

BOARD OF DIRECTORS

Minutes of the December 17, 2020, Board Meeting

Via WebEx Virtual Conference

MEMBERS PRESENT

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

MEMBERS ABSENT

Tim Hattenburg, City of Spokane Valley
Mike Kennedy, Small Cities Representative
(Liberty Lake) *Ex Officio*

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Brandon Ropez-Betty, Director of Communications
& Customer Service
Karl Otterstrom, Director of Planning & Development
Monique Liard, Chief Financial Officer
Nancy Williams, Director of Human Resources &
Labor Relations
Fred Nelson, Chief Operations Officer
Dana Infalt, Clerk of the Authority

PROVIDING LEGAL COUNSEL

Laura McAloon, McAloon Law PLLC

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

Chair French called the meeting to order at 1:30 p.m. and roll call was conducted.

2. **APPROVE BOARD AGENDA**

Mr. Grover moved to approve the agenda. Ms. Haley seconded, and the motion passed unanimously.

3. **RECOGNITIONS AND PRESENTATIONS**

A. **2020 STA Retirements**

Ms. Williams, Director of Human Resources and Labor Relations, noted Spokane Transit recognizes employees who retire with 20 or more years of service. The recognitions have been postponed during 2020 with the expectation of an in-person Board meeting. Staff invited retirees to join virtually to allow the Board and staff to celebrate and thank them for the years of service and dedication to STA. Each person will receive a plaque commemorating their years of service and Ms. Williams offered a few words about each of the 2020 “post-pandemic” retirees, concluding with heartfelt gratitude for all the years of service from STA’s many dedicated, great employees who contribute to making STA such a great organization.

Mr. French echoed Ms. Williams comments on behalf of the Board and thanked the retirees for their service, saying employees that spend this amount of time with an organization speaks to the quality of the organization and what a great place it is to work.

4. **BOARD ACTION – CONSENT AGENDA**

Mr. Grover moved to approve the Consent Agenda items 4A through 4F. Ms. Haley seconded, and the motion passed unanimously.

- A. Approve the minutes of the November 19, 2020, Board meeting.
- B. Approve the following November 2020 Vouchers:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (November)	Nos. 610210 – 610606	\$ 3,499,529.25
Workers Comp Vouchers (November)	ACH – 2286	\$ 78,921.74
Payroll 11/06/2020	ACH – 11/06/2020	\$ 1,340,240.17
Payroll 11/20/2020	ACH – 11/20/2020	\$ 1,933,234.13
WA State – DOR (Use Tax) (November)	ACH – 1767	\$ 29,008.85
NOVEMBER TOTAL		\$ 6,880,934.14

- C. Approve a motion authorizing the CEO to execute a project order under Master Design and Construction Agreement 2018-10267 for the purpose of “Eastbound Bus Stop and Intersection Improvements – Riverside Avenue,” with a not-to-exceed value of \$600,000.
- D. Approval of the 2021 Performance Measures as presented.
- E. Approve the 2021 Board and Committee meeting calendar.
- F. Approve the Spokane Transit Authority Public Transportation Agency Safety Plan.

5. BOARD ACTION – COMMITTEE RECOMMENDATIONS

Planning and Development Committee

A. Adoption of the 2021 Operating & Capital Budgets

Chief Financial Officer (CFO), Ms. Liard, provided a final review in preparation of the Board’s adoption by Resolution of the 2021 Operating and Capital Budgets. The Board had the opportunity to review several times and was advised of any changes since the last update. The vision and organizational priorities remain the same and the budget guidance has been focused on recovering ridership while maintaining a state of good repair, fostering and sustaining quality, continuing to proactively partner in the community, implement high-performance transit and ensure financial resilience through sustainable planning that avoids debt.

Comparison of the 2021 final proposed budget against the 2020 budget, focus was on the items that had minor adjustments since the last review of the budget in November and review of the timeline.

Revenue in the amount of \$96.9M represents a 12.8% decrease from 2020 Operating Revenue budget. There is an \$8.8M reduction in sales tax, as well as a \$4.3M reduction in fares as ridership recovers.

