

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

STA BOARD MEETING

Minutes of July 24, 2025, Meeting
STA Boardroom with Virtual Joining Option

MEMBERS PRESENT

Lance Speirs, Medical Lake (*Chair pro tem*)
Al French, Spokane County
Betsy Wilkerson, City of Spokane
Josh Kerns, Spokane County
Paul Dillon, alt. for Kitty Klitzke, City of Spokane
Michael Cathcart, City of Spokane
Rod Higgins, Alt. for Pam Haley, City of Spokane Valley
Tim Hattenburg, City of Spokane Valley
Zack Zappone, City of Spokane
Chris Grover, Cheney-*ex-officio*
Hank Bynaker, Airway Heights-*ex-officio*
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT

Dan Dunne, Liberty Lake *ex-officio*
Dan Sander, Millwood-*ex-officio*

STAFF PRESENT

Brandon Rapez-Betty, Interim Co-CEO,
Chief Operations Officer
Karl Otterstrom, Interim Co-CEO,
Chief Planning & Development Officer
Carly Cortright, Chief Communications & Customer
Service Officer
Nancy Williams, Chief Human Resources Officer
Tammy Johnston, Interim Chief Financial Officer
Kade Peterson, Chief Information Officer
Dana Infalt, Clerk of the Authority

PROVIDING LEGAL COUNSEL

Ron VanWert, Etter, McMahon
Megan Clark, Etter, McMahon (*virtual*)

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1. Call to Order and Roll Call – The Chair called the meeting to order, and the Clerk conducted roll call.
 2. Pledge of Allegiance
 3. Excused Absences
 4. Approve Board Agenda
Ms. Wilkerson moved to approve the agenda with an amendment to take items 8 and 9 out of order to allow for full Board member participation. Mr. French seconded and the motion passed unanimously.
 8. Board Action – Other (taken out of order)
 - A. Minutes of June 26, 2025, STA Board Meeting were presented with an amendment.

Mr. French moved to approve the amended minutes of the June 26, 2025, STA Board Meeting, as amended and asked to speak to the motion upon receiving a second. Mr. Hattenburg seconded, and the motion passed unanimously.

Mr. French advised that he wanted to ensure the minutes reflected the fact that the majority of the small cities' representatives supported the recommendation from the Task Force to move the CEO candidate forward but the voting representative from the small cities did not vote that way. STA Rules of Procedures suggest the small cities' voting representative is supposed to follow the recommendation of the majority of the small cities' representatives.

- B. CEO Contract Approval - Ms. Clark advised the Board members had been provided with a copy of the proposed contract in an email prior to today's Board meeting. She said the Board could adjourn to Executive Session under RCW 42.30.110(g) if anyone wanted to discuss it. Mr. Cathcart clarified the version being voted on was the one received.

Mr. Zappone moved to approve the recommendation as stated. Mr. Hattenburg seconded.

Ms. Clark advised that the term of the contract length could be clarified by way of the motion by Mr. Zappone, and it would be best to finalize that provision to finalize the agreement prior to the vote. She advised the contract term was stated as three years and Mr. Zappone confirmed that was his intent.

Mr. Bynaker asked for confirmation that Mr. Otterstrom had requested a five-year contract term to coincide with Connect 2035 and the Division BRT rollout and STA's presentation to the Federal Transit Administration. Mr. Bynaker requested legal counsel to confirm the request was in the packet provided to Board Members. Ms. Clark confirmed it was in the packet.

Mr. French moved to amend the motion to extend the term to a five-year term, under the stated reason. Mr. Hattenburg seconded.

Discussion ensued regarding the contract term, industry standards, and contract termination provisions that existed for both parties.

The chair called for a vote on the amendment to the motion. The amendment to the motion passed unanimously.

The Chair called for a vote on the motion to appoint Karl Otterstrom as STA's Chief Executive Officer pursuant to STA's Bylaws, approve the negotiated contract with Mr. Otterstrom, and authorize the Board Chair to enter into the contract on behalf of STA and the Board, to be effective August 10, 2025, for a five-year term. The motion passed unanimously.

9. Board Action – Committee Recommendation

- A. Apprenticeship Utilization Program (Resolution 846-25) - Background and details of the program were presented by Ms. Jordan Hayes-Horton.

Mr. Hattenburg moved to approve, by Resolution 846-25, the proposed Apprenticeship Utilization Program as presented. Mr. Dillon seconded, and the motion passed unanimously.

