

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

BOARD OF DIRECTORS

Draft Minutes of the September 21, 2017, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Pamela Haley, City of Spokane Valley, *Chair*
Al French, Spokane County
Josh Kerns, Spokane County
Amber Waldref, City of Spokane
Ben Stuckart, City of Spokane, *Alternate*
John Higgins, Small Cities Representative
(Medical Lake)
Aspen Monteleone, Small Cities Representative
(Airway Heights)
Rhonda Bowers, Labor Representative
Tom Trulove, Small Cities Representative
(Cheney) *Ex Officio*

MEMBERS ABSENT

Ed Pace, City of Spokane Valley
Odin Langford, Small Cities Representative
(Liberty Lake)
Kevin Freeman, Small Cities Representative
(Millwood) *Ex Officio*

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 & Development
Nancy Williams, Director of Human Resources
Beth Bousley, Director of Communications & Customer
Service
Emily Arneson, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, Witherspoon Brajcich McPhee PLLC

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

Chair Haley called the meeting to order at 1:31 p.m. and conducted roll call.

2. **APPROVE BOARD AGENDA**

Mr. French moved to approve the Board agenda, Ms. Waldref seconded and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

Victor Frazier spoke about agenda item 10 – Bus Advertising Evaluation. He said he has been a committee member with Spokane Transit since 1998 and currently serves on the Citizen Advisory Committee. He remembers when STA's funding was cut due to the elimination of the Motor Vehicle Excise Tax (MVET) and revenue from advertising helped to alleviate this. However, he argued against it then and still does not believe it is helpful or necessary. The bus wraps prove an obstruction to coach operators and the revenue gained is a small portion of the budget.

Doug Prendergast also spoke about the bus advertising issue. He agreed with Mr. Frazier that STA should not have advertising on its buses and added that there has been controversy over the type of advertising STA can accept.

4. RECOGNITIONS AND PRESENTATIONS

A. Charlie Kopp, Paratransit Van Operator - Retirement

Mr. Blaska said Mr. Kopp is the most senior Paratransit Van Operator with 26 years of exemplary service. He read a poem that the Paratransit Manager, Janet Stowe, had written about him as a touching tribute. Mr. Kopp said it has been a privilege to spend his career at STA and to help so many in the community.

B. Wall of Fame Awards

Ms. Williams said the 2017 Washington State Department of Transportation Wall of Fame awards were presented to the following two individuals and one team at the recent Awards Banquet in Everett:

Kevin Eaton, Coach Operator

Jay Griffiths, Special Events Supervisor

The Security Team (STA Transit Officers)

Ann Frunk, Chris Stein, Bryon Adams, Michael Austin, Thomas Barber, Michael DeConto, Jeremy Green, Eric Hamann, Jeffrey Hansen, Demorris Weaver and Tyler Weed.

5. BOARD ACTION – CONSENT AGENDA

Ms. Waldref moved to approve consent agenda items 5.A and B, Mr. French seconded and the motion passed unanimously:

A. Approve the minutes of the July 27, 2017 Board meeting.

B. Approve the following vouchers and payroll for July and August, 2017:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (July)	Nos. 594761 - 595092	\$ 4,642,519.24
Workers Comp Vouchers (July)	Nos. 219742 – 219983	\$ 150,763.05
Payroll 07/07/2017	ACH – 07/07/2017	\$ 1,572,399.90
Payroll 07/21/2017	ACH – 07/21/2017	\$ 1,131,066.35
WA State – DOR (Use Tax)	ACH – W0640	\$ 8,461.24
JULY TOTAL		\$ 7,505,209.78
<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (August)	Nos. 595093 - 595482	\$ 2,893,490.20
Workers Comp Vouchers (August)	Nos.	\$.00
Payroll 08/04/2017	ACH – 08/04/2017	\$ 1,538,769.50
Payroll 08/18/2017	ACH – 08/18/2017	\$ 1,121,048.25
WA State – DOR (Use Tax)	ACH – W0640	\$ 5,703.54
AUGUST TOTAL		\$ 5,559,011.49

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS: None.

7. BOARD ACTION – OTHER: None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair’s Report

Ms. Haley reported that the Board Operations Committee met on September 13 and discussed Board leadership transition and changes that will take place as a result of elections in November. Also discussed was a proposal to lease space at the Plaza.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French said the committee discussed the draft 2018 Operating & Capital Budgets and reviewed the draft amendments to the *Connect Spokane* Update. He invited Ms. Warren to make a brief presentation on the budgets.

i. Draft 2018 Operating & Capital Budgets

Ms. Warren said the budgets will be brought to the Board three times including a public hearing in October and final approval in November. She confirmed STA's Vision, Mission, Priorities, and Budget Guidance.

Operating Expenses

An increase of 5.5% (\$3,785,027) is proposed over 2017 which includes a 7% increase in fixed route service and a 1.75% increase in paratransit.

Staffing

A total of 20 full-time employees will be added and 5 part-time employees subtracted for a total of 550 full-time and 28 part time employees. Most of these positions are in the fixed route division.

