

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

BOARD OF DIRECTORS

Draft Minutes of the June 12, 2008, Meeting
City Council Chambers
808 West Spokane Falls Blvd., Spokane, Washington

MEMBERS PRESENT

Mark Richard, Spokane County, Chairman
Richard Munson, City of Spokane Valley
Dick Denenny, City of Spokane Valley
Al French, City of Spokane
Richard Rush, City of Spokane
Nancy McLaughlin, City of Spokane
Patrick Rushing, City of Airway Heights

MEMBERS ABSENT

Allan Gainer, City of Cheney
Bonnie Mager, Spokane County

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
Steve Doolittle, Human Resources Manager
Molly Myers, Communications Manager
George Hanrahan, Information Systems Manager
Teresa Overhauer, Technology Projects Manager
Gordon Howell, Planning and Grants Manager

PROVIDING LEGAL COUNSEL

Laura McAloon, K & L Gates LLP

GUESTS

None

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

Chairman Richard called the meeting to order at 5:35 p.m. and conducted roll call.

2. **RECOGNITIONS AND PRESENTATIONS**

A. **People for Transit – Recognition**

Ms. Meyer introduced Greg Falk, ARC of Spokane, and Cheri Catt, Sterling Savings, as co-chairs of People for Transit; the organization responsible for the pro sales tax reauthorization campaign. Mr. Richard thanked them and their volunteers on behalf of STA staff and the public for their dedication and commitment which resulted in a favorable outcome. Mr. Falk thanked the Board for their support.

Mr. Denenny arrived at 5:38 p.m.

B. **Dave Leander – Retirement**

Mr. Blaska congratulated Dave Leander on his retirement following twenty years of safe driving and presented him with a plaque.

C. **Years of Service Awards**

Mr. Doolittle read the names of employees with 10, 15, 20, 25 and 30 years of service. These employees were commended for their years of service to STA and the community. Claudia Davis was in attendance and was recognized by the Board for her 30 years of service.

D. **Second Quarter 2008 Employee Recognition Winners**

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

E. American Public Transportation Association (APTA) Outstanding Public Transportation Board Member Award for 2008 – Al French

Ms. Meyer explained that this award honors an individual serving on the governing board of an APTA public transportation system who has made outstanding contributions to the public transportation industry. Staff nominated Al French for his exceptional service to STA and the community over the past six years and APTA chose Mr. French as outstanding Board member of the year from a nationwide pool of nominations. Mr. French said he had no idea he was nominated and found out he had won the award while traveling. He said it was generous and humbling. He couldn't have done it without strong Board members and dedicated staff to work with, particularly Kim Zentz and E. Susan Meyer, past and present CEOs. He proudly accepted the award and thanked staff. He also recognized that the agency has turned around in the past four years and proven itself. This was shown by the recent sales tax reauthorization vote of approval of 65%. Mr. Richard commended Mr. French for his hard work and dedication to transit and congratulated him on receiving this prestigious award.

Mr. Rushing arrived at 5:48 p.m.

3. PUBLIC EXPRESSIONS

John Olsen expressed his thanks for the positive vote on the sales tax reauthorization last month. He is a regular rider and complimented both coach operators and trainers. They are courteous and have kind hearts. He also thanked the Board and staff for turning the agency around.

4. BOARD ACTION: CONSENT AGENDA

- A. Motion to Approve Minutes of the May 15, 2008 Board Meeting.
- B. Motion to Approve Accounts Payable Voucher and Warrant nos. 551246 through 551774, and Worker's Compensation Warrant nos. 200410 through 200568 totaling \$4,271,981.98 for the period May 1 through May 31, 2008.
- C. Motion to award a three (3) year contract with two (2) one-year renewal options to Argus Janitorial for Plaza janitorial services for an estimated cost of \$69,044 for the first three years of the contract.
- D. Motion to authorize the CEO to enter into a contract with IBI Group in the amount of \$346,720 (including taxes) for Advanced Public Transportation Systems (Smart Bus) Project Consultant services, and authorize a 15% contingency contract authority of \$52,000 (a combined total of approximately 4.3% of the overall project budget) for a total authorized contract authority not to exceed \$398,720.
- E. Motion to ratify renewal of 2008-2009 buildings, equipment and vehicle property insurance with Affiliated FM Insurance Company for an estimated premium and engineering fee of \$51,900.
- F. Motion to approve the extension of the discounted Youth Pass program for the summer months of 2008: June, July and August.

Mr. French moved to approve consent agenda items 4. A – F. Mr. Rush seconded and the motion passed unanimously.

