

Spokane Transit
Authority 1230 West
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Spokane, Washington 99201-2686
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PLANNING & DEVELOPMENT COMMITTEE MEETING

Minutes of the October 31, 2018 (November) Meeting, 10:00 a.m.
Spokane Transit Southside Conference Room

MEMBERS PRESENT

Al French, Spokane County*
Kate Burke, City of Spokane
(alternate for Candace Mumm)
Candace Mumm, City of Spokane
Steve Lawrence, City of Airway Heights
(alternate for Veronica Messing)
Sam Wood, City of Spokane Valley
E. Susan Meyer, CEO, Ex-Officio

MEMBERS ABSENT

Chris Grover, City of Cheney

*Chair

STAFF PRESENT

Karl Otterstrom, Director of Planning & Development
Roger Watkins, Chief Operations Officer
Lynda Warren, Director of Finance & Information Services
Brandon Rapez-Betty, Director of Communications & Customer
Service
Nancy Williams, Director of Human Resources
Dan Wells, Deputy Director of Capital Development
Ryan Brodwater, Capital Projects Manager

STAFF ABSENT

Emily Arneson, Ombudsman & Accessibility Officer
Jan Watson, Executive Assistant to the CEO & Clerk of the
Authority

GUESTS

Mike Kunder, AFSCME 3939, President

1. CALL TO ORDER AND ROLL CALL

Chair French called the meeting to order at 10:05 a.m. Roll was called and introductions were made.

2. PUBLIC EXPRESSIONS

None.

3. COMMITTEE CHAIR REPORT

Chair French referred to last month's trip to the APTA 2018 Annual Conference in Nashville, TN and that STA continues to put the "steps in place" for the Central City Line.

4. COMMITTEE ACTION

A. MINUTES OF THE OCTOBER 3, 2018 COMMITTEE MEETING

Ms. Kate Burke moved to recommend approval of the October 3, 2018 Planning & Development Committee meeting minutes. The motion was seconded by Mr. Steve Lawrence; however, the Committee was reminded that Mr. Lawrence is holding a non-voting seat this year so motion was seconded by Chair French and passed unanimously.

5. COMMITTEE ACTION

A. BOARD CONSENT AGENDA

(No items being presented this month.)

B. BOARD DISCUSSION AGENDA – COMMITTEE RECOMMENDATION AGENDA

I. FINAL PROPOSED OF 2019 OPERATING & CAPITAL BUDGETS

Ms. Lynda Warren presented a brief review of the Final Proposed 2019 Operating & Capital Budgets. Ms. Warren focused on the changes since proposed to the final proposed.

Ms. Candace Mumm arrived at 10:10. Ms. Burke continued to observe the meeting in a non-voting capacity.

The 2019 Operating Expenses Budget totals \$79,541,504; an 8.2% increase (\$6,049,882) over last year's budget of \$73,491,622. Changes from the 2019 proposed budget presented in September to this final proposed budget include: increases in labor of \$32,138 (an adjustment to the fixed rate model), decline in the Premera and dental renewal (a combined savings of \$478,655), and a \$31,904 adjustment to property insurance which mostly comes from an increase in mileage and property values.

Total operating expense changes in 2019 compared to the 2018 budget consist of increases to labor/benefits (\$4M), services (\$.2M), contracted transportation (\$.3M), materials (\$1.1M), and insurance utilities/other (\$.4M).

Ms. Warren reviewed the operating budget assumptions:

- Personnel – STA will add 28 full time employees and subtract 1 part time position
- Compensation -- general wage increases of 3% were given to the ATU 1105 (Fixed Route Operators, Maintenance, Facilities & Grounds, Customer Service & Clerical), ATU 1598 (Fixed Route & Paratransit Supervisors), and Management & Administrative (includes security). AFSCME 3939 (Paratransit) is still in mediation. Ms. Candace Mumm asked about the method for accounting for the retroactive expired contract. Ms. Warren responded that nothing is added to the current or future budget for open contracts until finished. With previous contracts, retroactive wages have not been included.
- Benefits – As noted before, 2019 estimated premium increases were lower than expected for Premera (4% instead of 11%) and Washington Dental (0% instead of 8%).
- Fuel – average price for diesel rose from \$2.65/gallon in 2018 to \$3.39/gallon for a total fuel budget of \$4.5M. The average price for gasoline rose from \$2.69/gallon in 2018 to \$3.51/gallon in 2019 for a total fuel budget of \$1.1M. Budget for diesel and gasoline combined is \$5.6M.
- The mobility center expenses were moved from administration to paratransit because it seemed to make more sense to place it there.

