

Spokane Transit Authority
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BOARD OPERATIONS SPECIAL COMMITTEE MEETING

Meeting Minutes for September 6, 2016
Northside Conference Room

MEMBERS PRESENT

Al French, Spokane County, *Board Operations Committee Chair*
Amber Waldref, City of Spokane, *Planning & Development Committee Chair*
Tom Trulove, Small Cities Representative (Cheney), *Performance Monitoring & External Relations Committee Chair*
Ed Pace, City of Spokane Valley, *Board Operations Committee Member*
E. Susan Meyer, Chief Executive Officer, *Ex-officio*

MEMBERS ABSENT

None

STAFF PRESENT

Karl Otterstrom, Director of Planning
Steve Blaska, Director of Operations
Lynda Warren, Director of Finance & Information Services
Beth Bousley, Director of Communications & Customer Service
Steve Doolittle, Director of Human Resources
Susan Millbank, Ombudsman & Accessibility Officer
Jan Watson, Executive Assistant to the CEO & Clerk of the Authority

PROVIDING LEGAL COUNSEL

Laura McAloon, Workland Witherspoon

GUESTS

Eva Marquette, FreshVue

1. CALL TO ORDER AND ROLL CALL

Chair French called the meeting to order at 1:00 p.m. and conducted roll call.

2. APPROVE COMMITTEE AGENDA

Committee members reviewed the agenda. Mr. French said that it has been requested that the Executive Session be moved from #9 to #3 to accommodate schedules.

Mr. Trulove moved approval of the modified agenda format for September 6, 2016 and Mr. Pace seconded, and the motion passed unanimously.

9. EXECUTIVE SESSION

At 1:05 p.m., Mr. French announced that the STA Board Operations Committee 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.

Ms. McAloon added that the Executive Session will also be held for an additional purpose stated below:

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.

The STA Board Operations Committee will reconvene in open session at approximately 1:15 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 Operations Committee 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 1:15 p.m., Ms. Warren announced the STA Board Operations Committee will reconvene at 1:20 p.m.

At 1:20 p.m., Ms. McAloon announced the STA Board Operations Committee will reconvene at 1:25 p.m.

At 1:25 p.m., the STA Board Operations Committee reconvened and Chair French declared the meeting back in public session. No action was taken.

3. CHAIR'S COMMENTS

None.

4. COMMITTEE ACTION/DISCUSSION

a. July 13, 2016 Committee Minutes

Mr. Pace moved approval of the July 13, 2016 committee minutes and Ms. Waldref seconded. There was no further discussion and the motion passed.

5. BOARD OF DIRECTORS AGENDA SEPTEMBER 22, 2016

The Committee reviewed the agenda. No changes were suggested.

Mr. Trulove moved approval of the September 22, 2016 Board of Directors agenda and Mr. Pace seconded the motion. There was no discussion and the motion passed unanimously.

6. CEO REPORT

A. Plaza Lease

The Committee discussed a generic lease for the current two lessees on the second floor and Space C currently vacant on the first floor of the Plaza. This generic lease would allow for up to \$35/square foot reimbursement to assist in tenant improvements for the shell on the first floor.

Mr. French requested a breakdown of costs for the lessor and lessee and asked if lease terms had been negotiated with tenants.

Ms. Warren offered to send a breakdown of costs and said that the lease terms have not been negotiated at this time.

Ms. McAloon said that a monthly rent credit would artificially deflate the rent. In this lease, the tenant would provide the contractor's invoices for reimbursement.

Ms. Warren said the lease could be added to the September Board agenda for review and approval. Following Board approval, the tenants could begin improvements in November.

Discussion ensued. The cost is estimated at \$80K.

Ms. Meyer said that the Board approved \$4.95M for the Plaza renovation does not include tenant improvements for the basic shell.

The Committee members agreed that the Board should take action on this.

Mr. French said the goal is to have tenants in the Plaza. The basic lease could be brought to the Board as a starting point.

Ms. McAloon suggested a basic form of the lease could be approved by the Board with minimum rate and maximum terms and delegate execution to the CEO within those parameters.

Committee members agreed.

Ms. Meyer said that real estate leases are the responsibility of the Board Operations Committee and the Board.

Ms. Waldref suggested mentioning to the Board that the future tenant in the Plaza rotunda space will have a separate lease with additional cost.

7. BOARD DEVELOPMENT

Ms. Marquette, FreshVue, led a discussion on the Board Effectiveness & Efficiency Project with the Committee members. During the next several months Ms. Marquette suggested gathering Board feedback on shared agreements, the mission and vision, information flow and Board orientation by connecting via phone calls, surveys or in-person meetings.

Mr. Trulove stated that attendance was a problem at the June retreat.

Ms. Waldref said it is important to firm up dates as soon as possible. The Board may need to re-commit to the project.

Ms. Marquette shared a draft of the project scope overview which includes refining and developing new member orientation content; the 'on-boarding' process. This orientation content could include core principles of transit and governance documents.

Mr. Trulove said it is important for Board members to recognize the expertise of staff and focus on policy questions related to decisions that need to be made.

Mr. Pace said knowing how the terminology fits in and relates is important. Elected officials on the STA Board have differing agendas, backgrounds, and are not experts on transit. They are assigned to many Boards, meetings are subject to the open public meetings act, and the media also plays a part.

Mr. French said shared agreements that include values can improve quality of communication.

Committee members agreed.

Ms. Waldref commented that it is important the Board understand how the basic transit principles connect to the core documents and how STA prepares its budget and manages its cash reserve and capital planning.

Mr. Trulove said it is important that the Board understand the process and methods to introduce change.

Committee members agreed to discuss Board Development at the September 22 Board meeting.

Ms. Waldref suggested a simple presentation.

Mr. Pace suggested leading with examples to clarify.

Ms. Marquette reinforced that this is a long term project that will benefit future Boards.

Mr. French said that not only is it important to be good stewards of buses, assets and finances, but also to consider staff time.

Mr. Trulove said that cost versus expected benefit should be evaluated.

Mr. French said, in addition, the ongoing leadership of the project should be evaluated.

Ms. Marquette summarized key points which included attendance, trust of staff expertise, using core principles of transit, budgeting education, clarifying the process and working out details in one-on-one meetings initially.

Mr. French said that shared agreements, core principles and Board expectations should also be addressed.

8. NEW BUSINESS

None.

10. ADJOURN

Chair French moved to adjourn the meeting and all agreed by consensus. With there being no further business to come before the Committee, Chair French adjourned the meeting at 2:37 p.m.

Respectfully submitted,

Merilee Robar
Executive Assistant to the Director of Finance & Information Services