

STA BOARD MEETING

Minutes of March 20, 2025, Meeting
STA Boardroom with Virtual Joining Option

MEMBERS PRESENT

Pam Haley, City of Spokane Valley, *Chair*
Lance Speirs, Small Cities (Medical Lake) (*Virtual*)
Lili Navarrete, City of Spokane
Josh Kerns, Spokane County
Kitty Klitzke, City of Spokane (*Virtual*)
Michael Cathcart, City of Spokane
Tim Hattenburg, City of Spokane Valley
Zack Zappone, City of Spokane
Chris Grover, Small Cities (Cheney) *Ex Officio*
Dan Dunne, Small Cities (Liberty Lake) *Ex Officio*
Dan Sander, Small Cities (Millwood) *Ex Officio*
Hank Bynaker, Small Cities (Airway Heights) *Ex Officio*
Rhonda Bowers, Labor Representative, *Non-Voting*

MEMBERS ABSENT

Al French, Spokane County

STAFF PRESENT

Brandon Rapez-Betty, Interim Co-CEO,
Chief Operations Officer
Karl Otterstrom, Interim Co-CEO,
Chief Planning & Development Officer
Carly Cortright, Chief Communications & Customer
Service Officer
Nancy Williams, Chief Human Resources Officer
Tammy Johnston, Interim Chief Financial Officer
Kade Peterson, Chief Information Officer
Dana Infalt, Clerk of the Authority

PROVIDING LEGAL COUNSEL

Megan Clark, Etter, McMahon, Lamberson,
VanWert and Oreskovich, P.C.

-
1. Call to Order and Roll Call - Chair Haley called the meeting to order at 1:31 pm and the Clerk conducted roll call.
 2. Pledge of Allegiance –Board Members, staff and guests stood to recite the Pledge of Allegiance.
 3. Excused Absences – The Chair announced that Mr. Zappone had requested an excused absence for the February 20, 2025, meeting. **Mr. Speirs moved to approve. Mr. Cathcart seconded, and the motion passed unanimously.**
 4. Approve Board Agenda
Mr. Hattenburg moved to approve the agenda. Ms. Klitzke seconded, and the motion passed unanimously.
 5. Board Chair Report – Chair Haley had no report at this time.
 6. Public Expressions – Mr. Erik Lowe and Mr. Terry Hill offered public expressions. Chair Haley asked if anyone attending virtually had comments. There were none.
 7. Board Action - Consent Agenda –
Mr. Hattenburg moved to approve Consent Agenda Items 8A through 8F as presented. Ms. Klitzke seconded, and the motion passed unanimously.
 - A. Minutes of February 20, 2025, STA Board Meeting– Corrections/Approval

- B. Approval of the February 2025 Vouchers as presented.
- C. Public Works Contracts under \$35,000: Final acceptance of the listed contracts as complete and authorize release of retainage security subject to receipt of Department of Labor & Industries approved prevailing wage affidavits.
- D. Whitworth Comfort Station: Award of Contract and Project Budget Adjustment - Approved the award of contract for the Whitworth Comfort Station project to WM Welch Corp. for \$286,069, and authorized the Interim Co-CEOs to apply contingency funds, as necessary, up to an adjusted project budget of \$565,000.
- E. Sprague Line Right of Way Acquisition - Approved, by motion, the real property acquisition and associated temporary construction easement between Costco Wholesale Corporation and Spokane Transit for a portion of Spokane County Parcel #35144.0114 for a total \$38,170.00 and authorized the CEO to execute closing documents on behalf of Spokane Transit.
- F. 2025 Operating Budget Amendment: Battery Electric Bus Vehicle Maintenance: Resolution 835-25 (Majority vote of five required for 7F) - Approved, by Resolution 835-25, an amendment adding \$3.82M to the 2025 Operating Budget to address battery electric bus vehicle maintenance.

8. Board Action – Committee Recommendation

- A. Plaza Generator and Roofing Upgrades: Award of Contract and Project Budget Adjustment – Mr. Rapez-Betty advised this item had been recommended by the Performance Monitoring & External Relations Committee by a three to one vote, following a robust discussion on the item. Based on feedback received during and after the meeting, staff brought this item to the full Board for a decision. He provided background on the condition of the roof and additional information on the Plaza generator.