The 2019 budget includes \$99,850,438 in operating revenue; an 18.1% increase (\$15,318,060) over last year's budget figure of \$84,532,378. Changes from the 2019 proposed to final proposed budget include increases in miscellaneous revenue – updated interest projections (\$51,000), decreases in federal grants (\$93,150) and a draw on cash (\$372,463).

Chair French commented that the expense increase is more a reflection that STA put more service on the road than it is an increase in cost. Ms. Warren agreed and added that we have 6.2% more service on the road and the expenditures are about an 8% increase.

Total operating revenue increase in 2019 final proposed budget compared to 2018 budget consist of sales tax (\$13.7M), fares and other transit revenue (\$1.1M), federal grants (\$0.2M), and miscellaneous revenue (\$0.4M).

Ms. Warren reviewed the operating budget assumptions for revenue:

- Sales Tax – In previous years, the sales tax revenue assumption was based on a 3.0% growth beginning with 2014 actual sales tax revenue plus one-time adjustments to reflect current economic conditions. Economic conditions the last three years have moved farther away from this trend.
 - Sales Tax Revenue Recommendation – For 2019, staff is recommending sales tax revenue be budgeted flat with 2018 projection plus the implementation of the 0.1% rate change in April 2019.
 - Sales Tax Revenue Budget – 2018 Projected Sales Tax Revenue was \$71,327,399 with a 1/10th implemented in April (to begin receiving in June, 2019) of \$5,943,950 for a total 2918 Sales Tax Revenue Budget of \$77,271,349.
- Fare & Other Transit Revenue – Fare revenue of \$11,807,075 is based on current fare and ridership changes. The 2019 projected budgets are \$10.5M for fixed route, \$491K for paratransit, and \$163K for Vanpool.
- Grants and Miscellaneous – Federal grants of \$8.3M, state grants of \$1.4M, and miscellaneous revenue of \$1.1M.

Ms. Warren reviewed the proposed 2019 capital budget, including fleet replacement contribution as depicted in the table below.

Funding Source	Amount	% of Total
Federal	\$ 9,989,810	14.4%
State	\$ 18,469,709	26.6%
Local:		
Capital ¹	\$ 28,908,240	41.6%
Fleet Replacement	<u>\$ 12,128,312</u>	17.5%
	\$ 41,036,552	
Total 2019 Capital/Fleet Replacement Contribution Budget	<u>\$ 69,496,071</u>	

¹Amount excludes Fixed Route Coaches and Paratransit Vans funded from Fleet Replacement Fund.

Ms. Warren summarized the type of projects included in the capital budget: vehicles, facilities-maintenance and administration, facilities–passenger and operational, technology, and high performance transit.

Total revenues for the 2019 operating and capital budgets is f \$149,037,575 for 2019, an increase of 15.6%.

Ms. Warren reviewed the cash and reserve analysis. STA expects to receive \$20M more in operating revenue than in operating expenses. These funds will go to the 2019 capital budget. After reserves, STA will have an estimated cash balance of \$12,690,946 dedicated to capital projects in the out-years of the approved capital program (2020-2024).

Ms. Mumm mentioned that interest rates are rising and asked if STA accounted for this increase. Ms. Warren and Ms. Meyer responded that STA does not conduct an independent forecast; STA asks the

county treasurer’s office each year for their guidance. Chair French added that the county uses an outside consultant to calculate the projections; they do not use county staff.

Ms. Warren requested that the Committee recommend the Board adopt, by resolution, the Final Proposed 2019 Operating and Capital Budgets consistent with the table below:

Source of Funds:		Use of Funds:	
Revenues	\$ 99,850,438	Operating Expenses	\$ 79,541,504
Revenues	\$ 99,850,438	Capital Projects	\$ 57,367,759
From Cash Balance	\$ 20,727,618	Fleet Replacement Allocation	\$ 12,128,312
Total Source of Funds	\$149,037,575	Total Use of Funds	\$149,037,575

Ms. Mumm moved to approve the recommend action as presented. The motion was seconded by Chair French and passed unanimously.

6. REPORTS TO COMMITTEE

A. CENTRAL CITY LINE: GENERAL UPDATE

Mr. Otterstrom provided a general update on the Central City Line (CCL), a six-mile corridor-based bus rapid transit project that will offer frequent service using electric buses and will operate from Brown’s Addition through Downtown, the University District, and terminate at Spokane Community College. Planning & Development is in the project development phase of this project. While some of the milestones reviewed have occurred later than expected, it is not anticipated that this will change the overall project schedule of delivering this by 2021. Monthly milestones are as follows moving forward:

November – NEPA Review Complete - The NEPA (National Environmental Policy Act) Review is almost complete. The project crosses the Centennial Trail at Cincinnati and Springfield on the Gonzaga Campus, but the property is owned by the State Parks Department. In addition, the work done on the trail may be completed by Gonzaga. STA is currently working through the details. The NEPA Review must be complete in order to achieve 60% design. The 2nd Draft Project Management Plan should be completed in November.

