

BOARD OF DIRECTORS

Minutes of the March 18, 2021, Board Meeting Via
WebEx Video Conference

MEMBERS PRESENT

Pamela Haley, City of Spokane Valley, *Chair*
Al French, Spokane County
Candace Mumm, City of Spokane
Chris Grover, Small Cities Representative (Airway Heights) *Chair Pro Tempore*
Josh Kerns, Spokane County
Karen Stratton, City of Spokane
Kate Burke, City of Spokane
Lori Kinnear, City of Spokane
Tim Hattenburg, City of Spokane Valley
Don Kennedy, Small Cities Representative (Medical Lake) *Ex Officio*
Kevin Freeman, Small Cities Representative (Millwood) *Ex Officio*
Mike Kennedy, Small Cities Representative (Liberty Lake) *Ex Officio*
Veronica Messing, Small Cities Representative (Cheney) *Ex Officio*
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT

None

STAFF PRESENT

Brandon Rapez-Betty, Director of Communications & Customer Service
Fred Nelson, Chief Operations Officer (Interim)
Karl Otterstrom, Director of Planning & Development
Monique Liard, Chief Financial Officer
Nancy Williams, Director of Human Resources & Labor Relations
Dana Infalt, Clerk of the Authority

PROVIDING LEGAL COUNSEL

Laura McAloon, McAloon Law PLLC

STAFF ABSENT

E. Susan Meyer, CEO

1. CALL TO ORDER AND ROLL CALL -

Chairwoman Haley called the meeting to order at 1:30 p.m. and the Clerk conducted roll call.

2. APPROVE BOARD AGENDA

Mr. French moved to approve the agenda. Mr. Hattenburg seconded, and the motion passed unanimously.

3. PUBLIC EXPRESSIONS

Chair Haley reminded that public expressions were being accepted in writing prior to the meeting through the STA website, by signing up for oral expression during the meeting, or for the public to join the meeting and speak. No persons signed up prior to the meeting and guests were unmuted to allow for expressions. There were no public expressions.

4. REPORT TO BOARD - Federal Landscape (Sherry Little, Cardinal Infrastructure):

Ms. Little provided a detailed report to the Board of the federal landscape under the current administration and included information on pandemic relief legislation, fiscal year 2022 appropriations, the reauthorization of the FAST Act, future infrastructure legislation, and Low-No Emission Grant opportunities.

She expressed her gratitude to the STA Board and staff and acknowledged that much of the previous success STA experienced stemmed from the involvement of the board and staff. Ms. Little said how meaningful it has been for STA and Board members to attend the APTA functions and to be present at the Legislative Conferences, noting that our congressional delegation knows who STA is because of those trips. She advised the APTA Legislative conference will be a virtual event in May 2021.

Ms. Little informed that Congresswoman McMorris Rodgers is Republican Leader on the Energy and Commerce Committee, which is influential and will lead the way on some of the climate change issues that are impacting the debate around infrastructure in D.C.; Senator Murray is on Appropriations Committee and has been promoted to the Assistant Democratic Leader; and Senator Cantwell is the Chair of the Senate Committee on Commerce, Science and Transportation which translates to the fact that all are in a good position to be contributing to and having discussions about what is happening with the Infrastructure Bill.

Mr. French expressed appreciation for the hard work and excellent guidance provided by Ms. Little and staff at Cardinal Infrastructure to STA, attributing much of STA's past success in receiving grant awards to their efforts.

Ms. Mumm asked about virtual groundwork prior to the May Legislative event. Ms. Little agreed and thought a form of virtual fly-in would be appropriate to talk about the projects but either before or after the event, at a more convenient time. Ms. Little discussed how she would recommend going about it, past successes, and reasons for the achievements.

Chairwoman Haley echoed Mr. French's sentiments, recognizing that without the support of the Board and Cardinal Infrastructure, STA would not have been able to achieve what it has, and she expressed her excitement to work with Cardinal again on a new project.

5. PUBLIC HEARING

A. Division*Connects*: Draft Recommendation Locally Preferred Alternative.

Mr. Otterstrom advised this public hearing had been noticed in the Spokesman Review, on Spokane Regional Transportation Council website, Spokane Transit's website, and through social media, asking for public comment.

He presented the Division*Connects* draft recommendation of the locally preferred alternative for public comment. His presentation included a project overview that included information on the study, early milestones and activities that began in December 2019. He reported on the building blocks of the study that included cycling, pedestrian, right of ways, street standards, traffic models, and current best practices as well as how they were funneled into the final alternatives presented for evaluation. Virtual public engagement open house and surveys were conducted.

