

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

Approved at the  
July 15, 2021  
Board Meeting

## **BOARD OF DIRECTORS**

Minutes of the June 30, 2021, Board Workshop Via  
Video Conference  
Spokane, Washington

### **MEMBERS PRESENT**

Pamela Haley, City of Spokane Valley *Chair*  
Chris Grover, Small Cities Representative  
(Airway Heights) *Chair Pro Tempore*  
Al French, Spokane County, *Chair*  
Candace Mumm, City of Spokane  
Josh Kerns, Spokane County  
Karen Stratton, City of Spokane  
Lori Kinnear, City of Spokane  
Tim Hattenburg, City of Spokane Valley  
Don Kennedy, Small Cities Representative  
(Medical Lake) *Ex Officio*  
Veronica Messing, Small Cities Representative  
(Cheney) *Ex Officio*  
Rhonda Bowers, Labor Representative, *Non-Voting*

### **MEMBERS ABSENT**

Kate Burke, City of Spokane  
Kevin Freeman, Small Cities Representative  
(Millwood) *(Ex Officio)*  
Hugh Severs, Small Cities Representative  
(Liberty Lake) *Ex Officio*

### **STAFF PRESENT**

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

### **PROVIDING LEGAL COUNSEL**

Kendel Froese, McAloon Law PLLC

### **GUESTS**

Bennett Resnik, Cardinal Infrastructure

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

Chairwoman Haley called the meeting to order at 11:30 a.m. and the Clerk conducted roll call.

#### 2. **STRATEGIC PLANNING FRAMEWORKS**

Chairwoman Haley introduced Ms. Meyer who offered opening remarks.

Ms. Meyer thanked Chairwoman Haley and explained that Board direction on the following year's business plan and budget is completed at this time each year. She noted staff are working with committees and the board on the one-year plan and budget and rather than hold a workshop staff will complete that planning during the regular cycle of meetings in coming months.

She advised that today staff plan to do something quite different, stating it is timely to begin a new conversation about strategic planning that signals STA's focus on the future. The spotlight has been on pandemic response for the past 15 months, but staff have continued to press ahead on all STA Moving Forward (STAMF) projects. Ms. Meyer said we are in year 5 of the 10-year plan which was intentionally front loaded, meaning many of the projects are complete or underway (City Line BRT going into service next year), or that planning has already started.

She stated now is a good time to start looking to the future again, with the confidence that comes from successful implementation of STA Moving Forward and the Board's role is crucial. Today's presentation lays the groundwork for considering new opportunities. She advised STA is well positioned financially and organizationally to continue the momentum. The agenda is ambitious,

and staff have a lot of information to share. The objective by the end of the meeting is that members will have provided staff guidance on the strategic planning framework being presented. She highlighted the items to be discussed and invited all members to interact with staff in real time.

1. Strategic Planning Framework
2. Scale of Opportunity
3. Current Planning Dynamics
4. Relevance & Importance of Transit and Investing in Transit
5. Timeline & Proposed Next Steps

Ms. Meyer advised the first slide is designed to get the board thinking about “What Does a Successful Strategic Planning Process Look Like?” She noted, if successful, the plan will support the vision to be a source of pride for the region, have board leadership and engagement, be open & transparent and have robust public participation, and should be informed by facts and trends that are gathered by staff and shared over time. She closed by saying we will re-visit this slide at the end of the presentation for the board member contributions to the plan.

### **Strategic Planning Framework:**

Mr. Otterstrom reviewed the current framework pyramid that includes Connect Spokane (the connection for long-term planning and policy basis for making many decisions that have long-term implications); Transit Development Plan (TDP) (incorporates STA’s three-year Service Improvement Program, six-year Capital Improvement Program (CIP) and, by reference, the Transit Asset Management Plan (TAM), along with other planning guidance, assumptions, and activities). He noted the Annual Strategic Plan is a short-term plan, prepared each year, to reflect major objectives for the upcoming year and frames STA’s mission and vision and reminds us how that relates to current work, as well. The budget is the planning document of how to implement major objectives for the year.

Staff is proposing to add a new notch in the pyramid of plans to include “STA Strategic Plan” (10-15-year horizon plan that has a definite end point), built upon the vision and policies of Connect Spokane, and predicated on funding (approved and proposed) and then the TDP programs with implementation over time and updated each year.