December – High Performance Transit (HPT) Stations, Procurement; Constructability Review

January – 60% Design, 60% Cost Estimate, STA Risk Assessment, Value Engineering Exercise, Online Open House

February – Online Open House, Open House, Final Draft Project Management Plan, Project Management Oversight Consultant (PMOC) Risk Assessment, Steering Committee meeting. The Risk Assessment is an in depth, multi-day review of the project details; to consider each and every element of risk (ie, new mayor in 2020, whether risks, utility risks, timing of our bids relative to the bidding market, etc.).

March + -- Small Starts Grant Agreement Readiness Review of all of the CCL materials

Upcoming Decisions consist of:

December – Request for Proposals (RFP) HPT Kit of Parts, City of Spokane (COS) Master Design & Construction Agreement, Ground Lease – Upriver Transit Center

January – Project Order – Riverside Avenue, Gonzaga Design & Construction Agreement

February – COS Project Order – CCL Development Agreement specific to stations

March – Right of Way (ROW) -- Acquisition, Gonzaga Easement

B. CENTRAL CITY LINE: REVIEW THIRD PARTY AGREEMENTS

Mr. Otterstrom reviewed the Central City Line Third Party Agreement Plan which identifies entity agreements

(any entity -- Avista, City of Spokane, Gonzaga University, etc. – other than FTA) necessary for successful completion of this project. Critical agreements will be identified and must be executed or awaiting execution at the time of execution of the Small Starts Grant Agreement between STA and the FTA. The Third Party Agreement Plan is required by the FTA, reviewed by the Project Management Oversight Consultant (PMOC), and helps identify project risk and project readiness. It is FTA that deems the criticality of an agreement. A critical agreement is an agreement in which the absence may significantly change the cost, scope and/or schedule for the project. A Non-Critical Agreement is one which would not result in a scope increase, cost overrun, and/or schedule delay beyond the magnitude already contemplated by the Project Management Plan and/or sub plans. The “critical” third party agreements are: Property Acquisition; City of Spokane Design and Construction; Avista Utilities Coordination and Reimbursement; Gonzaga University Design and Construction; Spokane Community College Design; Construction Operations and Maintenance; Washington State University Station Development.

The “Non-Critical” third party agreements include: City of Spokane operations and maintenance, Gonzaga University operations and maintenance, Avista Utilities intent to serve, Spokane Community College operations and maintenance agreements.

Mr. Otterstrom concluded by alluding to the complexities involved when STA is building and operating projects (transit) on property owned by entities other than STA, and receiving most of the funding from the FTA, an organization well-known for robust project oversight.

C. MONROE-REGAL LINE: DESIGN DEVELOPMENT UPDATE

Mr. Otterstrom provided a design development update on the Monroe-Regal Line, another project included in the *STA Moving Forward* Plan. The Monroe-Regal Line is a high performance transit line with frequent service connecting the South Hill and North Spokane. This line runs from the existing Five-Mile Park & Ride in north Spokane through downtown then south to a new Moran Station Park & Ride on the South Hill.

Recent Project Milestones and Outreach for this project are as follows:

August – September 2018: Online open house with project feedback opportunity. Post cards were sent to every address within a quarter mile of the corridor (about 17,000) requesting feedback.

September – October 2018: Neighborhood presentations with proposed stop locations and design.

October 2018: Mailers to affected property owners. Ryan Brodwater, the Capital Projects Manager for this project, met with businesses.

October 8, 2018: Design workshop at STA.

October 17, 2018: In-person open house at STA Plaza.

October 18, 2018: Moran Station open house at Moran Prairie Elementary.

The Monroe-Regal Line is on schedule to open in September of next year, 2019, however, not all of the bus stations will be complete at that time. Individual stops may open up on a later date from the beginning of service.

Mr. Otterstrom noted that STA has planned for the Monroe-Regal Line to serve Lincoln Heights via the 29th and Regal intersection; however, there is not a viable strategy for reconfiguring 29th and Regal for bus turning movements. Since the South Hill Park & Ride offers a workable alternative, staff may propose that the Board transfer funds from 29th/Regal project to fund pedestrian crossing and station improvements at 31st and Southeast Blvd. to enable a southbound HPT station. STA may come back for a decision later as the bays are at capacity. The concept would be that southbound buses stay on Southeast Blvd. with an installation of a HAWK (High-Intensity Activated CrossWalk) signal at Southeast Blvd and 31st Avenue.

