

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

OPERATIONS AND CUSTOMER SERVICE COMMITTEE

DRAFT Minutes of the September 5, 2007, Meeting
Southside Conference Room

MEMBERS PRESENT

Richard Munson, City of Spokane Valley*
Allan Gainer, Mayor, City of Cheney
Rick Jacks, City of Airway Heights
Mike Brewer, Citizen
Ann Campeau, Citizen
Guy Smith, ATU 1598
Jim Fitzgerald, ATU 1015 (Alt.)
Steve Pinkerton, AFSCME 3939

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Steve Blaska, Director of Operations
Jim Plaster, Director of Finance and Administration
Mike Volz, Assistant Director of Finance and Administration
Jacque Tjards, Manager, Purchasing
Molly Myers, Manager, Communications
Mark Curtis, Plaza Coordinator

MEMBERS ABSENT

Bonnie Mager, Spokane County Commissioner
Nancy McLaughlin, City of Spokane
Judy Cole, Citizen
Nan Kelly, Citizen

GUESTS

None

* Chair

1. **CALL TO ORDER**

Chairman Munson called the meeting to order at 1:35 p.m.

2. **INTRODUCTIONS AND CORRESPONDENCE**

Introductions were made. There was no additional correspondence requiring the Committee's attention.

3. **MINUTES OF THE JULY 11, 2007, COMMITTEE MEETING – CORRECTIONS OR APPROVAL**

Mr. Jacks moved to approve the minutes. The motion was seconded and passed unanimously.

4. **PUBLIC EXPRESSIONS**

None.

5. **TRIP PLANNING DEMONSTRATION – INFORMATION**

Mr. Curtis gave a demonstration of the new trip planning feature soon to be functioning on the STA website which will allow customers to go online to create a trip plan. He said that Customer Service staff has been using the trip planner for the past month or so to assist customers who call in. Staff receives approximately 50 to 60 trip plan requests from customers per day via the website. Mr. Curtis navigated through the website and demonstrated how to input the information needed to plan a trip.

Mr. Pinkerton arrived at 1:43 p.m.

Mr. Curtis said that locations of over 1,000 major destinations throughout the service area have been included as selection options (i.e., government buildings, landmarks, shopping areas, park and ride lots), new locations will be added as they are known, and staff will continue to work to make the website even more user friendly. Mr. Jacks said that this would be a great tool for other cities to link to and asked who should be contacted to get more information. Mr. Curtis said he would be happy assist anyone with getting a link set up between their website and STA's. Mr. Munson agreed that there are a plethora of websites that would love to link to this including TV stations, newspapers, and local governments to name just a few. He said this is a real benefit for everyone. Ms. Meyer said she would let everyone know when this website is up and live.

6. **EMPLOYEE SURVEY EXECUTIVE SUMMARY REPORT – INFORMATION**

Ms. Myers explained that last year staff developed and implemented an employee survey. The purpose of the survey is to gather information annually to evaluate the overall satisfaction of STA's employees, to rate STA's performance, and to assess the general public's perceptions about STA's services. On May 2nd of this year, the survey was administered on site by Robinson Research during three separate all-employee meetings. A total of 139 surveys were completed and turned in. Items of note included:

- 19% of the respondents felt STA was doing an excellent job of providing public transportation services, which is approximately four times higher than one year ago when the baseline survey was done.
- In a series testing employees' perceptions of fourteen performance attributes, every one was higher than in 2006.

- More than twice as many employees believed that STA was doing better than other transit systems compared to last year.
- In a series of eight positive descriptive statements, responses indicated all eight showed improvement.
- There was a dramatic leap in perceptions that STA is financially responsible and manages money well.
- Those describing themselves as satisfied with STA as a place to work rose from 71% to 88%.
- The overwhelming majority of all measurements showed improvement.

Ms. Myers reviewed the graphs included in the report, focusing on those areas wherein the most improvement was noted. Ms. Meyer said that the questions in the survey were identified as the most likely predictors of employee satisfaction as a result of thousands of similar polls, and when the majority of answers come back as strongly positive, it is indicative of a satisfied workforce. She added that some responses indicate that there is still more work to be done. Ms. Myers said that it is important to look at where the shifts are to determine if you are headed in the right direction. The survey concluded: "In an organization as large, established and regulated as STA, noteworthy shifts in year-to-year surveys of employee satisfaction are not common. This survey, which can be compared to a nearly identical survey one year ago, shows a remarkable improvement across the board."