He provided an overview of the updates to the pyramid which includes renaming the “Annual Plan” to “Annual Action Plan” and adding a line for a formal Strategic Plan. He then presented the timeline that lined up STAMF with other strategic planning initiatives and efforts.

Mr. Otterstrom provided a robust explanation of the Integrated Planning Horizon, Comprehensive and Strategic Initiatives, and the Integrated Timelines which began with delivering the current STA Moving Forward Plan, included Fleet Electrification: Phase I and Phase II; Division BRT: Locally Preferred Alternative & Preliminary Engineering and Project Development; *Connect* Spokane update; prepare New Strategic Plan to include Set Direction and Define Elements; and ended with Implementing the 2025-2035 Strategic Plan. He paused to ask if anyone had comments or questions on how the timelines integrate.

Ms. Bowers asked how this new configuration would have helped STA through COVID-19 and the change in sales tax, which is booming. Mr. Otterstrom responded that COVID has presented an uncertain set of variables for STA and transit in general, but STA has managed by reflecting in our budgeting processes, in the Transit Development Plan, and staff did adjust STAMF last year to fine-tune the timing of projects and assumptions of grants. STA has been successful in filing gaps with grants and sales tax has done better than expected. Mr. Otterstrom stated nothing done during COVID was inconsistent with STA’s hierarchy of planning.

Ms. Bowers said that she was thinking or wondering if this provides a stronger base because it is leveled differently, asking if it enables us to deal with what comes in the future.

Ms. Meyer said that STA came through the pandemic very well and managed to keep everyone employed. STA was able to do that because of a determination to do it and with federal funding. She said when ridership was down, all employees were not needed to provide service, we kept everyone employed and Ms. Meyer said STA could not have been in a stronger position to go into the pandemic and, while she hopes to never have another pandemic, STA is well prepared for something unexpected and is stronger than ever.

Mr. Otterstrom continued to address other considerations. STA is in the position to address how service is deployed and what investments made in the future make sense based on the dynamics of ridership changes. He said we will look at how to double efforts to be inclusive and sensitive to diversity and embrace that diversity of the region, climate change, and concerns about economic and social impacts of changing climate, as well as an ever-changing dynamic of technology and infrastructure. Staff will be monitoring other planning efforts going on in the region with Greater Spokane, Inc., SRTC leveraging the update to its Horizon 2040, and keeping up with good planning efforts.

In addition to establishing key projects as in STAMF, staff will explore STA's vision, mission, and organizational priorities. STAMF focused on physical improvements and bus service as the main objective, while there may be other types of services and facilities to explore, as well as investment in people (staff, riders, and the community).

Mr. Otterstrom paused for questions or comments.

Chairwoman Haley expressed her thoughts that the financial stewardship showed well through and during the pandemic as compared to many other organizations in the region.

Ms. Mumm said this provides an opportunity to reinvest, which comes at a good time coming out of the pandemic. She noted that we don't need to be shy as we keep seeing growth opportunities and expenses were less due to the great financial stewardship. She said in looking at what is being received from the federal government, we can't sit on it. We need to reinvest, and she is excited to take this opportunity to reboot the Strategic Plan.

### **Scale of Opportunity:**

Ms. Liard introduced the scale of the opportunity in terms of fiscal resources. She spent a few minutes talking about the funding context sources, financial forecast for revenues and expenses over time, and funding scale illuminating STA's ability to advance immediate priorities and design STA's next Strategic Plan.

She advised the multiple sources of known funding include the better-than-expected sales tax revenue, federal funding of CARES, CRRSAA, and ARP in response to COVID-19, and Low-No Emissions vehicle grants, and expenditure management. In addition to the known funding, there are multiple sources of other funding that include discretionary grants (State and Federal programs) and not yet fully detailed or approved federal transportation and infrastructure legislation and new state transportation revenue package.

