

**BOARD OF DIRECTORS**

Minutes of the May 16, 2024

**STA Board Meeting**

1230 W Boone Ave., Spokane  
*w/Virtual Joining Option*

**MEMBERS PRESENT**

Al French, Spokane County, *Chair (virtual)*  
Betsy Wilkerson, City of Spokane  
Chris Grover, Small Cities (Cheney) *Ex Officio*  
Dan Dunne, Small Cities (Liberty Lake)  
Dan Sander, Small Cities (Millwood) *Ex Officio*  
Hank Bynaker, Small Cities (Airway Heights) *Ex Officio*  
Josh Kerns, Spokane County  
Kitty Klitzke, City of Spokane  
Lance Speirs, Small Cities (Medical Lake) *Ex Officio*  
Pamela Haley, City of Spokane Valley  
Paul Dillon, City of Spokane  
Tim Hattenburg, City of Spokane Valley  
Zack Zappone, City of Spokane  
Rhonda Bowers, Labor Representative, Non-Voting

**STAFF PRESENT**

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

**PROVIDING LEGAL COUNSEL**

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

**MEMBERS ABSENT**

None

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1. Call To Order and Roll Call

Chair French called the meeting to order at 1:30 pm and the Clerk conducted Roll call.

2. Pledge of Allegiance

3. Excused Absences - none

4. Approve Board Agenda

Chair French noted that item 8A for Legal Counsel Contract Extension would be removed from the Agenda on the advice of legal counsel. The Chair noted staff will be issuing a Request for Proposals (RFP) for legal counsel services. He said staff will schedule a Special Board Operations Committee meeting next week to approve a Scope of Work. In addition, he advised there was no need for Executive Sessions A or B, but there would be a ten minute Executive Session for item 17C on the Agenda.

**Mr. Hattenburg moved to approve the Agenda as amended. Mr. Dunne seconded, and the motion passed unanimously.**

5. Public Expressions

Mr. Terry Hill, Mr. Albert Merkel, and Dream provided public expressions in person on topics of interest. Mr. Erik Lowe provided public expressions in writing which were distributed to the Board.

6. Public Hearing

A. STA Moving Forward Project Delivery Draft Amendment

Mr. Otterstrom gave a presentation on the STA Moving Forward project delivery draft amendment. He shared information on proposed changes, completing delivery, Connect 2035 network assessment action pathways, and proposed plan amendments in the form of a New Appendix D. He considerations and proposed adjustments for the I-90/Valley HPT corridor development plan, service between Logan to Lincoln Heights, Liberty Lake to Spokane peak hour service. He concluded his presentation with Next Steps that included a draft resolution at Planning & Development Committee meeting June 5, 2024, adoption of the resolution at the STA Board of Directors meeting June 20, 2024, as well as updated STA Moving Forward materials and quarterly performance tracking.

Chair French asked if any board members had questions. Discussion ensued. Chair French opened the public hearing for testimony at 1:52. He called three times for comments. There were none. Chair French closed the public hearing at 1:53.

7. Board Action - Consent Agenda

**Ms. Haley moved to approve Consent Agenda Items 7A through 7K. Mr. Hattenburg seconded, and the motion passed unanimously.**

A. Minutes of the April 18, 2024, Board Meeting – Corrections/Approval

B. Approval of the April 2024 Vouchers listed below:

A. DESCRIPTION	VOUCHER/ACH NUMBERS	AMOUNT
Accounts Payable Vouchers (April)	Nos. 626857 – 627260	\$ 5,479,952.85
Worker’s Comp Vouchers (April)	ACH – 2286	\$ 143,849.25
Payroll 04/05/2024	ACH – 04/05/2024	\$ 2,679,809.53
Payroll 04/19/2024	ACH – 04/19/2024	\$ 2,004,693.66
WA State – DOR (Excise Tax)	ACH – 1767	\$ 14,827.56
WA State – DOR (Leasehold Tax)	ACH – 1767	\$ 2,849.91
<b>APRIL TOTAL</b>		<b>\$ 10,325,982.76</b>

C. Public Works Contracts Under \$35,000: Final Acceptance

Purchase Order/ Contract Number	Project Description	Contractor	Purchase Order/ Contract Value	Substantial Completion Date of the Work
20240521	Install Blinds in Security Office	Zeal Endeavors, LLC	\$5,443.02	3/28/2024
20240510	Plaza Elevator Window Film Replacement	Spokane Sunscreen, LLC	\$1,922.76	4/2/2024
20240789	Plaza Main Level Restroom Exhaust Fan Repair	Arctic Lighting & Electric	\$2,750.00	4/21/2024
20240857	Air Duct Cleaning – System #8 & #10	CleanCo Carpet, Window & Air Duct Cleaning, LLC	\$9,978.95	4/26/2024
20240200	Generator Testing & Repairs	Western States Equipment	\$7,301.02	4/30/2024

D. Authorize the CEO to negotiate a five-year contract with Black Realty Management, Inc. for Plaza Facilities Engineering Services for an estimated total value of \$2,804,641.