Mr. Rapez-Betty introduced Ms. Jessica Kelch to review the thermal imaging taken from the roof. Ms. Kelch provided data and imaging of the roof and noted the condition and the recommendation to replace the roof due to 80% of it showing moisture underneath the membrane, with an additional 30% of the roof having moisture that goes deeper into the next layer of insulation. Following the thermal imaging, roof cores were taken to show the existing composition of the roof. She described the condition of the sections and advised this was additional verification there is moisture in the roof.

Mr. Rapez-Betty summarized STA's Transit Asset Management Plan (TAM), submitted to the FTA every four years and to WSDOT annually, supports sustainable capital budget planning. The TAM rating scale (1-5) identifies assets rated 3 as requiring inclusion in the Capital Improvement Program (CIP). The Plaza roof, rated 3 in the TAM, had increasing maintenance issues despite an expiring warranty. In 2023, the Board approved a \$661,000 capital request for a roof overlay project, which was included in the Transit Development Plan (TDP) and the Capital Improvement Program (CIP). In fall 2024, engineering inspections revealed an existing overlay, making a full roof replacement necessary per code. A December 2024 quote estimated the full replacement at \$1.7 million, significantly higher than the planned overlay. The project will include removing the existing roof, installing new insulation (R-38) and a PVC membrane, raising mechanical units, and adding fall protection anchors. The estimate excludes taxes, design, permitting, and contingencies.

Mr. Rapez-Betty also updated the Board on the Plaza Generator & Energy Compliance. The generator replacement project is estimated at \$383,000 (excluding tax, design, and permitting) and includes installing a new 480V, 100kW generator with a smaller diesel tank, upgrading the transfer switch, modifying wiring, and adding priority equipment to standby power. The current generator lacks capacity for critical backup functions. He advised the

Washington Clean Buildings Act requires buildings over 50,000 sq. ft. to reduce emissions by June 2028. STA's Plaza building currently exceeds the target. In anticipation, the Board previously approved \$1.7 million in the 2024-2029 Capital Improvement Program for future energy-saving projects.

After reviewing compliance options, staff rejected a metered path (estimated at \$16 million) in favor of the investment criteria path, which aligns with planned state-of-good-repair projects like the roof and generator replacements and avoids a \$150,000 annual fine.

The Plaza roof and generator projects are partially funded, with \$2.36 million available. An additional \$681,000 is needed to fully fund the projects, bringing the total request to \$3 million (including contingency and taxes). Without the projects, STA risks increased repair costs, potential emergency replacements, and non-compliance penalties.

The Board members were advised that staff saw four options for this issue:

- 1) Do nothing – risks higher costs and fines
- 2) Proceed with generator replacement only – ensures critical backup power
- 3) Proceed with roof replacement only – prevents structural issues and meets compliance targets
- 4) Proceed with both projects (staff recommendation) – maximizes efficiency and compliance while leveraging existing capital funds.

If approved, a Notice to Proceed will be issued in April 2025, engineering will occur in the summer 2025 and substantial completion by April 2026. Downtown events and road closures may impact construction timelines.

Mr. Rapez-Betty reminded the Board that the PMER committee recommended moving forward with the combined project.

Discussion ensued.

Ms. Klitzke moved to approve the award of contract for the Plaza Generator and Roof Upgrades project to McKinstry Essention, via TIPS, for \$2,637,726, and authorized the Interim Co-CEOs to apply contingency, as necessary, up to an adjusted project budget of \$3,000,000. Mr. Speirs seconded. Mr. Kerns, Mr. Hattenburg, Ms. Navarrete, Mr. Zappone, Ms. Klitzke, Mr. Speirs, and Ms. Haley voted yes. Mr. Cathcart voted no. The motion passed 7-1.

9. Board Operations Committee

- A. Chair Report – Chair Haley reported on the Board Operations meeting.

10. Planning & Development Committee (P&D)

- A. Chair Report – Mr. Hattenburg shared items discussed at the P&D meeting and advised that the Interim Co-CEOs will present two reports to provide detail to the Board.

