

Spokane Transit Authority
1230 West Boone Avenue
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(509) 325-6000

Approved at the
January 20, 2022
Board Meeting

BOARD OF DIRECTORS

Approved Minutes of the December 16, 2021, Board Meeting
Via WebEx Video Conference

MEMBERS PRESENT

Pamela Haley, City of Spokane Valley, *Chair*
Al French, Spokane County
Chris Grover, Small Cities Representative (Airway Heights) *Chair Pro Tempore*
Candace Mumm, City of Spokane
Josh Kerns, Spokane County
Karen Stratton, City of Spokane
Lori Kinnear, City of Spokane
Tim Hattenburg, City of Spokane Valley
Don Kennedy, Small Cities Representative (Medical Lake) *Ex Officio*
Veronica Messing, Small Cities Representative (Cheney) *Ex Officio*
Mike Kennedy, Small Cities Representative (Liberty Lake) *Ex Officio*
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT

Kate Burke, City of Spokane
Dan Sander, Small Cities Representative (Millwood) *Ex Officio*

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Monique Liard, Chief Financial Officer
Brandon Rapez-Betty, Director of Communications & Customer Service
Karl Otterstrom, Director of Planning & Development
Nancy Williams, Director of Human Resources & Labor Relations
Dana Infalt, Clerk of the Authority

PROVIDING LEGAL COUNSEL

Laura McAloon, McAloon Law PLLC

GUESTS

Bennett Resnik, Cardinal Infrastructure

1. **CALL TO ORDER AND ROLL CALL**

Chairwoman Haley called the meeting to order at 1:38 p.m. and conducted roll call.

2. **APPROVE BOARD AGENDA**

Mr. Grover moved to approve the agenda as presented. Mr. French seconded, and the motion passed unanimously.

3. **PUBLIC EXPRESSIONS**

Chairwoman Haley called for public expressions. There were no public expressions received in advance of the meeting. Attendees were invited to offer comments. There were none.

4. **PUBLIC HEARING:**

A. **Proposed Fare Policy Revisions** –Chairwoman Haley opened the public hearing at 1:41 and Ms. Liard presented information on the Fare Policy Revisions: Preliminary Proposal and Public Outreach. She reviewed the proposed changes in the fare structure that included new discount programs, fare capping, and clarification of fares for general public and groups. She compared current and proposed fares.

Ms. Liard reviewed the outreach for Title VI requirement and preliminary findings which uncovered no disparate impacts or disproportionate burden in the proposed fare policy changes. She discussed the purpose, outreach & media campaign timeline, audiences for Title VI and

public outreach, as well as the key outreach instruments. She noted the next steps which include the Board Operations Committee recommendation to the Board on January 12, 2022 and the Board decision on January 20, 2022.

Chairwoman Haley asked for questions or comments from the Board. Mr. French asked how the changes in the fare structure would impact the commitment to have the farebox contribute 20% of the operating budget for STA. Ms. Liard replied that ridership had been impacted downward by the pandemic and that STA is not reaching that target at the moment (just under 10% recovery). She noted the presumption is and the assumptions made as staff have worked through the fare collection project is that all the modernization of the tools will help encourage riders back to the system and increase the fare revenue. The impact in terms of revenue collections from the fare discount programs being introduced is fairly small and being viewed as an investment into encouraging returned ridership, thereby growing fare revenue. Mr. French thanked Ms. Liard.

With no further comments or questions from the Board, Ms. Haley opened the public hearing to all attendees.

Mr. Garrett Havens from SNAP was signed up to speak and he provided his supportive comments and thanked STA for all they do for the community. He noted the changes will offer incredibly important benefits that will positively impact equity for the low-income population in the Spokane area and expressed SNAP’s appreciation to STA for taking the low income population into consideration.

Chairwoman Haley called three times for additional public comments and there were none. Chairwoman Haley closed the Public Hearing at 1:55.

