

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

PLANNING AND DEVELOPMENT COMMITTEE MEETING

Wednesday, October 4, 2023

10:00 a.m. – 11:30 a.m.

Meeting via Virtual Conference

w/In Person Public Viewing Option

Spokane Transit Authority, 1230 W. Boone Avenue, Spokane, WA

Virtual Link:	Join here		
Password:	Members: 2023		Guests: 1023
Call-in Number:	1-408-418-9388		Event #: 2495 930 7615

DRAFT AGENDA

1. Call to Order and Roll Call
2. Committee Chair Report *(5 minutes)*
3. Committee Action *(5 minutes)*
 - A. Minutes of the September 6, 2023, Committee Meeting -- *Corrections/Approval*
4. Committee Action
 - A. Board Consent Agenda *(20 minutes)*
 1. Division Street Bus Rapid Transit: Work Order #3 Approval *(Otterstrom)*
 2. Federal Transit Administration Section 5310 Funding Opportunity and Local Match Approval *(Otterstrom)*
 - B. Board Discussion Agenda *(10 minutes)*
 1. Connect 2035 Strategic Plan: Engagement Strategy Approval *(Otterstrom)*
5. Reports to Committee *(30 minutes)*
 - A. Draft 2024 Budget *(Liard)*
 - B. Connect Spokane Comprehensive Plan: Communications and Public Input and Title VI *(Otterstrom)*
6. CEO Report *(E. Susan Meyer) (15 minutes)*
7. Committee Information
8. Review November 1, 2023, Committee Meeting Agenda
9. New Business
10. Committee Members' Expressions *(5 minutes)*
11. Adjourn

Next Committee Meeting: Wednesday, November 1, 2023, at 10:00 a.m. in person

Agendas of regular Committee and Board meetings are posted the Friday afternoon preceding each meeting at the STA's website: www.spokanetransit.com. Discussions concerning matters to be brought to the Board are held in Committee meetings. The public is welcome to attend and participate. Spokane Transit assures nondiscrimination in accordance with Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act. 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.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 2: COMMITTEE CHAIR REPORT

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Al French, Chair, Planning and Development Committee

SUMMARY: At this time, the Committee Chair will have an opportunity to comment on various topics of interest regarding Spokane Transit.

RECOMMENDATION TO COMMITTEE: N/A

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 3A : MINUTES OF THE SEPTEMBER 6, 2023, COMMITTEE MEETING

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Vicki Clancy, Executive Assistant to the Chief Planning and Development Officer

SUMMARY: Draft Minutes of the September 6, 2023, Planning and Development Committee meeting are attached for your information, corrections and/or approval.

RECOMMENDATION TO COMMITTEE: Corrections and/or approval.

COMMITTEE ACTION:

RECOMMENDATION TO BOARD:

FINAL REVIEW FOR BOARD BY:

Division Head _____ Chief Executive Officer _____ Legal Counsel _____

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

PLANNING AND DEVELOPMENT COMMITTEE MEETING

DRAFT Minutes of the September 6, 2023, Meeting

In Person at Spokane Transit Authority, 1230 W. Boone Avenue, Spokane, WA
w/Virtual Public Viewing Option

MEMBERS PRESENT

Al French, Spokane County – *Chair*
Karen Stratton, City of Spokane
Tim Hattenburg, City of Spokane Valley
Dan Dunne, Small Cities Representative
(Liberty Lake)
Dan Sander, Small Cities Representative
(Millwood) *Ex Officio*
E. Susan Meyer, Chief Executive Officer
Ex Officio

MEMBERS ABSENT

Chris Grover, Small Cities Representative
(Cheney), *Ex-Officio*

STAFF PRESENT

Karl Otterstrom, Chief Planning and Development
Officer
Monique Liard, Chief Financial Officer
Carly Cortright, Chief Communications and Customer
Service Officer
Nancy Williams, Chief Human Resources Officer
Vicki Clancy, Executive Assistant to the Chief
Planning & Development Officer

STAFF ABSENT

Brandon Rapez-Betty, Chief Operations Officer

PROVIDING LEGAL COUNSEL

Maija Druffel, Etter, McMahon, Lamberson, Van Wert
& Oreskovich, P.C.

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

Chair Al French called the meeting to order at 10:02 a.m. and Ms. Vicki Clancy conducted roll call.

2. **COMMITTEE CHAIR REPORT**

Chair French complimented STA's assistance with the evacuation efforts during the Gray Fire in August. Ms. Meyer added that this was a team effort of various personnel in multiple workgroups in Operations, under the leadership of Mr. Brandon Rapez-Betty.

3. **COMMITTEE ACTION**

A. **MINUTES OF THE JULY 5, 2023, COMMITTEE MEETING**

Mr. Tim Hattenburg moved to approve the July 5, 2023, Planning and Development Committee meeting minutes. Mr. Dan Dunne seconded, and the motion was approved unanimously.

4. **COMMITTEE ACTION**

A. **BOARD CONSENT AGENDA**

1. **DIVISION STREET BUS RAPID TRANSIT: TRANSIT ORIENTED DEVELOPMENT STUDY INTERLOCAL AGREEMENT**

Mr. Karl Otterstrom gave a brief background on the purpose, need and past planning performed to advance Division Street Bus Rapid Transit (BRT). In 2022, STA was awarded a Federal Transit Administration (FTA) Pilot Program for Transit Oriented Development (TOD)

Planning Grant for \$405,000. To be eligible the project must be along a fixed guideway BRT or rail corridor, with at least 50% in exclusive transit lanes, including Business Access and Transit (BAT) lanes. Transit project sponsors must partner with entities with land use planning and zoning authority. The City of Spokane and Spokane County are the subrecipients and will be using the funds to co-develop a TOD corridor land use and infrastructure plan. STA will be the grant recipient and administrator tasked with reimbursing the subrecipients using the grant funds. The objective is to support revitalization and in-fill development along the future Division BRT project. This will support ridership in the area and benefit the community with more housing and jobs within easy reach of transportation. The draft interlocal agreement is a framework for future subrecipient agreements with both Spokane County and the City of Spokane. The agreement makes clear that there are federal requirements with regards to using the grant funds. It also identifies in-kind matches from each jurisdiction which will need to be tracked and reported to fulfill our obligations as direct recipient of the grant. The interlocal agreement formalizes roles with respect to the grant. This includes identifying the scope of work, the project budget and schedule, and project contacts.

Chair French provided clarification regarding his support for this project. He has voted in support of this project four times and will continue to support it, while also continuing to ensure that Division Street continues to service freight traffic as it delivers goods and services to retailers and businesses along the Division Street corridor.

Mr. Tim Hattenburg moved to recommend the Board authorize the CEO to execute the Division Street BRT TOD Study Interlocal Agreement with the City of Spokane and Spokane County. Ms. Stratton seconded, and the motion was approved unanimously.

B. BOARD DISCUSSION AGENDA

1. RECONNECTING COMMUNITIES AND NEIGHBORHOODS GRANT APPLICATION APPROVAL

Mr. Karl Otterstrom presented. The U.S. Department of Transportation's (US DOT) new Reconnecting Communities and Neighborhoods (RCN) grant program includes \$1.15 billion for construction projects addressing mitigation of a "burdening" facility, improving access, and building/improving "complete streets". The purpose of the grant is to improve access to daily needs such as jobs, education, healthcare, food, and recreation by removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity (i.e., mobility, access, or economic development). This program prioritizes disadvantaged communities with matching requirements waived for projects that primarily serve disadvantaged communities. Applications for this grant are due September 28, 2023. STA Planning and Development staff initiated a collaborative effort with planning and engineering staff from the cities of Spokane and Spokane Valley to explore the possibility of a joint application under this program. This partnership identified an opportunity for a capital construction project to reconnect and enhance the neighborhoods impacted by Interstate 90 between Liberty Park and Edgecliff Park along Park Road. The partnering staff prepared a concept for the "Liberty to Edgecliff Improvements to Accessibility" (LEIA) program to seek funding to achieve the goals of the RCN grant program. The proposed LEIA program will follow the segment of Route 94 East Central/Millwood between Liberty Park in the East Central Neighborhood to Edgecliff Park at 8th Avenue and Park Road in Spokane Valley. This

is an area that has been particularly impacted by the construction of I-90. These were areas that had established communities where houses were razed for the construction and expansion of I-90. Inside both the City of Spokane and the City of Spokane Valley there are census tracts that are designated as areas of persistent poverty based on factors that the US Department of Transportation (US DOT) has identified as priorities for investment in the grant, with a target of at least 40% of the grant proceeds going towards these communities. The LEIA program's purpose is to leverage grant funds to support multimodal improvements such as sidewalks, bus stops, crosswalks, bicycle facilities, and streetscape. Route 94 is a central focal point because it is a way that already reconnects these areas. The disruptive impacts of I-90 to the communities are widely known and the lack of measures to mitigate these impacts have fallen short of restoring community access and equity, posing a disadvantage to residences and businesses particularly in areas of the neighborhood south of I-90. The LEIA program seeks to leverage past and ongoing planning efforts to revitalize, reconnect and improve neighborhoods for current residents and drive a more equitable community. STA is currently conducting an online survey and has held outreach to garner feedback and support from organizations invested in the area. The preliminary scope will include bus stop improvements, east-west and north-south connectivity to provide better access to the freeway pedestrian/bike facilities crossings built by the Washington State Department of Transportation (WSDOT), improved transit connectivity, and extending and enhancing bicycle facilities in the area. This scope will be redefined during outreach events and in partnership with the neighborhoods and community organizations. The current rough cost estimate is \$25M, which will be further refined and programmed prior to the submission of the application. Notably, the grant does not require local match for projects that will serve communities of persistent poverty.

Ms. Stratton expressed her appreciation for this effort and that she was grateful for the early outreach to the communities. Mr. Hattenburg added that he could not think of a better partnership or collaboration than STA and the City of Spokane Valley to make these improvements. Mr. Dunne wanted to recognize the outreach objective; it is a model for the community. Mr. Dunne inquired about the removal of the pedestrian overpasses. Mr. Otterstrom stated that all of the overpasses will be removed and WSDOT will replace as part of the new interchange I-90 will have with the North Spokane Corridor. The objective for the LEIA program is to extend the benefits of those new crossings built by WSDOT with pedestrian and bicycle improvements reaching into the neighborhoods. Chair French suggested there may be opportunities for additional partnerships.

Ms. Stratton moved to recommend that the Board of Directors authorize submittal of a Reconnecting Communities and Neighborhoods grant application for the Liberty to Edgecliff improvements to Accessibility (LEIA) program, for approximately \$25 million in federal funds, and authorize the CEO to execute on behalf of STA a letter of intent to set forth the preliminary interest and understanding of the Spokane Transit Authority (STA), the City of Spokane Valley and the City of Spokane relative to said program. Mr. Hattenburg seconded, and the motion was approved unanimously.

5. REPORTS TO COMMITTEE

A. CONNECT SPOKANE COMPREHENSIVE PLAN: PHASE 2 UPDATE

Mr. Otterstrom reviewed the background. *Connect Spokane* is STA's comprehensive plan, functioning as a key policy document for various decisions that affect the long-term direction of the agency. The plan was originally adopted in 2010, its major update was in 2017, and a minor update was adopted in 2019. In May 2022, Phase 1 of the current major update was adopted by the Board of Directors. Phase 1 helped inform the current strategic planning effort known as Connect 2035, and Phase 2 is informed by new goals developed in the early phase of Connect 2035, completed last year. Mr. Otterstrom reviewed the proposed scope of the *Connect Spokane* Phase 2 update and provided a timeline for the various elements, outreach, and the proposed Committee Calendar. Staff intend to begin working with the Committee in October on several elements of the plan to advance the update process.

B. CONNECT 2035 STRATEGIC PLAN: PHASE 2 UPDATE

Mr. Otterstrom reviewed the agenda and related materials that will be discussed at Connect 2035's workshop occurring right after today's Planning and Development Committee meeting. Board engagement will be scheduled through a series of workshops. Target adoption of the final plan is scheduled for November – December, 2024. The next Board workshop is tentatively scheduled for November 1st, with the purpose of discussing financial scenarios and modeling, and to gather feedback on transit network alternatives.

6. CEO REPORT

Ms. E. Susan Meyer presented the CEO Report:

August 2023 Voter-Approved Sales Tax Revenue (June Sales) Update: Actual (\$10,624,848) compared to budget (\$10,291,837) for a 3.2% difference of \$333,011. Sales tax revenue is 2.6% YTD above budget (\$1.9M), 3.2% above August 2023 actual (\$0.1M) and 2.6% YTD above 2023 actual (\$1.1M).

City Line Ridership: Ms. Meyer reviewed City Line preliminary ridership July 16 - September 2, 2023 as compared to the other top three routes: 4 Monroe-Regal, 25 Division, and 90 Sprague. City Line ridership is trending upward, recently surpassing Route 90 Sprague. September 1, 2023 was likely the highest ridership day since the pandemic at 30,000 rides system wide. Mr. Otterstrom presented data on the City Line average weekday passenger activity at the top 10 locations along the line.

7. COMMITTEE INFORMATION – None

8. REVIEW OCTOBER 4, 2023, COMMITTEE MEETING AGENDA

9. NEW BUSINESS - None

10. COMMITTEE MEMBERS' EXPRESSIONS

Mr. Hattenburg complimented STA's assistance with the evacuation efforts during the Gray Fire in August. Mr. Otterstrom introduced Mr. Brian Jennings, STA's new Deputy Director for Community Development.

11. ADJOURN

With no further business to come before the Committee, Chair French adjourned the meeting at 11:15 a.m.

NEXT COMMITTEE MEETING: WEDNESDAY, October 4, 2023, at 10:00 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Vicki Clancy".

Vicki Clancy, Executive Assistant
Planning and Development Department

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 4A1 : DIVISION STREET BUS RAPID TRANSIT: WORK ORDER #3 APPROVAL

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Karl Otterstrom, Chief Planning and Development Officer
Don Skillingstad, Senior Project Manager

SUMMARY: Division Street Bus Rapid Transit (BRT) is envisioned to be the second BRT line in the Spokane region, extending from downtown Spokane along the Division Street corridor for approximately ten (10) miles to the Mead area. Staff is seeking the Committee's recommendation to the Board to approve a work order for the next phase of the project to advance the engineering, environmental and grant preparation work required by the Project Development phase of FTA's Small Starts program. According to STA's procurement resolution, work orders and other contract actions for new work above \$1 million require board approval.

