

## **BOARD OF DIRECTORS**

Minutes of the November 21, 2019, Board Meeting  
Spokane Transit Boardroom  
1230 West Boone Avenue, Spokane, Washington

### **MEMBERS PRESENT**

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

### **MEMBERS ABSENT**

Candace Mumm, City of Spokane, *Chair*  
Sam Wood, City of Spokane Valley  
Veronica Messing, Small Cities Representative  
(Airway Heights) *Ex Officio*  
Mike Kennedy, Small Cities Representative  
(Liberty Lake) *Ex Officio*

### **STAFF PRESENT**

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

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, McAloon Law PLLC

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

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

2. **APPROVE BOARD AGENDA**

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

3. **PUBLIC EXPRESSIONS**

Chair French called for Public Expressions three times. There were none.

Chair French expressed his desire to propose a path forward regarding the discounted fare discussion and made a motion in reference to the Low Income/Discounted Pass Program appearing on the Agenda under the Performance Monitoring and External Relations Committee Chair Report.

**Chair French moved to direct staff to re-engage with the local non-profit agencies to develop a pilot project for creating a special fare rate structure for Board consideration. This process should include recommendations for amendments to STA's Tariff Fare policy to incorporate the proposed new fare. The pilot project should define scope, criteria for measuring success, and eligibility requirements. This pilot project should be designed so as not to supplant or alter existing non-profit spending on transit passes.**

**Ms. Kinnear seconded the motion and requested discussion.**

Ms. Kinnear asked if staff had time to pursue this endeavor. Ms. Meyer confirmed and advised she hears direction from the Board to engage with the non-profit community, whom staff have heard from, for a discount on the passes they have purchased for their clients. She advised staff has enough information to develop criteria and measurements for success. Ms. Kinnear asked about a timeline. Chair French advised he had not determined a timeline due to not wanting to pre-suppose how much time it would take when considering any proposal has to go through the committees and readdress the Tariff policy, which guides STA’s fare structure. Ms. Kinnear asked if Chair French would consider a three-month check in period for staff to come forward with an update on progress and balance left to complete. Chair French added Ms. Kinnear’s friendly amendment to the motion to: **Require staff to update the Board no later than 90 days.** Ms. Kinnear accepted the friendly amendment as the second to the original motion.

Chair French called for any further discussion. There was no further discussion and he called for the vote. **The motion with the friendly amendment passed unanimously, 6-0.**

4. RECOGNITIONS AND PRESENTATIONS - None

5. BOARD ACTION – CONSENT AGENDA

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

- A. Approve the minutes of the October 9, 2019, Special Board meeting
- B. Approve the minutes of the October 17, 2019, Board meeting.
- C. Approve the following October 2019 Vouchers:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (October)	Nos. 605058-605497	\$ 6,267,434.50
Workers Comp Vouchers (October)	ACH-2286	\$ 119,697.83
Payroll 10/11/19	ACH – 10/11/19	\$ 1,878,512.30
Payroll 10/25/19	ACH – 10/25/19	\$ 1,301,252.99
WA State – DOR (Use Tax) (October)	ACH – 1767	\$ 7,063.11
<b>OCTOBER TOTAL</b>		<b>\$ 9,573,960.73</b>

- D. Approve the award of contract for Sump Pumping Services to Safety-Kleen Systems, Inc.
- E. By motion, authorize the CEO to execute all documents necessary to acquire the three temporary construction easements noted for the amounts offered and accepted by the property owners.
- F. By motion, accept the Cameron-Reilly LLC, contract as complete and conditionally authorize release of \$33,562 in retainage.
- G. Approve, by motion, the first amendment to Shuttle Park Agreement 2017-10062.

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS

Planning and Development Committee –Adoption of 2020 Capital & Operating Budgets – Resolution.

Chair French advised CFO Monique Liard will provide an update to the 2020 budget. He noted that STA bylaws require five affirmative votes on this budget, regardless of who is in attendance. He clarified there are currently five voting members present and Ms. Haley is on her way.

Ms. Monique Liard advised she planned to review the changes to the final proposed 2020 budget which was shown at the October Board meeting. She noted the slides being shown today have page numbers indicative of the page in the full budget which was sent with the Board packet

She provided an explanation for all the changes highlighted in green on each of the slides presented. Slide 8 showed the difference in revenue budget which increased by \$2.3M to reflect higher sales tax collections in 2019 which amounted to 11.4% over the 2019 revenue budget.

*Ms. Haley arrived at 1:41*

Ms. Liard reviewed slide #10 for the changes in the 2020 Operating Revenue. She noted the different categories and the changes in sales tax and miscellaneous revenue changes from the original proposed budget.

