



Summary Minutes

Board Meeting
April 23, 2020

Call to order

The meeting was called to order at 1:32 p.m. by Board Chair Kent Keel in a Virtual Meeting via telephone and video conference.

Roll call of members

Chair	Vice Chairs
(P) Kent Keel, City of University Place Councilmember	(P) Dow Constantine, King County Executive (P) Paul Roberts, Everett Councilmember

Board members	
(P) Nancy Backus, City of Auburn Mayor	(P) Ed Prince, City of Renton Councilmember
(P) David Baker, City of Kenmore Mayor	(P) Kim Roscoe, City of Fife Mayor
(P) Claudia Balducci, King County Council Chair	(A) Nicola Smith, Lynnwood Mayor
(A) Bruce Dammeier, Pierce County Executive	(P) Dave Somers, Snohomish County Executive
(P) Jenny Durkan, Seattle Mayor	(P) Dave Upthegrove, King County Councilmember
(P) Debora Juarez, Seattle Councilmember	(P) Peter von Reichbauer, King County Councilmember
(P) Joe McDermott, King County Council Vice Chair	(P) Victoria Woodards, City of Tacoma Mayor
(P) Roger Millar, Washington State Secretary of Transportation	

Katie Flores, Board Administrator, announced that a quorum of the Board was present at roll call.

Report of the Chair

Virtual Meeting

Chair Keel requested a roll call vote for each action and asked staff to confirm each vote so that Board members know their vote was heard.

Realignment process

Chair Keel reported that the COVID-19 crisis has caused a severe disruption to municipal budgets all across the region and the nation. Sound Transit and other municipalities in the region are highly dependent on tax revenues that are plummeting rapidly. With greatly depleted revenues, Sound Transit will not be able to deliver expansion projects on their original timelines. Other projects might need to be cancelled or postponed. To respond to the COVID-19 crisis, staff has prepared a high-level presentation introducing the need for a capital program realignment. The Board needs to begin thinking about how to deliver the capital program in light of the huge impact the economic downturn will continue to have on our region. Chair Keel stated that he will also be working with Board Vice Chairs Roberts and Constantine to schedule an opportunity soon to inform elected officials about the agency's new financial reality.

In order to better position the Board to make informed near-term financial decisions in light of the revenue decline caused by the COVID-19 crisis, Chair Keel has instructed staff to provide monthly board

briefings regarding the agency's revenues and expenses, and identify any potential impacts of the revenue loss to the affordability of the capital program. Chair Keel formally asked Mrs. Flores to place this briefing on each board meeting agenda for the next several months as the Board works through this issue.

The Board and committees will begin monthly conversations about the current state of our projects, our finances and how we can move projects forward responsibly. This work will include a Board workshop which may need to be held virtually. Chair Keel acknowledged that realigning the capital program will be difficult and painful process, made that much more difficult by the fact that the true depth of the financial problem will only reveal itself over time. The Sound Transit Board had to go through a very similar process in 2010. This round of realignment could be more challenging, but Chair Keel noted that the Board will be entering into it with seriousness and professionalism.

Citizen Oversight Panel Annual Report

Due to COVID-19, the Citizen Oversight Panel Chair, Scott Lampe was not able to present the panel's annual report. The report was distributed to Board members. Chair Keel noted that Mr. Lampe would be invited to a future meeting to formally present the annual report.

CEO Report

CEO Rogoff extended sympathy to the family of Samina Hameed, the King County Metro bus operator who died from COVID-19 last week. Her tragic passing adds to the grief felt when Scott Ryan at Community Transit and Esther Bryan-Kyles at Washington State Ferries also lost their lives to the virus. Sound Transit is incredibly grateful to Samina, Scott and Esther for their service. Mr. Rogoff reported that all four Sound Transit employees who were diagnosed with COVID-19 have fully recovered.

