

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

BOARD OF DIRECTORS

Draft Minutes of the September 20, 2018, Meeting
Spokane Transit Boardroom
1229 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Kevin Freeman, Small Cities Representative
(Millwood) *Chair*
Lori Kinnear, City of Spokane
Al French, Spokane County
Josh Kerns, Spokane County
Pamela Haley, City of Spokane Valley
Sam Wood, City of Spokane Valley
Shirley Maike, Small Cities Representative
(Medical Lake)
Veronica Messing, Small Cities Representative
(Airway Heights) *Ex Officio*
Mike Kennedy, Small Cities Representative
(Liberty Lake) *Ex Officio*
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Candace Mumm, City of Spokane
Chris Grover, Small Cities Representative
(Cheney)

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, Interim 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**

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

3. **PUBLIC EXPRESSIONS**

Yvonne Ryba

Ms. Ryba spoke on behalf of her son, Brenton Ryba, who uses Paratransit service. Currently, Ms. Ryba's house is just outside of the Paratransit service boundary. Her son must walk to another block and wait on a corner in the weather for the Paratransit van. When the van leaves the neighborhood it often drives by her home to continue its route. Ms. Ryba requested an amendment to allow the Paratransit van to go around the corner to the next block and three houses down to pick up and drop off her son in front of her home.

Ms. Haley arrived at 1:40 p.m.

4. RECOGNITIONS AND PRESENTATIONS

A. Wall of Fame Awards

Ms. Williams said the 2018 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 Kennewick:

John Christiansen, Coach Operator

Anita Teague, Paratransit Supervisor

Paratransit Reservationists Team

Januari Brown, Toby Herman, Fred Kelso, Merissa Newell, Kim Nichols, Tami Spangle and Michelle Trotchie.

5. BOARD ACTION – CONSENT AGENDA

Ms. Bowers requested that item 5.C be removed from the consent agenda for further discussion.

Mr. French arrived at 1:45 p.m.

Mr. Kerns moved to approve consent agenda items 5.A and B, Mr. Wood seconded and the motion passed unanimously:

A. Approve the minutes of the July 26, 2018 Board meeting.

B. Approve the following vouchers and payroll for July and August, 2018:

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (July)	Nos. 599259 - 599597	\$ 5,169,648.24
Workers Comp Vouchers (July)	Nos. 222185 – 222341	\$ 88,924.40
Payroll 07/06/2018	ACH – 07/06/2018	\$ 1,661,227.11
Payroll 07/20/2018	ACH – 07/20/2018	\$ 1,213,290.26
WA State – DOR (Use Tax)	ACH – W0640	\$ 6,832.19
JULY TOTAL		\$ 8,139,922.20

<u>DESCRIPTION</u>	<u>VOUCHER/ACH NUMBERS</u>	<u>AMOUNT</u>
Accounts Payable Vouchers (August)	Nos. 599598 - 600010	\$ 4,939,967.05
Workers Comp Vouchers (August)	Nos. 222342 – 222540	\$ 104,272.71
Payroll 08/03/2018	ACH – 08/03/2018	\$ 1,199,867.01
Payroll 08/17/2018	ACH – 08/17/2018	\$ 1,679,232.39
Payroll 08/31/2018	ACH – 08/31/2018	\$ 1,234,461.16
WA State – DOR (Use Tax)	ACH – W0640	\$ 6,208.69
AUGUST TOTAL		\$ 9,164,009.01

C. Award of Contract for Tire Mileage Leasing and Services.

Mr. Watkins summarized the process to select a vendor for Tire Mileage Leasing and Services. STA received two responsive proposals to its Request for Proposals. Based on the evaluation criteria and scoring the committee unanimously selected Michelin North America, Inc. Ms. Bowers asked if consideration was given to the costs of the buyout and runout clauses that STA currently has with Bridgestone Americas? Ms. Warren said the costs were included in the contract.

Ms. Haley moved to approve the Award of Contract for Tire Mileage Leasing and Services, Mr. Wood seconded and the motion passed unanimously.

6. BOARD ACTION – COMMITTEE RECOMMENDATIONS

None.

7. BOARD ACTION – OTHER

None.

8. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Mr. Freeman said the Quadrennial Review of STA's Board Composition will be held at 3:30 p.m. today following the Board Meeting. Ms. McAloon will lead the discussion at the meeting.

9. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French said the committee received reports on the Draft 2019 Strategic Plan, the Draft 2019 Operating and Capital Budgets and the Central City Line Intermediate Design update. The committee discussed the Division Street High Performance Transit Corridor Alignment and Station Locations Study that will be completed in conjunction with the Spokane Regional Transportation Council (SRTC), the City of Spokane, and the Washington State Department of Transportation (WSDOT). The study will look at the corridor in anticipation of changes that could occur once the North South Corridor is complete.

i. Draft 2019 Strategic Plan

Mr. Otterstrom gave a brief presentation. The Annual Strategic Plan provides guidance to help shape Spokane Transit's activities for the coming year and is resourced by the budget. The plan aligns with STA's vision and mission. The plan is focused on increasing ridership with strategies to:

- Add more and better bus service
 - ✓ Additional West Plains Service, including Airway Heights via Airway Heights and new Amazon facility.
 - ✓ South Commuter Express.
 - ✓ New High Performance Transit service.
- Design and deliver core infrastructure
 - ✓ Boone Northwest Garage for additional fleet storage, including electric buses.
 - ✓ A new Fare Collection System to improve ease of use and convenience for customers will be under contract in 2019.
 - ✓ A Plaza Operations study to recommend changes to how we operate the buses outside the Plaza to help reduce our footprint around adjacent buildings.
 - ✓ Update to the Facilities Master Plan.
 - ✓ The Transit Center at Spokane Community College and the Transit Station at Spokane Falls Community College are scheduled for 2019.
- Advance and implement High Performance Transit (HPT)
 - ✓ Central City Line – Expected to be under construction in 2019 subject to federal funds.
 - ✓ Cheney Line – Improves the frequency and quality of service between Cheney and Spokane and connecting into the West Plains.
 - ✓ Division Line – STA is making additional improvements to bus stops, sidewalks and connectivity.
 - ✓ Monroe-Regal Line – Service from Five Mile Prairie to the Moran Station Park & Ride is scheduled to begin in fall 2019.
 - ✓ Sprague Line – The City of Spokane is advancing work along Sprague between Division Street and the Hamilton Street Bridge that will include HPT stations.
 - ✓ I-90/Valley – In preparation for future implementation, design work on stations and park and ride improvements along I-90 will begin in the second half of 2019.

Ms. Kinnear asked if the route from the Moran Station Park & Ride would be on Regal Street or Southeast Boulevard. Mr. Otterstrom said the plan is to go down Regal Street unless we are unable to acquire the appropriate right of way.

- Improve outreach and communication
 - ✓ Explore Mobility Management – STA will explore how the agency can efficiently meet customers’ evolving needs through a wide range of transportation options and services.
 - ✓ Focus Marketing and Communication Efforts – Customers value transit in different ways. Marketing and communication efforts will highlight specific transit improvements and how they create practical value to various audiences.
 - ✓ Expand Pass Sales Outreach – STA will resource an effort to increase participation in the Employer Sponsored Bus Pass program, the to-be-rebranded City Ticket pass program for downtown workers, and to increase group pass sales throughout the region.

ii. Draft 2019 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 8.8% (\$6,464,495) is proposed over 2018 which includes a 6.2% increase in fixed route service.

Staffing

A total of 28 full-time employees will be added and 1 part-time employee subtracted for a total of 588 full-time and 27 part-time employees. Most of these positions are in the fixed route division.

Wages

The collective bargaining agreements with ATU 1015 and ATU 1598 include a 3% general wage increase. The collective bargaining agreement with AFSCME 3939 is currently in mediation. A wage increase of 3% is proposed for Management & Administrative staff.

Benefits

An increase in medical premiums of between 5.5% and 11% is shown; however, we have since learned that the increase for all medical plans will be closer to 5.5%. An increase of 8% in dental premiums was projected; however, a decrease of 2% in dental premiums has now been confirmed. The amounts will be updated prior to adoption in November. The retirement contribution rate changed to 12.83% on September 1, 2018 and is expected to change to 13.05% on July 1, 2019.

Fuel

Staff has seen an increase in fuel prices over the past year. Based on the Energy Information Administration forecast, diesel and gasoline per gallon prices will increase from what was budgeted for 2018 resulting in a fuel budget of \$5.6 million in 2019.

2019 Operating Expenses by Division

Fixed Route	\$ 52,658,332
Paratransit	\$ 14,983,036
Vanpool	\$ 703,330
Plaza	\$ 1,875,100
Administration	\$ 9,736,319
	<u>\$ 79,956,117</u>

2019 Operating Expenses by Object

Labor	\$ 35,936,088
Benefits	\$ 18,680,939
Services	\$ 5,247,727
Contract Transportation	\$ 4,992,165
Materials	\$ 10,766,192 (includes fuel)
Other	\$ 4,333,007
	<u>\$ 79,956,117</u>

Operating Revenues

2019 Operating Revenues

Sales Tax	\$ 77,271,349
Fares & Other Transit Revenue	\$ 11,807,075
Federal Grants, Preventive Maintenance & Other	\$ 8,374,623
State Grants	\$ 1,409,615
Miscellaneous Revenue	\$ 1,029,926
	<u>\$ 99,892,588</u>

Revenue includes the additional one-tenth of one percent sales tax rate change that goes into effect April 2019. In previous years, the sales tax revenue budget was based on 3% growth beginning with 2014 actuals plus one-time adjustments to reflect current economic conditions. Economic conditions the past three years have moved farther away from this trend. For the 2019 budget, we are budgeting sales tax revenue to be flat with 2018 projected plus the implementation of the one-tenth of one percent rate change in April 2019.

