

Spokane Transit Authority  
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Approved 5/19/2022  
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## **BOARD OF DIRECTORS**

Minutes of the April 21, 2022, Board Meeting  
Via WebEx Video Conference

### **MEMBERS PRESENT**

Chris Grover, Small Cities Representative (Airway Heights) *Chair*  
Betsy Wilkerson, City of Spokane  
Josh Kerns, Spokane County  
Karen Stratton, City of Spokane  
Pamela Haley, City of Spokane Valley  
Tim Hattenburg, City of Spokane Valley  
Zack Zappone, City of Spokane  
Dan Sander, Small Cities Representative (Millwood)  
*Ex Officio*  
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**

Al French, Spokane County  
Lori Kinnear, City of Spokane, *Chair Pro Tempore*  
Dan Dunne, Small Cities Representative (Liberty Lake)  
*Ex Officio*

### **STAFF PRESENT**

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

### **PROVIDING LEGAL COUNSEL**

Laura McAloon, McAloon Law PLLC

### **GUESTS:**

Sherry Little, Cardinal Infrastructure

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#### 1. Call To Order and Roll Call

Chair Grover called the meeting to order at 1:35 p.m. and the Clerk conducted roll call.

#### 2. Approve Board Agenda

**Mr. Hattenburg moved to approve the agenda as presented. Ms. Wilkerson seconded, and the motion passed unanimously.**

#### 3. Public Expressions

There were no public expressions.

#### 4. Recognitions And Presentations

##### A. Years of Service Awards - Recognition

Ms. Williams recognized employees for their successive years of service with STA who have reached milestones of 5 years, 10 years, and 15 years. She thanked them for their continued contributions to the success of the agency.

5. Public Hearing

A. Connect Spokane Phase I Draft Revisions for Public Comment

Chair Grover opened the public hearing at 1:40.

Mr. Otterstrom presented background on Connect Spokane. He noted the goal to set forth a vision and policy framework to guide decisions made by STA’s Board of Directors, staff, and partnering agencies that will further STA’s mission and vision. He said the plan was adopted in 2010 and last updated in 2019. He reviewed the purpose and need for an update including assumptions, integrated planning horizon for comprehensive & strategic initiatives, and the integrated timelines.

Mr. Otterstrom reviewed the elements of Phase I, which will inform Strategic Planning efforts and Phase II elements to update, which will be informed by Strategic Planning efforts.

Chair Grover asked for questions or comments from board members. There were none. Chair Grover opened the meeting for public comments. After calling three times for public comments, none were forthcoming, and Chair Grover closed the Public Hearing at 1:47.

6. Board Action – Consent Agenda

- A. Approval of Minutes of March 17, 2022, Board Meeting
- B. Approval of the following March 2022 Vouchers:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (March)	Nos. 616359 – 616775	\$ 7,858,738.11
Worker’s Comp Vouchers (March)	ACH – 2286	\$ 149,101.75
Payroll 3/11/2022	ACH – 3/11/2022	\$ 1,916,709.30
Payroll 3/25/2022	ACH – 3/25/2022	\$ 1,494,539.48
WA State – DOR (Excise Tax)	ACH – 1767	\$ 5,418.03
<b>MARCH TOTAL</b>		<b>\$ 11,424,506.67</b>

- C. Increase of Contract Value for the Fare Collection System - Authorized the CEO to amend STA’s contract with INIT for a fare collection system for an additional value of \$632,000 for a revised aggregate value of \$8,818,000.
- D. Plaza Security Office Carpet Contract: Final Acceptance - Accepted the contract with Great Floors, LLC for the carpeting project as complete and authorize release of retainage security subject to receipt of such certificates and releases as required by law.
- E. Bus Schedule Printing: Award of Contract - Approved an award of contract, effective May 1, 2022, to National Color Graphics with prices held firm for the first year and price adjustments for years two through five tied to the Consumer Price Index for All Urban Consumers/All Cities Average (CPI-U).
- F. Web Development & Maintenance Services: Award of Contract - Approved a motion to give CEO authority to negotiate and award a five (5) year, sole source contract to Zipline Communications, Inc. for Web Development & Maintenance Services, not to exceed \$100,000 annually.
- G. Federal Transit Administration Section 5310 Program Adjustments - Approved a motion to authorize the Board approve \$138,507 in additional STA local funding to provide additional funding for, and extend the terms of, eligible Section 5310 Program projects selected in September 2021.

