

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

## PLANNING & DEVELOPMENT COMMITTEE MEETING

Wednesday, November 30, 2022 (December)  
10:00 a.m. – 11:30 a.m.

### Via Virtual Conference

**Committee Members:** [Click here to join the meeting](#)

**General Public:** [Click here to join the meeting](#)

**Audio Conference:** Call the number below and enter the access code.  
+1-408-418-9388 | Access code: 2484 903 6127 | Password: 2022

### AGENDA

1. Call to Order and Roll Call
2. Committee Chair Report (5 minutes)
3. Committee Action (10 minutes)
  - A. Minutes of the November 2, 2022, Committee Meeting -- *Corrections/Approval*
  - B. 2023 Planning & Development Committee Work Program Approval (Otterstrom)
4. Committee Action (30 minutes)
  - A. Board Consent Agenda
    1. Federal Transit Administration Section 5310 Funding Recommendation (Otterstrom)
    2. State Buses and Bus Facilities Grant Application Approval (Otterstrom)
  - B. Board Discussion Agenda
    1. Final Proposed 2023 Operating and Capital Budgets (Liard)  
(Adoption at December Board meeting)
    2. Establishment of Designated Real Estate Acquisition Reserve (Liard)
5. Reports to Committee
6. CEO Report (E. Susan Meyer) (15 minutes)
7. Committee Information
8. Review February 1, 2023, Committee Meeting Agenda
9. New Business
10. Committee Members' Expressions (5 minutes)
11. Adjourn

Next Committee Meeting: Wednesday, February 1, 2023, at 10:00 a.m. via Webex  
(No January Meeting)

Agendas of regular Committee and Board meetings are posted the Friday afternoon preceding each meeting at the STA's website: [www.spokanetransit.com](http://www.spokanetransit.com). Discussions concerning matters to be brought to the Board are held in Committee meetings. The public is welcome to attend and participate. Spokane Transit assures nondiscrimination in accordance with Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act. For more information, see [www.spokanetransit.com](http://www.spokanetransit.com). Upon request, alternative formats of this information will be produced for people who are disabled. The meeting facility is accessible for people using wheelchairs. For other accommodations, please call 325-6094 (TTY Relay 711) at least forty-eight (48) hours in advance.

**SPOKANE TRANSIT AUTHORITY**  
**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 2:** COMMITTEE CHAIR REPORT

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** Al French, Chair, Planning & Development Committee

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**SUMMARY:** At this time, the Committee Chair will have an opportunity to comment on various topics of interest regarding Spokane Transit.

**RECOMMENDATION TO COMMITTEE:** N/A

**SPOKANE TRANSIT AUTHORITY**  
**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 3A :** MINUTES OF THE NOVEMBER 2, 2022, COMMITTEE MEETING

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** Vicki Clancy, Executive Assistant to the Chief Planning & Development Officer

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**SUMMARY:** Draft Minutes of the November 2, 2022, Planning & Development Committee meeting are attached for your information, corrections and/or approval.

**RECOMMENDATION TO COMMITTEE:** Corrections and/or approval.

**COMMITTEE ACTION:**

**RECOMMENDATION TO BOARD:**

**FINAL REVIEW FOR BOARD BY:**

Division Head \_\_\_\_\_ Chief Executive Officer \_\_\_\_\_ Legal Counsel \_\_\_\_\_

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

## **PLANNING & DEVELOPMENT COMMITTEE MEETING**

**DRAFT** Minutes of the November 2, 2022, Meeting  
Via Video Conference

### **MEMBERS PRESENT**

Karen Stratton\*, City of Spokane  
Tim Hattenburg, City of Spokane Valley  
E. Susan Meyer, Chief Executive Officer  
*Ex Officio*

### **MEMBERS ABSENT**

Al French, Spokane County – *Chair*  
Dan Dunne, Small Cities Representative  
(Liberty Lake), *Ex Officio*  
Dan Sander, Small Cities Representative  
(Millwood) *Ex Officio*  
Betsy Wilkerson, City of Spokane

*\*Acting Chair*

### **STAFF PRESENT**

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

### **PROVIDING LEGAL COUNSEL**

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

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

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

#### 2. **COMMITTEE CHAIR REPORT** - *none*

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

##### A. **MINUTES OF THE OCTOBER 5, 2022, COMMITTEE MEETING**

**Mr. Tim Hattenburg moved to approve the October 5, 2022, Planning & Development Committee meeting minutes. Acting Chair Karen Stratton seconded, and the motion was approved unanimously.**

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

##### A. **BOARD CONSENT AGENDA**

##### 1. **2023 ACTION PLAN APPROVAL**

Mr. Karl Otterstrom presented. According to 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.

**Mr. Tim Hattenburg moved to recommend the Board of Directors approve, by resolution, the 2023 Action Plan. Acting Chair Stratton seconded, and the motion was approved unanimously.**

B. BOARD DISCUSSION AGENDA

*(No items being presented this month.)*

5. REPORTS TO COMMITTEE

A. PROPOSED DRAFT 2023 OPERATING AND CAPITAL BUDGETS

Ms. Liard was scheduled to present.

*Due to Webex video technical difficulties, the budget presentation was delayed. The Planning & Development Committee continued with the rest of the Reports to Committee, the CEO Report, and then tried to view the presentation again. Technical difficulties continued.*

Ms. Liard recommended that the Planning & Development Executive Assistant email the video link to Acting Chair Stratton and Mr. Hattenburg to view at their convenience.

B. DRAFT 2023 PLANNING & DEVELOPMENT COMMITTEE WORK PROGRAM

Mr. Otterstrom presented. According to STA Board Resolution 681-11, adopted at the September 21, 2011, STA Board meeting, the Planning & Development Committee is accountable for designing and coordinating the Board's participation in STA strategic and operational planning, including annual budget preparation, and the annual planning calendar.

Late each year, the Planning & Development Committee prepares a work program to outline activities it expects to undertake the following year. Mr. Otterstrom reviewed the first draft of the work program for committee discussion.

The draft work program is focused primarily on the annual planning calendar and includes several additional projects and planning efforts during 2023: Division Street Bus Rapid Transit (BRT); Connect Spokane: Complete Phase II Update; City Line: Implementation Activities; 2025-2035 Strategic Planning Phase II; Facilities Master Plan; Five Mile Mobility Hub Study.

A final draft work program will be presented at the next committee meeting for review and approval.

C. FIVE MILE MOBILITY HUB STUDY OVERVIEW

Mr. Otterstrom presented an overview of the upcoming Five Mile Mobility Hub Study, a grant-funded study centered on STA's existing Five Mile Park and Ride. This important transit facility historically and frequently exceeds capacity with commuters occasionally parking in nearby commercial parking lots due to the lack of parking spaces. Conceptually, a "mobility hub" is a transit facility that provides for a variety of other multimodal services, such as bikeshare, ride-hailing and micro-mobility options that support first/last mile transportation as well as longer commutes. STA successfully secured a \$200,000 grant through the Spokane Regional Transportation Council (SRTC) to undertake this study, matched by \$50,000 in local funds. This study will research Five Mile Park and Ride capacity, provide viable alternatives, evaluate mobility hub connections, develop mobility hub selection criteria, and review the current configuration for bus operation. This study will also help develop a framework for selecting and prioritizing similar investments. STA expects to begin the study in earnest in the first quarter of 2023 following a consultant procurement process.

D. SOUTH LOGAN TRANSIT ORIENTED DEVELOPMENT PLAN UPDATE

The City of Spokane was awarded \$250,000 in Transit-Oriented Development and Implementation (TODI) grant funds from the Washington State Department of Commerce in late 2021. The City has begun the subarea planning process, which will include a planned action environmental impact statement (EIS) to facilitate transit-oriented development along with City Line path through the Logan neighborhood. The project will focus around three City Line stations: McCarthy Athletic Center, Desmet Avenue, and Columbus Street. The outcome, based on community vision, will provide a plan that includes a coordinated framework and development approach for the South Logan area. The project began in the summer of 2022, with final adoption by the City Council anticipated for the summer of 2023. Mr. Otterstrom presented an update on the planning process.

6. CEO REPORT

Ms. E. Susan Meyer presented the CEO Report:

October 2022 Voter-Approved Sales Tax Revenue (August Sales) Update – Actual (\$10,033,352) compared to budget (\$8,317,585) for a 20.6% favorable variance (\$1,715,767). Sales tax revenue is 6.6% YTD above budget (\$5.8M), 9.1% above August 2021 actuals (\$0.8M), and 7.4% YTD above 2021 actuals (\$6.4M).

Connect Card: Free Rides in November – STA is offering unlimited free rides all November on Fixed Route and Paratransit for passengers with a Connect Card or a Connect Account. Connect Cards are available at the Customer Service Counter at the STA Plaza or can be ordered online through [www.spokanetransit.com/connect](http://www.spokanetransit.com/connect). Connect app is available through Google Play and the App Store. 19,925 Connect Cards and accounts have been created by riders to date.

7. COMMITTEE INFORMATION - None

8. REVIEW NOVEMBER 30, 2022 (December), COMMITTEE MEETING AGENDA

9. NEW BUSINESS - None

10. COMMITTEE MEMBERS' EXPRESSIONS - None

11. ADJOURN

With no further business to come before the Committee, Acting Chair Stratton adjourned the meeting.

NEXT COMMITTEE MEETING: WEDNESDAY, NOVEMBER 30, 2022 (DECEMBER), at 10:00 a.m. VIA WEBEX.

Respectfully submitted,



Vicki Clancy, Executive Assistant  
Planning & Development Department

**SPOKANE TRANSIT AUTHORITY**

**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 3B :** 2023 PLANNING & DEVELOPMENT COMMITTEE WORK PROGRAM  
APPROVAL

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** Karl Otterstrom, Chief Planning & Development Officer

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**SUMMARY:** Late each year, the Planning & Development Committee prepares a work program to outline activities it expects to undertake the following year. Staff will review the first draft of the work program for committee discussion.

**BACKGROUND:** According to STA Board Resolution 681-11, adopted at the September 21, 2011, STA Board Meeting, the Planning & Development Committee is accountable for designing and coordinating the Board's participation in STA strategic and operational planning, including annual budget preparation, and the annual planning calendar.

*Connect Spokane: A Comprehensive Plan for Public Transportation* identifies four planning documents: the Transit Development Plan, Service Improvement Program, Capital Improvement Program and Annual Action Plan, and operating and capital budgets, that are updated annually. These plans are founded on the principles and policies of *Connect Spokane*.

The draft work program on the following page is focused primarily on the annual planning calendar. In addition to the annual and recurring planning activities of the Committee, there are several projects and planning efforts that the Committee will engage in during 2023. The list of planning projects below has been integrated into the monthly work program in the final draft work program insofar as project timelines are currently known. Additional projects or activities may emerge throughout the calendar year.

- Title VI Program Update
- Division Street Bus Rapid Transit (BRT)
- 2025-2035 Strategic Planning Phase II
- Connect Spokane: Complete Phase II Update
- Facilities Master Plan
- Five Mile Mobility Hub Study

Subject to committee approval, the work program will be forwarded to the Board for information and presented at the first meeting of the Committee in 2023.

