENTATIONS**

##### A. **Paul Norton - Retirement**

Mr. Blaska recognized Paul Norton, Day Shift Foreman, for his 23 years of service with Spokane Transit. Mr. Norton is continuing his career in the transit industry and has moved to California to work as a field service representative for a company contracted to New Flyer.

Ms. Mager arrived at 5:37 p.m.

##### B. **2007 State Audit Report**

Mr. Plaster introduced Mr. Cody Zimbelman, audit manager for the Washington State Auditor's office representing the Spokane region. Mr. Zimbelman said the STA Audit Report represented the period January 1 – December 31, 2007. Areas covered in the audit include accountability for public resources, legal compliance, financial statements, and federal compliance. Other items reviewed include receipting of monies, internal controls, open public meeting compliance, competitive bid laws, national transportation data base, ethics, and conflict of interest. STA received an unqualified opinion on its financial statements and federal compliance. There were no findings and no management letters. Mr. Zimbelman said this is the best result an organization can receive. Mr. Plaster commended Mike Volz, Tammy Johnston, Jacque Tjards, and Gordon Howell for their outstanding work on this audit.

##### C. **Years of Service Awards**

Mr. Doolittle read the names of employees with 5, 10, 20, 25, and 35 years of service. These employees were commended for their years of service to STA and the community. Bob Palmer, Coach Operator, was recognized by the Board for his 35 years of service.

D. Third Quarter 2009 Employee Recognition Winners

Mr. Doolittle read the names of those employees who won the employee recognition awards for the months of September, October and November. This program was approved by the Board to acknowledge employees who go the extra mile in the course of their work.

Mr. Richard thanked the employees for their service.

3. PUBLIC EXPRESSIONS – None.

4. BOARD ACTION: CONSENT AGENDA

- A. Motion to approve minutes of the December 19, 2008 Special Board Meeting.
- B. Motion to Approve Accounts Payable Voucher and Warrant nos. 554486 through 554977, and Worker's Compensation Warrant nos. 201797 through 202003 totaling \$13,471,997.92 for the period December 1 through December 31, 2008.
- C. Motion to waive the \$50,000 limit established for emergency procurements in Section 23 of the STA Procurement Policy, and authorize and ratify the execution of work orders, requisitions, and contracts issued for emergency removal of snow from the roofs of two Spokane Transit garages.

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

5. BOARD ACTION: OTHER ITEMS

**Mr. French moved to defer items 5. B, C and D until the February Board meeting. Mr. Richard seconded and the motion passed unanimously.**

- A. Cooperative Street and Road Projects Budget Revision to Approve Re-allocation of Funding for City of Spokane

Mr. Howell said the City of Spokane has requested a budget revision of their approved projects for 2009. STA funds from both the Francis/Nevada (\$291,250) and Francis/Addison (\$304,600) projects will be combined to help fund the Francis/Nevada project. No additional funds are being requested. It is anticipated that the Francis/Nevada project will be completed in 2009. **Mr. Munson moved to approve the reallocation of funds from the Francis/Addison project to the Francis/Nevada project (the amount to be reallocated is \$304,600, for a total STA share of \$595,850), and authorize the CEO to enter into an agreement with the City of Spokane for this project funding reallocation. Mr. Richard seconded and the motion passed unanimously.**

- E. Proposed 2009 Board Meeting Calendar

**Mr. Munson moved to approve the 2009 Board meeting calendar and Ms. McLaughlin seconded.** Ms. Mager said she serves on the Health Board and has a conflict with the afternoon of February 26. Mr. Denenny said he and Mr. Richard also served on that Board and he directed the Clerk to find a different time on February 26 and let the Board members know. **The motion passed unanimously.**

6. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. November 2008 Operating Indicators
- D. November 2008 Financial Results Summary
- E. Fourth Quarter 2008 Travel Report

7. CEO REPORT

Ms. Meyer said she would like the Board to consider and discuss STA's representation on the Spokane Regional Transportation Council (SRTC) Board. Currently STA has one representative, a Board member from the small cities, which is mandated by the SRTC bylaws. She added that STA pays \$38,600 in funding to SRTC annually and other jurisdictions paying that amount have two representatives on the Board. Ms. Meyer's suggestion is that she present a proposal to the SRTC Board with two options: Option A "at the current funding level STA shall have two representatives on the SRTC Board, with no restriction, to include Board members and the CEO." Or, alternatively, Option B "to retain one position on the Board and remove the restriction of a small cities representative only." If Option B is chosen, STA would reduce its contribution to SRTC to an amount equal to others with only one representative - \$20,000. Mr. Denenny said that the small cities' representatives on the STA Board rotate frequently therefore most are new to transit issues. Ms. McLaughlin agreed and said it is not fair to expect a new Board member to immediately become STA's representative on the SRTC Board with no experience. Other STA Board members on the SRTC Board are representatives of their own jurisdictions, not Spokane Transit.

