

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

PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE

Minutes of the July 11, 2018, Meeting
Southside Conference Room

MEMBERS PRESENT

Pamela Haley, City of Spokane Valley *
Josh Kerns, Spokane County
Rhonda Bowers, Labor Representative
E. Susan Meyer, CEO (Ex-Officio)

MEMBERS ABSENT

Lori Kinnear, City of Spokane
Mike Kennedy, City of Liberty Lake
(Ex-Officio)
John Paikuli, City of Medical Lake

* Chair

STAFF PRESENT

Roger Watkins, Chief Operations Officer
Karl Otterstrom, Director of Planning and Development
Lynda Warren, Director of Finance and Information Services
Beth Bousley, Director of Communications & Customer Service
Nancy Williams, Director of Human Resources
Emily Arneson, Community Ombudsman & Accessibility Officer
Kathleen Weinand, Principal Transit Planner

GUESTS

Heather Peterson, State Auditor's Office Representative
Larry Barone, AFSCME 3939 Representative

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

Chair Haley called the meeting to order at 1:31 p.m. Introductions were made.

2. **PUBLIC EXPRESSIONS**

None.

3. **COMMITTEE CHAIR REPORT**

None.

4. **COMMITTEE APPROVAL**

A. **Minutes of June 6, 2018, Committee Meeting**

Mr. Kerns moved to recommend approval of the June 6, 2018, Committee meeting minutes. The motion was seconded by Ms. Haley and passed unanimously.

5. **COMMITTEE ACTION**

A. **Board Consent Agenda**

(No items presented this month)

B. **Board Discussion Agenda**

(No items presented this month)

6. **REPORTS TO COMMITTEE**

A. **2017 State Audit Exit Conference**

Ms. Warren reminded members that STA is audited on an annual basis. She introduced State Auditor Representative Heather Peterson, noting this was the 5th year that Ms. Peterson has completed the STA audit. She also mentioned that Ms. Peterson would be rotating out next year. Ms. Warren expressed her appreciation for Ms. Peterson's collaboration and professionalism over the years.

Ms. Peterson provided a packet for committee members and advised her presentation represented an overview of the audit, but that the details are included in the packet. She advised the following:

- NTD (National Transit Database) Reporting audit is based on agreed upon procedures to ensure the FTA standards are met for data reported for federal funding allocation. STA's is responsible for compliance with reporting requirements and maintaining records to support its federal funding allocation. The report dated April 13, 2018, is in material compliance with all requirements for the 2017 year.
- Financial Report:
 - Internal controls – Audit is completed according to Government Auditing Standards; There were no deficiencies in the design or operation of internal controls over financial reporting or instances of noncompliance material to the financial statements. The unmodified opinion is dated May 9, 2018
 - Financial Statements – They audit according to Government Auditing Standards (CAP). Financial statements prepared in accordance with generally accepted accounting principles. Financial statements fairly present the financial position of the Authority as of December 31, 2017. Unmodified opinion dated May 9, 2018
- Major Federal Programs – Single Audit – In 2018, there was an additional program because the Transit Services Program cluster had expenditures over \$750,000, which is considered a “Type A” Program. This Audit was performed according to Uniform Guidance. She noted the programs audited include:
 - Federal Transit Cluster – Capital Improvement Grants
 - Federal Transit Cluster – Formula Grants
 - Federal Transit Cluster – Bus and Bus Facilities Formula Program
 - Transit Services Programs Cluster – Enhanced Mobility of Seniors and Individuals with Disabilities

STA complied with all requirements having a direct and material effect on each program. There were no deficiencies in the design or operation of internal controls over federal programs.

- Accountability audit –performed according to state laws and regulations and STA's own policies and procedures; Areas audited are based on risk and included:
 - Cash receipting of passenger fare revenues – statewide risk
 - Selected IT security policies, procedures, practices and controls – adequate passwords, changed consistently, procedures in compliance
 - General disbursements, travel expenditures and reimbursements
 - Self-insurance – workers compensation and unemployment. Per State Law, this must be reviewed every two years.

STA's internal controls were adequate to safeguard public assets and STA complied with state laws and regulations and its own policies and procedures.

After reviewing PowerPoint slides, Ms. Peterson reported there had been no findings. She then inquired if committee members had any questions. With no questions being asked, she expressed her appreciation to staff, noting it was “a nice audit to come do because it was always clean.”

Ms. Warren stated that STA staff has appreciated the auditor's office sending Ms. Peterson over the last five years and expressed hope for a continued clean audit next year.

Ms. Warren also expressed her gratitude to staff for their help in pulling all together, specifically Lynn Holmes and Tammy Johnston. She noted this was a rough year for them and said she appreciated everyone in the organization because obtaining a clean audit is not a one-time thing, but a daily thing.

Chair Haley thanked Ms. Warren for her leadership.