### FINAL DRAFT 2023 Planning & Development Committee Work Program

MONTH	ANNUAL PLANNING CALENDAR
<b>December 2022</b>	Approval of Work Program
<b>January 2023</b>	<i>No Committee Meetings in January</i>
<b>February 2023</b>	Review Committee Work Program Transit Development Plan (TDP) 2024-2029: Overview Division Street BRT: Draft Refinements to Locally Preferred Alternative (LPA) Title VI Program: Draft Program & Public Outreach Update
<b>March 2023</b>	TDP 2024-2029: Develop mid-range planning guidance. Present and discuss draft submittal for the SRTC 2024/2025 Unified Planning Work Program (UPWP) Division Street BRT: Approval of refinements to LPA Title VI Program: Finalize and approve
<b>April 2023</b>	TDP 2024-2029 <ul style="list-style-type: none"> <li>• Finalize mid-range planning guidance</li> <li>• Review preliminary revenue and expenditure forecast assumptions</li> <li>• Identify major activities</li> </ul> Strategic Planning: Phase II Scope and Timeline
<b>May 2023</b>	TDP 2024-2029 <ul style="list-style-type: none"> <li>• Proposed 2024-2026 Service Improvements</li> <li>• Review Preliminary Capital Improvement Program (2023-2028)</li> <li>• Review Financial Forecasts</li> </ul>
<b>June 2023</b>	TDP 2024-2029: Complete draft plan Public hearing conducted on draft TDP
<b>July 2023</b>	TDP 2024-2029: Finalize and approve 2024 Action Plan/Budget guidance workshop (full Board) FTA Section 5310: Notice of Funding Opportunity
<b>August 2023</b>	<i>No Board/Committee Meetings in August</i>
<b>September 2023</b>	Review draft 2024 Action Plan
<b>October 2023</b>	Review draft 2024 Action Plan Draft 2024 operating and capital budgets submitted to Committee and Board



MONTH	ANNUAL PLANNING CALENDAR
<b>November 2023</b>	Adoption of 2024 Action Plan Prepare 2024 Committee work program Public hearing on proposed 2024 operating and capital budgets
<b>December 2023</b>	Finalize and approve 2024 operating and capital budgets Finalize 2024 Committee work program FTA Section 5310: recommend funding awards

**RECOMMENDATION TO COMMITTEE:** Approve, by motion, the 2023 Planning and Development Committee Work Program and forward to the Board for information.

Division Head \_\_\_\_\_ Chief Executive Officer \_\_\_\_\_ Legal Counsel \_\_\_\_\_

## SPOKANE TRANSIT AUTHORITY

### PLANNING & DEVELOPMENT COMMITTEE MEETING

November 30, 2022

**AGENDA ITEM 4A1:** FEDERAL TRANSIT ADMINISTRATION SECTION 5310 FUNDING  
RECOMMENDATION

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** Karl Otterstrom, Chief Planning & Development Officer  
Madeline Arredondo, Assistant Transit Planner

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**SUMMARY:** Staff will review the results and funding recommendations of the FTA Section 5310 2022 Call for Projects that was issued on September 12, 2022. This includes the applications, evaluation process and results, the general approach to distributing both federal and STA near-term investments (local) funds to eligible projects and programs implemented primarily by non-profit organizations in the region. The foregoing funding recommendations are subject to committee and board approval.

**BACKGROUND:** The Federal Transit Administration (FTA) Section 5310 program provides formula funding to Spokane Transit Authority (STA) for the purpose of assisting private nonprofit groups in meeting the transportation needs of older adults and people with disabilities when other transportation services provided are unavailable, insufficient, or inappropriate to meeting these needs. The program is intended to support the mobility of seniors and individuals with disabilities by increasing or expanding transportation options throughout the community. Projects and programs seeking Section 5310 funding must be identified in the Coordinated Public Transit – Human Services Transportation Plan for Spokane County. This plan is prepared by the Spokane Regional Transportation Council (SRTC) in coordination with STA and other agencies and organizations engaged in providing transportation services to seniors and people with disabilities. STA is the designated recipient of Section 5310 funds for the Spokane urbanized area (UZA) and is responsible for the administration and distribution of Section 5310 funds to local, private nonprofit agencies to provide these important transportation services.

As explained at the August 31, 2022, Planning & Development Committee meeting, a minimum of 55% of the Section 5310 annual apportionment must be spent on “Traditional” capital projects, such as the purchase of ADA vehicles, while the remaining 45% of federal funds may be spent on “Other” projects, which are mainly operating projects that improve transportation options for seniors and people with disabilities. On September 12, 2022, STA issued a Section 5310 Call for Projects notice with a total of \$1,090,419 in federal and local funds as depicted in Table 1. Local funds were previously programmed by the STA Board of Directors through Resolution no. 790-21 on December 16, 2021.

**Table 1: 2022 Section 5310 Funding Breakdown**

<b>Funding Source</b>	<b>Amount Available</b>
FY22 Apportionment	\$602,811
FY21 Unprogrammed Funds	\$297,608
<b>Federal Funding Subtotal</b>	<b>\$900,419</b>
STA Near Term Investment (Local Match Contribution)	\$190,000
<b>Total Funding Available</b>	<b>\$1,090,419</b>

The Section 5310 Call for Projects funding notice was published in the *Spokesman-Review* and posted on the STA and SRTC websites. Staff also sent emails directly to area agencies that serve the needs of seniors and people with disabilities, inviting them to submit applications and informing them of the informational meeting. This informational meeting was held by STA staff on September 26, 2022 (via WebEx), for interested agencies to provide program information, review application requirements, and to answer questions. A total of 15 interested agencies participated in the WebEx meeting.

STA received six applications from five different agencies on or before the deadline of October 11, 2022, the sum of which is less than the total funds available. The “Traditional” projects total came in at \$346,415, well under the minimum requirement of 55%, or \$495,230. Table 2 below summarizes the funding requests received:

**Table 2: 2022 Section 5310 Call for Projects Application Summary**

<b>Applicant</b>	<b>Project Name</b>	<b>Funding Category</b>	<b>Total Funding Requested</b>	<b>Total Project Cost</b>
Arc of Spokane	Community Center Transportation	Other	\$182,448	\$202,720
Cancer Can't	Transportation Support for Cancer Patients	Other	\$35,740	\$205,825
COAST Transportation	ADA Vehicle Purchase	Traditional	\$82,125	\$91,250
COAST Transportation	Demand Response	Other	\$113,974	\$126,638
Special Mobility Services	Mobility Management	Traditional	\$264,290	\$293,656
SNAP Resource Rides	Neighbors on the GO	Other	\$130,976	\$379,297
<b>Total</b>			<b>\$809,553</b>	<b>\$1,299,386</b>

Initial project applications were reviewed by STA staff to confirm eligibility and evaluate and rate the projects on the established risk assessment and application completeness criteria. The applications were then forwarded to the evaluation committee comprised of STA staff, a representative from the Spokane Regional Transportation Council (SRTC), and a representative from the Washington State Department of Transportation (WSDOT) to complete the evaluation process. Evaluation criteria and maximum points for each are provided in Table 3 below.

**Table 3: Project Evaluation Criteria**

<b>Evaluation Criteria</b>	<b>Possible Points</b>
Risk Assessment	10
Application Completeness	10
Proposed Service Improvements	25
Regional Transportation Needs	10
Performance Measures	20
Management	10
Financials	15
<b>Total Maximum Points</b>	<b>100</b>

Evaluation scores submitted by the committee resulted in a rank order of the proposed projects. Staff then proceeded to assign available federal and local funds to each project in rank order based on the following funding considerations. Federal FY 2021 funds were assigned first, beginning with the highest ranked projects, as these funds required no local match. The STA near-term investment funding, as stated at the August 31, 2022, Planning & Development committee, reduced match requirement by the applicant to 10% (“Traditional” projects normally require a 20% local match and “Other” projects require a 50% local match). And, as noted earlier, Section 5310 funds include a requirement that at least 55% of the funds must be awarded to “Traditional” projects for each federal fiscal year apportionment, affecting the assignment of federal funds in the proposed recommendations.

As noted earlier, the total funding requests for “Traditional” projects did not fully satisfy the 55% minimum requirements. Failure to meet the 55% minimum requirement would jeopardize STA’s ability to fully fund “Other” projects that were submitted. Consequently, STA proposes to award remaining federal funds, \$251,711 in total, to STA for purposes of contracting human services transportation, an allowable “Traditional” project under FTA regulations.

The funding recommendations for the 2022 FTA 5310 Call for Projects, along with evaluation scores are presented in Exhibit A. Exhibit B provides descriptions of each project and the specific planned award sources for each proposed award amount. Staff are requesting Board approval of the funding recommendations, with the ability to make administrative modifications to the award amounts based on actual project cost, as project costs may vary due to unanticipated project delays or revisions, such as changes to vehicle pricing.

**RECOMMENDATION TO COMMITTEE:** Recommend the Board of Directors approve, by motion, the Federal Transit Administration 5310 Funding Recommendations, as listed in Exhibit A “Funding Recommendations 2022 FTA 5310 Call for Projects”, including a 20% local match contribution of \$62,928 for the STA award of \$251,711 for contracted human services transportation, and authorize staff to make administrative modifications to the final grant awards as necessary to address minor revisions to project costs and schedule.

## **Exhibit A: Funding Recommendations**

### **2022 FTA 5310 Call for Projects**

<b>Rank</b>	<b>Eval. Score</b>	<b>Applicant</b>	<b>Project Name</b>	<b>Funding Category</b>	<b>Total Funding Requested</b>	<b>Total Project Cost</b>	<b>Recommended Funding Award</b>
1	82	Cancer Can't <sup>1</sup>	Transportation Support for Cancer Patients	Other	\$35,740	\$205,825	\$38,708
2	79	COAST Transportation <sup>2</sup>	Demand Response Transportation	Other	\$113,974	\$126,638	\$123,793
3	75	Special Mobility Services (SMS) <sup>3</sup>	Mobility Management	Traditional	\$264,290	\$293,656	\$280,658
3	75	SNAP Resource Rides	Neighbors on the GO	Other	\$130,976	\$379,297	\$130,976
5	71	Arc of Spokane	Community Center Transportation	Other	\$182,448	\$202,720	\$182,448
6	61	COAST Transportation	ADA Vehicle Purchase	Traditional	\$82,125	\$91,250	\$82,125
<b>Total</b>					<b>\$809,553</b>	<b>\$1,299,386</b>	<b>\$838,708</b>
<b>STA Contracted Human Services Transportation<sup>4</sup> (requires \$62,928 in local funds)</b>						<b>\$314,639</b>	<b>\$251,711</b>

<sup>1</sup> Awarded the balance of the near-term investment (\$2,968) for being the highest ranked project.

<sup>2</sup> Award is higher than request due to being awarded FY21 100% funds as well as being the 2nd highest ranked project.

<sup>3</sup> Award is higher due to satisfying the FY21 'Traditional' requirement of \$163,685 as well as being the highest ranked 'Traditional' project.

<sup>4</sup> This satisfies the 55% Traditional requirement and ensures all federal funding included in the call is obligated to deliver Human services transportation in the Spokane region. STA will be required to meet the match requirements for this 'Traditional' project and contribute 20% (\$62,928) in local funds to be determined in a future budget planning cycle, likely 2024.

**Exhibit B: Project Descriptions**  
**2022 FTA 5310 Call for Projects**

<b>Project:</b> Transportation Support for Cancer Patients		
<b>Applicant:</b> Cancer Can't	<b>Project Type:</b> Other	<b>Eval. Score:</b> 82
<b>Description:</b> The Transportation Support Program for Cancer Patients project will provide transportation for cancer patients by providing pre-scheduled and same-day services for oncology care appointments.		
<b>Planned Award Sources</b> - Total award: \$38,708. \$35,740 from FY21 funds (100% federal match); \$2,968 from STA Near-Term Investment.		

<b>Project:</b> Demand Response Transportation		
<b>Applicant:</b> COAST Transportation	<b>Project Type:</b> Other	<b>Eval. Score:</b> 79
<b>Description:</b> The COAST Demand Response Transportation project will provide transportation services for seniors and individuals with disabilities living in or near rural communities south of Spokane who cannot otherwise access public transit.		
<b>Planned Award Sources</b> - Total award: \$123,793. \$98,183 from FY21 funds (100% federal match); \$25,610 from STA near-term investment.		