Wages

The proposed wage increases for the three unions are to be determined at this point since ATU 1015 is still in contract negotiations (contract expired March 31, 2017), and AFSCME 3939 and ATU 1598 will begin negotiations in 2018. A wage increase of 2% is proposed for Management & Administrative staff.

Benefits

An increase in medical premiums of between 20% and 22% is anticipated with a slight decrease in dental premiums. The retirement contributions to the state pension plan will remain the same.

Fuel

Staff has seen a decline in fuel prices over the past few years. However, the recent hurricane in Houston may affect fuel prices and the total proposed fuel budget for 2018 of \$4.3M includes the Energy Information Administration forecast with ½ standard deviation.

2018 Operating Expenses by Division

- Fixed Route \$47,234,090
- Paratransit \$13,276,756
- Vanpool \$692,820
- Plaza \$1,794,509
- Administration \$9,846,055

2018 Operating Expenses by Object

- Labor \$27,977,500
- Benefits \$21,367,566 (includes wages for paid time off)
- Services \$4,886,420
- Contract Transportation \$4,654,550
- Materials \$9,687,384 (includes fuel)
- Other \$4,270,810

Operating Revenues

An increase of 9.3% (\$7,201,985) is proposed over 2017 of which sales tax revenue is 8%. The 3% growth trend directed by the Board has been reset from 2014 actual figures and a \$500,000 one-time addition has been made to reflect current economic conditions.

Fares

The Phase II fare increase will be effective July 1, 2018 (\$1.75 to \$2.00).

Ridership for 2018 is estimated at:

- Fixed Route 10.4M
- Paratransit 447K
- Vanpool 198K

Grants & Miscellaneous

- Federal Grants \$8.1M
- State Grants \$1.4M
- Interest Rate Assumption of 1.0%

Sales tax at \$63,590,163 (75.2%) is by far the largest source of revenue.

Capital Budget

The total capital budget is \$43,532,304 including:

Federal Funds	\$6,037,794
State Funds	\$8,340,094
Local Funds:	
• Capital	\$23,117,353
• Fleet Replacement	\$6,037,063

Local capital funds exclude fixed route coaches and paratransit vans funded from the fleet replacement fund but include other vehicles, facilities including the Northwest Boone Garage project, High Performance Transit, and technology.

The budget comparison for 2018 versus 2017 shows an increase of 32.3% in revenue and expenses.

The 2018 cash and reserve analysis shows a cash draw down of approximately \$23M and the estimated 2018 end of year cash balance after deducting the Board designated reserves (Operating reserve, risk reserve, right of way acquisition) is almost \$11M dedicated to future capital expenditures included in the 2019-2023 Capital Improvement Plan.

Ms. Warren recognized Lynn Holmes, Tammy Johnston and Kathleen Roberson in the Finance Department for their work on the budget.

Ms. Waldref asked what the amount is projected in 2018 for the Boone Northwest garage.

Ms. Warren said it is approximately \$13M. Fleet replacement is \$9.5M and High Performance Transit is \$12M (including the West Plains Transit Center and design for the Central City Line).

ii. **Connect Spokane Update: Review Draft Amendments**

Mr. French said the Connect Spokane Update amendments address a number of current and anticipated future conditions:

- Adds newly required Transit Asset Management Plan (per Federal Transit Administration rules)
- New element focused on safety and security of passengers, operators, facilities and data.
- Revise the “Rideshare” element to be the “Flexible Services” element and open up considerations for the first and last mile connections with Uber/Lyft and other flexible routing opportunities.

There will be an Open House on September 27 from 4 pm to 6 pm at the Plaza for public input on the proposed changes. Board members are welcome to attend.

A full red-lined version of the plan will be brought to the Board in November and there will be a public hearing.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair’s Report

Ms. Waldref said the committee discussed and approved the Boone Northwest Garage Scope of Work. There was also a good discussion of the FTA Comprehensive Review.

i. Operator Safety & Security Environment Review

Mr. Blaska said the assault of a coach operator earlier this year was the catalyst for this study. Two teams from STA’s Safety Committee were formed including representatives from management and unions.

Objectives of the review

- Determine frequency and severity of driver assaults
- Review procedures in place and recommend improvements
- Evaluate best practices and enhance training
- Determine a standard definition of level of assaults to better track incidents
- Identify additional safety equipment e.g. driver shield

Findings

- Incidents of physical or verbal threats are rare and the majority result in apprehension of the assailant
- It is important to communicate with the driver involved so there is a complete understanding of the actions being taken and post-incident follow-up
- Training in de-escalation techniques is very important
- Clear communications between Dispatch and the coach operator are essential

Ms. Bowers said she has received a positive response on the review from coach operators and appreciates the effort that has gone into this process.

Mr. Stuckart asked if a driver can hit a panic button when threatened that would activate a protective shield.

Mr. Blaska said there is no such button on STA’s vehicles and that would require a bus design change. A manual shield is available on some buses in Canada.

