

PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE

Minutes of the July 1, 2020, Meeting
Virtual WebEx

MEMBERS PRESENT

Lori Kinnear, City of Spokane *
Josh Kerns, Spokane County
Tim Hattenburg, City of Spokane Valley
Rhonda Bowers, Labor Representative
E. Susan Meyer, CEO (Ex-Officio)

MEMBERS ABSENT

Kate Burke, City of Spokane
Veronica Messing, City of Airway
Heights (Ex-Officio)
Mike Kennedy, City of Liberty Lake (Ex-
Officio)

GUESTS

Cindy Gilbreth, State Auditor
Representative

STAFF PRESENT

Steve Blaska, Interim Chief Operations Officer
Karl Otterstrom, Director of Planning and Development
Monique Liard, Chief Financial Officer
Brandon Rapez-Betty, Director of Communications and
Customer Service
Nancy Williams, Director of Human Resources
Sam Guzman, Executive Assistant to the Chief Operations
Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, McAloon Law PLLC

*Chair

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

Chair Kinnear called the meeting to order at 1:32 p.m. Introductions were made.

2. **COMMITTEE CHAIR REPORT**

Chair Kinnear had no report at this time.

3. **COMMITTEE APPROVAL**

A. **Minutes of the March 4, 2020, Committee Meeting**

Mr. Kerns moved to recommend approval of the March 4, 2020, Committee meeting minutes. Mr. Hattenburg seconded the motion, and it passed unanimously.

4. **COMMITTEE ACTION**

A. **Board Consent Agenda**

1. **Award of Contract for Third Party Workers' Compensation Claims Administration Services**

STA contracts with a third-party administrator to assist with worker's compensation claims. The current contractor's service expires at the end of July. The Scope of Work (SOW) was reviewed and approved by the CEO in March, and the Request for Proposals (RFP) was issued at the beginning of April. There were six (6) responsive proposals. The current contractor, TRISTAR scored much higher in terms of the overall evaluation (97.4 points) and was also the lowest bidder.

Ms. Williams requested the Committee recommend the Board award a five-year contract with two (2) additional one-year options beginning August 1, 2020, to TRISTAR of Long Beach, CA for third party workers compensation claims administration services for an estimated five-year value of \$290,064.

Mr. Hattenburg moved to approve item 4A1, Mr. Kerns seconded the motion, and it passed unanimously.

2. Award of Contract for Content Management System for Digital Signage

This content management system for digital signage would support the City Line and other high ridership locations and transit facilities in the system. The contract is written to be expandable so additional locations can be added in the future. The software is cloud-based with multiple types of connectivity.

There were seventeen (17) responses to the RFP. The top seven (7) responses were evaluated, those were narrowed to two (2), then Nononation, Inc. submitted a Best and Final Offer (BAFO).

Mr. Rapez-Betty requested the Committee recommend the Board award a five (5) year contract for a Content Management System for Digital Signage to Nononation Inc., for an estimated base value of \$583,830.00 and an optional extended warranty cost of \$72,954.00 for total estimated contract value up to \$656,784.00. If approved by the Board, this contract would be funded by STA's operating budget.

Mr. Kerns moved to approve item 4A2, Mr. Hattenburg seconded the motion, and it passed unanimously.

B. Board Discussion Agenda

1. Vanpool Fare Change

The objective of this initiative is to create a simplified vanpool fare structure that is targeted to better market the system and increase participation and ridership. The current fare system incentivizes larger van groups and is based on multiple interdependent variables that create complex fare calculations.

The proposed new fare structure consists of flat fares broken out into three (3) zones. Groups that have both their origin and destination within Spokane County would pay \$60/month, groups with an origin and/or destination in Stevens and Kootenai County would pay \$80/month, and any other areas would pay \$100/month. The longer commuting groups operating in the last zone would have a minimum of seven (7) passengers required. Currently, STA has forty-eight (48) groups in Spokane County, thirty-four (34) groups in Stevens and Kootenai County, and eight (8) groups from other areas.

During the transition, fares would freeze for currently active groups (40% pay less than new flat fare). New rates would begin on August 1, 2020.

