



Summary Minutes

Executive Committee Meeting December 12, 2019

Call to order

The meeting was called to order at 10:48 a.m. by Committee Chair John Marchione, in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

Roll call of members

Chair	Vice Chair
(P) John Marchione, Redmond Mayor	(P) Paul Roberts, Everett Councilmember (P) Kent Keel, University Place Mayor

Board Members	
(P) Claudia Balducci, King County Councilmember (P) Dow Constantine, King County Executive (A) Bruce Dammeier, Pierce County Executive	(P) Jenny Durkan, Seattle Mayor (A) Dave Somers, Snohomish County Executive (P) Victoria Woodards, Tacoma Mayor

Katie Flores, Board Administrator, announced that a quorum of the Committee was not present at roll call.

Chair Marchione announced that he has approved a request from Boardmembers Keel and Constantine to participate in the meeting by telephone. Boardmember Woodards also requested to attend the meeting by phone, but was not present during roll call. If she joined, the committee would need to vote to suspend the rules.

Report of the Chair

Revised Agenda

Chair Marchione announced that he would be moving Agenda Item 6.B, Motion No. M2019-119 to be taken as the first business item in order to accommodate staff schedules. There were no objections.

CEO Report

TIFIA Loan Signing

CEO Peter Rogoff provided the report. Mr. Rogoff announced that agency representatives expected to sign the fourth loan agreement under the Transportation Infrastructure Finance and Innovation Act, more commonly referred to as TIFIA, Master Credit Agreement. The Federal Way TIFIA would fund \$629 million of the Federal Way Link Extension.

The credit agreement was the last of the four agreements authorized by the Board through the Master Credit Agreement approved in 2016. The Master Credit Agreement was established to provide federal loans for the Northgate Link Extension, the Operations and Maintenance Facility-East, the Lynwood Link Extension, and the Federal Way Link Extension.

The federal funds allow the agency to save a considerable amount on borrowing costs and insulate the agency from unexpected downturns in the economy. Over the life of the four loans, Sound Transit forecasted that taxpayers would save \$200 million to \$300 million compared to initial borrowing costs assumed in the agency's financial plan.

Downtown Seattle Transit Tunnel Single Tracking/Connect 2020

Mr. Rogoff informed the committee that January 4, 2020 was approaching, representing the beginning of Connect 2020. Link Light rail service would look very different as crews close one track at a time in all downtown stations.

Trains would operate between Angle Lake Station and Pioneer Square Station as normal and similarly between University of Washington Station and Pioneer Square Station. Riders continuing through Pioneer Square Station would change trains on the temporary center platform which was installed in October. Four-car Trains would run every 12 minutes at all times, seven days per-week.

More than 1,000 Sound Transit staff members were scheduled to spend five or more shifts in the field assisting riders, especially in Downtown Seattle and at SeaTac Airport. The ambassadors would be out at stations beginning December 16, 2019 and continuing through the month to spread news of the impending project. Staff would be onsite at various stations throughout the entire project, with emphasis on the early weeks.

Alerts in stations and onboard trains were already installed, and a second wave would be installed in mid-December. Earlier in the year, the agency launched a second website to assist riders. The agency was encouraging riders to sign up for email and text alerts and a social media users would be able to follow updates on specific platforms.

A multilingual digital campaign was scheduled to begin in mid-December and the agency partnered with Seattle Department of Transportation to reach limited English Proficiency communities in the Rainier Valley.

Seattle Office of Housing Transit Oriented Development Funding

The City of Seattle's Office of Housing awarded \$110 million to create over 1,900 units of affordable housing, which included awards to two projects proposed on Sound Transit's surplus property.

\$11.9 million was awarded to the 361-unit Madison/Boylston project which Plymouth Housing and Bellweather Housing proposed to build on Sound Transit's First Hill Transit Oriented Development property. \$8.5 million was awarded to the 125-unit Eldridge Project which would be constructed near the Capitol Hill Station on land the agency was trading with Seattle Central College.

With these two funding awards, all of the current projects on Sound Transit surplus property in Seattle had critical local funding commitments needed in order to leverage bond and tax credit financing. Both projects, and the previously-awarded Roosevelt Project were anticipated to begin construction in 2020, which would bring over 735 units of additional affordable housing to the city on Sound Transit surplus property.

Roosevelt Station Substantial Completion

Sound Transit held a media event at the Roosevelt Station on December 10, 2019 to mark substantial completion of construction at the station.