Mr. Otterstrom reviewed preliminary concept site plans of the Moran Station Park & Ride. STA is working with County staff to use the 80 feet of right of way for storm water and offer an area up for an upgraded trail-head for Ben Burr Trail. There will be an electric infrastructure for charging buses, a multi-use path and ADA parking. There will be no public restrooms.

Next Steps: Finalize design and specifications; begin invitations for bid process; continue engaging public and adjacent property owners; and continue coordination with partner agencies.

D. ZERO EMISSION TECHNOLOGY FLEET TRANSITION EVALUATION UPDATE

Mr. Roger Watkins provided an update on the Zero Emission Technology Fleet Transition Evaluation. This was the first of several ongoing update reports as STA Operations receives deliverables from the consultants at the Center for Transportation and Environment (CTE) and WSP (an engineering/consulting firm without an acronym identifier). STA Operations hosted these consultants earlier this month at STA for project planning and kickoff. Consultants met with STA division experts, attended data collection/planning workshops, visited facility sites, and created a tentative output timeline. STA staff will provide periodic updates to the committees throughout the project.

The STA ZEB Analysis Steering Committee is led by Ralph Wilder. Mr. Watkins reviewed the committee's organization chart and primary tasks:

1. Central City Line & Monroe-Regal Line
2. Fleet-wide Zero Emission Transition Bus (ZEB) & Facility Requirements and Cost Assessment
3. Lifecycle Economic Analysis for Transit Bus Technology Scenarios
4. Recommendation to CEO and Board of Directors

Mr. Watkins shared that the consultants are very excited about this project because STA has hired them on the "front end" of the project before STA begins to acquire battery electric infrastructure and vehicles. Mr. Watkins also reviewed the key project milestones which begins with Monroe-Regal Line modeling by December 18, 2018 and ends with the fleet-wide Final Report deliverable by next September 16, 2019.

7. CEO REPORT

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

FTA CEO Transit Round Table – The Acting Administrator of the Federal Transit Administration, K. Jane Williams, held a CEO Transit Round Table Discussion in Washington D.C. last week. E. Susan Myer was one of only a few CEO's nationwide invited to attend this event. Developers from the Cordish Companies and from Forrest City also attended. The discussion was intended to cross-educate CEOs and developers regarding bus rapid transit and how an investment in bus rapid transit can provide the same level of appeal as light rail to developers. Topics discussed included a description of the lifestyle that transit companies are trying to create with the less expensive rapid transit. It was agreed that there needs to be a bus that looks like a train. Ms. Meyer stated that it was a great experience and the developers felt they had learned new information.

Police Department, City of Spokane and STA Agreement – Within the STA budget, \$86,900 has been allotted for an agreement with the Spokane Police Department and the City of Spokane in 2019 to continue STA's funding of one police officer in the downtown. Ms. Nancy Williams and Mr. Brandon Ropez-Betty met with Mark Richard to talk about DSP's interest in Downtown policing and safety. STA will invite the Police Chief and Mark Richard to be involved in the interviews for STA's current open position, Chief of Security.

Greenstone Pilot Project – Kendall Yards – The Kendall Yards Pass Program experienced more than 1,000 rides within the first month.

8. COMMITTEE INFORMATION

A. DRAFT 2019 COMMITTEE WORK PROGRAM

Mr. Otterstrom mentioned the Draft 2019 Committee Work Program as an information item only due to the robust discussions that have already taken place at previous meetings. Mr. Otterstrom will review this work program in detail at the December Planning & Development Committee meeting on November 28, 2018. The work program is the road map for the STA Committee meetings for the next year and the budgeting process.

9. REVIEW NOVEMBER 28, 2018 (DECEMBER) COMMITTEE MEETING AGENDA

No changes were suggested at this time.

10. NEW BUSINESS

(No information included this month.)

11. COMMITTEE MEMBERS' EXPRESSIONS

Ms. Mumm shared that she just completed a Council Connection Program on cable channel 5 regarding human trafficking in Spokane. Ms. Mumm reported that girls between ages 13-18 are being recruited from local high schools.

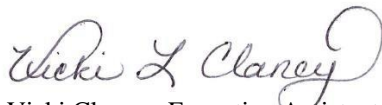
Chair French reported that another phase of Bigelow Gulch has just been opened. It is hoped that the new construction on Bigelow Gulch will help minimize the number of fatalities that occur on this road way each year.

12. ADJOURN

Chair French adjourned the meeting at 11:25 a.m.

13. NEXT COMMITTEE MEETING: NOVEMBER 28, 2018 (DECEMBER MEETING) at 10:00 a.m.
(STA SOUTHSIDE CONFERENCE ROOM, 1230 W. BOONE AVENUE, SPOKANE, WA)

Respectfully submitted,



Vicki Clancy, Executive Assistant