No change in the revenue categories.

Budgeted operating expenses are \$82.229M. Staff’s original proposed budget of \$82.09M had a few revisions which include the ATU 1598 contract approval increasing wages by 2% in 2021, effective February 1st; a new position in the Planning Department; and contracting of a few additional services in the amount of \$75K, to arrive at the final proposed expenditure budget of \$82,229,691. Categories impacted by the changes include labor and benefits, services, and the net change over 2020’s budget is now a \$1.9M (2.2%) reduction.

No change in the personnel assumptions. With the one Principal Transit Planner noted previously, STA is at 661 approved positions for 2021 comprised of 633 full-time and 28 part-time.

No change in capital.

Cash and reserve analysis were updated to include the \$140,000 increase in expenses. Revenue over operating expense is \$14,765,000 and projected cash balance at the end of 2021 (before reserves) is \$100,354,000. There are reserve items included: operating expense reserve which is 15% of budgeted operating expenses has now changed to \$12,334,000. Risk, right-of-way and claims reserves have all stayed the same as the last review. The total Board designated and other reserves are now \$23,141,000, for an estimated end of year cash balance (after reserves) of \$77,213,000.

The final step of the budget process is adoption, by Resolution, by the Board of the 2021 Final Proposed Operating and Capital Budget.

Ms. Liard offered to answer any questions. There were no questions.

Mr. Grover moved to recommend the Board adopt by Resolution the final proposed 2021 Operating and Capital Budgets. Ms. Haley seconded, and the motion passed unanimously.

Chair French thanked the committees and staff for their hard work in getting this budget together.

Performance Monitoring and External Relations Committee

B. Spokane Police Department (SPD) Contract Approval

Ms. Williams, Director of Human Resources and Labor Relations, advised staff are seeking approval of an agreement for the years 2021 through 2023. Background on the program noted STA and SPD have utilized an interlocal agreement since 2005 to provide additional SPD presence in and around the STA Plaza. STA strives to provide a safe environment while being a good neighbor in the downtown Spokane area.

The proposed agreement continues to provide STA a dedicated full-time SPD officer at the Plaza Monday through Friday for at least eight hours a day. In addition, training is provided by SPD for STA Transit Officers, including annual recertifications, and additional annual trainings such as crisis intervention or baton usage. The interlocal agreement incorporates a three-year contract term of January 1, 2021, through December 31, 2023. The cost is fixed to STA at \$117,800 per year for the Interlocal Agreement.

Staff recommends the Board approve the Spokane Police Department Interlocal Agreement as presented.

Chair French asked if there were any questions on the proposed agreement. None were forthcoming.

Ms. Haley moved to approve the Spokane Police Department (SPD) Interlocal Agreement as presented. Mr. Grover seconded.

Ms. Burke said she heard about this agreement at the committee meeting and has concerns. Ms. Burke hopes that staff and the Board can have a more in-depth conversation about this next time. She noted the community has expressed that not every single person feels safe with an officer around them. She believes the Board needs to talk about that before signing an agreement like this, advising she would be a “no” vote today with the hope they can continue the conversation, noting it is an important point of safety, but we need to figure out how to do it in a better way.

Chair French thanked Ms. Burke and asked if anyone else had comments. None were forthcoming. Chair French shared with the Board that this is a partnership which was created when he was on the city council with the Downtown business group and the Business Improvement District, to have STA provide police protection around the Plaza to help ensure it is a safe environment, not only for STA patrons, but also for other businesses located around the Plaza that have periodically experienced some challenging activities.

With there being no further comments, Chair French called for the vote and the motion passed by a 7/1 vote.

C. Draft 2021 State Legislative Priorities

Mr. Rapez-Betty, Director of Communications and Customer Service, noted the Board adopts a list of State Legislative priorities each year to guide the CEO in efforts to direct the agency's government relations. The list was previously provided to the Performance Monitoring and External Relations Committee and offered a bit of background on the priorities.