E. Approve the CEO to execute the Master Design and Construction Agreement with the City of Spokane Valley, along with Project Orders #1 and #2 for specific improvements to the pedestrian crossing and bus stop on Sprague Avenue as incorporated into the City’s Sprague Avenue Stormwater project.

- F. Approve the award of contract for Mirabeau Transit Center Improvements to Cameron-Reilly, LLC for \$4,190,500, and allow the CEO to apply 15% contingency funds, as necessary.
- G. 2024 Board & Committee Meeting Calendar Update - Approve, by Resolution 820-24, the Updated 2024 Board and Committee Meeting calendar.

8. Board Action – Other

- A. Legal Counsel Contract Extension – Mr. French advised the Legal Counsel Contract extension received a vote of three to one at the previous Board Operations Committee in favor of extending the contract. However, Ms. Clark expressed to him she did not want the contract extended and requested STA complete a full RFP process. Mr. French provided background on legal counsel services to date. He advised staff will complete the RFP process and due to timing, there will be an agenda item at next month's Board Operations Committee meeting to extend the current contract until September in order to have enough time to complete the process. Historically, Board Operations and staff review applications and interview potential candidates. Mr. French talked about availability of local firms with expertise in transit, the added expense of travel and the potential to need to increase the budget line item. Discussion ensued. The question was raised about the timeline and the ability to extend the current contract and Ms. Clark indicated a willingness to extend. Discussion ensued regarding the scope of work and it being within the CEO's authority. It was determined to hold a special Board Operations Committee meeting to approve the Scope of Work and then begin the RFP process. Brief additional discussion ensued.

9. Board Report

A. Connect 2035 Strategic Plan Update

Mr. Otterstrom shared the Connect 2035 goals and initiatives. He discussed the initiative and investment framework and noted ongoing initiative gathering with public input, STA Board of Directors, STA employee outreach, and technical analysis. Mr. Otterstrom advised of the June Board Workshop objectives and noted anticipated next steps. He shared a graph of the project schedule and offered to answer questions. There were none.

B. 2025-2030 Transit Development Plan: Review Financial Forecast

Ms. Liard said the Board affirmed expense forecast assumptions for the Transit Development Plan financial forecast in April. To recap the financial forecast assumption, she noted sales tax revenue is projected to grow by 3.5% annually from 2025 to 2030. Despite the sales tax sunset at the end of 2028, it is assumed to renew for 2029 and 2030. Fare revenue increases are expected through a 5% annual ridership growth, with no fare changes assumed. Other revenues include consistent federal funding with a 1% annual growth and state operating grants with a 1% increase, including additional funds from the Move Ahead Washington package. Interest income is assumed at 1% per year on average invested cash balance. No future federal stimulus funding is assumed in the forecast.

She said expenditure assumptions in the 2024 annual budget serve as the baseline for the expense forecast. Additional service hours are priced at the current cost per service hour, with a 3% annual inflationary factor through 2030. The capital improvement program is assumed to be fully funded through the financial forecast.

Ms. Liard noted the Capital Improvement Program includes a \$301.3M investment for Connect 2035 and Division Street BRT, among other initiatives. Other investments cover high-performance transit, technology, passenger and operational facilities, maintenance, administration, and fleet replacement. The total investment for 2025-2030 is \$453.3M, peaking in 2028 with a \$118.7M investment, primarily for Division Street BRT construction.

The financial forecast summary included all sources of revenue, operating expenses, and capital project expenditures. The agency is expected to end with a cash balance after reserves of \$33.9M,

including the fleet replacement fund. The forecast assumes the renewal of the two-tenths sales tax; without it, there would be a significant revenue loss in 2029 and 2030. Initiative 2117 could result in an \$8.2M annual revenue loss and affect state funding for Division Street BRT. She noted the full draft of the transit development plan will be presented in the June cycle for further context and integration into the broader plan. Discussion ensued.