**Mr. Munson moved to authorize the CEO to present Option A to the SRTC Board. Mr. French proposed a friendly amendment to include STA's reduction of funding payments if the SRTC Board does not agree with Option A. Mr. Munson accepted this friendly amendment.** Mr. Richard was concerned that this sounds like an ultimatum which is not the intent of the STA Board. Mr. Munson said it is not an ultimatum since Ms. Meyer will present it to the SRTC Board with the opportunity for discussion among all the partners. He added that Option A provides the policy leadership that SRTC needs. **The motion passed unanimously.**

8. STAFF REPORTS:

A. Bus Rapid Transit

Ms. Meyer said she has prepared a two part report on Bus Rapid Transit and part two will be at the February meeting. BRT was one of the alternatives in the South Valley Corridor High Capacity Transit Alternatives plan in 2006. Mr. Richard asked what BRT would give Spokane that we don't already have. Ms. Meyer said it provided higher capacity, less frequent stops, improved stations and possibly signal priority and bus-only lanes. It is less expensive than light rail although BRT does not preclude light rail. Mr. Richard commented that dedicated bus lanes are the key to faster travel due to the absence of traffic congestion. Ms. Meyer said in Portland, approximately 25% of the urban population used public transportation before light rail was introduced. Spokane is not at that point but will be in the future and with BRT there will be higher ridership due to the convenience factor. She added that STA needs to look at the big picture; the entire system, including corridors that are candidates for improved service which could be provided by BRT. Mr. Munson said he is a big supporter of BRT and said this is a great start to the planning process. Mr. French said the federal government told STA that ridership is not high enough for them to consider federal funding for a light rail system. However, he added, that picture may change with higher ridership due to BRT. Mr. Denenny was interested in knowing the acquisition costs of land for BRT stations and the viability of

the system. Ms. Meyer said she would bring more information back to the Board in February. Mr. Munson said BRT could run in the same corridor slated for light rail since it would be less expensive.

**B. Plaza Enhancement Timeline**

Ms. Meyer said Nelson/Nygaard had shown what the interior of an enhanced Plaza could look like and the plan is to move functions from the second to the first floor including customer service. The call center, however, could remain in an office on the second floor. Security and police presence would remain on the first floor. The second floor would be office space with no need for transit patrons to be there, only those accessing the skywalks. The exterior of the building would have extended sidewalks at Wall and Sprague, with Wall Street as an arrival spot, and wall treatments on the exterior façade on Sprague. Ms. Meyer said STA will be looking for professional expertise initially in the area of design and engineering. Option 1 would be to issue a Request for Proposals (RFP) on the best ways to do the project and use this to establish the bid specifications in terms of design and engineering. Leasing expertise would also be part of the specifications. Part two of Option 1 would be to develop bid specifications based on the proposals received and release an Invitation for Bid (IFB) to qualified proposers and proceed with the evaluation and award of contract. Option 2 would be a separate Request for Qualifications for Architectural Design and Engineering; RFP for a leasing firm with retail and office experience; and, Invitation for Bid for construction. The benefit of Option 1 is to obtain assistance in establishing specifications and the process would be less cumbersome. Mr. French commented that leasing is a real estate function; the design and build team would have no expertise in that area. It is important to know what is needed first before going to architects for design. An RFP for a project manager who then contracts out for the various skills may be more appropriate. Mr. Munson asked if STA is allowed to hire a project manager who could sub-contract. Ms. McAloon said that STA is not governed by the state statute on public works but has its own procurement policy which would have to be amended by the Board. Ms. Meyer said the current NAI Black Plaza Management contract allows for competitively bid sub-contractors. Mr. French and Mr. Richard agreed that a project management company would be a good start. Mr. French added that costs need to be defined as soon as possible since they can escalate and a project manager can help to eliminate the unknowns. Mr. Denenny said it's not just an issue of retail and office space; there are questions about the waterfall, escalators and artwork to consider. He added that the engineers chosen for the project need to have transit experience. Mr. Rush referenced the Seattle master bike plan where bike stations are adjacent to transit centers. He suggested that this be considered in the initial Plaza enhancement planning.

Ms. Meyer thanked the Board for their input and said she would do some more research before bringing the project back.