**Mr. Hattenburg moved to approve Consent Agenda 6A through 6G. Ms. Stratton seconded, and the motion passed unanimously.**

7. Board Action – Other

A. 2021 Year-End Performance Measure Summary and Proposed 2022 Goals

Mr. Rapez-Betty reviewed metrics for the year-end 2021 Performance Measures.

He advised the results and goals were shared with the Performance Monitoring & External Relations Committee on April 6<sup>th</sup> and the Committee recommended forwarding to the Board consent agenda. Upon review at the Board Operations Committee, Ms. Haley moved to have this presented to the Board. Mr. French seconded, and the motion passed unanimously.

He reminded the Board that a full set of the 2021 Year-End Performance Measures were posted on the website for review at this link: [Year-End 2021 Performance Measures](#).

Mr. Rapez-Betty reviewed the metrics on the Staff Report which represented the proposed 2022 Performance Measure goals. The staff report annotated changes in green to symbolize a new metric or updated goal for 2022 and compared each proposed measure with the metric for the 2021 year, as well as the status at year end.

Mr. Rapez-Betty offered to answer questions. None were forthcoming.

The recommendation was read by Mr. Rapez-Betty. **Review the 2021 Year-End Performance Measures results and recommend the approval of the 2022 Performance Measure goals as presented on the attached staff report.**

**Ms. Wilkerson moved to approve as presented. Ms. Haley seconded, and the motion passed unanimously.**

8. Board Operations Committee

A. Chair Report (*Chris Grover*)

Mr. Grover asked Mr. Otterstrom to provide a summary report on the Washington State Transit Support Grant item that was reviewed at the Board Operations Committee meeting.

i. Washington State Transit Support Grant Discussion

Mr. Otterstrom provided background and information on the Move Ahead Washington program enacted last month which among other things, includes \$50M for the Division Bus Rapid Transit (BRT) project. He noted the Transit Support Grant Program creates a financial incentive for fare policy changes. To be eligible, transit agencies must enact a zero-fare policy for riders ages 18 years old and younger. Based on programmed expenditures, STA could receive \$6.46M annually.

The first biennium currently underway, contains a supplemental budget increase to allow for 1/3 of the year's program funding for this new grant program. To be eligible STA would need to revise and submit its fare policy to the State Department of Transportation (WSDOT) to demonstrate that youth ages 18 and younger are eligible for zero fare. To receive a grant allocation within the current biennium (ending June 30, 2023), verification must be submitted by October 1, 2022.

He reviewed other policy considerations and said understanding exactly what projects or costs are eligible for reimbursement will be key. He reminded members that under the Civil Rights Act, any changes to the fare policy require a Title VI Analysis, as well as the fact that STA currently has a goal of at least 20% farebox recovery.

Based on ridership trends and accounting for foregone revenue for the ages 6-12 who will be eligible for fare free under the fare system approved by the Board this year, approximately \$500,000 to \$900,000 per year in foregone fare revenue will result. There will also be additional requirements as part of the Climate Commitment Act.

Mr. Otterstrom informed on other operational considerations and provided a conceptual timeline for implementation. He noted, if it is the Board's desire, staff can come back in May with a preliminary proposal focused on policy revisions and consider everything known at that point relative to WSDOT's requirements for funding distribution, eligibility, reporting requirements, etc. That would be the basis and beginning point for rider and community outreach.

In June, staff could present a draft recommendation for zero-fare for riders 18 and younger and provide a draft Title VI Equity Analysis. In July, staff would have a public hearing, with the final policy revision approved by the Board through a resolution.

Mr. Otterstrom advised that staff briefed the Board Operations Committee, and they supported the change and bringing it to the full Board. Based on that interest, staff offered a potential motion should the Board wish to give staff direction on moving forward to the next step in terms of developing and ensuring STA adheres to federal and state law as well as operational requirements. He asked Chair Grover if there was anything he wanted to add or if there were questions.

