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STA BOARD MEETING

Minutes of April 16, 2026, Meeting
STA Boardroom with Virtual Joining Option

MEMBERS PRESENT

Lance Speirs, Small Cities Medical Lake, *Chair*
Pam Haley, City of Spokane Valley
Al French, Spokane County
Josh Kerns, Spokane County
Kitty Klitzke, City of Spokane
Sarah Dixit, City of Spokane
Tim Hattenburg, City of Spokane Valley
Zack Zappone, City of Spokane
Michael Cathcart, City of Spokane
Dan Dunne, Small Cities Liberty Lake ex-officio
Dan Sander, Small Cities Millwood-ex-officio
Elsa Martin, Small Cities Cheney-ex-officio
Bill Campbell, 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, 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.

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1. Call to Order and Roll Call - Chair Speirs call the meeting to order at 1:32 and the Clerk conducted roll call.

2. Pledge of Allegiance – Board members, staff, and guests stood for the pledge of allegiance.

3. Excused Absences – Chair Speirs noted that Mr. French missed the Board meeting in March and was open to a motion to excuse that absence. **Mr. French moved to approve the excused absence. Ms. Klitzke seconded, and the motion passed unanimously.**

4. Approve Board Agenda – Chair Speirs indicated he would entertain a motion to approve the updated agenda.

   Mr. Zappone moved to amend the agenda to review item 7G separately. Ms. Klitzke seconded and the motion passed unanimously.

   Mr. Hattenburg moved to approve the agenda as amended. Ms. Klitzke seconded and the motion passed unanimously.

5. Public Expressions – Eric Lowe, Zinthia Peterson, and Sarah Rose spoke in support of the reauthorization of STA's tax measure. Lance Beck invited STA to participate in a regional business meeting regarding upcoming ballot measures and regional collaboration.

6. Recognitions and Presentations

A. Paul Hoffman, Sr. Training Instructor, Retirement - Ms. Williams recognized Paul Hoffman's career beginning March 11, 1991, including his long tenure in training, leadership in safety and curriculum development, and national recognition as Training Professional of the Year (2013).
B. Henry Hanke, Preventive Maintenance Vehicle Technician, Retirement – Mr. Rapez-Betty recognized Henry Hanke's career beginning January 6, 1995, and his long service supporting paratransit preventative maintenance, emphasizing professionalism, reliability, and commitment to safety and quality.
C. Years of Service Recognition-1Q 2026 – Ms. Williams recognized employees for milestones including 5, 10, 15, 20, and 25 years of service.
~~D. Employee Recognition Awards 1Q 2026~~ - Postponed

7. Board Action - Consent Agenda

Ms. Klitzke moved to approve the Board consent agenda items 7A-7F. Mr. Zappone seconded and the motioned passed unanimously.

A. Minutes of March 19, 2026, STA Board Meeting– Corrections/Approval
B. Minutes of March 24, 2026, Special STA Board Meeting-Corrections/Approval
C. Approval of March 2026 Vouchers - Approve claims as listed below:

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (March)	Nos. 636890 – 637287	$ 6,469,211.45
Worker's Comp Vouchers (March)	ACH – 2286	$ 102,844.16
Wire Payments (March)	ACH – 2286	$ 1,481,343.49
Payroll 03/06/2026	ACH – 03/06/2026	$ 2,969,565.38
Payroll 03/20/2026	ACH – 03/20/2026	$ 2,351,953.53
WA State – DOR (Excise Tax)	ACH – 1767	$ 16,803.16
MARCH TOTAL		**$ 13,391,721.17**

D. Public Works Contracts Under $35,000: Final Acceptance – Approved acceptance of the contracts below as complete and authorize release of retainage security subject to receipt of Department of Labor & Industries approved prevailing wage affidavits.

Purchase Order/ Contract Number	Project Description	Contractor	Purchase Order/ Contract Value	Substantial Completion Date of the Work
20260699	Fleck Overhead Door Emergency Repair	Continental Door Company	$818.59	2/19/2026
20260658	Replace Door Motor – Plaza	Elite Entry Systems, LLC	$1,194.00	3/26/2026

E. Connect 2035 Strategic Plan: Amendment Adoption – Resolution -Approved, by Resolution 854-26, the amendments to Connect 2035 Strategic Plan as presented.
F. S. Union Roofing Repair & Replacement: Final Acceptance - Approved acceptance of the contract with Flynn BEC LP, for the S. Union Roofing Repair & Replacement project as complete and authorize release of retainage security subject to the receipt of such certificates and releases as are required by law.