Service update

Sound Transit ridership is down between 85-90% but the agency is continuing to operate essential service. Sound Transit has reduced service on all modes except Tacoma Link, primarily due to reductions in operator availability at partner agencies. Link Light rail was reduced from 14 minute headways to 20 minute headways, and is now operating at 30 minute headways with 4-car trains on all trips. A new schedule was published so riders can plan ahead and minimize wait times.

Two weeks ago Sound Transit reduced Sounder South service by another round trip. Seven of the 13 roundtrips continue to operate each weekday, and Sounder North continues to operate two roundtrips. ST Express service is reduced, but a core network still operates across all three counties. Sound Transit continues to operate with rear-door boarding on buses for all able riders. Sound Transit and partner agencies are not collecting fares at this time.

Unfortunately, there has also been a marked increase in vandalism and biohazards, primarily on light rail trains. Mr. Rogoff attributed this to several factors, including the lack of fares, fewer people riding overall, and the closure of most regional businesses and public restrooms. To address these conditions, Sound Transit is increasing communications about how to ride safely, asking riders to wear masks, and training security officers on how to interact with unhoused individuals. Along with our partner agencies in the region, the agency is beginning to discuss what our service is going to look like when the restrictions of the Stay Home/Stay Healthy restrictions begin to be lifted.

Suspending most construction

In early April the agency suspended work on more than 80% of projects. Mr. Rogoff thanked Design, Engineering and Construction Management Director, Ron Lewis, and Acting Chief Executive of Safety and Quality, Moises Gutierrez along with their teams for prioritizing safety and initiating an orderly shutdown.

Very limited work is continuing on tasks that are critical and/or necessary to ensure all sites remain safe and secure and/or to avoid mobility, environmental or other impacts. Sound Transit has boosted oversight on those sites that remain open by reallocating safety inspection and construction management resources from projects that have been closed. The agency will not hesitate to shut down work where any problems are observed. As is the case of operations, Sound Transit is beginning to have discussions on how to reopen construction activity as restrictions are lifted. Sound Transit will continue to partner with the building trades and construction firms to ensure that reopening are orderly and all necessary safety protections are adhered to.

Capital program realignment/next steps advancing projects

Following up on Chairman Keel's remarks, Mr. Rogoff briefly addressed internal actions and the next steps the staff will be working on to help prepare the Board for an upcoming realignment process. He has formed an inter-departmental Sound Transit work group to help support the Board's work to realign the capital program. The realignment task force will start to bring data and analysis forward to the Board in May, June and July, and updates on the agency's financial picture to Board Committees and the full Board as they become available. For projects where the Sound Transit Board has already approved planning and final design activities, Mr. Rogoff has instructed staff to continue that work. This will support project readiness for a range of possible revenue situations and for any new grant opportunities that may emerge.

Internal cost reduction efforts

While the agency looks at next steps with capital projects, staff will also be closely reviewing options for further reducing overhead costs. When developing the 2020 Budget, staff went through a robust internal exercise to identify cost reductions. Now that the COVID-19 crisis has hit, budget staff has developed and communicated an agency wide budget reduction target for further expense control. Earlier this month the agency paused hiring for all but the most essential job functions. When the stay-at-home orders are lifted, staff are going to suspend all travel that isn't essential in order to reduce costs further.

Based on the volume of work the voters have approved for Sound Transit, there is a trajectory to grow Sound Transit staff by 40 percent to a total of 1400 positions. However, Mr. Rogoff has informed the staff that it is quite likely that Sound Transit will not grow to that level and, in the near term, may not grow at all. The agency is not planning any furloughs or reductions in force. Wherever possible, the agency expects to fill critical vacancies internally, or shift people to different business units to fill needs.

Federal update

The Puget Sound Regional Council Executive Board convened an emergency meeting to approve the distribution of some \$520.6 million in CARES Act dollars to the ten transit providers in the Puget Sound urbanized area. With the Executive Board's action, Sound Transit and the region's other transit providers can now apply for these grants directly to the Federal Transit Administration.

