

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

Approved at the  
November 21, 2019  
Board Meeting

## BOARD OF DIRECTORS

Minutes of the October 17, 2019, Board Meeting  
Spokane Transit Boardroom  
1230 West Boone Avenue, Spokane, Washington

### MEMBERS PRESENT

Candace Mumm, City of Spokane, *Chair*  
Al French, Spokane County  
Lori Kinnear, City of Spokane  
Josh Kerns, Spokane County  
Pamela Haley, City of Spokane Valley  
Sam Wood, City of Spokane Valley  
Kate Burke, City of Spokane  
Kevin Freeman, Small Cities Representative  
(Millwood) *Ex Officio*  
Veronica Messing, Small Cities Representative  
(Airway Heights) *Ex Officio*  
Mike Kennedy, Small Cities Representative  
(Liberty Lake) *Ex Officio*  
Rhonda Bowers, Labor Representative, *Non-Voting*

### MEMBERS ABSENT

Chris Grover, Small Cities Representative (Cheney)  
Karen Stratton, City of Spokane

### STAFF PRESENT

E. Susan Meyer, Chief Executive 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 -

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

2. APPROVE BOARD AGENDA

**Ms. Haley moved to approve the agenda. Mr. Wood seconded and the motion passed unanimously.**

3. PUBLIC EXPRESSIONS - None

4. RECOGNITIONS AND PRESENTATIONS

A. Lynda Palmer, Chief Financial Officer – Retirement

CEO Meyer introduced Lynda Palmer and thanked her for her years of service, dedication, and leadership during the past eight years. She presented Ms. Palmer with a plaque and wished her well in her next adventure. Lynda thanked Board and CEO Meyer and expressed her pride in the employees and her team at STA.

B. Third Quarter 2019 Years of Service Awards

Ms. Williams advised that at the conclusion of each quarter, Spokane Transit acknowledges and recognizes its employees for their successive years of service with the organization. Ms. Williams listed and acknowledged individuals for having completed 5, 10, 15, 20, 25, 30, and 40 years of service. Coach Operator Glenn Schultheis was in attendance and recognized for his 25 years of service and Ms. Williams acknowledged Office Assistant Kim Freeman for her 40 years of service to STA. There was a complete list of employee names provided in the packet.

C. Third Quarter 2019 Employee Recognition Committee Awards (ERC)

Ms. Williams noted that the ERC program exists to acknowledge employees who go the extra mile to help STA achieve its core objectives. She reiterated that this is a Board approved recognition program where employees are nominated by their peers. A list of the award winners was announced and included in the packet.

5. PUBLIC HEARING – OVERVIEW OF BUDGET

Chair Mumm introduced Lynda Palmer to present the overview of STA’s budget. Ms. Palmer said that she would like to respond to the question previously raised at the previous Board meeting concerning how STA arrived at the sales tax rate. She presented a slide to assist her in the explanation. Ms. Palmer noted the final budget presented in November will be updated to include actual sales tax collected through October and include the budgeted amounts for November and December. Chair Mumm asked Ms. Palmer if she could also provide a projection through end of year at that time. Ms. Palmer agreed that Ms. Liard would provide a projection. Following Ms. Palmer’s explanation, there were no further questions concerning the sales tax and Ms. Palmer introduced the video for the budget. She thanked STA’s communication team for their efforts in updating the presentation. The video of the 2020 Proposed Operating and Capital Budgets played for the group. The complete video presentation can be found on STA’s website at: [2020 STA Budget Presentation](#)

Highlights of the budget include:

Operating Revenue

2020 Operating Revenue	\$108,852,611
2019 Operating Revenue	<u>\$ 99,850,438</u>
Change:	\$ 9,002,173 (9% increase over 2019)

Sales Tax Revenue projected to be equivalent to 2019 projections

2020 Projected Sales Tax*	\$ 85,000,000 <i>*(figures are rounded)</i>
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The 2020 Budget assumes ridership growth over 2019 of: Fixed Route 5.0%; Paratransit 1.5%, and Vanpool 1.0%.

Grants & Miscellaneous Revenue

Federal Grants	\$8.5M
State Grants	\$1.6M
Miscellaneous	\$1.6M

Sources of STA Operating Funds\* breakdown include

2019 Sales Tax	\$85M (78%)
Fares & Other Transit Revenue	\$12M (11%)
Federal & State Grants	\$10M (10%)
Miscellaneous Revenue	\$1.6M (1%) <i>*(figures are rounded)</i>

Operating Expense Budget

2020 Operating Expense Budget	\$85M
2019 Operating Expense Budget	<u>\$80M</u>
Change	\$ 5M (6.3% increase)

Employee Compensation

Management & Administrative Employees - 3.0% general wage adjustment  
 ATU 1015 – Collective bargaining agreement ends March 31, 2020  
 AFSCME 3939 – July 1, 2020-2.5% general wage adjustment; January 1, 2020-1% market adjustment  
 ATU 1598 – 3% general wage adjustment

Capital Budget

The total Capital Budget is \$63M and includes federal and state grants, and local funding. Of the 2020 Capital Budget, \$44M (70%) is associated with STA Moving Forward.