She also provided the 2019 full year sales tax projection as requested at the October Board meeting. She said staff are expecting to receive an additional \$1.2M in higher sales tax collections in November and December, which brings total sales tax for 2019 to \$84.3M.

Ms. Liard continued with page 17 of the packet to review the changes in the Operating Expense Budget. She noted that the operating budget has increased 5.8% over 2019 but is \$409K lower than the previous proposed budget to reflect lower premiums for health benefits and property insurance in 2020.

To complete the presentation, Ms. Liard noted slide 29, Next Steps, which reflected all the action taken place since September 4<sup>th</sup> and this final step for Board adoption of the 2020 Final Proposed Budget-Operating and Capital.

She asked for questions or if she could clarify any items for Board members. There were no questions or comments.

**Ms. Haley moved to approve, by Resolution, the final Proposed 2020 Operating and Capital Budgets. Ms. Kinnear seconded, and the motion passed unanimously, 6-0.**

7. BOARD ACTION – OTHER - None

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Mr. French noted he was not present at the Board Operations Committee meeting and deferred to Mr. Grover and Ms. Kinnear for their reports.

*Ms. Burke arrived at 2:03*

9. PLANNING AND DEVELOPMENT COMMITTEE:

a. Chair's Report

Mr. Grover advised that the Planning and Development Committee discussed the Title VI update and Mr. Otterstrom presented an update on the Central City Line. He said they discussed the Planning and Development work program going forward for 2020.

9ai – Central City Line – Update - Mr. Otterstrom provided an overview of the next 8-10 weeks of CCL milestones. Held steering committee meeting for year. He advised they will continue to meet through the start of CCL service. FTA has completed readiness report which was contingent upon staff completing all critical 3<sup>rd</sup> party agreements, reminding that the Board took action in October to approve the final agreement with Gonzaga.

FTA has also completed a financial report. Mr. Otterstrom advised of the upcoming milestones which will lead to executing the grant in late December or sometime in January. He said staff expects to go out to bid in December and the Planning & Development will seek authorization next month for the scope of work for construction work and fabrication of shelters. He advised that in April staff expect allocated funds, a notice to proceed, and construction will begin in May 2020. Mr. Otterstrom noted exciting events in there with Board, Congressional Leaders, and others at STA.

10. PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Ms. Kinnear reported that PMER approved the award of contract for Sump Pumping, Division Phase I and an amendment to the Shuttle Park Agreement.

Reports included 2019 3<sup>rd</sup> Quarter Performance Measures and a Construction Update.

10ai – 3<sup>rd</sup> Quarter Performance Measures - Mr. Watkins reviewed the 3<sup>rd</sup> quarter performance measures and advised the full set were included in the packet. After his presentation, he asked for questions from the Board. There were no questions or comments.

10aii – Fall Construction Update - Mr. Otterstrom provided a review of the Fall Construction plans, focusing on the highlights of key construction projects that are wrapping up and/or completed. Brief discussion ensued.

10aiii – Low Income Pass - Ms. Kinnear asked Chair French to review the motion previously made for the benefit of Ms. Burke who arrived late. Chair French re-read the motion and the friendly amendment. Ms. Burke asked for clarification of what it meant, and Chair French advised that the agency worked with nonprofits a number of years ago to attempt to provide some sort of discounted passes. He explained the path forward for staff and the expectation for an update in 90 days to include criteria around eligibility, who will manage, and where distributed, tariff policy update. Staff will conduct the work and bring back a recommendation for a pilot project.

*Breean Beggs arrived at 2:21*

Ms. Burke thanked Chair French for the recap and offered her assistance if staff needed help.

11. CEO REPORT

- CEO Meyer advised the ridership numbers were provided by Mr. Watkins for 3<sup>rd</sup> quarter and she will review monthly numbers next month.
- October 2019 Voter Approved Sales Tax Revenue (August sales) is almost 22.9% over October 2018 actual; 15.8% year-to-date above 2018 actual, and 9.2% year-to-date above budget (approximately \$5.8M.)
- Operating expenditures through September were slow and are expected to be within 5% of budget through the end of December. Timing impacts results and fuel costs are lower than expected.
- I-976 – passed by voters to limit car tab fees to \$30 effective December 5<sup>th</sup>. State funding for transit agencies which is provided by fee revenue is at risk. For STA, specifically:
  - Special needs funding (\$3M biennium) which STA uses for paratransit service
  - Vanpool - STA competes for vanpool grants
  - Competitive Regional Mobility grants which are funded from a multi-modal account from the fees. STA has been very successful in winning these grants (SFCC, SCC, WPTC, Monroe Regal and Cheney High Performance Transit). Staff are concerned about the Cheney High

Performance Transit grant, which includes double decker buses. This is a grant that it is not yet under contract with Department of Transportation (DOT) and staff are concerned that funding is at risk.