BACKGROUND: Division Street BRT is an important regional project to support mobility and economic development in north Spokane and north Spokane County. It has been included in the region's long range transportation plan for nearly a decade and was the centerpiece of the collaborative multi-agency study known as *DivisionConnects*. Phase I of the study culminated in the adoption of Resolution No. 785-21 by the STA Board of Directors, selecting a locally preferred alternative (LPA) for Division Street BRT.

In Spring 2022, STA kicked off the Preliminary Engineering and Environmental Scoping phase of Division Street BRT. This work has been supported by Parametrix, Inc., STA's interdisciplinary consulting team competitively procured to support the project, by way of the first two work orders authorized by the STA Board of Directors under contract #2021-10610. During this phase, STA refined the LPA by evaluating and refining the north and south termini, identifying general station locations, and advancing initial environmental and engineering scoping activities. In summary, the project team completed the project configuration for Division Street BRT, along with specific planning elements that progress conceptual design toward the key milestone of entry into the Project Development phase for Small Starts projects in the Federal Transit Administration (FTA) Capital Investment Grant (CIG) program. Federal statutes define projects that are less than \$400 million in total project cost, and for which sponsor agencies are seeking CIG program funding of less than \$150 million, to be Small Starts projects.

Important board actions during Preliminary Engineering and Environmental Scoping phase have included Board Resolution 809-23, adopted by the Board in May 2023 establishing a refined LPA and general station locations, and Board Resolution 812-23, adopted by the Board in July 2023, committing local, state and federal funds to Project Development activities, and authorizing a request to FTA to enter the Project Development phase of the project. For Small Starts projects that have entered into the Project Development phase, all eligible expenditures can be attributed to the project cost and therefore act as match to a prospective CIG funding award in the future. As such, this entry point was critical for the continuation of the project.

Predicated on the board's actions and authorizations described above, the CEO submitted a request to FTA on July 23, 2023, seeking entry into Project Development. After reviewing STA's initial letter, FTA requested additional information that was submitted on August 28, 2023. At that time, FTA determined that the information provided was sufficient to enter the Project Development phase. On September 19, 2023, FTA issued written approval to STA of entry into Project Development phase. In their approval notice, FTA extended STA pre-award authority to incur costs for Project Development activities prior to grant approval and to retain eligibility of those activities for future FTA grant assistance.

According to FTA's September 19, 2023, letter, Project Development activities include the work necessary to complete the environmental review process and as much engineering and design activities as STA believe are necessary to support the environmental review process. Upon completion of the environmental review process, FTA also extends pre-award authority to project sponsors in Project Development to incur costs for as much engineering and design as necessary to develop a reasonable cost estimate and financial plan, utility relocation, and real property acquisition and associated relocations. The letter makes it clear that pre-award authority does not constitute a commitment that future Federal funds will be approved for Project Development or any other project cost. That commitment still hinges on a future CIG grant, subject to the rigorous evaluation and ratings process, as well as the continued availability of CIG funds through congressional appropriations.

With STA's official entry into Project Development, STA is seeking to commence the next order of work with Parametrix, Inc., Work Order No. 3, which will advance the project to the 30% design milestone, along with other necessary Project Development activities. Major tasks to be performed under this Work Order will include the following:

- **Task 01: Project Management** and oversight to generally include project consultant coordination, quality management, invoicing, future work order and contract amendment scoping and preparation.
- **Task 02: Planning and Analysis** to generally include traffic modeling, traffic operations microsimulations using VISSIM and SimTraffic, WSDOT coordination and Intersection Control Evaluations (ICE), safety analysis, ridership forecasting, ITS (Intelligent transportation system) planning, transit operations planning, station site selection, active transportation planning, parking studies, land use/TOD support, transit center and charging location planning.
- **Task 03: Design and Engineering** to generally include agency and design team coordination, survey and base mapping, geotechnical investigations, preliminary design and engineering, traffic design, station amenity review, charging facility design, cost estimating, schedule preparation and constructability review.
- **Task 04: Environmental** documentation preparation to generally include furthering analysis of property acquisitions and historic buildings, environmental justice populations, endangered species, hazardous materials, noise and vibration screening, and cultural resources.
- **Task 05: Public and stakeholder engagement** to generally include public outreach, interviews, surveys, social media coordination, community engagement, and agency engagement.
- **Task 06: Project and FTA support** to include the preparation of grant application documents and plan preparation, risk management, and third-party agreement support.

As a work order within an established architectural and engineering services contract, the value is predicated on the anticipated hours per task, actual hourly rates, overhead, and negotiated profit, in addition to appropriate travel expenses. Based on the number of hours estimated for this level of effort, the work order is proposed to have a not-to-exceed value of \$5,450,000. A cost analysis was performed by comparing the level of effort value to an independently prepared cost estimate. Based on the analysis, staff concluded the cost proposal was fair and reasonable. In addition to recommending approval of Work Order No. 3, staff recommend a 10% contingency of \$545,000 be assigned for unanticipated scope adjustments that may arise during this phase of the project.

The Division Street BRT Project Development project (CIP 895) has an approved budget of \$15 million in STA's Capital Improvement Program derived from local, state, and federal funding. The table depicts how Work Order No. 3 will be accommodated in the project budget.

Project Element	Total Budget(s)
Division Street BRT Project Development (CIP #895)	\$15,000,000
Expenditures to Date	\$0
Current encumbrances	\$0
Current Balance	\$15,000,000
Work Order #3 (NTE Amount)	\$5,450,000
Proposed Work Order #3 Contingency (10%)	\$545,000
Remaining Project Budget	\$9,005,000

Work is anticipated to begin in November 2023 and be completed by end of 2024. Upon execution of the work order a significant amount of work will begin. Surveying and base mapping activities will be completed with preliminary design beginning shortly after, coordination with WSDOT, City of Spokane and Spokane County will begin to define traffic analysis and modeling needs, public and stakeholder outreach planning will begin with outreach activities beginning in late Fall/Winter, definition of the Area of Potential Effects (APE) and further refinement of existing environmental documentation will also occur.

RECOMMENDATION TO COMMITTEE: Recommend the Board of Directors authorize the CEO to execute Work Order #3 for the Division Street Bus Rapid Transit project with Parametrix, Inc. under existing contract #2021-10610 for an amount not to exceed \$5,450,000, and to provide for 10% contingency for unforeseen additional requirements or services.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 4A2 : FEDERAL TRANSIT ADMINISTRATION SECTION 5310 FUNDING
OPPORTUNITY AND LOCAL MATCH APPROVAL

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Karl Otterstrom, Chief Planning and Development Officer
Madeline Arredondo, Associate Transit Planner

SUMMARY: Staff will review the scope and anticipated timeline for the Section 5310 Call for Projects. Staff are requesting the approval of \$190,000 in STA local funding to support the subrecipients required local match amount. Subject to evaluation, ranking, and board action, up to \$805,296 in combined federal and STA local funding is expected to be awarded to non-profit providers and transportation agencies for projects to enhance the mobility of seniors and individuals with disabilities within the Spokane urbanized area.

BACKGROUND: Spokane Transit Authority (STA) is a designated recipient of apportionment funds from the Federal Transit Administration (FTA) for the Enhanced Mobility of Seniors and Individuals with Disabilities Program, also known as Section 5310. The primary goal of Section 5310 is to improve or enhance mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding transportation options when public transportation is unavailable, insufficient, or inappropriate in meeting these needs. Spokane Transit is responsible for administering, contracting, and providing oversight of projects undertaken by non-profit organizations and governments selected through the annual Section 5310 Call for Projects. For the 2023 Section 5310 Call for Projects, \$615,296 is available in federal funding, with the additional local match provided as described below.

A minimum of 55%, or \$338,413, of the federal Section 5310 annual apportionment must be spent on 'Traditional' capital projects. These are projects that are carried out by private, nonprofit organizations, or local government authorities approved by the Washington State to provide human services transportation. Traditional capital projects may include Human Services Transportation Plan (HSTP) projects including the purchase of ADA vehicles, contracted mobility management coordination and transportation services, ADA construction projects, and complementary Paratransit services. These Traditional projects need to meet the special needs of seniors and individuals with disabilities. Traditional projects include a 20% local match requirement.

Depending on the types of projects proposed, and application scoring outcomes, STA may recommend that up to 55% of the total funds available be programmed to STA for the purposes of contracting for human services transportation, an eligible Traditional project, meeting the statutory requirement and ensuring all funds can be obligated to support human services transportation projects in the region.

Up to 45% of the annual apportionment may be awarded to projects categorized as 'Other' and are operating projects which provide alternatives to public transportation, improve access to fixed-route services, or exceed the requirements of Paratransit services. Eligible 'Other' projects include

transportation programs operated by eligible nonprofit organizations serving seniors and individuals with disabilities. Other projects include a 50% local match requirement.

There is currently \$615,296 in FY23 Section 5310 annual apportionment funding available. Additionally, STA staff are proposing an additional \$190,000 in local STA funds be allocated for the 2023 Section 5310 Call for Projects. The STA local funding request would continue the practice from the near term-investment funding that allows STA to use local funds to help subrecipients meet the required federal local match amounts. The originally approved near-term investments project provided \$190,000 in STA local funds for the 2022 5310 Call for Projects was approved by the STA Board of Directors on December 16, 2021. The near-term investment funds provided by STA are intended to contribute a local match for awarded agencies to reduce the monetary responsibility of subrecipients to just 10% local match for all projects. The near-term investment funds approved for the 2022 5310 Call for Projects were beneficial for subrecipients; the additional funds increased participation in the program and eased the burden of meeting the federal match amounts for subrecipients. Spokane Transit is recommending the same amount of STA local funds that were approved in 2021.

In order to ensure that STA meets the 55% minimum requirement of funds to be spent on Traditional projects for FY2023, staff may recommend to the Board that projects be awarded to STA up to \$338,413 as needed to ensure that the 55% requirement is achieved.

Funding Source	Amount Available
FY2023 Apportionment (Federal Match)	\$615,296
STA Local Match Contribution (pending Board approval)	\$190,000
Total Funding Available	\$805,296

The table below outlines the anticipated timeline for this call and selection of projects. Emboldened items represent actions that will come before the STA Board of Directors or this committee.

Date	Activity
October 19, 2023	Board action on allocation of local STA matching funds
October 20, 2023	Issue Call for Projects (Posted on STA and SRTC websites, published in paper, direct emails to eligible applicants)
October 25, 2023	Informational meeting for interested applicants
November 10, 2023	Preliminary proposals due
December 8, 2023	Final project applications due
December 2023 – January 2024	Evaluation and ranking of projects

Date	Activity
January 31, 2024	Planning and Development Committee recommends project awards
February 15, 2024	STA Board action on recommended project applications
March 2024	Submission of Program of Projects to FTA
2024	FTA approval and funds obligated
2024	Finalize and execute subrecipient agreements

RECOMMENDATION TO COMMITTEE: Recommendation the Board approve the allocation of \$190,000 in STA local funds to partially offset local match requirements for subrecipients in the 2023 Section 5310 Call for Projects.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM **4B1** : CONNECT 2035 STRATEGIC PLAN: ENGAGEMENT STRATEGY APPROVAL

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Karl Otterstrom, Chief Planning and Development Officer
Mike Tresidder, Senior Transit Planner

SUMMARY: Staff will provide the Planning and Development Committee with an overview of the draft *Connect 2035 Engagement Strategies Brief* (attached to this cover sheet), which provides a synthesis of the material presented at the Board Workshop and highlights the approach that STA staff and its consultants will use to conduct a robust engagement effort. Staff will seek the Committee's recommendation for board approval by motion of the strategies document.

BACKGROUND: In December 2022, STA adopted Phase 1 of its next 10-year strategic plan, Connect 2035. The deliverables from Phase 1 can be found here:

<https://www.spokanetransit.com/projects/10-year-strategic-plan-2025-2035/>

During 2022, a series of board workshops were held in May, July, September, and October, followed by a public hearing held in November. On December 15, 2022, the Board adopted the *Connect 2035 Phase 1 Strategic Foundation* document and the accompanying technical report by resolution.

The first Board Workshop for Phase 2 was held with the STA Board of Directors on September 6, 2023. The workshop reviewed the results of the Phase 1 process, as well as a comprehensive overview of the proposed engagement strategies for Phase 2. Informed by the workshop discussion, the attached draft Connect 2035 Engagement Strategy is proposed to guide engagement activities over the next year.

RECOMMENDATION TO COMMITTEE: Recommend the Board of Directors approve, by motion, the Connect 2035 Strategic Plan Engagement Strategy.

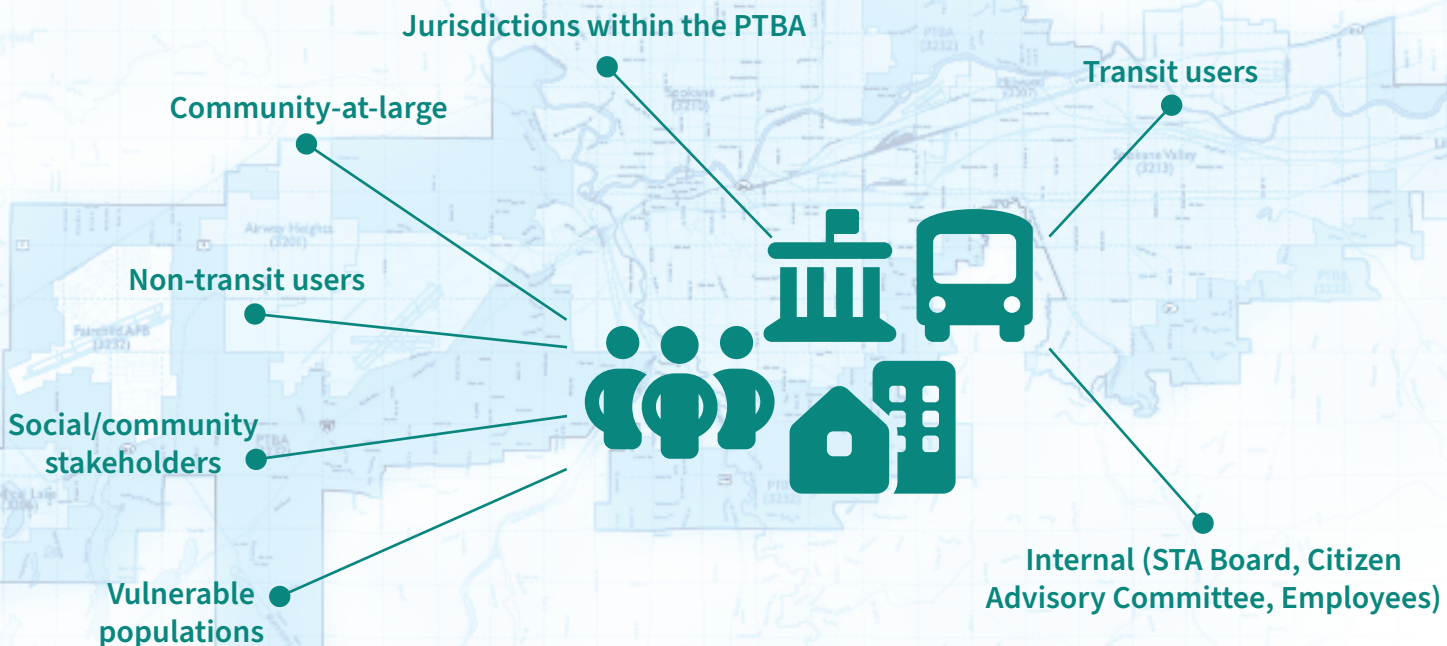
Connect 2035 articulates Spokane Transit’s strategic roadmap for bus, Paratransit, and Rideshare service through 2035, with a clear vision supported by goals and performance measures. STA is committed to meaningful, diverse, and inclusive public engagement throughout the planning process.