Consistent with existing Federal formulas, Sound Transit has been apportioned \$166.3 million through the Executive Board's action. The Executive Board's actions were supported by the leadership of Sound Transit Board Members Bruce Dammeier and Claudia Balducci in their capacities as the PSRC's President and Vice President, respectively. This additional Federal funding will not come close to offsetting the revenue losses that are expected. The agency is grateful that the Federal government recognized the extraordinary needs of the transit industry as part of its initial response to COVID-19.

Sound Transit will continue to work with transit partners around the region and around the country on further federal stimulus packages, underscoring the extraordinary needs for transit services in a period of high unemployment and the ability to stimulate the economy with work on transit infrastructure.

West Seattle Bridge

Mr. Rogoff noted that the sudden closure of the West Seattle Bridge represents a serious blow to mobility in the region. It has been suggested that, perhaps, Sound Transit and the City of Seattle should partner on the construction of a single joint replacement structure over the Duwamish rather than the city replace its highway bridge while Sound Transit builds a separate light rail bridge. While there really haven't yet been any substantive conversations between the two agencies on this concept, there are obviously a great many things that would have to come together for the Board to consider this. As has already been discussed, in the wake of the plummeting revenues, the Board will soon be embarking on a process to realign our capital plan to one that can be supported with shrunken cash flows and depleted borrowing capacity. In the meanwhile, the planning process for the West Seattle project will continue. With all this uncertainty, it's far too early to know when your revised plan will be able to support rail construction to West Seattle and whether that timing will align with the City's need to replace the highway bridge.

Should there be an opportunity to address these needs in the same timeframe, there will need to be considerable analysis to ensure that the region's taxpayers can obtain the light rail elements and the city's taxpayers can obtain the highway elements at a lesser cost through a joint structure rather than two separate structures. That is not a given. In the wake of this sudden loss of mobility for West Seattle residents, Sound Transit is certainly willing to partner with the City to determine whether this concept can be a win-win for all concerned. The agency certainly recognizes the huge imposition the loss of the bridge will mean for West Seattle residents. Many of them commute to work at Sound Transit every day.

External Engagement Highlights

The agency continues to remain engaged with jurisdictions and partners. Mr. Rogoff sent an email to the Board outlining our work.

Public Comment

The Board welcomes public comment as an important part of the public process. Comments are received and considered by the Board in its deliberations. Chair Keel announced that due to the Governor's order and Motion No. M2020-23 approved last month, the Board is only accepting public comment via email.

Board members received written comments submitted by 12:30pm on April 23, 2020 by the following people:

Joe Kunzler

Henry Zimmerman

Bob Ortblad

Attorney General's Office

Consent Agenda

Voucher Certification: March 2020

Minutes: February 27, 2019 Board of Directors Meeting

Minutes: March 26, 2020 Board of Directors Meeting

The Consent Agenda was moved by Boardmember Roberts and seconded by Boardmember McDermott.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar
Ed Prince

Nays

Paul Roberts
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 15 Boardmembers that the Consent Agenda be approved as presented.

Business items

Motion No. M2020-25: Authorizing the chief executive officer to execute a contract modification with South County Transit Partners to exercise a contract option for Phase 2B design-build project management services for the Federal Way Link Extension in the amount of \$81,643,091, with a 10 percent contingency of \$8,164,309, totaling \$89,807,400 for a new total authorized contract amount not to exceed \$106,433,313.

Boardmember Balducci spoke to this item and noted that the System Expansion Committee reviewed the action in its April meeting and forwarded it to the Board with a do pass recommendation.

Motion No. M2020-25 was moved by Boardmember Balducci and seconded by Boardmember Woodards.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

Paul Roberts
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 14 Boardmembers that Motion No. M2020-25 be approved as presented.