5. BOARD ACTION: OTHER ITEMS

A. Acquisition Strategy for Fixed Route Coaches

Mr. Blaska said the replacement strategy for the fixed route fleet needs to be updated to accommodate higher than predicted ridership growth. The goal remains the same; choose the right size coach for

peak ridership demand. Several routes have increased ridership to the extent that larger coaches are needed. Previous 35' coaches have grown to 40' requirements and 40' coaches to 60' (the latter includes #66 EWU Cheney, #72 Liberty Lake, #73 Valley Transit Center and #74 Valley Limited). The new plan recommends three 29' coaches, fifty 40' coaches, and four 60' coaches which represents an approximate 2.4% increase in capital costs. Mr. Blaska explained that the life of a coach is approximately fifteen years. The fuel costs increase with a larger coach but currently it costs more to send a tripper to accommodate the demand. The Operations and Customer Service committee recommended the Board approve the acquisition plan and this will provide the basis for future awards of contract. The 2010 U.S. Figure Skating event needs buses that will need to be ordered now to receive them in a timely fashion. Ms. McLaughlin asked what the lifespan of a coach is expected to be. Mr. Blaska advised that the Federal Transit Administration (FTA) minimum requirements are 12 years or 500,000 miles. In STA's fleet there are 18 year old coaches with 800,000 miles on them. Mr. French said several transit agencies are using double decker buses and wondered if staff has looked into that possibility. Mr. Blaska said that Community Transit in Snohomish County has some in their fleet. They are good for long commutes but not as viable for the Spokane area. They cost a lot more – approximately \$750,000. It also takes awhile for passengers to get on and off. Mr. Denenny asked about the coach ordering process. Mr. Blaska said STA “piggy-backs” on the state contract and it takes about 18 months to receive the order. Mr. Rush asked about increasing the frequency of a high ridership route. Mr. Blaska said there is a priority list for increasing the frequency for example the #22 VA Hospital route is at capacity with a 40' coach and experiences standing loads so that is high on the list for 15 minute service. Mr. Rushing asked if weekend ridership had also increased. Mr. Blaska said a new 60' coach may be put on the #61 Airway Heights at weekends due to the new development in that area. Mr. Richard thanked staff for the detailed work on this plan. He agreed that where trippers are currently being used it makes sense to increase the size of the vehicle to accommodate passengers. **Mr. French moved to approve the recommended coach acquisition strategy that results in a fleet of 156 vehicles (10 x 60', 100 x 40', 26 x 35', 13 x 29'/30'/shuttle vehicles, and seven (7) vans) by 2010. This will increase to a fleet of 163 vehicles (10 x 60', 107 x 40', 26 x 35', 13 x 29'/30'/shuttle vehicles, and seven (7) vans) by 2011. Mr. Rush seconded and the motion passed unanimously.**

B. Deleted from the agenda

C. Adoption of Preferred Corridor for High Capacity Transit in PTBA, Encouraging Preservation of High Capacity Transit Right-of-Way by Local Jurisdictions

Ms. Meyer explained that there are two considerations in the resolution: to reaffirm the adoption of the locally preferred routing for high-capacity transit in the south valley corridor; and, to authorize the CEO to initiate negotiations with the Cities of Spokane, Spokane Valley, Liberty Lake and the County of Spokane to develop agreements to provide for the preservation of high-capacity right-of-way. Mr. Munson said the City of the Spokane Valley is currently in legal discussion with Spokane County regarding ownership of the corridor and it is therefore premature for Spokane Transit to get involved. He added that they already have a comprehensive plan that preserves the right-of-way in the corridor which should be sufficient until the court case is concluded. **He moved to strike the words “Spokane Valley” and “Liberty Lake” from Section 2 of the resolution. Mr. Denenny seconded.**

Mr. Rush asked when the court case is anticipated to be resolved. Mr. Munson said in the fall of this year. Ms. McLaughlin said if the Board gives the CEO the authority to negotiate with the jurisdictions it does not mean that they will all participate. Mr. Munson said there is no reason to muddy the court case. Ms. McAloon said the purpose of the resolution is to encourage other jurisdictions to adopt similar resolutions recognizing the purpose of the high-capacity corridor and authorize the CEO to initiate mutually agreed planning. There is no impact on who owns the land. Currently Spokane

Transit has no knowledge of or involvement in developers' applications unless the jurisdiction invites STA to participate. Recently, STA found out about a development application by accident and no provision had been made to preserve the right-of-way. Staff wants to ensure that they will be notified when there are development applications that would affect the right-of-way. Mr. Munson reiterated that the City of the Spokane Valley has an ordinance protecting the right-of-way. Mr. Rushing commented that it is not just Section 2 that would be changed; it's also Section 1 of the resolution. Mr. Munson said that there is no need to change Section 1 since the Valley already has the aforementioned comprehensive plan in place.

Mr. French said it is the land that lies adjacent to the corridor, not the corridor itself that would be affected by development applications. That land is not in the court dispute and it is important for STA to be involved. He suggested the resolution wording be modified to be more specific. Further discussion ensued.