Mr. Rapez-Betty examined the General Focus list and provided detail on the Priorities to Preserve and Maintain Funding for City Line, Cheney Line, Special Needs (Paratransit) Formula Grant Funding, and Vanpool Investment Grant funding.

The New Funding and Legislative Priorities include funding for the I-90 / Valley Line, the Sprague Line, a Green Transportation grant, and to increase ridership and reduce regional congestion, support comprehensive legislation to update the RCWs related to the Vanpool Program.

The Developing Priorities list included the Division Line and Zero Emission Transit Vehicles.

The recommendation to the Board was to approve, by motion, the 2021 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. Rapez-Betty offered to answer questions. Chair French asked for questions from Board members. None were forthcoming. Chair French said he was open to a motion.

Ms. Kinnear moved to approve the 2021 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. Ms. Burke seconded, and the motion passed unanimously.

6. BOARD OPERATIONS COMMITTEE

A. Chair Report

Chair French said the items discussed at the last Board Operations meeting were approved here today as the year-end is being wrapped up. He thanked Ms. Meyer and staff for being flexible enough to adjust to a changing and dynamic environment with regards to providing public transportation to the community. He thanked the drivers out on the front line interacting with the public and working to keep themselves safe. It has been an interesting year and a tribute to the strength of the agency, leadership, and all the employees for getting through the year.

7. PLANNING AND DEVELOPMENT COMMITTEE

A. Chair Report

Mr. Grover noted the committee finalized the 2021 Planning and Development Committee Work Program. He advised Mr. Otterstrom provided an update on Division *Connects* and that both these items are under Board Information today for review. Two other major items discussed at P&D were approved under consent today, the Capital and Operating Budget and the Riverside Project Order Agreement. The next P&D meeting would be February 3, 2021.

8. PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE

A. Chair Report

Ms. Kinnear advised Mr. Kerns was the acting Chair for the last meeting and requested he provide the report. Mr. Kerns advised the committee reviewed, forwarded, voted on, and passed items on the consent agenda today. Mr. Rapez-Betty provided a great Community Essentials Marketing Campaign for public awareness. Mr. Kerns commented on the great marketing materials on social media, television, billboards, and in print by the Communications team.

9. CEO REPORT

Ms. Meyer advised her CEO report had two parts today, beginning with her usual report and followed by a year-in-review presentation.

Fixed Route ridership has decreased 55% in November over November 2019 and the year-to-date decrease is 41% but noted there were two months of normal ridership in January and February. Paratransit ridership is down 63% and year to date is showing a decrease of 53%. Vanpool had a success to report. Ridership continues to be down, but a new group was added this month at Triumph. There are 66 vans in operation, though some are on reduced schedules or are parked. She reviewed ridership trends this year over last year for Fixed Route and Paratransit.

Sales Tax for November, collected on September retail sales, was 4% above November 2019 actual of roughly \$315,000. It is 6.5% year-to-date above 2019 actual – almost \$5M higher than 2019. Year-to-date is 1.7% above budget and is \$1.3M above budget despite two months of declined sales tax revenue earlier in the year.

Operating Expenditures were at \$64M which is affected by a timing lag in expenditures.

Fare Revenue was discussed; when fares were suspended, and in October/November ridership was down and fare collection was down, and STA will probably have \$5M in fare revenue this year against a budget of \$12M

City Line update:

- Budget is \$92.2M; \$15.2M spent; committed \$41.7M; forecasted expenditures of \$17.4M, with uncommitted remaining amount of \$18M.
- The first 60', five door, Battery Electric City Line bus (pilot bus) will be here before the end of the month. We will have an event in mid-January (after the charging infrastructure is completed).
- Battery Electric charging infrastructure is being installed at SCC Transit Center.
- STA's high-performance amenities fabrication design is under way with Future Systems.
- The first year of construction is complete and staff are preparing for next year with Cameron Reilly and are preparing to bid other elements of the project: High Performance Transit Installation of Amenities, Wall Street Reconstruction between Riverside and Main, the Station at SCC Transit Center, and the three west-bound City Line Stations on Riverside Avenue.