2020 Budget Summary

*Operating Revenue – including sales tax*

Operating Activities	2020 Draft Level Budget
Revenue (excluding capital grants)	\$108,852,611
Operating Expenses	<u>\$ 84,530,689</u>
Revenue Over Operating Expenses	\$ 24,321,922

*Capital Activities (Local Funds)*

Purchase of Property, Plant & Equipment	\$18,167,188
Fixed Route & Paratransit Fleet Replacement	<u>\$ 8,836,454</u>
Total Local Funds Used for Capital Activities	\$27,003,642

The presentation was shown at the recent All Employee Meetings and the Planning & Development Committee meeting. Upon completion of the presentation, Ms. Warren asked if anyone had questions. None were forthcoming.

Chair Mumm opened the public hearing at 1:52 p.m.  
 She asked three times for comments from the public.  
 Hearing none, she closed the public hearing at 1:55 p.m.

Chair Mumm expressed her thought that the budget looks healthy.

6. BOARD ACTION – CONSENT AGENDA

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

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

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (September)	Nos. 604718 – 605057	\$ 6,744,201.65
Workers Comp Vouchers (September)	ACH – 2286	\$ 96,177.94
Payroll 09/13/19	ACH – 09/13/19	\$ 2,162,674.81
Payroll 09/27/19	ACH – 09/27/19	\$ 1,269,407.30
WA State – DOR (Use Tax) (September)	ACH – 1767	\$ 6,729.66
Travel Advance	No. 2029	\$ 268.80
<b>SEPTEMBER TOTAL</b>		<b>\$ 10,279,460.16</b>

- C. By motion, approve the Draft 2020 Annual Strategic Plan.
- D. By motion, approve the acceptance of the Boone Northwest Garage Contract as complete and conditionally authorize release of retainage.
- E. By motion, authorize the CEO to execute all documents necessary to acquire a temporary construction easement upon property owned by James and Anita Hull for \$7,000.

7. BOARD ACTION – COMMITTEE RECOMMENDATIONS - *None*

8. BOARD ACTION – OTHER - *None*

9. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Ms. Mumm had nothing new to report at this time.

10. PLANNING AND DEVELOPMENT COMMITTEE:

A. Chair's Report

Chair Mumm advised that Mr. Grover was still traveling back from APTA due to weather and that Mr. Otterstrom would present the chair report in his absence.

Mr. Otterstrom mentioned the Planning and Development Committee discussed the 2020 Budget as seen here today as well as Shared Mobility and potential concepts for pilot projects for On-Demand Mobility, and they received an update on the Central City Line

11. PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Ms. Kinnear reported the Committee approved acceptance of Boone NW Garage contract as seen in the Board Consent Agenda item above.

12. CEO REPORT

- Ridership in Fixed Route decreased 0.7% September month over month and year-to-date. On-time Performance was 90%; and the our goal is 93%. September 2019 had one additional weekday and one less Saturday compared to September 2018.
- Paratransit Ridership decreased 7.1% for the month and 7.0% year to date. On-time Performance was 93%. She discussed the effects and importance of the Special Use Van program, noting ridership would have been down approximately 5% with those SUV rides excluded.
- Vanpool experienced a 2.4% increase in September and is down 1.4% year to date. There were 76 vans in service in September 2019 vs. 78 in 2018. August 2019 had 75 vans in service. Two new groups formed and one existing group folded.
- Revenue update – September sales tax (July sales) was 26.6%\* over 2018 actual; 15.0% above year-to-date actual and 9.2% year-to-date above budget. *\*Additional 0.001 sales tax rate approved by voters November, 2016, Collection began in April 2019 and the first disbursement was received in June, 2019.*
- Operating expenditures through August were at \$47.6M, representing 59.9% of budget. She noted that timing of expenditures can cause this percentage to vary.
- CEO Meyer spoke about Initiative 976 on the November 5, 2019, ballot. She informed about what it entailed as well as the potential negative financial impacts to STA and the state's multi-modal account. She also noted the potential financial local impacts to the Special Needs Transportation (Paratransit) and the Vanpool programs, as well as state funding for other transit projects. She reviewed the statewide agencies that would be impacted by the reduced funding throughout Washington state. She provided the STA brochure on the subject to members.

- APTA TRANSform Conference in New York, NY was attended by Chair Mumm, Pam Haley, Al French, Chris Grover, Karl Otterstrom, Brandon Ropez-Betty and E. Susan Meyer. Staff and Board members met with acting Administrator K. Jane Williams, senior FTA staff, and also met with Sherry Little Lloyd, Sev Miller, and Anja Graves of Cardinal Infrastructure.

Central City Line – all STA requirements have been met to receive \$53.4M FTA Small Starts Grant. The 100% design will be completed soon and go out to bid for construction in December, Board Award of Contract in February 2020, Construction Notice to Proceed in May 2020.

