

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

BOARD OF DIRECTORS

Draft Minutes of the October 18, 2018, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Kevin Freeman, Small Cities Representative
(Millwood) *Chair*
Chris Grover, Small Cities Representative
(Cheney)
Candace Mumm, City of Spokane
Al French, Spokane County
Josh Kerns, Spokane County
Pamela Haley, City of Spokane Valley
Sam Wood, City of Spokane Valley
Veronica Messing, Small Cities Representative
(Airway Heights) *Ex Officio*
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Lori Kinnear, City of Spokane
Shirley Maike, Small Cities Representative
(Medical Lake)
Mike Kennedy, Small Cities Representative
(Liberty Lake) *Ex Officio*

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Roger Watkins, Chief Operations Officer
Lynda Warren, Director of Finance & Information Systems
Karl Otterstrom, Director of Planning & Development
Nancy Williams, Director of Human Resources
Brandon Rapez-Betty, Director of Communications &
Customer Service
Emily Arneson, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, McAloon Law PLLC

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

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

2. **APPROVE BOARD AGENDA**

Ms. Mumm moved to approve the agenda, Mr. Wood seconded and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

Nancy Norbury-Harter, Numerica Credit Union

Ms. Harter said her team met recently with Karl Otterstrom to express concern regarding the placement of the Central City Line station at Riverside and Stevens. The station would be directly in front of the credit union causing security issues. There have been other suggestions for a station location with minimum impact to businesses. She added that this is a 15 minute loading zone where Loomis vehicles park every day. When looking for suitable locations for the branch five years ago, Numerica looked for locations without a bus stop. Ms. Harter asked for the timeline on decision-making for the stop location and asked what can be done to relocate it.

Chris Batten

Mr. Batten said he agreed with Ms. Hunter's concerns and said he has provided input to the project for years. He does not believe important concerns have been addressed such as congestion and security. He advised that the parking lot at the U.S. Bank building would serve a transit station better.

Ms. Mumm asked that these comments be addressed by staff.

Ms. Meyer said staff is involved in ongoing discussions.

4. RECOGNITIONS AND PRESENTATIONS

A. Cathey Lytle, Paratransit Mechanic - Retirement

Mr. Watkins said Ms. Lytle retired with over 25 years of service. She began her career at STA as a Cleaner and was promoted to the Paratransit Maintenance Department in 1994.

B. Ken Davis, Coach Operator – Retirement

Mr. Watkins said Mr. Davis began his career as a Coach Operator in 1982. Over the course of his tenure he has received 32 years of safe driving awards. He has also entertained employees with his musical talents at awards banquets and the concert series at the Plaza.

C. Third Quarter 2018 Years of Service Awards

Ms. Williams read the names of the employees with 5, 10, 15, 20, 25 and 30 years of service. Board member Rhonda Bowers was recognized for her 25 years of service as a Coach Operator and Tim Dompier and Carol Pearson were recognized for their 30 years of service. Ms. Bowers and Ms. Pearson were present to accept their awards.

B. Third Quarter 2018 Employee Recognition Winners

Ms. Williams read the names of those who won the employee recognition awards for the third quarter of 2018. This program was approved by the Board to acknowledge employees who go the extra mile in the course of their work.

5. PUBLIC HEARING

A. Proposed 2019 Operating & Capital Budgets

Ms. Warren said the STA website contains a narrated version of the budgets:

www.spokanetransit.com

The presentation has been shown at the recent All Employee Meetings and Planning & Development Committee meeting.

Ms. Warren reiterated STA's vision and mission; organizational priorities; and budget guidance.

The narrated presentation was made to the Board and contains the following highlights:

Operating Expenses

2019 Operating Expense Budget	\$79,956,117
2018 Operating Expense Budget	\$73,491,622
Budget Change:	\$ 6,464,495

Assumes a Fixed Route service increase of 6.2%

Changes in operating expenses include labor and benefits, fuel, and contracted transportation with an increase of \$6.5M over 2018. An increase in personnel is proposed of 28 full-time employees (including 12 coach operators) and one part-time position subtraction, bringing the total number of employees to 615 from 588 in 2018.

Mr. French arrived at 1:50 p.m.

General wage increases for 2019:

ATU 1015	3%
ATU 1598	3%
Management/Admin	3%
AFSCME 3939	in mediation; contract expired June 2018

Increases in medical premiums vary from 5.5% (Kaiser) to 11% (Premera). There has been a significant increase in employee enrolment in Kaiser Health Insurance. It is anticipated that the proposed increase for Premera will be lower before the final budget in November.

The largest proportions of operating expenses are Fixed Route at \$52,658,332 (66%) and Paratransit at \$14,983,036 (19%).