- D. Low Income Fare Pilot Program (Resolution 845-25) (*taken out of order*) - Background, assumptions & data sources, alternatives, and cost and outcome comparisons were presented in detail by Ms. Cortright.

Ms. Wilkerson moved to approve, by Resolution 845-25, the proposed structure of the Low-Income Fare Pilot Program as presented, with a two-year term. Mr. Zappone seconded.

Mr. Grover indicated his support and reminded the Board that there are still areas in the PTBA that are not served by STA and expressed his desire to address those issues.

Mr. Cathcart moved to amend the motion to cap the amount at the best estimate number of \$1.14 million. Mr. French seconded.

Discussion ensued with Board members speaking in favor of and against the pilot program, suggestions for a shorter term of two years, a financial cap of \$1.14M on the two-year term program, as well as reporting metrics to be presented to the Board during the pilot program. The Board discussed potential impact on the sales tax renewal, access issues, prior commitments to

voters, and areas that are currently not served or underserved by STA, in addition to capacity, growth, and impacts to the system.

Ms. Wilkerson called for the question.

The Chair stated this would be a vote on the amendment to the original motion that would put a fiduciary cap of \$1.14M on the pilot. The amendment to the motion passed unanimously.

The Chair said the next vote would be on the motion and he re-stated the original motion to approve Resolution 845-25 as presented, with a reduction of term to 2 years and a cap of \$1.14M. Mr. Zappone, Mr. Cathcart, Mr. Dillon, Ms. Wilkerson, Mr. Hattenburg, Mr. Higgins, and Mr. Speirs voted yes. Mr. French and Mr. Kerns voted no. The motion passed 7 to 2.

Ms. Wilkerson & Mr. French left the meeting at 2:47 pm

- B. Division Street Bus Rapid Transit: Locally Preferred Alternative Amendment Approval (Resolution 843-25) - Background, details, and next steps were presented by Mr. Otterstrom. Discussion ensued regarding the termination of BAT lanes occurring roughly between Magnesium and North Division Y as well as the stopover location downtown.

Mr. Zappone moved to approve, by Resolution 843-25, the amended Division Street Bus Rapid Transit Locally Preferred Alternative and enable the advancement of the Minimum Operable Segment. Mr. Hattenburg seconded, and the motion passed unanimously.

Mr. Bynaker left the meeting at 3:02 pm

- C. Division Street Bus Rapid Transit: Small Starts Grant Application (Resolution 844-25) - Background, details, and next steps on the Division Street BRT Small Starts Grant application were presented by Mr. Otterstrom. Discussion ensued concerning the timeline being extended due to staffing and a comment was made regarding the importance and success of Board member engagement during and after conferences which has sent a positive message to FTA and helped maintain STA's good rapport with them.

Mr. Hattenburg moved to approve by Resolution 844-25, the CEO to submit a Federal 5309 Capital Investment Grant (CIG) Small Starts grant package to the Federal Transit Administration for evaluation and rating of the Division Street Bus Rapid Transit project in the amount of \$82,000,000. Mr. Dillon seconded, and the motion passed unanimously.

5. Public Expressions

Mr. Erik Lowe thanked Mr. Rapez-Betty and Mr. Otterstrom for their stewardship and offered additional expressions regarding the double decker promotions and the low-income fare program.

6. Recognitions and Presentations

- A. Coach Operator Stacey Smith's retirement was recognized by Mr. Rapez-Betty and the Board thanked her for her years of service.
- B. Coach Operator Paul Damon's retirement was recognized by Mr. Rapez-Betty and the Board expressed their appreciation for his years of service.
- C. Employee Recognition Awards for the 2nd quarter were presented by Ms. Williams.
- D. Years of Service Recognition for the 2nd quarter were presented by Ms. Williams.

Mr. Grover left the meeting at 3:30 pm

7. Board Action - Consent Agenda

Mr. Hattenburg moved to approve Consent Agenda Items 7A-7K as presented. Mr. Dillon seconded, and the motion passed unanimously.