High Performance Transit Shelters/Amenities Request for Proposals in October 2019 and Board Award of Contract in December 2019.

FTA's final steps include the Final Readiness Report, Final Evaluation and Rating (mid-late October), Administration Review (mid-November), 10 day-Congressional Review (late November or early-December) and the grant agreement execution and agreement possible by mid-December. They are pleased with STA's progress and appreciative of the financial commitment the Board has made. They believe staff is optimistic to assume grant execution in mid-December. Their view of the board leadership, the organization as a whole, and of this grant is significant. Ms. Meyer relayed that Ms. Williams commented on how impressed she is that STA Board members take time to come and meet with her and her staff as representatives of the community. Ms. Meyer asked to pause to appreciate STA's progress and have board members add any comments they relayed to Ms. Williams.

Chair Mumm noted that she discussed how STA had unanimous Board support and talked about the financial commitment made in July. Also, how STA had reserves available after the PMOC came in and said it was going to cost a little bit more. She mentioned STA is in a solid financial position.

Ms. Haley said she mentioned that STA is fiscally conservative and Spokane Valley is very conservative.

Mr. French noted it was gratifying to see how supportive the FTA staff were as well as Ms. Williams and the continued excitement about the project. It is a unique project where we are introducing a new product in an urban area. He said he believed it is going to be a project to connect a lot of existing routes and improve overall performance in the neighborhoods, the downtown and Plaza. Ms. Williams is anxious to come celebrate with Staff and Board members the signing of the final document.

Chair Mumm said that Mayor Grover mentioned to them that STA has no debt. She also reported that Ms. Williams had a big spreadsheet that included all projects in this fiscal year. STA's number is #4. Numbers 1 and 2 are done and we are getting very close. She would like to see it done in 2019 and it is great to see Spokane in that high of a place in a list of national awards.

13. BOARD INFORMATION

- A. Committee Minutes
- B. August 2019 Sales Tax Revenue Information
- C. July 2019 Financial Results Summary
- D. June 2019 Semi-Annual Financial Reports
- E. July 2019 Operating Indicators
- F. Second Quarter 2019 Service Planning Input Report
- G. Division Line High Performance Transit (HPT) Study Overview

14. NEW BUSINESS – None

15. BOARD MEMBERS' EXPRESSIONS

Mr. Kennedy said it is important to see where I-976 goes – Liberty Lake is looking at \$20.6M at stake. If I-976 passes, he noted Liberty Lake could see some challenges.

Mr. Kerns reiterated that he attended a County sponsored Access Job Fair to kick off the National Disabilities Employment Awareness Month. He thanked STA for having a table at the job fair, noting how it shows the true heart of the organization to be at an event like that– which is really making a difference in changing lives of some of the most vulnerable populations of our community.

Chair Mumm offered kudos to the City of Spokane for all the clearing after the recent storm. Ms. Kinnear noted her district in the South Hill was particularly hard hit and said they are telling people be careful because it is not 100% safe yet.

Mr. French commented regarding I-976 and mentioned attending the West Plains Public Development Board meeting where they had a hearing on I-976. That Board voted unanimously to support a Resolution in opposition to I-976 because of the significant impacts to projects already started on the West Plains; He said funding could be in jeopardy and it could impact the ability to recruit new businesses to the community.

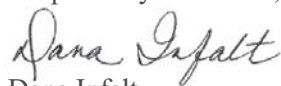
Chair Mumm commented on some of the presentations she saw at APTA. She noted hearing a real connection between climate change and transit, saying the dialog has changed at the national level. She mentioned also hearing about things STA already does like stressing customer service and providing access which helps bolster ridership. The Summer Youth pilot program was an example of a program that matched the discussion about the next generation of riders having easy access. There was a lot of talk about other types of transportation – questioning how to partner with Lyft/Uber and Lime scooters, etc. and how to share the streets. There was discussion about dedicated lanes. It was primarily focus on ridership and how you market and perform outreach. She noted how much she enjoyed the opportunity to attend and represent Spokane.

16. EXECUTIVE SESSION - *None*

17. ADJOURNED

With no further business to come before the Board, Chair Mumm adjourned the meeting at 3:20 p.m.

Respectfully submitted,



Dana Infalt

Clerk of the Authority

Cable 5 Broadcast Dates and Times of October 17, 2019, Board Meeting:

Saturday, October 19, 2019	4:00 p.m.
Monday, October 21, 2019	10:00 a.m.
Tuesday, October 22, 2019	8:00 p.m.

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

Planning & Development	Nov. 6, 2019, 10:00 a.m. (Southside) 1230 West Boone
Performance Monitoring & External Relations	Nov. 6, 2019, 1:30 p.m. (Southside) 1230 West Boone
Board Operations	Nov. 13, 2019, 1:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, November 21, 2019, 1:30 p.m., STA Boardroom, 1230 West Boone Avenue, Spokane, Washington.