

BOARD OF DIRECTORS

DRAFT Minutes of the July 20, 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)*
Dan Dunne, Small Cities Representative (Liberty Lake)
Josh Kerns, Spokane County *(Virtual)*
Karen Stratton, City of Spokane *(Virtual)*
Pamela Haley, City of Spokane Valley
Tim Hattenburg, City of Spokane Valley
Zack Zappone, City of Spokane *(Virtual)*
Chris Grover, Small Cities (Cheney) *Ex Officio*
Dan Sander, Small Cities (Millwood) *Ex Officio*
Hank Bynaker, Small Cities (Airway Heights) *Ex Officio*
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT

Betsy Wilkerson, City of Spokane
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. *(Virtual)*
Michael Connelly, Etter, McMahon,
Lamberson, Van Wert and Oreskovich, P.C.

1. Call To Order and Roll Call

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

2. Approve Board Agenda

Mr. Zappone asked the Chair to have Committee Information items 11E and 11F be taken from Information and be discussed under item 6 rather than being presented only for information. Brief discussion ensued. Chair Kinnear agreed.

Mr. French moved to approve the June Board Agenda with the above change. Mr. Zappone seconded, and the motion passed unanimously.

3. Public Expressions - None

4. Recognitions and Presentations

A. Mr. Rapez-Betty presented Fixed Route Coach Operator Norm Anderson with a plaque on the occasion of his retirement from STA, noting that Mr. Anderson served STA for 35 years. Mr. Anderson was present to accept his plaque.

B. Ms. Williams presented the 2023 2nd Quarter Employee Recognition award recipients. Mike Hill, Sr. Transportation Manager received first place, followed by coach operator, Adam Peterson and Paratransit Reservationist, Roxanne Byrd.

C. Ms. Williams advised the 2023 2nd Quarter Years of Service Awards were being presented to employees who have reached milestone years in their careers with STA. She read the names of each recipient, calling out their milestone years of service of 5, 10, 15, 25, 35, and 45 years. Of note were Fixed Route Coach Operator Claudia Davis, having served STA for 45 years and

retiring Coach Operator Norm Anderson, having served 35. In addition, coach operator Paul Damon was present to receive recognition for his 25 years of service. Mr. Anderson, the recipients of the Employee Recognition Awards, and the Years of Service Awardees were congratulated and recognized by the Board and staff.

5. Board Action - Consent Agenda

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

- A. Minutes of the June 15, 2023, Board Meeting – Corrections/Approval
- B. Approval of the June 2023 Vouchers
- C. Acceptance of the contract with Halme Builders, Inc. for the Electrical Bay Fall Protection contract as complete and authorize release of retainage security subject to the receipt of such certificates and releases as are required by law.
- D. Authorization of a five-year contract with Northwest Center Services for janitorial services at the STA Plaza and Boone Administrative Offices.
- E. Approval of Resolution 814-23 for the appointment of Carrie Koudelka as Public Records Officer for all records of Spokane Transit Authority.

6. Board Action – Committee Recommendations

A. 2024-2029 Transit Development Plan: Finalize and Approve (Resolution)

Ms. Liard provided a review of the Transit Development Plan (TDP) Purpose and the 2024-2029 TDP timeline. She noted the TDP minor edits which included updating the fleet replacement contributions to better balance the annual ending fund balance in line with anticipated fleet needs; adding detail for ending cash balance before fleet replacement fund; and accelerated nights and weekend service on route 11 from September 2024 to May 2024 to address North Bank/Downtown connector which reflects feedback received from Spokane Public Facilities District, adding 755 revenue hours of service in 2024, and advised the change reflected in the Service Improvement Program (SIP) and financial forecast.

She reviewed the Capital Improvement Program (CIP) Assumptions:

- Provides full funding for capital expenditures for the six-year period through 2029.
- New State Transit Support Grant included in funding resources for the entire period of the 2024-2029 Transit Development Plan
- Reflects inclusion of Connect 2035 Future Initiatives “set aside” (\$105m) – this “set aside” provides monies for the implementation of the strategic plan by the Board – no investment will be made until the Board adopts the strategic plan in late 2024.

The CIP Focus – Connect 2035 Future Initiatives to be defined and total estimated project costs were reviewed along with the TDP financial forecast.

Ms. Liard reviewed the 2024-2029 Cash Balance and noted the 2029 TDP assumes full utilization of all available funding sources through 2029, excluding Board Reserves and Fleet Replacement Fund to maximize service delivery.