Capital Budget

The total capital budget is \$69,496,071 including:

Federal Funds	\$ 9,989,810
State Funds	\$ 18,469,709
Local Funds:	
Capital	\$ 28,908,240
Fleet Replacement	\$ 12,128,312
	<u>\$ 69,496,071</u>

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

The budget comparison for 2019 versus 2018 shows an increase of 16.0% in revenue and expenses. The 2019 cash and reserve analysis shows a cash draw down of approximately \$16.8M and the estimated 2019 end of year cash balance after deducting the Board designated reserves (operating reserve, risk reserve, right of way acquisition) is \$12.2M dedicated to future capital expenditures included in the 2020-2024 Capital Improvement Plan.

iii. Central City Line Intermediate Design Update

The Central City Line intermediate design submittal was received by STA on July 31, 2018. Roadway, pedestrian improvements and the HPT Kit of Parts are included in the design submittal and are being reviewed by consultants, City of Spokane, and STA staff. Ongoing coordination with the City of Spokane, Avista Utilities, Gonzaga University and Community Colleges of Spokane progresses well and adds further clarity and direction to the design. Transit amenity architecture is progressing rapidly and is approaching 60% design status for the full HPT Kit of Parts. Design of roadway improvements on Maple, Wall and Cincinnati Streets was included in the intermediate design submittal and is currently under review with the adjacent property owners. Public outreach for these improvements is scheduled to begin in September and will culminate with an open house in the fall.

iv. Division High Performance Transit Preliminary Engineering Study

In 2014, Spokane Transit was awarded \$400,000 in federal Surface Transportation Program (STP) funds by SRTC to study Division High Performance Transit (HPT). The STP funds, in addition to \$100,000 in matching local funds, will be used to study the operation and alignment of HPT on Division Street extending north into unincorporated Spokane County.

STA and SRTC staff are in the process of drafting a study approach that includes a task order list for placement under a consultant team master contract. The contract would encompass the core items of the HPT study as well as other tasks to fill out a coordinated study approach to consider the implementation of HPT in the context of the broader transportation system within and surrounding the Division corridor. This systems-based approach includes the multimodal aspects of the corridor through the lenses of mobility, safety, access, and connectivity. In this holistic approach, STA would manage the HPT study process and other consultant tasks would be managed by SRTC and vetted through a project management team consisting of STA, City of Spokane, WSDOT, and Spokane County staff. A singular Request for Qualifications (RFQ) would be issued to identify a consultant team with strong qualifications in the areas of transit, traffic modeling, active transportation, public involvement, and land use.

10. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Ms. Haley noted the committee received reports on the purchase of 40 paratransit replacement vans, a Draft Master Design and Construction Agreement between the City of Spokane and Spokane Transit and an update on the Plaza Operations Study. Ms. Haley invited Mr. Watkins to give a brief report on the Second Quarter 2018 Performance Measures.

Mr. Watkins noted that fixed route ridership is slightly below the goal of 1.5% increase over 2017. Paratransit ridership was 0.5% higher than this time in 2017. Paratransit ridership is exceeding the goal of managing growth to no more than 1.5% increase over 2017 ridership. He noted the 0.5% increase includes a 9.3% increase in Special Use Van ridership, which is a program designed to reduce demand on the more expensive ADA Paratransit trips.

Vanpool ridership decreased by 14.1% over 2017. Staff's goal for Vanpool was to realize a 2.5% increase in ridership over 2017. He noted the number of current riders that are retiring continues to reduce overall Vanpool ridership numbers. Staff are increasing marketing outreach and have noted additional opportunities for growth with the new West Plains Transit Center opening and the introduction of first/last mile (Vanshare) solution.

Mr. Wood asked if STA keeps track of the ridership of routes into the valley and if ridership is up or down and at what percentage. He would like to see those numbers compared to overall ridership. Ms. Meyer said that staff will send Mr. Wood the data for 2018 ridership on the valley routes compared to ridership overall. Mr. Otterstrom noted that once a year STA publishes an annual route report and the data for 2017 is online. Staff will send the Board a link to that report.

11. CEO REPORT

Ms. Meyer said August 2018 had the same number of weekdays as August 2017.

Fixed Route ridership decreased by 2.2% over August 2017 for a year-to-date decrease of 1.7%. Mr. French asked if the decrease in ridership in August correlated with the number of smoky, poor quality air days. Mr. Otterstrom said he looked at it informally and on the worst air quality day ridership was down between 5-10%.