G. Special Revenue & Reserve Fund Designation – Resolution 855-26 - Chair Speirs asked if staff could provide a brief presentation on Agenda Item 7G.

Mr. Hamud presented a proposed resolution establishing intent to prepare the 2027 budget using six funds (rather than one) to improve transparency and align with best practices, including separate funds for operations, operating reserve, capital projects, vehicle replacement, technology projects, and real estate/right-of-way acquisition. The resolution would supersede prior fund balance and reserve resolutions beginning with the 2027 budget.

Board discussion included questions regarding (1) when specific fund amounts would be set (during the 2027 budget process) and (2) treatment of any year-end surplus (subject to Board action).

Ms. Klitzke moved to approve agenda item 7G as presented. Mr. Zappone seconded and the motion passed unanimously.

8. Board Action/Discussion – Other

A. Sales Tax Renewal Authorization – Mr. Otterstrom presented an overview of ongoing work over the past six months related to funding the Connect 2035 plan through reauthorization of the existing 0.2% sales tax set to expire in 2028. This tax, originally approved by voters in 2016, has supported implementation of STA Moving Forward alongside grants and fare revenues.

The Connect 2035 plan, recently amended with minor project refinements, assumes continuation of current sales tax funding to maintain existing service levels and enable planned enhancements. Reauthorization would also position STA to secure and implement federal grant agreements, including for the Division Street Bus Rapid Transit project.

Mr. Otterstrom reported extensive public outreach conducted, with generally strong community support for transit investments and the Connect 2035 plan. Three board workshops (October 2026, February 2026, and April 1, 2026) informed the discussion. At the April workshop, staff presented financial scenarios, including potential impacts of a temporary sales tax holiday and draft ballot language.

He noted the Board Operations Committee reviewed draft ballot language but took no formal action. He advised committee member discussion indicated a preference against including a sales tax holiday and supported maintaining language emphasizing fare revenue and financial responsibility. As such, an updated draft resolution and ballot title are being presented, reflecting this feedback and excluding a tax holiday provision.

Mr. Otterstrom stressed that the decision is essentially about funding an adopted long-term plan rather than taxation alone. Connect 2035 builds on prior planning efforts and outlines a 10-year strategy focused on improving customer experience, strengthening community partnerships, and enhancing organizational capacity. The plan includes specific initiatives such as service expansion, infrastructure improvements, technology upgrades, and development of additional bus rapid transit. Implementation depends on stable, ongoing funding from sales tax, fares, and grants.

Staff shared a video presentation that highlighted past achievements under STA Moving Forward, regional growth trends tied to transit access, and the importance of accountability and transparency in delivering the Connect 2035 plan.

Discussion ensued

Motion #1: Deferral with Alternative Option

Mr. Cathcart moved to defer the decision until after an April 28 stakeholder meeting, and to bring back an additional alternative for consideration placing the measure on the February ballot, including a sunset clause with an expiration of no later than December 31, 2040, and maintaining the full 0.2% rate. Mr. Kerns seconded

Discussion ensued. Several members supported a short delay (to April 29) but opposed moving the election to February, emphasizing urgency and strategic timing for August. Concerns were raised about Risk to federal funding if delayed, community capacity for multiple ballot measures, and the need to give voters earlier input. Others supported the motion as a way to better understand stakeholder concerns, evaluate potential “headwinds” to passage, and reinforce accountability through a sunset clause.

The question was called and seconded. The motion to call the question passed unanimously.

The Chair called for a vote on the motion to defer until after the April 28 meeting. Mr. French, Mr. Cathcart, and Mr. Kerns voted yes. Mr. Zappone, Ms. Dixit, Ms. Haley, Ms. Klitzke, Mr. Hattenburg, and Mr. Speirs voted no. The motion failed.

<u>Motion #2: Move Original Proposal Forward</u>

Ms. Klitzke made a motion to move forward with the proposal as previously presented and Mr. Zappone seconded.

Discussion ensued. There was continued debate highlighting support for August timing due to funding urgency, voter clarity, and independence from other measures. Opposition concerns were expressed about potential organized opposition campaigns, competing regional initiatives (e.g., “Safe and Healthy” measure), lack of a sunset clause, and accountability concerns. Some members emphasized that the measure is a renewal, not a tax increase, stating voters can evaluate multiple measures independently. Others argued delaying could improve chances of success through collaboration and it was said there is sufficient time before the 2028 expiration to revisit at a later date.