Resolution No. R2020-07: Amending the Sounder Fleet Expansion project to allow for the procurement of eight passenger coaches by (a) increasing the authorized project allocation by \$43,084,120 from \$67,200,227 to \$110,284,120 and (b) increasing the 2020 annual budget by \$3,433,313 from \$1,323,973 to \$4,757,286.

Resolution No. R2020-07 was moved by Boardmember Balducci and seconded by Boardmember Woodards.

Boardmember Balducci spoke to this item and noted that the System Expansion Committee reviewed the action in its April meeting and forwarded it to the Board with a do pass recommendation.

Chelsea Levy, South Corridor Development Director, and Isaac Greenfelder provided the presentation and responded to Board member questions.

Boardmember Durkan asked for more information about the project costs presented. Mrs. Levy responded that one billion was the total allocation for sounder south improvements. It is broken up in several projects all to be approved by Board.

Boardmember Durkan raised concerns about advancing this work in the current economic environment. Mr. Rogoff stated that ST3 allowed for an increase of platform lengths and an increase to ten car trains. The action under consideration is for cars to increase to eight car trains to meet pre COVID-19 ridership demand. The procurement is with two other agencies and the procurement process would need to be started over again to meet current needs, costing more money. Trains would not be delivered until 2024, at which point they will be sorely needed.

Mr. Greenfelder reported that the budget amendment was for eight coach cars to meet capacity needs as well as expected ridership increase. The 2020 budget is offset by the deferral of the Sounder Locomotive project.

Boardmember Upthegrove asked if the Sounder South project budget was mostly unallocated. Mr. Greenfelder confirmed that is correct. Boardmember Upthegrove stated that the vast majority in Sounder south project would be available for cost reductions.

Boardmember Durkan asked whether staff had completed analysis regarding ridership returns following the COVID-19 crisis, and whether Sound Transit could receive better contract proposals the crisis is over. CEO Rogoff responded stating that Sound Transit cannot determine ridership models and reiterated that delivery would not be for four years. Compared to other, larger transit agencies, Sound Transit is a small buyer which is why we partnered with two other smaller agencies. The concerns of being bumped down order priority list are very real. Other production costs would exist as well.

Mrs. Levy confirmed that additional ridership analysis on Sounder South had not been performed since SDIP development.

Vice Chair Roberts spoke to the importance of future considerations of cost reductions and realignment within additional Sounder South ST3 projects.

Boardmember Balducci ended the discussion by stating the System Expansion Committee asked many of the same questions being posed at their meeting earlier this month. The Committee agreed that across the whole system potential cuts should be made.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Joe McDermott
Roger Millar
Ed Prince
Paul Roberts

Nays

Jenny Durkan
Debora Juarez

It was carried by majority vote of 13 Boardmembers that Resolution No. R2020-07 be approved as presented with Boardmember Durkan and Boardmember Juarez voting in the minority.

Resolution No. R2020-08: Selecting the non-motorized, transit and parking improvements to be built to improve access to the Auburn Sounder Station as part of the Auburn Station Parking and Access Improvements project.

Resolution No. R2020-08 was moved by Boardmember Balducci and seconded by Boardmember Baker.

Boardmember Balducci spoke to this item and noted that the System Expansion Committee reviewed the action in its April meeting and forwarded it to the Board with a do pass recommendation. Boardmember Balducci also stated the Committee asked about timing and whether this should move forward. Reiterating that this is a project which was already delayed and was ready to move forward.

Chelsea Levy, South Corridor Development Director, provided the presentation and responded to Board member questions.

Mrs. Levy reported that this action was not asking for an expenditure of funds. This project was approved in ST2 and the environmental analysis was completed earlier in year. Proposed improvements included garage with up to 675 spaces, pedestrian improvements, bicycle storage, and more. This project is experiencing cost pressures which may allow for cost and design innovations. Those pressures in updated conceptual estimates were higher than original estimate but the 2019 financial plan covered the increased costs. A design build approach for Kent Auburn Sumner and Puyallup could allow for flexibility and encourage innovation, prioritize outcomes and incentivize proposers, and reach a cost-effective delivery.

