

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

## **BOARD OF DIRECTORS**

Draft Minutes of the January 14, 2016, Special Meeting  
Spokane Transit Boardroom  
1230 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  
Chuck Hafner, City of Spokane Valley  
Ed Pace, City of Spokane Valley  
Keith Kopelson, Small Cities Representative  
(Liberty Lake)  
Jill Weiszmann, Small Cities Representative  
(Cheney) (*alternate for Tom Trulove*)  
Rhonda Bowers, Labor Representative  
John Higgins, Small Cities Representative  
(Medical Lake) *Ex Officio*  
Richard Schoen, Small Cities Representative  
(Millwood) *Ex Officio (alternate)*

### **MEMBERS ABSENT**

Steve Lawrence, Small Cities Representative  
(Airway Heights)

### **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

### **GUESTS**

Albert Tripp, City Manager, Airway Heights  
Steve Peterson, Mayor, Liberty Lake

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

Chair French called the meeting to order at 10:01 a.m. and conducted roll call. He welcomed everyone to the first meeting of the New Year.

#### 2. **APPROVE BOARD AGENDA**

Mr. French said since this is a special meeting the agenda cannot be changed.

#### 3. **PUBLIC EXPRESSIONS**

None.

#### 4. **RECOGNITIONS AND PRESENTATIONS**

##### A. **Marsha Stamp, Coach Operator – Retirement**

Mr. Blaska said Ms. Stamp has 33 years of service. She is one of STA's best employees with a positive attitude for both colleagues and customers. She enjoyed driving the BYD electric bus when it was onsite, noting that it was very quiet.

Ms. Stamp was present to receive her award and she thanked Spokane Transit for a long and fulfilling career.

#### 5. **BOARD ACTION – CONSENT AGENDA**

**Mr. Hafner moved to approve the following consent agenda items 5.A and B. Mr. Pace seconded and the motion passed with Ms. Weiszmann abstaining.**

- A. Approve the minutes of the December 17, 2015 Board meeting.
- B. Approve the following vouchers and payroll for December 2015:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (December)	Nos. 587852-588225	\$ 3,445,573.49
Workers Comp Vouchers (December)	Nos. 216054-216226	\$ 114,370.88
Payroll 12/11/2015	ACH – 12/11/2015	\$ 1,153,018.63
Payroll 12/24/2015	ACH – 12/24/2015	\$ 1,063,713.63
WA State – DOR (Use Tax)	ACH – W0640	\$ 7,966.77
<b>DECEMBER TOTAL</b>		<b>\$ 5,784,643.40</b>

- 5. C. Approval for Board Member Travel to 2016 APTA Legislative Conference & Legislative Meetings

In addition to Chair French and Chair Pro Tempore Hafner, several Board members expressed interest in attending this event.

**Mr. Pace moved to approve travel for up to four Board members to Washington, D.C. to meet with legislators and attend the APTA Legislative Conference. Ms. O’Quinn seconded and the motion passed unanimously.**

- 6. BOARD ACTION – COMMITTEE RECOMMENDATIONS:

Board Operations Committee

- A. Election of 2016 Board Chair Pro Tempore

Mr. French said he has appointed Council Member Hafner, City of Spokane Valley, as Chair Pro Tempore for 2016. **He moved for confirmation of the appointment by the Board, Ms. O’Quinn seconded, and the motion passed unanimously.**

- B. Confirmation of Appointment of Board Members to Planning & Development and Performance Monitoring & External Relations Committees for 2016

**Mr. Pace moved to confirm the Board Chair’s appointments to the Planning and Development Committee and the Performance Monitoring and External Relations Committee for 2016 as presented. Mr. Hafner seconded and the motion passed unanimously.**

- C. Confirmation of Appointment of Chairs to Planning & Development and Performance Monitoring & External Relations Committees for 2016

**Ms. Mumm moved to confirm the Board Chair’s appointed Chairs: Amber Waldref to the Planning and Development (P&D) Committee; and, Chuck Hafner to the Performance Monitoring and External Relations Committee (PMER) for 2016 as presented. Mr. Pace seconded and the motion passed unanimously.**

- D. Confirmation of Appointment of Board Members to Board Operations Committee for 2016

Mr. French explained that STA’s bylaws were changed last year to include all four jurisdictions in the members of the Board Operations Committee. He added that he had asked past Chair and Small Cities’ representative, Tom Trulove, to serve on this committee. As Board Chair, Mr. French will also serve on the committee in addition to Chair Pro Tempore/Chair of P&D Committee, Mr. Hafner, and Chair of PMER Committee, Ms. Waldref.