Phase 2 Public Process Goals

- 1 Communicate, be transparent and seek support of the strategic planning process
- 2 Gather input from the broadest representation of our community, especially those typically underrepresented to clarify our understanding of issues
- 3 Deliberate transit priorities and resource allocation to support thriving communities
- 4 Deliver a strategic plan that has broad support built on the foundation of Phase 1

Audience Groups

Hearing from diverse voices and perspectives will be essential for the project’s success. STA is focused on engaging vulnerable and overburdened communities throughout the planning process.



Engagement Strategies & Activities



- ✓ Rider Forums
- ✓ Community-based Organizations Outreach

- ✓ Plaza Activation
- ✓ Community Events



- ✓ Activated Community Member Outreach
- ✓ “STA in the Region” Events



- ✓ Public Open Houses
- ✓ Stakeholder and Partner Engagement



- ✓ Local Government Meetings

- ✓ Media Relations

- ✓ Survey

- ✓ Microsite



- ✓ Regular Board Updates

- ✓ Board Experiential Opportunities

- ✓ STA Employee Engagement



- ✓ Citizen Advisory Committee Meetings

Metrics

STA will track metrics to ensure the broader public is engaged and to achieve the engagement goals:

Number and demographics of participants for the following engagement activities

- Rider forums
- CBO engagements
- Plaza activations
- Community events
- Surveys
- “STA in the Region” events
- Open houses



Number of meetings with the following audiences

- CBO leadership
- Activated community members
- Social/community stakeholders
- Municipality and County staff
- Local elected officials
- Board members
- STA employees
- CAC members



Digital metrics

- Number of web visits to the microsite
- Number of surveys completed
- Earned media impressions
- Social media engagement



SPOKANE TRANSIT AUTHORITY
PLANNING & DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 5A : DRAFT 2024 BUDGET

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Monique Liard, Chief Financial Officer

SUMMARY: In accordance with STA Board Resolution 681-11, the Planning and Development Committee is accountable for designing and coordinating the Board’s participation in Spokane Transit’s strategic and operational planning. This includes an annual action plan that is operationalized by the annual operating and capital budgets.

For 2024 staff has combined the action plan and the operating and capital budget into one comprehensive report, the Draft 2024 Budget, which is attached.

Staff will review this report at the Committee meeting. With committee input and review, it will be forwarded to the Board for review. There will be a subsequent review with the Committee on November 1, 2023 and a public hearing with the Board on November 16, 2023. The 2024 Budget is proposed to be adopted in December 2023.

RECOMMENDATION TO COMMITTEE: Receive report.

DRAFT 2024 BUDGET

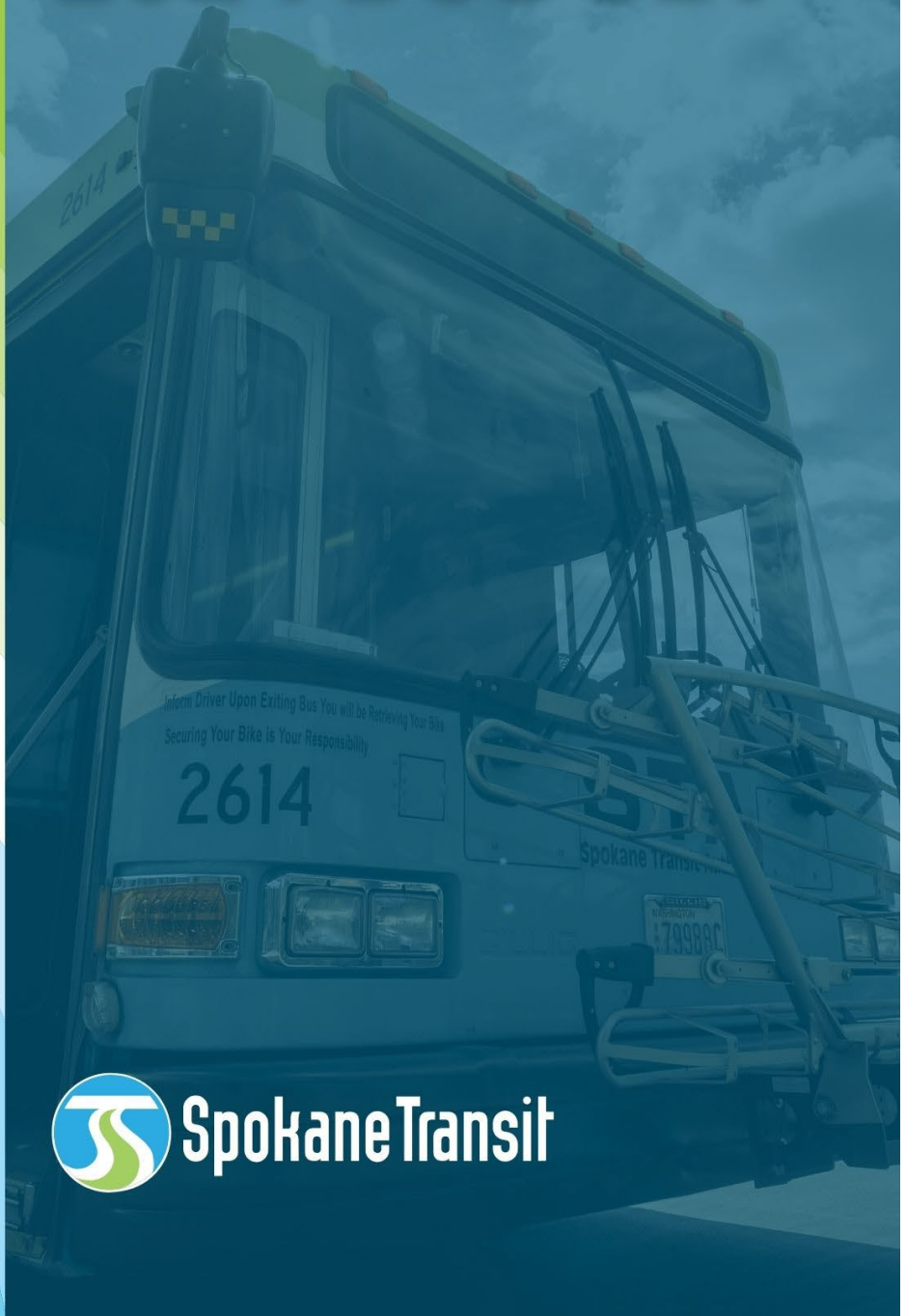


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Introductory Section

Agency Overview

The Spokane Transit Authority (STA) is a Public Transportation Benefit Area (PTBA) which provides public transportation services within its boundaries which extend to roughly 248 square miles. The State of Washington Office of Financial Management estimates that 467,839 people were living within the PTBA in 2022. STA services include:

- 1) Local fixed route bus services within Spokane County, City of Spokane, City of Spokane Valley, City of Liberty Lake, City of Millwood, City of Airway Heights, City of Medical Lake, City of Cheney and parts of the unincorporated County;
- 2) Paratransit services for those who live within ¼ mile of a bus route and who, because of their disability, are unable to use the regular bus service;
- 3) A public rideshare (formerly vanpool) and ride match program.

The organization currently employs nearly 700 people and is overseen by a 14-member regional board.

Governance and Organization

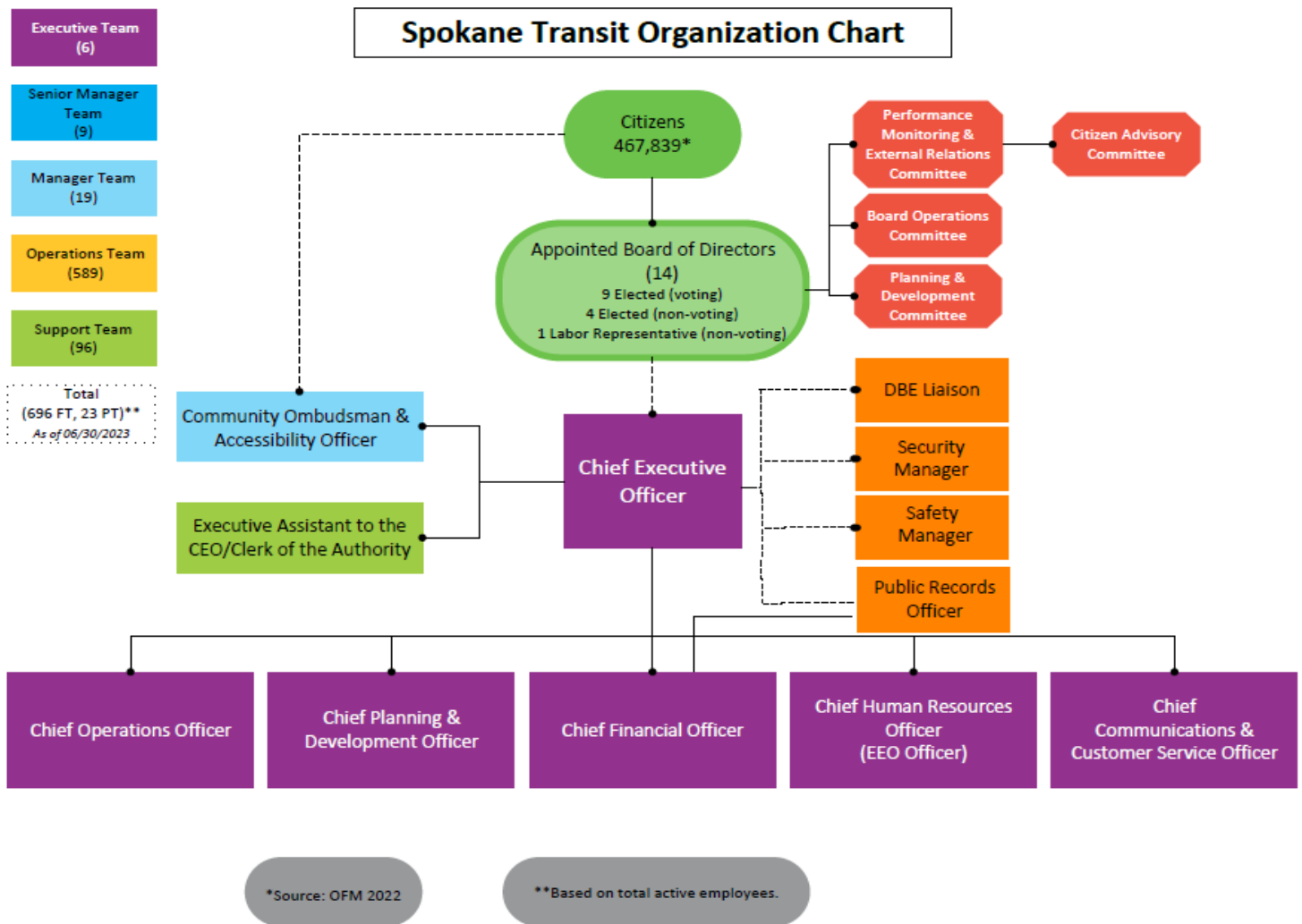
The Board of Directors provides the policy and legislative direction for STA and its administrators and approves its actions, budgets, and long-term plans. It also has the authority to levy taxes as authorized by state law (with voter approval).

The STA Board is composed of nine voting members who are elected officials appointed by the jurisdictions served by the Public Transportation Benefit Area (PTBA). Jurisdictions served include the cities of Airway Heights, Cheney, Medical Lake, Millwood, Liberty Lake, Spokane, and Spokane Valley as well as Spokane County. Additionally, there are four non-voting elected officials from area small cities, and one non-voting labor member, for a total 14 board members. The current make-up of the Board is shown in the following table.

2023 Board of Directors

Name	Jurisdiction
Council President Lori Kinnear, Chair	City of Spokane
Commissioner Al French, Chair <i>Pro Tem</i>	Spokane County
Commissioner Josh Kerns	Spokane County
Council Member Karen Stratton	City of Spokane
Council Member Betsy Wilkerson	City of Spokane
Council Member Zack Zappone	City of Spokane
Mayor Pamela Haley	City of Spokane Valley
Council Member Tim Hattenburg	City of Spokane Valley
Council Member Dan Dunne	City of Liberty Lake
Mayor Chris Grover	City of Cheney (Ex-Officio)
Council Member Don Kennedy	City of Medical Lake (Ex-Officio)
Council Member Dan Sander	City of Millwood (Ex-Officio)
Council Member Hank Bynaker	City of Airway Heights (Ex-Officio)
Ms. Rhonda Bowers	Labor Representative (non-voting)

The Chief Executive Officer is appointed by the Board of Directors and directly oversees Legislative Activity, Board Relations, Ombudsman and Accessibility Activity, Finance, Human Resources, Communications, Operations, Planning and Development, as depicted in the Organization Chart below.