7. SYSTEM RIDERSHIP ANALYSIS – SIX MONTH ASSESSMENT – INFORMATION

Mr. Blaska said that fixed route ridership is up 13.8%. He noted that ridership can go up just by putting more service out, but that doesn't mean that it's effective. He said that it is a 'system,' and Nelson Nygard has helped staff look at the system by types of routes: central shuttle (productivity); commuter express (productivity); high frequency core (productivity); local urban (productivity); local suburban (coverage); and rural intercity (coverage). He said that there is a balance between 'productivity' – putting service where you'll get the most people on the bus for the least investment – and a requirement for 'coverage' – knowing you're not going to fill up those buses, but you need some coverage of the less dense areas in order to feed the rest of the system. He referenced a graph which was handed out at the start of the meeting indicating Passengers per Revenue Hour by Route Type, which is an effectiveness measure.

Mr. Blaska said if you look at high frequency core routes and local urban routes that have high frequency, that is where STA is experiencing the highest number of increases in riders. If you look at local suburban and rural intercity routes, that is where you see the strongest and fastest growth. He explained that when you see a 26% increase and you started with a small number, 26% is easier to achieve; but one of the things to consider is that 26% is pretty darned good. There are some routes in the 'coverage' strategy that have grown 44%; if that wasn't a good place to have a route, you would not see that kind of growth. He added that growth is relatively flat on the central shuttle and commuter express routes, and that the system enhancements discussed earlier this year address commuter service, so that's where an opportunity is seen.

Mr. Blaska presented slides by geographic region and discussed the highlights by quadrant. For the first six months of 2007 compared to 2006 (weekday ridership):

- There was an overall increase of 10.4% on the South Hill, with the high frequency urban and core routes (43/44/45) growing the fastest during the first six months of this year. The Southside Shuttle is static, so a rider survey will be done to determine if changes are needed to improve ridership. The lower frequency urban routes (46/47) are static, but they are feeder routes, so huge growth was not expected.
- To the West, the commuter route to Cheney/EWU experienced a 13.9% growth; Medical Lake experienced a 25.9% growth; West Plains experienced a 20.8% growth. Growth on Route 64 is flat, so studies are being done to include service to the Airport on this route.
- High frequency core routes (20/23/24/25/33) on the north side experienced an increase of 17.6% - 17.7%, while east/west routes (30/31/33) showed increases, but the results were mixed.
- To the east, routes 91, 95, and 32 experienced an increase of 24.7%; routes 72-74 experienced a 7.4% increase, route 96 experienced a 28% increase, route 97 experienced a 44.6% increase, and the high-frequency core route 90 experienced a 13.9% increase. Staff continues to seek ways to deliver faster service between the Valley and downtown.

Mr. Munson inquired as to how STA determines where to locate the Park and Ride lots. Mr. Blaska responded that some locations are chosen to try to catch the commuter at the periphery of town and some locations are chosen because they were determined to be a center and corridor for that area (e.g., the South Hill Park and Ride and the future Mission and Greene Park and Ride).

Mr. Blaska reiterated that the largest growth is on the high frequency core and local urban routes, the fastest growth is on local suburban and rural intercity routes, and ridership is relatively flat on the central shuttle and commuter express routes.