Ms. Waldref said King County Metro in Seattle is equipping their buses with a video monitor showing passengers getting on the bus.

Mr. Blaska said additional cameras are being considered in paratransit and best practices are already in place at STA.

ii. Bus Advertising Evaluation

Ms. Meyer explained that after hearing all the pros and cons and discussing the issue with the committee, she has decided to continue to suspend the advertising program. The revenue does not justify the expenses and it will avoid contentious issues and negativity towards Spokane Transit.

Ms. Waldref said the issue was discussed at length at the committee meeting and she agrees this is the correct conclusion. In the future the issue can be reviewed again.

Ms. Bowers asked if it could be brought back for future discussion before the decision was made to reinstate it. Ms. Meyer said it could but the bus advertising program is suspended for the foreseeable future.

11. CEO REPORT
Ridership

Fixed Route bus ridership in August 2017 increased by 3.2% over August 2016 for a year-to-date decrease of 0.1%. This is the fifth month in a row indicating a ridership growth trend.

Paratransit ridership increased by 5.8% over August 2016 for a year-to-date increase of 1.2%.

Vanpool ridership decreased by 8.1% over August 2016 for a year-to-date decrease of 6.1% with 10 fewer vans in service (82 vs. 92). New vanpool groups include Pullman, Qualfon, and the Employment Security Department (ESD).

August 2017 had the same number of weekdays as August 2016.

Revenue Update

Non-Capital revenue through July 2017 at \$45.3M is 58.6% of the budget.

August 2017 sales tax revenue (collected on June 2017 retail sales) increased 27.0% over August 2016 actual* for a year-to-date increase of 13.0% year-to-date actual and 8.8% over budget.

*The extra one tenth of one percent sales tax approved by voters in November 2016 is included.

Expenditure Update

Operating expenditures through July 2017 at \$37.2M are 53.8% of the budget. The timing of fuel and other expenditures can cause this percentage to vary significantly.

Valleyfest

The Valleyfest Shuttle will operate on Saturday, September 23 between 8:30 a.m. and 7:00 p.m. every 10 minutes. The shuttle is free of charge. STA will participate in the KXLY Coats4Kids program at Valleyfest.

West Plains Transit Center

Construction is moving forward on schedule: Stormwater ponds are graded and ready for liner installation; roadway and site grading continues; and, stormwater and water lines are being installed.

September Service Change (Sunday September 17)

- Non-stop express service reintroduced on route 172 Liberty Lake/Downtown Spokane
- Weekend service added on north ends of Route 26/28
- East Sprague re-opened with new platforms and shelters

Mr. Otterstrom said the new Liberty Lake express service has been well received.

12. BOARD INFORMATION

- A. Committee Minutes
- B. June 2017 Semi-Annual Financial Reports
- C. July 2017 Financial Results Summary
- D. August 2017 Sales Tax Revenue
- E. July 2017 Operating Indicators
- F. 2nd Quarter 2017 Performance Measures
- G. 2nd Quarter Service Planning Input Report
- H. Connect Spokane Update: Review Draft Amendments
- I. FTA Comprehensive Review: Report

13. NEW BUSINESS – None.

14. BOARD MEMBERS' EXPRESSIONS

Ms. Waldref expressed her appreciation for the shelters on East Sprague and said it has involved a lot of work in conjunction with the City of Spokane.

Mr. Otterstrom thanked the City of Spokane for its assistance and support in this project.

15. EXECUTIVE SESSION

At 2:27 p.m., Chair Haley announced that the Board would adjourn for an Executive Session for the following purposes:

1. Discussing, planning or adopting the strategy or position to be taken by the STA Board of Directors during the course of ongoing collective bargaining.
2. Litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency (RCW 42.30.110 (1)(i)(iii)).
3. Considering the selection of a site, the acquisition of real estate by lease or purchase, or the sale of real estate when public knowledge regarding such consideration would cause a likelihood of increased or decreased price.

The STA Board of Directors will reconvene in open session at approximately 2:47 p.m. If it becomes necessary to extend the Executive Session, Legal Counsel or a member of staff will return to announce the time at which the STA Board will reconvene.

At 2:47 p.m. the Board of Directors reconvened and Chair Haley declared the meeting back in public session.

16. ADJOURNED

With no further business to come before the Board, Chair Haley adjourned the meeting at 2:47 p.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 the week after the meeting.

Cable 5 Broadcast Dates and Times of September 21, 2017 Board Meeting:

Saturday, Sept 23, 2017	4:00 p.m.
Monday, Sept 25, 2017	10:00 a.m.
Tuesday, Sept 26, 2017	8:00 p.m.

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

Planning & Development	Oct 4, 2017, 10:00 a.m. (Southside) 1229 West Boone
Performance Monitoring & External Relations	Oct 4, 2017, 1:30 p.m. (Southside) 1229 West Boone
Board Operations	CANCELLED

Next Board Meeting: Thursday, October 19, 2017, 1:30 p.m., STA Boardroom, 1229 West Boone Avenue, Spokane, Washington.