SOUNDTRANSIT

Motion No. M2026-36

A motion of the Board of the Central Puget Sound Regional Transit Authority 1) awarding a $30,000 contribution performance award that was previously deferred by the CEO, 2) approving a new agreement to employ Dow Constantine as Sound Transit Chief Executive Officer from October 1, 2026 through December 31, 2029, with two one-year renewal options at the Board's discretion, and 3) superseding the agreement approved by the Board in Motion No. M2025-15.

Background

In March 2025, through Motion No. M2025-15, the Board entered into an agreement to employ Dow Constantine as Sound Transit's chief executive officer from April 1, 2025, through December 31, 2026, with two one-year renewal options at the Board's discretion, from January 1, 2027, to December 31, 2027, and January 1, 2028, to December 31, 2028. Under the agreement, the Board must take action by September 30th to approve a contract renewal option for the following year.

The employment agreement established a base salary of $450,000 with a base salary increase equivalent to the average annual salary of comparable transit CEOs on January 1 of each succeeding year, but not less than the current year's base salary. In late 2025, a market study was conducted by Sound Transit to determine the average annual salary of comparable transit CEOs and identified $474,276 as the appropriate average base salary to be applied for Mr. Constantine on January 1, 2026. The employment agreement also included a 3%-6% annual base salary increase based on performance rating and a discretionary Contribution Performance Award of $30,000 based on the goals established by the Board each year after consultation with Mr. Constantine.

On December 18, 2025, through Motion No. M2025-66, the Board gave Mr. Constantine a performance rating of outstanding based on his work in achieving his 2025 performance goals and objectives, however, a merit increase to his base salary and a discretionary annual contribution performance award were deferred at the CEO's request.

On September 3, 2026, the Sound Transit Board Chair Dave Somers announced his intention to negotiate an employment contract with Dow Constantine for a three-year term with two one-year renewal options to provide stability to the agency over the next few years.

This motion is to award the $30,000 previously deferred contribution performance award, and approve the negotiated employment agreement containing standard employment terms, including:

- An initial employment term from October 1, 2026, until December 31, 2029. The Board may, at its discretion, renew the agreement for a one-year term from January 1, 2030 until December 31, 2030 and again, at its discretion, for another one-year term from January 1, 2031 until December 31, 2031. If the Board does not renew the agreement, the severance clause will take effect, and Mr. Constantine will be paid severance equal to 18 month's base salary and the cash equivalent value of retirement benefits, the cash value of any unused accrued PTO, plus COBRA benefits for 18 months.
- Effective October 1, 2026, an annual salary of $490,086, based on the current average annual salary of comparable transit CEOs, and on April 1, 2027, a 4% cost of living adjustment to the base salary.
- Beginning in 2027, the Board will establish performance goals by March 31 for each annual performance period.

- Beginning in 2028, and in each successive year of the contract, an annual 3% to 6%-Base Salary increase will be awarded on January 1 based on Mr. Constantine's annual performance rating for the previous year. If the agreement is extended from January 1, 2030 until December 31, 2030, a 3% to 6%-Base Salary increase will be awarded effective January 1, 2030 based on Mr. Constantine's annual performance rating in 2029. If the agreement is extended from January 1, 2031 until December 31, 2031, a 3% to 6%-Base Salary increase will be awarded effective January 1, 2031 based on Mr. Constantine's annual performance rating in 2030.
- Sound Transit will provide the standard benefits (e.g., medical, dental, vision and ORCA pass) available to all employees. Sound Transit will also provide a fully funded Health Care Flexible Spending Account (FSA) up to the IRS limit starting in 2027 (the 2026 IRS limit was $3,400) and will provide supplemental life and accidental death and disability coverage up to the maximum allowable coverage amount, and will pay the incremental insurance premium for whole life insurance (currently $2,126 monthly). Mr. Constantine will receive 45 Paid Time Off days a year, plus a one-time accrual of 20 Paid Time Off days effective October 1, 2026.
- Mr. Constantine will participate in the retirement and deferred compensation plans available to all employees. Sound Transit is required by law to contribute an amount equal to 12% of his annual base salary to his 401(a) retirement account. Sound Transit will also contribute the maximum allowable amount to his 457(b) deferred compensation retirement account each year including the catch-up contribution allowed by the IRS (the 2026 IRS limit was $35,750).
- Mr. Constantine will receive an annual taxable expense allowance of $36,000 to defray routine business expenses incurred performing his duties under the employment agreement that are not otherwise covered by Sound Transit's general expense reimbursement policies and practices.
- Sound Transit will reimburse Mr. Constantine for approved travel, food and lodging associated with professional conferences consistent with Sound Transit policy, including, but not limited to, APTA Annual Conference, APTA Legislative Conference, APTA Rail Conference, APTA Annual CEO Conference, Washington State Transportation Conference.
- The Board may terminate the employment with or without cause. If the agreement is terminated without cause before December 31, 2031, Mr. Constantine will receive a severance package of salary and benefits equivalent to 18 month's base salary and retirement benefits, including make whole applicable taxes, the cash value of any unused accrued PTO, plus equivalent cash value COBRA benefits for 18 months plus make whole applicable taxes.

Effective October 1, 2026, the agreement will supersede the initial employment agreement adopted by the Board through Motion No. M2025-15.

Motion

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that (1) the $30,000 contribution performance award that was previously deferred by the CEO is awarded, (2) the agreement to employ Mr. Constantine is approved as described above, and including the following terms: (a) a three-year and three month employment term (October 1, 2026-December 31, 2029) and two one-year optional renewal periods (January 1, 2030-December 31, 2030 and January 1, 2031-December 31, 2031), (b) $490,086 annual base salary with a 4% cost of living adjustment to the base salary on April 1, 2027, (c) beginning in 2028, a 3%-6% annual base salary increase based on performance rating for the prior year, (d) standard employee medical, dental, vision and ORCA pass benefits plus a fully funded Health Care FSA up to the IRS limit, supplemental life and accidental death and disability insurance up to the maximum allowable amount and 45 Paid Time Off days a year plus a one-time accrual of 20 Paid Time Off days effective October 1, 2026, (e) a contribution of 12% of his annual base salary to his 401(a) retirement account and the maximum contribution amount to his 457(b) deferred compensation retirement account including catch-up contributions, not to exceed IRS limits annually, (f) a taxable expense allowance equivalent to $36,000 a year to defray miscellaneous routine business expenses, (g) reimbursement for allowed expenses for professional conferences, (h) an amount equivalent to 18 month's base salary and an amount equivalent to cash value of retirement benefits plus make whole applicable taxes thereon, the cash value of any unused accrued PTO, plus COBRA benefits for 18 months if terminated without cause before December 31, 2031 including make whole applicable taxes thereon, and (i) other standard terms substantially consistent with provisions approved by the Board in other employment agreements, and (3) the initial employment agreement approved by the Board under Motion No. M2025-15 is superseded by this agreement effective October 1, 2026.

APPROVED by no less than a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 24, 2026.

Dave Somers
Board Chair

Attest:

Kathryn Flores
Board Administrator