



SOUND TRANSIT EXECUTIVE COMMITTEE MEETING
Summary Minutes
June 7, 2018

CALL TO ORDER

The meeting was called to order at 10:35 a.m. by Vice Chair Marchione, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

ROLL CALL

Chair

(A) *Dave Somers, Snohomish County Executive*

Vice Chairs

(P) *Ron Lucas, Steilacoom Mayor*

(P) *John Marchione, Redmond Mayor*

Boardmembers

(P) *Claudia Balducci, King County Councilmember*

(P) *Dow Constantine, King County Executive*

(P) *Bruce Dammeier, Pierce County Executive*

(A) *Jenny Durkan, Seattle Mayor*

(P) *Patty Rubstello, WSDOT Alternate*

(A) *Paul Roberts, Everett Councilmember*

(A) *Victoria Woodards, Tacoma Mayor*

Paige Armstrong, Board Coordinator, announced that a quorum was present after the roll call.

REPORT OF THE CHAIR

None.

CHIEF EXECUTIVE OFFICER'S REPORT

Peter Rogoff, Chief Executive Officer, provided the report.

New Deputy CEO

Mr. Rogoff announced that Kimberly Farley has been hired as Deputy Chief Executive Officer (CEO). Ms. Farley comes to the agency with a deep reservoir of experience with managing major capital projects, including successes across a variety of roles in both the public and private sectors. She is a proven manager of collaborative, cross-functional teams, which will serve the agency well in advancing the culture of quality, accountability and inclusion.

Interim DECM Executive Director

Mr. Rogoff reported that he has appointed Ron Lewis, Executive Director of the East Link Extension, as the Interim Executive Director of Design Engineering and Construction Management (DECM) following the announcement of Ahmad Fazel's retirement.

Pride Month

Sound Transit is celebrating Pride month throughout June with a series of events organized by the agency's new Pride Employee Resource Group. On Monday, June 4, 2018 the Pride flag was raised outside of Union Station, on June 20, 2018 Sound Transit will be hosting a panel of LGBT+ leaders for staff, and on June 24, 2018 staff will be walking in the annual parade.

Senate Appropriations

This morning the Senate Appropriations Committee reported to the full Senate its Transportation Appropriations legislation and it continues to have good news related to New Starts and Congress taking a firm bipartisan stand in support of the continuation of federal partnership for projects like Lynnwood Link. The Senate bill provides more than \$2,552,687 dollars for the Capital Investment Grant Program which is over \$1.5 billion dollars more than the Administration recommended.

This news tracks well with last month's action in the House that provided \$2,613,650,000 dollars for Capital Investment Grants and \$1,335,700 billion dollars with a specific carve out of \$500 million dollars for new New Starts projects like Lynnwood Link and Federal Way. The House also included strong language directing the administration to continue to move forward with the federal partnership.

Sound transit is grateful to the entire delegation for their continued support of federal funding and specifically our appropriations committee members Senator Patty Murray and Representative Derek Kilmer. Sound Transit has applied to the CIG program for a \$1.17 dollar billion grant for Lynnwood Link and is in the process for a grant for the extension to Federal Way.

Class Action Lawsuit

Lastly, Mr. Rogoff reported that the agency has been served with a lawsuit challenging the constitutionality of the law the Washington State Legislature adopted in 2015 allowing voter consideration of the Sound Transit 3 ballot measure. The suit seeks to eliminate Sound Transit's ability to collect the 0.8 percent MVET that voters approved in ST3, and to establish a class action requiring the agency to refund previously collected revenues.

PUBLIC COMMENT

Alex Tsimmerman

BUSINESS ITEMS

Minutes of the April 5, 2018 Executive Committee Meeting

It was moved by Vice Chair Lucas, seconded by Boardmember Dammeier, and carried by unanimous vote that the minutes of the April 5, 2018 Executive Committee meeting be approved as presented.

Items for Recommendation to the Board

Resolution No. R2018-17: Amending rules and procedures to implement the Washington State Environmental Policy Act and superseding Resolution No. R7-1.

Perry Weinberg, Senior Legal Counsel and Director of Environmental Affairs and Sustainability, provided the staff report.

Mr. Weinberg walked through the updates to the policy, noting that the main amendments to Sound Transit's SEPA rules address:

- Updating the current agency terminology, address and contact information.
- Updating public notice and document distribution requirements to include the use of the Sound Transit website, electronic media and reduce mail and paper copies.