Vision, Mission & Organizational Priorities

STA strives to encourage increased ridership while providing high quality, convenient and reasonably priced services by living by its Vision and embodying its Mission every day in everything it does. The Organizational Priorities convey STA’s key tenants in upholding its promise to its riders, employees and the broader community it serves.

Vision

Connecting everyone to opportunity

Mission

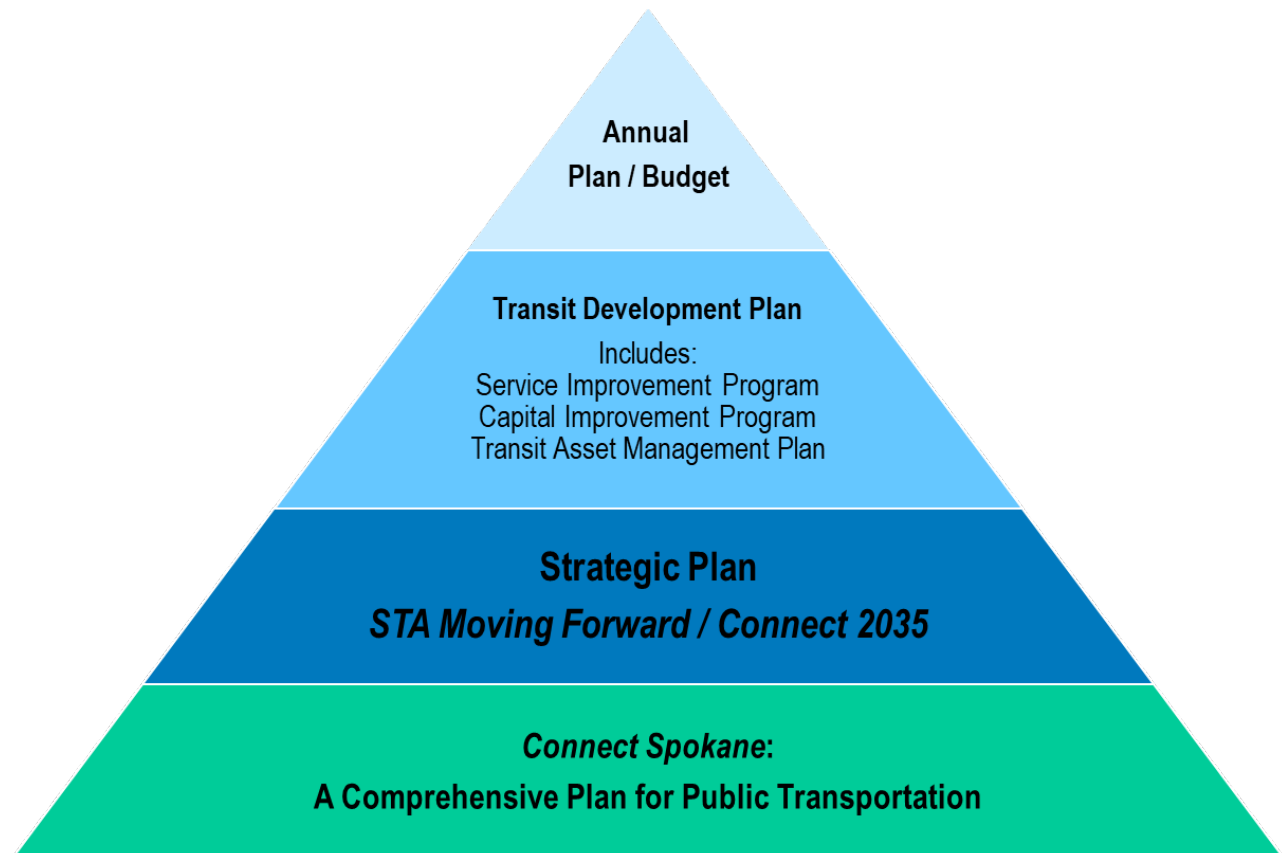
We provide safe, inclusive, convenient, and efficient public transportation services to Spokane area communities. We are leaders in transportation and a valued partner in the region’s social fabric, economic infrastructure, and quality of life.

STA Organizational Priorities

- 1. Ensure Safety
- 2. Earn and Retain the Community’s Trust
- 3. Provide Outstanding Customer Service
- 4. Enable Organizational Success
- 5. Exemplify Financial Stewardship

STA Planning Framework

STA’s strategies, plans and actions are anchored in a framework which includes a series of documents which range in scope and time horizons beginning with its comprehensive plan, *Connect Spokane*, the core long-range planning and policy-setting document for the Agency. The next level in the framework is comprised of strategic planning, with STA in the late delivery stage of its current 10-year plan, *STA Moving Forward*, and in the development stage of its next 10-year plan, *Connect 2035*. The six-year Transit Development Plan (TDP), a state-required annual report, provides mid-range guidance, over a six-year period, about the deliverables for the Agency from a service and capital perspective. Lastly, the Annual Plan and Budget, the focus of this report, encapsulates the one-year efforts STA will undertake for 2024. Depicted in the following pyramid is the hierarchy of those plans to guide STA as it architects its future.



2024 Action Plan

The 2024 Action Plan links STA's vision, mission and priorities to actions and activities which the Agency will undertake in 2024, bound together by a definition of organizational success. It reflects the ongoing implementation of the *STA Moving Forward* plan, in what will be its eighth year of realization, while creating the groundwork for STA's next 10-year plan, *Connect 2035*.

The actions and activities for 2024 are centered around the strategic goals defined and adopted in the foundation of the *Connect 2035* strategic plan to create alignment as the Agency begins the transition to its next future milestone in 2035.

Action 1: Elevate the customer experience.

STA exists to connect customers to opportunity. Fostering an easy-to-use, safe, and inviting experience promotes STA as a compelling transportation choice across the region. STA strives to improve the customer experience in every interaction they may have with the Agency. From how to plan a trip, pay a fare, and provide feedback, STA wants every touch to reinforce the value it places on its riders. The following projects will be the Agency's key deliverables in supporting this first action along with the continued expansion and refinement of its existing service.

- Deliver on City Line frequency – In July 2023, STA officially launched the City Line, its first Bus Rapid Transit service. In 2024, STA will hire and train drivers to be able to fulfill the committed 10-minute frequency mid-day along with 7.5-minute frequency at peak times and extended late night service.
- Division Street BRT – Division Street Bus Rapid Transit is a crucial multimodal project complementary to the North Spokane Corridor and supportive of continued transit effectiveness and community vitality in north Spokane. STA has secured state, federal, and local funding to begin Project Development. STA expects to reach 30 percent design on this project in 2024, working towards seeking project evaluation and rating under the FTA Section 5309 Capital Investment Grant program in 2025 as a Small Starts project.
- Sprague Line – STA expects to substantially complete all the station and stop improvements in 2024. STA will continue to partner with the cities of Spokane and Spokane Valley on locations that can be integrated into other road improvements to the greatest extent possible. Funding has been set aside to support HPT along the West Broadway route, a logical westward extension of the Sprague Line. STA expects to undertake corridor development planning for this segment prior to beginning design work in 2024.
- I-90/Valley Corridor – Interstate 90 represents a major east-west axis for regional trip-making. In 2024, STA expects to complete improvements at the Mirabeau Point Park and Ride and ready the property for the future Appleway Station near I-90 east of Barker Road. Design will begin on Argonne Station Park and Ride, a corridor element that secured state funding in 2023. STA will also design corridor station and stop improvements along the corridor outside major off-street facilities.
- Expand adoption of the Connect card and introduce enhancements – Expanding on the introduction of contactless credit card payments on the bus, STA will also develop a mobile application for its partners in the Universal Transit Access Pass (UTAP) program to aid in the transition to the Connect fare collection system. The retail outlets where Connect cards can be purchased will continue as a key focus to provide even greater convenience for riders. STA will create new partnerships with groups who will benefit from transit access and expand opportunities for youth to take advantage of the state-supported zero-fare program by expanding access through school districts, libraries, and other venues where youth interact.

Action 2: Lead and collaborate with community partners to enhance the quality of life in the region.

STA operates in its region's ecosystem, delivering transportation options for community members. Creating strong partnerships will ensure that the Agency makes informed choices, through collaboration, that benefit everyone and contribute to the vibrancy and sustainability of this region now and in the future. The Agency will focus its efforts to support this second goal in 2024 through the following undertakings:

- Partner in planning, developing, and implementing regional transportation and land use decisions – STA's investments in High Performance Transit and Bus Rapid Transit are shifting the land economics and investment decisions around these corridors. A broad group of stakeholders including city staff, investors, developers, homebuyers, tenants, and riders are realizing the benefit of the high-quality, frequent, and predictable service that the Agency provides. STA strives to facilitate increased private and public investment in corridors served by High Performance Transit and around key transit stations and facilities. In 2024, STA will accomplish this through proactive engagement with these stakeholders in updates to the Urban Growth Area (UGA) as well as in updates to Horizon 2045 in addition to other local comprehensive planning efforts. In addition, STA will make the case for residential and employment-growth near its service by identifying and selecting a suitable location to begin a pilot Transit-Oriented Development project in 2024.
- Establish framework to analyze and report on residential and employment development near transit and across the County overall – As STA seeks to concentrate growth near its service and infrastructure investments, the Agency currently has little information to share with the development community that documents the impact in terms of household and employment growth. Generally, this information is not easily accessed nor provided by any one entity. By mid-2024, STA will document and characterize on an annual basis housing and employment trends within the region. This will enable STA to be recognized as the annual source for development analysis in the region.
- Expand outreach to community partners, especially civic and community-based organizations, and local governments to collaborate with STA on key efforts including updates to its comprehensive plan, Connect Spokane, the ongoing development of its strategic plan, Connect 2035, and its Title VI Program – Throughout 2024, STA will engage within the region to gather feedback on the various planning endeavors, such as the updates to *Connect Spokane* and the continued development of *Connect 2035*, along with other service improvements and projects being considered to ensure that underrepresented voices are being solicited, listened to, and reflected across these plans and efforts.
- North Bank/Downtown mobility options – Recent additions to the Spokane North Bank sports and entertainment district includes the Podium and ONE Spokane Stadium. STA recently increased night and weekend service on Washington Street. Additional investments to the Arena/Downtown Shuttle are planned, with opportunities to link the North Bank to Downtown and City Line stations.
- Expand involvement with community organizations – STA leadership and staff will increase their service on local community-based organization boards and volunteer for community events to create a tighter bond and weave into the fabric of the region.

Action 3: Strengthen STA's capacity to anticipate and respond to the demands of the region.

STA needs to grow and adapt to ever-changing conditions. Having a team who is well equipped and focused on the Agency's mission, along with strong supporting infrastructure, will provide the foundation required to deliver on the goals of this plan, balanced with providing reliable daily service. In support of this third goal, STA will deliver the following:

- Prepare and finalize the ten-year strategic plan, *Connect 2035*, to identify critical initiatives to execute STA's vision of connecting everyone to opportunity – In 2022, the STA Board of Directors charted a course to refresh its vision for the future, extending the horizon for strategic investments and actions through 2035. In 2024, efforts to bring this effort to reality will include a robust community engagement underpinning all activities which will consist of a funding scenario review, comprehensive organizational capacity analysis, Fixed Route network assessment, prioritized and programmed initiative list, and performance measure target setting, culminating into the adoption of a final *Connect 2035* plan.
- Develop the Facilities Master Plan to position STA for strategic growth that supports STA's growing and changing role in the region – This plan will address future system-wide requirements for its maintenance, operations, and administration. It is anticipated to identify requirements that are beyond STA's current capital program and will support strategic actions, such as zero-emission fleets and growing service to the region, in conjunction with work on the new 10-year strategic plan, *Connect 2035*.
- Implement STA's fleet replacement plan, including acquisition of clean diesel buses, while preparing for the next steps in transitioning of the fleet toward zero emission vehicles in the future – In 2024, STA will continue its development of a fleet transition plan to maximize its use of zero-emission vehicles in line with state requirements, in conjunction with its strategic planning and master facilities planning efforts.
- Training and Development – from staff to the Board, adapting to the needs of the future will be critical. STA will invest in its team members by developing and delivering comprehensive programs which will impart the skills and training required to respond to and anticipate these evolving needs.

2024 Budget

Executive Overview

2023 has been a year marked with key milestones for STA. Ridership continues its rapid recovery and is on track to meet or exceed targets for 2023. Progress on key projects has continued, including the launch of STA's first Bus Rapid Transit (BRT) project, the City Line. Among other important projects, the STA Board of Directors and staff have begun working on the second phase of the new 10-year strategic plan to guide the Agency and its partners in improving mobility through 2035 and have advanced the next BRT project, Division, into the Project Development phase with the Federal Transit Administration for a federally funded project. STA is also beginning a major update to its comprehensive plan, *Connect Spokane*, which will update foundational guidance and policies for the Agency.

As STA looks to 2024 and beyond, the Agency keeps front of mind the uncertainties that surround it from economic to workforce challenges, to name a few. The Spokane region continues to experience strong growth which comes with increasing traffic congestion, making STA's efforts to partner with the region to improve transportation essential. The Agency is working creatively and tirelessly to combat labor shortages, inflation, and other economic volatility. The 2024 actions and budget consider and provide as much anticipation to these elements which are outside of STA's control as possible and the Agency remains committed to planning and responding to changing expectations.

For STA in 2024, success will be defined by the adoption of the *Connect 2035* 10-year strategic plan which will provide the roadmap for impactful transportation investment in the region. The Agency's focus continues to be on making transit a convenient and easy option for travelers, which will support economic growth and address the associated traffic challenges of a strong region. With this in mind, the STA Board of Directors will be defining the initiatives and projects which will make transit an enticing choice for the residents of the region STA serves into the future.

Building on a strong legacy and the support of those STA serves, the Agency is committed to the next phase of public transportation in the Spokane region by providing existing and new customers with more choices and tools to improve their experience with an Agency they can trust. STA is excited at the new opportunities which will come forward in the strategic planning work and the ability to translate those into reality for customers and across communities, as the Agency strives to realize its vision of connecting everyone to opportunities.