A project in partnership with DOT to build eastern Washington's only Transit Only Lanes from I-90 at the Medical Lake Exit to access the West Plains Transit Center. This is going to save about 10% of the travel time for transit passengers between Cheney and Spokane and will allow us to introduce more service beginning in January. Pictures explained the location of the lanes and the WPTC in relation to the multi-use pathway built to cross the freeway and connect to Amazon. Ms. Meyer recapped the Board's authorization for the CEO to negotiate an increase in the contract with WSDOT and that has been completed. An amendment to the contract is being drafted.

Mayor Pete Buttigieg has been put forward by President-Elect Biden as the US Secretary of Transportation. As a candidate he proposed a trillion-dollar infrastructure plan that called for doubling the Build program. Spokane County has been able to win a grant through that program in the past. Also, he proposed replacing the gas tax with vehicle miles traveled fee, which is controversial but often talked about, and increasing funding for transit.

Congress has until tomorrow at 11:59 pm to pass appropriations for the remainder of FY 2021 or pass a 3rd continuing resolution using funding levels already approved. At the same time, an emergency relief bill is being contemplated. One has been proposed for \$908B and is more likely to be split into two packages – \$750B which includes \$15B for transit and \$160M for state and local governments and limited legal liability reform for Covid-19 related claims.

Part two of the presentation highlighted some of the accomplishments during the year of 2020.

- January-\$53.4M FTA City Line Bus Rapid Transit - Awards Ceremony in Boone NW Garage

- February-Spokane Library opened on 2nd floor of Plaza. Finished fleetwide installation of 3 position bike racks. Governor proclaimed State of Emergency on 2/29.
- March-CEO signed emergency proclamation; first confirmed case in eastern Washington was announced; colleges and universities suspended in-person classes; STA implemented level two service; President declared National Emergency 3/13 and Governor issued stay at home order.

STA begins to communicate what is being done to make transit safe for passengers, community, and employees through a variety of means (newsletter, video, social media, updates on website).
- April-First virtual STA meeting, Board approves AOC for 10 City Line buses, Coronavirus emergency continues, STA implements Level 3 service, essential construction projects continue.
- May-Commence service to Amazon fulfillment center, transit improvements on N Division (sidewalks & shelters), Covid-19 impact assessment of future conditions, CaresAct Funding approved- and STA received a share of \$23M, Governor released Safe Start Washington Plan, and City Line Construction began.
- June-Commuter express service resumes, Spokane Regional Health District issues face covering directive, barriers on bus installation continues, Riverside Avenue construction and Plaza zone detours, coordinated project schedules reduce construction duration, Route 4 Monroe-Regal: Phase II Stop Improvements, and fare collection procurement RFP was issued.
- July-STA resumes front door boarding and fare collection; barrier installation continues; customer mask distribution begins; Board approved flat fare for Vanpool; Award of Contract for Content Management System for Digital Signage, Award of Contract for Battery Electric Bus charging infrastructure, Community Essentials Campaign is launched, 2020 Surplus Van Grant Program awards 10 vehicles to local human services organizations, the State Auditor issues STA its 13th clean audit in 14 years.
- August-FTA grant received for double decker buses for the Cheney line, I-90/Valley Corridor Planning for High Performance Transit investments begin.
- September-Plaza Zone 4 construction to install high performance transit platform and curb, Board approved Community Access Pass Pilot (CAP) program, STA Moving Forward and proposed amendment approved, Covid-19 the STA Shield Team completes barriers on 147 coaches, Board workshop to review fleet electrification study.
- October-Award of Contract for fare collection system, Steve Blaska leaves to resume his retirement and Fred Nelson takes a break from retirement to step in as interim COO.
- November-STA Board approves STA Moving Forward: 2020 Plan Amendment, West Plains Transit Only Lanes open for buses
- December-STA Board approves the 2021 budget. STA maintained service, maintained workforce, and maintains STA Moving Forward commitment. Frontline transit employees anticipated to be in second phase of vaccine distribution.