5. RECOGNITIONS AND PRESENTATIONS

Ms. Williams expressed STA’s appreciation and offered best wishes to retirees with 20 or more years of service to STA. Retirees included Darroll Woelk, 37 years; Ronald Scouton, 37 years; Sherri Rice, 30 years; Donald Scouton, 30 years; Jacque Tjards, 24 years; Johnnie Forland, 22 years; Clyde Hargens, 22 years; Frederick Kelso, 22 years and Frank Bezemer, 20 years.

Chairwoman Haley echoed Ms. Williams appreciation on behalf of the Board.

6. BOARD ACTION – CONSENT AGENDA

- A. Approval of the Minutes of the November 18, 2021, Board Meeting
- B. Approval of the Minutes of the December 1, 2021, Board Workshop
- C. Approval of the following November 2021 Vouchers

DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (November)	Nos. 614830 – 615203	\$ 5,301,951.51
Workers Comp Vouchers (November)	ACH – 2286	\$ 104,647.65
Payroll 11/05/2021	ACH – 11/05/2021	\$ 1,963,549.02
Payroll 11/19/2021	ACH – 11/19/2021	\$ 1,471,819.28
WA State – DOR (Use Tax)	ACH – 1767	\$ 5,790.45
NOVEMBER TOTAL		\$ 8,847,757.91

- D. Approval of Sprague High Performance Transit: Draft Corridor Development Plan as presented
- E. Authorized the CEO to award a contract to Nelson\Nygaard Consulting for Strategic Planning services in the amount of \$526,873
- F. For the 2021 FTA 5310 Program of Projects: Budget Revision, made available an additional \$96,974 in STA local funds to the previously approved 2021 5310 funding awards to maintain the cumulative federal and STA local fund award amount of \$683,500

- G. Awarded a contract to the lowest, responsive bid from a responsible contractor, Coleman Oil, for diesel and unleaded fuel and service for five years effective February 1, 2022
- H. Approved the 2022 Board and Committee meeting calendar as presented

Mr. Hattenburg moved to approve Consent Agenda 6A through 6H. Mr. French seconded, and the motion passed unanimously.

7. BOARD ACTION – COMMITTEE RECOMMENDATIONS

Planning & Development Committee

A. Adoption of 2022 Operating & Capital Budgets

Ms. Liard provided a review of the final 2022 Operating & Capital Budgets.

Mr. Grover moved to adopt, by Resolution, the Final Proposed 2022 Operating and Capital Budgets as presented. Mr. Hattenburg seconded, and the motion passed unanimously.

Performance Monitoring & External Relations Committee

B. Draft 2022 State Legislative Priorities

Mr. Rapez-Betty presented the proposed 2022 State Legislative priorities.

Mr. French moved to approve 2022 State Legislative Priorities as presented. Mr. Grover seconded, and the motion passed unanimously.

8. BOARD ACTION – OTHER

A. Near Term Investment Opportunities: Recommendation

Mr. Otterstrom provided background and the timeline leading up to this request for action to approve a list of projects. He also advised this was a follow up conversation to the extensive discussion held at the December 1st Board Workshop and the presentation to the Board Operations Committee last week. He noted, staff are seeking board approval on a selection of near-term investments to leverage STA's favorable financial position, to increase investment in public transportation concurrent with strategic planning and the implementation of STA Moving Forward.

He reviewed Package A and Package B and offered considerations for each package.

Package A includes the Summer Youth Pass Program for another two years in lieu of a free Year-Round Youth Pass Pilot Program. He noted Package A also accommodates new night and weekend service to Sports facilities on North Bank as part of improvements to Plaza/Arena service. He showed a map outlining projects across the region included in the package.

