

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

BOARD OF DIRECTORS

Draft Minutes of the December 15, 2016, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Al French, Spokane County, *Chair*
Shelly O'Quinn, Spokane County
Amber Waldref, City of Spokane
Candace Mumm, City of Spokane
Ed Pace, City of Spokane Valley
Pamela Haley, City of Spokane Valley
Tom Trulove, Small Cities Representative
(Cheney)
Aspen Monteleone, Small Cities Representative
(Airway Heights)
Odin Langford, Small Cities Representative
(Liberty Lake)
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

John Higgins, Small Cities Representative
(Medical Lake) *Ex Officio*
Kevin Freeman, Small Cities Representative
(Millwood) *Ex Officio*

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Steve Blaska, Director of Operations
Lynda Warren, Director of Finance & Information Services
Karl Otterstrom, Director of Planning
Steve Doolittle, Director of Human Resources
Beth Bousley, Director of Communications & Customer
Service
Susan Millbank, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, Workland Witherspoon PLLC

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

Chair French called the meeting to order at 1:32 p.m. and conducted roll call.

2. **APPROVE BOARD AGENDA**

Mr. Langford moved to approve the Board agenda, Mr. Pace seconded and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

None.

4. **RECOGNITIONS AND PRESENTATIONS**

A. **Denise Marchioro, Paratransit & Vanpool Manager - Retirement**

Mr. Blaska said Ms. Marchioro is retiring after 27 years of dedicated service to Spokane Transit and the community. Most of her tenure was as Paratransit Manager and she created a department that provides an outstanding level of customer service. STA's quality of Paratransit service is a source of pride for the region and the American Bus Benchmarking Group acknowledged Spokane as a national leader in the Paratransit service provider field. Mr. Blaska added that Ms. Marchioro will leave a legacy that will continue long after she retires.

5. **PUBLIC HEARING**

A. **STA's Affirmative Action Plans**

Mr. Doolittle said the plans include veterans and individuals with disabilities as new categories.

STA's workforce mirrors that of the community and all hiring and recruitment meets federal guidelines. Human Resources staff meets with workforce diversity groups in order to enhance recruiting efforts. The plan year is from July 1, 2015 to June 30, 2016. Out of 1,137 applicants for positions at STA, 4% of applicants were hired and 3% were promoted. From those hired, 18% were in a minority class; 6% were veterans; and, 4% were individuals with a disability. The federal goal for the last two categories is 7%. It is extremely difficult to find women who are interested and qualified in the maintenance field and there are fewer women who apply for coach or van operator positions.

Ms. Mumm asked what the local goal is.

Mr. Doolittle said he would provide that information at a later time.

He added that consultants Associated Industries and Jackson Lewis assisted with the compilation of the plans.

Mr. French opened the public hearing at 1:45 p.m.

Mr. French asked three times for comments from the public.

Hearing none, he closed the public hearing at 1:46 p.m.

6. BOARD ACTION – CONSENT AGENDA

Mr. Trulove moved to approve the following consent agenda items 6. A through I. Mr. Langford seconded and the motion passed unanimously.

- A. Approve the minutes of the November 17, 2016 Board meeting.
- B. Approve the following vouchers and payroll for November, 2016:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (November)	Nos. 591661 - 592122	\$ 6,342,265.91
Workers Comp Vouchers (November)	Nos. 218364 - 218544	\$ 114,766.40
Payroll 11/11/2016	ACH – 11/11/2016	\$ 1,505,483.59
Payroll 11/25/2016	ACH – 11/25/2016	\$ 1,110,064.26
WA State – DOR (Use Tax)	ACH – W0640	\$ 7,313.65
NOVEMBER TOTAL		\$ 9,079,893.81

- C. Approve the 2017 Board & Committee meeting calendar.
- D. Award a contract to Whitley Fuel LLC for diesel and unleaded fuel and service for five years effective February 1, 2017.
- E. Adopt, by resolution, STA's Affirmative Action Plans (women and minorities, veterans, and individuals with disabilities).
- F. Approve the Spokane Police Department Interlocal Agreement.
- G. Approve the May 2017 Service Revisions.
- H. Approve the proposed 2017 Title VI Program of Civil Rights Act Program and Limited English Proficiency Plan Outreach Strategies.
- I. Approve the proposed *Connect Spokane* Update Work and Outreach Programs.

7. BOARD ACTION – COMMITTEE RECOMMENDATIONS:

Planning & Development

- A. Approval of Capital Improvement Program (CIP) Amendment - Resolution

Ms. Waldref said agenda items 7. A, B and C were presented to the Planning & Development committee and recommended for approval.