Budget Process

STA's budget process starts in late June each year. A Budget Calendar is published along with an Action Plan and Budget Guidance to aid staff in planning for any new Agency-wide initiative which may impact their department. In July, staff submit staffing requests that are then reviewed by the CEO and Executive Team to determine whether the positions requested are approved for addition to the budget. During July and August, department managers analyze and propose non-personnel budget amounts for the following year while the Finance Department calculates the salaries and benefits for all approved positions. The revenue budget is developed by the Finance Department as well. The Draft Budget is presented to the Executive Team for review in late August with final draft documents completed in September.

The Budget is presented to the Board's Planning & Development Committee and to the Board of Directors three times in October, November, and December each year. First, in October, the initial Draft Budget is presented to the Planning & Development Committee and the STA Board. The Proposed Budget is then presented at the Planning & Development Committee Meeting and at the Public Hearing held during the November Board meeting. A video summarizing key elements of the budget is published on the STA

website for citizen and public outreach in November. The Final Proposed Budget is presented to the Planning & Development Committee and to the Board for review and adoption at the December meeting.

Operating Budget

STA's 2024 Operating and Capital Budget is shown in summary below. Operating revenue of \$143.0M exceeds operating expenses of \$121.3M. The capital budget, net of capital grant revenue, is \$49.1M. Cash of \$46.7M is intentionally used to balance the budget in support of STA's priority of exemplifying financial stewardship by remaining debt-free. Total Sources and Uses of Funds are \$215.9M.

Budget Comparison 2023 to 2024

	2023 Budget	2024 Draft Budget	\$ Change from 2023 Budget	% Change from 2023 Budget
Estimated Revenues:				
Fares & Other Transit Revenue	\$ 7,805,387	\$ 7,548,864	\$ (256,523)	-3.3%
Sales Tax	107,001,541	108,869,671	1,868,130	1.7%
State Grants	8,279,696	10,190,867	1,911,171	23.1%
Miscellaneous Revenue	3,212,000	5,184,995	1,972,995	61.4%
Federal Operating Grants	19,959,412	-	(19,959,412)	-100.0%
Federal Preventive Maintenance	10,786,108	11,189,185	403,077	3.7%
Subtotal: Operating Revenues	\$ 157,044,144	\$ 142,983,582	\$ (14,060,562)	-9.0%
Federal Capital Revenue	18,758,176	14,654,539	(4,103,637)	-21.9%
State Capital Revenue	4,566,422	11,516,780	6,950,358	152.2%
Subtotal: Capital Revenue	\$ 23,324,598	\$ 26,171,319	\$ 2,846,721	12.2%
Total Revenue	180,368,742	169,154,901	(11,213,841)	-6.2%
Decrease in Cash Balance*	25,763,758	46,744,875	20,981,117	81.4%
Total Source of Funds	\$ 206,132,500	\$ 215,899,776	\$ 9,767,276	4.7%
Estimated Expenditures:				
Fixed Route	\$ 74,964,942	\$ 78,658,460	\$ 3,693,518	4.9%
Paratransit	17,089,137	19,548,944	2,459,807	14.4%
Rideshare	728,852	896,284	167,432	23.0%
Plaza	2,846,699	3,525,097	678,398	23.8%
Administration	18,192,782	18,622,196	429,414	2.4%
Total Operating Expenses	\$ 113,822,411	\$ 121,250,981	\$ 7,428,570	6.5%
Capital Expenditures - Includes FR & PT Fleet	76,201,204	75,281,079	(920,125)	-1.2%
FR & PT Fleet Replacement Allocation	16,108,885	19,367,716	3,258,831	100.0%
Total Use of Funds	\$ 206,132,500	\$ 215,899,776	\$ 9,767,276	4.7%

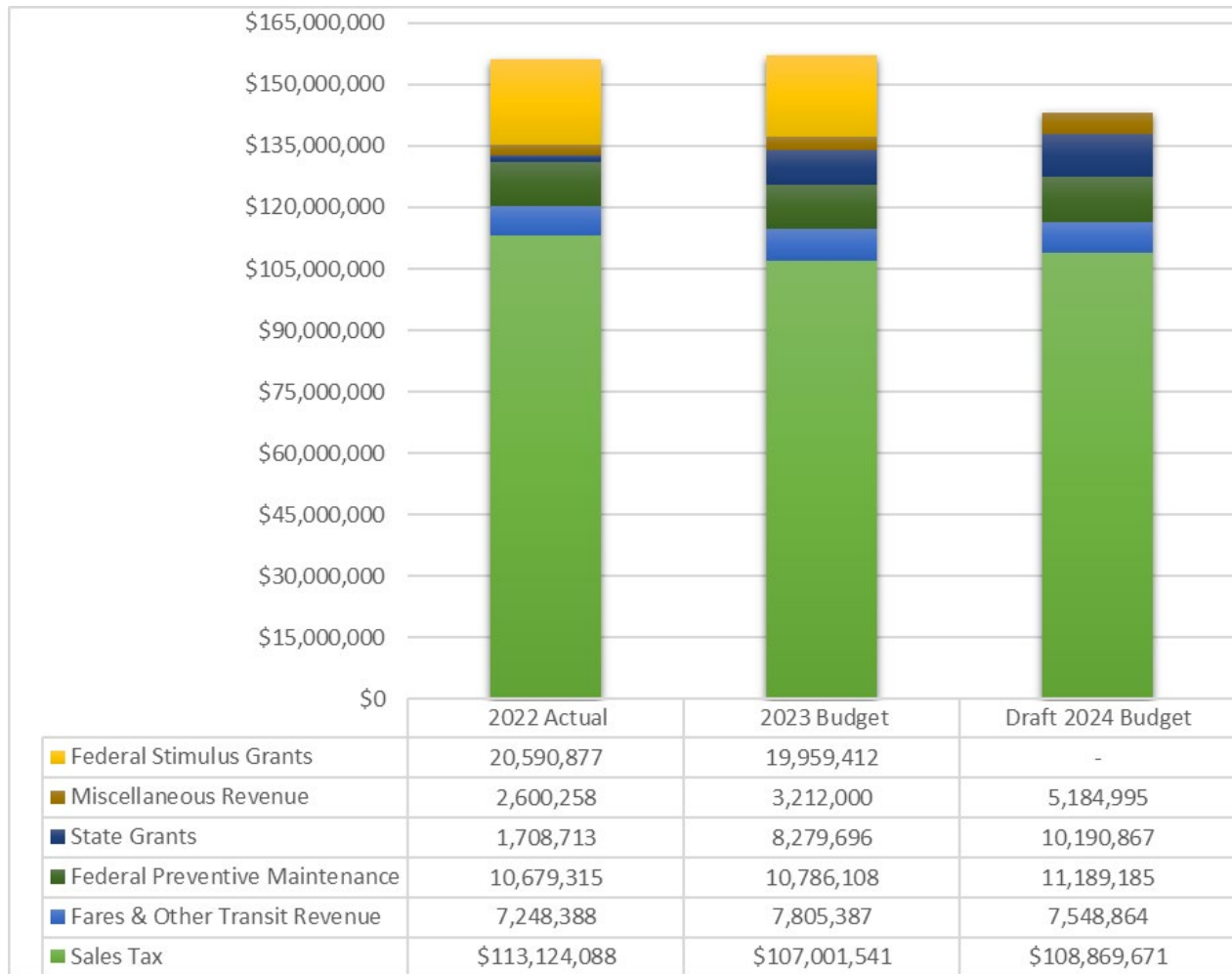
* Represents net decrease in cash from Cash & Reserve Analysis of \$30,367,645 less \$16,377,230 from reduction in Fleet Replacement Fund for purchase of vehicles.

Operating Revenues

STA relies on three primary sources of revenue to fund its operations: 1) local, voter-approved sales tax, 2) operating grant funding, both state and federal, and 3) fares, along with interest and miscellaneous income. The Draft 2024 Budget includes Operating revenues of \$142,983,582. The following chart shows the major sources of revenue in tabular and graphical formats:

Operating Revenues by Category – 2022 Actual, 2023 Budget, Draft 2024 Budget

Revenue Type by Category						
Revenue Type	2022 Actual	2023 Budget	Draft 2024 Budget	Change 2024 to 2023 (\$)	Change 2024 to 2023 (%)	
Sales Tax	\$ 113,124,088	\$ 107,001,541	\$ 108,869,671	\$ 1,868,130	1.7%	
Fares & Other Transit Revenue	7,248,388	7,805,387	7,548,864	(256,523)	-3.3%	
Federal Preventive Maintenance	10,679,315	10,786,108	11,189,185	403,077	3.7%	
State Grants	1,708,713	8,279,696	10,190,867	1,911,171	23.1%	
Miscellaneous Revenue	2,600,258	3,212,000	5,184,995	1,972,995	61.4%	
Federal Stimulus Grants	20,590,877	19,959,412	-	(19,959,412)	-100.0%	
Total Revenues	\$ 155,951,638	\$ 157,044,144	\$ 142,983,582	\$ (14,060,562)	-9.0%	



Sales Tax – Budgeted sales tax, provided by a local voter-approved sales tax rate of 0.8 percent levied within the PTBA, is the most significant yet unpredictable source of operating revenue as it relies on consumer spending. Sales tax represents 76.1 percent of the 2024 Operating Revenue budget. STA has experienced favorable sales tax growth over the last five years against its budget, with rates between a low of 0.9 percent in 2020 and a high of 17.6 percent in 2021. Sales tax revenue for the 2024 Budget looks at both the current year trending growth rate and the broader state of the national and local economy where there continue to be mixed signals.

As such, STA budgeted sales tax to reflect performance for the actual 2023 months collected to date combined with monthly 2023 budgeted amounts for those months yet to be received. For 2024, this creates a modest growth of 1.7 percent against the 2023 budget. STA continues to closely monitor collections of sales tax so it can take any necessary compensating actions should economic conditions deteriorate. Any excess revenue generated by favorable sales tax collection variances are reinvested in the Agency’s capital and operating program to support initiatives to be developed in the next 10-year strategic plan, *Connect 2035*.

Passenger Fares – Fare revenue is derived based on historical and forecasted ridership information, as shown below, combined with average fare per boarding.

Ridership Summary

	2022 Actual	2023 Budget	2024 Draft Budget	Change 2024 to 2023	Change 2024 to 2023 (%)
Fixed Route	6,581,876	7,156,204	9,159,766	2,003,562	28.0%
Paratransit	310,316	344,707	413,184	68,477	19.9%
Rideshare	90,576	119,792	119,792	-	0.0%
Total Ridership	6,982,768	7,620,703	9,692,742	2,072,039	27.2%

The average fare per boarding is expected to be \$0.68 per fixed route boarding. Average fare per boarding varies due to the blend of fare types and overall ridership for those categories. There is no projected fare increase included in the 2024 Budget. The last standard fare increase was in 2019. The current Adult Fare is \$2.00 with a daily cap of \$4. The current Reduced Fare is \$1.00, with a daily cap of \$2. Youth who are 18 years of age and younger ride free.

STA’s fare philosophy is anchored in its comprehensive plan, *Connect Spokane*, which articulates that ridership increases are achieved by making public transportation cost effective and simple to use. Depending on the operating environment, type of transit service, and current market demand, fare changes can play a role in the increase or decrease of ridership. The imposition of fares means there is opportunity to provide more service to more people with the additional revenues. With this in mind, STA has a stated farebox return objective of at least 20% of the fully allocated costs of the fixed route service, computed as the total fares collected for that mode of service divided by total costs to operate the service.

Historical and budgeted farebox recovery for Fixed Route bus service is as follows.

	2024 Budget	2023 Budget	2022 Actual	2021 Actual	2020 Actual	2019 Actual
Operating Expense	\$96,236,737	\$92,085,674	\$71,694,572	\$54,964,429	\$57,856,254	\$55,543,627
Revenue Hours	530,131	508,550	465,683	451,920	448,142	444,299
Farebox Revenue	\$6,238,086	\$6,631,422	\$6,135,110	\$5,528,141	\$4,648,547	\$9,901,089
Farebox Recovery Ratio	6.5%	7.2%	8.6%	10.1%	8.0%	17.8%

Since the advent of the Covid-19 pandemic in 2020, farebox recovery has seen a marked decrease given the reduction in ridership. This combined with the continued investment in fixed route service has caused the recovery ratio to decrease.

Federal Preventive Maintenance – STA is a recipient of Federal section 5307 formula grant funds for preventive maintenance, which is usually received in the year awarded. Use of these funds for maintenance is authorized by the Federal Transit Administration (FTA). An increase came with the passage of the Infrastructure Investment and Jobs Act which apportioned additional funding to transit agencies across the United States beginning in 2022 and is expected to continue over the next 5 years. In 2024, this federal operating funding represents 7.8 percent of Operating Revenues.

State Grants – STA receives funding from the Washington State Department of Transportation for special needs related service. In addition, STA started receiving funding in 2023 from the Move Ahead Washington Transit Support Grant, the new state transportation package that will provide funding for public transportation over the next 16 years. These operating grants have increased since 2022 and represent 7.1 percent of 2024 Operating revenues.

Miscellaneous – This revenue consists primarily of investment earnings. Interest income has increased due to higher interest rates which are averaging 2.28 percent in 2023 earned on higher average cash balances.

Federal Stimulus Grants – One-time Federal contributions such as Coronavirus Aid, Relief, and Economic Security 2020 (CARES), Coronavirus Response and Relief Supplemental Appropriations Act 2021 (CRRSAA) and American Rescue Plan Act 2022 (ARPA) were included in Operating Revenues in 2022 and 2023 based on when STA expected to utilize the funds. No one-time Federal contributions are anticipated for 2024 and beyond.