<b>Project:</b> Mobility Management		
<b>Applicant:</b> Special Mobility Services (SMS)	<b>Project Type:</b> Traditional	<b>Eval. Score:</b> 75
<b>Description:</b> The project will leverage existing resources by assessing transportation needs, increasing the public's awareness of transportation options, enhancing the consumer's ability to utilize existing services, and encouraging better coordination and connectivity between transportation providers and programs.		
<b>Planned Award Sources</b> - Total award: \$280,658. \$163,685 from FY21 funds (100% federal match); \$103,976 from FY22 funds (80/20 match); \$12,997 from STA near-term investment.		

<b>Project:</b> Neighbors on the Go		
<b>Applicant:</b> SNAP Resource Rides	<b>Project Type:</b> Other	<b>Eval. Score:</b> 75
<b>Description:</b> The Neighbors on the GO project will provide enhanced transportation services to seniors and individuals with disabilities who are experiencing transportation access barriers to medical appointments, food networks, and other community services.		
<b>Planned Award Sources</b> - Total award: \$130,976. \$72,764 from FY22 funds (50/50 match); \$58,212 from STA near-term investment.		

<b>Project:</b> Community Center Transportation		
<b>Applicant:</b> Arc of Spokane	<b>Project Type:</b> Other	<b>Eval. Score:</b> 71
<b>Description:</b> Employ staff members and drivers to provide ongoing support for Community Center members who have intellectual and development disabilities, who may not easily access regularly scheduled routes, public transportation, and paratransit.		
<b>Planned Award Sources</b> - Total award: \$182,448. \$101,360 from FY22 funds (50/50 match); \$81,088 from STA near-term investment.		

<b>Project:</b> ADA Vehicle Purchase		
<b>Applicant:</b> COAST Transportation	<b>Project Type:</b> Traditional	<b>Eval. Score:</b> 61
<b>Description:</b> Purchase an ADA compliant van to provide transportation for seniors and individuals with disabilities living in or near rural communities south of Spokane who cannot otherwise access public transit.		
<b>Planned Award Sources</b> - Total award: \$82,125. \$73,000 from FY 2022 funds (80/20 match); \$9,125 from STA near-term investment.		

<b>Project:</b> Contracted Human services transportation		
<b>Applicant:</b> Spokane Transit Authority	<b>Project Type:</b> Traditional	<b>Eval. Score:</b> N/A
<p>As reported at the August 31, 2022, Planning and Development meeting, depending on the types of projects proposed, and application scoring outcomes, STA would recommend that up to 55% of the total funds available be programmed to STA for the purposes of contracting for human services transportation, an eligible 'Traditional' project, meeting the statutory requirement and ensuring all funds can be obligated to support human services transportation projects in the region. Human services transportation includes a broad range of transportation service options designed to meet the needs of transportation disadvantaged populations including older adults, disabled persons and/or those with lower income. Individuals have different needs and may require a set of different services depending on their abilities, their environment, and the options available in their community. Examples may include transportation service to areas that do not have adequate bus service or no service at all. This service would help people travel to medical appointments, childcare centers, grocery stores, and education centers. STA will consult the current SRTC/STA Coordinated Public Transit-Human Services Plan adopted for Spokane County to ensure services are derived and approved from the plan. The 'Needs Assessment' section describes any unmet public transportation needs and the 'Strategies to Address Regional Needs' section lists several strategies to adhere to when STA develops final plan. One such strategy is 'New/Expanded Service.' Details will be provided when the needs of the greater Spokane community are identified and STA reviews Appendix A of the plan which lists specific regional priority projects.</p>		
<p><b>Planned Award Sources</b> - Total award: \$251,711 from FY 2022 funds (80/20 match); \$62,928 STA local match required in out-year operating funds.</p>		



**SPOKANE TRANSIT AUTHORITY**

**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 4A2:** STATE BUSES AND BUS FACILITIES GRANT APPLICATION APPROVAL

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** Karl Otterstrom, Chief Planning & Development Officer  
Matt Kenney, Principal Transit Planner / Department Manager

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**SUMMARY:** STA proposes to submit a grant application under the new Washington State Buses and Bus Facilities grant program for the prospective West Plains Transit Center (WPTC) Operations Capacity and Enhancements project. Because the project is not yet included in the Capital Improvement Program (CIP), board approval is required.

**BACKGROUND:** The new Washington State Buses and Bus Facilities grants provide funding to transit agencies for the replacement, expansion, rehabilitation, and purchase of transit rolling stock; construction, modification, or rehabilitation of transit facilities; and funding to adapt to technological change or innovation through the retrofitting of transit rolling stock and facilities. This grant is supported by state funding through the 16-year Move Ahead Washington transportation package. The Washington State Department of Transportation (WSDOT) recently released the 2023-2025 funding opportunity with applications due Tuesday, January 10, 2023. WSDOT anticipates up to \$37.5 million in state funding for State Buses and Bus Facilities grants in the 2023-2025 biennium. The Legislature will determine the funding level during the 2023 legislative session and notice of awards will be announced by May 22, 2023. The grant program requires a minimum 20% funding match.

STA staff have identified the need for upgrades at the West Plains Transit Center that could be eligible for funding. These will likely include:

- Retrofits to existing bus bays and adjacent pavement to improve vehicle maneuvering
- Added bus layover and passenger loading capacity above planned requirements for future proofing
- Small storage facility for maintenance equipment used for STA facilities on the West Plains
- Added amenities for passengers
- Expanded restroom and layover facilities for operators

STA is currently working to develop preliminary cost estimates for this new, prospective project. If authorized, the grant request is anticipated to be between \$1 million and \$4 million, depending on the preliminary cost estimates, with matching funds of up to \$1 million.

STA will likely submit several additional applications to support multiple capital requirements for buses or bus facilities. Candidate projects are primarily derived from the board-adopted 2023-2028 Capital Improvement Program.

**RECOMMENDATION TO COMMITTEE:** Recommend the Board of Directors approve, by motion, the submittal of a grant application to the State Buses and Bus Facilities grant program for the West Plains Transit Center Operations Capacity and Enhancements Project for an amount of up to \$4 million, with matching funds of up to \$1 million.

**SPOKANE TRANSIT AUTHORITY**

**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 4B1 :** FINAL PROPOSED 2023 OPERATING AND CAPITAL BUDGETS  
(Adoption at December Board Meeting)

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** E. Susan Meyer, Chief Executive Officer  
Monique Liard, Chief Financial Officer

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**SUMMARY:** The Draft 2023 Operating and Capital Budgets were presented as follows:

- October 5, 2022 Planning and Development Committee Meeting
- October 20, 2022 Board of Directors Meeting

The narrated public presentation of the Proposed 2022 Operating and Capital Budgets was available on the Spokane Transit website beginning November 2, 2022, and presented at the following meetings:

- November 2, 2022 Planning and Development Committee Meeting  
(Video was unable to be aired due to technical difficulties and a link to the video was shared after the meeting)
- November 9, 2022 Citizen Advisory Committee Meeting
- November 17, 2022 Public Hearing at the Board of Directors Meeting

The Planning & Development Committee will review updates to the Final Proposed 2022 Operating and Capital Budgets. A draft of the Board resolution to adopt the budget is included in the packet.

**RECOMMENDATION TO COMMITTEE:** Review and recommend the Board adopt, by resolution, the Final Proposed 2023 Operating and Capital Budgets.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FOR THE PURPOSE OF ADOPTING THE STA 2023 BUDGET AND OTHER MATTERS PROPERLY RELATING THERETO.

SPOKANE TRANSIT AUTHORITY  
Spokane County, Washington

BE IT RESOLVED BY THE SPOKANE TRANSIT AUTHORITY as follows:

WHEREAS, the Spokane Transit Authority (STA) is a municipal corporation operating and existing under and pursuant to the Constitution and the laws of the state of Washington, pursuant to RCW Title 36, Chapter 57.A, Public Transportation Benefit Area;

WHEREAS, the STA Board of Directors, pursuant to state law and the STA Bylaws, Article III Section 3.1(5), shall have the power to prepare and adopt a budget and establish financial policies;

WHEREAS, staff has prepared a proposed 2023 budget, provided public access to the budget and the STA Board of Directors has held a public hearing on the proposed budget;

WHEREAS, the STA Planning & Development Committee has reviewed the final proposed 2023 budget at its November 30, 2022 meeting and has recommended adoption by the STA Board of Directors at its December 15, 2022 meeting; and the final budget is on file with the Clerk of the Authority;

WHEREAS, pursuant to Resolution No. 630A-07, the Board shall annually review and approve the level of cash reserves in conjunction with the budget adoption process.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of STA as follows:

Section 1. The STA Board of Directors hereby approves and adopts the 2023 budget including:

SOURCE OF FUNDS		USE OF FUNDS	
Revenues	\$ 157,044,144	Operating Expenses	\$ 106,845,045
Capital Grants	\$ 23,324,598	Capital Projects	\$ 76,201,204
From Cash Balance	\$ 18,786,392	Fleet Replacement Allocation	\$ 16,108,885
<b>Total Source of Funds</b>	<b>\$ 199,155,134</b>	<b>Total Use of Funds</b>	<b>\$ 199,155,134</b>

BOARD DESIGNATED CASH RESERVES	
Operating Reserve (15% of Operating Expenses)	\$ 16,026,757
Risk Reserve	\$ 5,500,000
Right-of Way Acquisition Reserve	\$ 4,950,000
Real Estate Acquisition Reserve - Proposed (Resolution No. XXX-22, concurrently adopted)	\$ 25,000,000
<b>Total Board Designated Cash Reserves</b>	<b>\$ 51,476,757</b>

Section 2. The STA Board of Directors hereby authorizes and instructs the Chief Executive Officer to carry out the purposes intended by the budget and to administer the provisions and appropriations as approved.

Adopted by STA at a regular meeting thereof held on the 15<sup>th</sup> day of December 2022.

ATTEST:

SPOKANE TRANSIT AUTHORITY:

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Dana Infalt  
Clerk of the Authority

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Chris Grover  
Board Chair

Approved as to form:

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Megan Clark  
Legal Counsel



# 2023 Final Proposed Operating and Capital Budget

Planning & Development Committee

November 30, 2022

# Current Vision/Mission

## Vision

- Connecting everyone to opportunity.

## Mission

- We provide safe, inclusive, convenient, and efficient public transportation services to Spokane area communities;
- We are leaders in transportation and a valued partner in the community's social fabric, economic infrastructure, and quality of life.