Ms. Liard provided a visual of the 2022-2027 TDP financial forecast. She walked through the elements of the chart, sources versus uses of funds, redline represents the anticipated cash balance at the end of each year, and reviewed assumptions guiding the financial forecast. Cash minus the Board designated reserves show the opportunity funds available by year. As a reminder, some of assumptions included a 3% sales tax growth on a 2020 baseline, fare structure remaining consistent through 2025, and then entertaining a potential fare increase of \$0.25 in 2026, fully funded the CIP for years 2022-2027 (as it stands today without any strategic initiatives that may come out of this process), reflected a 3% growth in expenses as well as including any incremental impacts from the remaining delivery of STAMF.

She asked for questions or comments.

Ms. Mumm asked about expenses. She indicated a large expense in the past of gasoline. She asked if that has been modified with the electrification acceleration. Ms. Liard advised staff are considering all those items since we have not taken delivery of all the electric buses and have not yet layered them in fully because we are waiting for manufacturers to confirm delivery dates. As we address all the budgetary cycles for 2022, we will be starting to factor that in and will begin to build that into the TDP for ensuing years. Ms. Liard explained that there is an equivalency cost in cost of higher power consumption and staff will look at that comparatively in the future. Ms. Mumm thanked her for the explanation.

Mr. French responded that we do not know the impact on fuel costs as a result of the Cap and Trade and Carbon Fuel taxes being imposed. He noted there are a lot of unknowns until the legislature gets greater clarity and the market responds to those legislative actions.

There were no further questions.

### **Current Planning Dynamics:**

Ms. Williams walked everyone through the incredibly important dynamics as staff talked through the exciting future of STA. First and foremost, she noted, staff realize how important it is to include the communities that haven't had the opportunity to be included previously and to assess and mitigate the potential systematic inequities.

Regarding Diversity, Equity, and Inclusion (DEI), it is the foundation to successfully achieve STA's mission and goals in serving the PTBA. To be able to foster creativity and innovation in business practices, products and services need to be reflective of the diversity of the customers served, and STA believes this translates into business strategies which deliver improved ridership through better access, meeting the needs of all populations and empower people to make choices and leverage resources.

In terms of climate change, staff efforts to advance electrification more rapidly are related to society's efforts to reduce greenhouse gas emissions and ensure health environment for future generations. STA's focus is on zero emissions and sustainability. STA wants to be able to expand transportation choices while collaborating with jurisdictions to advance Transit-Oriented Development (TOD) and investigate technologies and mobility solutions to support a neutral environmental footprint.

Ms. Williams expounded on Mr. Otterstrom's comments regarding Technology and Infrastructure, saying it is seeing rapid advancement in various technologies from autonomy to battery propulsion. There continues to be constant evolution and introduction of new mobility options and the important of transit infrastructure to support 41% of households with one vehicle or less in the Spokane region. She showed a map representing car-free or one-car households in the PTBA.

Ms. Mumm expressed her thoughts on the importance of the slide and noted it meets all federal goals. She asked if the map could be translated into a data prioritization map – gradations – have that data to give to the City's Equity Policy Director to advocate and work with STA to come up with plans to better serve areas. Mr. Otterstrom said it is census data that is a readily available mapping tool to visualize, advising STA staff can share the map, but the basic data is available to anyone at the city.

Ms. Kinnear said it seems more people coming out of college, millennial age group, are not interested in owning or driving a car, and asked if staff have projections for five or ten years down the road? Mr. Otterstrom noted that information is not currently available, but as we proceed through the strategic planning process, it is something we may want to explore and understand the coming-of-age markets of transit riders.

Mr. French asked if there were a similar overlay that shows the employment centers? Mr. Otterstrom said we were showing that later in the presentation. Mr. French said it would be

interesting to see how many people are traveling for a job as that is a primary use of STA, he said it would be interesting to see how the two overlap.

Mr. Kerns asked about the statistics of car-free or single car households, what percentage of those households have more than one driver? What percentage of these are single driver households? Mr. Otterstrom said that isn't readily available through this data but certainly something to look at as we progress. He is unsure of the granularity of the census data at that level. He clarified that this is not a full, 100% sampling – it is through their American Community Survey, and he would look into it further. Discussion ensued.

Ms. Williams thanked everyone for their great discussion and offered to answer questions. No additional questions were forthcoming.

