

SPECIAL STA BOARD WORKSHOP

Minutes of April 1, 2026, STA Board Workshop

*STA Boardroom with Virtual Joining Option***MEMBERS PRESENT**

Lance Speirs, Small Cities, Medical Lake, *Chair*
Pam Haley, City of Spokane Valley
Josh Kerns, Spokane County
Kitty Klitzke, City of Spokane (*Virtual*)
Tim Hattenburg, City of Spokane Valley
Zack Zappone, City of Spokane
Michael Cathcart, City of Spokane
Bill Campbell, Small Cities, Airway Heights, ex-officio
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT

Al French, Spokane County
Sarah Dixit, 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

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.

-
1. Call to Order and Roll Call – Chair Speirs called the meeting to order at 11:55 am and the Clerk conducted roll call.

Attendance Notes:

- *Ms. Haley arrived at 12:00 pm*
 - *Mr. Cathcart arrived at 12:08 pm*
 - *Mr. Zappone joined the meeting virtually at 12:17 pm and arrived in person at 12:25 pm*
2. Approve Agenda - In the absence of a quorum, consideration of the agenda was initially postponed. Chair Speirs asked if there were any objections to the agenda for the record; there were none. Mr. Otterstrom noted Mr. Cathcart and Ms. Haley were on their way.

At approximately 12:25 p.m., Chair Speirs noted that a quorum of the Board was present and, taking the item out of order, sought a motion to approve the agenda.

Mr. Hattenburg moved to approve the agenda as updated. Ms. Haley seconded and the motion passed unanimously.

3. Welcome, Introductions, and Workshop Objectives – Chair Speirs invited Mr. Otterstrom to present. Mr. Otterstrom welcomed Board members and noted that today’s workshop is part of an ongoing series of discussions over several years regarding *Connect 2035*, STA’s strategic plan, and its funding.

He recapped that in October the Board was introduced to the “doors of possibility” framework related to renewal of the voter-approved 2016 sales tax, and that a subsequent workshop provided additional detail on key projects dependent on a successful ballot measure.

He stated that, at the Board’s request, staff prepared additional information for today’s workshop, including analysis of operational and capital impacts, implications of a potential sales tax lapse, economic development impacts of transit, known grant opportunities, possible impacts of delay, upcoming regional ballot measures, as well as draft and prior ballot language.

Mr. Otterstrom explained that the workshop’s purpose was to update the Board on recent public outreach related to *Connect 2035*, review updated financial forecasts under renewal and lapse scenarios, address Board member questions, and seek guidance on whether to advance a ballot measure through the committee process this spring or later in the year.

The Board participated in an initial Menti-meter polling question designed to assess members’ understanding of the “doors of possibility” related to renewal of the voter-approved 2016 sales tax. Results indicated the strongest understanding of Door One, with a little less certainty expressed regarding Door Three. Mr. Otterstrom thanked board members for their responses.

4. Connect 2035 Outreach Update - Dr. Cortright provided an overview of recent public outreach efforts, including presentations to all represented jurisdictions, most local school districts, regional chambers of commerce, and community-based organizations. She highlighted results from a targeted online survey with 220 respondents, noting it was not statistically random. Survey participants ranked bus stop improvements, Division Street BRT, and the low-income fare pilot program as the highest-priority Connect 2035 projects, and 77% expressed support for renewing the existing 0.2% sales tax, with support remaining evident after regional weighting adjustments.

Dr. Cortright also summarized findings from STA’s 2025 Community Perception Survey, which used a random sample. Results showed 56% of respondents rated STA’s service as good or excellent, 68% felt service levels were about right or too low, and 85% viewed public transit as extremely or somewhat valuable to the region, with strong support reflected across political affiliations.

Board members asked questions regarding the statistical validity of the survey results, including geographic and partisan representation. Dr. Cortright explained that the Community Perception Survey was conducted using a random sample managed by ETC Institute to ensure balanced geographic representation, with mapping and cross-tabulation results available publicly and upon request. She noted that results showed strong support for the value of transit across nearly all regions and political affiliations.

Board members inquired about respondents’ transit usage. Dr. Cortright reported that approximately 14% of respondents had ridden STA within the past 30 days, about 54% had ridden previously but not recently, and roughly 30% had never ridden transit—figures consistent with prior surveys over the past 15 years. Dr. Cortright additionally summarized results from a separate randomly selected text-based survey of 710 respondents conducted in 2025, which showed roughly 60% supported increased or sustained transit funding and nearly 77% supported renewal of the existing 0.2% sales tax for transit.

5. Financial Outlook and Considerations - Mr. Hamud presented a detailed financial outlook for STA, building on prior Board discussions and the 2024 Board resolution affirming that implementation of *Connect 2035* relies on renewal of the voter-approved sales tax. He explained that, absent renewal, STA would experience an estimated \$364 million revenue loss between 2029 and 2035 due to foregone sales tax revenue and related state grant funding tied to maintenance of local effort. He noted the Door Three scenario would result in a structural operating deficit beginning in 2029, requiring cancellation of major capital projects, reductions in staff, suspension of pilot programs, and

phased service cuts estimated at approximately 25% systemwide, with fixed-route service bearing the largest impact.