B. September 2019 Service Revisions: Preliminary Proposal

Mr. Otterstrom stated that he was presenting a preliminary proposal and noted he will review the proposed changes to the bus service, specifically on the South Hill, in 2019. Mr. Otterstrom noted there are a lot happening for 2019 in terms of new infrastructure and new service as part of *STA Moving Forward* (STAMF). He specifically mentioned Monroe-Regal High Performance Transit (HPT) Line, Moran Station Park & Ride, and (related to that facility), a new South Express Commuter route, as well as the Upriver Transit Center at Spokane Community College (SCC). He identified that all were programmed for 2019 as part of STAMF. Additionally, through a State Grant in which

STA received funding for implementing the new transit station at Spokane Falls Community College (SFCC), opportunities were presented to evaluate service changes to the two routes that travel to SFCC. Lastly, he advised there was an opportunity to accelerate an improvement on Geiger Blvd., which was formerly scheduled for 2021. The Service Implementation Plan (SIP) that was recommended as part of the Transit Development Plan (TDP) by the Planning & Development Committee includes accelerating that new service to begin in September 2019, in line with the facility being constructed there that is expected to have over 2000 full-time employees and additional 1000 seasonal employees.

The Preliminary Proposal is very detailed and Mr. Otterstrom expressed his desire to walk through the proposal. He noted that staff have reached out to the neighborhoods on the South Hill for input.

The proposal includes three alternatives for how staff could alter the south Spokane network to implement the *STA Moving Forward* improvements and reflect changing ridership and operating conditions, considering:

- Demographics & job density
- Performance of existing routes
- Operating constraints- turning movements

He noted a preliminary proposal is the start of public input. The preliminary proposal is combined with additional analysis in the Planning Principals and Policies, Stakeholder Feedback, and Professional Analysis. STA has a Service Improvement Committee, comprised of staff that meet to review and flesh out ideas and schedules, etc. This committee includes representatives from STA Operations, Customer Service, Training, and Planning departments. Between the Draft and Final Recommendations, there is a period of public comment, including a public hearing.

Mr. Otterstrom noted the catalyst of the change for 2019 is the new Monroe Regal HPT line. He said the original planning study of 2012/2013 contemplated that this new line would replace existing bus service, specifically routes 24, 44, and 45 in these areas, and that necessitates changes to other routes because it is a connected system - a network. STA wants to have the network perform well while serving the most number of riders, which is at the top of our minds as staff explores different alternatives.

He pointed out that staff has a challenge with a risk to the alignment as contemplated since 2012. The 29th and Regal corner represents a bus turn movement that is not feasible today with a 40' coach. As part of STAMF, staff included funds to relocate the signal, signal cabinet, and acquire a little bit of right of way. At this point, the property owner is not interested in selling the property so staff will have to evaluate the options. Three alternative options are being considered and Mr. Otterstrom reviewed the advantages and disadvantages of each option. Mr. Otterstrom noted of the three alternatives included in the proposal, one includes 29th and Regal and two assume use of Southeast Blvd.

Mr. Kerns asked how "walking distance" is defined and what is considered walking distance? Kathleen Weinand, Principal Transit Planner, remarked that for this analysis walking distance is considered one quarter of a mile, as the crow flies.

Mr. Otterstrom noted that staff utilizes public input and additional analysis to develop a draft recommendation later in the planning process. Mr. Otterstrom highlighted the key differences in the maps and advised members of the 2019 Service Revision Timeline. The complete Preliminary Proposal report detailing the three south Spokane network alternatives, as well as more information about the proposals, is available at the following link:

https://www.spokanetransit.com/files/content/Sept_2019_Prelim_Proposal_Report.pdf

Brief discussion ensued.

C. Supplemental Low Income Pass Subsidy Program

Ms. Arneson recapped the conversation provided at the last Performance Monitoring and External Relations Committee meeting, and the fact that STA did not receive any proposals which staff felt were responsive to the request for proposals as intended by the Board. She reviewed the history of the Low Income Grant program, the outreach, STA's request for proposals (RFP), proposals received, findings and next steps.

Ms. Arneson indicated the RFP was released in mid-February and was out for six weeks. Staff contacted over 115 non-profit and public agencies throughout the region. STA received five proposals from Transitions, Excelsior Youth Center, Our Place Community Ministry, SNAP (as primary agency, along with Catholic Charities, Aging and Long-term Care of Eastern Washington, and The Arc), and Catholic Charities.

Ms. Arneson advised that since last month, she and CEO, E. Susan Meyer, had met with each of the organizations that accepted STA's invitation. Excelsior Youth did not respond but the other organizations all came to discuss their proposals and the communities they serve and their unique transit needs. It was an opportunity for STA to explain details about how the bus system works, how fare box recovery works, and what challenges STA faces in simply handing out free passes, which was the preference of some of the organizations. In speaking with them, the intent of this committee's recommendation of the program to the Board was highlighted and when the Board adopted the program, the fact that these funds were intended to be transitional in nature and other funding sources would be identified after the initial 18-month pilot program ended.

One thing they all said was that access to public transit was among one of the most important needs (in the top 3) of all their clients, in addition to housing and food, and childcare.

Staff are continuing to look for viable solutions of how the funds could be utilized as a transitional resource, tied to the fare increase that would still be effective for the people these organizations represent.