**Ms. Mumm moved to confirm the appointments to the Board Operations Committee as presented, Mr. Pace seconded and the motion passed unanimously.**

- 7. BOARD ACTION – OTHER: None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

i. STA Moving Forward Implementation Scenarios

Mr. French said the time of the Board Operations Committee meetings for 2016 has been changed from 12:30 p.m. to 1:30 p.m. at his request due to a meeting conflict.

He said today the Board will review options and alternatives for the STA Moving Forward Plan. The presentation was made to the Board Operations Committee on January 13 and he anticipates by February or March, the Board will be in a situation to establish guidance and a timeline. No action will be taken.

Mr. Otterstrom said the ten year STA Moving Forward Plan was adopted by the Board in December 2014. In October 2015, the Board agreed to change the financial assumptions, and in November 2015 members agreed to use the plan as a starting point. At their meeting in December, Board members asked staff to prepare three scenarios to bring back to this meeting: 1/10<sup>th</sup>, 2/10ths, and 3/10ths sales tax rate increase.

He summarized the following:

1/10 <sup>th</sup>	Implies prioritization of projects (not enough revenue to include the entire ten year plan)
2/10ths	Completes STA Moving Forward
3/10ths	Additional service beyond the plan

STA Moving Forward was designed to be implemented in a way that maximizes the amount of new service that can be delivered by avoiding debt and phasing capital projects over time. A plan that maximizes early construction resources will reduce how much is available for new routes and services. If the latter are added too quickly, it reduces how much funding is available for construction and other capital projects and reduces flexibility. STA Moving Forward balances new capital projects with services allowing for a better implementation timeline. The investment goals of the Plan could be summarized as follows:

- Connect the community with public services
- Improve travel flow by connecting jobs and workers
- Partner in advancing regional economic development

Complete the Plan

This scenario assumes an additional 2/10ths of a cent sales tax is approved. The plan would be completed in ten years with a service increase of 25%.

Complement the Plan

This scenario assumes an additional 3/10ths of a cent sales tax is approved. The higher funding level allows for additional projects and accelerates a service increase of 40%.

Constrain the Plan

This scenario assumes an additional 1/10th of a cent sales tax is approved. The lower funding level would require the Board to prioritize projects. The option presented assumed only projects included in the first five years of the plan would be funded. It does not assume when or if the remainder of the plan is implemented. An increase of 10% in service is anticipated.

Mr. Hafner asked about a scenario of 0/10ths. How long would current service be sustainable and how long would projects take, considering the needs of every jurisdiction.

Ms. Bowers asked if STA would lose grant funding if all the projects were done upfront.

Mr. Otterstrom agreed and said there would be fewer opportunities to apply for grants. He added that it takes between 18 and 24 months to put new service on the street which reduces the time to make capital improvements with no debt.

Mr. Blaska said the best way to do this is to buy buses first and then provide new service or to build a new Park and Ride first and then provide service.

Discussion ensued about constraining the plan and if the Board were to go back to the ballot after the first five years.

Mr. Freeman asked if current service would be sustainable with no tax increase.

Mr. Otterstrom said it would be sustainable through 2021 with current funding assumptions.

Mr. Blaska added that in 2024, a funding requirement of \$40M in fleet replacement is anticipated.

Mr. Pace said Mr. Hafner suggested a scenario of 0/10ths.

Mr. Blaska said all the proposed projects in the plan would be deleted as a result.

Mr. Hafner said if the Board agrees to the 1/10<sup>th</sup> scenario, the first five years of projects must be discussed and prioritized.

Mr. Otterstrom agreed to add a 0/10ths scenario.

Mr. Pace also requested that the table include rows to divide projects geographically.

Ms. O'Quinn noted that ridership has decreased.

Mr. Blaska said it is 4.5% below 2014, largely due to a decrease in ridership from Eastern Washington University patrons.