During the tour of the station and platforms, attendees saw the tremendous progress made on the project since groundbreaking in 2012. Work at the station shifted to systems installation as the project moved closer to the Northgate Link Extension opening in 2021.

Federal Way Link Extension November Open Houses

Two open houses were held in November for the Federal Way Link Extension. They were held at Highline College and the Federal Way Performing Arts Center. Nearly 180 people attended the events and Boardmember Upthegrove attended the open house at Highline College to make comments. Attendees were able to give feedback on names for the three future Link stations.

Retirement Parties for Boardmembers Earling and Marchione

Mr. Rogoff informed the committee that he and other representatives of the agency would be attending retirement parties for Board member Earling and Boardmember Marchione in their respective municipalities.

(Boardmember Durkan arrived at this time, it was observed that a quorum of the committee was now present.)

Public comment

Joe Kunzler

Alex Tsimerman

Business items

Boardmember Woodards joined the meeting via phone. Chair Marchione informed the Committee that the Board Rules must be temporarily suspended to allow Boardmember Woodards to participate by phone.

It was moved by Boardmember Roberts, seconded by Boardmember Balducci, and carried by unanimous vote to temporarily suspend the rules to allow more than 25 percent of the committee members to participate in the meeting via teleconference.

Motion No. M2019-119: Adopting the Sound Transit 2020 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, presented the staff report. He explained that the 2020 Legislative session was a short session, beginning on January 13 and lasting 60 days. He expected to see a legislative agenda which includes work in the transportation committees on refilling the budget, backfilling as a way of addressing Initiative 976. Both Transportation Committee chairs and leadership in both chambers were anticipating and budgeting based on an assumption that Initiative 976 would be found to be constitutional by the State Supreme Court. If the initiative was found to be constitutional, they would then have a budget surplus instead of a shortfall, leading to necessary emergency cuts later. Due to the short session, Mr. Soldano expressed doubt that the legislature would likely not take up work on major transportation budget policies.

The agency's agenda for consideration by the committee was much the same as it had been in past years, with one exception. The reason for the consistency throughout many years was that Sound Transit's approach to its legislative agenda was high level, allowing the agency and the Board to be nimble and reactive. The exception referred to earlier was to work with partners to retain mobility and service amid uncertainty in the wake of Initiative 976. Sound Transit relies heavily on and works closely

with its local jurisdiction and transit partners, and amid the uncertainty budget outfall, the agency wanted to make a strong showing at encouraging and supporting them.

Boardmember Balducci advised that a recommendation from the Washington State Transportation Commission to adopt a policy that would make the proposed road usage charge subject to the 18th Amendment to the Washington State Constitution. She advised that this recommendation should be of concern to the agency, and that it should speak with the commission and the state legislature if it passes through the commission. She explained that transportation needs are vastly different across the state, and the dense nature of the agency's region require transportation solutions focusing on mass transit. She asked that the agency weigh in on the matter. Mr. Rogoff responded, advising that the legislative program, as written, was written at a high level in order to allow for staff to be nimble in situations such as those described by Boardmember Balducci, but he offered to work with Boardmember Balducci to work on language to an amendment to propose to the full Board at its next meeting.

Boardmember Durkan voiced support for Boardmember Balducci's suggestion, and expressed a desire to ensure the legislature that Sound Transit was dedicated on assisting to find a solution to the Motor Vehicle Excise Tax and not be an obstacle. Boardmember Constantine, Vice Chair Roberts, and Vice Chair Keel expressed support for the views expressed by Boardmembers Balducci and Durkan's comments.

It was moved by Boardmember Roberts, seconded by Boardmember Durkan, and carried by unanimous vote that Motion No. M2019-119 be forwarded to the Board with a do-pass recommendation.

Items for Committee final action

Motion No. M2019-118: Authorizing the systemwide programs in the System Expansion-Other portion of the Proposed 2020 Budget and Transit Improvement Plan to advance to the Finance and Audit Committee.

Ann Sheridan, Budget Director, provided the staff report. Before Ms. Sheridan provided the staff report, Mr. Rogoff explained that this was the first year that the Executive Committee was responsible for review of a portion of the budget, and that Ann Sheridan would be briefing them on that specific portion.