8. SECOND QUARTER PERFORMANCE MEASURES - RESULTS – INFORMATION

Mr. Blaska said ridership is up 13.8% and projections indicate that 9.5M riders may be transported in 2007 based on 10% growth per month; however, STA is experiencing approximately 12-13% growth per month. Paratransit ridership growth was targeted at 3.4%, and that is on track. Vanpool ridership is ahead of last year, but the goal of 27% may not be reached because the new vehicles are not yet in service. Mr. Blaska said that cost per revenue hour is still below the urbanized average for both Fixed Route and Paratransit. He noted that Fixed Route passengers per revenue hour is a real success at 23.7, which is above the goal of 22. Paratransit passengers per revenue hour is 2.96, which is more productive than any other paratransit system in the state. Ms. Meyer interjected that STA's consultants have told staff that STA offers more paratransit service than any of the other transits they have ever worked with and STA provides the service more cost effectively, not just in Washington state, but across the country. Mr. Blaska said that cost per passenger for Fixed Route went down because passengers increased faster than costs did. Cost per passenger for Paratransit is 4% over last year due to the increase in fuel prices. Mr. Blaska said that in the interest of time he would forego details of the remainder of the presentation, but he would gladly answer any questions regarding the Performance Measures. There were no questions.

9. FINANCIAL PROJECTIONS - SALES TAX – INFORMATION

Mr. Plaster said he has been asked to do a long-term evaluation of sales tax growth, and there has been a history of sales tax growth because it currently represents approximately 73% of STA's revenue stream. Staff has been conservative in planning for the future, and it is important to keep an eye on what is developing. Mr. Plaster reviewed slides showing the sales tax growth analysis from 1985 to 2006 indicating that the average growth rate was 5.0%, with a range of 14.4%, indicating a high degree of volatility. On a long-term basis, for financial planning, staff has estimated a 3% growth rate. Using that 3% rate, about 70% of the time there would be favorable results. From 1997 to 2006, the average dropped to 4.4%, the range dropped to 9.1%, and the five-year rolling average stayed close to the 3.0% long-term sales tax growth assumption.

Mr. Plaster noted that he has already shared with the Board and the Committee that sales tax growth rates have a high degree of variability and bring inherent risk in financial planning. Projection models are realigned with actual data at a minimum of every 12 months. In developing projections, STA collaborates with other jurisdictions in the service area, and STA's budgetary assumptions have been higher than other local jurisdictions. The long-term 3.0% sales tax growth assumption has been a reliable and conservative estimate which limits the risk of over-estimating revenue.

Ms. Meyer said that this information is important because STA has been criticized for having more money than was projected and questions have been asked as to whether STA is planning poorly or constraining the organization unnecessarily. She said that she felt a lot better as a taxpayer knowing that the organization is, over twenty years time, wrong only 30% of the time; that the sales tax is going to come in lower, and 70% of the time it will come in higher and we can deal with the opportunities that that presents.

Mr. Plaster explained in detail graphs which showed:

- the revenue stream by component parts, showing the current baseline with service enhancements of 4.5% increase in fixed route service in 2008;
- projected revenue hours by mode, showing the current baseline with service enhancements and assuming a 4.5% fixed route increase in 2008;
- financial projections assuming a 7.5% sales tax growth in 2007 and a 4.5% fixed route service increase in 2008 (noting that the unanticipated growth in sales tax revenue in 2007 would provide STA with some strategic opportunities);
- financial projections with an unanticipated sales tax baseline which assumed a 7.5 sales tax growth in 2007, a 4.5% fixed route service increase in 2008, an additional \$3.25M in capital in 2010, and a 5.5% increase in fixed route service in 2011;
- financial projections with an unanticipated sales tax baseline which assumed a 7.5% sales tax growth in 2007, a 4.5% fixed route service increase in 2008, a 0.1% temporary sales tax reduction in 2008, an additional \$2M in capital in 2010, and a 2.5% fixed route service increase in 2011; and
- financial projections with an unanticipated sales tax baseline which assumed a 7.5% sales tax growth in 2007, a 4.5% fixed route service increase in 2008, a 0.1% temporary sales tax reduction in 2008, and an additional \$2M in unspecified projects in each of 2009, 2010, and 2011.

Mr. Plaster commented that other long-term service planning and capital investment alternatives include upgrading to hybrid electric buses, right of way preservation, and the implementation of Transit 2020 and the Nelson/Nygaard recommendations (restructuring downtown service, investment in Plaza alternatives, investment in technology, and cross-state line service). In summary, he noted that assuming existing revenue sources

continue, STA will be adequately funded until 2020; however, the sales tax reauthorization is essential to the organization. He added that current unanticipated sales tax growth could provide choices and a temporary reduction in the sales tax levy would affect strategic opportunities.

