

**BOARD OF DIRECTORS**

DRAFT Minutes of the November 16, 2023, STA Board Meeting  
1230 W Boone Ave., Spokane  
*with a WebEx Video Conference Option*

**MEMBERS PRESENT**

Lori Kinnear, City of Spokane, *Chair*  
Al French, Spokane County, *(Chair Pro Tempore)*  
Betsy Wilkerson, City of Spokane  
Chris Grover, Small Cities (Cheney) *Ex Officio*  
Dan Dunne, Small Cities Representative (Liberty Lake)  
Dan Sander, Small Cities (Millwood) *Ex Officio*  
Hank Bynaker, Small Cities (Airway Heights) *Ex Officio*  
Josh Kerns, Spokane County  
Karen Stratton, City of Spokane  
Pamela Haley, City of Spokane Valley  
Tim Hattenburg, City of Spokane Valley  
Zack Zappone, City of Spokane *(Virtual)*  
Rhonda Bowers, Labor Representative, *Non-Voting*

**MEMBERS ABSENT**

Don Kennedy, Small Cities (Medical Lake) *Ex Officio*

**STAFF PRESENT**

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

**PROVIDING LEGAL COUNSEL**

Megan Clark, Etter, McMahon, Lamberson, Van Wert and Oreskovich, P.C.  
Michael Connelly, Etter, McMahon, Lamberson, Van Wert and Oreskovich, P.C.

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1. Call To Order and Roll Call

Chair Kinnear called the meeting to order at 1:30 p.m. and introductions were made.

3. Public Expressions (taken out of order)

Ms. Corey Ann Hanson, STA Coach Operator, submitted a public expression in writing which was distributed to Board members.

Ms. Ronette Richardson appeared in person to share her appreciation for and thoughts on retention bonuses. She asked STA to reconsider the retention incentive policy for those employees who were suspended or disciplined.

2. Approve Board Agenda

Ms. Bowers requested to provide her Member Expressions before the Agenda was approved. Chair Kinnear noted that wasn't the normal process but with no objections from board members, agreed.

Ms. Bowers expressed her thoughts about her service as a board member, who she represents, an issue of concern from the prior meeting, potential loopholes in the Rules of Procedure, public record requests, and transparency as an agency.

**Mr. French moved to approve the November Board Agenda. Mr. Hattenburg seconded, and the motion passed unanimously.**

4. Public Hearing

A. Proposed 2024 Budget

Chair Kinnear opened the Public Hearing at 1:44 pm and asked Ms. Liard to provide details.

Ms. Liard provided a high-level recap of the proposed 2024 Budget, including background, an overview of the plan which consisted of the 2024 Action Plan, Operating Budget for revenue and expense, the Capital Budget, and the timeline. She noted the proposed core actions are aligned with the Connect 2035 Strategic Plan goals to 1) elevate the customer experience, 2) lead and collaborate with community partners to enhance the quality of life in the region, and 3) strengthen STA’s capacity to anticipate and respond to the demands of the region. She provided details of achievements and progress for each of the actions.

A budget comparison overview was provided showing the 2023 budget, proposed 2024 budget, the amount of change and the percentage of change from the 2023 budget.

Ms. Liard also provided the 2024 operating revenue, noting the 2024 vs. 2023 operating revenue budget and the detailed operating revenue by category.

The 2024 Operating expense revenue was reviewed, as well as a breakdown by category and a comparison of 2024 vs. 2023 operating expense budget, showing a total operating expense change of \$7,428,570, or 6.5% increase.

Ms. Liard reviewed 2024 cash and reserve analysis and explained next steps, which included the public hearing today, a recommendation of the final Proposed 2024 budget to the Planning & Development Committee on December 6<sup>th</sup>, and Board adoption, by Resolution, of the Final Proposed 2024 Budget. Discussion ensued on a variety of topics.

Additional information was requested by a Board member on the Communications budget. Discussion ensued.

Chair Kinnear opened the testimony portion of the Public Hearing at 2:00 and called for comments three times. There were no comments. Chair Kinnear closed the Public Hearing at 2:01.