He explained the different options, responses, and statistical survey results and advised of stakeholder interviews with direct contact to targeted property owners and businesses along the corridor.

Mr. Otterstrom provided charts to reveal the higher performing versus lower performing scenarios and feedback to various categories of the preliminary evaluation, with detailed information on each category. The preferred transit alternative components of the draft recommendation were reviewed, as well as the proposed alignment, preliminary station locations, and lane configuration, of the route. He said the Side Running-C alternative is recommended with BAT lanes on Ruby and Division and on-corridor bike facilities in the couplet area of the route. Next steps were reviewed and anticipated Board action in April. A brief discussion ensued.

Following the presentation, Chairwoman Haley called three times for public comments on the hearing. Being none, the public hearing was closed.

6. BOARD ACTION – CONSENT AGENDA

- A. Approval of the Minutes of the February 18, 2021, Board Meeting – Corrections/Approval
- B. Approval of the February 2021 Vouchers
- C. Lighted Pit Repairs Construction Final Acceptance
- D. Jefferson Park and Ride Cooperative Agreement
- E. Spokane Community College Transit Center Construction Final Acceptance
- F. City Line: Browne’s Addition Stations Customized Shelters Request

Mr. French moved to approve Consent Agenda 6A through 6F. Ms. Stratton seconded, and the motion passed unanimously.

7. BOARD ACTION – COMMITTEE RECOMMENDATION

A. FTA Low-No Emission Grant Fleet Electrification Application

Mr. Otterstrom said this item was referred by the Board Operations Committee due to a timing issue as it was not ready in time for the Planning & Development Committee earlier in the month. He advised Board authorization is required for staff to apply for grants over \$1M for projects not included in the approved capital improvement program. Mr. Otterstrom provided background and a recap of the electrification strategy workshop and the strategic decision timeline and decision points for electrification.

He noted the Federal Transit Administration (FTA) published a competitive grant program known as the Low or No Emission (“Low-No”) Program which provides funding to state and local governmental authorities for the purchase of zero-emission and low-emission transit buses, acquisition and construction of required supporting facilities. There is \$55,000,000 in FY2021 (under Section 5339 funding) and an additional \$125,000,000 from the Consolidated Appropriations Act, 2021, appropriated for the Low-No Program, for a combined total of \$180,000,000.

The 2021-2026 capital improvement program (CIP) approved by the Board and in the adopted Transit Development Plan programs set aside \$5.658 million for the replacement of ten diesel coaches in 2023. The current Low-No Grant funding offers an opportunity to switch all or part of that diesel coach replacement to 40-foot battery electric buses. This expansion would be within the capacity of the Boone Northwest Garage. Staff is seeking board authorization to apply for federal grant funding to expand the battery electric bus fleet by switching ten, 40-foot diesel replacement coaches to electric, conditioned on the award of federal funding.

The total estimated cost of purchasing ten battery electric buses, including a 10% contingency, is \$12 million. Staff propose seeking up to \$6.4 million in federal funds to cover the difference between the cost of diesel replacements and electric coaches (rounded up). Because the approved CIP assumes a diesel replacement rather than electric, board authorization of the grant application is required.

Ms. Mumm made a motion to authorize the submission of a grant request under the FTA Low-No Program to fund the purchase of up to ten, 40-foot battery electric fixed-route buses with a grant request of up to \$6.4 million. Mr. French seconded and the motion passed unanimously.

8. BOARD OPERATIONS COMMITTEE:

A. Chair’s Report

Chairwoman Haley advised of the topics discussed at the Board Operations meeting which were included in the consent agenda above as well as the just-approved Low-No Emission grant item. She reviewed the changes in the Jefferson Park and Ride agreement.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French reviewed the items presented to and forwarded by P&D Committee.

He advised on the request for Browne's Addition Neighborhood Council to change the standard design for the City Line stations for Browne's Addition as it is an historical neighborhood. STA's requirement to change the design is that the requestor provide 20% (\$13,673) of the cost. Mr. David Williams of the Neighborhood Council spoke and reassured the Board they were ready to commit the funds and their continued support of the City Line.

Mr. Otterstrom provided a City Line Update report to the Board. He provided a finance update and the financial outlook of City Line budget. He supplied project updates on core construction, amenities installation, Station 28 at SCC Transit Center and Wall Street, and said the next City Line bus delivery is scheduled for April.

