



Summary Minutes

Board Meeting
October 22, 2020

Call to order

The meeting was called to order at 1:36 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	(A) Kim Roscoe, City of Fife Mayor
(P) Claudia Balducci, King County Council Chair	(P) Nicola Smith, Lynnwood Mayor
(P) 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
(A) 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

Program Realignment Near-term Actions – At the September Board meeting, the Board approved consideration of a series of near-term actions to un-pause several key projects. Actions related to those projects were included on the October Board agenda, and similar actions moved forward at this month's System Expansion Committee meeting, including authorizing an I-405 BRT contract, an Everett Link and Operations and Maintenance Facility alternatives development contract, and the Everett parking agreement. The remaining items will be considered by the System Expansion Committee and Board in November. Approval of these near-term actions will not prevent the Board from making future alignment decisions to best achieve the objectives of the plan with the available resources.

Public Hearing held on 2021 Service Plan – Boardmember Baker presided over a public hearing on September 24, 2020 to receive comments on the 2021 Service Plan. CEO Rogoff shared that the Board received two comments at the public hearing. The first comment was from Joe Kunzler who asked that Routes 510 and 512 stop at Northgate Station when Link service opens, that Next Generation ORCA begin operation, and expressed satisfaction that fares were more synchronized on Link. The second comment was from Linda Kim, who asked for Route 522 to continue service to downtown, instead of stopping at the Roosevelt Link Station as planned in the 2021 Service Plan.

CEO Report

CEO Rogoff provided the report.

Rainier Valley TOD outreach – Mr. Rogoff noted that the agenda includes a TOD action for properties in Rainier Valley and spoke to the advocacy efforts to develop affordable housing and a Youth Achievement Center in the Rainier Valley. Staff are working with community partners, including Creative Justice, Africatown Community Land Trust, Community Passageways, as well as King County Councilmember Zahilay, King County, and the UW College of the Built Environment on a potential property transfer for the Youth Achievement Center that could be considered by the Board in the coming months.

Transit Oriented Development updates – Sound Transit's property in First Hill closed on its financing at the end of September and began construction. The project, developed by Plymouth Housing and Bellwether Housing, will create 360 affordable homes, including 112 public supportive housing units for very low income households and 248 units serving households earning 50% and 60% of area median income. The TOD program is also active in Bellevue. At the end of last month, Sound Transit's seven acre TOD site adjacent the Operations and Maintenance Facility East across from the Spring District-120th Station, hit an important milestone. Back in December 2019, Sound Transit issued a joint request for proposals with the City of Bellevue, King County, and ARCH. Sound Transit and the City each contributed approximately an acre of land at no cost and King County and ARCH offered a combined \$14 million to support the development of affordable housing. That process just concluded and the agencies identified a development team to advance into negotiations. The team, led by BRIDGE Housing, also includes Touchstone and Essex Property Trust. Staff will negotiate a term sheet and bring the key business terms associated with this exciting project back to the Board in 2021 for approval.

Introducing David Wright the New Chief Safety Officer – Sound Transit has hired David H. Wright II as the new Chief Safety Officer. Mr. Wright joins Sound Transit with more than 20 years of experience in transit and rail safety. In addition to focusing on current transit operations, Mr. Wright will oversee the safety certification plans for our light rail expansions and the future resumption of Amtrak Cascades service on Point Defiance Bypass tracks that Sound Transit owns. Most recently, Mr. Wright served as the corporate safety director at GOGO, where he was in charge of a global safety management system that complied with aviation safety requirements in more than 15 countries. While serving as the safety director at Holland LP, a rail services and construction company, Mr. Wright revamped their safety programs and significantly reduced their rates of injuries and incidents. He spent the early part of his career at the Chicago Transit Authority where he received promotions to successively more pivotal safety roles. While at the CTA, he was responsible for investigating accidents and inspecting stations, garages and rails. In 2014, he was instrumental in bringing CTA departments together to implement new passenger safety protocols responding to a serious subway fire incident. Mr. Wright will start on Oct. 26 and report directly to CEO Rogoff.