- A. Approval of the June 2025 Vouchers approval of claims listed.
- B. Public Works Contracts under \$35,000: Final Acceptance of the above contracts as complete and authorize release of retainage security subject to receipt of Department of Labor & Industries approved prevailing wage affidavits.
- C. City Line Public Address System: Final Acceptance – Approved, by motion, to accept the contract with ADT Commercial, for the City Line Public Address System project as complete and authorize release of retainage security subject to the receipt of such certificates and releases as are required by law
- D. Howard Street Pedestrian Lighting: Final Acceptance - Approved, by motion, to accept the contract with D-McP Construction LLC, for the Howard Street Layover Lighting project as complete and authorize release of retainage security subject to the receipt of such certificates and releases as are required by law.
- E. Shelter Footings and Vintage Shelter Removal: Final Acceptance - Approved, by motion, to accept the contract with Cameron-Reilly LLC for the Shelter Footings and Vintage Shelter Removal project as complete and authorize release of retainage security subject to the receipt of such certificates and releases as are required by law.
- F. Division Street Bus Rapid Transit: Memorandum of Agreement Approval - Authorized, by motion, the CEO (Interim Co-CEOs) to finalize and execute the multijurisdictional Memorandum of Agreement (MOA) for the advancement of *DivisionConnects* and the phased implementation of the Division Street BRT project.
- G. 2026-2031 Transit Development Plan: Finalize and Approve (Resolution 841-25) - Adopted, by Resolution 841-25, the 2026-2031 Transit Development Plan.
- H. Federal Transit Administration Section 5310: Call for Projects - Approved the allocation of \$240,052 in STA local funds to partially offset local match requirements for subrecipients in the 2025 Section 5310 Call for Projects.
- I. Disadvantaged Business Enterprise Proposed Goal for Federal Fiscal Years 2026, 2027, and 2028 Approval (Resolution 847-25) - Adopted, by Resolution 847-25, the proposed DBE goal of 0.7491% for Federal Fiscal Years 2026, 2027, & 2028.
- J. Procurement Restrictions Update (Resolution 842-25) - Adopted, by Resolution 842-25, the proposed update to the Procurement Resolution as presented.
- K. Board Operations Committee Appointment - Approved, by motion, Council Member Tim Hattenburg as a voting Member of the 2025 Board Operations Committee on behalf of the City of Spokane Valley during the temporary absence of Mayor Pam Haley.

10. Board Operations Committee

- A. Chair Report – there was no report.

11. Planning & Development Committee (P&D)

- A. Chair Report – Mr. Hattenburg advised that everything presented at P&D this month had been approved at the Board meeting today.

12. Performance Monitoring & External Relations Committee

- A. Chair Report – Mr. Speirs provided a brief update on the PMER committee.
 - i. Enhanced Transit Security Strategy Update was postponed due to time constraints.

13. CEO Report - Interim Co-CEOs, Brandon Rapez-Betty and Karl Otterstrom, provided updates on the following:
- Voter approved Sales Tax revenue for June.
 - Bus and Walking Tour taken by Washington State Transportation Commission, Legislators & staff, and partner agencies.
 - June Ridership for Fixed Route, Paratransit and Rideshare
 - Monthly Fare Revenue by Type
 - Month-to-month, year-to-date and budget-to-actuals fare revenue comparison report for June
 - Double Decker buses in the Cheney Rodeo Parade, along with the social media campaigns for the Double Decker Golden Ticket scavenger hunt, the Jaws commercial, and the social media analytics
 - A hydrogen fuel cell bus was on site from New Flyer and board members had been invited to come see it.
 - The 2026 World Cup Enhanced Transit Service Grants information was shared regarding the transportation budget, distribution of funds formula, and anticipated dates of WSDOT announcing formula distribution plan by December. STA is set to receive \$529,569 for services.
 - Mr. Robert Hamud hired as CFO and beginning August 1st. Ms. Tammy Johnston was thanked for all her contributions over the past year and as interim CFO.
 - The Co-CEO structure winds down August 9th, Brandon will continue as Chief Operations Officer, and Karl's CEO role will begin August 10th. Transition and recruitment plan for Chief Planning and Development Officer will be shared later that week.
14. Board Information
- A. Committee Minutes
 - B. June 2025 Sales Tax Revenue
 - C. May 2025 Financial Results Summary
 - D. May 2025 Operating Indicators
 - E. Transit Oriented Development Pilot Project Update
 - F. 2026-2029 Title VI Program Update: Engagement Plan
 - G. 2025 Service Revisions Interim Update
15. Executive Session – At 3:39, the Board adjourned to Executive session under *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. The Board advised they would return at 3:49.
- The Board returned to open session at 3:49.
16. New Business – There was no new business presented.
17. Board Member Expressions – There were brief Board member expressions.
18. Adjourn - With there being no further business to come before the Board, the Chair adjourned the meeting at 3:49 pm.

Respectfully submitted,



Dana Infalt
Clerk of the Authority