Ms. Liard noted the recommendation to the Board was to adopt, by Resolution 810-23, the 2024-2029 Transit Development Plan.

Discussion ensued.

Mr. French moved to approve as presented. Mr. Dunne seconded, and the motion passed unanimously.

B. City Line Project Savings (Resolution)

Mr. Otterstrom noted this item was recommended by the Planning and Development Committee. He reviewed the City Line financials as of the June 2023 board meeting and also noted the project savings are expected to be \$10M to \$14M under budget. He advised specific project savings are unknown until all invoices are paid and the contracts are closed. Budget savings will comprise federal and local funds. Mr. Otterstrom said state funding has been expended and UNSPENT federal funds will be retained by the Federal Transit Administration (FTA). He noted the local share is projected to be between \$3.7M and \$5.2M. He reviewed the budget funding sources of the 2019 City Line budget (Resolution 774-19), the Revised City Line Budget, the Fund Balances as of 3/31/2023 (STA draws down grant funds quarterly, so the most recent disbursement associated with Q1 2023) and Projected Balances at completion. Funding sources included Congestion Mitigation and Air Quality (CMAQ) Grant, WSDOT Regional Mobility Grant Program, WSDOT Connecting Washington Program, FTA Section 5309 Capital Investment Grant (CIG), STA Local Funds, and the American Rescue Plan (ARP) Act Grant.

He offered for consideration the strategic opportunity insight received from STA advisors, Cardinal Infrastructure on July 5, 2023:

- Budget underruns for a Capital Investment Grant project are very rare.
- FTA funds will go back to the US Treasury, since funds are allocated by the project.
- Local financial commitment is the most important criterion in CIG evaluation process and securing local match improves the chances of STA securing federal funds for Division Street BRT.
- Directing City Line's local savings toward the local match for Division Street BRT amplifies STA's commitment to delivering Division Street BRT and BRT in general.

Mr. Otterstrom reviewed the City Line Project Savings (Draft Resolution), stating it was a resolution for the purpose of reallocating the City Line local project savings to the Division Street BRT project. He said that Section 1 states STA Board declares its intent to commit the local share of City Line BRT savings to the Division Street BRT project Construction and Implementation Phase once the City Line project is closed out and Section 2 directs staff to report back to the STA Board, the final amount to be reallocated and to ensure those funds are a component of the Division Street BRT project.

He provided the Division Street BRT current projected costs and said reallocating savings from City Line to Division Street BRT Construction and Implementation Phase will reduce the local share of STA's second BRT project that is yet-to-be secured.

Mr. Otterstrom noted the recommendation to the Board was to approve, by Resolution 811-23, the reallocation of any unspent local funds from the City Line BRT project budget, for future dedicated use in the Division Street BRT project Construction and Implementation Phase.

Discussion ensued.

Mr. French moved to approve as presented. Mr. Hattenburg seconded, and the motion passed unanimously.

C. Division Street Bus Rapid Transit: Project Development Phase Authorization (Resolution)

Mr. Otterstrom noted this item has been recommended by the Planning & Development Committee. He gave project background that clarified Division Street is the main north-south roadway in Spokane and is one of the busiest in the region; *Connect Spokane* and *STA Moving Forward* have both called for exploring and advancing High Performance Transit in the corridor; STA Board, by Resolution No. 785-21, adopted the Locally Preferred Alternative (LPA) of fixed-guideway Division Street BRT with the preliminary alignment and station locations in April 2021, as refined in Resolution No. 809-23 adopted May 18, 2023. He shared a map of the recommended Locally Preferred Alternative (LPA) Refinement: Alignments and Stations and advised the Preliminary Engineering and Environmental Scoping Phase is currently underway.

- Past work includes preparation and refinement of the LPA, preliminary ridership modeling, public outreach, Title VI assessment, and initial coordination with FTA.
- Current work includes preparation to enter Project Development phase, conceptual design work, environmental scoping and updated cost estimates.

He said it is important to note that Preliminary Engineering and Environmental Scoping Phase are not considered eligible local match for future federal grants because the project hasn't yet been approved by FTA in project development.

Mr. Otterstrom reviewed current projected costs and funding sources in the 2024-2029 CIP and said the project's funding plan includes substantial local share, combined with Move Ahead Washington funds and a hope for future federal Small Starts grant award.

Funding sources for Project Development include CMAQ funds (awarded by SRTC in 2022) \$1M, Washington State Move Ahead Washington (2023-2025) enacted budget \$7.746M, Washington State Move Ahead Washington (2025-2027) program \$3.860M, STA local funds (\$1.8M of total is in 2023 Capital Budget) \$2.394M, for a total of \$15M.