Vertical Conveyances Update – A full presentation was provided at the Ridership Operations and Experience Committee in early October to review work recently completed and information on work in the coming years. At UW Station in particular, Sound Transit completed additional passenger egress options such as opening the emergency stairwells at both ends of the platform and the construction of a cross mezzanine access passage. These additions relieved stress put on the elevators and escalators during peak commute times. In addition, an escalator replacement assessment at UWS was performed. As a result of this assessment, Sound Transit implemented a new preventative maintenance contract with a new vendor in June 2019. These changes brought a significant increase to the overall availability at UWS for elevators and escalators, making it one of the top performing stations in the Agency, month over month. These positive results have led to a staff recommendation that the agency should pause the short-term replacement of the 13 UWS escalators and refocus resources and efforts on the elevators and escalators at the four Downtown Seattle Transit Tunnel (DSTT) stations that Sound Transit is

scheduled to receive in 2021. Sound Transit will inherit 58 elevators and escalators within the DSTT, of which 57 of the assets are over 30 years old and continue to underperform to Sound Transit standards. In order to bring the DSTT vertical conveyance equipment to a baseline of Sound Transit safety and operational standards, \$8.7M in funding is included in the proposed 2021 budget to be used between 2021 and 2023. In tandem, the agency will be putting together a plan and budget to replace these aging assets. Recently, Sound Transit created a Vertical Conveyance team to oversee and direct elevator and escalator program which is expected to grow by 2.5 times over the next five years.

Medical event and assistance by Lynnwood Link L200 project crew – Mr. Rogoff reported on the actions of Tim Scrupps, Ryan Nelson, and Will Skinner from the L200 project crew who assisted a driver that left his car on the shoulder of I-5 and sought help on the L200 work site. The work crew assisted the driver who was suffering a heart attack and stayed with him until Fire/EMT transported him to the hospital. The workers moved the driver's vehicle to a safe location and took the drivers contact info to coordinate picking up his car at a later time. Mr. Rogoff thanked the work crew for their positive, notable actions that potentially saved a life.

Federal Update – Although efforts back in Washington, D.C. on a new COVID relief package remain uncertain, Sound Transit continues to engage with the Congressional delegation about the pandemic's effect on revenues and the need for additional federal support. He described the positive impacts for Sound Transit if the latest House-approved version of the relief package is approved. Boardmember Smith and CEO Rogoff had the opportunity to talk directly with Congressman Rick Larsen while giving him a tour of the Mountlake Terrace Transit Center construction site. Randy Harlow, Executive Project Director-Lynnwood Link, and his team did a good job of showing the Congressman the progress on Lynnwood Link while following all the COVID 19 safety protocols.

Passing of Alan Stephenson Boyd – Alan Stephenson Boyd, who served as the first U.S. Secretary of Transportation from 1967-1969, died on October 18 at age 98. He moved to Washington in 1959 to serve as a member of the U.S. Civil Aeronautics Board under President Eisenhower and chaired the Board under Presidents Kennedy and Johnson. In 1965, he was named Assistant Secretary of Commerce for Transportation and in this capacity, he co-chaired the Johnson Administration task force that recommended the creation of a Cabinet-level Department of Transportation and helped shepherd the DOT bill through Congress. After organizing and staffing the new DOT (and transferring responsibility for urban mass transit away from HUD in 1968), Secretary Boyd left government at the end of the Johnson Administration and served as president of the Illinois Central Railroad from 1970 to 1977.

Public Comment

Chair Keel announced that due to the Governor's order and Motion No. M2020-23 approved in March, the Board would only be accepting public comment via email.

Board members received written comments submitted by 12:30pm on September 24, 2020 from the following people:

Alex Hudson, Executive Director of Transportation Choices

Jack Wisner

Marty Kooistra, Executive Director and Patience Malaba, Director of Government Relations and Policy, for the of the Housing Development Consortium of Seattle-King County

Paul Gunderson

Dennis Noland on behalf of the Youngstown and Avalon and East Alaska Junction Neighborhoods' Coalition

Consent Agenda

Voucher Certification: September 2020

Minutes: September 24, 2020 Board of Directors Meeting

Resolution No. R2020-17: (1) Declaring 10 Transit Oriented Development sites in the Rainier Valley to be suitable for development as housing; and (2) authorizing staff to negotiate an agreement to transfer those sites at no cost to the City of Seattle for affordable housing development.

