

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

## **PLANNING & DEVELOPMENT COMMITTEE MEETING**

Minutes of the October 2, 2024, Meeting

**Northside Conference Room**  
**Spokane Transit Authority, 1230 W. Boone Avenue, Spokane, WA**  
*w/Virtual Public Viewing Option*

### **MEMBERS PRESENT**

Pam Haley, City of Spokane Valley – *Chair*  
Dan Dunne, Small Cities Representative (Liberty Lake)  
Zack Zappone, City of Spokane  
Kitty Klitzke, City of Spokane  
Chris Grover, Small Cities Representative (Cheney)  
*Ex-Officio*  
Dan Sander, Small Cities Representative  
(Millwood) *Ex-Officio*  
E. Susan Meyer, Chief Executive Officer  
*Ex -Officio*

### **STAFF PRESENT**

Brandon Rapez-Betty, Chief Operations Officer  
Karl Otterstrom, Chief Planning & Development  
Officer  
Nancy Williams, Chief Human Resources Officer  
Carly Cortright, Chief Communications &  
Customer Service Officer  
Vicki Clancy, Executive Assistant to the Chief  
Planning & Development Officer

### **MEMBERS ABSENT**

Rhonda Bowers, Labor Representative  
(*Non-voting*)

### **PROVIDING LEGAL COUNSEL**

Megan Clark, Etter, McMahan, Lamberson, Van  
Wert & Oreskovich, P.C.

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

Chair Pam Haley called the meeting to order at 10:00 a.m. and Ms. Vicki Clancy conducted roll call.

#### 2. **COMMITTEE CHAIR REPORT**

Chair Haley had no updates for the Planning & Development Committee.

#### 3. **COMMITTEE ACTION**

##### A. **MINUTES OF THE SEPTEMBER 4, 2024, COMMITTEE MEETING**

**Mr. Dan Dunne moved to approve the September 4, 2024, Planning & Development Committee meeting minutes. Ms. Kitty Klitzke seconded, and the motion was approved unanimously.**

#### 4. **COMMITTEE ACTION**

##### A. **BOARD CONSENT AGENDA** - none

##### B. **BOARD DISCUSSION AGENDA**

##### 1. **CONNECT SPOKANE COMPREHENSIVE PLAN: FINAL ADOPTION OF PLAN UPDATE (RESOLUTION)**

Mr. Karl Otterstrom presented. Connect Spokane is STA's Comprehensive Plan, required by law, that sets forth a vision and policy framework to help guide decisions by the Board of

Directors, staff, and partnering agencies for at least the next 30 years. Phase 2 of the multi-year, major update to the plan is anticipated to be completed this month, subject to Board adoption of the final draft document. Mr. Otterstrom summarized the prepared updates to elements of the plan and the timeline of public review of the changes, including last month's public hearing. Once adopted, the updated plan will be published to the STA website.

*10:06 am - Mayor Chris Grover and Councilmember Zack Zappone joined the meeting.*

Ms. Klitzke made an editorial suggestion regarding the historical context within the Revenues and Fares element of the plan, recommending a phrase referring to operating revenue of early transit operators be deleted from the section. Mr. Otterstrom agreed to reflect the change in the draft plan. Mr. Dunne appreciates the efforts of the committee and staff to provide an overview of this update, as well as the comprehensive outreach. Mr. Zappone commended the work the staff put into the new policies surrounding fares and equity.

**Mr. Zack Zappone moved to recommend the Board approve, by resolution, the Phase 2 updates to the Connect Spokane Comprehensive Plan as presented. Ms. Kitty Klitzke seconded, and the motion was approved unanimously.**

## 5. REPORTS TO COMMITTEE

### A. DRAFT 2025 BUDGET

Ms. Tammy Johnston and Mr. Karl Otterstrom presented. Ms. Johnston reviewed STA's vision and mission, and organizational priorities. Mr. Otterstrom then presented on the draft action plan, its placement in STA's planning framework, and the key actions and major deliverables for 2025. The actions align with the three strategic goals identified in *Connect 2035*, and the major deliverables include *STA Moving Forward* improvements, near term investments, and other improvement initiatives. Mr. Otterstrom noted that "Pilot a safety ambassador program" is an outgrowth of the *Connect 2035 initiatives evaluation process, and is proposed to begin in 2025, to include hiring and training ambassadors to help riders throughout the system.* In accordance with STA Board Resolution 681-11, the Planning & Development Committee is accountable for designing and coordinating the Board's participation in Spokane Transit's strategic and operational planning. This includes an annual action plan that is operationalized by the annual operating and capital budgets. For 2025, staff reviewed the draft 2025 Budget at the Committee meeting, including the draft 2035 Action Plan and the draft 2025 operating and capital budgets.

Ms. Johnston presented the draft operating and capital budgets.

Operating Budget – The draft 2025 budget assumes \$155,352,619 in operating revenues, an increase of \$12,155,087 (8.5%) compared to the 2024 adopted budget of \$143,197,532. For 2025, staff is using the most recent 12 months of actuals as detailed: 2023 Actual (Sept-Dec) -- \$39,594,254; and 2024 Actual (Jan-Aug) -- \$75,329,282; for a total of \$114,923,536 plus an assumed growth rate of 2%. 2025 Sales Tax revenue is proposed to be \$117,222,007.

The draft budget proposes \$131,473,981 in operating expenses, an increase of \$9,283,934 (+7.6%) compared to the 2024 adopted budget. The increase reflects the full year of service instituted in 2024, and is driven by increases in labor/benefits (higher staffing/medical/dental/retirement), services (contracted security/Plaza contracted maintenance and janitorial/consulting/etc.), contracted transportation, materials (vehicle repair/software-licensing maintenance/fuel/fare media/etc.), and insurance/utilities/other (property and liability insurance/meetings/travel/training/registration/discounts and promotions).