5. Board Action - Consent Agenda

**Mr. French moved to approve Consent Agenda Items 5A through 5B. Mr. Hattenburg seconded, and the motion passed unanimously.**

A. Minutes of the October 19, 2023, Board Meeting – Corrections/Approval

B. Approval of the following October 2023 Vouchers:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (October)	Nos. 624267 – 624654	\$ 10,910,606.04
Worker’s Comp Vouchers (October)	ACH – 2286	\$ 97,373.27
Payroll 10/06/2023	ACH – 10/06/2023	\$ 2,651,644.86
Payroll 10/20/2023	ACH – 10/20/2023	\$ 1,929,020.61
WA State – DOR (Excise Tax)	ACH – 1767	\$ 2,697.23
WA State – DOR (Leasehold Tax)	ACH – 1767	8,631.13
<b>OCTOBER TOTAL</b>		<b>\$ 15,599,973.14</b>

6. Executive Session (Etter McMahon) –

At 2:04, the Board adjourned to Executive Session for the purpose of discussing litigation or legal risks of a proposed action or current practice that the agency has identified when public discussion of the litigation or legal risks is likely to result in an adverse legal or financial consequence to the agency – per RCW42.30110(iii). The chair noted the members would return in 15 minutes.

At 2:19, the Chair advised they would be an additional ten minutes. The Clerk updated the Board attendees. At 2:29, the Chair advised they would be an additional five minutes. The Clerk updated the Board attendees. At 2:34 the Board returned. There was no action taken.

7. Board Action – Committee Recommendation

A. Board Operations

i. Draft Rules of Procedure

Ms. Clark advised the Rules of Procedure were being presented to the Board for the third time in ten months. Everything that was reviewed in September had been included and she redlined the changes from September which will be discussed today.

Ms. Clark reviewed the redlined changes.

Chair Kinnear asked for questions or comments. None were forthcoming.

Ms. Clark said the final Rules of Procedure without the redline are in the packet. She noted the recommendation to the Board is to approve the updated draft Rules of Procedure as presented.

Ms. Wilkerson suggested a deferral of the vote and to have the Board policy reviewed before Rules of Procedure approved.

Ms. Clark mentioned the Rules of Procedure are from 1993 and there is a need to update. She reminded of the need to have a discussion for reviewing policies and revising bylaws or other resolutions and that this has taken ten months to get here with the Rules of Procedure. Ms. Clark reiterated there was good reason to have these rules in place because the current rules were outdated.

Discussion ensued.

Chair Kinnear asked for a motion.

**Mr. Dunne moved to approve the updated draft Rules of Procedure as presented. Mr. Hattenburg seconded.**

**Mr. Zappone proposed an amendment to Rule 2.4 B from “The Chairperson may only cause removal of a Board Member from any meeting by majority vote of the Board.” He would like to amend that to be 2/3 majority of the board. Ms. Wilkerson seconded.**

Chair Kinnear asked for comments.

Discussion ensued.

Ms. Kinnear called for the vote. **Mr. Zappone, Ms. Wilkerson, Ms. Stratton voted yes. Mr. French, Mr. Dunne, Mr. Kerns, Ms. Haley, Mr. Hattenburg, and Chair Kinnear voted no. The amendment did not pass.**

**Mr. Zappone proposed an amendment to Rule 2.11 F** which states: “a quorum for the purpose of conducting a Committee meeting or Committee business is two eligible voting members”. **Mr. Zappone proposed the amended language read: “quorum for the purpose of conducting a Committee meeting or Committee business is a simple majority of the eligible voting Committee members in case there is no quorum present on a day set for a Committee meeting, the committee members present may adjourn until a quorum is obtained or may adjourn said meeting to find a time and place to which the meeting matter will be continued.”**

Ms. Clark advised that with respect to that proposed amendment, STA has other guidelines that govern this that would require change, structurally, before we could make this a Rule of Procedure because the structure and guiding documents, which are the Committee Functioning Guidelines and Committee Descriptions, say a quorum is two. Without a change to documents, we cannot make a Rule of Procedure that conflicts internally with governing documents.

Chair Kinnear said she did not have a second to the amendment. **Ms. Wilkerson seconded.**

Discussion ensued.

Chair Kinnear called for the vote.

**Mr. Zappone, and Ms. Wilkerson voted yes. Mr. French, Mr. Dunne, Mr. Kerns, Ms. Haley, Mr. Hattenburg, Ms. Stratton, and Chair Kinnear voted no. The amendment did not pass.**

**Mr. Zappone made a motion to amend the proposed language of 2.11F** which also states: “Board members may attend, but not directly or indirectly participate in any Committee meeting of which they are not a member”. **Mr. Zappone proposed language was: “votes or actions taken by a Committee shall not be deemed as official actions of the Board but rather as recommendations to the Board. Only members appointed as voting members of a committee may vote at a committee meeting. Any Board member who attends a committee member and is not an eligible voting member may participate in the meeting discussion”.** **Ms. Stratton seconded.**

Discussion ensued.