Motion No. M2020-57: Approving the extension of the closing date from December 2, 2020 to December 2, 2021 in the Four Party Property Exchange Agreement between Sound Transit, the State Board for Community and Technical Colleges, Seattle Central College, and Community Roots Housing (formerly Capitol Hill Housing) and related agreements for the exchange of properties in order to develop equitable transit oriented development in the Capitol Hill station area.

Motion No. M2020-61: Authorizing the chief executive officer to execute an agreement with the City of Everett to provide a construction funding contribution for the Everett Station Park-and-Ride Expansion Project in the amount of \$639,948.

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

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Jenny Durkan
Debra Juarez
Joe McDermott
Ed Prince

Nays

Paul Roberts
Dave Somers
Nicola Smith
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. M2020-62: Changing the name of the Shoreline South/145th Station within the Lynnwood Link Extension to the Shoreline South/148th Station.

Motion No. M2020-62 was moved by Boardmember Juarez and seconded by Boardmember Backus.

Boardmember Juarez spoke to this item. She informed the Board that renaming the station to Shoreline South/148th Street is appropriate because due to station design developments the station would be located at NE 148th street.

Ayes

Nancy Backus
David Baker
Claudia Balducci
Dow Constantine
Bruce Dammeier
Jenny Durkan
Debra Juarez
Joe McDermott

Nays

Ed Prince
Paul Roberts
Dave Somers
Nicola Smith
Dave Upthegrove
Pete Von Reichbauer
Victoria Woodards
Kent Keel

It was carried by unanimous vote of 16 Boardmembers that Motion No. M2020-62 be approved as presented.

Report to the Board

2021 Proposed Budget and Financial Plan overview

Tracy Butler, Chief Financial Officer provided the presentation. Ms. Butler advised that typically, the financial plan was only updated once per year, but due to the COVID-19 pandemic, updates occurred monthly.

Ms. Butler advised that the financial plan was unaffordable under current financial forecasts. The financial plan includes \$2.7 billion in unfunded expenditures between 2017 and 2041 driven by a loss in tax and fare revenue, partially offset by additional federal grants, additional debt, and other sources. Additional factors included \$600 million in increased costs due to operating and state of good repair cost increases of \$800 million and debt service increases, offset slightly by a decrease in capital cost escalation.

Longer term capital cost trends were unclear and highly uncertain. Macro inflation factors indicated a decrease in capital costs, however local market conditions refuted that, primarily in increasing property values and higher than expected cost estimates received. Ron Lewis, Executive Director of Design, Engineering and Construction Management, advised that regional construction projects by other companies and jurisdictions were planned to continue, despite the economic effects of COVID.

Ms. Butler advised that while lower inflation led to lower costs, property taxes would also decrease, reducing the agency's debt limit. She reviewed a moderate recession scenario in respect to the agency's debt capacity by comparing the forecasted 2019 forecasted principal balance to the 2020 forecast. Due to slight improvements of the revenue loss forecasts, a four-year program delay would make the program affordable. Ms. Butler advised that this was only an example for illustrative purposes, and staff would not recommend a universal program delay.

Ms. Butler explained that the future was still highly uncertain, and degrading economic factors could alter the information just presented. In a severe recession scenario similar to that of the great recession of 2008 even a five year universal program delay would be unaffordable.

Boardmember Balducci asked why Sound Transit's projections are not more positively impacted by recent sales tax projections. Ms. Butler advised that in May, projected revenue losses were nearly \$12 billion, and decreased over time as more information became available to \$6.1 billion. Boardmember Dammeier asked why \$555 million in vertical conveyances increases were not included in the 2019 projections. Mr. Rogoff noted that the Downtown Seattle Transit Tunnel condition assessment drove that figure, which was not available for the 2019 projection.

Boardmember Durkan asked for comparisons to 2016's projections to 2020, after COVID-19. Mr. Rogoff advised that more revenues were collected than planned, but that much of that increased revenue was offset by increased construction costs and that the agency is doubling efforts on scope discipline.

Ms. Butler continued by reviewing the 2021 proposed budget. She reviewed the budget targets, budget process and cost saving initiatives. These include eliminating 77 vacant positions, adding 42 positions due to system expansions. The agency also saved costs in the salary and benefits area by removing a 2021 merit increase as well as increasing the health premium cost share for employee dependents. The proposed budget represents a 9.2% reduction for total non-labor costs (excluding purchased transportation).