Ms. Sheridan began with a brief overview of the full budget, as the committee did not meet in October when the rest of the committees were briefed on the same. Expenditures for the full proposed 2020 Budget totaled \$3.1 billion. Revenues and funding fell short of the expenditures, so approximately \$590 million in unrestricted cash balance closed the difference. The largest source of funding was retail sales and use tax. Other sources included passenger fare revenue, federal grants, property tax, and the motor vehicle excise tax. Nearly 75 percent of the expenditures is attributed to system expansion projects, with transit modes operation, debt service, other projects and "other" comprising the rest.

Without the unrestricted cash balance, proposed 2020 revenues and funding sources total \$2.5 billion. Tax revenues are up four percent due to a strong local economy. Sales and use tax account for 58 percent of all revenues and funding sources. Fares are increased due to increased Link ridership. The sharp decline in "other" expenses represents TIFIA loans which were taken in 2019, but not planned for 2020.

Transit operations in the Proposed 2020 Budget total \$370 million. Purchased transportation increased 4.9 percent and accounts for 54 percent of the transit operations budget. Other drivers in the increase over 2019 is increase of personnel and administrative costs, insurance, safety and security, and vertical conveyance maintenance.

2020 debt service and other consists of debt service, tax collection and fees, contributions to the Seattle First Hill Street Car, and the Agency Contingency.

2020 projects totaled \$2.5 billion, including non-system expansion projects of \$232 million. Those non-system expansion projects included Downtown Seattle Transit Tunnel capital improvements, ST Express bus replacements, passenger information management system design, Operations and Maintenance Facility renovations, vertical conveyance modernization, and information technology programs such as SharePoint 365 conversion and an operations data system.

System Expansion projects account for \$2.3 billion of the 2020 Projects budget. Most of that total was used by Link extensions. Most of the East Link Extension was to be substantially completed by the end of 2020; as was the Operations and Maintenance Facility - East, Northgate Extension guideway and stations. Downtown Redmond, Federal Way, and Hilltop Tacoma Link Extension design and construction would continue through the year. Two new projects would be initiated in the Everett Link Extension and Operations and Maintenance Facility – North. The Four Sounder Access were included and the Sounder Maintenance Base Design Build would continue. Bus Rapid Transit construction would increase and Bus Base North preliminary engineering and right-of-way would take place.

The Executive Committee was responsible for the “System Expansion – Other” portion of the Proposed 2020 Budget which covered programs not specific to a particular mode. Major programs under the topic included STart, which would fabricate and installed art for Northgate and East Link Extensions; System Access, research and technology, ST3 Planning, next generation ORCA, innovation and technology, and support of transit oriented development. The annual budget for the programs was just under \$29 million. The increase in the 2020 Transit Improvement Plan totaled just under \$15 million.

Boardmember Durkan expressed concern over both the state of vertical conveyances and fare enforcement methods and asked that the full Board discuss those items in greater detail at its next meeting. Boardmember Balducci shared concern over the vertical conveyances, and explained that time should be given to the newly acquired vendor so that staff could judge performance. She commented on the need for better communication to the riders when vertical conveyances are not functioning. Mr. Rogoff responded to both Boardmember concerns, stating that a broader discussion on fare enforcement policy was scheduled for early 2020 and informing the board that he received a vertical conveyance data which the agency could share with the public.

It was moved by Boardmember Roberts, seconded by Boardmember Balducci and carried by unanimous vote that Motion No. M2019-118 be approved as presented.

Item for recommendation to the Board

Motion No. M2019-120: Appointing Mark Riker as the Labor Liaison to the Sound Transit Board for a term of four years beginning January 1, 2020 and expiring December 31, 2023.

Katie Flores, Board Administrator, provided the staff report. She provided background, reminding the committee that in August, the Board of Directors approved Motion No. M2019-79, authorizing the appointment of a Labor Liaison, and asking that the Washington Labor Council AFL-CIO recommend a person with knowledge and experience working with labor unions that represent employees who operate or construct the agency’s transit facilities. The motion also stated that the recommendation should be considered by the Executive Committee for recommendation to the full Board.

On November 13, 2019 the Washington State Labor Council AFL-CIO submitted a recommendation to appoint Mark Riker as Labor Liaison to the Sound Transit Board of Directors. Mr. Riker was the Executive Secretary of the Washington State Trades Council representing the building and construction trade unions for the entire state of Washington. If appointed, Mr. Riker would fulfill the requirements of Motion No M2019-79, participating in any committee discussions regarding any proposed action that could impact the labor forces required to build and operate the agency’s transit systems or to participate

in Board discussions when an action would be considered by the full Board without prior committee review. He would serve a four year term and would be required to comply with the Sound Transit Code of Ethics.