10. CEO REPORT – INFORMATION

- a. Ms. Meyer said there was an article in the newspaper which reported that STA owns property at the fairgrounds which is contaminated with arsenic and requires clean up. She said that the bottom line is that the acreage that STA owns near the fairgrounds, which was purchased as a potential light rail station or a park and ride lot, was contaminated with petroleum within the first five feet of the soil, but that has already been cleaned up. At about 45 feet, there is arsenic contamination in the soil and the ground water. Testing was done, and the Department of Ecology said that they would sign off on the safety of the site if STA can produce four quarters of consistent levels of contamination which are below the acceptable standard of .005 parts per billion. Of thirty-two test samples from four wells, six were above the level required, the highest of which was .009. The engineer with whom STA worked likened a level of .001 to the equivalent of half a teaspoon in an Olympic-sized swimming pool. Because STA didn't continually test the site, the agency was taken out of the voluntary clean-up program and moved on to the list of sites identified for clean up. Staff is working with engineers, and a meeting will be held with the Department of Ecology to determine what is needed to get back into the voluntary clean-up program.
- b. There were 654 sessions of internet use on the articulated coaches in July, and 977 sessions in August. This does not include coaches going to Eastern Washington University, so internet use on buses is expected to increase once school is in session.
- c. STA provided over 4,000 rides to the Antiques Road Show at the Spokane Convention Center. Rides were sponsored and paid for by The Spokesman Review.
- d. The Board Workshop will be held on September 12th from 8:00 a.m. until noon at the downtown branch of the Spokane Public Library. The topic will be Transit 2020. STA's consultant from Nelson/Nygaard will join the session and provide an overview of where we are to date in the planning process as well as a lengthy discussion of downtown options (Plaza/no Plaza/something else).
- e. There will be a discussion at the September 20th Board meeting regarding a temporary reduction of the sales tax.
- f. Ms. Meyer noted that the Auditor's report came back "clean," with no findings and no management letter to STA.

11. COMMITTEE INFORMATION

- a. Second Quarter 2007 Operating Indicators – as reported.
- b. June 2007 Operating Indicators – as reported.
- c. July 2007 Operating Indicators – as reported.
- d. Community Outreach and Involvement – as reported.

12. OLD OR NEW BUSINESS

- a. Mr. Blaska said there was one application received (copies were distributed to the Committee at the beginning of the meeting) from David Driscoll for membership on the Citizen's Advisory Committee. However, after speaking with Mr. Driscoll, staff determined that he was more interested in serving on the Operations and Customer Service Committee. Staff has determined that Mr. Driscoll is a viable candidate for inclusion on the Committee and is asking the Committee to recommend the Board Chairman appoint Mr. Driscoll as a citizen member.

Mr. Munson asked if there was a consensus that the Committee should recommend the Board Chairman appoint David Driscoll as a citizen member to the Operations and Customer Service Committee. There was no opposition to the recommendation.

- b. Mr. Blaska explained that Mr. Munson had volunteered to be on the evaluation committee for the Drug Testing, Physical Exam, and Medical Services contract, but Mr. Munson has a conflict and is unable to assist. Mr. Blaska asked if anyone else would volunteer to serve on the evaluation committee.

Mr. Brewer volunteered to serve on the evaluation committee.

- c. Mr. Plaster said that staff had received bids on the Boone Avenue paving project and the contract, with the Board's approval, has been executed, so the project should be finished this year rather than delayed until next year.
- d. Mr. Munson asked where things were on the new security system. Mr. Blaska responded that we are starting the access now, then a review of what the security requirements will take place soon.

- e. Mr. Smith gave an update on road construction and local events impacting bus service.
 - f. Mr. Blaska informed the group that the reason STA's website could not be listed as "sta.com" was because that name was being used by a travel agency.
13. NEXT MEETING – WEDNESDAY, OCTOBER 3, 2007, 1:30 P.M., SOUTHSIDE CONFERENCE ROOM, 1229 WEST BOONE AVENUE
14. ADJOURN
There being no further business to come before the Committee, Chairman Munson adjourned the meeting at 3:06 p.m.

Respectfully submitted,

Jeanette Van Dort, Executive Assistant