Operating Expenses

The 2024 Operating Expense budget totals \$121,250,981 which represents the cost to maintain and expand existing operations in line with STA’s Action Plan. Expenses are comprised of the following major functional and natural categories:

Expense Type by Function						
Expense Type	2022 Actual	2023 Budget	2024 Draft Budget	Change 2024 to 2023 (\$)	Change 2024 to 2023 (%)	
Fixed Route	\$ 62,473,105	\$ 74,964,942	\$ 78,658,461	\$ 3,693,519	4.9%	
Paratransit	15,062,876	17,089,137	19,548,944	2,459,807	14.4%	
Rideshare	630,179	728,852	896,284	167,432	23.0%	
Plaza	2,174,408	2,846,699	3,525,097	678,398	23.8%	
Administration	14,205,055	18,192,782	18,622,196	429,414	2.4%	
Total Expenses	\$ 94,545,623	\$ 113,822,411	\$ 121,250,981	\$ 7,428,570	6.5%	

Expense Type by Natural Category						
Expense Type	2022 Actual	2023 Budget	2024 Draft Budget	Change 2024 to 2023 (\$)	Change 2024 to 2023 (%)	
Salaries & Wages	\$ 39,586,461	\$ 49,179,845	\$ 50,201,482	\$ 1,021,637	2.1%	
Benefits	24,987,006	29,921,630	32,115,419	2,193,789	7.3%	
Services	5,012,987	6,401,306	7,388,405	987,099	15.4%	
Contract Transportation	5,936,610	5,400,685	7,666,253	2,265,568	41.9%	
Materials	13,867,187	16,863,281	16,444,246	(419,036)	-2.5%	
Other	5,155,373	6,055,664	7,435,176	1,379,512	22.8%	
Total Expenses	\$ 94,545,623	\$ 113,822,411	\$ 121,250,981	\$ 7,428,570	6.5%	

Operating expenses are most directly impacted by the number of revenue hours (a passenger vehicle in passenger carrying service for one hour) of service STA provides. Revenue miles are also a valuable indicator of the level of service activity. STA tracks each of these indicators by mode. The mode describes the type of service that STA provides:

Fixed Route (Motor Bus) - Fixed Route refers to regularly scheduled buses operating on established routes. This service is directly operated by STA. In 2023, STA introduced its first Bus Rapid Transit route, the City Line, which contributed to the budgeted increase in service hours with 15-minute service. The 2024 increase encapsulates full deployment of the City Line to committed service frequency of 10-minutes mid-day and extended late night service, including 7.5-minute peak frequency, along with other improvements.

Paratransit (Demand Response) - Paratransit refers to the mode of service that provides a complementary service for those unable to use the regular bus because of the effects of their disability as provided under the Americans with Disabilities Act (ADA). Directly operated service is provided by STA personnel during the day on weekdays while purchased service is provided by a private contractor on nights and weekends, and when weekday support is needed.

Rideshare – Rideshare (formerly known as Vanpool) is a service for prearranged groups of riders who commute to a common destination in a van or SUV owned and maintained by STA. One of the passengers is designated as the driver. Employers participating in the program may provide a subsidy to their employees as a part of the regional commute trip reduction (CTR) program.

The following charts shows the comparison of revenue hours and revenue miles by mode for 2022 Actual, 2023 Budget, and Draft 2024 Budget:

Revenue Hours by Mode

	2022 Actual	2023 Budget	2024 Draft Budget	Change from 2023 Budget	% Increase from 2023
Fixed Route	465,683	508,550	530,131	21,581	4.2%
Paratransit	129,282	148,166	165,861	17,695	11.9%
Rideshare	25,973	26,830	30,142	3,312	12.3%
Total Ridership	620,938	683,546	726,134	42,588	6.2%

Revenue Miles by Mode

	2022 Actual	2023 Budget	2024 Draft Budget	Change from 2023 Budget	% Increase from 2023
Fixed Route	6,485,325	7,134,734	7,276,488	141,754	2.0%
Paratransit	2,018,751	2,482,956	2,642,377	159,421	6.4%
Rideshare	905,990	991,779	1,070,516	78,737	7.9%
Total Ridership	9,410,066	10,609,469	10,989,381	379,912	3.6%

Salaries & Wages – While directly influenced by the 2024 revenue hours assumptions and the associated labor required to provide the services, STA administers a competitive compensation program with salaries & wages reflective of step increases for employees based on their tenure with the Agency, along with agreed to general wage increases. New staffing requests for 2024 amounted to 27 new positions, bringing the total budgeted count to 773 employees. Departmental employee detail can be found in the Employee section below. In 2024, the Agency will implement a six-month retention program for its employees compared to the two-year retention program, adopted by the STA Board in 2022, which had an annual cost of \$3.4 million. Overall, the increase in salaries & wages over 2023 reflects the addition of 27 new positions, general wage increases for management & administrative staff offset by the shorter retention program duration.

Benefits – The benefits budget includes assumptions for anticipated cost increases, as well as known changes in required contribution rates. The two primary medical insurance programs offered by STA to its employees are expected to increase by 6.22 percent and 5.48 percent, respectively, while the dental insurance has a projected cost increase of 3.7 percent.

Services – The services budget consists of professional and technical services, contract and custodial maintenance, printing, security, and other services. The increase is reflective of the work that will be undertaken with STA’s consultants to complete the *Connect 2035* strategic plan in 2024 as well as increased needs for custodial services at the Plaza.

Contract Transportation – As previously mentioned, STA engages a contractor to provide its Paratransit service on nights and weekends. Since 2021, STA has experienced a strong recovery in ridership which has necessitated higher utilization of its contractor in responding to customer demand. In 2024, STA expects to request significantly more service hours than it had budgeted for 2023, thereby driving the increase in costs for this expense item.

Materials – The 2024 supplies budget anticipates a 2.6 percent reduction from the 2023 budget. This decline is impacted by the budget assumption for the cost of fuel, with diesel fuel being the largest component. The 2024 budget assumes a cost per gallon of diesel fuel at \$4.13 as compared to the 2023 budget assumption of \$4.32 per gallon. Additionally, the number of gallons of diesel required is diminishing as STA introduces more battery-electric buses into its fleet in 2024, up to 25% from 15% in 2023. This decrease is partially offset by an increase in the cost of vehicle repair parts.

Other – Other expenses consist of utilities, insurance and miscellaneous items which are reflecting an increase of 23.7 percent over the 2023 budget. Utilities are one of the key drivers of this increase as STA puts in service more battery-electric buses which will generate higher energy costs.

For the Draft 2024 Budget, STA expects insurance costs to increase by approximately 16 percent based on the draft rates provided by the Washington State Transit Insurance Pool (WSTIP), reflective of challenging insurance markets as insurance providers reduce the limits available for purchase. WSTIP determines the experience factor on an annual basis by comparing STA’s claim costs benchmarked against other WSTIP members with five (5) million or more miles driven over the course of a calendar year.

Miscellaneous items includes training and meetings as well as dues and subscriptions. 2024 reflects increases associated with the continuing return to in-person meetings and conferences, and new or higher dues for various industry groups STA belongs to.

Departmental Overview

Operations

Fixed Route

Fixed Route is the core of the Agency service and consists of the administration and delivery of fixed route bus service to customers, 365 days a year. Agency-wide, Fixed Route coordinates service delivery with other Departments, and formulates and implements Agency goals consistent with the mission of STA. Fixed Route includes all Coach Operators, Supervisors, Dispatch and Transportation administrative functions.

Paratransit

Paratransit is a complementary service to Fixed Route and is comprised of the administration and delivery of the Paratransit van service provided by STA. Paratransit includes Transportation administration, Reservations, Dispatch and Van Operators. Paratransit service is provided by a contractor on nights and weekends. Paratransit also administers the Special Use Van and Surplus Van grant programs which provide transportation solutions to nonprofit organizations and community groups.

Rideshare

Rideshare manages and coordinates STA's rideshare program, providing rideshare vehicles for groups of commuters who have at least one end of their commute in Spokane County. Rideshare operations provides day-to-day support to Rideshare participants including vehicle maintenance, recruitment and retention of participants as well as training of volunteer coordinators, drivers, and bookkeepers.

Vehicle Maintenance

Vehicle Maintenance is primarily responsible for providing safe and reliable vehicles and equipment for the delivery of transportation services to customers, and in support of all other Agency business. They are involved in the selection and procurement of vehicles and parts, supplies, tools, and equipment while looking for ways to improve vehicle performance and safety to provide a clean, safe, reliable, and efficient environment for customers. The Department provides guidance and administrative support for the annual Transit Asset Management Plan.

Facilities & Grounds Maintenance

Facilities & Grounds Maintenance is responsible for STA's buildings and grounds, building systems, furnishings, and all park and ride lots and bus stops. This includes STA's Administrative, Operating, and Maintenance Facilities and all Park and Ride facilities throughout STA's service area. The Facilities team is also responsible for many of the Agency's compliance programs for its buildings.

Administrative

Executive

The Chief Executive Officer (CEO) sets the overall direction, while providing supervision and coordination of the activities of the Agency in support of the vision and mission and in accordance with policies established by the Board of Directors. This includes the development and administration of Agency plans, services, programs, and policies and procedures along with the effective communication and coordination between employees, departments, the Board of Directors, and the broader community STA serves.

Planning & Development

Planning & Development oversees the service planning, capital project delivery and grant administration and reporting activities for STA. Departmental staff design, monitor, and optimize fixed route bus services and develop routes for operators to select. The group is responsible for annual submittal of the Transit Development Plan, the National Transit Database (NTD) report and STA's

comprehensive plan. Further, the department is responsible for the design and delivery of capital and operating projects approved by the Board of Directors.

Human Resources

Human Resources seeks to create a team of highly effective individuals to further STA's vision and mission. Department staff accomplish this through the hiring, training and retention of individuals committed to delivering outstanding public transportation. Human Resources manages the safety and security functions for the Agency. Safety responsibilities include the risk assessments, root cause analysis of accidents and incidents, creation and review of all safety related documents, and Agency-wide safety trainings while Security covers oversight and patrolling of the Agency's facilities and vehicles to monitor and manage for security and safety-related conditions.

Finance

Finance is responsible for recording and maintaining the Agency's financial transactions and supporting documentation in conformance with all state and federal accounting regulations, generally accepted accounting principles and the Agency's own policies. In addition, reporting to Finance are Information Services and Purchasing. Information Systems (IS) is responsible for the support, maintenance, and governance of the Agency's information technology needs, including the management of cybersecurity risks. Purchasing administers the procurement of goods and services including oversight and monitoring of vendors, consultants, and contractors as well as contract development. Purchasing is also responsible for managing facility and vehicle parts, fuel, and operating supplies inventory.

Communications & Customer Service

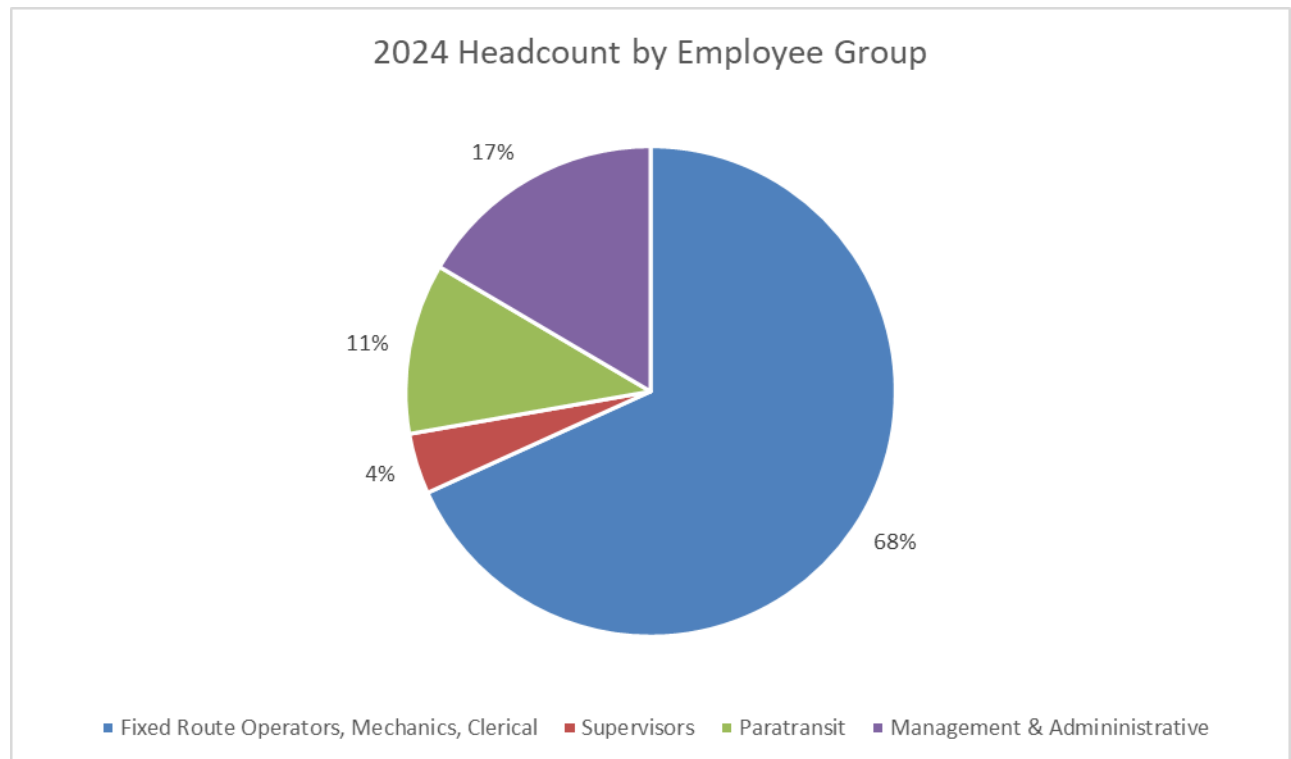
Communications & Customer Service produces informational and educational materials about the Agency and promotes awareness about the use of STA's services. The Department manages the website and real-time customer communications, printed materials, public information pieces, and social media. All marketing and communications, along with media relations, are handled by Communications. The Customer Service team handles sales of fare media, provides general information about schedules and trip planning.

Employees

STA's 2024 budgeted workforce consists of 742 full-time and 31 part-time employees, summarized across Departments as follows:

Department	Full-Time	Headcount Part-Time	Total
Operations			
Fixed Route	366	25	391
Paratransit (directly operated)	90	5	95
Rideshare	2	0	2
Vehicle Maintenance	111	0	111
Facilities & Grounds Maintenance	34	0	34
Total Operations	603	30	633
Administrative			
Executive	5	0	5
Planning & Development	24	0	24
Human Resources	44	0	44
Finance	40	1	41
Communications & Customer Service	26	0	26
Total Administrative	139	1	140
Total Agency Headcount	742	31	773

STA staff are represented by 3 bargaining units in addition to non-represented management & administrative staff. The breakdown by employee group is as follows:



The 2024 headcount represents an increase of 27 positions from the 2023 budget.

