

Sound Transit Community Oversight Panel Hybrid Meeting Summary

December 13, 2023

COP Members Present: James Peyton, Paul Thompson, Tom Norcott, Scott Lampe, Lucas Simons, , Carston Curd, Gabriel Clark, Lorenzo Frazier, Donia Zaheri, Charlotte Murry, Diana Cambronero Venegas

COP Members Absent: Tina Pierce, Joe Scorcio

Others Present: Kathy Albert, Adam Montee, Katie Flores, Chris Hoffman

CEO Timm Discussion

- Julie Timm – CEO

CEO Timm began by saying she has enjoyed her time working at Sound Transit and making progress addressing challenges facing the agency. She also noted that she has been grateful for the COP and their contributions. When asked about the goals for the agency in 2024 she said that they were moving forward with operations and passenger experience initiatives (fare compliance, security, etc.). They are also focused on opening the projects that are nearing completion. Barriers and challenges must be addressed as they come up, and there are always challenges with construction projects. The agency has been able to pivot and refocus on meeting current schedules, which have changed over the last year due to challenges on East Link. There will be some crush loads when Lynnwood comes on line and staff have been working with Community Transit to address those capacity issues. Each project cannot impact other projects when they are opened. There also must be a sense of urgency to getting other projects online, like West Seattle to Ballard and Stride Rapid Transit. The Board will be taking on a role in recruiting the Deputy CEO for construction and there have been a number of exceptional candidates who have shown interest. CEO Timm said that there are lots of challenges, including cultural issues and the agency's structure, and that to be successful there will be strong learning curve to overcome these.

With regards to safety, CEO Timm said that the new safety and security plan is working, with staff levels ramping up. There will always be the challenge that security staff can't be everywhere all at once. They are deploying FAST teams quickly when an incident comes up and that has been working well. They are also piloting a social services program that is helping to address some of the human services issues that arise, with the initiative showing positive numbers helping to get people the support they need. They extended the pilot program until March 2024. Anecdotally, she has been hearing from riders that the safety and security situation is improving. A member asked about how the FAST team works with four vendors. CEO Timm said that she will have to have staff respond with the details, whether it's a contractor or internal staff.

With regards to question three about realignment and finances, CEO Timm said the agency will be taking steps to address the situation. The CFO and other agency leaders are looking hard at internal controllable costs, which are a small but critical part of the budget. Cleaning and fare ambassadors have presented increased costs that weren't planned for. ST3 is the larger part of Sound Transit's budget and the costs they have for those projects are very preliminary but there are ways to address them like advanced purchasing and contracting mechanisms. They are also looking at tradeoffs of project scopes and budgets that result in sensible options, like surface stormwater management, which is less expensive than underground systems. There have to be realistic conversations about what can be accomplished.

With regards to question four about reliance on consultants and increasing costs due to their involvement, CEO Timm said that having consultants on for short periods makes sense financially, and that they play an important role in keeping projects moving. Sound Transit has grown very fast and they have not always had the conversations about whether some of that consultant work can be performed in house, on for example, vertical conveyance systems. Sound Transit does a lot of contracting and they have been intentional about asking staff questions about why they need consultants and contractors. It's resulted in a shift towards asking more questions about when they need contractors. A member asked if the agency has been more critical about hiring consultants. CEO Timm said that it is in process but there hasn't been a cultural change yet; they still need to work on it, and the new CEO will have to continue to on that path. Another member said they agreed with CEO Timm that working on escalators is a well-paid trade and that they might be able to save money by bringing that work in house. CEO Timm said that the team has been exceptional at getting conveyance systems back in place and getting the out of service levels down.

With regards to question five about the West Seattle-Ballard Link cost estimates and at what point a project becomes too expensive to build, CEO Timm said that the projects are expensive but that it is more expensive not to build them. There is a huge need for these projects when you consider congestion on our roads, the pollution vehicles create, and sustainability. Expanding roads does not reduce congestion, it does the opposite. Ridership levels go up every time new lines are opened, because areas of high-density population are connected to areas of high-density jobs. These are valuable and reasonable investments to prepare for the future. CEO Timm notes that it is the policy makers role to make the decision about moving forward with projects.

With regards to construction inspection challenges, CEO Timm said that the biggest thing they can do to is to improve communication, specifically about issues that come up during construction. Quality and inspection will play a bigger role, and it will be necessary to fully fund and staff inspection teams. Early communication and empowering teams to make decisions is critical; teams have to call timeout if there is a quality issue.

With regards to the Federal Transit Administration (FTA) and their role, CEO Timm said the trust and relationship with FTA has improved dramatically. They have received positive feedback from the FTA about the improvements they have made. Additional resources have been allocated to help and they are meeting regularly to stay on top of issues.

With regards to finding the Deputy CEO for construction, CEO Timm said that it has been going well and they have been getting highly qualified candidates. Some have worked in other industries and have interesting relevant qualifications and they also have had some people with extensive transit experience apply. It does take time for this process to play out. She indicated that the Board will be taking the lead in completing the recruitment process.

Board Fares Update

- Alex Krieg – Director of Access, Integration & Station Area Planning
- Chad Davis – Director of Fares

Staff began by introducing their presentation and saying that they will focus on link fares, but there are a number of topics they will address. Staff said that this Friday the Board will be taking action on link fares and what that might look like. Staff said they have checked some things off their list, like fare compliance policy and establishing fare rates where they didn't exist, like on the Hilltop Extension. Next steps include the fare revenue equation and figuring out the right rates to charge in order to cover operating expenses and improve fare recovery. There are number of fare policy topics they are addressing including the fare

policy, fare structure and rates, and farebox recovery targets. They have a fares guiding framework that they rely on to anchor their work and assess tradeoffs. Staff then presented a fare engagement schedule graphic that began in March and included briefings, Board interaction, and passenger engagement. The link fare change is being proposed is the first update since 2015, and it is intended to address the expanding system realities and complexities. It also reflects the Boards' general interest in a flat fare structure. In the fare review process, staff are considering rates being charged at transit agencies. Staff noted that the current rate structure would result in a total of 9 fare rates when the system expands.