Ms. Butler reviewed the 2021 tax revenue and funding sources. There is a proposed 2 percent decrease projected for 2021. The total tax revenue is 13 percent lower than the original 2021 forecast. Total taxes equal 61 percent of all total funding sources. Other revenue and funding sources beyond tax revenue include federal grants, CARES Act funding, and fares. TIFIA draws will be needed to make up for the lost revenue estimated at \$700 million.

The 2021 Project Budget of \$2.5 billion reflects early Board guidance on realignment. Key assumptions in 2021 project budget and TIP are that current construction continues and there is an equal amount of delay as a placeholder in projects not already in construction or baselined. Project readiness is maintained for delayed projects. A 2021 mid-year budget update is planned based upon Board realignment direction. State of good repair and non-system expansion projects are funded to support agency priorities.

Ms. Butler reviewed the Transit Operations Budget of \$381 million. The Link operations budget includes \$15.5 million in new services at Northgate Link Extension, Operations and Maintenance Facility East and the Downtown Seattle Transit Tunnel, \$7.5 million for purchased transportation, \$3.0 million for insurance, \$2.8 million for security, \$2.2 million for personnel, \$1.9 million in insurance premium increases, and \$1.3 million in state of good repair facilities costs. The Sounder operations budget includes \$4.4 million for scheduled overhauls, a \$2.0 million insurance premium increase, \$1.7 million for a Sounder at-grade study, and \$1.4 million for planned station maintenance. The Tacoma Link operations budget includes \$0.3 million for salaries & benefits and \$0.2 million for higher spare parts/equipment.

The 2021 transit operations budget includes an assumption that agency operating costs are maintained at 2020 levels, with growth to support system expansions. The purchased transportation service level will be adjusted to meet current ridership demand, with additional budget requested from the Board in 2021 if there is an increase in ridership.

Ms. Butler reviewed the 2021 debt service and other costs. Ms. Butler noted that MVET changed their fee collection approach July 1, 2020 to June 30, 2021 to comply with a State of Washington cost recovery mandate and accordingly the DOL is charging Sound Transit for their costs in collecting agency MVET revenue. This is offset by no credit card fee passed through to DOL or ST (effective January, 1, 2020).

Ms. Butler noted that the 2021 mid-year budget will be updated based upon Board realignment decisions. Budget adjustments may be requested from the Board to meet incremental realignment decisions and unforeseeable needs such as increased ridership demand, and COVID-related cost increases. Ms. Butler concluded by reviewing the timeline for the budget briefing and approval process.

Office of Civil Rights, Equity & Inclusion program overview

Jonté Robinson, Deputy Director of Civil Rights and Inclusion, provided the presentation. Ms. Robinson explained that the Office of Civil Rights, Equity & Inclusion office expanded in scope following the agency's Design for Growth initiative. She reviewed the office's approach, the Equal Employment Opportunity program, and demographics goals. The officials and administrators goal had been met, however

Alison Smith, Deputy Director-Equity, Inclusion & Culture, reviewed the equity steering committee and subcommittees, the equity and inclusion policy, which was adopted in December 2019, the racial equity tool, equitable engagement tool, and draft budget equity tool. Both pilot tools would be implemented fully in 2021. She reviewed the employee led groups and the training that was being offered.

Brenda Nnambi, technical advisor, outlined Title VI of the Civil Rights act of 1964 and Sound Transit's requirements under it. She reviewed the major Title VI program updates, which included an equity analysis of the 2021 Service Plan, Northgate service and fare equity analysis, and compliance

monitoring. She also updated the Board on the Disadvantaged and Small Business Enterprise programs. Following a disparity study, an overall disadvantaged business enterprise goal of 16.39% is proposed, including 7% race and gender neutral goal and a 9.39% race and gender conscious goal.

Mrs. Robinson concluded by reviewing the next steps the office's work.

Boardmembers acknowledged the good work done by the office of Civil Rights, Equity and Inclusion. In response to a question from Boardmember McDermott, Mr. Rogoff advised that there was no timeline yet for filling the Chief Civil Rights Equity and Inclusion Officer role.

Update on the Fare Enforcement Program

Acting Chief Safety Officer, Moises Gutierrez, and Russ Arnold, Chief Passenger Experience Officer, provided the report. Mr. Gutierrez outlined the vision and mission of the Fare Enforcement work group, and the community engagement process to date.

