



Summary Minutes

Executive Committee Meeting April 7, 2022

Call to order

The meeting was called to order at 10:33 a.m. by Committee Chair Kent Keel virtually on WebEx. The meeting was streamed on:

<https://soundtransit.webex.com/soundtransit/onstage/g.php?MTID=ea41a334fd940b6aa8a9d316e1782e3da>

Roll call of members

Chair	Vice Chair
(P) Kent Keel, University Place Councilmember	(A) Dow Constantine, King County Executive (P) Dave Somers, Snohomish County Executive

Board Members	
(P) Nancy Backus, Auburn Mayor	(P) Cassie Franklin, Everett Mayor
(P) Claudia Balducci, King County Councilmember	(A) Bruce Harrell, Seattle Mayor
(P) Bruce Dammeier, Pierce County Executive	(P) Roger Millar, WSDOT Secretary
	(P) Dave Somers, Snohomish County Executive

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

Report of the Chair

Introducing the Board's Independent Consultant

Chair Keel notified the committee that the Board had selected Dave Peters as the Board's independent consultant. Mr. Peters had history with transit and civil projects in the region. He was the Chair of the Strategic Bridge Advisory Team for the Washington State Department of Transportation's (WSDOT) SR 520 Floating Bridge Project, served on the Expert Review Panel for King County for construction of their South Park Moveable Bridge Project, and worked as a design consultant on Sound Transit's Federal Way Link Extension and Tacoma Dome Link Extension light rail projects.

The independent consultant will help ensure the Board gets everything they directed in the resolution, the two primary examples of which were the Annual Program Review and Quarterly Cost Savings Work Plan.

Boardmember Balducci welcomed Mr. Peters and asked when the Board could begin engagement. Mr. Peters answered that he had begun reviewing two reports: Annual Program Review and Cost Savings Work Plan and was in process of deciding logistically who would review certain reports and how to deliver actionable findings.

Preview of Annual Program Review at April 28, 2022 Board meeting

Chair Keel introduced Kimberly Farley, Deputy CEO, would provide an overview of what to expect from the Annual Program Review including a preview of key takeaways. This was the inaugural edition of the report that was directed in the Board's Realignment resolution. It was a major deliverable from the

resolution to increase transparency with a snapshot of the agency's overall financial health and affordability of ST's portfolio of projects.

The full presentation would be given at the Board of Directors meeting on April 28, 2022.

Ms. Farley provided an introduction and overview. In August 2021, the Board passed Resolution No. R2021-05, which directed staff to create an annual program review to review shifts in project financial capacity resulting from updated cost, revenue, and debt capacity projections and the readiness of projects to benefit from such shifts. The purpose of the review was to provide transparency and Board awareness of portfolio of project changes, risks, and developments and provide a complete snapshot of agency finances and affordability. It would also provide an early warning system for Board and staff.

She reviewed the annual cycle for updates and noted that in addition to this review, there would be quarterly cost savings updates and a bi-annual cost drivers report that the Board would receive in June 2022. The review could be summarized into three sections: financial capacity, project-by-project status, and external pressures. The Sound Transit (ST) program currently remained affordable on the Affordable Schedule and projects continued to advance as swiftly as possible. At the time of this meeting, the concrete strike continued to impact delivery and would affect revenue service dates for near-term projects. Unprecedented inflationary conditions continued and would affect projects in construction and planning and operating costs were increasing faster than inflation.

A summary presentation would be given at the April 28, 2022 Board meeting and include a report with executive summary and details. There would also be future decision making for the Board at project-specific milestones and an annual fall budget approval.

Chair Keel commented on the importance of these reports and how they would provide status updates on projects given the challenges over the last few years.

Returning to the Boardroom

Chair Keel advised that conversations had started regarding the return to the Boardroom. Staff was attempting create a plan to have the Board members return to the Boardroom during the same time frame as ST staff returning to the office, which was May 2022. Chair Keel shared that May 2022 did not look attainable but was hopeful about returning between May and September 2022. The plan would likely include a hybrid approach and Board members were welcomed to voice their input.

Boardmember Franklin commented that it would be helpful to commit to having a number of meetings that were remote and a number in person. In person meetings create engaging and relationship building environments, but Boardmember Franklin wanted the commute time to be taken into consideration for those that were traveling from further areas from Seattle.

Monthly Contract Report

The monthly contract report was included in members' meeting packets for review.

CEO Report

CEO Rogoff provided the CEO report.