Chair Grover reiterated that Board Operations Committee members were in favor of moving forward but felt the Board needed to hear the summary and background behind the grant and be informed on potential steps to take moving forward. He asked if there were questions from members. Ms. Stratton asked the Chair if he wanted a motion. He confirmed he would be open to a motion. There were no further questions.

**Ms. Stratton moved to direct staff to begin drafting policy revisions, for further board consideration and action, related to revenue and fares that would allow STA to be eligible for the Washington State Transit Support Grant Program, and address relevant federal, state and operational requirements. Mr. Hattenburg seconded, and the motion passed unanimously.**

9. Planning & Development Committee

A. Chair Report (*Al French*)

In Mr. French's absence, Chair Grover asked Mr. Otterstrom to provide a briefing and a review of items presented to the Planning & Development Committee.

i. 2023-2028 Transit Development Plan: Planning Guidance

Mr. Otterstrom presented STA's hierarchy of plans as a pyramid that includes the Strategic Plan, STA Moving Forward (STAMF), Transit Development Plan (TDP), with the Annual Plan & Budget at the top. He noted the TDP comprises a six-year term of programming for service, capital and other activities. He noted staff provided an overall timeline to the Planning & Development Committee.

He shared a list of proposed guidance statements for the 2023-2028 plan and offered a few slides with language that accompanied the guidance elements. He noted these are basically the same as the 2022-2027 TDP, with one addition.

- Foster & Sustain Quality
- Maintain a State of Good Repair
- Recover and Expand Ridership
- Proactively Partner in the Community
- Advance & Adapt the System Growth Strategy
- *Respect & Reflect the People of our Region (proposed new guidance statement)*

The proposed language (with no action today), to include with the new guidance statement that help support other elements and priorities which speak to the needs of various populations STA serves and draws its employees from is proposed to read: *As the public transit provider for the Spokane region, we are committed to attracting and retaining a staff that reflects the people of our region that we serve daily. We listen and engage with our diverse communities, as we know that having varied perspectives helps generate better ideas to serve the region.*

Mr. Otterstrom reminded this is presented to the Board for feedback with the goal that this be incorporated into the Draft Transit Development Plan for review and comment and then back to the Board in June for a public hearing. He offered to answer any questions.

Ms. Wilkerson applauded the statement, saying STA has always been forward thinking and going down this road to be as inclusive as we can be, knowing all the people served in the region, makes sense. She thanked Mr. Otterstrom and the committee that brought it forward.

Ms. Bowers commented on the new measure and asked what kind of measurements STA has identified going forward with this new guidance? Mr. Otterstrom replied that the guidance statements in the TDP are separate from operating indicators. He said STA has overall priority statements to earn and retain the community trust, etc., and those are the standard throughout the agency. This metric is specific to how the TDP is assembled. STA doesn't tie performance measures to the TDP guidance statements. This helps frame the plan and reflect the activities and programs.

Ms. Meyer agreed this is not part of STA's quantifiable objectives but said there are measurable ways to track our objectives for hiring with diversity in mind. Those exist and staff are looking at additional ways, including Title VI and beyond, to understand not just diversity but underserved communities.

Ms. Wilkerson added that just having the statement out in the public is significant to her. She said we have to put it out there before we can start measuring ourselves against it. The first step is to actually speak to it, put it in the community, and then start holding ourselves accountable to it.

Ms. Bowers agreed with Ms. Wilkerson and said her concern isn't as much about what STA does internally as to what is done externally. How does STA measure the impacts to the community? I know we follow a lot of regulations through the State and government on equal opportunities and keeping track of who we hire and the different communities that we come from. It's more difficult to measure the community.

Chair Grover thanked everyone for their questions, comments, and discussion.

ii. 2023-2028 Transit Development Plan: Forecast Assumptions

Ms. Liard reviewed the Forecast Assumptions. She also reviewed Sales Tax Revenue, noting this represents the largest revenue source for STA and shows the historical voter-approved funding to indicate how the growth rate has developed. She highlighted the very strong economy in Spokane area during 2021, despite the pandemic. Ms. Liard said staff historically provide a baseline assumption to ensure we are anchored and not reacting to what is happening currently. The annual growth rate assumption has been 2.5 to 3.0 percent. Ms. Liard discussed the actual tax collection relative to budget and noted the very conservative 2021 budget in response to the pandemic.