Package B is similar to Package A but includes Free Year-Round Youth Pass Pilot Program in lieu of continuing the Summer Youth Pass Pilot Program and does not offer the new night and weekend service to North Bank as part of capital improvements to Plaza/Arena service

He offered considerations for Youth Pass Program options and showed the 2019 revenue for youth of \$132,000 from Spokane Summer Youth Pass Pilot Program and \$458,000 from school districts, as well as 2021 year-to-date Youth Revenue of \$432,000, of which \$179,000 came from the school districts. He noted the school districts are reimbursed by the state for student transportation costs, including STA bus passes and advised the figures above do not include university/college passes used by running start students. He discussed the youth pass policy/strategic implications.

Mr. Otterstrom reviewed the Near-Term Implementation which included Board approval of preferred package with any board directed revisions; projects will return to the Board as needed for revisions to the 2022 Capital & Operating Budget; and the 2023-2028 Transit Development Plan will incorporate project decisions into multi-year service and capital programs.

Chairwoman Haley granted Ms. Mumm the floor to speak. Ms. Mumm suggested considering Package A and asked for confirmation that the Summer You Pass Program cost was for a two-year period. Mr. Otterstrom advised that basically everything that has an operating cost in the estimate are all assumed for two years' cost. Ms. Mumm asked if it could go beyond the two years. Mr. Otterstrom advised that was a Board prerogative, saying this Package A focuses on the near-term and staff's assumption is they will come back and report to the Board. If the Board wishes to continue programs or services, they can be approved at that time.

Ms. Mumm stated she would like to double the amount and make a motion to amend Package A to double that Summer Youth Pass Program on Package A to extend to four years, which would be taking the total closer to \$19M. She explained that would make sure the program has longevity and future discussions could be held about.

Ms. Mumm made a motion to amend Package A and moved to adopt Package A with the amendment to double the line item for the Summer Youth Pass to \$950,000.

Chairwoman Haley clarified the motion was to increase the Summer Youth Pass program to four years for Package A. Ms. Mumm confirmed.

Ms. Kinnear stated she would second the motion, for the sake of discussion.

Chairwoman Haley noted a motion and a second on the floor and asked for discussion.

Ms. Kinnear asked if that was too long a time. At some point, they should evaluate and, if necessary, amend. Ms. Mumm said it could be "up to that amount" and if something replaced it, you could make a change to the Package, but the money would be available. Ms. Kinnear said she understood.

Mr. French spoke against the motion. He noted the conversation was about "one-time" money and it would be more prudent to operate it for two years as presented and then assess. He said to cherry pick programs out to extend for longer periods than the overall package seemed premature. He reminded the Board that free service is being offered to one part of the community at the expense of others and there are people inside the PTBA boundary currently paying tax and receiving no service. Going beyond the Package at the expense of others doesn't seem to be an equitable approach from his standpoint. He noted he would be voting against the motion.

Chairwoman Haley asked for any additional comments regarding the amendment.

Ms. Mumm asked Mr. Otterstrom if the project could be evaluated after two years, even though the funding was there, or if the Board could make an alternative decision at a later date? Mr. Otterstrom advised legal counsel may want to weigh in, but there is a resolution drafted for the motion, but it could be amended to have performance reviewed within two years. Ms. Mumm thought that sounded fair and said she was open to that understanding and asked Ms. Kinnear if she agreed. Ms. Kinnear confirmed and asked to amend that and second Ms. Mumm's amendment if she did so.

Chairwoman Haley granted Ms. McAloon the floor. Ms. McAloon noted Ms. Kinnear had already seconded Ms. Mumm's motion to amend Package A. Ms. Kinnear agreed that she had but she thought Ms. Mumm was going to add something to it. Ms. Mumm stated it was just her understanding the program would be reviewed after two years. Ms. Kinnear said she had

misunderstood. Ms. McAloon answered Ms. Mumm's question about the ability to reevaluate the funding by saying any future Board at any point in time can amend and change these resolutions and, in terms of evaluating it, the CEO can decide to evaluate after a term based on economics.

