



Summary Minutes

Executive Committee Meeting November 5, 2020

Call to order

The meeting was called to order at 10:36 a.m. by Committee Chair Kent Keel virtually on WebEx. He stated Chair Keel was unavailable to attend the meeting and therefore he was chairing the meeting.

Due to the Governor's Safe Start, Stay Healthy Order, public viewing of the meeting was only available via WebEx. The meeting was streamed on

<https://soundtransit.webex.com/soundtransit/onstage/g.php?MTID=e054eed633a06cb2f6506531ae4086ce3>

Roll call of members

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

Board Members	
(A) Claudia Balducci, King County Councilmember	(P) Jenny Durkan, Seattle Mayor
(A) Bruce Dammeier, Pierce County Executive	(A) Roger Millar, WSDOT Secretary
	(P) Dylan Counts, WSDOT Secretary Alternate
	(P) Dave Somers, Snohomish County Executive
	(P) Victoria Woodards, Tacoma Mayor

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

Report of the Chair

Chair Keel reminded the committee that it would receive an update on the proposed 2021 budget later in the meeting, then vote to advance its portion of the budget to the Finance and Audit Committee in December, for final approval by the Board.

He also advised that the CEO Monthly Contract Report was included in Boardmembers' packets.

CEO Report

CEO Peter Rogoff gave the CEO Report. He congratulated the City of Seattle on the successful ballot measure, and Boardmember Bruce Dammeier on his re-election as the Pierce County Executive.

Preview of Discussion on Parking Management in January – In January, 2021, staff would provide a comprehensive overview of the parking facilities management program, as directed by the Board. He informed the Committee that a new parking management services contract would need to be procured. An equitable engagement in mid-2021 would occur to inform a comprehensive parking management program design, and finally, authority from the Board would be sought to continue to improve the performance of parking facilities, consistent with past Board direction.

Veterans ERN – The agency's veterans Employee Resource Group raised the MIA POW flag over Union Station for the first time in honor of Veterans Day. It would remain for the rest of the Month.

Public comment

Chair Keel announced that in compliance with Motion No. M2020-23, public comment would only be accepted via email to emailtheboard@soundtransit.org. The following people submitted email public comments prior to the meeting:

Transportation Choices Coalition, One America, Puget Sound Sage, Transit Riders Union, and Seattle & King County Coalition on Homelessness

Joe Kunzler

Business items

Items for Committee final action

Boardmembers Somers and Woodards joined at this time.

Chair Keel noted that the agenda incorrectly showed approval of the September 10, 2020 meeting minutes, which were already approved at the Committee's October meeting. They would be approving the October 1, 2020 meeting minutes.

October 1, 2020, Executive Committee meeting minutes

The minutes of the October 1, 2020 Executive Committee were moved by Boardmember Roberts and seconded by Boardmember Somers.

Chair Keel called for a roll call vote:

Ayes

Dow Constantine
Jenny Durkan
Paul Roberts
Dave Somers
Victoria Woodards
Kent Keel

Nays

It was carried by majority vote of the Board members present that minutes of the October 1, 2020 Executive Committee meeting were approved as presented.

Items for Recommendation to the Board

Motion No. M2020-63: Adopting the Sound Transit 2021 State Legislative Program and directing staff to evaluate and engage in issues that impact the agency as it continues to implement a regional high-capacity transit system.

Alex Soldano, Director of State Relations, provided the staff report.

CEO Rogoff explained that the agenda was similar to those approved in the past with the exception of acknowledging the Board's direction from Motion No. M2020-37. He highlighted work with the legislature in anticipation of the upcoming session, including meetings in which he and Vice Chair Roberts participated. He advised that any change to the MVET schedule must be valid and constitutional, and staff has been working with lawmakers to try to create a solution which was constitutional, protective of the voter approved plan, and acceptable to decision makers in the Olympia.

Motion No. M2020-63 was moved by Boardmember Roberts and seconded by Boardmember Somers.

Vice Chair Roberts informed the Committee that discussions at the state level would involve both revenues and reducing carbon emissions.

Boardmember Durkan suggested that the agency should be part of shaping the legislation regarding MVET.

Chair Keel advised that the conversations would revolve around revenue and delivering the projects the voters approved, and all other conversations would serve that higher purpose.

Chair Keel called for a roll-call vote.

Ayes

Dow Constantine
Jenny Durkan
Paul Roberts
Dave Somers
Victoria Woodards
Kent Keel

Nays

It was carried by the majority vote of the Board members present that Motion No. M2020-64 be forwarded to the Board with a recommendation to approve.