Staff presented peer agency rates and showed several similar agencies that have flat rates, demonstrating similarities and differences in how their fares are structured. Distance based fares require riders to tap off and to calculate their fare based on how far they plan to travel. Staff said that a little bit more than half of riders either have a flat fare or rely on an employer to subsidize their transit trips. A member asked the difference between riders who have a pretax benefit and a passport. Staff said they are focusing on who will really be affected by a fare change. Low income and employer provided riders won't see a change. It's the 46% of adult fare riders who are affected. Staff said they focused their engagement on the structure: distance-based or flat fare. Engagement efforts include an online open house with a survey, engaging with community-based organizations and focus groups, and interacting with riders at stations and transit centers. Overall, there was an even breakdown between preference for distance-based and flat fares. Full-fared passengers showed a slight preference for distance-based fares. When broken out by County there were differences in responses that showed slight preference for distance-based fares in King and Pierce counties and a slight preference for flat fares in Snohomish County. Results were also broken out by income and racial identity. When asked if people think the distance-based fare is easy to understand, respondents generally said the flat fare would be easier to understand than distance-based fares. They received 1,600 open-ended comments and key themes included that fare rates are too high, confusion about how the fare system works, and focusing on compliance.

Staff said additional analysis was carried out to arrive at a recommendation and noted that other agencies are using flat fares and that there is a challenge aligning fares in a distance-based system. Staff expect that as rates go up ridership goes down and that distance based fares would have greater ridership impacts on long trips and that flat fares would have a greater impact on short trips. Their Title 6 analysis shows that there won't be disparate impacts on minority or low-income riders. Currently, 85% of passengers (spring 2023 data) pay \$2.75 or less. Staff showed what costs would be under both scenarios for short and long trips. Flat fares are much simpler to remember than distance-based fares. Distance-based fare increases result in more income to Sound Transit. The flat fare increases also bring in more income as the increase escalates to a \$3.50 flat fare. In summary, staff felt the flat fares had more better impacts than distance fares and had fewer worse impacts. Staff are recommending the Board adopt a flat fare structure. Staff are not recommending a \$3.50 flat fare. A \$3.00 flat fare is slightly negative when compared to the \$3.25 fare as the \$3.00 fare has a projected revenue of \$95 million in 2027 and the \$3.25 fare has a \$103 million projected revenue that same year. Staff felt that either rate would be acceptable. The Rider Experience & Operations (REO) Committee recommended a \$3.00 fare. The fare rate would take effect when the Lynnwood extension comes online in fall 2024. The Board will take action on Friday, December 15 and they expect to come back to the Board in the first quarter of 2024 to update the fare policy.

A COP member asked about fare elasticity and how much they gain at the top end of fares and losing at the bottom end. Staff said that fare elasticity is a blunt instrument and is affected by things like gas prices. The member also asked what fare cap is under discussion. Staff said that they haven't addressed that yet. Under a fare cap, you pay as you go and once you reach the maximum amount you are done paying and don't have to make a larger payment up front. They will have that conversation about whether it will be daily or monthly. Another member asked about the distance-based fare and if tap off data is useful from more than a fare collection standpoint. Staff said that it is helpful to have data about where people get off. Under flat fares, they can still make inferences about where people get off. They also conduct origin-destination surveys every three years. A member asked about the Portland cap and if that applies to buses

and trains. Tri-met has a smaller system of buses and they can follow-up with specifics. Fare capping is made easier because so many riders use that system when compared to smaller local systems. The member asked about other peer agencies experiences and staff said that more research will be done to understand what they are doing. A member asked about double tapping (paying for two fares with one card). Staff said that they are looking at adding that to the fare system.

Audit Recommendation Discussion and Approval

- Paul Thompson, COP Chair and COP members

Paul asked for any comments on the audit recommendation letter. Paul asked for a motion to approve the letter and a motion and a second were provided. The COP approved the letter.

Discussion, Adoption of Previous Meeting Summary, Member Reports, Annual Retreat

The November 8 meeting summary was approved. Paul asked if there were any concerns about meeting on Valentine's Day. No concerns were expressed, and the panel decided to hold their regular meeting as planned. Paul mentioned that they also need to decide on a date for the retreat. The COP requested that a poll be sent out by the Administrator. Paul suggested February 21 or the third week in March as two options. Paul thanked Carston for his service on the COP and wished him well on his new role on the Bothell City Council. A member asked if they have received a presentation on train arrival times. Staff said they can provide updates on that. A member noted that they abstained from approving the November Summary because they were in London and said that they experienced riding on the Tube and how easy it was to ride and navigate. A member noted to the Snohomish County Executive's deputy that there are vacancies on the panel.

Questions For Next Meeting's Presenters

Paul previewed the topics for next month's meeting and asked the panel to send any questions they would like to ask the presenters to the administrator. A member mentioned that the West Seattle and Ballard extension presentation needs to have adequate time allocated to it since it is such a big topic.

Next Meeting: Wednesday, January 10, 2024, 5:30 – 8:15 PM

- West Seattle and Ballard Link Extensions Project and Community Engagement Update
- Public Safety Office Update