She advised the recommendation for sales tax forecast is to move forward at 3.5% growth per year based on 2022 budgeted sales tax revenue. She noted staff contacted Grant Forsyth at Avista to validate STA's assumption relative to what he would view as a reasonable 6–7-year growth rate for the region. His models also produced the 4.0-4.5% increase but there are factors at play, and he believed these factors would reduce that 4.0-4.5% to a more conservative estimate of 3.5%.

Ms. Liard offered to answer questions. There were none. She provided historical context to inform what has been done relative to fare revenue and shared how STA fares compare favorably against the 22 other agencies in the American Bus Benchmarking Group (ABBG) in this category.

Assumptions taken into consideration include ridership growth, the City Line service in 2023, Division Line service in late 2027, and farebox recovery goal of at least 20%. She advised there is currently no fare increase recommendation, which is at the Board's discretion to start that conversation, but said to realign with the farebox recovery goal, staff assumed a \$0.25 increase in 2026. She discussed specifics of other revenue.

Ms. Liard reviewed the expenditure assumptions which included:

- Annual budget provides the baseline for operating expenses
- City Line introduced in 2023 along with *STA Moving Forward* and near-term investment service changes through 2026
- Operating expenses grow at 3% annually beginning in 2023, with incremental costs added in support of all implemented service changes, and continue through 2028
- Fully fund the Capital Improvement Program through the TDP period (2023-2028)

Ms. Liard reviewed overall Next Steps of May 19<sup>th</sup> Board review of the Service Improvement and Capital Improvement Program and the Board Adoption of the Transit Development Plan on July 21<sup>st</sup>.

Chair Grover thanked Ms. Liard and asked if there were any questions. None were forthcoming. He expressed his agreement that it was prudent to assume the 3.5% growth assumption.

10. Performance Monitoring & External Relations Committee

A. Chair Report (*Pam Haley*)

Ms. Haley discussed the Consent Agenda items that the Performance Monitoring & External Relations (PMER) committee recommended. She thanked the Board for approving. In addition to the Consent Agenda items, the committee voted to reappoint Ms. Susan Grey to Citizen Advisory Committee.

Chair Grover asked for questions from members. None were forthcoming.

11. CEO Report

Ms. Meyer reported the following topics.

Fixed Route ridership grew 23% for the month of March and 24% year-to-date; Paratransit saw a 53% increase and 45% year-to-date. Vanpool ridership increased and they added 4 new groups (one a group of STA Mechanics).

On-time performance of 96% for both Fixed Route and Paratransit exceeded the respective goals of 93%.

Revenue from voter approved sales tax collected on retail sales in January was reviewed. The actual received was \$7.6M which is 2.1% above budget (\$89,000).

The CDC mask mandate was rescinded by a federal judge in Florida. The Transportation Security Administration and most transit agencies, including STA, have announced they will no longer enforce the mask requirement. STA is continuing to welcome anyone who wishes to wear a mask. Should a mask requirement be reissued, STA will return to mask compliance.

City Line Update noted the arrival of rolled tube steel which was the primary driver of the delayed extended schedule for launching the City Line to July 2023. Future Systems is fabricating the shelters and working on markers and light poles. The installation by Wesslen will begin in June. April is the official end of Core Construction.

The City Line Steering Committee toured the City Line route from Brown's Addition through West Spokane, Downtown, U-District, Gonzaga, and east to SCC. Ms. Meyer shared a photo and talked about the area they stopped downtown.

Ms. Meyer introduced STA's advisor, Sherry Little, of Cardinal Infrastructure, to provide a federal legislative update.

Ms. Little thanked the Board and expressed her pleasure at being here, stating she brings news from Washington, DC. She said President Biden presented \$142.3B for FY2023 which is an unprecedented amount of funding for infrastructure. The Capital Investment Program housed within the Federal Transit Administration (FTA) saw a \$602M increase which increases the FTA budget for the Capital Investment Program to \$2.85B. What this means for STA is growth in the program which is the home of the City Line's current grant as well as providing great opportunity for Division BRT.