Mr. Hamud reviewed key forecasting assumptions through 2035, including moderate sales tax growth, future (not approved) fare increases, continued receipt of federal and state formula grants, and conservative expenditure growth assumptions. He emphasized that under a full reauthorization scenario, operating revenues exceed operating expenses, and the resulting margin funds capital investments, including vehicle replacements and major capital projects. He clarified in response to Board member questions that the forecast assumes renewal at the full 0.2% includes anticipated state grant funding and reflects STA's long-standing practice of cash-funding capital projects without issuing debt.

In response to questions, he explained that fund balance drawdowns shown in the forecast reflect planned investment in capital projects and vehicle replacements, with balances recovering as major projects conclude. Mr. Hamud and Mr. Otterstrom clarified that no new capital projects are programmed beyond 2032 in the current forecast, though future plans will address additional capital needs. Board members asked about the impact to Paratransit under a lapse scenario; Mr. Otterstrom indicated Paratransit would likely be less affected than fixed-route service, though some reductions could occur at the margins through service hours and geographic coverage on account of reductions in fixed-route service being reduced.

Ms. Poole reviewed capital improvement program considerations, noting that uncertainty or delay associated with Door Two or Door Three would increase project costs and risk the loss of competitive state, federal, and regional grant opportunities. She explained that current grant strategies assume timely renewal and project commitment, and prolonged uncertainty could result in awarded grants having to be declined.

Mr. Rapez-Betty summarized elements of the Facilities Master Plan, including administrative and training space needs, operations center improvements, property acquisitions, and safeguarding future clean-energy facility sites. He noted that timely investment improves operational efficiency, supports workforce needs, and reduces long-term project costs.

Ms. Poole also highlighted the land-use and economic development impacts of the Division Street BRT project, including anticipated reductions in vehicle miles traveled, increased ridership, improved access to jobs and housing, and significant local economic benefits associated with federal grant investment.

6. Sales Tax Reauthorization Guidance – Mr. Otterstrom provided a qualitative overview of economic, ridership, and social impacts associated with the three funding “doors,” emphasizing that full renewal (Door One) would support major capital investments, increased ridership, and long-term economic benefits, while delayed or lapsed renewal would significantly reduce investment, ridership, and service levels.

Mr. Otterstrom explained that with Door One, capital investments such as Division Street BRT and other Connect 2035 projects could generate substantial economic returns, consistent with national transit investment multipliers, while Door Two would result in reduced economic impact due to project delays and potential loss of federal grants. Door Three would result in minimal capital investment and systemwide service reductions. He noted that ridership was projected to increase five to ten percent systemwide under full implementation, while a lapse scenario could lead to declines of 20 to 30 percent due to service cuts.

Board members asked clarifying questions regarding the assumptions used in economic and ridership estimates, including whether reductions in vehicle miles traveled assumed completion of other

regional roadway projects, and whether public opinion data specific to the Division Street BRT project existed. Staff responded that prior targeted and scientifically valid surveys had been conducted regarding Division Street BRT, and those results generally aligned with broader public outreach findings.

Dr. Cortright facilitated an additional Menti meter exercise, asking Board members what aspects of the Division Street BRT project were most compelling. Responses emphasized improved access to jobs and housing and integration of land use with transit, which staff noted aligned with Connect 2035 strategic goals related to regional quality of life and transit-oriented development.

The discussion shifted to policy considerations related to sales tax reauthorization, including potential timing, ballot structure, and whether to pursue a phased-in approach or sales tax holiday. Board members expressed differing perspectives, with some emphasizing the importance of clarity and simplicity for voters, and others noting the potential benefits of flexibility to coordinate with other regional ballot measures. Board members raised concerns about voter confusion and the interaction of a transit ballot measure with other anticipated tax measures under consideration by local jurisdictions.

Mr. Otterstrom explained that recent legislative changes allow limited flexibility for phased-in collections without triggering loss of state formula funding, provided STA maintains service levels, but emphasized that full authorization of the two-tenths sales tax would still be required. Board members discussed whether to advance a ballot measure for consideration in the near term or continue deliberation given broader community and regional policy considerations.

In response to Board member discussion, staff agreed to prepare an updated ballot title with options reflecting different timing and structural approaches, including scenarios with and without phased implementation, for further discussion prior to Board action. Staff proposed to bring this information forward to the Board Operations discussion in advance of potential Board action later in the month.

7. Adjourn – With there being no further business to come before the Board, the Chair adjourned the meeting at 2:17 pm.

Respectfully submitted,



Dana Infalt
Clerk of the Authority