# Organizational Priorities

- Ensure Safety
- Earn and Retain the Community's Trust
- Provide Outstanding Customer Service
- Enable Organizational Success
- Exemplify Financial Stewardship



# 2023 Budget Guidance

- Foster and Sustain Quality
- Maintain a State of Good Repair
- Recover Ridership
- Proactively Partner in the Community
- Advance and Implement High Performance Transit
- Support 2023 Action Plan
- Ensure Financial Resilience through Sustainable Planning that Avoids Debt

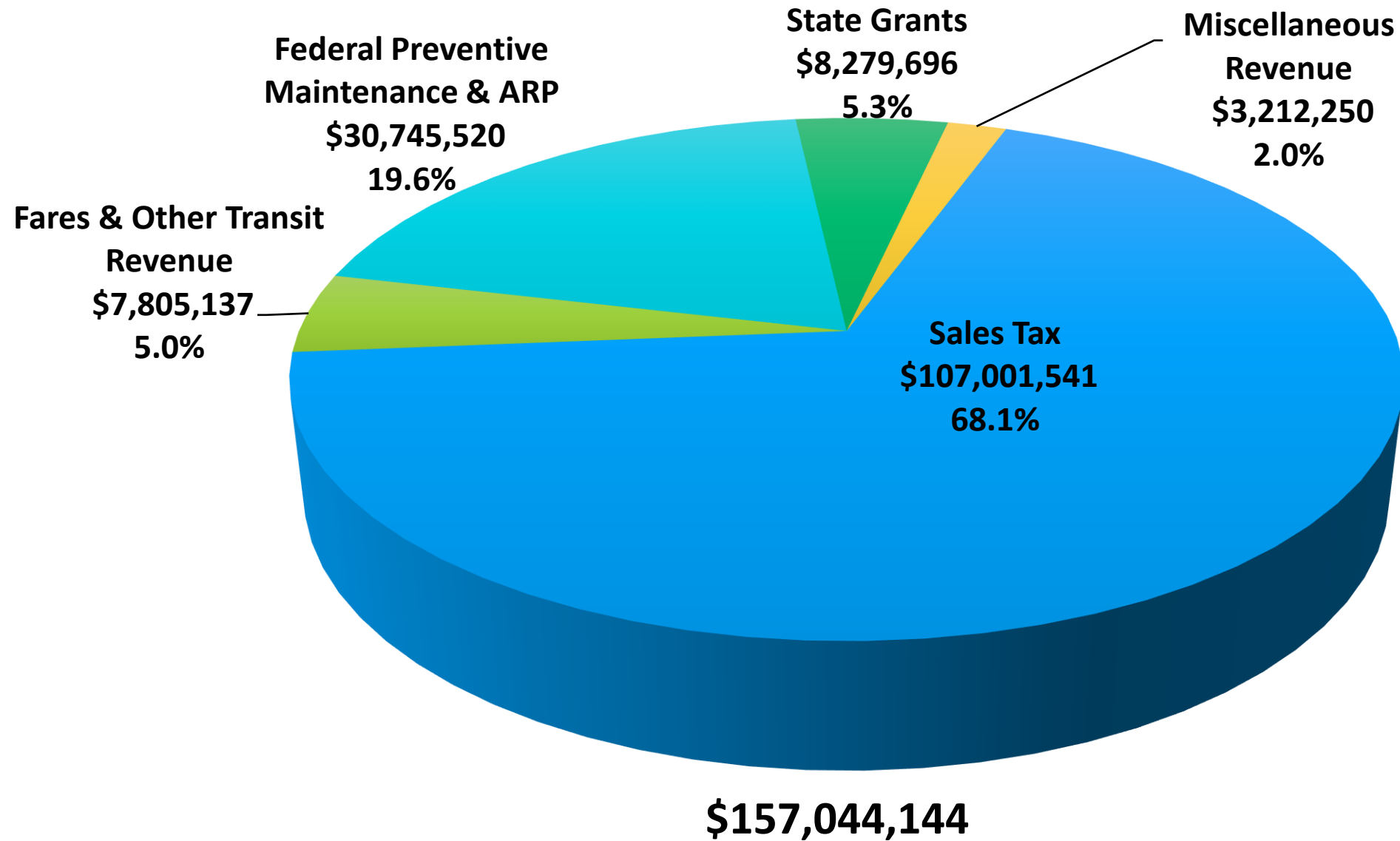
# Budget Comparison 2022 to 2023

	2022 Budget	2023 Final Proposed Budget	\$ Change from 2022 Budget	% Change from 2022 Budget	REFERENCE ONLY 2023 Proposed Budget
<b>Estimated Revenues:</b>					
Fares & Other Transit Revenue	\$7,458,902	\$7,805,137	\$346,235	4.6%	\$7,805,137
Sales Tax	\$106,074,026	\$107,001,541	\$927,515	0.9%	\$107,001,541
State Grants	\$1,708,713	\$8,279,696	\$6,570,983	384.6%	\$8,279,696
Miscellaneous Revenue	\$1,621,150	\$3,212,250	\$1,591,100	98.1%	\$1,673,250
Federal Operating Grants	\$19,959,412	\$19,959,412	\$0	0.0%	\$19,959,412
Federal Preventive Maintenance	\$8,422,729	\$10,786,108	\$2,363,379	28.1%	\$10,786,108
<b>Subtotal: Operating Revenues</b>	<b>\$145,244,932</b>	<b>\$157,044,144</b>	<b>\$11,799,212</b>	<b>8.1%</b>	<b>\$155,505,144</b>
Federal Capital Revenue	\$19,855,432	\$18,758,176	-\$1,097,256	-5.5%	\$18,758,176
State Capital Revenue	\$1,073,200	\$4,566,422	\$3,493,222	325.5%	\$4,566,422
<b>Subtotal: Capital Revenue</b>	<b>\$20,928,632</b>	<b>\$23,324,598</b>	<b>\$2,395,966</b>	<b>11.4%</b>	<b>\$23,324,598</b>
<b>Total Revenue</b>	<b>\$166,173,564</b>	<b>\$180,368,742</b>	<b>\$14,195,178</b>	<b>8.5%</b>	<b>\$178,829,742</b>
Decrease in Cash Balance*	\$4,128,552	\$18,786,392	\$14,657,840	355.0%	\$19,438,684
<b>Total Source of Funds</b>	<b>\$170,302,116</b>	<b>\$199,155,134</b>	<b>\$28,853,018</b>	<b>16.9%</b>	<b>\$198,268,426</b>
<b>Estimated Expenditures:</b>					
Fixed Route	\$60,436,033	\$68,948,452	\$8,512,419	14.1%	\$68,210,720
Paratransit	\$14,855,728	\$16,779,230	\$1,923,501	12.9%	\$16,685,870
Vanpool	\$645,413	\$720,167	\$74,754	11.6%	\$708,030
Plaza	\$2,509,662	\$2,730,106	\$220,445	8.8%	\$2,681,756
Administration	\$15,540,568	\$17,667,089	\$2,126,520	13.7%	\$17,671,960
<b>Total Operating Expenses</b>	<b>\$93,987,403</b>	<b>\$106,845,044</b>	<b>\$12,857,640</b>	<b>13.7%</b>	<b>\$105,958,336</b>
Capital Expenditures - Includes FR & PT Fleet	\$67,690,286	\$76,201,204	\$8,510,918	12.6%	\$76,201,204
FR & PT Fleet Replacement Allocation	\$8,624,427	\$16,108,885	\$7,484,458	100.0%	\$16,108,885
<b>Total Use of Funds</b>	<b>\$170,302,116</b>	<b>\$199,155,134</b>	<b>\$28,853,018</b>	<b>16.9%</b>	<b>\$198,268,426</b>

\* Represents net increase in cash from Cash & Reserve Analysis of \$2,326,859 less \$21,113,251 from reduction in Fleet Replacement Fund for purchase of vehicles.

# OPERATING REVENUE

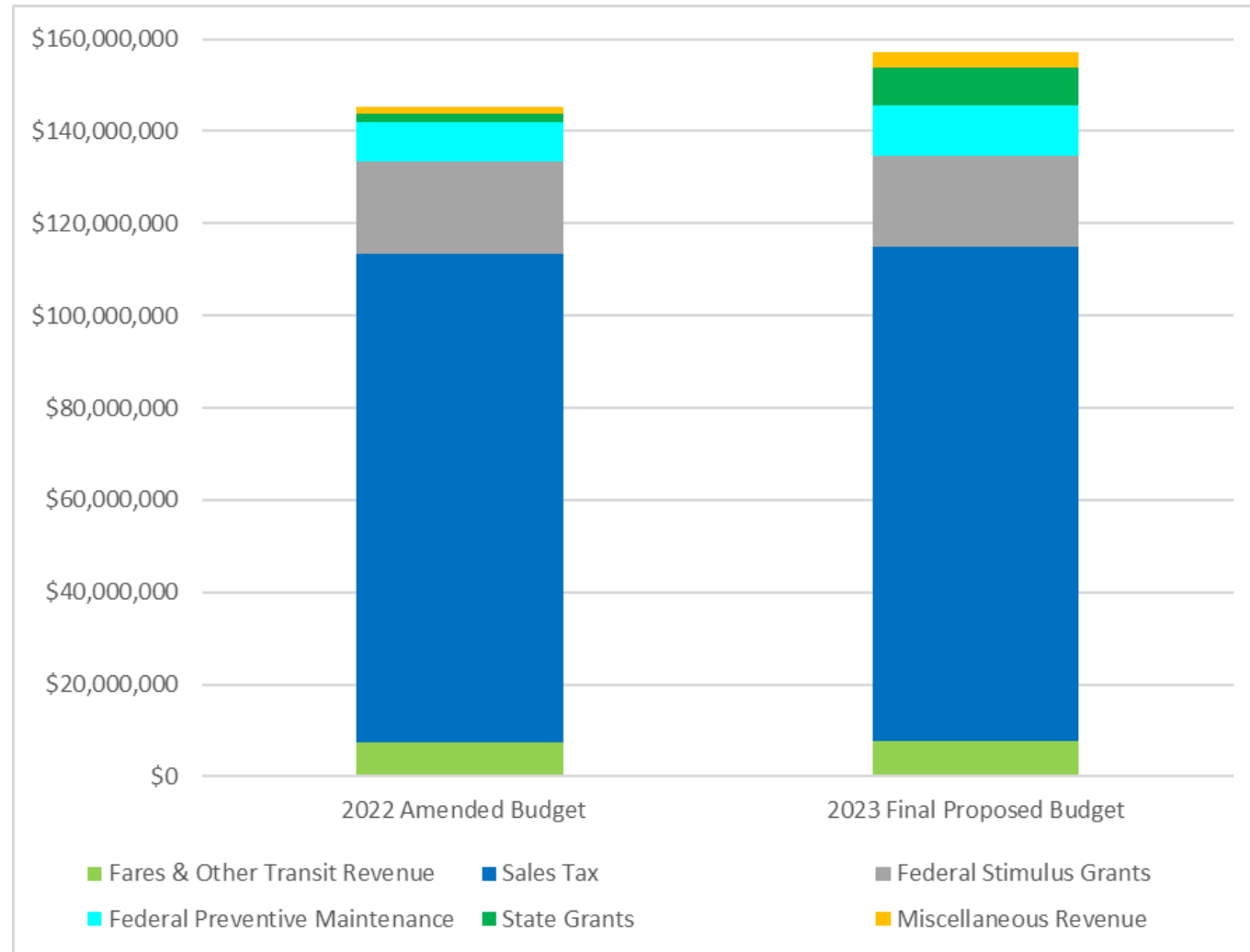
# 2023 Operating Revenue



# 2023 vs 2022 Operating Revenue Budget

2023 Operating Revenue	\$ 157,044,144
2022 Operating Revenue	<u>145,244,932</u>
<b>Operating Revenue Change</b>	<b>\$ 11,799,212</b> <i>(8.1% Increase)</i>

Final Proposed Budget \$1,591,000  
higher than Proposed Budget to  
reflect increase in investment income



# 2023 Operating Budget Assumptions

## Revenue – Sales Tax Recommendation

For 2023, staff recommends budgeted sales tax revenue be kept flat to 2022 actual through August 2022 and then use the 2022 budgeted revenue for September to December as detailed below:

2022 Actual Jan - Aug	\$ 73,018,922
2022 Budget Sept – Dec	<u>33,982,619</u>
2023 Sales Tax Budget	\$ 107,001,541

# 2023 Operating Budget Assumptions

## Revenue – Fare & Other Transit

Fare revenue of \$7,805,137 based on:

- Fare structure effective 10/1/2022 reflective of zero-fare for youth, implementation of new reduced fare categories and introduction of fare capping
- Ridership Changes summarized below

Mode	2022 Budget	2023 Draft Budget	2023 Change
Fixed Route	6.3M	7.6M	20.6%
Paratransit	277K	366K	32.1%
Vanpool	88K	120K	36.4%

# 2023 Operating Budget Assumptions

## Revenue – Fare & Other Transit

### Farebox recovery

- Fully allocated farebox recovery for fixed route, measured as fixed route farebox revenue over allocated fixed route costs, is summarized below:

	2021 Actual	2022 Budget	2023 Draft Budget	Objective
Recovery %	10.1%	8.6%	7.9%	20.0%

- The 2023 budgeted farebox recovery is constrained and below STA's stated objective impacted by:
  - Recovering ridership – post-pandemic
  - Introduction of new service where added costs precede added ridership
  - Introduction of fare capping, zero-fare and new reduced fare programs which attract riders while reducing fare revenue



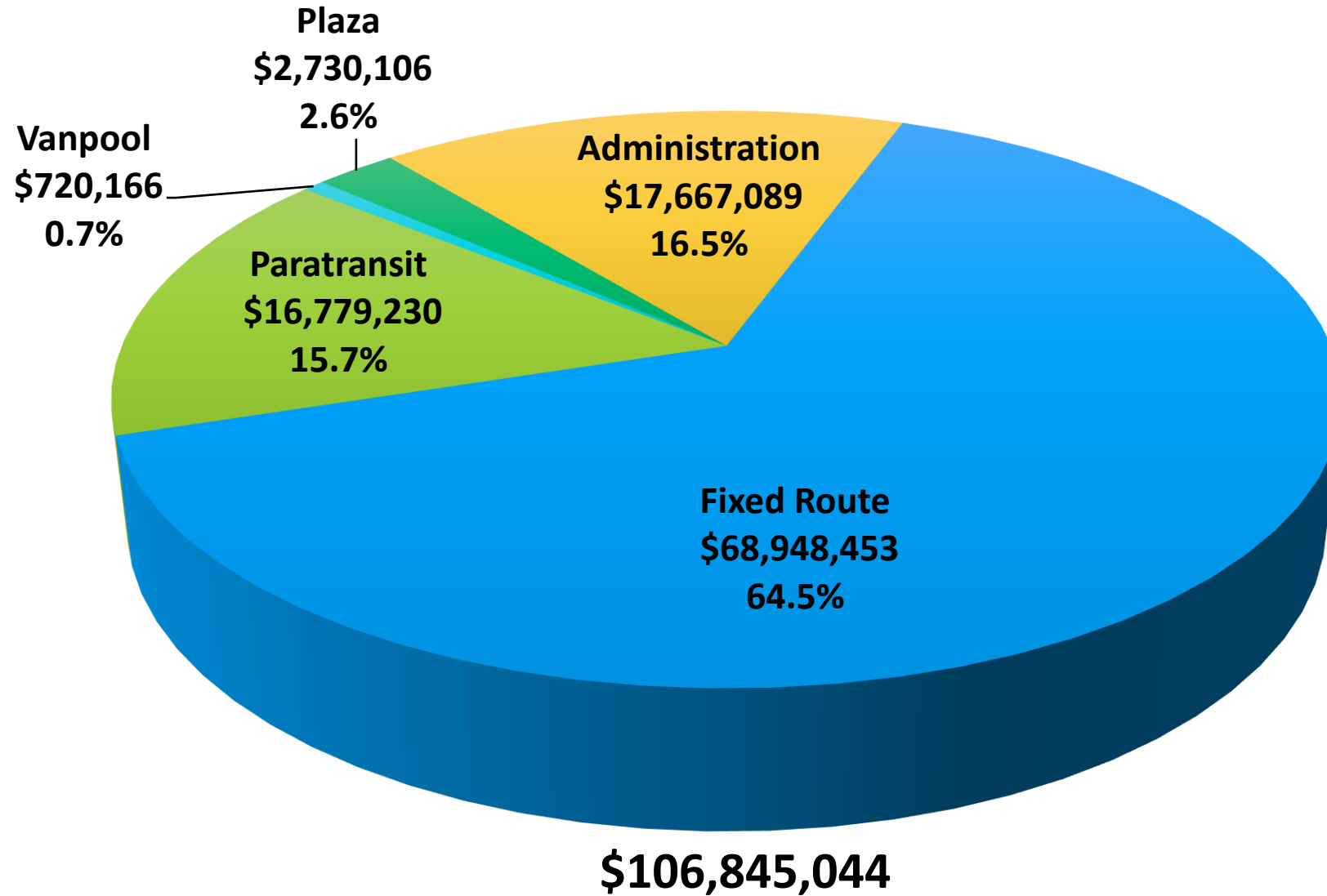
# 2023 Operating Budget Assumptions

## Revenue – Grants and Miscellaneous

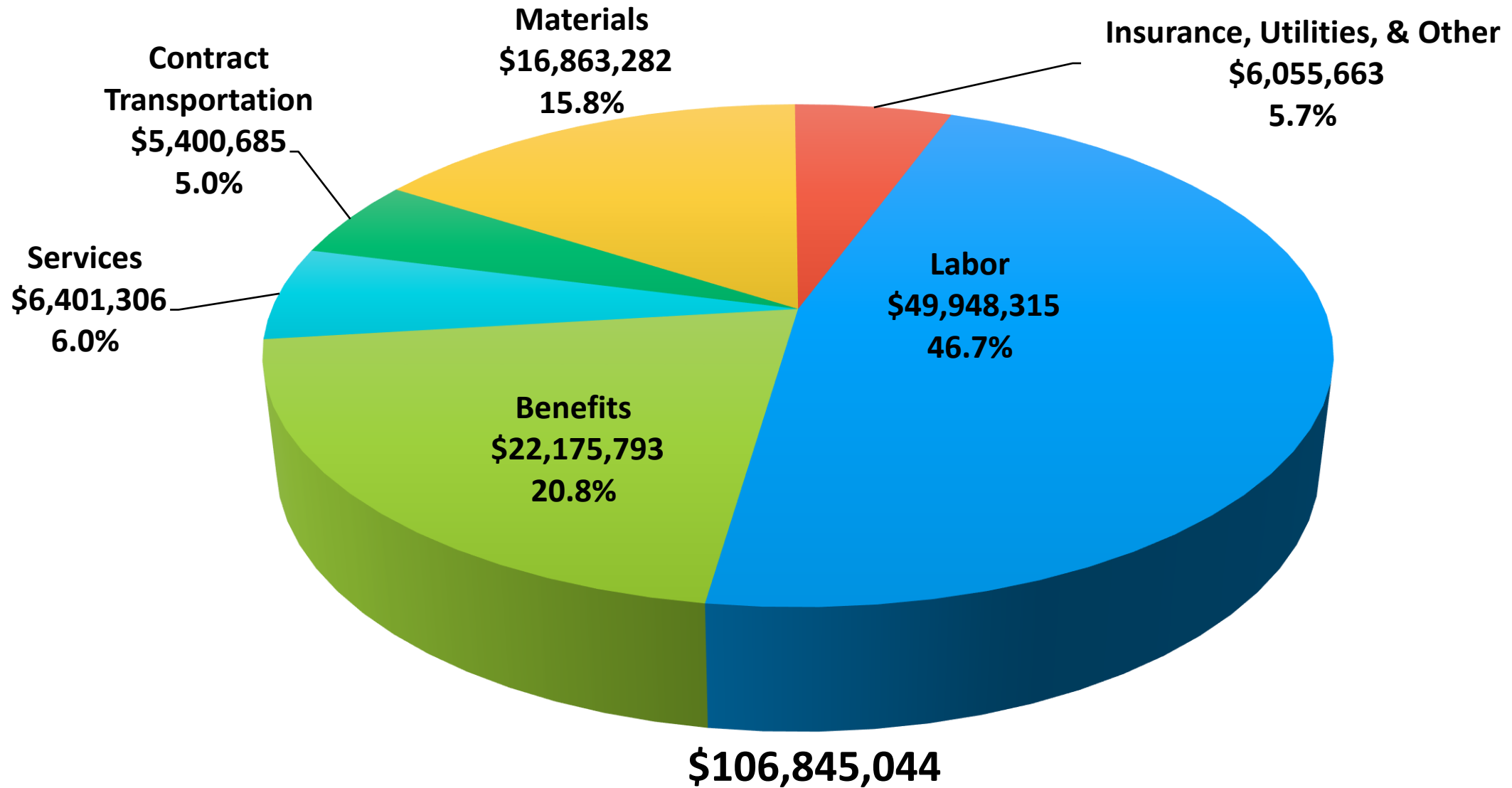
- Federal grants of \$30,745,520
  - 5307 Formula Funds - \$10,786,108
  - Federal Stimulus
    - ARP – remaining draw of \$19,959,412
- State Grants of \$8,279,696
  - Paratransit/Special Needs Formula - \$3,451,600
  - Move Ahead Washington Transit Support Grant - \$4,828,096
- Miscellaneous revenue of **\$3,212,250**

# OPERATING EXPENSES

# 2023 Operating Expenses by Division



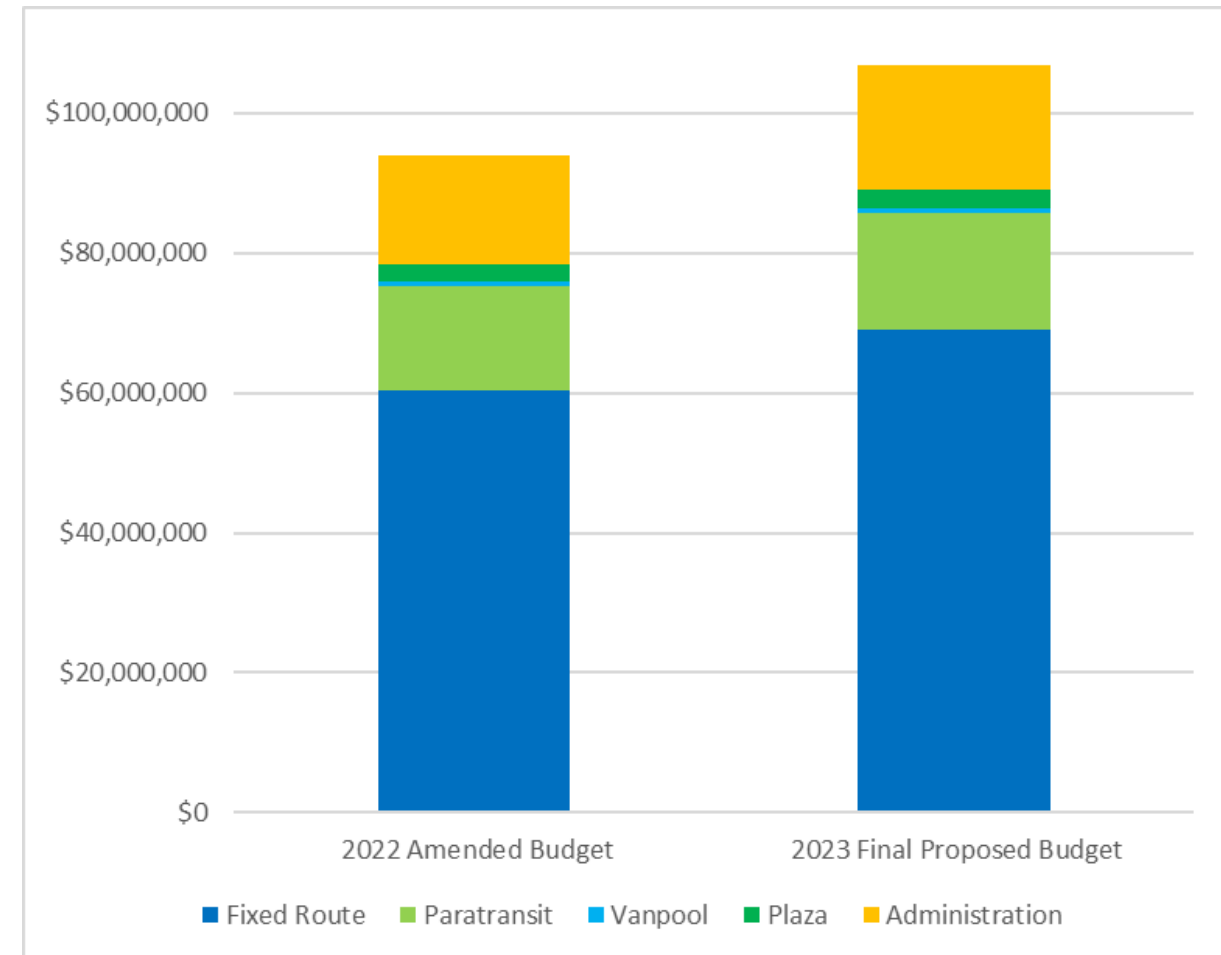
# 2023 Operating Expenses by Object



# 2023 vs 2022 Operating Expense Budget

2023 Operating Expense	\$ 106,845,044
2022 Operating Expense	<u>93,987,403</u>
<b>Operating Expense Change</b>	<b>\$ 12,857,641</b> <i>(13.7% Increase)</i>