Boardmembers Roberts, Constantine, and Durkan voiced their support for the action and praised Mr. Riker for his qualifications.

It was moved by Boardmember Roberts, seconded by Boardmember Balducci, and carried by unanimous vote that Motion No. M2019-120 be forwarded to the Board with a do-pass recommendation.

Nominations for Sound Transit Board Officers

Chair Marchione explained that under the Board Rules, when a member leaves before the end of their term as Board Chair or Vice-Chair, the Executive Committee must develop a recommendation to be brought to the Board to fill the remainder of their unexpired term. He noted that since he would be leaving the Board at the end of the year, the remaining unexpired term for Board Chair was from January 1, 2020 through December 31, 2020.

Board officers would be selected by majority vote of all members of the Board, and the Chair and Vice Chairs each would need to be from different counties. Since all officers must be from different counties, if the Executive Committee recommended a member from Snohomish or Pierce County as Board Chair, the Executive Committee must also develop a recommendation for a Vice Chair from King County.

The Board's rules did not specify the method of nominating officers. He noted that in the past, the Board used "nominations from the floor." Under that method, nominations would be taken and closed for each position separately.

It was moved by Boardmember Woodards, seconded by Boardmember Balducci, and carried by unanimous vote that the Committee use "nominations from the floor" method of nominating be used.

Boardmember Woodards nominated Vice-Chair Kent Keel to fill the remainder of the term for Board Chair from January 1, 2020 to December 31, 2020. No other nominations were submitted.

It was carried by unanimous vote that the Committee recommend Vice Chair Kent Keel to fill the remainder of the term for Board Chair from January 1, 2020 to December 31, 2020.

Chair Marchione advised that since the nomination for Board Chair was from Pierce County, the committee must nominate a Vice-Chair from King County to fill the remaining unexpired term from January 1, 2020 to December 31, 2020 to ensure the Chair and Vice-Chairs were all from separate counties.

Boardmember Balducci nominated Boardmember Dow Constantine to fill the remainder of the term for Board Vice-Chair from January 1, 2020 to December 31, 2020. No other nominations were submitted.

It was carried by unanimous vote that the Committee recommend Boardmember Dow Constantine to fill the remainder of the term for Board Vice-Chair from January 1, 2020 to December 31, 2020.

Chair Marchione asked staff to prepare an action for the December Board meeting to consider the

Executive Committee's nominations to fill the unexpired Terms.

Chief executive officer performance review and potential action on a Performance Award

Chair Marchione announced that the committee would enter executive session to review the performance of a public employee. Desmond Brown, general counsel, advised that executive session to review the performance of a public employee was authorized by RCW 42.32.110(1)(g).

Chair Marchione continued, announcing that the executive session would be held in another room. Boardmembers would return to the Boardroom following the executive action to take potential action.

The Executive Committee began a 30 minute executive session at 11:50am.

At 12:20, the executive session was extended by 20 minutes.

At 12:42, the executive session was extended by 2 minutes.

At 12:44, the executive session was extended by 5 minutes.

The Executive Committee reconvened at 12:50pm.

Chair Marchione offered Motion No. M2019-123.

Motion No. M2019-123: Recommending that a performance of Excellent (which is a four out of five is given to Mr. Rogoff per the CEO employment contract and based on his work in achieving his 2019 performance goals and objectives, resulting in a four percent increase to his base salary and a \$6,000 performance award.

Chair Marchione noted that the procedures for review of the chief executive officer were changed in 2018 in order to remain consistent with the manner in which all other Sound Transit employees were reviewed.

It was moved by Chair Marchione, seconded by Vice-Chair Roberts, and carried by unanimous vote that Motion No. M2019-123 be forwarded to the Board with a do-pass recommendation.

Executive session

An executive session was held earlier in the meeting. No additional executive sessions were held.

Other business

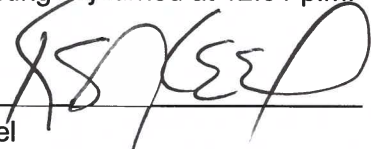
None.

Next meeting

Thursday, January 16, 2020
11:00 a.m. to 12:30 p.m.
Ruth Fisher Boardroom

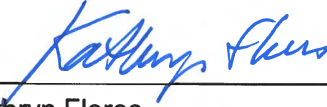
Adjourn

The meeting adjourned at 12:51 p.m.



Kent Keel
Executive Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on January 16, 2020. AM