At the last Board meeting, Councilman Kennedy asked how the decline in ridership affected revenue. Overall, between January and August 2018 vs. 2017, ridership has declined 1.7%. However, revenue ridership has only declined 0.7%. Although ridership has declined, due to the two-part fare increase on July 1, 2017 & July 1, 2018 revenue has actually increased during the same time period over 2017. Otherwise, revenue would have declined in an amount similar to the reduction in revenue passengers. The majority of the decline in ridership has been in non-revenue passengers. Eighty-one percent of non-revenue ridership is comprised of transfers and children under age six. The decrease in non-revenue ridership is attributed to more passengers swiping a pass as opposed to getting a two-hour transfer. Over 19,000 additional passes have been sold in 2018 versus 2017. Reductions in passengers who pay at the farebox (85,000) has been significantly offset by an increase in passengers paying by passes (66,000).

The 7-Day pass (5,800 passes sold so far in 2018) that was implemented for the first time in July 2017 has been extremely popular and has been responsible for over 117,000 rides through August 2018. The 7-day pass is an example of STA implementing a new fare product that met our customers' needs. Councilman Kennedy complimented staff for the analysis they had done to respond to his question.

Paratransit ridership decreased by 4.3% over August 2017 for a year-to-date decrease of 0.6%.

Vanpool ridership decreased by 12.9% over August 2017 for a year-to-date decrease of 13.8%. There were five less vans in service, 77 vs. 82, than in August 2017.

Revenue Update

Non-capital revenue through July 2018 was \$53.2M (62.9% of budget).

Sales Tax Update

August sales tax revenue (June sales) is 6.0% above August 2017 and 14.1% year-to-date above budget.

Expenditure Update

Operating expenditures through July 2018 were \$38.3M (53.5% of budget).

Federal Update

The Federal Transit Administration announced they are awarding four Capital Investment Grants based on 2018 Appropriations. There are two Small Starts Grants and two New Starts Grants.

West Plains Transit Center

The Ribbon-Cutting ceremony was held on September 18, 2018 at 9:30 a.m. and was very well attended. Speakers included

- Cathy McMorris Rodgers, U.S. Representative, 5th District
- Linda Gehrke, Region 10 Administrator, Federal Transit Administration
- Mayor Kevin Freeman, Millwood, Board Chair
- Commissioner Al French, Spokane County, Board
- Mayor Chris Grover, City of Cheney, Board
- Todd Woodard, Spokane Airport
- Toby Broemmeling, West Plains Chamber of Commerce

Journal of Business Rising Star

Emily Arneson, STA Community Ombudsman, was named one of ten Journal of Business Rising Stars in 2018.

Boone Northwest Garage

October 2, 2018 marks the halfway point of the project. Substantial completion is scheduled for June 12, 2019. Building construction is well underway. Roofing is nearly complete. Floor slab pours began earlier this month. Public utilities and work on Cedar Street will wrap up this month.

12. BOARD INFORMATION

- A. Committee Minutes
- B. June 2018 Semi-Annual Financial Reports
- C. July 2018 Financial Results Summary
- D. August 2018 Sales Tax Summary
- E. July 2018 Operating Indicators
- F. Second Quarter 2018 Safety & Loss Summary
- G. Second Quarter 2018 Service Planning Input Report

13. NEW BUSINESS

None.

14. BOARD MEMBERS' EXPRESSIONS

Mr. Kerns said it was a fantastic ribbon-cutting event with a great turnout for a great project. Well done to everyone who helped to organize the event.

Ms. Kinnear said that the City of Spokane is conducting a two-month bikeshare pilot study with Lime. There is a webpage online to collect feedback about the pilot.

Mr. French complimented staff on the ribbon-cutting event. He asked if there would be media coverage of the event. Mr. Rapez-Betty said there was a good story in the Spokesman-Review on service changes and KXLY was at the ribbon-cutting ceremony.

15. EXECUTIVE SESSION

None.

16. ADJOURNED

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

Respectfully submitted,

Kathleen Roberson
Executive Assistant to the Director of Finance & Information Services
On behalf of Jan Watson, Clerk of the Authority

Cable 5 Broadcast Dates and Times of September 20, 2018 Board Meeting:

Saturday, Sept 22, 2018	4:00 p.m.
Monday, Sept 24, 2018	10:00 a.m.
Tuesday, Sept 25, 2018	8:00 p.m.

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

Planning & Development	Oct 3, 2018, 10:00 a.m. (Boardroom) 1229 West Boone
Performance Monitoring & External Relations	Oct 3, 2018, 1:30 p.m. (Boardroom) 1229 West Boone
Board Operations	Oct 10, 2018, 1:30 p.m. (Northside) 1230 West Boone

Next Board Meeting: Thursday, October 18, 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.