Boardmember Backus reminded Board that the parking structure/access improvement was part of ST2 and was tabled several years ago due to the Great Recession. She asked for support with moving the project forward now, since it was previously approved and delayed.

Boardmember Millar spoke against the action. Stating that many get to our system by walking or biking, and only 20 percent of people access the stations by vehicle. Almost all of system access investments are in parking despite the low percentage of vehicle access to system. Increasing parking encourages driving. Boardmember Millar is in support of the investment in Auburn, but asked that it be invested in increased transit and pedestrian/biking access to station or affordable housing.

Boardmember Von Reichbauer asked Mrs. Flores to confirm vote being heard and by each Boardmember. Also reiterated that voters approved project and Board must commit to promise being made to the public.

Boardmember Backus addressed Boardmember Millar's comments by adding that many Auburn customers do not walk or ride to station, but drive, and public streets are being used for parking, disrupting business in Downtown Auburn. She stated she was confident that the parking would be used by Auburn residents, not outside of RTA drivers.

CEO Rogoff reminded the Board that they passed a policy that all Sound Transit-owned parking would be charged in the future, and no permits would be issued to drivers outside of RTA. Cost per stall and other project cost estimates were made during the hot construction market, which is very different than now.

Boardmember Balducci said she wants to see agency move towards investing less in parking and more into other matters. However she stressed that it is important to move forward with building program, and changing course on a promise that was made would hurt the agency's credibility. She stated that she supports the resolution, but wants to encourage looking at updated policies in the future.

Boardmember Millar provided potential direction to staff that if garage should be built such that it could be converted to a housing structure if necessary in the future.

Boardmember von Reichbauer commended Mayor Backus on her work within the agency on the Board. Informed the Board that South King seemed to have delays more than other parts of King County. Also spoke to the support given by South King County residents on the programs despite not seeing the economic impacts other parts of the county realized.

Chair Keel asked and encouraged staff to look at design of the parking garage discussed by Boardmember Millar, as it would be a good compromise.

CEO Rogoff concluded stating that this was raised previously and staff was looking at the option in terms of construction viability and cost. He committed to bringing a briefing to the Board on design of all future parking garages.

Boardmember Millar expressed desire to spend money in Auburn in a more effective manner. With the understanding that potential to convert garage was a consideration, he would support the action.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

Ed Prince
Paul Roberts
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 16 Boardmembers that Resolution No. R2020-08 be approved as presented.

Resolution No. R2020-09: Recognizing, thanking and commending the Sound Transit and partner agency employees who are keeping everyone—especially essential workers—moving during this challenging time.

Resolution No. R2020-09 was moved by Vice Chair Roberts and seconded by Boardmember Backus.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Jenny Durkan
Debora Juarez
Joe McDermott
Roger Millar

Nays

Ed Prince
Paul Roberts
Kim Roscoe
Dave Somers
Dave Upthegrove
Pete von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 16 Boardmembers that Resolution No. R2020-09 be approved as presented.

Boardmember Durkan asked for financial projections before any more votes are taken which spend money.

Chair Keel proposed that at the Program Realignment Board Workshops, staff get the Board members up to speed with the status of the agency financially and otherwise. This will hopefully achieve what Boardmember Durkan is requesting.

Report to the Board

Program Realignment

CEO Rogoff thanked the Board for the resolution appreciating the staff. CEO Rogoff started the presentation by providing context to the discussion around the capital project impacts. The agency may face unprecedented financial impacts which may require extraordinary measures to address. Unlike past recessions, this happened all at once. Additionally, the impacts of public health measures needed following the current crisis may affect transit riding behaviors. Supply chains and the supply of human power is also unknown. Mr. Rogoff ensured that he will work with the Board to compose scenarios for consideration. Sound Transit staff is looking at adjustments to overhead budget, but the capital budget is

where impactful adjustments could be made. Many more briefings will follow at Committee and Board meetings.