### **Relevance of Transit to our Region:**

Mr. Rapez-Betty had technical difficulty and Mr. Otterstrom offered to present on his behalf. Ms. Meyer thanked Mr. Otterstrom and advised Mr. Rapez-Betty to jump in whenever he was able.

Mr. Otterstrom reviewed the results of the Community Perception Survey. As the survey relates to the regional confidence, the survey indicates people feel optimistic and positive regarding the direction in the region which makes this a favorable climate to invest in more transit.

As it relates to how STA is deemed essential to the region is another factor that measures regional satisfaction and STA scored 4.15 on livability in the region and 4.23 on importance in meeting future transportation needs on a scale of 1 to 5. It is important to remember that transit is important and relevant even if the survey results go up and down over time.

He continued to say, as we think about the community's concerns, traffic congestion was rated the most important transportation issue and STA was seen to be a solution to congestion by more than 60% of respondents.

Mr. Otterstrom discussed transit access and job density as it correlates with the survey results and showed the map that was discussed earlier. The map indicates STA does a good job of serving the low and no car households with transit in general. Where we see larger gaps is with job access, particularly in areas of northeast Spokane and northeast Spokane Valley in the growing industrial areas. He also noted it was seen beyond the PTBA, which is a bigger conversation of how to ensure accessibility to jobs currently beyond the PTBA in Spokane or even Kootenai County. He paused for questions or comments.

Ms. Mumm asked about making the map bigger, saying 1/3 of residents in Stevens County were commuting – stressing northwest area roadways. She acknowledged the push to work with Idaho and the problems of two states that are stickier but thought it might be easier to look at Stevens County. Mr. Otterstrom recognized the PTBA boundary is a topic of the scope for this strategic planning effort – expanding the boundary or finding partnerships beyond the PTBA boundary (Idaho, Deer Park, or Stevens County/Suncrest areas). He talked about the age of the map, job density, and future growth.

Ms. Mumm said there was recently approval for another 400 houses in Suncrest and the need that exists now as opposed to Deer Park where the congestion is not as extreme. Ms. Stratton talked about the increased traffic congestion on Northwest Boulevard in the Audubon area. Mr. Otterstrom said that conversation speaks to the dynamics beyond the PTBA and there is definitely traffic volume coming from there. He noted much of the demand of the Hastings Park and Ride come from points further north of our current boundary as well as interest in areas not included in the PTBA as mentioned. He noted there were legal ramifications of extending to Stevens County but there is certainly a lot of interest from that location.

Mr. French commented that since the data was collected in 2017, about 5,000 jobs have been added on the West Plains and are on track to add another 1,000 to 1,500 between now and next year that are not being reflected in the graphic. He continued to discuss how the I-90 corridor coming into the

City of Spokane and the Viaduct have turned into bumper-to-bumper traffic due to not enough housing on the West Plains.

Chairwoman Haley spoke about the rapid growth of the Spokane Valley industrial park since 2017. She said there is so much stress on the roads going into the industrial park, they are improving the roads as quickly as possible by widening roadways, railroad interchanges, bridges, anything to keep traffic flowing but many days they still experience tremendous back up of traffic. Transit could be a way to slow down the crush of people, many of which come from Post Falls and Stateline into Spokane Valley for work.

Mr. Hattenburg agreed with Chairwoman Haley about the backup from Stateline to Liberty Lake and the Valley around 3:30 every afternoon.

Mr. French noted that much of the area housing has shifted to Post Falls, with their projection of housing tripling in the next 20 years. Much of that growth in Post Falls is housing that migrated from Spokane County. He said I-90 at Stateline and West Plains are both becoming a challenge.

Discussion ensued concerning housing and wages.

Ms. Mumm voiced concern about areas within the PTBA that are being underserved. She would like to focus the discussion on who we have right now, who is contributing within the PTBA, and look at Stevens County long term but look at deficiencies in the northeast area and the pockets in the Valley as well.

Chairwoman Haley said the fact that this point went out to the voters for 2020 ballot measure can't be ignored. The public did talk about going into Post Falls and she wants to make sure we keep that in our vision.