- i. Facilities Master Plan Phase 1 Update - Mr. Rapez-Betty noted that periodic updates on this project have been provided over the past six months. As Phase 1 nears completion, the Board will be asked to formally accept the Phase 1 plan in the coming months.

The project is guided by principles such as mission support, effectiveness, adaptability, efficiency, collaboration, and fiscal stewardship. Key needs include a Clean Energy Campus for expanding the zero-emission fleet, a new Training Center to replace the outdated facility, Boone South Garage upgrades for maintenance and electric bus charging, a Public Meeting Space for Board and public engagement (with the Plaza as the ideal location), and additional Parking & Warehouse Space for materials and inventory storage.

Site analysis involved evaluating multiple potential locations based on feasibility, operational efficiency, community integration, employee benefits, and future growth. The site selection process ensures flexibility for either single-site or multi-site development.

The timeline includes near-term (2030) priorities focused on the training facility and clean energy campus, contingent on renewing the 0.2% sales tax, and long-term (2045) goals for a fully zero-emission fleet, with phased development aligned to fleet expansion.

The fleet transition will involve a phased shift to battery-electric and hydrogen fuel cell buses, with the goal of full transition between 2040-2045, depending on infrastructure readiness and funding.

Next steps include applying the criteria to narrow the property list, with a final evaluation to determine the preferred site(s). Staff will provide an update and seek Board acceptance of the FMP, which will present flexible scenarios. In Phase 2, the preferred property will be procured, followed by design and construction, with Board approval and renewal of the 0.2% sales tax.

- ii. Division Street Bus Rapid Transit: Design and Public Outreach Update - Mr. Otterstrom provided an update on the Division Street Bus Rapid Transit (BRT) project, a 10-mile corridor with 43 new stations, a transit center, and a charging layover at the north end. The project will include business access and transit lanes, and multimodal improvements along Ruby Street. STA is leading the effort, collaborating with Spokane City, Spokane County, WSDOT, and SRTC.

Currently in the development phase, the project is on track to reach 30% design completion this spring. Stations 7–28 and downtown stations 39–43 have met this milestone. Ongoing technical studies include geotechnical borings, traffic analysis, and intersection evaluations. STA is also preparing a ratings package for the FTA’s Capital Investment Grant program, focusing on ridership modeling.

Environmental documentation, including cultural resource, noise, and air quality studies, is progressing. The project is expected to receive a “Documented Categorical Exclusion” (DCE) under NEPA. Extensive community outreach has been conducted, including business engagement and design feedback.

The project targets a revenue service launch in the second half of 2030, with phased design and FTA reviews. Construction is expected to begin in early 2027, contingent on funding, environmental clearance, and design approvals.

Key risks include implementation of Washington State’s Complete Streets Policy related to active transportation, uncertainties around the North Spokane Corridor’s timeline, and the design of bicycle facilities on Ruby Street. Discussions with WSDOT are ongoing, particularly concerning Ruby Street’s road design and traffic flow impacts. STA is exploring phased implementation to provide early benefits while maintaining the full project vision.

STA plans to present phased options for board and community feedback soon, with funding opportunities, including the Climate Commitment Act, to support the project’s implementation.

Brief discussion ensued.

11. Performance Monitoring & External Relations Committee

- A. Chair Report – Mr. Speirs reported on the items reviewed at PMER this month and advised Ms. Johnston would provide a report to the full Board.
- i. 2024 Unaudited Year-End Financial Report – In the interest of time, Ms. Johnston offered to forego the report and answer any questions. The Chair asked if anyone objected to reading the report in the packet and directing questions to Ms. Johnston. Mr. Kerns asked if there were any red flags and Ms. Johnston said no. Everyone agreed to forego this verbal unaudited report that was already presented to the PMER committee and to direct questions to Ms. Johnston based on the information contained in the packet.