- Connecting Washington funds is the location (or package) from 2015 where the \$15M Central City Line project is located. STA has drawn down \$11.5M of that funding. Based on conversations with Washington Department of Transportation, direction from the Governor, and what has been heard from the Secretary, projects under contract or in progress in the biennial budget have the best chance of being preserved.

If funds for these items are not available, it will have a long-term impact on STA for Special Needs / Paratransit. In addition, *STA Moving Forward* (STA's 10-year plan), anticipates that STA will be successful in winning additional grants to offset costs.

A coalition has been formed and they filed a challenge in King County on the constitutionality of the Initiative, asking for an injunction to defer the 12/5 implementation of change in fees. Collaboration organizations include King County, City of Seattle, Association of Washington Cities, WSTA, ATU, Intercity Transit, Washington State Legislative Council, and Garfield County Transportation District, as well as an individual.

STA is working with legislators to ensure the priorities our voters/citizens have identified continue to be funded. The reduction in fee revenue, while it was focused on Sound Transit, has the most impact on transit agencies other than Sound Transit.

Ms. Meyer asked for questions. Chair French said that what has been past practice and what is anticipated is that funding as a result of bond action cannot be removed. His understanding is that Sound Transit is bonded out to 2029 and I-976 isn't going to impact their funding until beyond 2029.

Ms. Kinnear asked a question of Ms. McAloon regarding the Injunction's intent to halt everything until a decision is made. Ms. McAloon confirmed its intent is to seek a stay on the Initiative taking effect. Other decisions and actions can change that outcome but, theoretically, the intent is to halt action.

Chair French mentioned he is on the County Road Administration Board and that Representative Fey joined them a couple weeks ago. Rep. Fey indicated that if I-976 passed, he did not anticipate there would be a Transportation Bill coming out of House or Senate in 2020 because it is an election year. Any fix is not going to happen until 2021. There will be some redistribution with projects put on hold, and other things to get through 2020. Mr. French said we can anticipate that as legislature reconvenes in 2020, everything is on the table and fighting to see what survives.

- Ms. Meyer expressed her excitement about the new lease of the Library. The lease was approved to temporarily relocate the library at the Plaza, 2<sup>nd</sup> Floor while their downtown Library is under renovation. They will occupy approximately 10K square feet and house 15-18 staff people. This will activate the 2<sup>nd</sup> floor of the Plaza and gives STA a tenant during the long-term facilities planning. Staff are open to ideas of what to do with 2<sup>nd</sup> floor of Plaza but are thrilled to have the library there. They will be doing minor renovations between now and March 1<sup>st</sup> or 2<sup>nd</sup> when they open.

The library will compensate STA \$5K per month for utilities until they open and an additional \$5K per month after they open to help cover additional security and janitorial costs. Kudos to Brandon Rapez-Betty who has worked with Library staff to make this all come together.

- The Senate passed a Resolution to keep federal government open until December 20<sup>th</sup>. The President is expected to sign it today to avoid shutdown at midnight.

- Mr. Beggs asked about the library use and specifically the people who have been trespassed out of the Plaza having the ability to use the library; Ms. Meyer advised anyone who has been trespassed out of the Plaza will not be allowed to use the library space within the Plaza. She said the number included about 140 people.

12. BOARD INFORMATION

- A. Committee Minutes
- B. October 2019 Sales Tax Revenue Information
- C. September 2019 Financial Results Summary
- D. Third Quarter 2019 Service Planning Input Report
- E. 2020 Title VI Update
- F. September 2019 Operating Indicators
- G. STA's Holiday Services and Office Hours

13. NEW BUSINESS – *None*

14. BOARD MEMBERS' EXPRESSIONS - *None*

15. EXECUTIVE SESSION - *None*

16. ADJOURNED

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

Respectfully submitted,



Dana Infalt  
Clerk of the Authority

Cable 5 Broadcast Dates and Times of December 19, 2019, Board Meeting:

Saturday, December 21, 2019	4:00 p.m.
Monday, December 23, 2019	10:00 a.m.
Tuesday, December 24, 2019	8:00 p.m.

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

Planning & Development	Feb. 5, 2020, 10:00 a.m. (Southside) 1230 West Boone
Performance Monitoring & External Relations	Feb. 5, 2020, 1:30 p.m. (Southside) 1230 West Boone
Board Operations	Jan. 8, 2020, 1:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, January 16, 2020, 1:30 p.m., STA Boardroom, 1230 West Boone Avenue, Spokane, Washington.