**C. Proposed Vanpool Fare Increase**

Mr. Blaska clarified that staff is not requesting Board approval of a fare increase at this time. The proposal will be released for public comment in January and February with a final recommendation to the Board in March. The object of the fare increase is to recover 100% of operating costs and 25% of capital costs. The new fare will go into effect when the new vans arrive in April. Fares were last evaluated in 2007 with a two step phase-in fare increase in 2007 and 2008. The average proposed fare increase is approximately 22% for a vanpool or \$9 per month per participant.

**D. Cooperative Street and Road Project Update**

Ms. Meyer reported that all 2008 projects will be paid by the end of January, 2009. She recommended no changes to the project and to allow staff to work with the jurisdictions involved to move projects along in a more timely fashion. Mr. Munson suggested that in the future, the work must be completed in the year the project is approved and funds committed. Mr. Denenny said the Board has no intent to pull funds from an approved project. Mr. Richard agreed and Ms. Mager added that when a policy is

devised there should be a clause that addresses mitigating circumstances as a cause for delay in project completion.

E. December 2008 Ridership Highlights

Mr. Blaska reported that there was a 2.8% increase in fixed route ridership in December 2008 versus December 2007. He noted that there were two fewer weekdays in December 2008. The year ended with a 17.7% increase. Paratransit ridership decreased by 20.9% in December 2008 versus December 2007 due to the weather conditions. The year ended with a 2.1% increase.

The winter weather brought historic challenges for STA. There were several service disruptions with little time for recovery before the next storm hit. During the first four days, the Operations Department focused on 20 routes and delays occurred due to the huge traffic jams that affected buses as well as cars. It was also a challenge for the Communications staff who posted information at 6 a.m. daily. Paratransit customers did not miss any dialysis appointments and 100% of the clients were informed if their trips had to be cancelled. Free two-day passes were offered to customers who had December monthly passes. The Boy Scouts Association also received free two-hour passes to be distributed to scouts who volunteered to help shovel snow for people requiring assistance. It was very difficult to advise customers as to the location of individual buses. This capability is not available until STA has real time information on bus locations and this "Smart Bus" technology has been deferred due to financial constraints. Vehicle chains were purchased and although they helped, they were not a perfect solution. Customer Service calls increased from 1,000 to 7,000 per day and saturated the capacity of the phone system. Mr. Rush said bus routes should be elevated in the City of Spokane plowing priority. He commended staff for an excellent job in adverse conditions. Mr. Munson said he noticed that Geiger crews dug out stops since the berms made it dangerous to wait for a bus. It is the responsibility of property owners to clear sidewalks and bus stops on their property so this was an extra measure. Mr. Richard, Mr. Denenny and Ms. McLaughlin expressed their appreciation to STA employees for their hard work, dedication and long hours.

F. November 2008 Financial Highlights

Mr. Plaster reported that sales tax revenues for November were -12.6%. Sales tax revenues for all twelve months of 2008 were lower than budgeted with a year-to-date average of -6.2% and an annual loss of \$1.6 million.

9. NEW BUSINESS – None.

10. BOARD MEMBERS' EXPRESSIONS

Mr. Rush expressed concern about the lack of room to put snow following plowing.

11. EXECUTIVE SESSION

At 8:05 p.m., Ms. McAloon announced that the Board would adjourn for an Executive Session for the following purpose:

1. Considering the selection of a site, the acquisition of real estate by lease or purchase, or the sale of real estate when public knowledge regarding such consideration would cause a likelihood of increased or decreased price.
2. Discussion with legal counsel representing STA in litigation or potential litigation to which STA, the STA Board of Directors, or STA employees are, or are likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to STA.

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, we are announcing our intent to discuss these matters also.

The STA Board of Directors will reconvene in open session at approximately 8:35 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 8:35 p.m., Ms. Meyer returned to announce the Board would reconvene at 8:43 p.m.

At 8:43 p.m. the Board of Directors reconvened and Chairman Denenny declared the meeting back in open public session.

12. Cable 5 Broadcast Dates and Times of the January 15, 2009 Board Meeting:

Saturday, January 17, 2009	4:00 p.m.
Monday, January 19, 2009	10:00 a.m.
Tuesday, January 20, 2009	8:00 p.m.
  
13. Next Committee Meetings (1230 West Boone Avenue, Spokane, Washington):

Operations & Customer Service	February 4, 2009, 1:30 p.m. (Southside Conference Room)
Citizen Advisory Committee	February 11, 2009, 5:00 p.m. (Northside Conference Room)
  
14. Next Board Meeting: Thursday, February 26, 2009, time to be determined, at STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.
  
15. ADJOURNED  
With no further business to come before the Board, Chairman Denenny adjourned the meeting at 8:45 p.m.

Respectfully submitted,

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