Mr. French noted another element of the conversation is do we improve the quantity of transit we provide, or do we improve the quality of the transit we have now. There are well established metrics that show the more frequency and reliability you have in the transit system, the more users you will attract. We have areas that might be getting served but not with the quality of service they deserve. He wants to ensure we don't overlook the idea of making sure those areas, especially the highly populated areas, are getting the quality of service they deserve, not only from making improvements on the system but from an equity standpoint, too. You can't overlook the fact that some of the areas not getting quality service are also some of those low-income areas that we need to pay more attention to as we look at providing service.

Ms. Mumm agreed and mentioned the nights and weekend shift support needed for places like Amazon. She noted she is hopeful to achieve both goals.

#### **Importance of Investing in Transit:**

Mr. Otterstrom reviewed the final slides that addressed investing in transit in the future and how it was rated by people in the region. He also showed the key transit destinations which showed that more than 50% of the trips on transit include trips to/from work and education.

Ms. Mumm noted one of the peak periods of traffic included parents driving their children to school. She would like to work with education partners to reduce the amount of parent traffic because it impacts overall discussion. She said this could be an SRTC discussion and an STA solution. Mr. Otterstrom said that was a good point and he noted the more youth are exposed to transit the more likely they will use transit later in life.

Mr. Otterstrom wrapped up by stating it all comes down to having a plan. STA has a long-range comprehensive plan. He said, how we take a chunk of that and create discrete projects with discrete strategies, and these opportunities we've talked about both in scale, funding, relevance of STA for the region today, and the big prospects in a growing region to be as relevant or more relevant in the future is exciting. The STAMF 2.0 is a moniker to reflect thinking about the future and bringing the community along on the journey together.

Chairwoman Haley asked if there were any additional comments or questions. There were none.

Ms. Meyer noted it is a time of opportunity, and we are thinking about near-term investments as well. She discussed a timeline and noted the plan might take as long as a couple years to finalize, saying if there was feedback from members to accomplish planning responsibly and comprehensively and not take as long, staff would be pleased to hear it.

She said the further along on the plan you read, from September, January, April, to July, the more the items become projections of what STA can do. She said staff are thinking this goes out another year into 2023. She reviewed the staff projected timeline.

- September 2021 – Have the board affirm near-term strategic investments, including strategic planning, including facilities master plan. She noted the near-term investments to discuss in September with more detail about the costs and assumptions and impacts on funding available. Ms. Meyer asked members to keep those things in mind when we think about funding required after the plan is developed, or during the development of the plan.
- Discuss possible timing of future sales-tax reauthorization ballot measure – 2026, 2030? There are multiple options to consider.
- Staff anticipates needing a professional firm to support STA as they proceed in supporting the Board in this process. In that regard, staff will draft a scope of work now and plan to bring a partner firm selected in January. Between now and the next meeting, a search for a consulting firm will be completed to help us understand trends in automation, micro-mobility, first and last mile, and other trends we need to be mindful of as we think about the future.

Ms. Mumm wondered if that might include two different contracts, and could we parallel it a little bit to speed it up between now and January getting that partner going sooner than January.

Ms. Meyer noted that STA will be partnering with Cardinal Infrastructure to determine what role they could play in the process. Ms. Meyer said she would take that direction and staff will return to the drawing board to see if there is a way to accelerate. She reminded there are no committee or board meeting in August.

Ms. Mumm pointed that in September we receive the new Census data and Spokane has seen a lot of change in the last five years. As long as we are flexible enough to reset if needed.

Ms. Meyer reviewed the preliminary plans for January, April, and July 2022.

Mr. French said this gives a great opportunity to under promise and overperform. When we go out to the voters, it would be an excellent message to say we promised to do “x” and we did “x-plus”. With this extra opportunity we have available, show we can deliver more than we promised and that’s an excellent message to go back to voters. There’s an incredible amount of voter fatigue due to school bond levies and also the increased property values. It would be nice to have that flatten out before we start talking about going to the ballot for a reauthorization. Finally, he noted we are currently enjoying a significant federal infusion of cash into the system. We don’t know where this is going to balance out – where is that equilibrium going to settle out and what is the financial situation for the system at that time. He noted it may take a year to a year and a half to see that settle out and in the meantime, we have opportunities to make other significant investments to the system and he would like to see the focus be on that for the next six months.

Ms. Meyer returned to the slide titled “What Does a Successful Strategic Planning Process Look Like?” She asked the Board to fill in any additional items and to tell staff if they agreed with the elements that were pre-filled.