Ms. Stratton left the meeting at 2:30

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Mr. Grover noted the items approved today that came from the PM&ER Committee. He said they had a good discussion on the May 2022 Service Revisions: Draft Recommendations which are provided in the information section of the packet. He then yielded his time to Monique Liard for an update on the 2020 Unaudited Year-End Financials.

Ms. Liard thanked Mr. Grover. She provided a review of the unaudited financials that included revenue, expenses, capital, grants, cash, and next steps in the auditing of the 2020 financial results. All numbers provided are based on an accrual basis of accounting as compared to the graphs provided in the monthly Sales Tax report which are completed on a cash basis, noting they may be slightly different than the December Sales Tax report previously provided.

Revenue: Compared budget versus actual and the variances of the categories of Fares & Other Transit Revenue, Sales Tax, Federal & State Grants, Miscellaneous Revenue and noted the total variance was \$19.1M or 17.2% over budget for the year. Higher than anticipated sales tax and the CARES Act funding (\$23.4) contributed to the overall increase. Fare revenue declined significantly in 2020

Expenses: A detailed review of expenses showed \$11.7M (14.0%) under budget broken down and reviewed as budget versus actual and the variances by division of Fixed Route, Paratransit, Vanpool, Plaza, and Administration, with Ms. Liard providing explanations of variances.

Capital: A detailed view was provided in the board packet and the review of the capital budget was provided on a summary basis.

Grants: The 2020 Federal Grant report showed the latest approved budget, cumulative amount expended, accruals, unexpended balance, unexpended local balance, and unexpended federal balance, along with totals for each grant.

Cash: A few items affect year-end reporting, but not year-end cash, such as Accruals (Sales Tax distribution for January & February, Grants, Expenses incurred in 2020 but paid in 2021), and Pension & Post-Employment Benefits Liability (GASB 68/75). Accrual adjustments are made for Sales Tax.

She provided a 2020 cash and reserve analysis chart which compared the 2020 adopted budget, 2020 year-end unaudited actuals, and the difference between both in multiple categories. She also provided historical cash balances.

Next Steps included the steps that have been and will be taken to get the unaudited financials audited. The office of the Washington State Auditor will be working through the review during March and April.

11. CEO REPORT

The CEO was absent from the meeting.

12. BOARD INFORMATION

- A. Committee Minutes
- B. February 2021 Sales Tax Revenue (*Monique Liard*)
- C. January 2021 Financial Results Summary (*Monique Liard*)
- D. January Operating Indicators (*Fred Nelson*)
- E. 2020 State Audit Timeline (*Monique Liard*)
- F. 2022-2027 Transit Development Plan: Develop Mid-Range Planning Guidance (*Karl Otterstrom*)
- G. May 2022 Service Revisions: Draft Recommendation (*Karl Otterstrom*)
- H. Draft SRTC 2021-2022 Unified Planning Work Program (UPWP) (*Karl Otterstrom*)
- I. I-90 / Valley Corridor Planning Update (*Karl Otterstrom*)
- J. ConnectSpokane Update (*Karl Otterstrom*)

13. NEW BUSINESS

- A. **Transit Operator Appreciation Day** – Mr. Rapez-Betty provided background on the day and played a video created by STA to express appreciation to our bus and van operators on this special day. He noted the skywalks at the Plaza and at Boone were decorated to say Thank you!
- B. **City Line Vehicle Review** – Mr. Rapez-Betty played the recently released reveal video of the City Line’s first lilac colored 60’ articulated battery electric bus. He advised it arrived in December and has been embargoed in the Boone Northwest Garage pending the reveal.

14. BOARD MEMBERS’ EXPRESSIONS

Ms. Burke advised the City of Spokane set aside \$175,000 in funds in this year’s budget to support the free youth fare summer program again. She encouraged the other jurisdictions to participate and allocate in their budget to join City of Spokane.


Ms. Mumm noted it would be worthwhile to do a full pilot and will speak to some offline. She said the children have been locked down for a year and it would be nice to figure out a way to have all youth fares provided over the summer by STA since the unaudited year end 2020 financial report indicates STA has funds available. Systemwide under 18 fare free for the summer. We have a lot of funding right now and our kids really need the support. The city provided the pilot program previously but the ridership was shown throughout the system during the last pilot.

Mr. Hattenburg agreed with Ms. Mumm.

15. ADJOURNED

With no further business to come before the Board, Chairwoman Haley adjourned the meeting at 2:55 p.m.

Respectfully submitted,


Dana Infalt
Clerk of the Authority