Motion No. M2020-64: Reappointing Mr. Scott Lampe and Mr. Paul Thompson to the Citizen Oversight Panel to serve a second term of four years beginning December 1, 2020, and expiring November 30, 2024.

Katie Flores, Board Administrator, provided the staff report.

Chair Keel thanked Mr. Lampe and Mr. Thompson for their service on the Citizen Oversight Panel and supported their re-appointment.

Motion No. M2020-64 was moved by Boardmember Roberts and seconded by Boardmember Woodards.

Chair Keel called for a roll-call vote.

Ayes

Dow Constantine
Jenny Durkan
Paul Roberts
Dave Somers
Victoria Woodards
Kent Keel

Nays

It was carried by the majority vote of the Board members present that Motion No. M2020-64 be forwarded to the Board with a recommendation to approve.

Motion No. M2020-65: (1) Authorizing the chief executive officer to execute an addendum to the power purchase agreement with Puget Sound Energy for the Green Direct – Phase 1 program, allowing Sound Transit to purchase locally produced renewable wind power, to (a) further lower the 10-year fixed-rate for purchasing renewable power for six Link light rail accounts, (b) extend the end date of the contract to ensure a full 10 years of renewable power, as the initial project launch was delayed, and (2) delegating authority to the chief executive officer to execute future amendments to the power purchase agreement with Puget Sound Energy to add, subtract or swap PSE accounts participating in the Green Direct Program and/or extend the term of the agreement for up to an additional 10 years, so long as utility rates are equal to or less than those of the initial agreement.

Amy Shatzkin, Deputy Director of Sustainability, and Jessica Rose, Utilities & Resource Conservation Manager, provided the presentation.

Boardmember Millar joined at this time.

Motion No. M2020-65 was moved by Boardmember Roberts and seconded by Boardmember Somers.

Vice Chair Roberts advised that the region would need to transfer to a clean energy economy and that he was proud of the work Sound Transit was doing to make that happen. Leading by example would push the industry toward greener decisions.

Boardmember Durkan echoed Vice Chair Roberts' comments.

Chair Keel echoed Vice Chair Roberts and Boardmember Durkan's comments and voiced support for the motion.

Chair Keel called for a roll-call vote.

Ayes

Dow Constantine
Jenny Durkan
Roger Millar
Paul Roberts
Dave Somers
Victoria Woodards
Kent Keel

Nays

It was carried by the majority vote of the Board members present that Motion No. M2020-65 be forwarded to the Board with a recommendation to approve.

Reports to the Board

Review of the Proposed 2021 Systemwide Program Budgets

Tracy Butler, Chief Financial Officer, and Ryan Fisher, Director of Financial Planning and Budget, provided the presentation. Mr. Fisher began the presentation outlining the proposed sources and uses of funds, which totaled \$3.1 billion.

He outlined key assumptions in the 2021 Budget targets a process before outlining the committee's budgetary responsibilities. Lisa Wolterink, Deputy Director of Fares, Grants, and Revenue, outlined the finance managed projects in the System Expansion – Other budget. The Next Generation ORCA system and Fare Administration totaled \$19.8 million. Don Billen, Executive Director of Planning, Environment, and Project Development, explained the various department managed programs, which totaled \$17.9 million and included Transit System Access, ST3 Planning, Transit Oriented Development Property Disposition, Efficiency and Sustainability, and other actions.

CEO Rogoff clarified that the presentation was focusing on System Expansion programs which were under the purview of the Executive Committee.

Boardmember Millar advised that every dollar spent creates jobs, and asked for a report outlining the number of jobs created by the agency's work.

Ron Lewis, Executive Director of Design, Engineering, and Construction Management, outlined his department's managed projects, which primarily focused on artwork and totaled \$3.8 million.

Mr. Fisher advised that the proposed budget as presented represented what the agency knew at the time, and due to the unforeseen nature of the year ahead, primarily due to COVID-19 expenses and ridership changes, Staff may return to the Board in 2021 for a budget amendment. Finally, he reviewed the next steps for the budget process.

CEO Rogoff advised that staff was presenting a tight budget, which only included increases necessary for the opening of the Northgate Link Extension and the Operations and Maintenance Facility East, and that if ridership recovered more quickly than anticipated, the Board would likely be presented with a budget amendment.

Vice Chair Roberts advised that while the agency remained austere in the uncertain financial times, it was important to note that the agency was still dedicated to maintaining its system and would not let it fall into disrepair.