Mr. Richard said the language in Section 2 of the resolution is clear and the meaning of it is to develop mutual planning agreements; it does not threaten any plans taking place. If the wording was modified to say that STA should be included in any development applications maybe that would be sufficient. It is certainly more expensive to tear down buildings in the right-of-way than to prevent them being built in the first place. Ms. Meyer said the issue is not important enough to cause problems. The resolution can be modified to just include the City of Spokane and staff will come back later with an amendment to include the other jurisdictions once the court case is resolved. Mr. Richard said he could not support the motion without reviewing the Valley's Comprehensive Plan. Mr. Rush said he was comforted by the plan but he didn't see how STA would become involved in the court case and could not support Mr. Munson's motion. **Mr. French suggested that Mr. Munson withdraw his motion and Mr. Denenny his second. They did so. The motion died. Mr. Munson moved to authorize the CEO to work with staff at the City of Spokane on preserving the right-of-way. Mr. French seconded and the motion passed unanimously.** Mr. Munson thanked the Board for their indulgence. Mr. Rush asked if the U-District and Washington State University needed to be included. Ms. McAloon agreed those entities are property owners and when they submit a site plan to the City of Spokane, STA needs to be involved.

Mr. Rushing left at 6:45 p.m.

6. BOARD INFORMATION

- A. Committee Minutes
- B. Miscellaneous Correspondence
- C. April 2008 Operating Indicators
- D. April 2008 Financial Results Summary

7. CEO REPORT

Ms. Meyer reported that the Federal Transit Administration (FTA) Triennial Review of Spokane Transit has just been completed. The review is similar to an audit and occurs every three years. It is the first one Ms. Meyer has participated in. No deficiencies were noted in 23 areas. One of the FTA staff said STA has the best safety and security program he has seen in a long time and the best record-keeping. Mike Volz led the effort and all managers were involved in the process. Ms. Meyer said she was very proud of staff and thanked them for their diligence. Mr. Rush said he would like to be involved next time.

Ms. McLaughlin left at 7:00 p.m.

8. STAFF REPORTS:

A. May 2008 Ridership Highlights

Mr. Blaska said there was a 13.9% increase in fixed route ridership for the month of May, resulting in a 13.5% increase year-to-date. If there had been an additional weekday in May, ridership would have increased to over one million. Paratransit had a 1.6% increase in May with a 1.4% increase year-to-date.

B. April 2008 Financial Highlights

Mr. Plaster reported a combined year-to-date, as of April 2008, favorable total revenue and total expenditures budget variance of \$452,986. The financial update for April 2008 shows a favorable budget variance for total operating revenues of \$2.7 million which is a variance of 12.6% with a growth over 2007 of 10.7%. The total revenue of \$21.4 million shows a budget variance of 1.4% and a 3.6% growth over 2007. Operating expenses of \$18.8 million show a favorable variance of 0.6% and a growth of 18.8% over 2007. Capital expenditures year-to-date are \$1.3 million out of a \$24.3 million annual budget. Sales tax receipts for April 2008 are 1.7% lower than budgeted and 1.8% higher than April 2007. Sales tax receipts for May 2008 are 6.0% lower than budgeted and 2.7% lower than May 2007. Mr. Plaster said he was concerned about the fact that sales tax revenue has remained below the budget of 3.5% growth for the past five months. Mr. Denenny asked if the Board should review a budget adjustment. Ms. Meyer said staff is working on several financial forecasts and will bring them to the Board at the July meeting.

9. NEW BUSINESS – None.

10. BOARD MEMBERS' EXPRESSIONS

Mr. Denenny said he thought the lengthy discussion that ensued regarding the high-capacity transit right-of-way issue (item 5C) could have been handled differently with perhaps more discussion in advance via email or the old Study Session format rather than at the Board meeting itself. Mr. Richard said he thought the discussion tonight was healthy and he had no problem with the public seeing it on television. He said Board members receive extensive information about agenda items in their packets and if they have questions they can call staff in advance of the meeting. He added that with such busy schedules it was difficult to get Board members together for another meeting in addition to the Board meeting.

11. EXECUTIVE SESSION – None.

12. Cable 5 Broadcast Dates and Times of the June 12, 2008 Board Meeting:

Saturday, June 14, 2008	4:00 p.m.
Monday, June 16, 2008	10:00 a.m.
Tuesday, June 17, 2008	8:00 p.m.

13. Next Committee Meetings (1230 West Boone Avenue, Spokane, Washington):

Operations & Customer Service	July 2, 2008, 1:30 p.m. (Southside Conference Room)
Citizen Advisory Committee	July 9, 2008, 5:00 p.m. (Northside Conference Room)

14. Next Board Meeting, Thursday, July 17, 2008, 5:30 p.m., City Council Chambers, 808 West Spokane Falls Blvd., Spokane, Washington.

15. ADJOURNED

With no further business to come before the Board, Chairman Richard adjourned the meeting at 7:15p.m.

Respectfully submitted,

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