

PERFORMANCE MONITORING & EXTERNAL RELATIONS COMMITTEE MEETING

Minutes of March 5, 2025, Meeting
Northside Conference Room
1230 W Boone Avenue, Spokane, WA

In person meeting with optional virtual link

COMMITTEE MEMBERS' PRESENT

Lance Speirs, City of Medical Lake*
Josh Kerns, Spokane County
Michael Cathcart, City of Spokane
Zack Zappone, City of Spokane
Hank Bynaker, City of Airway Heights (*Ex-Officio*)
Brandon Rapez-Betty, Interim Co-CEO
Karl Otterstrom, Interim Co-CEO

COMMITTEE MEMBERS ABSENT

Dan Sander, City of Millwood (*Ex-Officio*)

**Committee Chairman*

STAFF PRESENT

Nancy Williams, Chief Human Resources Officer
Carly Cortright, Chief Communications and Customer Service Officer
Kade Peterson, Chief Information Officer
Tammy Johnston, Interim Chief Financial Officer
Molly Fricano, Executive Assistant to the COO

PROVIDING LEGAL COUNSEL

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

GUESTS PRESENT

Jessica Kelch, Senior Project Manager
Christian Bigger, Zero-Emission Fleet & Facilities Transition Manager

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1. **CALL TO ORDER AND ROLL CALL**
Chair Speirs called the meeting to order at 1:30 p.m. and roll call was conducted.
 2. **COMMITTEE CHAIR REPORT**
Chair Speirs had no report at this time.
 3. **COMMITTEE APPROVAL**
 - A. **Minutes of February 5, 2025, Committee Meeting**
Mr. Zappone moved to approve the February 5, 2025, committee meeting minutes. Mr. Cathcart seconded, and the motion passed unanimously.
 4. **COMMITTEE ACTION**
 - A. Board Consent Agenda
 1. **Whitworth Comfort Station: Award of Contract and Project Budget Adjustment**
Mr. Otterstrom provided background on the Whitworth Comfort Station and explained this project is providing a high-quality restroom consistent with Goal 3 of the *Connect 2035 plan*. He presented the project budget which was expected to exceed the approved budget by approximately 50% due to the addition of a construction contract and requested contingency expenses. WM Welch Corp. was determined to be the lowest responsive and responsible bidder. Mr. Otterstrom shared the need to increase the project budget by \$210,743 for an adjusted project budget of \$565,000. He presented the cost/benefit analysis and project timeline.

Councilmember Cathcart inquired about alternatives to the increased project budget and Mr. Otterstrom responded with additional rationale supporting the recommendation.

Mr. Zappone moved to recommend the Board approve, by motion, the award of contract for the Whitworth Comfort Station project to WM Welch Corp. for \$286,069, and authorize the Interim Co-CEOs to apply contingency funds, as necessary, up to an adjusted project budget of \$565,000. Mr. Cathcart seconded, and the motion passed unanimously.

B. Board Discussion Agenda

1. Operating Budget Amendment: Battery Electric Bus Vehicle Maintenance (Resolution)

Mr. Rapez-Betty provided background on STA battery electric bus successes and operational benefits. He discussed challenges STA has experienced due to the bankruptcy of Proterra resulting in a null warranty and replacement part availability. In addition, the City Line fleet has had issues with high voltage cabling failures and the need for a full fleet battery retrofit. Mr. Rapez-Betty presented a cost breakdown of addressing each challenge and the justification for the for a \$3.8M amendment to the 2025 operating budget. Committee discussion ensued seeking additional clarification and inquiring about potential alternatives.

Mr. Zappone moved to recommend the Board approve, by Resolution, an amendment adding \$3.82M to the 2025 Operating Budget to address battery electric bus vehicle maintenance. Mr. Kerns seconded, and the motion passed unanimously.

2. Plaza Generator and Roofing Upgrades: Award of Contract and Project Budget Adjustment

Mr. Rapez-Betty introduced Ms. Kelch, Senior Project Manager for Facility Master Planning & Implementation. Ms. Kelch provided background on the Plaza Generator and Roofing Upgrades project which meet the criteria for the investment path for energy reduction targets required by the Washington State Clean Building Performance Standard Act. She also presented items at the end of their useful life and due for replacement. STA has a Cooperative Purchasing Contract with McKinstry Essention who will be responsible for the work. Ms. Kelch presented the general scope of work for both the generator and roof upgrades, and the project timeline. She discussed the budget, which includes the requested adjusted budget of \$3,000,000.