Mr. Otterstrom said the public hearing was held last month and the amendment is due to the successful passage of Proposition 1. The proposed amendment reflects the West Plains Transit Center grant, STA Moving Forward projects, the Spokane Falls Community College Transit Station, and adjusts the Fleet Replacement Plan to include the service increases. The total CIP will be \$221M.

Ms. Bowers asked about the vehicle acquisition plan for vans.

Mr. Otterstrom said these are paratransit, not vanpool vans.

Ms. Haley asked if a positive vote for this item is the same as voting in favor of the Central City Line (CCL) project.

Mr. Otterstrom said the CCL is not approved for final design and construction and still requires additional funding. A Small Starts grant application will be made in the spring of 2017. The Board will be considering all the phases for approval over the next few years.

Mr. Pace moved to adopt, by resolution, the recommended amendments to the 2017-2022 Capital Improvement Program in the Transit Development Plan. Ms. Waldref seconded and the motion passed unanimously.

B. Final Proposed 2017 Operating & Capital Budgets

Ms. Warren said a presentation was made on the budgets last month at the public hearing. There have been a few updates since then and the budgets now include STA Moving Forward for which there is a 5.9% increase in operating costs in 2017.

There is an increase of 26 full-time positions of which some will be hired in early 2017 and others in mid-2017. The increased costs also include a wage increase of 1.5% for AFSCME 3939, ATU 1598 and management and administration.

The increase in Premera health insurance premiums is 18.05% rather than the 20% previously budgeted.

Ms. Warren said the total operating budget for 2017 is now \$69M of which 83% is fixed route and paratransit operating costs. Administration is 13.3% of the budget and 25% of this is the Information Systems Department which includes software licenses.

Ms. O'Quinn asked what the percentage was for administration last year.

Ms. Warren said it was 12.4%.

The operating revenue is budgeted at \$7M more than 2016 with a growth in sales tax assumed at 3%, a fare increase in July, federal and state grants, and an interest rate of 1%.

The 2017 Cash and Reserve Analysis shows that revenue is anticipated to be \$8M over operating expenses and with capital projects at \$13M, the expected decrease in cash is \$5M. The estimated end of year cash balance after Board designated reserves is \$22M.

A narrated video of the budgets was posted to STA's website in advance of the public hearing.

Staff recommends the Board approve a budget of \$95,340,095 for 2017.

Ms. O'Quinn commented that the farebox recovery ratio will decrease to 13% with STA Moving Forward. The policy is to have a farebox recovery of 20%.

Ms. Warren said with the increased fares it will take one to two years to reflect at the farebox.

Ms. Waldref moved to adopt, by resolution, the final proposed 2017 Operating & Capital Budgets. Mr. Pace seconded. Ms. O'Quinn abstained because she did not attend the November Board meeting when the Public Hearing was held. The motion passed 8 to 0 with one abstention.

C. Approval of the 2017 Annual Strategic Plan

Ms. Waldref said the plan is a succinct document explaining priorities of the agency in 2017.

Ms. Meyer said the plan is resourced by the budget and introduces the first year of the new STA Moving Forward service and projects including:

- Later Saturday night system-wide for fixed-route and paratransit
- More weekend trips in Airway Heights
- New route in Spokane Valley east of Sullivan on Indiana and Broadway
- Better weekend service on Wellesley
- More mid-day trips and new night & weekend service between Spokane and Liberty Lake (High Performance Transit (HPT) Lite)

- Sunday night service on North Nevada

It is anticipated that the new service will increase ridership by between 50,000 and 120,000 rides. STA Moving Forward capital projects include the following corridors:

- Central City Line
- Spokane Valley/I-90
- Cheney
- Division
- Sprague
- Monroe-Regal

STA's Comprehensive Plan, Connect Spokane, will be updated to reflect emerging trends in technology. The Plaza renovation will be completed in 2017 and a new Northwest Boone garage will be designed.

Mr. Pace moved to approve the 2017 Annual Strategic Plan as presented. Ms. Waldref seconded and the motion passed unanimously.

Performance Monitoring & External Relations

D. Paratransit Contract Services – Contract Modification and Extension

Mr. Trulove said at the last Board meeting there were questions about the contract with MV Transportation and the item was referred back to the committee for further review.