Final Proposed Budget \$886,708 higher than Proposed Budget to reflect most recent fuel prices, final dental renewal rates and final property & liability insurance premiums



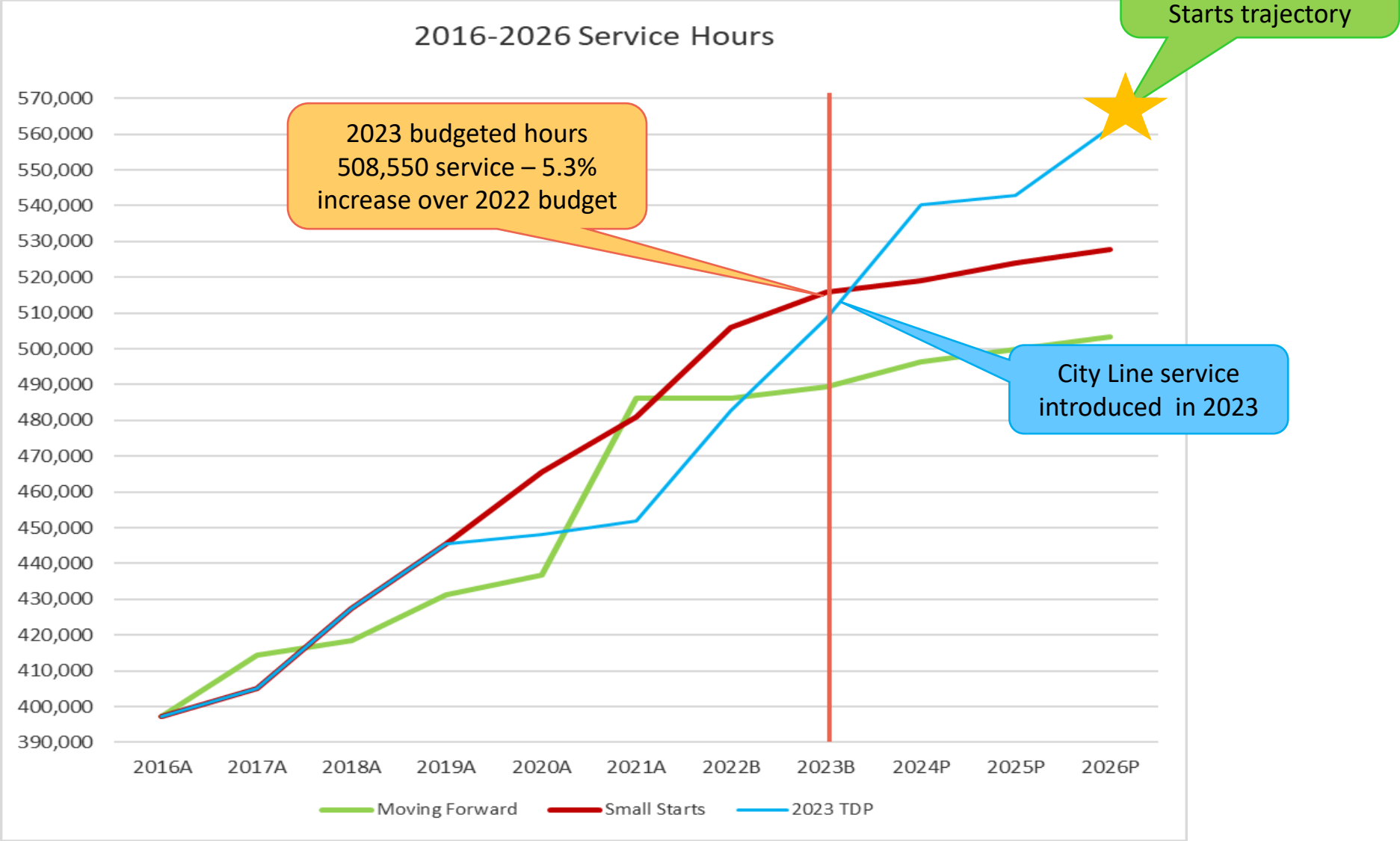
# 2023 Changes from Proposed to Final Proposed Budget

Summary of Expenditure Changes			
	Operating	Capital/Fleet Replacement	Total
<b>Proposed Expenditure Budget</b>	<b>\$105,958,336</b>	<b>\$92,310,089</b>	<b>\$198,268,426</b>
Additional Fuel Expense	781,189		781,189
Additional Property & Liability Insurance Expense	168,271		168,271
Reduction Dental Expense	-62,752		-62,752
Total Changes	886,708	-	886,708
<b>Final Proposed Expenditure Budget</b>	<b>\$106,845,044</b>	<b>\$92,310,089</b>	<b>\$199,155,134</b>

# 2023 Operating Expense Changes

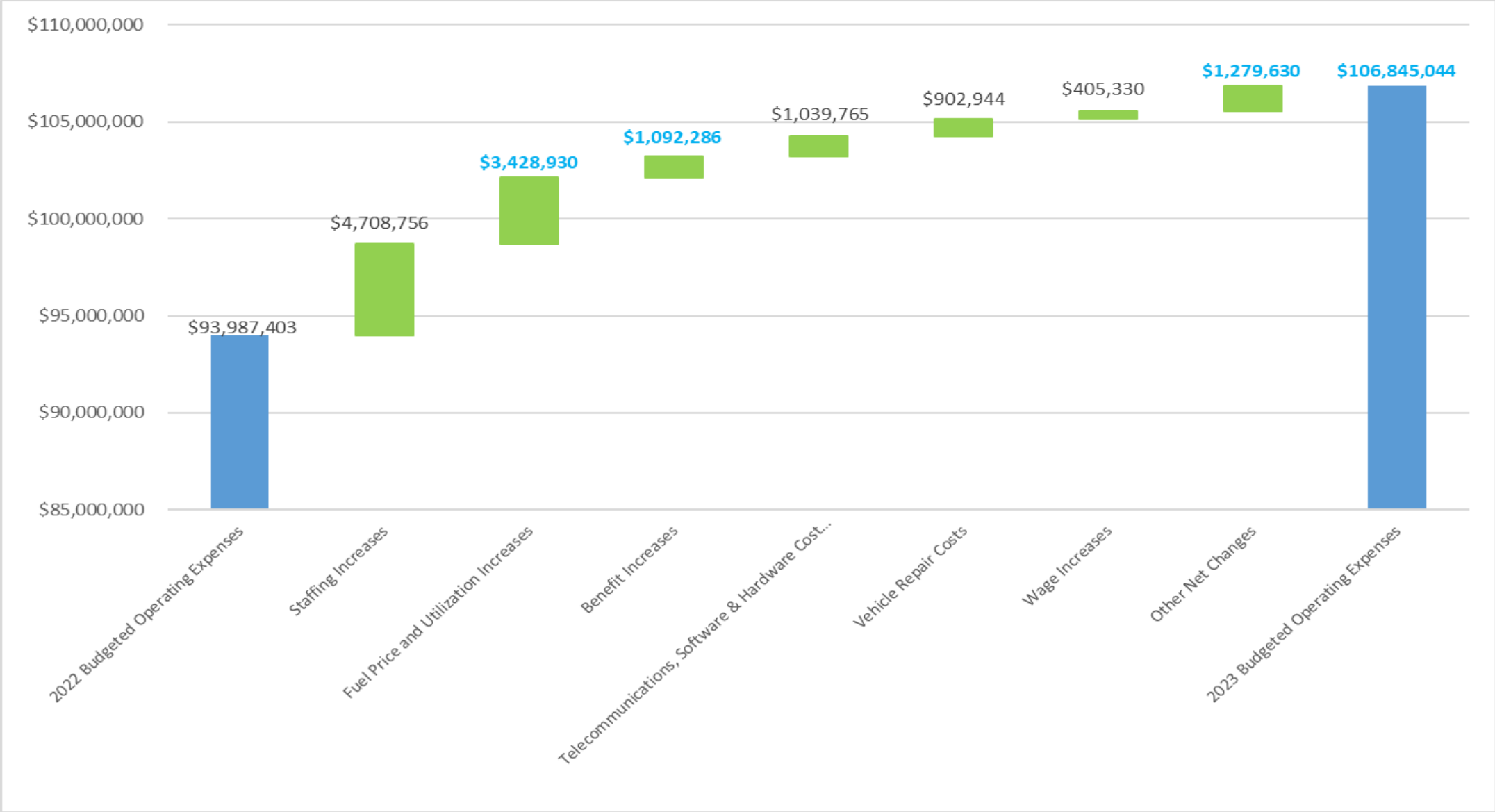
Object	2022 Budget (Rounded)	2023 Final Proposed Budget (Rounded)	\$ Change (Rounded)	Increase/(Decrease)>\$100,000		REFERENCE ONLY 2023 Proposed Budget (Rounded)
Labor/Benefits	\$65.9M	\$72.1M	\$6.2M (9.4%)	Labor Medical/Dental Retirement (FICA and Pension) State Industrial	\$ 4.8M \$ 0.7M \$ 0.4M \$ 0.3M	\$72.2M
Services	\$6.7M	\$6.4M	\$-0.3M (-4.4%)	Plaza Contracted Maintenance and Janitorial Legal-General Consulting (Planning/Real Estate)	\$ 0.1M \$ 0.1M \$-0.5M	\$6.4M
Contracted Transportation	\$4.9M	\$5.4M	\$0.4M (8.5%)	Paratransit contracted service Fuel	\$ 0.2M \$ 0.1M	\$5.4M
Materials	\$11.4M	\$16.8M	\$5.4M (47.3%)	Fuel (including lubricants/additives) Vehicle Repair Materials Information Systems Computer Hardware/Software Facilities and Grounds Repair Materials/Printing Supplies Plaza Furniture/Fixtures/Equipment	\$ 3.4M \$ 0.9M \$ 0.6M \$ 0.1M \$ 0.1M	\$16.1M
Insurance, Utilities & Other	\$5.0M	\$6.1M	\$1.1M (21.3%)	Utilities Property & Liability Insurance Employee Recruitment	\$ 0.4M \$ 0.5M \$ 0.1M	\$5.9M
Total	\$94.0M	\$106.8M	\$12.8M (13.7%)			\$106.0M