Ms. Meyer advised staff are not asking for a recommendation and thinks there may be a way for STA to work with these organizations to reach the people they have an interest in reaching. However, they were straightforward about the fact that they thought STA missed the mark by identifying the fare increase as the thing that was prohibitive for those clients. She noted it was interesting that it was a priority for everyone concerned, but some distributed a limited number of passes now. They all agreed it would be great for more of their clients to have access in the future. Staff are back at the drawing board, looking to see if an alternative can be found that will meet the Board's objectives in a different way.

Ms. Arneson added that some of the organizations stated that the administrative burden and cost of a subsidy of only \$10 per month was not useful enough to the people they serve. They wanted a more highly subsidized pass to give out and that the \$10 was not significant enough to make the impact that they were willing to put in the time and energy and administrative costs to complete.

Ms. Meyer said that they tried to educate about the subsidy that currently exists for transit passes - that the business model for this service has about 80% of the cost paid by taxpayers and the other 20% is paid for by riders in fixed route (about 5% in Paratransit). She believes there was some limited misunderstanding about how transit is paid for and the idea that transit should provide more than STA is providing now. She noted it was a good conversation with each of them and staff may bring something that will be workable with many agencies and not just one or two, but do not know what that would be yet. Ms. Haley asked if they were able to say how many people they had that were unable to afford a pass and Ms. Meyer replied, "All of them."

Ms. Meyer said she was encouraged by the impact the groups believe having transit access provides their clients and the change it will make in these people's lives in terms of their ability to access jobs and services, etc.

7. CEO REPORT

- West Plains Transit Center (WPTC) is coming along. Construction is going well and it will be open in September 2018.
- Boone Northwest Garage construction is on schedule and a year away from opening. She noted the garage is located on the other side of the Northside office building. As a reminder, that facility is going to house STA's Central City Line (CCL) vehicles and is STA's first maintenance facility that includes infrastructure for electric vehicles.
- Ms. Meyer advised that STA's Director of Communications and Customer Service, Beth Bousley, has accepted a new position at the Washington State Department of Transportation, Eastern Region Office, as the Communications Manager. Staff are pleased she will be close by and with an agency where she can continue to be a transit advocate. Ms. Meyer informed of a farewell reception at 11:00 am tomorrow for anyone desiring to join staff in wishing her well. Ms. Bousley and her husband chose Spokane to be closer to their children. When she applied, what stood out about her was her professionalism and experience with social media. She has built a strong team and has extended STA's outreach with all of her efforts in her five years of service. She led with Karl the outreach on the STAMF that produced STA's ten-year plan and did the public education on both ballot measures in April 2015 and November 2016. She was the lead on our University Transit Universal Pass (UTAP) programs and with her leadership; STA now has added Gonzaga University and Whitworth. Ms. Meyer said Ms.

Bousley has strengthened our relationship with EWU and one of her favorite things worked on with EWU students was the courtesy campaign with the “Ride Alongs” (the characters that give STA riders advice about how to be a good transit rider).

In her spare time, Ms. Bousley sings in the Symphony Chorale, volunteers at the hospital gift shop, has a bible study at her house, and does volunteer work, (sort of volunteer work professionally) with Visit Spokane Committee.

In closing, she noted that Ms. Bousley is not going too far away and staff will stay in touch. Ms. Meyer expressed STA’s appreciation for her good work.

Ms. Bousley thanked Ms. Meyer and said she appreciates the support of the CEO, the leadership team, and the Board. She said this been her “favorite, most rewarding job, hard job”. She has achieved great results and developed a wonderful team and it had been fun doing this type of work because you can see the results.

Ms. Haley expressed her appreciation for Ms. Bousley’s service.

Brandon Rapez-Betty has accepted Ms. Meyer’s invitation to act as the Interim Director of Communications, but will continue doing his job as Customer and Community Relations Manager. She advised she is confident of his ability and noted there are good people on their team. The search for a Director will begin soon.

8. COMMITTEE INFORMATION

- A. May 2018 Financial Results Summary – *as presented*
- B. June 2018 Sales Tax Revenue Information – *as presented*
- C. May 2018 Operating Indicators - *as presented*
- D. STA Outreach Update – *as presented*

9. SEPTEMBER 5, 2018 - COMMITTEE PACKET DRAFT AGENDA REVIEW

No changes at this time.

10. NEW BUSINESS

None.

11. COMMITTEE MEMBERS’ EXPRESSIONS

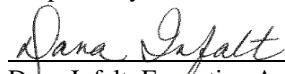
Mr. Kerns expressed his good wishes to Ms. Bousley and thanked her again for her service. Ms. Haley agreed with him and noted she has enjoyed working with Ms. Bousley.

12. ADJOURN

Chair Haley adjourned the meeting at 2:27 p.m.

13. NEXT MEETING – WEDNESDAY, SEPTEMBER 5, 2018, (NO AUGUST MEETING) 1:30 P.M, STA SOUTHSIDE CONFERENCE ROOM, 1230 WEST BOONE AVENUE

Respectfully submitted,



Dana Infalt, Executive Assistant