Discussion ensued about the need to meet Washington State Clean Building Performance Standards versus performing these upgrades to prevent degradation causing further damage. Commissioner Kerns clarified his vote in favor of the Committee recommendation was intended to move the item to the full Board for discussion.

Mr. Zappone moved to recommend the Board approve, by motion, the award of contract for the Plaza Generator and Roof Upgrades project to McKinstry Essention, via TIPS, for \$2,637,726 and authorize the Interim Co-CEO's to apply contingency, as necessary, up to an adjusted project budget of \$3,000,000. Mr. Kerns seconded. Mr. Kerns, Mr. Speirs and Mr. Zappone voted yes. Mr. Cathcart voted no. The motion passed 3-1.

5. REPORTS TO COMMITTEE

A. Charge Management System Implementation

Mr. Rapez-Betty introduced Christian Bigger, Zero-Emission Fleet & Facilities Transition Manager. Mr. Bigger explained what a Charge Management System (CMS) does and the benefits it provides. He discussed the purchasing and implementation process, on and off peak usage, and the system performance to date. Mr. Bigger shared the on-going work taking place including staff training, testing and integration.

B. 2024 State Audit Timeline

Ms. Johnston explained that the Washington State Auditor's Office (SAO) will begin the National Transit Database (NTD) and Financial Audit in March. The SAO Entrance Conference is scheduled for the week of March 24, 2025. The Exit conference with STA administration will be held during the week of May 26, 2025, and the Exit Briefing with the Performance Monitoring & External Relations Committee will be on July 9, 2025.

C. 2024 Unaudited Year-End Financial Report

Ms. Johnston presented the 2024 revenue, expenses, and capital budget as well as the cash and reserve analysis. STA ended 2024 with \$154.6M in overall revenues which was 8% above budget. Ms. Johnston discussed the next-steps timeline.

D. Final 2025 Service Revisions Plan

Mr. Otterstrom introduced Emily Poole, Service Development Manager. Ms. Poole provided background on the final 2025 Service Revisions Report. She shared the 2025 Service Revisions Outreach Timeline showing changes will take effect May 18, 2025, and September 21, 2025. Ms. Poole presented the 2025 outreach results and highlighted the proposed revisions.

E. Citizen Advisory Committee Update

This agenda item was postponed due to time.

6. CEO REPORT

- Mr. Rapez-Betty reported on community outreach and public presentations he and Mr. Otterstrom have attended. At the Good Roads Association meeting, the Interim Co-CEO's presented on multiple topics. They both traveled to Olympia for the Washington State Transit Association First Quarter Board meeting in February and met with legislators, Governor's office staff, and new Transportation Secretary, Julie Meredith.
- Mr. Otterstrom provided an update on the State Transportation Budget. He shared the annual gas tax has been declining since 2018, and the House Transportation Committee is drafting multiple budget books to understand impacts and alternatives. Mr. Otterstrom discussed the possible impacts for Spokane Transit.
- Mr. Rapez-Betty shared that Commissioner Al French attended a Capital Investment Grant Fly-in sponsored by Cardinal Infrastructure. Participants from other transit agencies, as well as transit industry business representatives met with members of congress, Trump political appointees, and committee staff. The purpose was to discuss the importance of

federal transit investments to economic development and providing employment opportunities.

7. APRIL 2, 2025 – COMMITTEE MEETING DRAFT AGENDA REVIEW

8. NEW BUSINESS

9. COMMITTEE MEMBERS' EXPRESSIONS

10. ADJOURN

With no further business to come before the Committee, Chair Speirs adjourned the meeting at 3:28p.m.

The next committee meeting will be held on Wednesday, April 2, 2025, at 1:30 p.m. in person with a WebEx option.

Respectfully submitted,

Molly Fricano

Molly Fricano

Executive Assistant to the Chief Operations Officer