Ms. Mumm mentioned:

Alignment with FTA goals. Show that’s in our strategic plan, important when lobbying. Those may have changed with the new administration.

County-wide planning policies and other agencies (SRTC) and the cities’ comprehensive plans – make sure they are all aligned.

Diversity, Equity, and Inclusion language in the strategic plan and sustainability goals will help us at the federal level.

Mr. French commented:

Agree with addressing Diversity, Equity issues as we look at the system once again.

What is it we are doing as an agency to encourage development around the system we are putting into place? TOD, other agencies have made investments into TOD infrastructure to entice development and private sector to be able to develop around those locations. I think we need to be much more deliberative about that – especially with City Line and in anticipation of the North Division and Sprague lines bring – more and more top of mind and have a strategy around that.

Ms. Meyer repeated the items mentioned and noted members can forward an email if something comes up after today. After this meeting, staff will be working on it to call out what we heard you say. We want it to be meaningful and a good use of your time and you know that STA has a reputation for implementing what we plan. She then reviewed the next steps which included:

- Develop scope of work for consultant/ strategic partner
- Prepare near-term investment recommendations (*Strategic Planning, Division BRT, Fleet Electrification*)
- Schedule next Board workshop for September 1, 2021

Chairwoman Haley asked if anyone had any final comments, questions, or thoughts.

Ms. Kinnear said she was encouraged to learn our free service for youth is going well. She would like regular updates on that and would like us to consider that as a long-term strategy for creating future bus riders as we move forward. Ms. Meyer advised there have been 9,000 rides in the first two weeks.

Discussion ensued. Ms. Meyer thanked the Board for approving the Summer Youth Pass.

Ms. Bowers brought up grassroots, bottom line issue. One of the things she is concerned about is manpower and the difficulty everyone is having finding people to work. What trends or focus we need to put with that in addition to the changes for the future.

Mr. French commented that was a great observation and asked what the unions were doing to encourage high school students to become a driver or part of transit as a good career opportunity?

Ms. Bowers said they focus on their riders because they are able to deal with and address people that ride the bus, one-on-one. She reported they have more opportunity for that than to be participating at the school level in the classroom settings.

Mr. French mentioned the construction trades are deliberately going into the high schools to provide seminars and job fair opportunities to educate and increase the public awareness for students on opportunities in the construction trade. He expressed it would be a great opportunity for the unions to do the same and follow that model. He said he agreed we need more drivers, pilots, mechanics, etc. and need to change the recruitment model currently in use.

Ms. Mumm asked where STA is right now in terms of labor and the forecast? Ms. Williams said that question is top of mind. STA has changed up the recruitment to show women in non-traditional positions like mechanics and drivers in advertisements and outreach. STA's recruiters all partner with local community colleges and are involved in the mechanics programs. Within the last month or so a group of those students came and toured the facility. STA's Senior Maintenance Manager gave a tour of the facilities and then our Recruiters talked about the great opportunities here at STA in terms of moving up and this can be your place for life - not just a job but a career. Staff spend time talking to employees about career pathing and transitioning into other roles here if they are interested. Ms. Williams said STA also changed up the Coach Operator job posting to perpetually accept applications and said there is a new class of twelve students starting next week.

Ms. Meyer clarified workforce development is a good part of every conversation going on in our industry and generally in the economy because things changed during the pandemic. As the economy recovers, every



employer has to be competitive and create a pipeline for the people it hopes to hire. She stated Nancy and her team do an excellent job and we have not experienced difficulty hiring in the positions we have had open. We've had fewer applicants in some cases, but good applicants. Ms. Meyer advised we will put that in the list so the board knows we are working on it and can report back to the board.

Ms. Stratton added that much like the building trades, COVID slowed down the start of another group that was going to work with union apprenticeship and training. She said they should be hearing more about that and could be an additional organization to introduce training and employment opportunities. She advised she will provide an update, but pilot programs are due to start in October/November this year.

3. ADJOURNED

With no further business to come before the Board, Chairwoman Haley adjourned the meeting at 1:06 p.m.

Respectfully submitted,



Dana Infalt

Clerk of the Authority