Ms. Johnston reviewed the operating expense changes in 2025, and the operating budget assumptions.

Mr. Dunne inquired with regard to total tax revenues whether this considers the uncertainty as to what the sales tax will be? Discussion ensued. Mr. Dunne also inquired as to what contingency the agency has in place should Initiative 2117 pass, should the funds suddenly be removed from the revenue projections. Discussion ensued. Mayor Grover shared that several small cities are using a lower sales tax projections; perhaps monitor the projection closely and consider a more conservative projection. Discussion ensued.

Capital Budget –The 2025 capital budget is forecasted to be \$62,543,420 plus a fleet replacement contribution of \$16,478,723, for a total of \$79,022,143. Funding sources include federal (\$5,030,159—8.1% of the total), state (\$17,216,174—27.5% of the total), and local (\$40,297,086—64.4%). It was noted that the 2025 Capital budget was decreased by \$24,787,444 when compared to the programmed capital expenses for 2025 in the 2025-2030 CIP which was included in the Transit Development Plan (TDP), to account for timing of projects and updates to costs – 2025 capital in CIP was \$87,330,864.

Ms. Johnston reviewed the budget comparison for 2024 to 2025, and the 2025 cash and reserve analysis. The estimated 2024 end of year cash balance will be \$132,429,066, exclusive of the Board-designated reserves which total approximately \$55,528,097, and the Fleet Replacement Fund which is at \$29,538,385.

Staff will review the draft budget with the Board later this month. Staff will return in November with an updated proposed budget, followed by a public hearing on November 21. The final proposed budget is scheduled to be adopted by the Board at their December 19 meeting, and is available online at the following link:

<https://www.spokanetransit.com/financial-information/>

**B. CONNECT 2035 STRATEGIC PLAN: COMMUNITY INPUT REVIEW & PACKAGING GUIDANCE**

The Planning & Development Committee has a key role in navigating the development of STA's next ten-year strategic plan, known as *Connect 2035*. Mr. Otterstrom reviewed the various engagement activities, including survey results for proposed packages, that have occurred since the Board Workshop on September 4, 2024. Mr. Otterstrom also presented a preliminary proposal for a single package of initiatives that could be incorporated into the draft plan, subject to Board approval. Mr. Otterstrom noted that core investments of zero emission vehicles, Division Street Bus Rapid Transit (BRT) are already in the financial forecast, the clean energy campus is new. Staff are recommending that \$55M of what is available for Connect 2035 investments be allocated to the Facilities Master Program, for the clean energy campus. This will leave \$30M of the forecasted \$85M available for enhancements.

Mr. Otterstrom reviewed input from the public, the Board, and employees. This included feedback on the initiatives that were proposed to be included in the draft plan, as well as initiatives that were presented in three optional packages. The initiatives proposed to be included in the plan will require approximately \$20M to implement. That leaves \$10M for the optional packages. Mr. Otterstrom reviewed the key differences between Board, employee and community priorities, as well as where those priorities overlapped. For instance, employees had a stronger interest in the optional package that invested in High Performance Transit (HPT), while the Board had a higher interest in the package of initiatives associated with mobility on demand. While no group listed it

as the highest priority, the package associated with introducing a reduced fare program for low-income individuals received interest from multiple groups, though both

Board member and employees did not agree with survey questions that suggested such a fare program become permanent, preferring either a pilot or an initiative that would be undertaken subject to additional funding. Mr. Otterstrom presented further information on various aspects of a potential reduced fare program that would affect its cost.

Mr. Otterstrom then presented a concept of a final packaging of initiatives that is expected to be presented to the Board later this month. In addition to initiatives proposed in the plan, comprising \$20M of the available funding, Mr. Otterstrom proposed the following initiatives be included in the draft plan:

- Develop a Pilot eligibility-based reduced fare program for riders experiencing low incomes (pending Connect Spokane fare policy update)
- Conduct planning and design for future HPT corridors (Route 61 - Highway 2/Fairchild, Extend Route 9 Sprague to the Appleway Station Park-n-Ride, extending Division BRT to Mead, planning for future high-capacity transit corridors)
- Fund station area Transit-Oriented Development (TOD) planning efforts in partnership with municipalities
- Implement Mobility On Demand (MOD) pilots in Latah Valley, Liberty Lake, and unincorporated portions of the West Plains
- Launch an inclusive MOD pilot geared towards older adults and people with disabilities

Mr. Otterstrom noted the overall composition of the package reflects a hybrid, integrating the diversity of feedback received during September outreach efforts. Mr. Sander appreciated the breakdown of outreach by group, and having employee input on the initiatives. Mr. Otterstrom commented that there was a lot of positive feedback from the exercise. Mr. Dunne appreciates the different stakeholder perspectives as well as the process that was taken to gather input.

The Board will be asked to finalize the packaging guidance later this month at its regular Board meeting. The next strategic planning workshop is scheduled for October 30, 2024, and will focus on how to program the plan and track performance and success. Final adoption of the plan is expected at the December 19, 2024, Board meeting.

6. CEO REPORT

In the interest of time, Ms. E. Susan Meyer deferred her report.

7. COMMITTEE INFORMATION - none

8. REVIEW NOVEMBER 6, 2024, COMMITTEE MEETING AGENDA

9. NEW BUSINESS – none

10. COMMITTEE MEMBERS' EXPRESSIONS

11. ADJOURN

With no further business to come before the Committee, Chair Haley adjourned the meeting at 11:48 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Vicki Clancy".

Vicki Clancy, Executive Assistant  
Planning & Development Department