Chair Keel advised that while there would be much demand on each Boardmember's time, it was important to remain focused on the important Sound Transit matters coming to them.

2021 Property Tax Levy Presentation

Ryan Fisher, Director of Financial Planning and Analysis and Budget, and Shahnaz Ghazi, Senior Financial Planner, provided the presentation. Mr. Fisher reviewed the funding needed from cash reserves and borrowing in the 2021 budget. He advised that regular levy fell below the usual one percent increase. A Declaration of Substantial Need would raise the maximum levy increase for 2021 from 0.6 percent to one percent. Passing the declaration would not automatically mandate a one percent increase, however.

Boardmember Durkan asked whether the levy could be raised at the same time as the substantial need was declared. Mattelyn Tharpe, Legal Counsel, advised that the action to declare a substantial need and to increase the property tax levy would be two separate actions brought to the Board at the end of the month.

Tracy Butler, Chief Financial Officer explained that the agency would need to draw down its cash balance and break into TIFIA funding to cover expenditures in 2021 if the levy were not raised. Subsequent years of decreased revenues due to the COVID-19 pandemic also factored into the determination that a substantial need was present.

Mr. Fisher presented three options the Board could take regarding 2021 property tax levy. The first option was the typical one percent statutorily allowed levy increase, which would require the declaration of substantial need. The second option would be to increase the levy at the reduced 0.6 percent rate and bank the 0.4 percent capacity, which would require the declaration of substantial need, or to not bank the 0.4 percent capacity, which would not. The third option would be a zero percent increase with a banked one percent capacity, which would require the declaration of substantial need; or a banked 0.6 percent capacity which would not. He outlined the revenue impacts of each option.

Chair Keel asked how the long-term revenue loss would affect the overall program, considering the amounts appeared to be relatively low. Ms. Butler explained that every dollar of revenue lost equated to approximately three dollars of utilization of debt capacity because of the interest associated with borrowing needed to make up the difference. Debt capacity was already expected to be used up in current financial projections with the assumption of a one percent property tax levy already built in, so any losses would impact that even more.

System Access Program Update

Alex Krieg, Deputy Director of Access and Integration, provided the presentation. He outlined the Goals, strategies, and various actions taken by the Board in service of the System Access Policy adopted in 2013. He reviewed the impacts of approval on ST3 on the policy and the agency's parking management. ST2 projects did not have policy direction and funding similar to ST3 projects.

CEO Rogoff and Chair Keel advised that this topic would be reviewed in January again, and cut the presentation short.

Revolving Loan Fund Update

Thatcher Imboden, Deputy Director of Transit Oriented Development, and Edward Butterfield, Senior Project Manager of Transit Oriented Development, provided the presentation. Mr. Imboden reviewed statutory requirements to contribute to a revolving loan fund following approval of ST3. A revolving loan fund, in Sound Transit's case, was intended to fund affordable housing. Mr. Imboden reviewed the goals for the fund, which were created in the context of the agency's Equitable Transit Oriented Development Policy. Sound Transit found the Local Initiatives Support Coalition, better known as LISC, as a fund development partner. He outlined the qualifications and functions of LISC, noting that it had much experience with revolving loan funds across the country.

Mr. Butterfield outlined a needs assessment performed by the agency which included outreach to affordable housing stakeholders. The assessment determined three findings, which were that high land costs were a barrier to creating affordable housing, that most affordable housing projects required subsidy, and that a need existed for loan products that covered multiple project phases, instead of single phase per loan. The agency developed three options: to contribute to an existing fund, to contribute funds directly into housing projects, or to contribute to a new leveraged fund. Staff analyzed the options in comparison to the program goals, determining that a leveraged fund would meet many of the goals, but would take time to ramp up. Mr. Butterfield advised that staff would like to review the leveraged fund option and outlined the structure and potential uses of the fund in advancing agency Transit Oriented Development projects. Finally, he reviewed the various framework inputs which would need to be determined and the next steps.

Executive session

None.

Other business

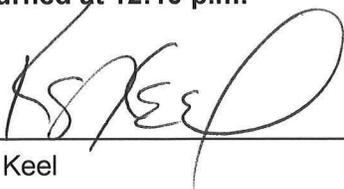
None.

Next meeting

Thursday, December 10, 2020
10:30 a.m. to 12:00 p.m.
Location to be determined

Adjourn

It was moved by Boardmember Roberts and seconded by Boardmember Woodards that the meeting should adjourn. The motion passed unanimously by voice vote and the meeting adjourned at 12:10 p.m.



Kent Keel
Executive Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on December 10, 2020. AM