<u>Motion #3: Deferral to Special Meeting</u>

Ms. Haley moved to defer (initially stated as “table”) action on the motion until a special meeting on April 29 and Mr. Hattenburg seconded.

Discussion ensued. Supporters cited the importance of collaboration with business and community groups and the opportunity to address concerns and reduce potential opposition. Opponents noted the tight timeline before the May 1 deadline and preference to proceed with a clear position going into stakeholder discussions.

Prior to voting, Mr. French sought and received clarification that the motion constituted a deferral (not tabling), meaning the item would return automatically.

The chair called for the vote.

Mr. French, Mr. Cathcart, Mr. Kerns, Mr. Zappone, Ms. Haley, Ms. Klitzke, Mr. Hattenburg, and Mr. Speirs voted yes. Ms. Dixit and voted no and the motion passed 7-1.

9. Board Operations Committee

   A. Chair Report – Chair Speirs noted the Board Operations committee discussed the sales tax ballot renewal.

Ms. Haley left at 3:12 pm
Mayor Martin left at 3:15 pm

10. Planning & Development Committee

   A. Chair Report – Ms. Klitzke reviewed the items presented at the Planning & Development Committee meeting.

      i. 2027-2032 Transit Development Plan: Review Preliminary Revenue & Expenditure Forecast Assumptions – Mr. Hamud briefly reviewed the preliminary revenue and expenditure forecast assumptions for the 2027–2032 TDP, including key drivers for local sales tax, fare and grant revenues, and operating cost growth, and outlined the upcoming TDP review schedule and next steps. Board members asked brief clarifying questions and indicated general support for the forecast assumptions.

      i. 2027-2032 Transit Development Plan: Tactical Framework –Not presented due to time constraints. Detail available in packet. Staff may be called upon for clarification if needed.

11. Performance Monitoring & External Relations Committee

   A. Chair Report – Mr. Hattenburg indicated there was nothing time sensitive to report and that he would add to his May report.

12. CEO Report - Mr. Otterstrom thanked the Board for its continued engagement and for allowing additional meeting time and he provided the following update:
   - Ridership is increasing across all modes
   - The most recent monthly sales tax receipt was slightly below budget; however, year-to-date revenues remain above budget and above the prior year.
   - Fare revenue trends across modes were reviewed and it was noted fare revenue remains an important component of the overall financial picture.
   - Double-decker bus accident – WSTIP is working with STA's outside counsel to retain an independent third-party reviewer with transit safety management experience to review STA's investigative findings; further information will be provided when the review is complete.
   - Legislative conference (Washington, D.C.): Board members and staff who participated were thanked and he noted meetings with federal partners, including an encouraging discussion with FTA..
   - Vehicle Maintenance team is recognizing the retirement of STA's 2006 60-foot coaches after many years of service.
   - Reminded the Board of the upcoming banquet to recognize employees, including safety awards and other honors.
   - Mr. Otterstrom recognized and thanked Communications staff for quickly producing the Connect 2035 video to support clear public communication regarding the plan.

12. Board Information – *no action or discussion*

    A. Committee Minutes
    B. March 2026 Sales Tax Revenue
    C. February 2026 Financial Results Summary
    D. February 2026 Operating Indicators
    E. May 2026 Service Change
    F. STA Plaza Smoking Section Update
    G. Legislative Update
    H. 2026 Community Engagement Event Update
    I. Safety and Security / STA Direct App Update
    J. Wellesley Corridor Development Plan: Engagement & Analysis Update
    K. Division Street Bus Rapid Transit: Design and Public Outreach Update

13. Executive Session - Ms. Clark advised the Board would adjourn to Executive Session for the following purpose:

    Pursuant to RCW 42.30.110(1(i) to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

    The Board adjourned to Executive session at 3:30 and anticipated returning at 3:45

    At 3:45, the Board reconvened in open session.

    There was no action as a result of the Executive Session.

14. New Business - *none*

15. Board Member Expressions - *none*

16. Adjourn – With there being no further business to come before the Board, the Chair adjourned the meeting at 3:48 pm.

Respectfully submitted,

Dana Infalt

Dana Infalt
Clerk of the Authority