- Clarifications regarding exemptions from SEPA review, greenhouse gas and climate change analysis, and identification of a preferred alternative during the SEPA process.

Boardmember Balducci asked if anything was being changed in the document that would limit notification about environmental review to the public. Mr. Weinberg replied that the changes were adding flexibility about notifications of review being online, and that this change was an expansion and did not remove any other methods of notification.

It was moved by Vice Chair Lucas, seconded by Boardmember Balducci, and carried unanimously that Resolution No. R2018-17 be forward to the full Board with a do pass recommendation.

Resolution No. R2018-18: Adopting an updated Public Records Disclosure Policy and superseding Resolution No. R98-24.

Amy Pearsall, Senior Legal Counsel, and Q'Deene Nagasawa, Public Records Officer, provided the staff report. The proposed action is an update the agency's public disclosure and public records policy.

The policy outlines Sound Transit's rules and procedures for allowing the public to access identifiable, non-exempt agency records in a timely manner consistent with the provisions of the Public Records Act. It also ensures that Sound Transit is in compliance with the public records disclosure requirements imposed by the Public Records Act. Details of the policy update included: (1) updating references to the current Public Records Act, which has been recodified as chapter 42.56 RCW; (2) clarifying that public records requests will be accepted regardless of format; (3) confirming that Sound Transit does not maintain a single index of public records because it is unnecessary, unduly burdensome and would interfere with Sound Transit's implementation of its system expansion; (4) and permitting Sound Transit to charge fees in accordance with the Public Records Act.

Boardmember Dammeier asked how many public records requests the agency receives. Ms. Nagasawa responded there were over 500 in 2017, and 294 so far in 2018. Mr. Dammeier asked why the agency does not accept credit cards as payment, to which Ms. Pearsall responded that the agency does not have any protocol set up to accept credit card payment, based on financial analysis that the cost of accepting credit cards would not make up for any payments made. Ms. Nagasawa added that payment is only accepted for records when the agency must buy an external hard drive or other device to complete the request, or when the request requires paper copies, and fees are accepted in accordance with state law.

Boardmember Balducci requested that some language be added to the policy that states Sound Transit's support of public disclosure, and it's commitment to the people of the State of Washington to not only comply with mandated law regarding public disclosure, but also as a value to the agency. Staff was directed to work with Ms. Balducci to craft some changes ahead of the Board meeting wherein the policy would be adopted as final.

It was moved by Vice Chair Lucas, seconded by Boardmember Balducci, and carried unanimously that Resolution No. R2018-18 be forward to the full Board with a do pass recommendation.

REPORTS TO THE COMMITTEE

Report on Changes to Board Committee Structure

Vice Chair Marchione introduced Katie Flores, Board Administrator, to provide the presentation. Ms. Flores announced that this presentation is a follow-up from the workshop that the Board held on May 4, 2018. The workshop covered three primary focus areas:

- Updates to the Board's current committee structure
- Changes to the approval authority for committees and the CEO, and
- Communication improvements between the board and staff

Ms. Flores clarified that the action related to this proposal will be taking place later this year, as per direction from Chair Somers that the Board Process Review should be completed by the end of 2018. Chair Somers provided a proposed update to the Board's committee structure at the workshop, which Ms. Flores summarized for the committee.

The goals for the proposed restructure are to help balance the work load between committees, build expertise among board members, and help make sure the board is providing strategic direction and oversight to agency business. Ms. Flores then explained the proposed changes and adjustments to the Board's four committees.

The proposed changes to the Executive Committee would help to:

- Strengthen the board's focus on policy and systemwide programs
- And better distribute workload between the committees

To support the goals of the committee restructure, the Executive committee would be given approval authority to approve contracts or agreements equal the other two committees. The proposal adds review of systemwide programs, including Transit Oriented Development, system access, innovation, and sustainability. Surplus property declarations are proposed to be part of the executive committee's responsibilities since those declarations are often linked to future TOD opportunities.

Boardmember Balducci asked about the nuances that might make it difficult to separate systemwide system access projects and budget allocations from the budgets within larger capital projects. Ms. Flores clarified that there would still be discussion of the use of system access use of funds and how system access is being built into capital projects at the Capital Committee meetings. Mr. Rogoff also commented that this distinction will be dependent on some policy decisions that are yet to be made regarding the use of the System Access Fund, and how that money is allocated between Sound Transit 2 (ST2) and Sound Transit 3 (ST3) projects.