10. BOARD INFORMATION

- A. Committee Minutes
- B. November 2020 Sales Tax Revenue
- C. October 2020 Financial Results Summary
- D. October 2020 Operating Indicators
- E. January 2021 Service Changes
- F. 2021 Planning and Development Committee Work Program
- G. Division *Connects* Update
- H. STA Holiday Service and Office Hours

11. EXECUTIVE SESSION

Ms. McAloon advised, at this time, the STA Board of Directors will adjourn to an executive session for the purpose of:

1. *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 of Directors will reconvene in open session in approximately 10 minutes. If it becomes necessary to extend the executive session, a member of staff will announce via the chat feature of WebEx the time at which the STA Board will reconvene.

If any action is to be taken because of discussions in the executive session, that action will occur at the open public session. However, there is no action anticipated.

Chair French advised it is now 2:28. The members returned at 2:38, and there was no action taken.

12. NEW BUSINESS

- A. Election of 2021 Chair and Presentation of Gavel (*Majority of 5 votes required*)

According to STA Bylaws, the rotation of the Chair goes to Spokane Valley in 2021 and Chair French nominated Ms. Pamela Haley.

Mr. Grover moved to approve the election of Ms. Pamela Haley as the 2021 STA Board Chairwoman pursuant to STA Bylaws. Mr. Kerns seconded.

Chair French asked for comments to the motion on the floor. There were none.

Chair French called for the vote and the motion passed unanimously.

Mr. French virtually presented a gavel to Chairwoman Haley which will be mailed to her for use in 2021.

13. BOARD MEMBERS' EXPRESSIONS

- A. Presentation of Commendation to Al French – Outgoing Board Chair (*2021 Board Chair*)

Chairwoman Haley thanked Mr. French for chairing this year. This was his 5th year as Chairman of STA Board and he served on the Board for 18 years, making him the longest serving Board member. Mr. French has been instrumental in the organization's success and took on the task of leading the transformation of STA. With his leadership, STA regained credibility in the community as a trusted steward of public funds. His leadership was recognized at the national level when he received the Outstanding Public Transportation Board Member Award in 2008. The Board's greatest thanks goes to Al for his dedication and work with the federal agencies that helped STA receive the \$53.4M grant for the City Line. Chairwoman Haley thanked Mr. French. Mr. French said this was one of his favorite Boards to serve on and that he enjoys working with everyone. He said, "It's an incredible staff with a deep level of trust and confidence in the community and it is attributable to all the great work staff and leadership does and the guidance the Board provides. Thank you to all of you for your dedication to public transportation in Spokane. It's an honor to be included amongst you."

Mr. Grover thanked Commissioner French for his unwavering dedication and service to public transit. He said, "Mr. French's leadership has contributed to our region being a better place to work and live. As the Board representative for the Small Cities, I can confidently say, on behalf of the cities of Cheney, Airway Heights, Medical Lake, Liberty Lake, and Millwood, thank you for serving us so well. On a personal note, your leadership has helped me become a more effective board member for this great organization and I look forward to continuing to serve with you."

Ms. Mumm advised that the City of Spokane was so pleased with the outcome of the Youth Pass program in 2019 that they approved the budget to continue that program in 2021. She said she was looking forward to the great relationship with STA and the youth can once again take to the bus lines and get to all the places they need to go and hopes to build on this foundation for the whole system.

14. ADJOURNED

With no further business to come before the Board, Chairwoman Haley adjourned the meeting at 2:31 p.m.

Respectfully submitted,



Dana Infalt
Clerk of the Authority

Cable 5 Broadcast Dates and Times of December 17, 2020, Board Meeting:

Saturday, December 19, 2020	4:00 p.m.
Monday, December 20, 2020	10:00 a.m.
Tuesday, December 22, 2020	8:00 p.m.

Next Committee Meetings (Via WebEx Video Conference):

Planning & Development	February 3, 2021, 10:00 a.m. (Southside)
Performance Monitoring & External Relations	February 3, 2021, 1:30 p.m. (Southside)
Board Operations	January 13, 2021, 1:30 p.m. (Northside)

Next Board Meeting: Thursday, January 21, 2021, 1:30 p.m., Via WebEx Video Conference.