Gondola Report – Boardmember Constantine requested that Sound Transit assess the feasibility of using aerial gondolas, as proposed by West Seattle SkyLink, to connect West Seattle into the regional high-capacity transit system. The report was in the committee's meeting packet and would be posted to the agency's website following this meeting. Matt Shelden, Deputy Executive Director of Planning and Integration, briefly summarized key findings from the analysis. Mr. Shelden communicated that in staff findings, gondolas were not feasible in the West Seattle corridor. Several key reasons were that they would not integrate as well as light rail with the existing and expanding regional high-capacity transit system, would not directly serve as many regional destinations, and could be difficult to expand beyond

West Seattle. Another reason was that they would not have as much capacity as light rail and would not provide additional regional capacity needed through downtown Seattle. In addition, service could be difficult to manage reliably at the short frequencies proposed. Lastly, because voters approved light rail as part of ST3, new voter approval would likely be required to change the high-capacity transit mode for West Seattle.

Federal Update – Less than two weeks after signing the \$1.5 trillion fiscal year (FY) 2022 Omnibus appropriations bill into law to fund the government through September 30, 2022, President Biden released his budget request for \$5.8 trillion spanning across all federal agencies for FY 2023. As part of the budget proposal, the Federal Transit Agency (FTA) published recommendations for the Capital Investment Grant (CIG) program, including funding for Sound Transit's two Full Funding Grant Agreements (FFGA) for Lynnwood Link and Federal Way Link.

The FY 2023 budget proposed \$716.6 million for ST. For Federal Way Link, the budget would, in a single year, complete the FTA's multi-year full funding grant agreement (FFGA) for that project, three years sooner than previously committed. The proposed budget for Lynnwood Link would position that project's grant to be paid off at least three years sooner than expected. If Congress were to enact the funding levels laid out by the FTA, this accelerated funding would create more than \$40 million in borrowing savings for regional taxpayers that would benefit the agency's financial plan.

Staff would be urging the agency's Congressional delegation to support the President's proposal and of course, thanking them for providing the historic levels of CIG funding in the Bipartisan Infrastructure Law that make these increases possible. The agency would also be asking the delegation to provide early money for projects that were just entering the CIG pipeline to continue to take advantage of those dollars. The agency had significant federal funding assumptions and planned to go after FFGAs for four Link extensions: West Seattle and Ballard Link Extensions, Tacoma Dome Link, and Everett Link.

Early CIG funding saved significant financing costs and would also help complete FFGA appropriations closer to the opening of service, rather than years after construction was completed and revenue service had begun. There had been work on smaller requests to each of the agency's members to allot some funding in the FY 2023 appropriations process for Sound Transit projects in their districts. The general rule is for these requests to be in the \$1 to \$3 million range. Members would review requests in the coming months to determine if they want to forward them to the appropriations committees.

Concrete Strike – It was the fifth month of the concrete delivery strike, which continued to take a toll on construction projects. Since the Teamsters made a limited return to work last month for some projects, including ST's, the agency had gotten some deliveries, but not nearly enough to overcome the deficit that was incurred. Since the strike began on December 3, 2021, ST missed delivery of more than 43,000 cubic yards of concrete. Which was equivalent of a bumper-to-bumper line of concrete trucks stretching 29 miles. ST contractors have had to lay off more than 200 workers because of work-related delays caused by the lack of concrete.

Both parties returned to mediation on April 6, 2022, but unfortunately there was no immediate end to the strike in sight, which was affecting ST's ability to meet project's schedules. CEO Rogoff noted that the concrete strike wasn't the only headwinds that ST's projects were facing. The construction industry as a whole was facing tremendous cost pressures. The Association of General Contractors (AGC) issued a report on inflation in construction. Inflation in construction over the past year soared to record levels. The producer price index, the cost of goods, was 24.1 percent from June 2020 to June 2021, and by December had moderated only slightly to 19.6 percent for the year. The report noted that supply chain issues were causing delays on project schedules throughout the industry. As a result, nearly three quarters of the respondents to AGC's outlook survey said that projects were taking longer than they

anticipated in 2021.

Public comment

Chair Keel announced that public comment would be accepted via email to emailtheboard@soundtransit.org and would also be accepted verbally.

The following people submitted written public comments:

Seattle/King County Coalition on Homelessness
Joyce Hengesbach

The following people submitted verbal public comments:

Karen Taylor
Martin Westerman
Matthew Sutherland
Ethan Campbell

Marilyn Kennell – Ms. Kennell had technical difficulties during the public comment portion of the meeting. Staff collected and delivered her comments to the Board following this meeting.