The proposed changes to the Operations and Administration Committee would help to:

- Focus on the customer experience
- Build expertise on transit planning, services and service contracts
- Grow awareness of agency operations and maintenance issues

Based on these goals, a new name has been proposed to provide a venue to specifically discuss the agency's customers. The new Rider Experience and Operations Committee name reflects the agency's expanding operating system and the importance of staying focused on the people riding the system.

Under the proposal, the committee would also be reviewing activities and communications affecting the rider experience, system enhancement, and state of good repair projects. (Which are currently reviewed by the Capital Committee). The committee would review annual budgets for these projects and operating budgets and provide recommendations to the Finance and Audit Committee and/or board. The committee would also begin receiving reports showing contracts approved within the CEO's approval authority related to the committee's areas of responsibility to give members a greater awareness of contracts related to their work.

Proposed changes to the Capital Committee would help to:

- Build expertise on the financial and construction status of system expansion projects
- Grow awareness of agency project development and delivery

Based on board member comments at the workshop, System Expansion Committee has been proposed as the new committee name to better reflect that this committee would be focused on review of all system expansion projects. The proposal would add review of contract reports related to capital expansion to provide members with awareness of contracts approved within the CEO's approval authority related to system expansion projects.

The proposed creation of a Finance and Audit Committee would help to:

- Provide an overall review of the agency budget and finance plan
- Better address financial risks and issues
- Build expertise on the agency's audit activities

This committee would replace the current Audit and Reporting Committee. The current Audit and Reporting Committee responsibilities would be transferred to the new committee, including review of:

- Financial statements
- Agency expenditures against the adopted capital and operating budgets.
- Investment and debt performance and risks.
- External and internal audits and monitoring the agency's response to audit findings.
- Internal audit plans, including selection of the annual performance audit topic.

The proposal would add responsibility of review for:

- The agency's financial plan and policies.
- Strategy to manage investment and debt performance.
- Agency risk management efforts.
- The approach for developing the annual budget.
- The proposed annual budget upon recommendations from other committees.

Report on Roosevelt TOD Transaction

Vice Chair Marchione introduced Brooke Belman, Director of Land Use Planning and Development, and Thatcher Imboden, Transit Oriented Development (TOD) Manager, to provide the update.

The Roosevelt TOD site is a 1.2 acre site adjacent to the Roosevelt Station site. The Roosevelt TOD site is unique because the construction contractor will be through with use of the site well ahead of the revenue date for service to the adjacent site, allowing construction of the TOD project to begin much sooner than is usual for these TOD developments.

Mr. Imboden walked through the prior actions that the Board has taken regarding the Roosevelt site, which include declaring the property surplus, the determination of suitability for housing, and the authorization to negotiate with a developer team. The next milestone for which staff will be seeking Board approval will be the consideration of various transaction agreements. The target timeline for the start of construction on this project is 2020.

Key business terms have been established for the Roosevelt project. These terms include the minimum of housing units to be 230, with a target of 245. Of these units, 100 percent will be offered at or below 60 percent of Area Median Income (AMI). Beyond that, for further affordability, there will be a target to offer 40 percent of the units below 60 percent AMI, with a target set at 40 percent of units. There is also a target for the percentage of units which will be size for families, meaning two bedrooms or larger, and that target is set at 40 percent of units, with a minimum of 20 percent of units. There are further guidelines set regarding the use of the street level of the property, sustainability standards for the building, and the price at which the property can be sold.

Mr. Imboden closed the presentation by stating that staff is hoping to return at the June 28, 2018, Board Meeting for approval of the transaction terms, and following that will be seeking approval from the Federal Transportation Administration (FTA) for the joint development.

EXECUTIVE SESSION

At 11:42 a.m., Vice Chair Marchione announced that the committee would convene an executive session that would last 15 minutes. Desmond Brown, General Counsel, announced that the executive session is authorized under RCW 42.30.110(1)(g) to review the performance of a public employee.

At 11:55 a.m., the Executive Session was extended by 10 minutes.

Vice Chair Marchione reconvened the meeting at 12:05 p.m.

OTHER BUSINESS

None.

NEXT MEETING

Thursday, August 2, 2018
10:30 a.m. to 12:00 p.m.
Ruth Fisher Boardroom

ADJOURN

The meeting was adjourned at 12:05 p.m.



Dave Somers
Executive Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on 8/2/2018. PIA.