# Updated Service Hour Plan





# Operating Expense Changes by Key Driver



# 2023 Operating Budget Assumptions

## Expenses - Personnel

Division	2022 Positions	Changes	2023 Positions
Fixed Route	296 FT Coach Operators 22 PT Coach Operators <u>203</u> FT Other <b>521</b>	Coach Operators (17 FT and 3 PT) Journeyman Vehicle Technician Servicers (2) / Cleaners (2) Security Officers (fare inspection) (4) Office Assistant-Training (PT) Reclass of Revenue Clerk to Finance (-1)	313 FT Coach Operators 25 PT Coach Operators 211 FT Other <u>1</u> PT Other <b>550</b>
Paratransit	56 FT Van Operators 1 PT Van Operators <u>42</u> FT Other <b>99</b>	Van Operator (6 FT and 4 PT) Supervisor	62 FT Van Operators 5 PT Van Operators <u>43</u> FT Other <b>110</b>
Vanpool	<b>1</b> FT		<b>1</b> FT
Administrative	73 FT <u>1</u> PT <b>74</b>	Sr Business Intelligence Analyst (IS) Capital Project Manager (Planning) Sr Transit Planner (Planning) Geospatial Data Analyst (Planning) Administrative Assistant (Planning)	78 FT <u>1</u> PT <b>79</b>
<b>Total</b>	<b>671</b> FT <u><b>24</b></u> PT <b>695</b>	<b>49 FT Net Additions</b> <b>8 PT Additions</b>	<b>708</b> FT <u><b>32</b></u> PT <b>740</b>

FT = Full time PT = Part time

# 2023 Operating Budget Assumptions

## Expenses - Compensation

Employee Group	# of 2023 Budgeted Employees	Contract Term	2023 General Wage Increase
ATU 1015 (Fixed Route Operators, Maintenance, Facilities & Grounds, Customer Service & Clerical)	506	April 1, 2020 to March 31, 2023	TBD
AFSCME 3939 (Paratransit)	87	July 1, 2021 to June 30, 2024	2.25%
ATU 1598 (Fixed Route & Paratransit Supervisors)	31	February 1, 2021 to January 31, 2024	2.0%
Management & Administrative	116	At Will	4.0%
<b>Total</b>	<b>740</b>		

# 2023 Operating Budget Assumptions

## Expenses – Retention & Recruitment

Incentive Type	Budgeted # of Employees Eligible	Incentive Amount	Eligibility Period/Criteria	Budgeted Total
Retention Plan – Phase 3	635	\$2,000	December 1, 2022 to May 15, 2023	\$1,498,839
Retention Plan – Phase 4	659	\$2,000	May 16, 2023 to November 30, 2023	1,556,092
New Hire	67	\$3,000	\$1,500 after 30 days \$1,500 after 6-month probation	237,982
Employee Referral	57	\$1,000	\$500 after 30 days \$500 after 6-month probation	67,523
<b>Total *</b>				<b>\$3,360,435</b>

\* The retention & recruitment incentive cost are captured in Administrative salary & wage expenses and benefits

# 2023 Operating Budget Assumptions

## Expenses – Benefits (Medical & Dental)

Plan	2023 Final Proposed Premium % Increase	# of Employees Enrolled (as of September 2022)
Premera	10.5%	222
Kaiser Core HMO	6.7%	53
Kaiser Buy-up HMO	6.7%	308
Kaiser CDHP	4.7%	28
Washington Dental (preliminary)	0%	612

- Retirement
  - Employer's retirement contribution rate
    - 10.39%
  - Employee's contribution rate
    - PERS 1 6.0% on-going (statutorily set)
    - PERS 2 \*6.36% (legislatively set)
    - PERS 3 Varies 5% to 15%

\*The Washington State Pension Funding Council approved the 2023-2025 state retirement plan rates effective 9/1/2022. The State Legislature will include these approved rates as part of the biennial budget for 2023-2025.

# 2023 Operating Budget Assumptions

## Expenses - Fuel

Fuel Type	Average Price Per Gallon				2023 Fuel Budget (approximate)
	2021 Actual	2022 Budget	Aug-2022 YTD Actual	2023 Final Proposed Budget <sup>1</sup>	
Diesel	\$2.38	\$2.85	\$3.96	\$4.87	\$7.0M
Gasoline	\$2.78	\$3.21	\$3.86	\$4.58	\$1.1M
<b>Total Spend</b>	<b>\$3.5M</b>	<b>\$4.6M</b>	<b>\$4.1M</b>		<b>\$8.1M</b>

<sup>1</sup> Energy Information Administration November 2022 forecast with 1/4 standard deviation

# Capital

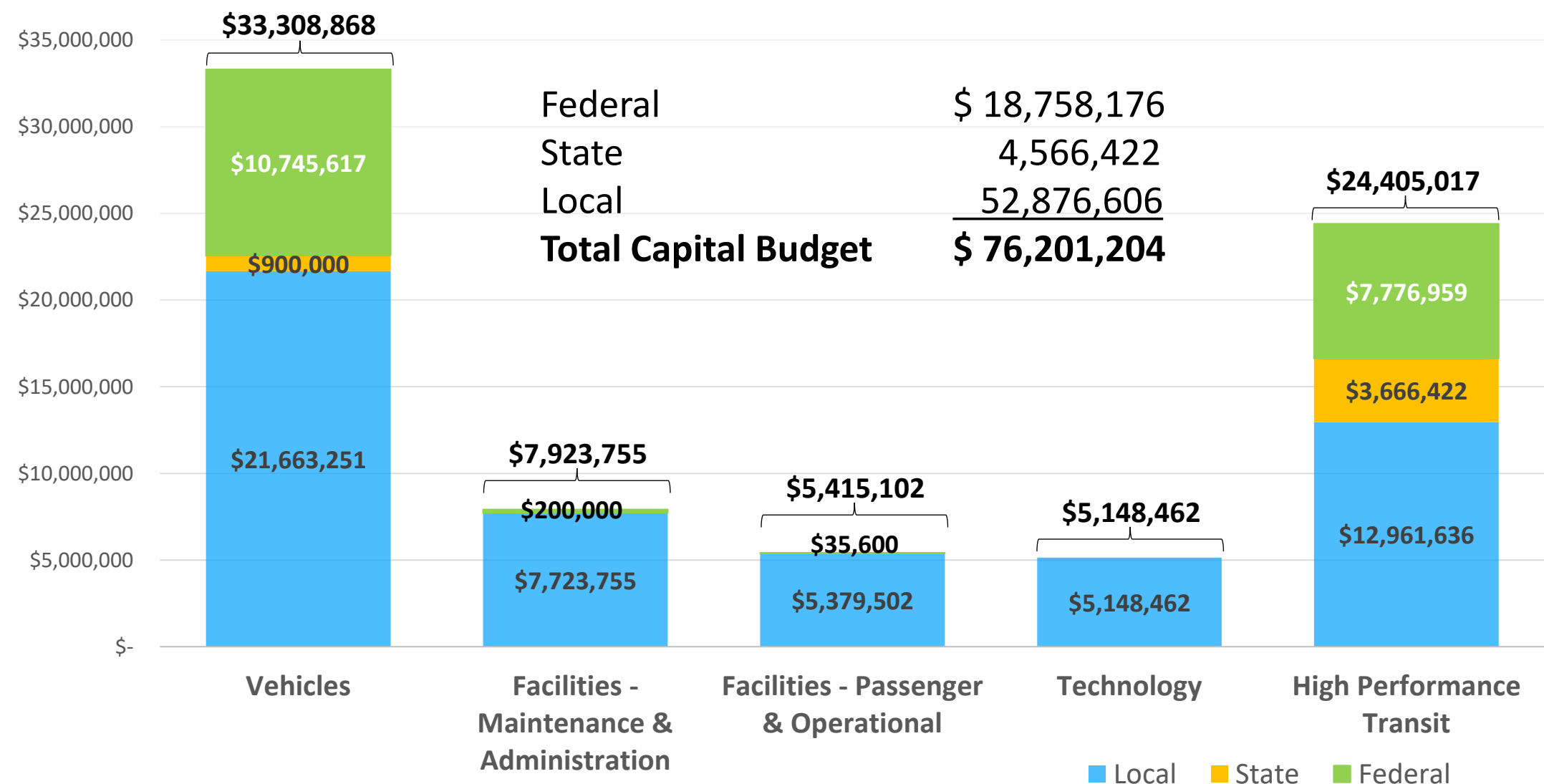
# 2023 Capital Budget & Budgeted Fleet Replacement Contribution

Funding Source	Amount	% of Total
Federal	\$18,758,176	24.6%
State	4,566,422	6.0%
Local (includes \$21,113,251 from Fleet Replacement Fund)	<u>52,876,606</u>	69.4%
2023 Capital Budget Total *	\$76,201,204	
Fleet Replacement 2023 Contribution	<u>16,108,885</u>	
Total 2023 Capital/Fleet Replacement Contribution Budget	\$92,310,089	

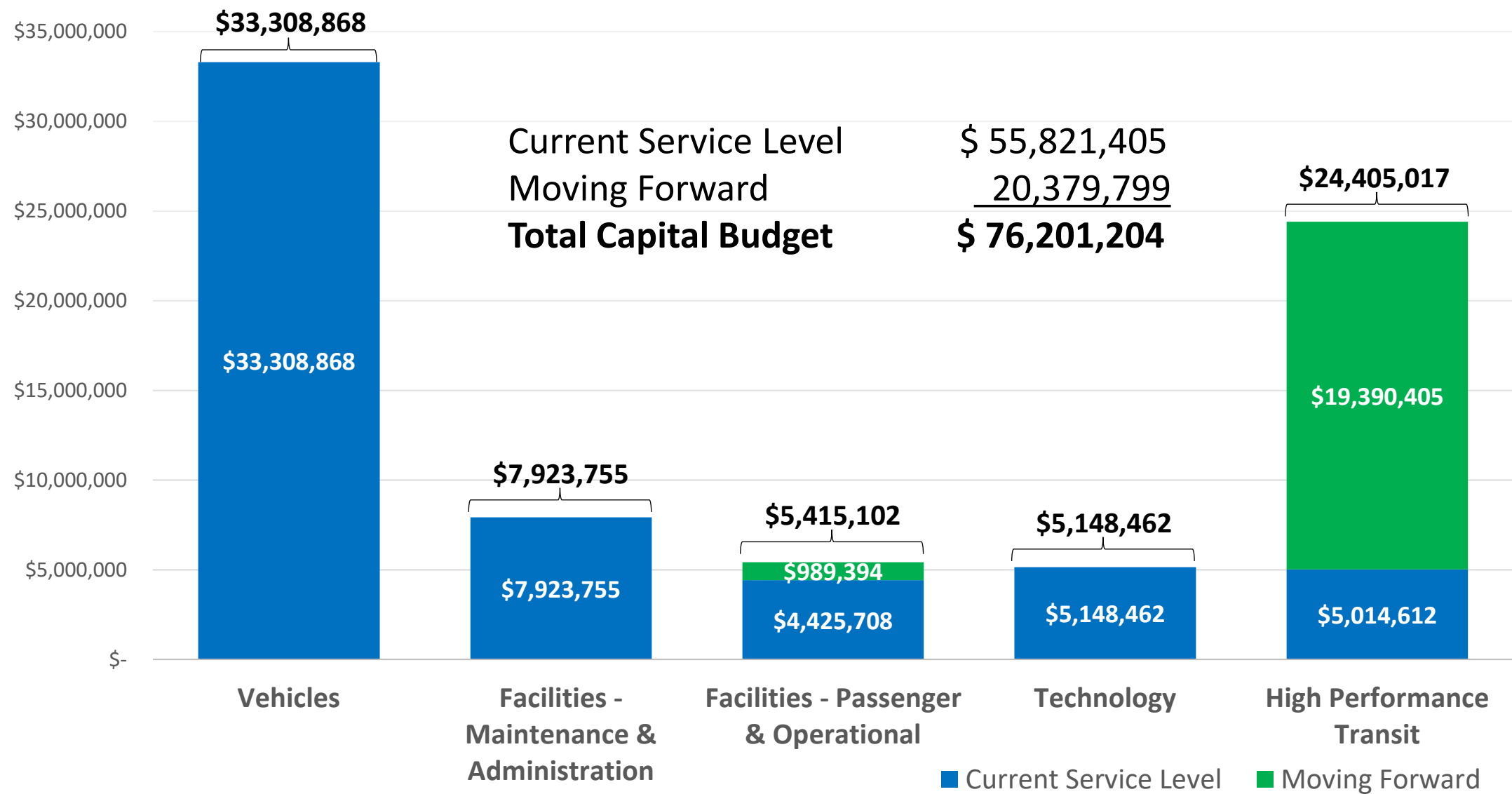
\*2023 Capital budget was decreased by \$8,626,455 from 2023-2028 CIP which was included in the TDP to account for timing of projects and updates to costs – 2023 capital in CIP was \$84,867,660.