The new positions include by function:

Fixed Route

- 14 Fixed Route Operators
- 2 General Repair Vehicle Technicians

Security

- 1 Lead Transit Officer
- 5 Transit Officers

Rideshare

- 1 Rideshare Coordinator

Administration

- 1 Sr. Cybersecurity Analyst
- 1 Peripheral/IOT Specialist
- 1 Web & Digital Content Specialist
- 1 Parts Clerk

Capital Budget

Spokane Transit Authority 2024 Capital Budget Summary							
Program Category	Program Name	2024 Capital Budget in TDP	Quantity	2024 Capital Budget Updated	State Funding	Federal Funding	Local Funding
Vehicles	Fixed Route Fleet Replacement	\$ 14,279,442	20	\$ 14,279,442	\$ -	\$ 966,145	\$ 13,313,297
	Paratransit Van Replacement	3,063,933	20	3,063,933	-	-	3,063,933
	Rideshare Vehicle Replacement	852,000	16	852,000	455,611	-	396,389
	Non-Revenue Vehicles	190,000	0	-	-	-	-
Total Vehicles		\$ 18,385,375	56	\$ 18,195,375	\$ 455,611	\$ 966,145	\$ 16,773,619
Facilities - Maintenance & Administration	Boone - Preservation and Enhancements	\$ 3,134,200		\$ 3,911,200	\$ 295,000	\$ 300,000	\$ 3,316,200
	Fleck Center - Preservation and Improvements	1,033,668		3,601,000	240,000	-	3,361,000
	Miscellaneous Equipment and Fixtures	154,200		191,433	-	-	191,433
	Facility Master Plan Program	450,000		450,000	-	-	450,000
Total Facilities - Maintenance & Administration		\$ 4,772,068		\$ 8,153,633	\$ 535,000	\$ 300,000	\$ 7,318,633
Facilities - Passenger & Operational	Park and Ride Upgrades	\$ 234,613		\$ 374,613	\$ -	\$ 185,000	\$ 189,613
	Plaza Preservation and Improvements	698,045		2,055,735	-	-	2,055,735
	Route & Stop Facility Improvements	3,642,811		3,855,328	-	-	3,855,328
	Near Term Investments	3,123,500		3,678,890	-	-	3,678,890
	Transit Center Upgrades	1,500,000		1,500,000	1,200,000	-	300,000
Total Facilities - Passenger & Operational		\$ 9,198,969		\$ 11,464,566	\$ 1,200,000	\$ 185,000	\$ 10,079,566
Technology	Business Systems Replacement	\$ 750,000		\$ -	\$ -	\$ -	\$ -
	Capital Program Management Software	100,000		100,000	-	-	100,000
	Communications Technology Upgrades	425,356		175,988	-	-	175,988
	Computer Equipment Preservation and Updates	427,500		427,500	-	-	427,500
	IS Infrastructure and End User Equipment	671,100		1,155,000	-	-	1,155,000
	Operating & Customer Service Software	334,808		217,833	-	-	217,833
	Security and Access Technology	482,000		496,100	-	-	496,100
Total Technology		\$ 3,190,764		\$ 2,572,421	\$ -	\$ -	\$ 2,572,421
High Performance Transit Implementation	City Line	\$ 14,808,433		\$ 14,808,433	\$ -	\$ 11,631,394	\$ 3,177,039
	Cheney Line	35,000		377,338	192,442	-	184,896
	I-90/Valley Line	7,765,289		7,765,289	3,745,664	572,000	3,447,625
	Monroe-Regal Line	1,143,290		1,143,290	-	-	1,143,290
	Sprague Line	1,810,734		1,810,734	638,062	-	1,172,672
	West Broadway Line	1,240,000		1,240,000	-	-	1,240,000
Total High Performance Transit Implementation		\$ 26,802,746		\$ 27,145,084	\$ 4,576,168	\$ 12,203,394	\$ 10,365,522
Connect 2035	Connect 2035 Future Initiatives	\$ 25,000,000		\$ 2,500,000	\$ -	\$ 500,000	\$ 2,000,000
	Division Street BRT	4,250,000		5,250,000	4,750,000	500,000	-
Total Connect 2035		\$ 29,250,000		\$ 7,750,000	\$ 4,750,000	\$ 1,000,000	\$ 2,000,000
Total 2024 Capital Budget		\$ 91,599,922		\$ 75,281,079	\$ 11,516,780	\$ 14,654,539	\$ 49,109,761

Rolling Stock (Vehicles)

Revenue Vehicles – The Capital Budget includes \$18.2 million for procurement of 56 revenue vehicles.

Revenue vehicles are those coaches and vans used to provide revenue service to passengers in the STA public transportation benefit area. There are 20 fixed route forty-foot clean diesel coaches planned for replacement at a cost of \$14.3 million, 20 paratransit vans at about \$3.1M, and 16 rideshare vehicles at about \$0.8 million. STA expects to receive \$1.4 million in federal and state funding to support the purchase of these vehicles.

Non-Revenue Vehicles – Non-revenue vehicles include vehicles needed for operations such as supervisor trucks, security vehicles, maintenance trucks, and road cars. STA does not anticipate a need to purchase non-revenue vehicles in 2024.

Facilities – Maintenance & Administration

STA's Facilities Maintenance & Administration total budget for 2024 amounts to \$8.2 million. This includes \$3.9 million for preservation and enhancement of the STA maintenance and administration facilities at Boone which includes battery electric bus charging infrastructure, electric system audit for the Boone facilities, HVAC maintenance, and Clean Building audit. Fleck Center preservation and improvements of \$3.6 million for 2024 include replacement of underground fuel storage tanks and the bus/van washer. The capital budget for Facilities Maintenance and Administration also includes \$0.5 million for an update to the Facility Master Plan as well as \$0.2 million for other miscellaneous equipment and fixture needs of the Agency.

Facilities – Passenger & Operational

STA Facilities for Passenger and Operational needs 2024 budget is \$11.5 million. Upgrades to Park and Rides, and Transit Centers, \$1.9 million which includes improvements to the South Hill Park and Ride as well as continuation of the Five Mile Mobility Hub Design and West Plains Transit Center Upgrades. STA plans to spend \$2.1 million for preservation and improvements to the STA Plaza most of which will be focused on the Clean Building improvements. Route and Stop Facility Improvements and Near-Term Investments focus on those operational improvements for passengers and operations such as shelters, lighting, service changes, updates to bus stops, and other comfort and accessibility improvements. The 2024 budget for Route and Stop Facility Improvements and Near-Term Investments is \$7.5 million.

Technology

The total budget for Technology projects for 2024 is \$2.6 million. This includes Communications Technology, Computer Equipment Preservation and Updates, Information Systems Infrastructure and End User Equipment, Operating and Customer Service applications, and Security and Access Technology.

High Performance Transit Implementation

STA's budget for 2024 High Performance Transit Implementation totals \$27.1 million. This includes the close-out of remaining City Line obligations at \$14.1 million and the Cheney Line at \$0.4 million. In addition, STA has budgeted \$7.8 million for I-90/Valley Line projects such as Mirabeau Transit Center Improvements and the new Appleway Station Park & Ride Design. The Sprague Line will continue with a 2024 budget of \$1.8 million along with the Monroe-Regal Line and the West Broadway Line at \$1.1 million and \$1.2 million respectively.

Connect 2035

The Capital Budget for 2024 includes the Division Street Bus Rapid Transit (BRT) project as part of the Connect 2035 plan as well as other Connect 2035 future projects including facilities that will be established as the Connect 2035 plan is finalized. The 2024 Budget for Division Street BRT is \$5.3 million with an additional \$2.5 million for Connect 2035 Future Initiatives for a total of \$7.8 million.

Cash and Reserves

STA is a debt-free Agency and, as such, manages its sources and uses of cash to create a sustainable and balanced budget. The Cash balance represents the remaining available cash resources of the Agency as of the end of the Budget period after 2024 budgeted operating and capital activities and Reserves, which are Board Committed amounts.

Cash and Reserves Analysis

	2024 Draft Budget
OPERATING ACTIVITIES	
Revenue (excluding capital grants)	\$ 142,983,582
Operating Expense	(121,250,981)
Revenue Over / (Under) Operating Expenses	\$ 21,732,601
CAPITAL ACTIVITIES (Local Funds)	
Purchase of Property, Plant, and Equipment	(32,732,530)
FR & PT Fleet Replacement Allocation	(19,367,716)
Total Local Cash Used for Capital Activities	\$ (52,100,246)
NET DECREASE IN CASH	\$ (30,367,645)
CASH (Projected beginning 2024)	\$ 229,754,367
CASH (Projected ending 2024)	\$ 199,386,722
BOARD DESIGNATED AND OTHER RESERVES	
Operating Reserve (15% of Operating Expenses)	\$ (18,187,647)
Risk Reserve	(5,500,000)
Right of Way Acquisition Reserve	(4,950,000)
Real Estate Acquisition Reserve	(25,000,000)
Claims Reserve - L&I required	(357,000)
Total Board Designated & Other Reserves	\$ (53,994,647)
2024 Estimated End of Year Cash Balance After Reserves¹	\$ 145,392,075
2024 Estimated End of Year Fleet Replacement Fund Balance	\$ 21,904,532

¹ Estimated end of year cash balance after reserves are used for future capital expenditures included in the 2024-2029 Capital Improvement Plan

Reserves

The Board of Directors adopted Board Resolution 630A-07 and 804-22 to establish selected designated cash reserve policies to include Self-Insurance, Operating Reserve and Real Estate related Reserves.

Self-Insurance Risk Reserve — A total of \$5.5 million dollars was designated to provide catastrophic self-insurance coverage for underground storage tanks to protect the Agency from exposures beyond the financial resources available through the Agency's insurance program.

Operating Reserve — A reserve equal to 15% of the annual adopted operating expense budget was established to protect the Agency from sudden and unforeseen financial challenges from fluctuating revenues or expenditures, by creating access to short-term liquidity when needed.

Right of Way Acquisition Reserve – In the normal course of its operations and capital development efforts, STA works in the right of way of others and must have a mechanism to quickly address issues that may impact delivery of service or capital projects. This reserve of \$4.95 million allows the Board to quickly move on any actions to remedy right of way issues which cannot be planned.

Real Estate Reserve – STA’s current and next strategic plans contain projects which call for significant investments in real estate to accomplish the desired capital and operational elements of these projects. Being able to act quickly and decisively in what may prove to be competitive situations for acquisitions of real property will prove essential for STA. This reserve of \$25 million provides a mechanism for the Board of Directors for such future acquisitions of real estate.

Fleet Replacement Fund

This fund was created as a mechanism to smooth the impact to cash of replacement of fixed route buses and paratransit vans. While not an officially designated reserve, it is used specifically for capital investments related to vehicles used to provide STA service. Annually as part of the budget, STA funds and the Board of Directors approved the contribution to bring the fund to the appropriate funding level based on future replacements on the horizon.

Key Performance Indicators

Spokane Transit Authority			
Fixed Route Key Operating Indicators	2024 Budget	2023 Budget	2022 Actual
Operating Expense	\$96,236,737	\$92,085,674	\$71,694,572
Revenue Hours	530,131	508,550	465,683
Passengers	9,159,766	7,156,204	6,581,876
Revenue Miles	7,276,488	7,134,734	6,485,325
Farebox Revenue	\$6,238,086	\$6,631,422	\$6,135,110
Farebox Recovery Ratio	6.5%	7.2%	8.6%
Average Fare	\$0.68	\$0.93	\$0.93
Cost per Passenger	\$10.51	\$12.87	\$10.89
Operating Cost per Revenue Hour	\$181.53	\$181.07	\$153.96
Operating Cost per Revenue Mile	\$13.23	\$12.91	\$11.05
Passengers per Revenue Hour	17.28	14.07	14.13
Passengers per Revenue Mile	1.26	1.00	1.01
Vehicles Operated in Maximum Service	164	164	157

Spokane Transit Authority			
Paratransit Key Operating Indicators	2024 Budget	2023 Budget	2022 Actual
Operating Expense	\$23,917,663	\$20,959,411	\$17,588,314
Revenue Hours	165,861	146,166	129,282
Passengers	413,184	366,132	310,316
Revenue Miles	2,642,377	2,482,956	2,018,751
Farebox Revenue	\$568,416	\$598,899	\$531,284
Farebox Recovery Ratio	2.4%	2.9%	3.0%
Average Fare	\$1.38	\$1.64	\$1.71
Cost per Passenger	\$57.89	\$57.25	\$56.68
Operating Cost per Revenue Hour	\$144.20	\$141.46	\$136.05
Operating Cost per Revenue Mile	\$9.05	\$8.44	\$8.71
Passengers per Revenue Hour	2.49	2.47	2.40
Passengers per Revenue Mile	0.16	0.15	0.15
Vehicles Operated in Max Service-Directly Operated	67	68	63
Vehicles Operated in Max Service-Contracted	49	40	41

Spokane Transit Authority			
Rideshare Key Operating Indicators	2024 Budget	2023 Budget	2022 Actual
Operating Expense	\$1,096,581	\$893,919	\$749,084
Revenue Hours	30,142	26,830	25,973
Passengers	119,792	119,792	90,576
Revenue Miles	1,070,516	991,779	905,990
Farebox Revenue	\$328,888	\$248,066	\$247,718
Farebox Recovery Ratio	30.0%	27.8%	33.1%
Average Fare	\$2.75	\$2.07	\$2.73
Cost per Passenger	\$9.15	\$7.46	\$8.27
Operating Cost per Revenue Hour	\$36.38	\$33.32	\$28.84
Operating Cost per Revenue Mile	\$1.02	\$0.90	\$.83
Passengers per Revenue Hour	3.97	4.46	3.49
Passengers per Revenue Mile	0.11	0.12	0.10
Vehicles Operated in Maximum Service	83	79	70

Draft Board Resolution Adopting 2024 Budget

DRAFT RESOLUTION NO. _____

A RESOLUTION FOR THE PURPOSE OF ADOPTING THE STA 2024 BUDGET AND OTHER MATTERS PROPERLY RELATING THERETO.

