

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

PLANNING & DEVELOPMENT COMMITTEE MEETING

Minutes of the April 4, 2018 Meeting, 10:00 a.m.
Spokane Transit Southside Conference Room

MEMBERS PRESENT

Al French, Spokane County*
(via telephone)
Candace Mumm, City of Spokane
Chris Grover, City of Cheney
Veronica Messing, City of Airway Heights
E. Susan Meyer, CEO, Ex-Officio

MEMBERS ABSENT

Sam Wood, City of Spokane Valley

STAFF PRESENT

Karl Otterstrom, Director of Planning & Development
Lynda Warren, Director of Finance & Information Services
Roger Watkins, Chief Operations Officer
Beth Bousley, Director of Communications & Customer Service
Emily Arneson, Ombudsman & Accessibility Officer
Dan Wells, Deputy Director of Capital Development
Mike Tresidder, Associate Transit Planner

GUESTS

Kevin Freeman, City of Millwood
Mike Kunder, AFSCME 3939 President

1. CALL TO ORDER AND ROLL CALL

Chair French chaired the meeting via phone and called the meeting to order at 10:00 a.m. Roll was called and introductions were made.

2. PUBLIC EXPRESSIONS

None.

3. COMMITTEE CHAIR REPORT

Chair French reported that he, Ms. Haley, Mr. Freeman and Mr. Otterstrom met with the FTA Acting Administrator, K. Jane Williams, and staff regarding the Central City Line (CCL). There was a lot of conversation about the recapture on the investment for the CCL, how the project ranks and what STA would contribute to that calculation based upon the administration's new priority of identifying the recapture rate on transit projects. Chair French suggested that in this new legislative environment it is good to be mindful of the percentage STA is asking from the Small Starts Grant program, as well as the dollar amount. Currently, our total ask is lower from a dollar standpoint but higher from a percentage standpoint.

4. COMMITTEE ACTION

A. MINUTES OF THE FEBRUARY 28, 2018 COMMITTEE MEETING (MARCH)

Mr. Grover moved to recommend approval of the February 28, 2018 Planning & Development Committee meeting minutes. The motion was seconded by Chair French and passed unanimously.

5. COMMITTEE ACTION

A. Board Consent Agenda

1. 2018 TRANSIT DEVELOPMENT PLAN: FINALIZE MID-RANGE PLANNING GUIDANCE

Mr. Otterstrom reported on the continuing discussion of the 2018 Transit Development Plan (TDP) and reviewed the background of the plan development. The agency's primary mid-range planning document is the Transit Development Plan and looks beyond the current budget year. The planning horizon of the TDP is through 2024, which is six years plus the current year. Finalizing the Mid-Range Planning Guidance is one step in the process to prepare the annual six-year Transit Development Plan required by WSDOT.

The 2018 Transit Development Plan effort was introduced to the Planning & Development Committee in February. The Committee reviewed last year's Mid-Range Planning Guidance and was offered an opportunity to modify or adjust. At that time, the Committee had no edits. The Mid-Range Planning Guidance as it was prepared for the 2017 TDP is now proposed to be adopted by the Board for inclusion in the 2018 Transit Development Plan. Mr. Otterstrom reviewed Section 4: Guiding Principles & Major Activities (2018-2024) which includes the draft Board Guidance: Foster and Sustain Quality, Maintain a State of Good Repair, Expand Ridership, Proactively Partner in the Community, Advance and Adapt the System Growth Strategy. The 2018 TDP is expected to be adopted in July 2018 and will include the Capital Improvement Program and the Service Implementation Plan. A public hearing will take place in June and the final action in July.

Mr. Otterstrom noted that there was discussion regarding "Proactively Partner in the Community" last year to ensure that it was capturing more than just economic development related to sustainability as STA explores electrifying the fleet and ways to reduce energy consumption on this campus.

Chair French and Mr. Otterstrom encouraged feedback as this is an opportunity to change the text. There was no proposed revisions or amendments to the proposed guidance.

Mr. Grover moved that the committee approve the Final 2018 Mid-Range Planning Guidance as is for Board Consent. Chair French seconded and the motion passed unanimously.

B. Board Discussion Agenda

(No items being presented this month)

6. REPORTS TO COMMITTEE

A. 2018 TRANSIT DEVELOPMENT PLAN: MAJOR ACTIVITIES (2019-2024)

Mr. Otterstrom reviewed the major activities for the 2018 Transit Development Plan. While this is not an action item, it is a step in the process to complete the annual six-year TDP required by WSDOT. The major activities for the six-year plan are a part of Section 4 and include the following categories of activity: Customer and Community Outreach, Service Development, Facilities and Fleet, System Management, Technology and Planning.

10:20 a.m. – Ms Mumm joined the Committee.