He reviewed the Project Development Phase and the Division Street BRT Schedule. Mr. Otterstrom said entry into Project Development requires a letter to FTA headquarters seeking entry; demonstration of commitment of funding for Project Development Phase, noting all non-federal funds for Project Development will be eligible to match federal funds in the event STA receives a Small Starts grant award under the CIG program; and is subject to Board approval. STA is proposing to seek entry into Project Development in late July 2023. He noted the letter of Request for Small Starts Project Development initiation will include project sponsor and partners, corridor description, purpose and need, prior studies, proposed project, existing transit service, projected costs, and the projected schedule.

Mr. Otterstrom reviewed the proposed Resolution by section:

- Section 1** Affirms funding as projected in the 2024-2029 Capital Improvement Program is programmed for the Project Development Phase
- Section 2** Affirms that \$1.8 million in local funds in STA's 2023 Capital Budget is committed to Project Development Phase and available to begin work immediately
- Section 3** Commits the Board to ensure all other funds in Section 1, including budget carryover from one year to the next, remain available for this phase of work
- Section 4** Because \$2,394,000 of the \$11,606,000 in *Move Ahead WA* funds are programmed in 2025-2027 biennium and not yet budgeted, commits STA to providing local funds to cover any delayed or deferred state funds for purposes of fully funding this phase of work

Section 5 Authorizes the CEO to submit a letter to FTA seeking entry into Project Development (Board authority was obtained in July 2014 for City Line Project Development Phase)

The recommendation to the Board was presented: Approve, by Resolution 812-23, the funding sources, and commitments for the project development phase of Division Street BRT and authorize the CEO to request approval to enter Project Development under FTA section 5309 CIG program.

Discussion ensued.

Mr. French moved to approve as presented. Ms. Haley seconded, and the motion passed unanimously.

Items 11E and 11F were taken out of the Committee Information and a review was provided.

11E. Connect Spokane: Phase 2 Update

Mr. Otterstrom provided an overview of the item as presented to the Planning & Development Committee. He advised Connect Spokane is STA's 30-year Comprehensive Plan, it contains a long-range policies and principles. The last major update was completed in 2017. Connect Spokane is the foundation of the hierarchy of plans. A major update was initiated in late 2020 and in 2021 was divided into two phases. The first phase was completed in 2022 and addressed items that would inform the first phase of strategic planning. The second phase is set to kick-off this fall. This second phase is an opportunity to review and refresh the entire document. Mr. Otterstrom showed a timeline for the comprehensive and strategic initiatives integrated timelines. Mr. Otterstrom reviewed the proposed scope of the Connect Spokane Phase 2 update.

Discussion ensued. No action was taken.

11F. Connect 2035: Phase 2 Overview

Mr. Otterstrom gave an overview of the item as presented to the Planning & Development Committee. Connect 2035 Phase 2 scope of work is building on the three goals adopted in the Phase I Strategic Document, along with their associated strategies. The primary objective of Phase 2 is to develop a 10-year strategic plan that includes sequenced initiatives for achieving established goals and performance measure targets. Effective and informative stakeholder engagement to ensure careful consideration of stakeholder input as broad support of the plan recommendations. Project management and community engagement will be key factors throughout the project. He reviewed upcoming project activities with staff and consultants on July 11, which will be followed by an internal project kick-off with consultants on July 26 and 27. The focus of the second set of meetings is on community engagement strategies, the funding model for scenarios review, and a fixed route network assessment.

Discussion ensued. No action was taken.

7. Board Operations Committee

A. Chair Report (*Lori Kinnear*)

Ms. Kinnear said the Committee spent much of their time reviewing the Draft Rules of Procedure. She asked Ms. Clark to review the progress and provide a status update. Ms. Clark

advised of the feedback received from Board members and noted the item will be presented to Board Operations Committee in September for their further discussion or action.

Ms. Kinnear also noted the committee forwarded the Public Records Officer approved under the Consent agenda.

8. Planning & Development Committee

A. Chair Report (*Al French*)

Mr. French reviewed the Planning & Development (P&D) committee agenda and thanked the Board for the approval of the items P&D recommended.

9. Performance Monitoring & External Relations Committee

B. Chair Report (*Pam Haley*)

Ms. Haley asked Mr. Rapez-Betty to provide a review since she had attended remotely. Mr. Rapez-Betty reviewed the committee agenda items and noted the Board approval of the items the committee recommended.

