

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

**PERFORMANCE MONITORING AND EXTERNAL RELATIONS COMMITTEE**

Minutes of the February 28, 2018, (March) Meeting  
Southside Conference Room

**MEMBERS PRESENT**

Pamela Haley, City of Spokane Valley \*  
Josh Kerns, Spokane County  
Rhonda Bowers, Labor Representative  
E. Susan Meyer, CEO (Ex-Officio)

**MEMBERS ABSENT**

Shirley Maike, City of Medical Lake  
Lori Kinnear, City of Spokane  
Odin Langford, City of Liberty Lake  
(Ex-Officio)

**STAFF PRESENT**

Roger Watkins, Chief Operations Officer  
Karl Otterstrom, Director of Planning and Development  
Lynda Warren, Director of Finance and Information Services  
Nancy Williams, Director of Human Resources  
Emily Arneson, Community Ombudsman & Accessibility Officer  
Krissy Ellis, Technology Projects Manager

**GUESTS**

Charles Hansen, Citizen Advisory Committee Member  
Mike Kunder, AFSCME 3939 President

\* Chair

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

Chair Haley called the meeting to order at 1:32 p.m. Introductions were made.

2. **PUBLIC EXPRESSIONS**

None.

3. **COMMITTEE CHAIR REPORT**

None.

4. **COMMITTEE APPROVAL**

A. **MINUTES OF JANUARY 31, 2018 COMMITTEE MEETING**

**Mr. Kerns moved to recommend approval of the January 31, 2018, (February), Committee meeting minutes. The motion was seconded by Chair Haley and passed unanimously.**

B. **APPROVAL OF SCOPE OF WORK - FARE COLLECTION SYSTEM UPDATE**

Ms. Warren reviewed the Fare Collection System Update, pointing out the payment options/percentages currently being utilized by riders. She provided some historical background information and advised of technology improvements since 2014, particularly within the last two years. She added that staff would like to seek quotes for the mobile technology as well as account based technology for loading cards behind the scenes via the web. Ms. Warren noted that in addition to Customer Service at the Plaza, STA works with retail outlets to sell passes and advised the one obstacle to using Smart Cards is the inability to load the money on the card anywhere other than the Plaza.

Ms. Warren went over STA's current fare collection structures and briefed on what works well, areas needing improvement, core values and capabilities, overall concept and technology, as well as the anticipated timeline for this project, noting staff engaged IBI Group last fall to help design the Summary Scope of Work presented. She advised of the need for improving the collection of fare in anticipation of providing fast, all-door boarding / fare collection on the Central City Line (CCL) and other High Performance Transit (HPT) routes in the future.

Chair Haley asked if anyone had questions. None were forthcoming.

**Chair Haley moved to approve the summary Scope of Work as presented and authorize staff to release a Request for Proposals for a Fare Collection System. The motion was seconded by Mr. Kerns and passed unanimously.**

5. COMMITTEE ACTION

A. Board Consent Agenda

1. AWARD OF CONTRACT FOR 2018 ENERGY SAVINGS PROJECT

Mr. Watkins recapped that an Energy Savings Audit was completed in 2017. From that audit, two projects were selected by staff to move forward – replacement of Paint Booth and Lift Systems here at Boone Avenue and the HVAC replacement at the Plaza. The general Scope of Work was approved by the Performance Monitoring and External Relations Committee (PMER) last month and staff are bringing the Award of Contract recommendation. He provided some comparison photographs of existing and pointed out the need for a replacement, noting the current system utilizes manual lift systems (ladder) verses a proposed built in system.

The anticipated timeline was briefed and Mr. Watkins advised the performance assurance for the energy savings monitoring would continue from August 2018 through October 2019.

The members were provided background numbers because of increased costs. Mr. Watkins reviewed these numbers with the Committee, advising the paint booth was originally envisioned as a one for one exchange, which is not the case. He said it requires engineering, addition of structural elements, and more work on the roof than previously expected, as well as a good faith asbestos survey. In the Capital Improvement Project (CIP) budget, the paint booth is under resourced by approximately \$561,300 and the controls by approximately \$210,600, for a total shortfall of approx. \$772,000. To offset this additional expense, staff are proposing a favorable offset of approximately \$568,000 with the following:

- An estimated \$189,000 in Avista incentives
- Guaranteed annual utility savings of nearly \$57,000
- Local funds of \$322,000 that were programmed in the 2018-2019 Facilities–Administrative and Maintenance Capital projects that will not move forward or have been incorporated into the Boone NW Garage project (i.e., Sharp Ave acquisition)

The remaining \$202,000 in excess of the offset items would require new local funds added to the projects; however, this will not impact the overall board approved 2018 Capital Budget because of anticipated savings in other projects.

As a reminder, he noted the HVAC controls project simple payback period is five years and the Washington Department of Enterprise Services (DES) will perform project management for the duration of the project.

Chair Haley asked if anyone had questions. None were forthcoming. She noted she liked the project a lot.

**Chair Haley moved to recommend the Board 1) approve a revised and consolidated project budget for the 2018 Energy Savings Project of \$1,850,000 and 2) authorize the Washington State Department of Enterprise Services to enter into contract with McKinstry, on behalf of STA, for an amount of \$1,850,000. Mr. Kerns seconded and the motion passed unanimously.**

B. Board Discussion Agenda

*(No items were presented this month.)*

6. REPORTS TO COMMITTEE

A. Year End 2017 Performance Measures

Mr. Watkins noted the Performance Measures are staff's way of measuring how STA is performing against the established priorities and objectives. He said a complete set of the 2017 Year End Performance Measures is included in the packet, as well as a summary of significant measures of particular interest or that the committee has requested staff highlight on a routine basis.