These activities are a precursor to the Service Implementation Plan and the Capital Improvement Program which identifies all of the capital improvement projects over a six year period. It is not inclusive of all detail, but provides a sense of overall status for the time period. It is not a stand-alone action item but a condensed sampling of what is taking place within the six-year time period. In May, this Committee will review the draft Capital Improvement Plan along with an outline of the Service Improvement Opportunities. All of these documents will be brought together to create the full TDP and presented to the Committee in June. The public hearing will be in July.

Mr. Freeman asked if the potential for construction of a park and ride lot at Spokane Community College (Upriver Transit Center) should be added to the major activities list. Mr. Otterstrom responded that this could be explored in the future.

B. 2018 TRANSIT DEVELOPMENT PLAN: REVENUE & EXPENDITURE FORECAST ASSUMPTIONS

In order to complete a draft 2018 Transit Development Plan, financial results also need to be affirmed by the Committee. At its October 2015 meeting, the Board provided guidance on the assumptions to be used for the forecast model. These assumptions are reviewed each year. Ms. Warren reviewed the assumptions in preparation to complete the draft 2018 Transit Development Plan in June that covers the years 2019-2024. The Board agreed on the following major assumptions during the 2017 TDP Process:

Revenue

- In the prior TDP, STA assumed sales tax will remain on a 3% trend beginning with 2014 actual amount received. Staff is recommending the new forecast move to a 3.25% trend with one-time adjustments to reflect current economic conditions.
- There is a board-approved fare change effective July 1, 2018.
- FTA Section 5307 Urbanized Formula funds, federal funding that is used primarily for preventative maintenance and is the third largest source of operating revenue, will grow consistent with the growth rate in the 2015 FAST (Fixing America's Surface Transportation) Act and then grow at a 1% rate thereafter through the remainder of the planning horizon.

Expenditures

- The annual budget creates the baseline for operating expenses.
- Operating expenses the year following the budget remain flat.
- *STA Moving Forward* service changes and increases are incorporated into the budget.
- Operating expenses grow at 3% beginning the second year after the budget.
- The Capital Improvement Program is fully funded through the TDP period (2024).

Ms. Meyer shared the value of using a 3% trend line was a decision made in 2015; as a result, to continue to use this percentage is the conservative approach. Discussion ensued regarding the 3.25% trend. Ms. Mumm requested that additional information is provided to show high, medium and low projections, using a 3.25% trend in sales tax growth as the medium forecast.

Ms. Warren reported two expenditure questions that will be analyzed: How does electrification of the fleet impact infrastructure requirements? How will grant funding changes potentially affect key capital initiatives? At the May Committee meeting Lynda Warren will further address the financial forecast (using 3%, 3.25%, 3.5%) and include updates on other grants and the Capital Improvement Program.

7. CEO REPORT

STA Chief Executive Officer, E. Susan Meyer, presented her CEO Report to the Committee which included the following topics:

- **Cardinal Infrastructure Visit** - Cardinal Infrastructure is a consulting company that includes former FTA officials who advise businesses, state DOTs and transit operators. Cardinal has been a valuable resource as consultants to STA on federal funding matters, especially on the Central City Line and the Small Starts Application, and will be visiting on April 18-19, 2018. Most of the April Board meeting will be dedicated to a discussion with the Board and the two STA consultants, Sherry Little and Sev Miller, who will speak to the current political landscape in Washington D.C.: the federal budget, Small Starts funding, how Congress is considering the value of transit investments and STA project's competitiveness. The regular Board meeting will be adjourned early in order to allot time for this conversation in a special workshop format session. In addition, Ms. Little and Mr. Miller will meet with the Spokane City Mayor and his Cabinet earlier that same day as well as with the Spokane City Council for a study session immediately following the Board workshop. Ms. Meyer requested that invites be extended to the Steering Committee members and members of the

Citizen Advisory Committee meeting for the study session. Mr. Miller is a highly regarded expert on the “Buy America” law that pertains to projects funded with federal transit dollars.

- **Grant** – Senator Murray will be announcing tomorrow that STA will receive a grant in response to an application submitted last August.
8. COMMITTEE INFORMATION
(No information included this month)
 9. MAY 2, 2018 COMMITTEE PACKET DRAFT AGENDA REVIEW
No changes were suggested at this time.
 10. NEW BUSINESS
Mr. Otterstrom reviewed the May 2, 2018 Committee Packet Draft Agenda slide.
 11. COMMITTEE MEMBERS’ EXPRESSIONS
None.
 12. ADJOURN
Chair French adjourned the meeting at 10:48 a.m.
 13. NEXT COMMITTEE MEETING: MAY 2, 2018 at 10:00 a.m., STA SOUTHSIDE CONFERENCE ROOM, 1230 W. BOONE AVENUE

Respectfully submitted,



Vicki Clancy, Executive Assistant