Mr. Blaska requested that by motion, the committee recommends approval of the attached resolution adopting a revised Vanpool Fare Policy.

Mr. Hattenburg moved to approve item 4B1, Mr. Kerns seconded the motion, and it passed unanimously.

2. Nonprofit Discount Program

STA has been pursuing the low-income transit access challenge as the Board requested and has developed a pilot program.

Nonprofit Discount Program Proposal:

Certified 501(c)(3) Human Service Agencies (HSAs) can purchase tickets at a 50% discount. Eligible passes include day-passes and two-hour passes. The HSA must be committed to providing the passes for free to their clients, passes are not to be resold. Communications and Customer Service would certify the HSAs and take orders and customers would pick up (bulk sales).

During the 12-month pilot program, STA would be able to track pass utilization and receive feedback on the population served. Program is designed to begin with a manageable scope, with the possibility of growing (e.g. including additional pass types) in the future. The target start date for the program is September 1, 2020.

Mr. Blaska requested the Committee recommend the Board approve the pilot Nonprofit Discount Program as presented.

Discussion ensued about the financial impact to the general fund.

Mr. Hattenburg moved to approve item 4B2, Mr. Kerns seconded the motion, and it passed unanimously.

5. REPORTS TO COMMITTEE

A. **2019 State Audit Exit Briefing**

Ms. Liard introduced Ms. Gilbreth from the Washington State Auditor's Office. Ms. Gilbreth proceeded to present the 2019 audit findings.

- National Transit Database (NTD) Reporting. STA was in material compliance with all regulations. Report dated March 31, 2020.
- Internal Controls over Financial Reporting. No deficiencies were found in the design or operations of internal controls over financial reporting or instances of noncompliance that was material to the financials. Received an unmodified opinion dated May 15, 2020.
- Auditor's Report on Financial Statements. Determined that financial statements were fairly presented as of December 31, 2019. Received an unmodified opinion dated May 15, 2020.
- Report on Major Federal Programs. Auditors looked at the Federal Transit Cluster. No deficiencies were found in the design or operations of internal controls over federal programs.
- Accountability Audit. The auditors reviewed self-insurance, worker's compensation, accounts payable for electronic funds transfers, IT data back-up and recovery, payroll for overtime, and cash receipting for vanpool. Internal controls were adequate to safeguard public assets and the authority complied with state laws and regulations and its own policies and procedures.

B. **System Performance Report**

The system performance report is produced annually and focuses on Fixed Route service. STA provided about 10,000,000 rides in 2019, which is fairly flat when compared to the last few years. The report measures the performance of routes based on ridership productivity (how many people does our service touch), energy consumption (how many people are on the bus relative to the buses energy use), and farebox recovery (how does the route contribute to the overall fare revenue system).

The complete report is available at the link in the packet and on the STA website.

C. **2020 Van Grant Recipients**

Mr. Blaska announced the recipients of the 2020 van grant vehicles.

6. CEO REPORT

- Sales tax revenue in June was down \$1M over what was projected/budgeted.
- Fare revenue through the first five months of the year is down about 45%.
- As of July 1st, STA resumed collecting fares, front door boarding and began requiring face coverings. STA received a shipment of masks from the FTA and will be distributing those to passengers as needed while supplies last.

7. COMMITTEE INFORMATION

- May 2020 Operating Indicators – *as presented*
- May 2020 Financial Results Summary – *as presented*
- June 2020 Sales Tax Revenue Information – *as presented*

8. SEPTEMBER 2, 2020 - COMMITTEE PACKET DRAFT AGENDA REVIEW

(No changes requested)

9. NEW BUSINESS

(none)

10. COMMITTEE MEMBERS' EXPRESSIONS

(none)

11. ADJOURN

Chair Kinnear adjourned the meeting at 3:00 p.m.

11. NEXT MEETING – WEDNESDAY, SEPTEMBER 2, 2020, 1:30 P.M., VIA WEBEX

Respectfully submitted,

Sam Guzman

Sam Guzman, Executive Assistant to the Chief Operations Officer