Ms. Stratton asked for confirmation of her understanding that Ms. Mumm was seeking the Summer Youth Pass Program for four years (Ms. Mumm interjected to say, "up to four years"), and now are amending it to say what? She asked, "Are you amending that piece?" Ms. Mumm advised there is roughly \$500,000 more funded in Package B. Her suggestion was to fund the Summer Youth Program for four years and use the difference in the costs.

Ms. Mumm reiterated she is asking to amend her recommendation to fund the Summer Youth Pass Program for the next four years and provide the students the opportunity to continue to ride in the summer and guarantee that a little bit longer and the Board can then decide if they want to do something different with youth. It gives them just a little more flexibility because we have the money. Otherwise, the money is just going to sit there and not serve the public. It's for kids who don't usually work or have fun and certainly helps parents with children and I hope the rest of the Board considers that as we look to this amendment. Ms. Mumm clarified her intention to amend and support Package A.

Chairwoman Haley said they would vote on the amended recommendation to Package A.

Ms. McAloon reiterated that the motion on the floor is to amend Package A to double the Summer Youth Pass Program to a total period of four years, which replaces \$475,000 with \$950,000 in Package A. She asked for confirmation from Ms. Mumm. Ms. Mumm agreed. Ms. McAloon noted the total cost of Package A would then be \$18,937,200 with this amendment. Ms. McAloon further clarified the motion is to amend just that line item and Ms. Mumm would need to make any additional motions later. She then proposed a roll call vote.

Chairwoman Haley restated the motion on the floor (**a motion to amend Package A to double the line item for the Summer Youth Pass to \$950,000**) and asked the Clerk to conduct a roll call vote.

Al French – Nay
Candace Mumm – Aye
Chris Grover – Nay
Josh Kerns – Nay
Karen Stratton – Aye
Lori Kinnear – Aye
Tim Hattenburg - Nay
Pam Haley – Nay

The amended motion failed.

Mr. French moved to approve by Resolution, the selection and approval of Package A as presented. Mr. Hattenburg seconded.

Mr. Otterstrom asked for a point of order to clarify that the Resolution in the packet is Exhibit A, for Package A, as part of the Resolution that the Board approves. Chairwoman Haley confirmed that the motion was to approve by Resolution, the selection and approval of Package A of near-term investments for implementation.

Chairwoman Haley called for the vote and the motion passed unanimously.

9. BOARD OPERATIONS COMMITTEE:

A. Chair's Report

Chairwoman Haley advised everything covered at Board Operations has been seen in the Consent Agenda or other action items today.

10. PLANNING & DEVELOPMENT COMMITTEE:

A. Chair's Report

Mr. French informed the major item the committee reviewed was the Budget that the Board approved today. He thanked the board for the approval. He noted updates were also provided on projects underway.

11. PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE:

A. Chair's Report

Mr. Grover advised PM&ER reviewed items the Board has taken action on (AOC for Fuel, Legislative Priorities) and received an update on the public outreach for the Fare policy.

12. CEO REPORT

Ms. Meyer reported on the following items:

- Ridership for Fixed Route, Paratransit, and Vanpool for November 2021 monthly and year-to-date comparisons
- Monthly Revenue by Service Type from January 2020 through November 2021
- Voter approved Sales Tax Revenue for November
- Operating Expenditures through October
- City Line Finances and Construction recently completed, underway, and upcoming
- State Legislative Update

Ms. Meyer provided information in response to Mr. French's recent request for requirements of transit agencies to convert their fleets to alternative fuel. Ms. Meyer advised there is a requirement and there are conditions. She said RCW 43.19.648 is the legislation that directed state and local governments a transition of fleets to use biofuel, electric, or another alternative fuel source, to the extent practicable and with exceptions. The law was first enacted in 2007 with the passage of a larger key energy bill HB 1303. State and local governments were directed to convert their vehicle fleets to bio or electric by 2015, to the extent practicable. There were then a series of laws between 2009 and 2013 that added other alternative fuels as options for converting. Specifically compressed natural gas (CNG), liquified natural gas (LNG), and propane were added in 2012.

