

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

BOARD OF DIRECTORS

Draft Minutes of the July 11, 2018, Board Workshop
Spokane Transit Boardroom
1230 West Boone Avenue, Spokane, Washington

MEMBERS PRESENT

Candace Mumm, City of Spokane, *Acting Chair*
Lori Kinnear, City of Spokane
Pamela Haley, City of Spokane Valley
Josh Kerns, Spokane County
Veronica Messing, Small Cities Representative
(Airway Heights) *Ex Officio*
Rhonda Bowers, Labor Representative

MEMBERS ABSENT

Kevin Freeman, Small Cities Representative
(Millwood) *Chair*
Al French, Spokane County
Sam Wood, City of Spokane Valley
Chris Grover, Small Cities Representative
(Cheney)
Shirley Maike, Small Cities Representative
(Medical Lake)
Mike Kennedy, Small Cities Representative
(Liberty Lake) *Ex Officio*

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Roger Watkins, Chief Operations Officer
Lynda Warren, Director of Finance & Information Services
Karl Otterstrom, Director of Planning & Development
Nancy Williams, Director of Human Resources
Beth Bousley, Director of Communications & Customer
Service
Emily Arneson, Ombudsman & Accessibility Officer

PROVIDING LEGAL COUNSEL

Laura McAloon, McAloon Law PLLC

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

Acting Chair Mumm called the meeting to order at 11:40 a.m.

2. **Executive Session**

The scheduled Executive Session was not held due to the lack of a quorum. It will be held at the July 26, 2018 Board meeting.

3. **2019 Workshop Objective**

Ms. Meyer said the objective of this workshop is to review the 2018 Strategic Plan, and received Board guidance for the development of the 2019 Strategic Plan and Budget. The draft Annual Strategic Plan and Budget will be brought to the Planning & Development Committee and the Board in September. Public and employee outreach will take place in October and there will be a public hearing on the budget at the October Board meeting.

The Strategic Plan will be adopted at the October Board meeting and the Budget at the November Board meeting.

4. **2018 Strategic Plan Review**

New Service – On Target

- Extend Medical Shuttle (Route 2)
- Extend Night & Weekend Service to Indian Trail (Route 23)
- Evaluate Options and Implement New Service to West Plains Transit Center
- Improve Schedule Reliability (Routes 25, 90 and others)

Continue Progress in Implementing High Performance Transit (HPT) – On Target

- Central City Line Final Design
- Cheney Corridor/Design of Four Lakes Station
- Division Corridor Improvements
- Monroe-Regal Corridor Improvements
- Sprague Corridor Improvements

Core Infrastructure

- Boone Northwest Garage – on target
- Fare Collection System Update – minor adjustment
- West Plains Transit Center – on target

The fare system collection project has a minor adjustment due to the time taken to develop specifications that will allow the collection of different kinds of fares as technology advances. The project will be extended into 2019 with completion expected in 2020.

Increase Ridership

Mode	2018 Goal	2018 YTD	2018 Projected EOY
Fixed Route	1.5%	-1.2% (4.47M)	0% (10.3M)
Paratransit	1.5%	1.5% (206K)	1.5% (484K)
Vanpool	2.5%	-13.5% (69K)	-10% (161K)

The 2018 goal was met for paratransit; fixed route was just under and vanpool showed a steep decline.

Mr. Kerns arrived at 11:56 a.m.

Ms. Mumm asked if there has been a change in ridership due to the construction on North Monroe Street.

Mr. Otterstrom said the Monroe Street route was moved to Post Street at that time and usually there are more riders in spring than summer. However, when the construction on Sprague Avenue was completed, ridership declined at first and then increased.

Gas prices have continued to climb.

Ms. Meyer said the Vanpool program has been impacted by sustained low fuel prices. Groups join and leave vanpools on a regular basis and ridership is down. The new facility being built in Airway Heights called “Project Rose” could have an impact on the program.

Fares

Phase II of the Fare Change was implemented July 1, 2018.
An adult cash fare valid for two hours is now \$2, up from \$1.75.

5. 2019 Draft Annual Strategic Plan
Continue Progress in Implementing HPT:

Central City Line

- Execute Small Starts Grant Agreement (Goal)
- Begin Construction
- Select Vehicles

Cheney Line

- Four Lakes Station Construction

Division Corridor

- Phase II Improvements
- Division HPT Study

Monroe-Regal Line Implementation

Sprague Line Improvements

I-90/Valley Preliminary Design

New Service

- Monroe-Regal Line
- South Commuter Express
- Redesigned South Hill Bus Network
- Geiger Blvd to West Plains Transit Center

Ms. Mumm asked how often routes have to get off I-90 for stops.

Mr. Otterstrom said I-90 is a critical corridor that is getting more congested. It is essential buses spend as little time as possible off the freeway. Staff is working with the Washington State Department of Transportation to get locations for bus stops as close to the freeway as possible. He added that there are no High Occupancy Vehicle (HOV) lanes planned for the North-South freeway which is disappointing.

Ms. Mumm asked if “Project Rose” will impact STA’s projects in Airway Heights.

Ms. Messing said there are many construction projects in that area in the next few years.

Mr. Kerns said he did not believe there would be any impact on transit since Mr. Otterstrom works with the County Engineering & Planning departments.