Ms. O'Quinn asked if the growth in population assumed in STA Moving Forward is accurate.

Mr. Otterstrom said it is based on population figures from Spokane Regional Transportation Council's Plan – Horizon 2040.

Ms. O'Quinn said these are high compared to the Urban Growth Area figures.

Ms. Bowers commented that increased costs could be a result of postponing the STA Moving Forward plan similar to the delay in remodeling the Plaza.

Ms. Mumm said this is a good presentation. She wants the most efficient, cost effective way to get the best possible transit service. The demand for transit has changed; many people do not have cars or licenses, and the senior population is also trending towards not driving. If enhanced transit is delayed, there is a risk of losing grant opportunities.

Mr. Otterstrom said several projects in the Moving Forward plan have grant funding e.g. the Central City Line. To keep these grants there has to be a commitment locally to fund the operating costs.

Ms. Waldref said the City of Spokane considers it a matter of urgency since they have grants for streets and utilities and need to know about the availability of transit in those corridors. The City Council passed a resolution this week supporting the STA Moving Forward Plan region wide. They would like to see a ballot measure in November 2016.

Ms. O'Quinn said the Board adopted financial assumptions are good and the Board can make a commitment to transit projects but not necessarily this year. The Board was split on a ballot measure last year and that should not happen again.

Mr. Hafner said the Board must be in agreement with new projects and the number of tenths for a sales tax increase. He asked if the City of Spokane's resolution would expect at least a 1/10<sup>th</sup> of a cent sales tax increase or they would go to the ballot for their own taxing district.

Ms. Waldref agreed and said the Council would use a Transportation Benefit District (TBD) to increase taxes.

Mr. French said projects were delayed and some service eliminated during the recession. The one jurisdiction most affected was the City of Spokane.

Mr. Otterstrom added that Medical Lake was somewhat impacted.

Mr. French said the constrained plan (1/10<sup>th</sup>) would be a place to start and have each jurisdiction return to its City Council and look at prioritizing their projects.

Mr. Blaska pointed out that 1/10<sup>th</sup> is not a recommendation; it is simply a place to start and guidance to staff on prioritization.

Mr. Otterstrom asked if there is any other information staff can bring to the Board to assist with their decision. A ballot could take place as early as November 2016 or as late as November 2017. If November 2016 is preferred, the decision needs to be made by March 2016 at the latest so that there is a maximum opportunity for public outreach.

Ms. Bowers asked Ms. Waldref how soon the Spokane City Council needs to have a decision.

Ms. Waldref said a date is not included in the resolution but it should be within the next two months.

Ms. Mumm reminded the Board that some bus riders in the City of Spokane may originate from other areas in the region.

Mr. French said if a Board member does not want a tax increase at all, that also needs to be shared. If 1/10<sup>th</sup> is preferred, Board members should bring back from their jurisdictions which projects they would like to see implemented in five years.

9. PLANNING & DEVELOPMENT COMMITTEE:

- A. Chair's Report – None.  
The committee did not meet in January.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

- A. Chair's Report – None.  
The committee did not meet in January.

11. CEO REPORT

Ms. Meyer explained that there is no ridership report since moving the Board meeting up a week makes it too early for ridership figures to be available.

Non-Capital Revenue

Non-capital revenue through November 2015 was 3.0% (\$1.8M) above budget and 1.2% above 2014 actual.

Sales Tax Revenue

December 2015 sales tax revenue (collected on October retail sales) was 2.2% over December 2014 for a year-to-date increase of 3.9% over budget.

Operating Expenditures

Operating expenditures through November 2015 were 8.9% (\$5.3M) under budget, mostly due to lower than anticipated fuel costs at 46.6% below budget and the timing of expenditures for contracted transportation for paratransit, computer materials and services, and vehicle repairs.

There were also labor and fringe benefit savings related to employee turnover.

Interlocal Agreement with STA and Spokane Police Department (SPD)

Ms. Meyer said there has been an agreement between STA and SPD for ten years to house two police officers at the Plaza; one paid for by STA and the other by SPD. For 8 years the officers were housed in the Plaza and for the past two years they have been located at the SPD precinct in the Peyton Building adjacent to the Plaza. This arrangement has clearly been a benefit to transit. In November 2015, the precinct relocated to the Intermodal Center resulting in the initial premise of the agreement becoming invalid. STA has enjoyed a strong relationship with SPD that is not affected by location. The door is open to a proposal from SPD to benefit both parties. However, the agreement expired on December 31, 2015 and no communication has been forthcoming from the police department.