Plans discussed in the presentation were in response to key themes heard through public engagement. In March, the Board approved Motion No. M2020-22, authorizing participation in an income-based pilot program in coordination with King County Metro however Resolution No. R2020-05, updating the agency's Fare Enforcement Policy, was paused due to restrictions in place during the COVID-19 pandemic.

Emergency risk mitigation in response to COVID-19 led to a suspension of Fares, with fares and no-contact inspection resumed in June. Infractions are not currently being issued.

Mr. Arnold advised that Fare Enforcement shifted from the Operations Department to the Passenger Experience Department. He outlined the Fare Engagement Ambassador Pilot program, which would replace fare enforcement officers to inspect paid fares. The pilot program would begin in the first quarter of 2021. The agency would continue to explore options to reduce fines, which required coordination with state and local courts. Escalation to security and law enforcement would be suspended for fare-only matters. Engagement with Black-led community organizations would occur through the pilot of the ambassador program.

Mr. Arnold reviewed next steps within the Chief Executive Officer's authority, advising that Securitas staff would remain, but in a security capacity only. Mr. Arnold reviewed decisions that require Board direction including reduction of fines, inclusion of STride, revising the suspension section allowing for updated procedures for suspension, and confirming changes to infraction process.

Boardmember McDermott noted that he was encouraged to hear that fare enforcement activities would be separated from security and moved in-house. He voiced concern over the involvement of the court system for enforcement. Boardmember Durkan, Woodards and Upthegrove also voiced concerns and suggested changing the approach to no longer include the court system in fare evasion cases.

Boardmember Balducci asked what it would take to create an effort to remove the fare enforcement from the courts. Mr. Rogoff advised that the agency was not interested in introducing people struggling with homelessness or addiction to the court system, and community engagement efforts would focus on receiving feedback for what methods should be used limit consistent violators who did not fall into one of those categories. Mr. Rogoff advised that the court system is not interested in working with ST for persistent violators, but the issue continues to be explored.

Boardmember Balducci suggested that the Board put forth a formal policy to allow staff to complete its work. Chair Keel would like to have further Board discussion on policy changes, and CEO Rogoff indicated staff's willingness to receive direction from the Board on these policy areas.

Discussion on reducing ORCA LIFT, Youth, Senior and Disabled fares on Sounder and public outreach next steps

Lisa Wolterink, Deputy Director of Fares, Grants, and Revenue, provided the presentation. She explained that of all of Sound Transits modes, Sounder had the smallest subsidies for reduced fares. The proposal would allow riders on reduced fares to ride for \$1.50 for ORCA LIFT and youth, and \$1.00 for seniors and those with disabilities, similar to Link and ST Express.

Chad Davis, Deputy Director of Fares, outlined the revenue farebox recovery and ridership impacts, Based on 2019 data, the fare revenue loss is expected to be \$300,000 annually. This is 1.7 percent of Sounder fare revenue or 0.3 percent of ST's \$97 million systemwide fare revenue. The farebox recovery rate is estimated to be 0.5 percent lower. Due to the lower fares, ridership is anticipated to increase by 20,000 annually. This is a 0.4 percent increase of Sounder ridership.

Mr. Davis concluded by reviewing the proposed timeline. Assuming positive public input and no disparate or disproportionate equity impacts, there could be a December Board action and implementation of the fare change on March 1, 2021. The project team is asking for the Boards feedback and direction on whether to adjust Sounder reduced fares. Boardmember Dammeier voiced support for the policy.

Presentation on 2021 service change outreach

Chair Keel asked for this presentation to be provided at the November 5, 2020 Rider Experience and Operations Committee meeting.

Other Business

Boardmember Dammeier voiced his interest in the agency doing everything in its power to restore a fair market valuation to the MVET tax and that we should advocate strongly going forward, echoing comments made by Boardmember Durkan earlier in the meeting.

CEO Rogoff advised that a draft legislative agenda would be brought to the Board in the next month which would allow for that discussion.

Next meeting

The next regular Board meeting would be held on Thursday, November 19, 2020, 1:30 to 4:00 p.m. as a virtual meeting via WebEx.

Adjourn

The meeting adjourned at 4:10 p.m.

Kent Keel
Board Chair

ATTEST:

Kathryn Flores
Board Administrator

APPROVED on _____, TW.