He reviewed the provided Performance Measures as outlined and asked if anyone had questions. Brief discussion ensued.

B. 2017 Year End Unaudited Financial Report

The 2017 unaudited year-end financial report was distributed at the meeting. Ms. Warren provided a review of the Revenue, Expense, Operating Budget, and Capital, as well as the Federal Grant Report. She provided an overview of GASB-68 and how it impacts STA's budget. Ms. Warren presented an explanation of Accrual versus Cash reporting.

In the final slides, Ms. Warren reviewed the Total Revenues and Expense; Revenue, Operating & Capital Expenses 2007-2017; and the 2017 Cash Balance Summary, which included the Fleet Replacement Fund representation.

Ms. Warren reported on STA's Next Steps and offered to answer any questions.

No questions were forthcoming.

7. CEO REPORT

- Ms. Meyer reported on the State Legislation. She asked Karl Otterstrom to summarize the President's 2019 Budget and Central City Line (CCL) Eligibility for a Small Starts grant.
  - Mr. Otterstrom said the budgets that President Trump has put forward FY 2017, originally was an Obama Budget but Trump proposed a "Skinny Budget", and he proposed zero dollars for Small Starts. In May of 2017 Congress appropriated \$407M for that program. For FY 2018, he proposed zero dollars. Meanwhile, there are still two versions in the House and Senate for their Appropriations Committee. The House version has \$182M and the Senate version proposes \$318M; both well above the "zero" proposed by the President.
  - FY 2018 budget is expected to be approved in March, before the next continuing resolution is over (3/23). FY 2019 is zero. Mr. Otterstrom provided some context, he also released a capital investment grant report – so there are eight new projects that are at STA's rating of medium or better; therefore, the project is eligible. The typical / average request size is \$57M for all the projects currently pre-signed grant agreements. Some of those projects have been funded in FY 2017 but are still awaiting their grant agreement. Others are pending FY 2018 funding and others, like STA's project, are new to the recommended funding list or at least the statutory eligibly rated projects since the President technically did not recommend any of the projects.
  - The last point that he shared was the fact that the President is proposing in the new so called "Trillion Dollar Infrastructure Plan", part of the eligible projects or category projects would be transformative projects, of which the CCL could be eligible because it actually does still account for capital investment grant projects. The Small Starts / New Starts / Capital Investment report calls out that this is still eligible. He said at least we do know there are paths forward and one that we like the best because it has been the one that's been around (it is within the FAST Act) which is the Small Starts Program as codified in current law.

Ms. Meyer thanked Mr. Otterstrom for the explanation.

- Ms. Meyer reported the Legislature will adjourn on March 8, 2018, if all goes as planned and the House and Senate have until March 2<sup>nd</sup> to pass Bills that are not necessary to implement the budget.
- Ms. Meyer reviewed the following:
  - **HB 2822** – References the intentional misrepresentation of an animal as a service animal. This Bill is supported by many who advocate for people who use service animals, but not everyone agrees and there is some state-wide organizational level opposition. They don't want anything that could appear as a restriction on a person's ability to take a service animal and not have to talk about it or defend it. Staff are watching this bill with interest.
  - The Senate passed all three supplemental budgets (Operating, Transportation, and Capital). The House voted last night on the supplemental Transportation Budget and was told we will use the Senate Bill as the vehicle and then reconcile the two budgets.
  - **SB6414**– This is the Population Based Board Bill that would require PTBA Boards like STA, Vancouver, and Tacoma to be population based within the nine member limit of elected officials - population based representation. Under this new Bill, the City of Spokane will have four seats in lieu of two, City of Spokane Valley would have two, Spokane County would have two, and the Small Cities would have one.

- Travel to Washington, DC for the American Public Transportation Association (APTA) conference is planned for this month. Pam Haley, Al French, and Kevin Freeman will attend with Karl Otterstrom and Susan Meyer for the annual conference.
- Ms. Meyer asked members to please join STA staff at the March 9, 2018, ground breaking of the NW Boone Garage from 10:00 AM to 11:00 AM. Staff can provide additional information if needed. She noted this represents STA's first investment in the ability to put in battery electric technology and is a project of approximately \$7.5M in construction that is funded by the STA Moving Forward (STAMF) ballot measure.
- STA's Annual Safety Awards will be held on Sunday, March 25, 2018, to acknowledge employees who have achieved significant safety accomplishments. Invitations have been extended to Committee and Board members.
- Consultants from Cardinal Infrastructure (Sherry Little and Sev Miller) will be in Spokane to meet with the Board at the April Board meeting.

Chair Haley thanked Ms. Meyer for the CEO report.

8. COMMITTEE INFORMATION

- A. February 2018 Sales Tax Revenue Information – *as presented*
- B. 2017 State Audit Timeline - *as presented*
- C. January 2018 Operating Indicators - *as presented*
- D. Year End 2017 Safety & Loss Summary Report - *as presented*
- E. 4th Quarter 2017 Service Planning Input Report - *as presented*
- F. Public Hearing Notice - September 2018 Service Revisions-Draft Recommendation - *as presented*
- G. STA Outreach Update- *as presented*

9. APRIL 4, 2018 COMMITTEE PACKET AGENDA REVIEW

No changes at this time.

10. NEW BUSINESS

None.

11. COMMITTEE MEMBERS' EXPRESSIONS

None.

12. ADJOURN

Chair Haley adjourned the meeting at 2:32 p.m.

13. NEXT MEETING – WEDNESDAY, APRIL 4, 2018, 1:30 P.M., STA SOUTHSIDE CONFERENCE ROOM, 1230 WEST BOONE AVENUE

Respectfully submitted,



Dana Infalt, Executive Assistant