Mr. Blaska explained that MV had approached STA to negotiate the contract to provide pay increases for the drivers since the employee turnover had precluded them from providing the service STA requires. At the last Board meeting, representatives from ATU 1015 alleged that MV was not paying fair wages in order to enhance company profits at the expense of employees. The confusion appears to have arisen from a Best and Final Offer (BAFO) worksheet showing a van driver wage of \$13.14 per hour. This referenced wage represented the planned average van driver wage in the first year of the contract. The average wage is calculated by a simple mean of the lowest driver pay rate and the highest driver pay rate divided by two. Mr. Blaska added that he has explained the details to both Board members and Union representatives who are satisfied with the outcome.

Ms. Waldref thanked the Board Operations Committee for reviewing this issue at their meeting.

Mr. Trulove moved to authorize a contract modification to the change in the per revenue hour rate for Year 5 (2017) to \$49.02 and enter into three one-year contract extensions with MV Transportation, Inc. with 2018 at a price of \$50.12 per revenue hour, 2019 at a price of \$51.25 per revenue hour and 2020 at a price of \$52.28 per revenue hour. Ms. Monteleone seconded and the motion passed unanimously.

E. 2017 State Legislative Focus & Priorities

Ms. Millbank said STA's general focus is to monitor and provide information to the Washington State Legislature on proposed legislation. Specific priorities include:

1. Maintain decision making for public transportation by local, elected public officials
2. Preserve current state investments in public transportation:
 - (a) Connecting Washington Grant - \$15 million for Central City Line
 - (b) Regional Mobility grants - West Plains Transit Center - \$6.96 million programmed for this biennium
 - (c) Special Needs formula grants - \$1,382,750 (2017) \$1,639,000 (estimated 2018)
 - (d) Streamlined Sales and Use Tax Mitigation - \$345,600 (estimated 2017-2019 biennium)
3. Encourage adoption of the new STA Regional mobility grant applications: Monroe/Regal HPT \$2.32 million; Upriver Transit Center \$2.33 million; SFCC Transit Center \$3.33 million
4. Support additional state funding for public transportation

Also a concern is possible changes to the Affordable Care Act which may impact STA's customers. State grants received by Spokane Transit include Special Needs and Regional Mobility and these are always under scrutiny.

Ms. Waldref moved to approve the 2017 State Legislative Priorities as presented and grant authority to the CEO to determine STA's interest on specific pieces of legislation, convey those interests to legislators and others, and report to the Performance Monitoring and External Relations Committee and the Board during the legislative session. Mr. Trulove seconded.

Ms. Waldref asked how the Regional Mobility grants can be assured.

Mr. Otterstrom said STA has already been granted funding for the West Plains Transit Center and the Monroe-Regal corridor. Other projects are lower on the priority list.

The motion passed unanimously.

8. BOARD ACTION – OTHER: None.

9. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Mr. French said the Board Operations Committee discussed concerns about the cancellation of the Board Efficiency retreat that was scheduled for December 9. Board members agreed to have the retreat after the new Board convenes in 2017.

The performance of the Chief Executive Officer was also discussed in Executive Session.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Ms. Waldref said committee members discussed and approved their work plan for 2017.

11. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Mr. Trulove said the committee discussed Board consent agenda items and the MV contract issues. He added that this committee will be much busier next year with STA Moving Forward projects and the first meeting will take place on February 1, 2017.

12. CEO REPORT

Ms. Meyer addressed an earlier question from Commissioner O'Quinn about the farebox recovery ratio. Farebox recovery (the percentage of trip costs paid by the customer) is 18% not 13% and it is expected to reach 20% when the second fare increase takes effect.

Ridership

Ms. Meyer reported that fixed route bus ridership in November 2016 increased by 3.6% over November 2015 for a 4.9% decrease year-to-date.

Paratransit ridership increased by 9.85% over November 2015 for a 0.9% increase year-to-date.

Vanpool ridership decreased by 5.8% over November 2015 for an 11.7% decrease year-to-date. There are 7 less vans in service than in November 2015 (88 versus 94).

It should be noted that November 2016 had one more weekday than November 2015.

Non-Capital Revenue

Through October 2016, at \$60.7M, non-capital revenue is at 86.5% of budget.

Sales Tax Revenue

November 2016 sales tax revenue (collected on September 2016 retail sales) increased 7.6% over November 2015 for a year-to-date increase of 6.5% over budget.

Operating Expenditures

Through October 2016, at \$48.4M, operating expenses are 74.3% of budget.