10. Board Operations Committee

A. Chair Report - Chair French provided an overview of the committee meeting.

11. Planning & Development Committee (P&D)

A. Chair Report – Ms. Haley reviewed the items covered at the P&D meeting.

12. Performance Monitoring & External Relations (PMER)

A. Chair Report – Mr. Kerns discussed the items presented to PMER at the May meeting.

13. CEO Report

Ms. Meyer thanked Chair French. She advised that we have given all Board members a copy of the book called Human Transit by the author Jarett Walker. She commented on Mr. Walker's experience and expertise.

Bloomsday Express Shuttles ran from 6:20 am to 8:30 am and return trips from downtown began at 10:30 am and ran through 2:00 pm. Ridership for Bloomsday increased 10.71% over 2023, providing 9,844 rides this year.

She discussed Ridership for Fixed Route, Paratransit and Rideshare. Fixed Route had a 25.3% increase over April 2023 and is running ahead by 17.4% year-to-date. Zero Fare Youth saw 51% increase in April and has increased 37% year-to-date. Paratransit continues to increase with 14.4% in April and 9.2% year-to-date. Rideshare was up 17.0% in April and 12.2% year-to-date.

Monthly fare revenue by service type was reviewed and it was noted that the budget for fares is an important element of offering, maintaining, and growing the service.

Ms. Meyer reviewed the financial results summary of revenues and expenses and noted they are included in the packet each month under the Information category.

Voter approved April 2024 Sales Tax revenue collected on February 2024 sales was \$8,280,274 compared to a budget of \$7,893,772 which was \$386,502, or 4.9% above budget. Year-to-date, sales tax is 2.3% above budget.

Ms. Meyer shared visuals of the Expo '74 Anniversary promotions in the forms of banners, posters, and graphics, handouts, and novelty vintage bus tickets, as well as social media graphics and videos running on social media. She shared images of the Expo bus and commemorative connect card.

A ridership comparison with STA and Washington large urban peers was shared. It showed that STA has recovered ridership at a higher rate than comparable agencies in Washington.

A review of the free fare system-wide on weekends May 4 through July 4<sup>th</sup> in honor of the Expo 50<sup>th</sup> Anniversary was shared. STA has steadily improved weekend service as part of STA Moving Forward and 2024 saw the best weekend ridership on record for April. May was on track for a new average high, even before the free fares. She showed Saturday and Sunday comparison of ridership.

Security on coaches discussed, including the number of additional transit officers and overtime during the free fare weekends. A review of year-over-year was suggested to include all the festivals (Bloomsday, Jr. Lilac Parade, Lilac Parade).

At the request of a Board Member, CEO external meetings attended April/May to-date was also provided.

Ms. Meyer wished Monique Liard the best as this is her last Board meeting. She accepted a position closer to family on the west side of the state.

She offered to answer questions. None were forthcoming.

14. Board Information

- A. Committee Minutes
- B. April 2024 Sales Tax Revenue
- C. March 2024 Financial Results Summary
- D. March 2024 Operating Indicators
- E. Connect Spokane Comprehensive Plan Update: Draft Elements
- F. 2023 Fixed Route Rider Survey Results
- G. Community Access Pass Program Survey Results
- H. Connect 2035 Strategic Plan: Initiative Development and Evaluation Process
- I. 1st Quarter 2024 Service Planning Input Report
- J. 2025-2030 Transit Development Plan: Proposed 2025-2027 Service Improvements

15. New Business - none

16. Board Members' Expressions

All Board Members expressed their appreciation to Monique and wished her well. Ms. Wilkerson advised she heard from the Association of Black Librarians that Spokane has an amazing bus service. Mr. Grover mentioned attending the APTA conference in Portland and a good meeting with the FTA.

17. Executive Session

~~A. For the purpose of considering the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price; RCW 42.30.110(1)(b)~~

~~B. To evaluate the performance of a public employee; RCW 42.30.110(1)(g)~~

C. Chair French advised the Board would begin Executive Session for the purpose of: *“discussing with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency RCW 42.30.110(1)(i)”*

He said there would be no action as a result of the Executive Session and the meeting would be adjourned upon the completion of the Executive Session. The Board entered Executive Session at 3:14 for a ten minute timeframe. At 3:24 an additional five minutes was requested. At 3:29, the Executive Session ended and the Board meeting was adjourned.

18. Adjourn

With no further business to come before the Board, Chair French adjourned the meeting at 3:29p.m.

Respectfully submitted,



Dana Infalt

Clerk of the Authority