Ms. Mumm said she anticipated more housing development in the Francis Avenue area and there has been business growth at the Franklin Park Mall.

Ms. Messing asked what the closest stop to the new recreation center in Airway Heights is.

Mr. Otterstrom said it is the stop near the casino driveway. STA commented on the plans for the new recreation center since it is on the edge of the urban growth area. It would be hard to justify another stop since no other growth is expected there.

Ms. Mumm asked about the east/west transit lines.

Mr. Otterstrom said the Wellesley line is well used as is the Mission/Maxwell. There are challenges to the Wellesley area since the sidewalks do not comply with the Americans with Disabilities Act (ADA).

Ms. Mumm said the Director of the Library said the Shadle Library is popular with transit users because of the Wellesley line.

Ms. Mumm asked if there will be a North Commuter Express.

Mr. Otterstrom said Route #124 from Hastings Park & Ride serves in that capacity.

Core Infrastructure

- Complete Boone Northwest Garage
- Begin Implementation of Fare Collection System Update
- Update Facilities Master Plan

Other Projects

- Upriver Transit Center
- SFCC Transit Station
- Vehicle Electrification Analysis
- Mobility Management Analysis

Ridership 2019 Projected

Mode	2019 Goal	2018 Projected	2019 Projected
Fixed Route	2.0%	10.3M	10.5M
Paratransit	1.5%	484K	491K
Vanpool	1.0%	161K	163K

Ms. Mumm asked about the marketing strategy for the 2019 Vanpool program.

Mr. Watkins said the marketing has increased and a new vanpool has formed at Eastern State Hospital. There will be opportunities once Project Rose is completed in the West Plains.

Fares

No change in 2019.

6. 2019 Budget Guidance

Ms. Warren outlined the guidance for the 2019 Budget:

- Foster & Sustain Quality
- Maintain a State of Good Repair
- Expand Ridership
- Proactively Partner in the Community
- Advance & Adapt the System Growth Strategy
- Continue with a Sustainable Plan that avoids debt

Board members agreed with this guidance.

Revenue 2018

Ms. Warren said 44% of the budgeted sales tax revenue has been received as of May 2018

In June, the Board approved the sales tax assumptions – 3% trend beginning in 2014 with an annual adjustment to reflect economic conditions. In the past two years the annual adjustment has been \$500,000.

The most recent earnings rate for miscellaneous revenue is 1.25%. STA's interest income was \$550,000 in 2017 and \$651,000 in 2018 year-to-date. It will be projected at 1.6% for 2019.

The second 0.1% sale tax rate will be implemented in April 2019.

2019 Ridership assumptions – see table on page 4

Fares

No change.

Estimated Operating Grants for 2019

- Federal Operating Grants: \$8.3M Preventive Maintenance
- State Grants: \$1.4M Special Needs

Board members agreed with this guidance.

Operating Expenses

Fuel

Ms. Warren reported that STA's fuel budget is comprised of 89% ultra-low-sulfur diesel and 11% gasoline.

In 2017, STA paid \$1.98 for diesel and 2018 through April it is \$2.12.

Staff recommends utilizing the annual average from the Energy Information Administration (EIA) forecast plus ½ standard deviation as in the past.

Board members agreed with this guidance.

Compensation & Benefits

- ATU 1015 (Fixed Route Bus Operators, Vehicle & Facilities Maintenance, Customer Service & Clerical) – contract expires March 31, 2020 (396 employees)
- ATU 1598 (Fixed Route & Paratransit Supervisors) – contract proposed to expire January 31, 2021 (23 employees)
- AFSCME 3939 (Paratransit) – contract expired June 30, 2018 – in mediation (78 employees)
- Management & Administration (75 employees)

Medical/Dental

Medical premiums are expected to increase but the actual renewal information is not available until October. An estimate will be included in the draft budget.

There has been a shift from Premera to Kaiser that has saved STA approximately \$400,000.

Pension Rates

Washington State Pension rates (PERS):

- 12.7% increase effective July 1, 2017 – June 30, 2019.
- 13.05% increase effective July 1, 2019

2019 Strategic Plan/Budget Timeline

Date (2018)	Action
September 5	2019 Draft Strategic Plan and Budget presented to the Planning & Development Committee
September 20	2019 Draft Strategic Plan and Budget presented to STA Board
October	Citizen and Employee Outreach
October 3	2019 Proposed Budget-Operating & Capital presented to the Planning & Development Committee
October 18	Public Hearing for 2019 Proposed Budget-Operating & Capital
	Board adoption of the 2019 Strategic Plan
October 31	Recommendations of 2019 Final Proposed Budget-Operating & Capital presented to the Planning & Development Committee
November 15	Board adoption of the 2019 Final Proposed Budget-Operating & Capital

At the October Public Hearing there will be an automated presentation. Final budget adjustments will be made for the November Board meeting.

Ms. Warren added that staff from the Washington State Auditor’s office will be at the Performance Monitoring & External Relations Committee meeting at 1:30 p.m. today to give a report. She added that the audit was clean.

7. ADJOURN

With no further business to come before the Board at this workshop, Acting Chair Mumm adjourned the meeting at 12:41 p.m.

Respectfully submitted,

Jan Watson
 Executive Assistant to the CEO
 & Clerk of the Authority