10. CEO Report

Ms. Meyer reported on Ridership, advising that Fixed Route increased 31.2% June 2023/June 2022, and was up 35.5% year to date. The Zero-Fare Youth ridership saw a 136.8% increase June 2023/June 2022 and was up 189.5% year to date. Paratransit realized a 12.9% increase June 2023/June 2022 and an increase of 20.7% year to date. Rideshare increased 5.3% June 2023/June 2022 and year-to-date 13.7%.

Voter Approved Sales Tax Revenue for June (April Sales) was \$9,336,760 compared to a budget of \$9,233,669 a variance of \$103,091 or 1.1% above budget. The year-to-date Sales Tax is 2.0% above budget.

Ms. Meyer reported on monthly fare revenue by service type through June. The slide included a graph line showing ridership in addition to the fare revenue. Ridership increased since January 2022, but fare revenue has decreased, which was not unexpected due to the Zero-Fare impact on fare revenue. She reviewed the impacts to Fare Revenue 2023 vs 2022 and advised fare revenue year to date is \$3,120,616 compared to the 2023 Budget of \$3,902,568

Ms. Meyer mentioned the US Department of Transportation Reconnecting Communities and Neighborhoods Program Grant aiming to improve access to daily needs such as jobs, education, healthcare, food, and recreation; reconnecting communities by removing, retrofitting, or mitigating highways or other transportation facilities that create barriers to community connectivity, including to mobility, access, or economic development; prioritizing disadvantaged communities. It includes \$1.15 billion for construction projects addressing mitigation of a "burdening" facility, improving access and building/improving "complete streets."

She noted that STA is currently exploring grant application partnership between STA, the City of Spokane, and the City of Spokane Valley for neighborhoods impacted by Interstate 90 between Liberty Park and Edgecliff Park. She noted it may include improving transit facilities, connectivity, and reliability along routes 34 and 94, extending and completing bicycle facilities through the area, including new connections to future non-motorized crossings of I-90, as well as adding and improving sidewalks, enhanced crosswalks, and streetscape elements. She said STA, Spokane, and Spokane Valley are developing a preliminary program of projects and outreach plan for seeking input and support from the community and community-based organizations. If deemed feasible,

staff will return in September seeking authorization to submit the grant application. Applications are due September 28th.

Ms. Meyer presented an overview of the City Line launch celebrations of July 15th that were held in Browne's Addition/Coeur d'Alene Park, Downtown Wall & Main Streets, WSU Spokane/Spokane Falls Blvd. & Sherman, Mission Park, and Chief Garry Park. She extended a special thank you to STA Team One Coach Operators and all the STA volunteers that made it possible. Pictures were shown of volunteers and the celebrations.

The official Ribbon Cutting ceremony took place on July 18th at Gonzaga University and was well attended. In addition to FTA Deputy Administrator Veronica Vanderpool, Governor Jay Inslee, State Senator Andy Billig, Mayor Nadine Woodward, NFI Group Jennifer McNeill, and STA Board Members. The event was well attended by many local residents as well. Ms. Meyer shared pictures of the ribbon cutting and noted the preliminary unaudited ridership numbers for the first three days of service on City Line: Saturday-7/15 – 4,482; Sunday-7/16 – 935; Monday-7/17 – 2,033 and said the City Line ridership is running neck and neck with Routes 25 and 90 even though it is the shortest of the three routes.

Ms. Meyer noted that she and FTA Deputy Administrator Veronica Vanterpool, STA Chief Planning & Development Officer, Karl Otterstrom, FTA Associate Administrator Paul Kincaid, FTA Region 10 Administrator Susan Fletcher were able to tour the Division Bus Rapid Transit route on Wednesday before officials departed. It was well received, and they showed great interest.

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

11. Board Information
 - A. Committee Minutes
 - B. June 2023 Sales Tax Revenue
 - C. May 2023 Financial Results Summary
 - D. May 2023 Operating Indicators
 - E. ~~Connect Spokane: Phase 2 Update (Karl Otterstrom)~~ Reviewed under agenda item 6
 - F. ~~Connect 2035: Phase 2 Overview (Karl Otterstrom)~~ Reviewed under agenda item 6
 - G. July Service Change Outreach

12. New Business

13. Board Members' Expressions

Board members expressed their thoughts on a variety of topics.

14. Executive Session (Etter McMahon) - None

15. Adjourned

With no further business to come before the Board, Chair Kinnear adjourned the meeting at 3:20 p.m.

Respectfully submitted,



Dana Infalt

Clerk of the Authority