Ms. Waldref said the City of Spokane passed a resolution at their Council meeting on January 11, 2016 in support of a ballot measure to improve transit in the Public Transportation Benefit Area (PTBA). Should the STA Board not pursue such a ballot measure in November 2016, the City of Spokane will consider an alternative via a Transportation Benefit District (TBD) that would improve and enhance transit within the limits of the City of Spokane only.

High Performance Transit (HPT) Facilities & Communications Standards

Mr. Otterstrom said there will be a Central City Line Open House at WSU Spokane on February 1 as part of an outreach effort. Design options will be presented to the PMER Committee in February.

12. BOARD INFORMATION

- A. Committee Minutes
- B. November 2015 Financial Results Summary
- C. December 2015 Sales Tax Summary

13. NEW BUSINESS

Mr. Freeman said he would like to refer back to the minutes of the December 17, 2015 Board meeting. The minutes refer to Council Member Jon Snyder, City of Spokane, as the alternate for Board Member Steve Lawrence of Airway Heights. He believes the intention of the STA Bylaws pertaining to alternates was to allow the Small Cities to choose an alternate member from any member of that governmental group.

Ms. McAloon said the PBTA Statute was used when the Bylaws were written and it specifies that a jurisdiction can appoint an alternate from any other governmental group so long as he/she is an elected official.

Mr. French offered an example - in 2006 the City of Millwood was in the rotation for Board Chair but appointed a representative from Liberty Lake instead.

Ms. O'Quinn asked if Spokane County could appoint Mayor Peterson, Liberty Lake, as its alternate.

Ms. McAloon said it could and added that the Bylaws indicated it was up to the Small Cities to decide who should be an alternate to allow for flexibility.

Mr. Freeman said it is important that Small Cities on the Board are represented by Small City representatives. He believes it to be inappropriate to ask another jurisdiction.

Ms. Mumm said she attended the meeting at which the City of Airway Heights appointed Mr. Snyder as the alternate due to his knowledge of STA Board matters.

Discussion ensued.

Mr. Pace suggested that Airway Heights could have found an alternate from the other Small Cities' Councils since there more than 30 members.

Ms. McAloon said she would look at the current and previous STA Bylaws to ascertain when changes were made.

Mr. Hafner suggested Ms. McAloon draft an amendment to the Bylaws to better describe what the intent of the alternate selection is.

Ms. Bowers said she has been a member of the Board for years and noticed that sometimes the Small Cities experienced difficulty with their members' attendance. They appointed alternates so their voice could still be heard.

Ms. O'Quinn said the situation is contradictory in that the PTBA statute does not appear to match the Bylaws. She asked if the Bylaws could be amended to allow the Small Cities to select an alternate who would be an elected official from the pool of Small Cities' members and their councils.

Ms. McAloon said she would draft language to bring back to the Board in February.

Mr. French commented that he was reluctant to tell the Small Cities what they can and cannot do.

14. BOARD MEMBERS' EXPRESSIONS

None.

15. EXECUTIVE SESSION

Mr. French postponed the Executive Session to the next Board meeting on February 18, 2016. The topic was led by Mayor Trulove and he is absent today.

16. ADJOURNED

With no further business to come before the Board, Chair French adjourned the meeting at 11:51 a.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](http://www.spokanetransit.com) the week after the meeting.

Cable 5 Broadcast Dates and Times of January 14, 2016 Special Board Meeting:

Saturday, January 16, 2016	4:00 p.m.
Monday, January 18, 2016	10:00 a.m.
Tuesday, January 19, 2016	8:00 p.m.

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

Planning & Development	February 3, 2016, 10:00 a.m. (Southside) 1230 West Boone
Performance Monitoring & External Relations	February 3, 2016, 1:30 p.m. (Southside) 1230 West Boone
Board Operations	February 10, 2016, 12:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, February 18, 2016, 1:30 p.m., STA Boardroom, 1230 West Boone Avenue, Spokane, Washington.