**Chair Kinnear called for a vote on the amended motion. Mr. Zappone and Ms. Wilkerson voted yes. Mr. French, Ms. Stratton, Mr. Kerns, Ms. Haley, Mr. Hattenburg, Mr. Dunne and Chair Kinnear voted no. The motion did not pass.**

Chair Kinnear called for the vote on the original motion on the floor to approve the updated draft Rules of Procedure as presented. (made by Mr. Dunne and seconded by Mr. Hattenburg).

**Mr. French, Mr. Kerns, Ms. Haley, Mr. Hattenburg, Mr. Dunne, Ms. Stratton, Mr. Zappone, and Chair Kinnear voted yes. Ms. Wilkerson voted no. The motion passed.**

8. Board Report

A. Safety & Security Update

Due to time constraints, this item was deferred to the December Board meeting.

9. Board Operations Committee

A. Chair Report (*Lori Kinnear*)

Due to time constraints, no report was made.

10. Planning & Development Committee

A. Chair Report (*Al French*)

Due to time constraints, no report was made.

i. Connect 2035 Strategic Plan Update: Workshop Review

Due to time constraints, Mr. Otterstrom advised this item was in the packet and he was available to be contacted for additional information.

11. Performance Monitoring & External Relations Committee

A. Chair Report (*Pam Haley*)

ii. 3<sup>rd</sup> Quarter Performance Measures – Results

Due to time constraints, Mr. Rapez-Betty advised the information was in the packet and he was available to be contacted for additional information.

12. CEO Report

Ms. Meyer deferred her CEO report with the exception of advising Labor Negotiations were starting with ATU1015 on November 17<sup>th</sup>. She noted coach operators, maintenance of vehicles and facilities and grounds, customer service, and clerical were covered by this contract which will run for the term 4/1/24 – 3/31/2027. She reminded Board members to avoid communication with union representatives and employees about any matters subject to bargaining.

*Ms. Wilkerson left at 3:16 pm.*

Ms. Meyer offered to answer questions. None were forthcoming.

11. Board Information

A. Committee Minutes

B. October 2023 Sales Tax Revenue (*Monique Liard*)

C. September 2023 Financial Results Summary (*Monique Liard*)

D. September 2023 Operating Indicators (*Brandon Rapez-Betty*)

E. Draft 2024 Planning and Development Committee Work Program (*Karl Otterstrom*)

F. Connect Spokane Comprehensive Plan: Equity and Inclusion (*Karl Otterstrom*)

G. 2024 Service Revisions: Preliminary Proposal Outreach Update (*Karl Otterstrom*)

H. Third Quarter Service Planning Input Report (*Karl Otterstrom*)

I. STA's Holiday Services & Office Hours (*Dana Infalt*)

12. New Business

13. Board Members' Expressions

Chair Kinnear asked Ms. Bowers if she had anything to add. She did not have additional comments.

Mr. Sander asked to receive all documents that he wasn't aware of that were discussed today. He noted receiving the bylaws. Ms. Meyer said staff would happily resend the Bylaws, and Committee Guidelines and Functions which had been previously sent.

Mr. Dunne expressed his gratitude for the diligent work of the staff.

A. Presentation of Commendation to Lori Kinnear Outgoing Board Chair (*2023 Chair Pro Tem*)

Mr. French presented a commendation to Lori Kinnear for her service to STA. Mr. French said it was a delight to work with her, she is passionate about transit and the mission of this board. He read the plaque into the record: "Presented to Lori Kinnear by STA in appreciation of your outstanding leadership and dedication as Chair of the Board in 2023". Mr. French went on to say Ms. Kinnear had been on the board for six years and served as an alternate for City of Spokane. In addition to Chairing the Board in 2023, Ms. Kinnear chaired PMER in 2019 and 2020. He thanked her personally and said we are better because of your leadership. Ms. Kinnear thanked Commissioner French and Kinnear shared her thoughts about serving as Board Chair. She noted the successful City Line launch was a highlight for her. She credited staff and the CEO for a successful launch and expressed her confidence in the upcoming project for Division BRT being equally as successful.

14. Adjourned

With no further business to come before the Board, Chair Kinnear adjourned the meeting at 3:22 p.m.

Respectfully submitted,



Dana Infalt

Clerk of the Authority