Ms. Little advised the FTA is experiencing an increase in their formula programs. For STA, this means the 5307 Program funds can be used for preventive maintenance and STA expects to experience a \$3M per year increase for a total of about \$11M per year, primarily used at STA for preventive maintenance, which is the most appropriate way to use that source of funding.

The 5311 Program is a pass-through program. It enables local partners to help us with enhanced mobility for seniors and people with disabilities. She noted the anticipated improved service as a result of investment.

A big jump in discretionary competitive programs at FTA means the Bus and Bus Facilities Grant Program is going to experience growth. STA plans to apply for Bus and Bus Facilities, as well as the Low-No Program, and are uniquely positioned to be successful in that respect. She summarized that this is good news coming out of Washington as it relates to matching federal funding sources with STA priorities. Ms. Little offered to answer questions. Chair Grover thanked Ms. Little for the information and asked for questions. None were forthcoming.

Ms. Meyer continued the CEO report and provided an update on STA's Recruitment and Retention Incentive program. She reviewed the eligibility requirements for the recruitment, employee incentive, and the employee referral incentive. She shared three weeks of positive experience and thanked the Board for supporting the funding for the program.

Bloomsday is returning on May 1<sup>st</sup> and STA is pleased to be a part of this community event. Information was provided about the trade show, bus passes, fares for Bloomsday, and the pickup and drop off locations.

Ms. Meyer talked about the new campaign "Drive Your Career" developed by the Communications Team aimed at recruiting applicants. She noted flyers will be available at the STA Bloomsday tradeshow booth and recruiting posters will also be on display.

STA launched a new website on April 18<sup>th</sup>. Ms. Meyer reported that 80% of STA's website traffic comes from mobile devices and the new website improves the experience for mobile devices and has better accessibility tools for non-English speaking and other visitors who may have a visual disability.

A ribbon cutting ceremony at the new Eagle Station at Eastern Washington University (EWU) will be held tomorrow at 9am. Ms. Meyer reminded of STA plans for double decker buses to serve EWU and congratulated Mr. Otterstrom and his team for this new facility that works so well for the campus.

Ms. Meyer mentioned the upcoming STA Board Workshop on Strategic Planning on May 19<sup>th</sup> from 11:30a – 1:15p, will be held in person at STA, with a virtual option.

Chair Grover thanked Ms. Meyer and asked for questions.

Ms. Wilkerson said she was pleased to see the growth in Paratransit ridership and asked what the department was looking at if the trajectory continues to improve at the same rate. Ms. Meyer advised that Paratransit is currently operating at about 1,000 to 1,100 trips per weekday. At peak service prior to the pandemic, they operated at 1,500 trips per day. STA has enough vehicles and are hiring drivers, with the plan being to be able to continue to provide every trip requested.

Mr. Hattenburg commented on the On-Time Performance and said it is great news to spread around to people, stating 96% on-time is pretty hard to beat. Ms. Meyer agreed that STA drivers do an amazing job.

With there being no further questions, Chair Grover thanked Ms. Meyer and thanked Ms. Little for joining the Board today.

12. Board Information – *no action or discussion*
  - A. Committee Minutes
  - B. February 2022 Financial Results Summary
  - C. March 2022 Sales Tax Revenue
  - D. February 2022 Operating Indicators
  - E. May 2022 Minor Service Change
  
13. New Business – none

14. Board Members' Expressions: 5 minutes

Chair Grover commented on the financial information and said the high quality of service STA provides in such a cost-efficient way is amazing. He offered kudos to staff for providing an excellent service at a reasonable cost and being good stewards of public funds. He also thanked the Board members who volunteer their time and commented how obvious it is from the questions and interactions of members that they are passionate about STA.

Mr. Zappone advised he is using his bike on the bus, and it's been a great experience and he expressed his gratitude to STA for providing the service.

15. Executive Session (McAloon Law PLLC): (none)

16. Adjourn

With no further business to come before the Board, Chair Grover adjourned the meeting at 2:57 p.m.

Respectfully submitted,



Dana Infalt  
Clerk of the Authority