12. CEO Report - Interim Co-CEOs, Brandon Rapez-Betty and Karl Otterstrom, provided an update to the Board on the following items:

Transit Employee Appreciation Day was a great success, with Interim Co-CEOs Mr. Otterstrom and Mr. Rapez-Betty kicking off the celebration by distributing cake and cupcakes to employees. They visited various STA locations, acknowledging employees across maintenance, paratransit, customer service, security, and the Plaza. The event was well received, and special recognition was given to the Communications team for their thoughtful planning and execution.

Ridership experienced a slight month-over-month decline of 0.6%, though it remains 6.4% higher year-over-year. Fixed Route on-time performance stood at 92.3%, while Paratransit saw a 6.5% year-over-year increase, reaching 94% on-time performance. Rideshare declined 11% month-over-month and 9.3% year-over-year, partly due to February having one fewer day and the closure of five Rideshare groups.

Sales tax revenue for February, based on December sales, increased by 3.9%, though year-to-date figures remain flat at 1% above 2024 actuals and in line with budget expectations. Fare revenue declined by 3.1% in February compared to the previous year but is up 6.3% year-to-date, with actuals surpassing the budget by 8.3%.

Commissioner French attended the CIG Fly-In organized by Cardinal Infrastructure, where transit leaders and industry representatives met with federal officials to discuss cost-cutting measures, regulatory streamlining, and innovative financing strategies. The group emphasized the economic impact of transit infrastructure investments. Commissioner French also met with the region's federal delegation and their staff.

On the federal level, Congress passed a full-year resolution for FY 2025, allocating \$20.9 billion to public transit, including \$3.8 billion for the CIG program and \$1.1 billion for low- and no-emission bus grants. Discretionary grant awards are under review to ensure alignment with federal priorities, but STA remains optimistic that its projects will not face significant challenges.

State legislative priorities include monitoring HB 1418, which proposes adding two transit user voting members to the STA Board, and HB 1491, which supports transit-oriented development, particularly along Spokane's BRT corridors. The state's transportation budget faces challenges due to declining fuel tax revenues and increasing project costs, potentially impacting public transportation grants.

STA is preparing for a busy March with major events, including the Pacific Northwest Volleyball Qualifier and NCAA Women's Division I Basketball Tournament. To encourage transit use, STA partnered with the Downtown Spokane Partnership to promote Route 11, distribute day passes through hotels and businesses, and enhance wayfinding.

Upcoming travel includes the APTA CEO Seminar in San Antonio and the APTA Legislative Conference in Washington, D.C. Several board members will attend the Legislative conference. Later in the summer, the Transit Board Member and Administrator Seminar in Kansas City will provide networking opportunities for board members.

STA recently celebrated its 44th anniversary, marking the passage of the 1981 sales tax measure that funded regional transit. A newsletter article written by Mr. Otterstrom highlighted key figures in that effort, including former STA General Manager Bob Harder and community advocates from various political backgrounds, was distributed.

The annual STA Safety Awards Banquet at Northern Quest Casino will honor operators and employees for their commitment to safety and service. Board members and their guests are invited to attend and celebrate alongside frontline employees.

Mr. Rapez-Betty and Mr. Otterstrom offered to answer questions. None were forthcoming.

13. Board Information

- A. Committee Minutes
- B. January Financial Results Summary
- C. February 2025 Sales Tax Revenue
- D. January 2025 Operating Indicators
- E. Charge Management System Implementation
- F. Final 2025 Service Revisions Plan
- G. 2024 State Audit Timeline
- H. 2026-2031 Transit Development Plan: Tactical Framework and Stakeholder Outreach

14. Executive Session

At 2:55, Ms. Clark advised at this time, pursuant to RCW 42.30.110(b), the STA Board of Directors will adjourn to an executive session for the purpose of:

To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

The Board would be in session for approximately 10 minutes and would return at 3:06. As there would be no action taken because of discussions in the Executive Session, Chair Haley asked for New Business or Board Member Expressions prior to convening the Executive Session. There were none.

Chair Haley advised the Board meeting would be adjourned at the close of the Executive Session.

15. New Business – There was no new business.

16. Board Member Expressions – There were no Board Member Expressions

17. Adjourn

With there being no further business to come before the Board, the Chair adjourned the meeting at 3:06 pm.

. Respectfully submitted,



Dana Infalt
Clerk of the Authority