

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

## **STA BOARD MEETING**

Minutes of October 16, 2025, Meeting  
*STA Boardroom with Virtual Joining Option*

### **MEMBERS PRESENT**

Pam Haley, City of Spokane Valley, *Chair*  
Lance Speirs, Small Cities Medical Lake (*Chair pro tem*)  
Al French, Spokane County  
Betsy Wilkerson, City of Spokane  
Josh Kerns, Spokane County  
Kitty Klitzke, City of Spokane  
Michael Cathcart, City of Spokane  
Tim Hattenburg, City of Spokane Valley  
Zack Zappone, City of Spokane  
Dan Dunne, Small Cities Liberty Lake *ex-officio*  
Dan Sander, Small Cities Millwood-*ex-officio*  
Hank Bynaker, Small Cities Airway Heights-*ex-officio*  
Rhonda Bowers, Labor Representative, *Non-Voting*

### **STAFF PRESENT**

Karl Otterstrom, Chief Executive Officer  
Brandon Rapez-Betty, Chief Operations Officer  
Carly Cortright, Chief Communications & Customer Service Officer  
Emily Poole, Interim Chief Planning & Development Officer  
Kade Peterson, Chief Information Officer  
Nancy Williams, Chief Human Resources Officer  
Robert Hamud, Chief Financial Officer  
Dana Infalt, Clerk of the Authority

### **PROVIDING LEGAL COUNSEL**

Megan Clark, Etter, McMahon, Lamberson, VanWert and Oreskovich, P.C.

### **MEMBERS ABSENT**

Chris Grover, Small Cities Cheney-*ex-officio*

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1. Call to Order and Roll Call – The Chair Pro tem called the meeting to order at 1:35 pm and the Clerk conducted roll call.
  2. Pledge of Allegiance - Board Members, staff, and guests stood for the Pledge of Allegiance.
  3. Excused Absences - none
  4. Approve Board Agenda

**Mr. Hattenburg moved to approve the Updated Agenda. Mr. Kerns seconded, and the motion passed unanimously.**

5. Public Expressions – Mr. Erik Lowe and Ms. Sara Rose provided public expressions.
6. Recognitions and Presentations
  - A. 2025 Employee Recognition Awards for the 3<sup>rd</sup> Quarter 2025 were presented by Ms. Williams. She provided background on the program and noted employees are nominated by their peers. 3<sup>rd</sup> Quarter awards in July were received by Michelle Beach, Denise Gillit, and Jeff Hall; August recipients included Haley Wilson, Chad Bradley, and Lisa and Don Schumauder and September recipients were Shawn Frazier, Virginia Whisman-Samuels, and Brian Bale.
  - B. 2025 Years of Service Recognition were shared by Ms. Williams. She noted employees who had reached milestones in their careers of 5, 10, 15, 20, 25, 30 and 35 years of service. Staff present to receive their awards included Glenda Tyler-Kappen (25 Years), Terry Mourin (30 Years), and Lonnie Olson (35 Years). Ms. Williams and the Board thanked all employees for their years of service to STA and the community.

7. Board Action - Consent Agenda

**Mr. Speirs moved to approve Consent Agenda Items 8A-8D as presented. Ms. Wilkerson seconded, and the motion passed unanimously.**

- A. Minutes of September 18, 2025, STA Board Meeting – Corrections/Approval
- B. Approval of the September 2025 Vouchers
- C. Plaza Facilities Engineering Services: Final Acceptance - Approved, by motion, to accept the contract with Black Realty Management, Inc. for Plaza Facilities Engineering Services as complete and authorize release of retainage security subject to the receipt of such certificates and releases as are required by law.
- D. Division Street Bus Rapid Transit Project Office Lease Agreement - Authorize the CEO negotiate and execute a lease agreement for the Division Street BRT Project Office for a five-year term, plus three, one-year options, with an initial rate not to exceed \$6800 per month.

8. Board Operations Committee

- A. Chair Report – The Planning & Development Committee meeting was canceled due to no quorum. The 2026 draft budget was presented to the Board Operations Committee and will be presented here today.
  - i. Mr. Hamud thanked Chair Haley and introduced the Draft 2026 Budget. He provided a presentation overview, reminded the Board of STA’s Vision and Mission, and Organizational Priorities.

Mr. Hamud reviewed the planning framework of the Action Plan as part of the proposed core actions which align with Connect 2035 strategic plan goals. He shared the three actions of the plan 1) Elevate the customer experience, 2) Lead and collaborate with community partners to enhance the quality of life in the region, 3) Strengthen STA’s capacity to anticipate and respond to the demands of the region and provided detail on each action.

Mr. Hamud pivoted to the Operating Revenue and shared the operating revenue budget comparison between 2026 and 2025, which totaled a 4.2% increase. He dove deeper into the breakdown of the 2026 operating revenue changes by category and shared the revenue – sales tax recommendation assumption of 2.1% growth over 2025 forecast. To provide additional context, Mr. Hamud provided a breakdown of 2024 actual compared to 2025 projected and the 2026 estimate by of the top categories of sales tax providers. He also shared the top 20 taxpayers year-to-date through July 2025, noting the online services were leading the group.