Business items

Items for Final Committee Action

February 3, 2022, Executive Committee meeting minutes

It was moved by Committee Vice Chair Somers, seconded by Boardmember Dammeier, and carried by consent of all Board members present that the minutes of the February 3, 2022 Executive Committee meeting be approved as presented.

Items for Recommendation to the Board

Resolution No. R2022-07: Adopting an updated Fare Compliance Policy and superseding Resolution No. R2009-02.

Before staff presented, CEO Rogoff noted this policy recommendation was a culmination of four years of work having started in April 2018. At that time, staff started a continuous improvement process to look at agency program, protocols, and policies to identify improvements and enhancements. Mr. Rogoff said this recommended policy tried to balance equity, racial justice, financial stewardship, farebox recovery targets, passenger experience, and public and psychological safety.

Russ Arnold, Chief Passenger Experience and Innovation Officer, Carrie Avila-Mooney, Director of Regional Government and Community Relations, and Sandee Ditt, Manager of Fare Engagement, provided the staff presentation.

Resolution No. R2022-07 was moved by Boardmember Balducci and seconded by Committee Vice Chair Somers.

Committee Vice Chair Somers thanked staff for all their work given the Board's concern on inequitable outcomes for those in the community and the fare enforcement system. He commented on the need and ongoing work to focus on fixing the inequalities in the system.

Boardmember Franklin echoed Committee Vice Chair Somers remarks and commented that the fare compliance policy doesn't go far enough to ensure fare compliance. She feared fare compliance would worsen with this current policy but supported edits to certain steps to ensure compliance.

Boardmember Balducci thanked staff for their in-depth work and noted the struggles of using today's experiences and data to predict what the following year or years would look like. She supported the proposal, and on behalf of Boardmember McDermott, she shared that he would bring two amendments to the full Board. He hoped to remove the step that would require collections and the step to require civil infractions and court involvement. Boardmember Balducci shared criteria that should be used for any fare compliance program to include questions such as: was it effective, was it equitable, and was there a sensible cost-benefit balance.

Boardmember Backus commented that the approach was compassionate and held compatibility towards the affordability challenges that some communities face.

Boardmember Dammeier echoed Boardmember Franklin and Boardmember Backus' comments. He emphasized the issues of fairness and accountability and noted the policy work would be a continued journey. He showed support of the policy but voiced concern that it may not be effective in addressing the non-compliance issues. He encouraged the Board to continuously revisit the policy to make adjustments as needed.

Chair Keel noted the importance of reviewing this policy in intervals in order to reevaluate and adjust for necessary improvements. He reflected on the positivity of working towards youth riding for free. The non-compliance data reflected high counts towards the youth demographic, and he believed that once youth could ride free of fares that would affect those percentages. He showed interest in the marketing around ORCA lift and commented that, historically, BIPOC neighborhoods weren't informed of certain activities and the more marketing there is in those neighborhoods the more participation there would be in the ORCA lift program.

Chair Keel called for a roll call vote.

Ayes

Nancy Backus
Claudia Balducci
Bruce Dammeier
Cassie Franklin
Dave Somers
Kent Keel

Nays

It was carried by unanimous vote of six committee members present that Resolution No. R2022-07 be forwarded to the Board with a do-pass recommendation.

Reports to the Committee

Chair Keel acknowledged the meeting was approaching its scheduled end time. CEO Rogoff advised that the Delayed Parking briefing could be held over to the next Executive Committee meeting.

Review 2022 Executive Committee work plan

Chair Keel noted the draft 2022 committee work plan was distributed. The committee began using an annual work plan in 2021 to help identify the important project work and discussions that the committee would review each year. The workplan included two main areas of focus: transactional matters regarding oversight and review of systemwide programs, and topics of special interest to the committee and

included a calendar showing projected actions organized by quarter. Chair Keel requested feedback from members on topics they would like presented in 2022.

No additional comments were received.

Executive Session – None

Other business – None

Next meeting

Thursday, May 5, 2022
10:30 a.m. to 12:00 p.m.
Virtually via WebEx

Adjourn

The meeting was adjourned at 12:00 p.m.

ATTEST:

Kent Keel
Executive Committee Chair

Kathryn Flores
Board Administrator

APPROVED on _____, JG