Holmes School Carolers

Students from Holmes Elementary school came to sing for STA employees. STA partners with the school at the holidays to provide some enjoyable activities for the students.

13. BOARD INFORMATION

- A. Committee Minutes
- B. October 2016 Financial Results Summary
- C. November 2016 Sales Tax Summary
- D. October 2016 Operating Indicators
- E. Planning & Development Committee 2017 Work Program
- F. STA Holiday Service and Office Hours

Ms. O'Quinn and Ms. Monteleone left at 2:38 p.m.

14. EXECUTIVE SESSION

At 2:40 p.m., Mr. French announced that the Board would adjourn for an Executive Session for the following purposes:

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.
2. Discussing, planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining.
3. Reviewing the performance of a public employee.

The STA Board of Directors will reconvene in open session at approximately 3:10 p.m. If it becomes necessary to extend the Executive Session, Legal Counsel or a member of staff will return to announce the time at which the STA Board will reconvene. Action is anticipated.

At 3:10 p.m., Ms. McAloon announced the Board of Directors will reconvene at 3:25 p.m.

At 3:25 p.m., Ms. McAloon announced the Board of Directors will reconvene at 3:30 p.m.

At 3:30 p.m., the Board of Directors reconvened and Chair French declared the meeting back in public session.

Ms. Waldref acknowledged the excellent work of the agency and its Chief Executive Officer.

Ms. Waldref moved to approve a new five year contract for the CEO, adding \$5,000 to the base salary and including the current car allowance of \$4,800 in the base salary. Any increases in salary during the contract will be based on the Consumer Price Index. Mr. Pace seconded the motion.

Mr. French said he appreciates the outstanding efforts made by Ms. Meyer and staff on behalf of the community and he welcomes the new contract.

The motion passed unanimously.

Ms. Meyer said she is privileged to lead the agency and appreciates her Executive Team and all the employees. She added that she values the Board's vote of confidence and looks forward to the next five years.

15. NEW BUSINESS

A. Election of 2017 Chair and Presentation of Gavel

Mr. French said he is honored to have served as Chair this year and said the City of Spokane Valley is next in the rotation for 2017.

Mr. Pace nominated Ms. Haley for the position of Board Chair in 2017. Ms. Waldref seconded and the motion passed unanimously.

16. BOARD MEMBERS' EXPRESSIONS

Mr. Langford thanked Ms. Meyer for her service to the agency.

Mr. Pace spoke on behalf of Spokane Valley constituents who would like bus service to the CHAS clinic on Indiana Avenue as soon as possible. He would like to see a reconciliation of bus ridership data and over time, passengers paying the full cost of service.

Ms. Mumm said she attended a successful meeting at the Corbin Senior Center recently and added that the participants depend heavily on STA's services.

A. Presentation of Commendation to Al French – Outgoing Board Chair

Ms. Haley presented a plaque to Mr. French commending him for his leadership as Chair in 2016.

Mr. Trulove said it is a pleasure to serve on the STA Board and wished all a Happy Holiday Season.

Ms. Waldref thanked Mr. Trulove for his leadership in chairing the Performance Monitoring & External Relations committee. She also thanked Mr. French for his leadership and persistence, and congratulated Ms. Haley on her appointment as Chair.

Mr. French said the year has been a good one, culminating in a successful ballot measure. He thanked the community for its faith in Spokane Transit and staff for assisting the Board in an outstanding manner.

17. ADJOURNED

With no further business to come before the Board, Chair French adjourned the meeting at 3:41 p.m.

Respectfully submitted,

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

A video of the Board meeting may be viewed on STA's website www.spokanetransit.com the week after the meeting.

Cable 5 Broadcast Dates and Times of December 15, 2016 Board Meeting:

Saturday, December 17, 2016	4:00 p.m.
Monday, December 19, 2016	10:00 a.m.
Tuesday, December 20, 2016	8:00 p.m.

Next Committee Meetings (STA Conference Rooms, West Boone Avenue, Spokane, Washington):

Planning & Development	February 1, 2017, 10:00 a.m. (Southside) 1230 West Boone
Performance Monitoring & External Relations	February 1, 2017, 1:30 p.m. (Southside) 1230 West Boone
Board Operations	January 11, 2017, 1:30 p.m. (Northside) 1230 West Boone

***NOTE: Planning & Development and Performance Monitoring
& External Relations Committees will not meet in January***

Next Board Meeting: Thursday, January 19, 2017, 1:30 p.m., STA Boardroom, 1230 West Boone Avenue, Spokane, Washington.