The 2026 operating budget assumptions for Revenue–Fares and Other Transit revenue was reviewed and revealed a 1.2% increase over the 2025 budget. The rider contribution to cost of service was discussed. Mr. Hamud explained 2024 actual versus 2025 budget and the proposed 2026 budget percentage of 18.5% against a benchmark objective of 20% or more. Revenue–Grants and Miscellaneous was discussed and a chart was shared to demonstrate percentage of revenue from sales tax, fares and other transit revenue, federal preventative maintenance, state grants, and miscellaneous revenue – totaled \$162M in 2026 operating revenue.

The Operating expense represented a 5.2% increase in 2026 versus 2025 amended operating expense. Mr. Hamud explained the budget assumptions for compensation, benefits, and fuel, and shared a graph depicting the operating expense by division (cost center) as well as operating expense by object.

Mr. Hamud reviewed the 2026 budget expenses directly related to implementing Connect 2035, including \$2.7M in operating enhancements and \$21M in capital projects. The 2026 Capital budget and the budgeted fleet replacement were shared and further broken down by funding source and investment type. The budget comparison of 2025 amended to the 2026 draft was explained and the 2026 total fund balance and reserve analysis were reviewed. Mr. Hamud articulated the 2026 recommended reserve amounts and changes that included a proposed addition of a maintenance reserve for unanticipated vehicle and infrastructure maintenance costs. Additionally, the proposed 2026 budget includes replenishing the real estate acquisition reserve.

Discussion ensued.

Next Steps include the proposed 2026 budget being presented to Planning & Development Committee November 5, 2025, and a Public Hearing at the next Board meeting November 20, 2025. The final proposed budget will be presented at the December 3, 2025, Planning & Development Committee with the proposed Board adoption at the Board meeting December 18, 2025.

9. Planning & Development Committee (P&D)

- A. Chair Report – Mr. Hattenburg advised the P&D meeting in October was canceled due to a lack of quorum.

10. Performance Monitoring & External Relations Committee

- A. Chair Report – Mr. Speirs introduced Ms. Williams to provide an update on the systemwide security changes and enhancements.

- i. System Security Changes & Enhancements - Ms. Williams thanked Mr. Speirs and noted the goal was to strengthen security for riders and employees.

She reviewed the Connect 2035 10-year Strategic Plan, recent changes to increase safety and security included intentional infrastructure improvements and additional security personnel.

She reviewed security metrics for the first and second quarters of 2025 as they compared to 2024. All metrics showed a reduction in incidents except for a slight increase in the category of Plaza 'serious' security incidents per 10,000 building entries in second quarter 2024 vs. 2025. It went from 2.80 to 3.02

She discussed the transit ambassadors hired August 18, 2025, and explained that they move through the system like a customer to engage with riders and coach operators to provide support and education. They are scheduled to work during all hours of operations and work closely with transit officers.

Ms. Williams shared the initial metrics collected by the transit ambassadors and advised the next steps include ongoing evaluation of effectiveness, the expansion of the Transit Ambassador program, continued investment in safety technology, and regular updates to the Board.

- 11. CEO Report – Mr. Otterstrom, provided a quick update on ridership, fare revenue, and voter approved sales tax – all of which reported increases for the month.

He informed the Board of an upcoming roundtable at Ruby River Hotel concerning Division Street Bus Rapid Transit (BRT).

12. Board Information
- A. Committee Minutes
  - B. September 2025 Sales Tax Revenue
  - C. August 2025 Financial Results Summary
  - D. August 2025 Operating Indicators
  - E. Connect Spokane Comprehensive Plan Minor Update Overview
  - F. Rideshare Survey Results
  - G. Opportunity Fare Pilot Implementation Update
13. Executive Session – Ms. Clark advised the Board will adjourn to Executive Session for 10 minutes for the purpose of:

*RCW 42.30.110(1)(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price and*

*RCW 42.30.110 (1)(i)(iii) 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.*

The Board will reconvene in open session approximately 10 minutes, at 3:13.

- At 3:13, the Board requested an additional 5 minutes and will return at 3:18.
- At 3:18, the board requested an additional 2 minutes and will return at 3:20.

At 3:20, Board members Chair Haley, Ms. Klitzke, Mr. Speirs, Mr. Zappone, Mr. Hattenburg, and Mr. Kerns reconvened in open session.

**Mr. Speirs moved to approve, by Resolution 848-25, to authorize the CEO to take such actions and execute all documents necessary to acquire parcel 35182.2906 situated at 1310 W. Boone Avenue, in the City of Spokane, for a total purchase price of \$1,420,000. Mr. Hattenburg seconded, and the motion passed unanimously.**

14. New Business – There was no new business introduced.
15. Board Member Expressions – There were no board member expressions provided.
16. Adjourn - With there being no further business to come before the Board, the Chair adjourned the meeting at 3:38 pm.

Respectfully submitted,



Dana Infalt  
Clerk of the Authority