Don Billen, Executive Director of Planning, Environment and Project Development, and Tracy Butler, Chief Financial Officer, provided the staff presentation and responded to Board member questions.

Mr. Billen reported that Great Recession offers insight into the impacts agency will see and the steps Board can take to react. The Board held past workshops to modify system plan, delay, or cancel certain capital projects. In September 2010, Board set priorities for projects. Higher priorities projects were to achieve voter approved plan, to preserve projects underway, and to maintain current assets. The lower priorities were projects which had lesser benefits or experiencing partners withdrawing from the project. Realignment categories were created for each project which determined whether to move forward, reduce scope, suspend indefinitely, or delete altogether.

Mrs. Butler reported that the economic information available is primarily at the national level, but much is currently unknown. The available data included national retail sales, unemployment claims, Sound Transit ridership, and available federal assistance. The available data regarding March and April tax revenues, the duration of Washington States mandated social distancing, and the length and severity of the economic impact were unknown. Staff has reviewed potential effects of reduced revenues due to tax, fare, and debt reductions. Mrs. Butler provided an overview of impacts on program affordability and agency's debt capacity in recessions comparable to the 2002 Dotcom Recession and the 2008 Great Recession. Both would threaten the program's affordability.

Mr. Billen reported that one of the best tools to manage affordability, is timing. Spreading projects over time could limit needed debt issuance, smoothing debt capacity. Reviewed other tools such as securing grants, suspension or deletion of projects, and potentially going to voters and legislature to approve tax increases. Reviewed the eight core priorities identified in the ST3 plan. The CEO's near-term approach included: proceeding with construction when it could be conducted safely and in accordance with Governors Orders; continuing work in planning and final design, may require slower more incremental approach; hold moving further projects into final design or construction with certain exceptions. Discussed proposed future schedule to brief and work with Board on this matter.

CEO Rogoff recognized that while actions were taken in 2010 and could be used to move forward, it may not be the only way and staff was open to hear from Boardmembers regarding how they want to move forward.

Chair Keel asked whether there were actions with financial commitments that need to take place before the Board's decision on program realignment. Mr. Rogoff responded that one notable project was the Sounder maintenance base. It was designed to be an expense saving facility, as currently maintenance contracted through Amtrak. Staff would be reviewing any and all actions. Chair Keel formally requested that Sound Transit staff review potential future actions with the Board's comments regarding need for more information in mind.

Boardmember Roscoe asked Mr. Rogoff to restate his comments in his report regarding potential realignment and whether there were intentions to reduce force. Mr. Rogoff reported that there will be no additional hires, but the agency is not planning to reduce force or furlough staff. He acknowledged that leadership may be asking staff to take on additional responsibilities as positions open.

Boardmember Juarez supported exploring conversations with City of Seattle regarding the joint West Seattle Bridge and light rail project. Mr. Rogoff agreed and emphasized that a joint project may not save money, but be more expensive than two separate projects. Confirming that the Agency would certainly explore the option with the city.

Vice Chair Roberts acknowledged Labor Liaison Mark Riker in his role as a leader in the labor community during this crisis. Recovery may affect both construction and operation of the existing system.

Mr. Billen reported what may be coming before the Board. There are some actions within a phase which was already underway. Such as advancing planning or design work which was already underway. Ron Lewis, Design Engineering, Construction Management Director, also reported that there are some potential actions to come to the Board from DECM. Such as, Federal Way Link Extension contracts, Systems contracts and Tacoma Link Extension actions. Chair Keel strongly encouraged the Board to look at everything, including projects which are already underway.

Next meeting

Thursday, May 28, 2020, 1:30 to 4:00 p.m.
Virtual meeting via WebEx

Adjourn

The meeting adjourned at 4:01pm.

Kent Keel
Board Chair

ATTEST:

Kathryn Flores
Board Administrator

APPROVED on _____, TW.