# 2023 Capital Budget by Funding Sources



# 2023 Capital Budget by Investment Type



# 2023 Cash and Reserve Analysis

	2023 Final Proposed Budget
<b>OPERATING ACTIVITIES</b>	
Revenue (excluding capital grants)	\$ 157,044,144
Operating Expense	(106,845,044)
<b>Revenue Over / (Under) Operating Expenses</b>	<b>\$ 50,199,100</b>
<b>CAPITAL ACTIVITIES (Local Funds)</b>	
Purchase of Property, Plant, and Equipment	(31,763,355)
FR & PT Fleet Replacement Allocation	(16,108,885)
<b>Total Local Cash Used for Capital Activities</b>	<b>\$ (47,872,240)</b>
<b>NET INCREASE IN CASH</b>	<b>\$ 2,326,859</b>
CASH (Projected beginning 2023)	\$ 206,666,896
<b>CASH (Projected ending 2023)</b>	<b>\$ 208,993,755</b>
<b>BOARD DESIGNATED AND OTHER RESERVES</b>	
Operating Reserve (15% of Operating Expenses)	\$ (16,026,757)
Risk Reserve	(5,500,000)
Right of Way Acquisition Reserve	(4,950,000)
<i>Real Estate Acquisition Reserve - proposed</i>	<i>(25,000,000)</i>
Claims Reserve - L&I required	(357,000)
<b>Total Board Designated &amp; Other Reserves</b>	<b>\$ (51,833,757)</b>
<b>2023 Estimated End of Year Cash Balance After Reserves<sup>1</sup></b>	<b>\$ 157,159,998</b>
<b>2023 Estimated End of Year Fleet Replacement Fund Balance</b>	<b>\$ 21,904,532</b>

<sup>1</sup> Estimated end of year cash balance after reserves are used for future capital expenditures included in the 2023-2028 Capital Improvement Plan as well as to support future 2025-2035 strategic planning initiatives to be defined.

# Next Steps

Date ( 2022)	Action
October 5	2023 Draft Budget-Operating & Capital presented to the Planning & Development Committee
October 20	2023 Draft Budget-Operating & Capital presented to STA Board
November 2	2023 Proposed Budget-Operating & Capital & 2023 Strategic Plan presented to the Planning & Development Committee
November	Citizen and Employee Outreach
November 17	Public Hearing for the 2023 Proposed Budget-Operating & Capital
	Board adoption of the 2023 Action Plan
November 30	Recommendation of 2023 Final Proposed Budget-Operating & Capital presented to the Planning & Development Committee
December 15	Board adoption, by resolution, of the 2023 Final Proposed Budget-Operating & Capital

# Recommended Action

Review and recommend the Board adopt, by resolution, the Final Proposed 2023 Operating & Capital Budgets

Source of Funds:		Use of Funds:	
Revenues	\$157,044,144	Operating Expenses	\$106,845,044
Capital Grants	\$ 23,324,598	Capital Projects	\$ 76,201,204
From Cash Balance	\$ 18,786,392	Fleet Replacement Allocation	\$ 16,108,885
<b>Total Source of Funds</b>	<b>\$199,155,134</b>	<b>Total Use of Funds</b>	<b>\$199,155,134</b>

# Questions?

**SPOKANE TRANSIT AUTHORITY**

**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 4B2 :** ESTABLISHMENT OF DESIGNATED REAL ESTATE ACQUISITION RESERVE

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** E. Susan Meyer, Chief Executive Officer  
Monique Liard, Chief Financial Officer

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**SUMMARY:** Staff is working on several key High Performance Transit projects, currently at various stages, which will require real estate acquisitions to deliver the proposed capital elements and eventual expansions of service, specifically the I-90/Valley Corridor and Division Line. To dedicate funding to these real property activities and allow STA to be responsive in competitive real estate situations, staff is recommending the establishment of a \$25 million designated reserve for real estate acquisitions and other required or associated costs.

**BACKGROUND:** In October 2007, the Board of Directors adopted a designated cash reserve policy to align with its prudent financial management philosophy in the face of unforeseen fluctuations and to avoid the cost of incurring debt to finance its capital investments.

*STA Moving Forward* and *Connect 2035*, STA's current and next strategic plans, both contain projects which call for significant investments in real estate to accomplish the desired capital and operational elements of these projects. These key projects currently include the I-90/Valley Corridor and Division Line. With the growth in the region, the cost and availability of real estate has come at a premium. Being able to act quickly and decisively in what may prove to be competitive situations for acquisitions of real property will prove essential for STA. Having access to a dedicated real estate reserve will ensure that funds are available and dedicated to these pursuits.

Therefore, as part of the 2023 budget process, staff recommended the creation of a newly designated reserve to provide adequate funding for such future acquisitions of real estate

**RECOMMENDATION TO COMMITTEE:** Recommend the Board of Directors adopt, by resolution, the establishment of a \$25 million designated real estate acquisition reserve.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION FOR THE PURPOSE OF ESTABLISHING A DESIGNATED REAL ESTATE ACQUISITION RESERVE AND OTHER MATTERS PROPERLY RELATING THERETO.

SPOKANE TRANSIT AUTHORITY  
Spokane County, Washington

BE IT RESOLVED BY THE SPOKANE TRANSIT AUTHORITY as follows:

WHEREAS, the Spokane Transit Authority (STA) is a municipal corporation operating and existing under and pursuant to the Constitution and the laws of the state of Washington, pursuant to RCW Title 36, Chapter 57A, Public Transportation Benefit Area and is permitted to acquire real estate under RCW 36.57A.090; and,

WHEREAS, the STA Board of Directors, pursuant to state law and the STA Bylaws, Article III Section 3.1, shall provide the policy and legislative direction for STA; and,

WHEREAS, the STA Board of Directors approved Resolution 630A-07 on October 18, 2007 to adopt a designated cash reserve policy; and,

WHEREAS, the STA Board of Directors considers it wise and prudent to avoid the cost of incurring debt to finance its capital investments; and,

WHEREAS, staff has prepared a proposed 2023 budget, provided public access to the budget and the STA Board of Directors has held a public hearing on the proposed budget; and

WHEREAS, as part of the 2023 budget process, staff has recommended the creation of a newly designated reserve to provide adequate funding for future acquisitions of real estate to support STA's capital and strategic planning activities through STA Moving Forward and Connect 2035; and,

WHEREAS, the STA Board of Directors desires to have sufficient funding for acquisitions of real estate which are expected to increase in frequency and size over the next several years; and,

WHEREAS, the STA Board of Directors desires to be able to act quickly and decisively in matters of real estate acquisitions given the current competitive real estate environment.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of STA as follows:

Section 1. The STA Board of Directors hereby adopts an additional designated cash reserve for real estate acquisitions of \$25,000,000 effective as of the date of this resolution.

Section 2. The STA Board of Directors hereby designates that this reserve will be used for the sole purpose of acquiring real property, including but not limited to land, structures, partial property interests, or other acquisitions, including all necessary or associated costs.

Section 3. The STA Board of Directors hereby authorizes the Chief Executive Officer to take all actions necessary to establish and manage the Real Estate Acquisition reserve in accordance with STA policies and procedures, including Resolution 630A-07.



Adopted by STA at a regular meeting thereof held on the 15<sup>th</sup> day of December 2022.

ATTEST:

SPOKANE TRANSIT AUTHORITY:

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Dana Infalt  
Clerk of the Authority

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Chris Grover  
STA Board Chair

Approved as to form:

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Megan Clark  
Legal Counsel

**SPOKANE TRANSIT AUTHORITY**  
**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 6:** CEO REPORT - INFORMATION

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** E. Susan Meyer, Chief Executive Officer

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**SUMMARY:** At this time, the CEO will have an opportunity to comment on various topics of interest regarding Spokane Transit.

**RECOMMENDATION TO COMMITTEE:** For discussion.

**SPOKANE TRANSIT AUTHORITY**  
**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 8:** FEBRUARY 1, 2023, COMMITTEE MEETING DRAFT AGENDA REVIEW

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** Karl Otterstrom, Chief Planning & Development Officer

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**SUMMARY:** At this time, members of the Planning & Development Committee will have an opportunity to review and discuss the items proposed to be included on the agenda for the meeting of February 1, 2023 (no January 2023 meeting).

**RECOMMENDATION TO COMMITTEE:** For discussion.

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

## PLANNING & DEVELOPMENT COMMITTEE MEETING

Wednesday, February 1, 2023  
10:00 a.m. – 11:30 a.m.

### Via Virtual Conference

**Committee Members:** [Insert Link here](#)

**General Public:** [Insert Link here](#)

**Audio Conference:** Call the number below and enter the access code.  
+1-408-418-9388 | Access code: **xx** | Password: 2022

### DRAFT AGENDA

1. Call to Order and Roll Call
2. Committee Chair Report *(5 minutes)*
3. Committee Action *(5 minutes)*
  - A. Minutes of the November 30, 2022, Committee Meeting -- *Corrections/Approval*
4. Committee Action
  - A. Board Consent Agenda
  - B. Board Discussion Agenda
5. Reports to Committee *(30 minutes)*
  - A. Review 2023 Planning & Development Committee Work Program *(Otterstrom)*
  - B. Transit Development Plan 2023-2028 Overview *(Otterstrom)*
  - C. Title VI Plan Update: Draft Program and Outreach Results *(Otterstrom)*
6. CEO Report *(E. Susan Meyer) (15 minutes)*
7. Committee Information
8. Review March 1, 2023, Committee Meeting Agenda
9. New Business
10. Committee Members' Expressions *(5 minutes)*
11. Adjourn

Next Committee Meeting: Wednesday, March 1, 2023, at 10:00 a.m. via Webex

*Agendas of regular Committee and Board meetings are posted the Friday afternoon preceding each meeting at the STA's website: [www.spokanetransit.com](http://www.spokanetransit.com). Discussions concerning matters to be brought to the Board are held in Committee meetings. The public is welcome to attend and participate. Spokane Transit assures nondiscrimination in accordance with Title VI of the Civil Rights Act of 1964 and the Americans with Disabilities Act. For more information, see [www.spokanetransit.com](http://www.spokanetransit.com). Upon request, alternative formats of this information will be produced for people who are disabled. The meeting facility is accessible for people using wheelchairs. For other accommodations, please call 325-6094 (TTY Relay 711) at least forty-eight (48) hours in advance.*

**SPOKANE TRANSIT AUTHORITY**  
**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 2, 2022

**AGENDA ITEM 9:** NEW BUSINESS

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** n/a

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**SUMMARY:** At this time, the Committee will have the opportunity to initiate discussion regarding new business relating to Planning & Development.

**RECOMMENDATION TO COMMITTEE:** For Discussion.

**SPOKANE TRANSIT AUTHORITY**  
**PLANNING & DEVELOPMENT COMMITTEE MEETING**

November 30, 2022

**AGENDA ITEM 10:** COMMITTEE MEMBERS' EXPRESSIONS

**REFERRAL COMMITTEE:** n/a

**SUBMITTED BY:** n/a

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**SUMMARY:** At this time, members of the Planning & Development Committee will have an opportunity to express comments or opinions.

**RECOMMENDATION TO COMMITTEE:** n/a