Operating Revenue

2019 Operating Revenue	\$99,892,588
2018 Operating Revenue	<u>\$84,532,378</u>
Change:	\$15,360,210

Sales Tax

In previous years, the sales tax revenue assumption was based on a 3% growth beginning with the 2014 actual sales tax revenue plus one-time adjustments to reflect current economic conditions. Economic conditions over the past three years have been more favorable than expected. Staff recommends sales tax be budgeted flat with the 2018 projection plus the implementation of the 0.1% rate change in April 2019.

2018 Projected Sales Tax	\$71,327,399
1/10 th in April 2019	<u>\$ 5,943,950</u>
Total 2019 Sales Tax:	\$77,271,349

Fares

Fare revenue is projected at \$11,807,075.

Grants & Miscellaneous Revenue

Federal Grants	\$8.4M
State Grants	\$1.4M
Miscellaneous	\$1.0M

Capital Budget

The total Capital Budget is \$57,367,759 and includes federal and state grants, and local funding. High Performance Transit at \$25,193,566 is the largest capital expense.

Excluding the total Board designated reserves of \$22,443,418, there is estimated to be \$12,256,291 remaining for future capital expenditures included in the 2020-2024 Capital Improvement Plan. Following this public hearing, the Board will consider adoption of the budgets at the November 15, 2018 meeting.

Chair Freeman opened the public hearing at 2:02 p.m.
He asked three times for comments from the public.
Hearing none, he closed the public hearing at 2:03 p.m.

Ms. Meyer noted that the Planning & Development Committee and Performance Monitoring & External Relations Committee meetings for November will take place on Wednesday October 31, 2018.

6. BOARD ACTION – CONSENT AGENDA

Ms. Mumm moved to approve consent agenda items 6.A through D, Ms. Haley seconded and the motion passed unanimously:

- A. Approve the minutes of the September 20, 2018 Board meeting.
- B. Approve the following vouchers and payroll for September, 2018:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (September)	Nos. 598638 – 600392	\$ 4,172,451.14
Workers Comp Vouchers (September)	Nos. 222541 – 222667	\$ 74,582.95
Payroll 09/14/18	ACH – 09/14/18	\$ 1,959,171.96
Payroll 09/28/18	ACH – 09/28/18	\$ 1,190,598.69
WA State – DOR (Use Tax) (September)	ACH – W0640	\$ 6,489.91
SEPTEMBER TOTAL		\$ 7,403,294.65

- C. Approve the 2019 Special Community Events Fare Structure.
- D. Approve the 2019 Draft Annual Strategic Plan.

7. BOARD ACTION – COMMITTEE RECOMMENDATIONS

None.

8. BOARD ACTION – OTHER

None.

9. BOARD OPERATIONS COMMITTEE:

A. Chair’s Report

i. Quadrennial Review – Implementation & Discussion

Ms. McAloon said the Quadrennial Review was held on September 20, 2018 following the regular Board meeting. The group took action as required by statute to amend the STA Board composition to mandate proportional representation based on population. It was moved and approved to direct the STA Board of Directors to change its voting member composition as follows:

City of Spokane 4 voting members
 City of Spokane Valley 2 voting members
 Spokane County 2 voting members
 Small Cities (5 combined) 1 voting member
 Total: 9 voting members

The STA Bylaws should be amended to reflect this change. Also to be changed is the term of the Small Cities’ representative from three to two years with the City of Cheney beginning the rotation January 1, 2019.

Ms. McAloon said a copy of the proposed amendments is included in the Board packet. Housekeeping changes such as duties of the CEO updated to include leasing of real estate that was previously approved by the Board. All member jurisdictions will receive the Bylaws after this meeting and have until November 13 to comment.

Ms. Messing asked what the rotation of Small Cities will be.

Ms. McAloon said Cheney will be first in 2019 followed by Airway Heights, Liberty Lake, Medical Lake and Millwood. All Small City members will have the opportunity to engage in STA business through the committees.

Mr. French moved to approve that the Bylaws be sent to member jurisdictions for review. Ms. Haley seconded and the motion passed unanimously.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French reported that the committee reviewed the budget and recommended Board approval of the 2019 Annual Strategic Plan. They also received a presentation from Jason Lien, Spokane Regional Transportation Council, on the Spokane County Coordinated Public Transit-Human Services Transportation Plan.

11. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Ms. Haley said the committee discussed and recommended Board approval of the 2019 Special Community Events Fare Structure. She thanked staff for the continuation of Valleyfest service.

i. Communications Update

Mr. Rapez-Betty addressed the new marketing initiative. The goal is to increase ridership and improve community perception. There will be advertising on billboards; shelters; some buses; print and social media and integration with the Universal Transit Access Pass Program.

The slogan "*We've got this*" is a confidence building message showing STA will take care of transportation needs. Mr. Rapez-Betty presented samples of the ads.

12. CEO REPORT

Ms. Meyer said September 2018 had one less weekday than September 2017.