SPOKANE TRANSIT AUTHORITY

Spokane County, Washington

BE IT RESOLVED BY THE SPOKANE TRANSIT AUTHORITY as follows:

WHEREAS, the Spokane Transit Authority (STA) is a municipal corporation operating and existing under and pursuant to the Constitution and the laws of the state of Washington, pursuant to RCW Title 36, Chapter 57.A, Public Transportation Benefit Area;

WHEREAS, the STA Board of Directors, pursuant to state law and the STA Bylaws, Article III Section 3.1(5), shall have the power to prepare and adopt a budget and establish financial policies;

WHEREAS, staff has prepared a proposed 2024 budget, provided public access to the budget and the STA Board of Directors has held a public hearing on the proposed budget;

WHEREAS, the STA Planning & Development Committee has reviewed the final proposed 2023 budget at its November XX, 2023 meeting and has recommended adoption by the STA Board of Directors at its December XX, 2023 meeting;

WHEREAS, pursuant to Resolution No. 630A-07, the Board shall annually review and approve the level of cash reserves in conjunction with the budget adoption process.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of STA as follows:

Section 1. The STA Board of Directors hereby approves and adopts the 2024 budget including:

SOURCE OF FUNDS		USE OF FUNDS	
Revenues	\$ 142,983,582	Operating Expenses	\$ 121,250,981
Capital Grants	\$ 26,171,319	Capital Projects	\$ 75,281,079
From Cash Balance	\$ 46,744,875	Fleet Replacement Allocation	\$ 19,367,716
Total Source of Funds	\$ 215,899,776	Total Use of Funds	\$ 215,899,776

BOARD DESIGNATED CASH RESERVES	
Operating Reserve (15% of Operating Expenses)	\$ 18,187,647
Risk Reserve	\$ 5,500,000
Right-of Way Acquisition Reserve	\$ 4,950,000
Real Estate Acquisition Reserve	\$ 25,000,000
Total Board Designated Cash Reserves	\$ 53,994,647

Section 2. The STA Board of Directors hereby authorizes and instructs the Chief Executive Officer to carry out the purposes intended by the budget and to administer the provisions and appropriations as approved.

Adopted by STA at a regular meeting thereof held on the XXth day of December 2023.

ATTEST:

SPOKANE TRANSIT AUTHORITY:

Dana Infalt
Clerk of the Authority

Al French
Board Chair

Approved as to form:

Megan Clark
Legal Counsel

Appendix

Glossary

Accrual Basis of Accounting – A method of accounting that matches revenues and expenditures with the period to which they relate rather than received or distributed.

Americans with Disabilities Act (ADA) – Federal legislation mandating specific requirements for vehicles and facilities to accommodate the disabled.

Agency – As a government agency, Spokane Transit is referred to as “the Agency” throughout this document.

Appropriation – A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ARPA – The American Rescue Plan Act, which President Biden signed on March 11, 2021, includes \$30.5 billion in federal funding to support the nation’s public transportation system as they continue to respond to the COVID-19 pandemic and support the President’s call to vaccinate the U.S. population.

Beginning Balance – The cash balance as of January 1.

Benefits – Employer paid costs provided for employees such as retirement contributions, medical and dental insurance premiums, workers’ compensation, and paid time off.

Boardings – Passengers are counted each time they board revenue vehicles no matter how many vehicles they use to travel from their origin to their destination. The official name of this statistic in National Transit Database (NTD) terms is “unlinked passenger trip.”

Budget – A financial plan for revenues and expenditures, according to a set of strategic decisions made by Agency leadership, which is approved by the Board of Directors annually. The budget funds initiatives and controls expenditures within boundaries.

Budget Amendment – A budget amendment is a formal action of the Board of Commissioners to approve changes after the initial budget adoption.

Budget Revision – A budget revision is a record of change to the budget with no financial impact, such as reclassification of costs.

Bus Rapid Transit – Bus Rapid Transit systems are designed to carry larger numbers of riders with greater speed, reliability, and frequency than a standard fixed-route bus.

Capital – Purchase or construction project that has a cost of greater than \$5,000, or \$50,000 aggregate, and a useful life of greater than one year.

Capital Budget – A portion of the annual budget that appropriates funds for the purchase of capital items.

CARES – The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law by President Trump on March 27th, 2020. The CARES Act, a \$2+ trillion economic relief package, provided direct economic assistance for American workers and families, for small businesses, and for state and local governments, as well as preserves jobs for American industries.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor that measures the change in the cost of goods purchased in comparative timeframes.

Cost per Passenger – The cost of carrying each passenger determined by dividing the total cost of carrying all passengers by the total number of passenger trips.

Cost per Vehicle Mile – The cost of traveling one mile determined by dividing the total cost of providing service by the total number of miles traveled.

CRRSAA – The Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020. This includes \$900 billion in supplemental appropriations for COVID-19 relief. Of that, \$14 billion was allocated to support the transit industry during the COVID-19 public health emergency.

Deadhead Time – The number of hours a bus is traveling while not in revenue service. Includes travel between the garage and the beginning/end of a route or travel between two routes when the vehicle is not actually in service.

Department – An organizational unit of the Agency responsible for carrying out Agency functions.

Encumbrances – A classification of expenditures committed for goods or services for which payments have not been made.

Ending Balance – The cash balance as of December 31.

Expenditure – The payment of cash or the transfer of property or services for the purpose of acquiring an asset, service, or materials.

Expenses – Decreases in net total assets that represent the total cost of operations during a period regardless of the timing of related expenditures.

Farebox Recovery Ratio – The total fares collected divided by total costs to operate the service.

Fiscal Year – The fiscal year for Spokane Transit is the calendar year January 1 through December 31.

Fixed Route – Bus operations that adhere to a published schedule on specific routes.

Full-time Equivalents (FTEs) – A unit used for measuring personnel according to the percentage of hours worked annually, based on a 40-hour workweek / 52 weeks / 2080 hours.

Grants – A contribution by a government or other organization to support a particular function.

Insurance Budget – A portion of the annual budget that appropriates funds for Property and Liability Insurance provided by WSTIP (defined below).

Insurance Reserve – Reserves set at a level to adequately protect the Agency from self- insurance risks that are evaluated annually.

Key Performance Indicators (KPI) – Measures by which Spokane Transit evaluates the effectiveness and efficiency of its operations.

Maintenance and Operation Expenditures (M&O) – This term refers to expenditures paid to obtain goods or services, including services, supplies, fuel, utilities, insurance, etc. This category does not include personnel or capital expenditures.

Operating Budget – A portion of the annual budget that appropriates funds for continued operations.

Paratransit – A program whereby transportation services are provided to those with a qualifying disability within $\frac{3}{4}$ of a mile of our fixed bus routes.

Personnel – This item includes the cost of all salaries, wages, overtime, and benefits associated with the Agency's staff.

PTBA – Public Transportation Benefit Area is a special taxing district established by Washington State for the purpose of providing public transportation. The PTBA includes the cities of Airway Heights, Cheney, Medical Lake, Millwood, Liberty Lake, Spokane, and Spokane Valley, as well as portions of the unincorporated county of Spokane surrounding those municipalities. where the Agency provides public transportation services within its boundaries which extend to roughly 248 square miles.

Reserve – Reserves maintained to provide a sufficient working capital and balance to finance cash flow requirements, unanticipated downturns in revenues, and provide funds for emergency expenditures set by Board of Commissioners.

Revenue – Income received by the Agency in support of its program of services to the PTBA.

Revenue Hours – A calculation of service based on the number of hours a vehicle is in service providing passenger trips (and is potentially collecting fare revenue). Revenue hours do not include deadhead time but do include layover time between trips.

Revenue Miles – A calculation of service based on the number of miles in which a vehicle is in service providing passenger trips (and is potentially collecting fare revenue).

Revenue Vehicle – Any vehicle which provides service resulting in fare revenue for the Agency.

Ridership – The total number of passenger boardings on fixed route, paratransit, or rideshare in a year.

Rideshare – A group of 3 to 15 people sharing the ride in an 8, 12, or 15-passenger van.

Rolling Stock – A category of capital assets consisting transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services.

Sales Tax – Tax on certain forms of consumption levied by the State of Washington within the service district for the Agency in the amount of eight-tenths of one percent (0.8 percent) effective in April 2019.

Self-insurance – The items determined to be administered by the Agency rather than covered by an insurance policy.

Service Hours – A calculation of service based on the number of hours a vehicle is on the road, includes revenue, recovery, and deadhead hours.

WSTIP – The Washington State Transit Insurance Pool consists of twenty-five Washington State public transit agencies, who combine their resources in order to provide and purchase insurance coverage, manage claims and litigation, and receive risk management assistance and training.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 5B : CONNECT SPOKANE COMPREHENSIVE PLAN: COMMUNICATIONS AND PUBLIC INPUT AND TITLE VI

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Karl Otterstrom, Chief Planning and Development Officer
Mike Tresidder, Senior Transit Planner

SUMMARY: STA is beginning the second phase of a major update to Connect Spokane, STA’s comprehensive plan for public transportation. Informed by discussion and input at the September 2023 Planning and Development Committee, staff have returned with an overview of proposed updates to the *Communications and Public Input* Element, as well as an introductory discussion on Diversity, Equity, and Inclusion and a proposal for a new Title VI Element.

BACKGROUND: *Connect Spokane* is STA’s Comprehensive Plan and can be viewed here:

<https://www.spokanetransit.com/projects/comprehensive-plan/>

It sets forth a planning vision and policy framework to help guide decisions made by the Board of Directors, staff, and partnering agencies for at least the next 30 years. Staff presented a proposed work plan at the September 2023 Planning and Development Committee meeting. The elements identified for discussion in October are listed below.

Element	Proposed Scope	Why	Committee Meeting Review & Discussion
Communications and Public Input	Recognize public participation spectrum, update outreach tools to reflect current best practices. Potentially add policies related to better/consistent partner coordination	Provide policy clarity for activities. Opportunity to identify missing policies related to coordinating with community-based organizations (CBOs), which is of interest to STA Board members	October 2023 November 2023
Annex 2: Title VI	Create new Title VI element, instead of Annex, possibly expand to larger equity and environmental element, explore updating policies within element	Time to revisit, have not been updated since adoption. Expressed interest from STA Board Members	October 2023 November 2023 February 2024

Communications and Public Input: Staff will seek feedback on the following:

- Proposed edits to Introduction, including replacing tools with tactics;
- Proposed re-ordering of the Policies to group them into major categories; and
- Proposed additions to the policies.

Staff will return to the Planning and Development Committee in November with a redline version of the Communications and Public Input Element, based on feedback from the October Committee discussion.

Title VI: The discussion around Title VI has been provided a longer timeline to allow for greater discussion of Title VI and the potential of including a specific equity and environmental justice element into the Comprehensive Plan. Staff will seek feedback and engage in discussion on the following:

- Moving the Title VI policies from an Annex into a full element of the Comprehensive Plan; and
- An introductory discussion of equity and environmental justice; including:
 - An overview of equity and environmental justice, how they are generally defined; and
 - How related policies are implemented in transit, looking at examples from APTA and other transit agencies.

Based on the discussions and feedback at the October Committee meeting, staff will return in November with a proposal for the inclusion of Title VI and related policies in the main section of the Comprehensive Plan, and how these can be integrated into related planning initiatives.

RECOMMENDATION TO COMMITTEE: Receive report.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 6: CEO REPORT - INFORMATION

REFERRAL COMMITTEE: n/a

SUBMITTED BY: E. Susan Meyer, Chief Executive Officer

SUMMARY: At this time, the CEO will have an opportunity to comment on various topics of interest regarding Spokane Transit.

RECOMMENDATION TO COMMITTEE: For discussion.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 8: November 1, 2023, COMMITTEE MEETING DRAFT AGENDA REVIEW

REFERRAL COMMITTEE: n/a

SUBMITTED BY: Karl Otterstrom, Chief Planning and Development Officer

SUMMARY: At this time, members of the Planning and Development Committee will have an opportunity to review and discuss the items proposed to be included on the agenda for the meeting of November 1, 2023.

RECOMMENDATION TO COMMITTEE: For discussion.

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

PLANNING AND DEVELOPMENT COMMITTEE MEETING

Wednesday, November 1, 2023

10:00 a.m. – 11:30 a.m.

Meeting In Person at Spokane Transit Authority
Spokane Transit Authority, 1230 W. Boone Avenue, Spokane, WA
w/Virtual Public Viewing Option

Virtual Link:	Join here		
Password:	Members: 2023		Guests: 1123
Call-in Number:	1-408-418-9388		Event #: xxxx xxx xxxx

DRAFT AGENDA

1. Call to Order and Roll Call
2. Committee Chair Report (*5 minutes*)
3. Committee Action (*5 minutes*)
 - A. Minutes of the October 4, 2023, Committee Meeting -- *Corrections/Approval*
4. Committee Action
 - A. Board Consent Agenda -- *none*
 - B. Board Discussion Agenda - *none*
5. Reports to Committee (*50 minutes*)
 - A. Proposed 2024 Budget (*Liard*)
 - B. Connect Spokane Comprehensive Plan: Communications and Public Input and Title VI (*Otterstrom*)
 - C. Connect 2035 Strategic Plan Update (*Otterstrom*)
 - D. Draft 2024 Planning and Development Committee Work Program (*Otterstrom*)
6. CEO Report (*E. Susan Meyer*) (*15 minutes*)
7. Committee Information
8. Review December 6, 2023, Committee Meeting Agenda
9. New Business
10. Committee Members' Expressions (*5 minutes*)
11. Adjourn

Next Committee Meeting: Wednesday, December 6, 2023, at 10:00 a.m. via Webex

Agendas of regular Committee and Board meetings are posted the Friday afternoon preceding each meeting at the STA's website: www.spokanetransit.com. Discussions concerning matters to be brought to the Board are held in Committee meetings. The public is welcome to attend and participate. Spokane Transit assures nondiscrimination in accordance with Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act. 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.

SPOKANE TRANSIT AUTHORITY

PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 9: NEW BUSINESS

REFERRAL COMMITTEE: n/a

SUBMITTED BY: n/a

SUMMARY: At this time, the Committee will have the opportunity to initiate discussion regarding new business relating to Planning and Development.

RECOMMENDATION TO COMMITTEE: For Discussion.

SPOKANE TRANSIT AUTHORITY
PLANNING AND DEVELOPMENT COMMITTEE MEETING

October 4, 2023

AGENDA ITEM 10 : COMMITTEE MEMBERS' EXPRESSIONS

REFERRAL COMMITTEE: n/a

SUBMITTED BY: n/a

SUMMARY: At this time, members of the Planning and Development Committee will have an opportunity to express comments or opinions.

RECOMMENDATION TO COMMITTEE: n/a