Other provisions and exceptions that were added include:

- Is an alternative fuel regionally available, an exemption for police and emergency vehicles, an exemption if use of alternative fuel would void warranties and a provision that says governments do not have to replace a vehicle before the useful end of its life.
- In 2011, the compliance date for meeting the conversion goals was changed to 2018.

By 2018, local governments were to have converted their fleets to one of these alternative fuels as practicable, but could continue to operate the fleet with the vehicles in their fleet that hadn't reached the end of their useful life.

In 2016, the regulation came from the Department of Congress publishing rules detailing situations that address "to the extent practicable". They worked with a stakeholder group that included STA and other transit agencies. Commerce is understood to be collecting information

from local governments on the progress in transitioning fleets. It appears the reporting system isn't operational, but it may just not be collecting information due to the pandemic.

Ms. Meyer replied to Mr. French's question, saying, "Yes, there is a requirement, but local governments are allowed to make an assessment about whether the transition is practicable each time it plans to purchase new vehicles and then the reporting is done through the Department of Commerce so it can be tracked and reported to the legislature."

Mr. Bennett Resnik from Cardinal Infrastructure was introduced. He offered a review of the benefits provided in this federal legislative session. He provided an overview of spending over five years, along with describing the portion of new federal investments. The Continuing Resolution in effect until February 18th, focused on recent passage of debt limit extension and National Defense Authorization Act. He advised they are also still working on the Build Back Better Budget Reconciliation Bill before they address appropriations. Appropriations will be addressed in January or early February.

Regarding the National Defense Authorization Act congress passed this week, a provision exists in the Bill on property disposition for affordable housing. Essentially, it expands the ability to dispose of FTA funded property without the return of the federal interest, so it allows the transfer of assets following authorization from DOT Secretary to a local government authority or non-profit or third party to create a transit-oriented development. There are a number of criteria to meet but that's essentially the provision included in the Bill, soon to be law.

The Build Back Better Act is being worked on in the Senate. Senate Democratic leadership will address it in January with a number of continuing unresolved issues. He brought up the point of a nearly \$10M program for affordable housing access grant program that's going to be issued jointly by FTA and HUD and those funds are intended to support access to affordable housing, enhancing mobility for those disadvantaged communities, neighborhoods, areas of persistent poverty or low-income riders. There are a full host of activities eligible under this program from a new BRT project or a BRT that utilizes zero emission vehicles or infrastructure involved and expansion of the service area or frequency of service and that could include operational expenses not typically found in federal funding grant opportunities. He noted there is additional assistance to CIG projects that have not yet been opened to revenue service and a number of opportunities for STA in this program that may pass early in 2022.

Lastly, Mr. Resnik mentioned the Infrastructure Jobs Act Implementation is still underway at DOT. There is a lot of momentum to get programs out in the first 90 days and should see notices for a lot of the discretionary grant programs in quarter one of 2022, probably March timeline. There are also additional staff being brought into DOT to implement the Infrastructure Bill and continued engagement with FTA on Cardinal's side to manage the development of new grant programs and see that those new grant program requirements align well with STA projects. He offered to answer questions. None were forthcoming.

13. BOARD INFORMATION

- A. Committee Minutes
- B. November 2021 Sales Tax Revenue
- C. October 2021 Financial Results Summary
- D. October Operating Indicators
- E. ConnectSpokane Update: Draft Revisions
- F. I-90/Valley High Performance Transit Corridor Planning Update
- G. Finalize 2022 Planning & Development Committee Work Program
- H. STA's Holiday Services & Office Hours

14. NEW BUSINESS

A. Election of 2022 Chair and Presentation of Gavel (*Majority vote of 5 required*)

According to STA Bylaws, the rotation of the Chair goes to the City of Airway Heights in 2022. Chairwoman Haley nominated Mr. Chris Grover, the Airway Heights representative, for the position of Board Chair in 2022.