Fixed Route ridership decreased by 4.0% over September 2017 for a year-to-date decrease of 1.9%.

Paratransit ridership increased by 0.5% over September 2017 for a year-to-date decrease of 0.5%.

Vanpool ridership decreased by 13.4% over September 2017 for a year-to-date decrease of 13.6%.

There were five less vans in service, 78 vs. 83, than in September 2017. However a new van was formed for DSHS.

Revenue Update

Non-capital revenue through August 2018 was \$61.7M (72.9% of budget).

Sales Tax Update

September sales tax revenue (July sales) is 5.1% above September 2017 and 13.7% year-to-date above budget.

Expenditure Update

Operating expenditures through August 2018 were \$44.6M (60.7% of budget).

Zero Emission Technology Fleet Transition Evaluation

A comprehensive analysis of converting the bus fleet from diesel to electric has begun. A meeting was held with engineering staff from the Center for Transportation & the Environment and WSP to help STA staff evaluate the transition to electric vehicles first for the Monroe-Regal Line and Central City Line, and then for the entire fleet. A report will be available in the fall of 2019.

Intercity Transit

If approved in the November election, Proposition 1 will increase sales tax from 0.8% to 1.2% for Intercity Transit in Olympia. STA and most other Public Transportation Benefits Areas in Washington state can levy a maximum of 0.9%, sales tax rate, with voter approval. Intercity Transit received approval from the legislature last year to increase the maximum amount they can ask voters to approve.

In STA's 2016 ballot measure, voters approved a sales tax rate change from 0.6% to 0.8%, 0.1% in 2017 and 0.1% in 2019. One tenth of one percent remains available for future voter approval.

Northwest Transit Exchange

STA's Planning department hosted a convention of planners from Washington and other states. Kudos to Karl Otterstrom and his team for their efforts. The meeting was very well attended and participants complimented Spokane Transit and the Spokane area.

Ms. Messing left at 2:30 p.m.

Boone Northwest Garage

The building erection and roofing are complete. Electrical and plumbing rough-in continues and the electrical room is framed. Slab pours are underway. Substantial completion is scheduled for June 2019.

Ms. Meyer said she has been invited to a roundtable next week hosted by Federal Transit Administration Acting Administrator, K. Jane Williams, in Washington, D.C. Ms. Meyer said she will be one of ten CEO's nationwide talking about Bus Rapid Transit projects.

13. BOARD INFORMATION

- A. Committee Minutes
- B. August 2018 Financial Results Summary
- C. September 2018 Sales Tax Summary
- D. August 2018 Operating Indicators
- E. Central City Line: Overview of Project Management Plan
- F. Spokane County Coordinated Public Transit-Human Services Transportation Plan

14. NEW BUSINESS

None.

15. BOARD MEMBERS' EXPRESSIONS

Mr. Grover congratulated Mr. Rapez-Betty on his recent promotion and presentation. Ms. Mumm said a new City of Spokane center for social services called "EnVision" is due to open in January 2019 and transit access will be key to its success.

16. EXECUTIVE SESSION

None.

17. ADJOURNED

With no further business to come before the Board, Chair Freeman adjourned the meeting at 3:00 p.m.

Respectfully submitted,

Jan Watson
Clerk of the Authority

Cable 5 Broadcast Dates and Times of October 18, 2018 Board Meeting:

Saturday, October 20, 2018	4:00 p.m.
Monday, October 22, 2018	10:00 a.m.
Tuesday, October 23, 2018	8:00 p.m.

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

Planning & Development	Oct 31, 2018, 10:00 a.m. (NOV mtg) (Southside) 1229 West Boone
Performance Monitoring & External Relations	Oct 31, 2018, 1:30 p.m. (NOV mtg)(Southside) 1229 West Boone
Board Operations	Nov 7, 2018, 1:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, November 15, 2018, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.

Agendas of regular Committee and Board meetings are posted the Friday afternoon preceding each meeting on STA's website: www.spokanetransit.com. A video of the Board meeting may be viewed on the website the week after the meeting. Discussions concerning matters to be brought to the Board are held in Committee meetings. The public is welcome to attend and participate. Anyone wishing to address the Board of Directors on a specific subject at a Board meeting may do so by submitting written comments to the STA Chair of the Board (1230 West Boone Avenue, Spokane, WA 99201-2686) 24 hours prior to the Board meeting. Mail addressed to the Board of Directors will be distributed by STA at its next meeting. Mail addressed to a named Board Member will be forwarded to the Board Member, unopened. Spokane Transit assures nondiscrimination in accordance with Title VI of the Civil Rights Act of 1964. For more information, see www.spokanetransit.com. Upon request, alternative formats of this information will be produced for people who are disabled. The meeting facility is accessible for people using wheelchairs. For other accommodations, please call 325-6094 (TTY Relay 711) at least forty-eight (48) hours in advance.