Mr. French moved to approve the election of Mr. Chris Grover as the 2022 STA Board Chair pursuant to STA Bylaws. Mr. Hattenburg seconded, and the motion passed unanimously.

A gavel was presented and will be provided to Mr. Grover. Chairwoman Haley congratulated Mr. Grover on becoming the new STA Board Chair. Mr. Grover stated that he would now continue the agenda. He said he appreciated the vote of confidence and looks forward to working with everyone in the coming year.

15. BOARD MEMBERS' EXPRESSIONS

A. Presentation of Commendation to Pamela Haley – Outgoing Board Chairwoman

Chair Grover commended Pam Haley for her dedicated service as Board Chair for the 2021 year. He advised she has served on the STA Board since 2016 and was Board Chair in 2017, too. He stated she is a positive, calm, approachable leader with a pro-transit voice from a conservative perspective. She represented a balanced board leadership in meetings with FTA and views the STA Plaza as her neighbor. As a downtown business owner, she provided insight and observations about how well the STA Plaza has been run. Ms. Haley expressed strong support for STA's branding of electric buses and has a unique perspective and insight on transit as her husband, Jim, is a former STA Coach operator. Some of her employees and parents of the children at her daycare are transit riders.

Chair Grover thanked Pam for her leadership and said we look forward to her continued service on the Board. Ms. Haley thanked him very much and said how much she appreciates this board and thanked all members for their great service to this board and said she was looking forward to next year and new things.

B. Presentation of Commendation to Candace Mumm – Retiring Board Member

Chair Grover commended Candace Mumm and thanked her for serving STA since 2014. He said she chaired in 2019 and provided enthusiastic board member support for transit, STA, and the City Line in meetings with FTA. She is a key influencer in transit investment in Spokane Falls Community College and a strong proponent for building youth ridership. Ms. Mumm thanked him for his kind words and said she enjoyed working with everyone on the board.

C. Presentation of Commendation to Kate Burke – Retiring Board Member

Chair Grover commended Kate Burke and thanked her for serving since 2019. He said she was passionate about transit and provided a fresh and diverse perspective. She's a very savvy and knowledgeable transit rider and STA customer. She worked closely with the non-profit community in the development and rollout of the Community Access Pass Pilot Program. He again thanked her for her service and wished her well in her future endeavors.

Chair Grover asked if board members had any expressions. Ms. Mumm asked if it was appropriate to nominate Lori Kinnear as Vice Chair of STA for next year. Ms. McAloon noted as a point of order that the process generally happens in January after the new Board has been seated. Ms. Mumm said she would remove her motion.

16. EXECUTIVE SESSION (McAloon Law PLLC)

At 3:15, Ms. McAloon advised the Executive Session would be 20 minutes, allowing for a minute to transition to the virtual session. She read the following statement:

At this time, the STA Board of Directors will adjourn to an executive session for the purpose of:

1. Reviewing the performance of a public employee.

The STA Board of Directors will reconvene in open session approximately 20 minutes after convening. If it becomes necessary to extend the executive session, a member of staff will announce the time at which the STA Board will reconvene.

If any action is to be taken as a result of discussions in the executive session, that action will occur at the open public session.

Ms. McAloon resumed the regular Board meeting at 3:35 and read the following recommendation: Approve a new three-year employment agreement for the Chief Executive Officer with a 3% increase in base salary. Any increases in salary during the contract will be based on the Consumer Price Index.

Mr. French moved to approve the recommendation. Mr. Hattenburg seconded, and the motion passed unanimously.

17. ADJOURNED

With no further business to come before the Board, Chair Grover adjourned the meeting at 3:37 p.m.

Respectfully submitted,



Dana Infalt
Clerk of the Authority