Summary Minutes

Executive Committee Meeting
November 2, 2023

Call to order

The meeting was called to order at 10:31 a.m. by Committee Chair Dow Constantine and was available for viewing in person and online.

The meeting was recorded and can be found at https://www.soundtransit.org/get-to-know-us/board-directors/livestream-video.

Roll call of members

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

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

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

Report of the Chair

Monthly Contract Report

The monthly contract reports were included in members' meeting packets for review.

CEO Report

CEO Julie Timm provided the CEO report.

East Link Starter Line pre-revenue service

The agency continued to work with King County Metro to begin pre-revenue service this week for the East Link Start Line. Entering pre-revenue service was a significant milestone in the delivery of the East Link Starter Line. This final phase allowed for staff and agency partners to prepare for revenue service. Activities included operator familiarization with the new alignment and stations, emergency drills, safety certification, preventative maintenance inspections, and completing open construction items.

With the start of this final phase, riders would begin seeing trains on the alignment as operators prepare and test the system for operating conditions. The Safety Engagement team would host ambassador shifts near the at-grade alignment at Bel-Red station to make pedestrians aware of the change in the environment. Additionally, Safety Engagement would kick off the 2 Line safety campaign starting November 2, 2023, including outreach to schools in the area, presentations at community events like

Bellevue Essentials, and digital and in-person safety marketing.

Transportation Choices Award/Hall of Fame

CEO Timm announced that later this month, Transportation Choices would host their annual gala and introduce more individuals and programs into the transportation hall of fame. The Fare Ambassador Program would be inducted into their Hall of Fame for its compassionate and innovative approach to fare compliance and passenger engagement. CEO Timm would be in attendance alongside fare ambassadors to celebrate the award. CEO Timm thanked the Transportation Choices Coalition for the recognition, the Board for implementing the forward-thinking program, and the fare ambassadors on the field and trains for their everyday positive interactions with passengers.

Implementing the Fare Compliance Policy

Beginning Wednesday, November 15, 2023, Fare Ambassadors would begin implementation of the updated Fare Compliance Policy as approved by the Board in 2022. Under the updated policy, passengers without proof of payment would receive two warnings in a 12-month period. Additional violations could be resolved with non-monetary options or with $50 and $75 fines for third and fourth violations, respectively. Passengers may receive a referral to the courts if they accrued five citations within a 12-month period, but the hope is for this to help people learn how to use the system and access affordable fare options before escalating to the higher citation situations. Leading up to November 15, 2023, the agency would inform the public of this change through in-person engagement from fare and staff Ambassadors, signage at facilities, a press release, blog post and social media. Posters, handouts and paid advertising would be provided in multiple languages. During interactions with passengers, ambassadors would continue sharing information about ORCA LIFT and other reduced fare programs to connect eligible riders with the correct fare.

Lynnwood Link Extension

This month also began systems integration testing for the Lynnwood Link Extension. This was an important milestone in delivery where the construction was substantially complete and was ready to test the systems constructed to ensure they integrated and operated to meet service needs. The public could see active work on the rail as these critical tests were performed. These tests help identify any issues that may require necessary adjustments before beginning pre-revenue service activities.

Public comment

Chair Constantine announced that public comment would be accepted via email to meetingcomments@soundtransit.org and would also be accepted in-person and virtually.

There were no written, in-person, or virtual public comments received.

Business items

Items for Final Committee Action

October 5, 2023, Executive Committee meeting minutes

It was moved by Board member Dammeier, seconded by Board member Millar and carried by the unanimous vote of all Board members present that the minutes of the October 5, 2023 Executive Committee meeting be approved as presented.

Items for Recommendation to the Board

Motion No. M2023-93: Revising two key business terms of an affordable housing transaction with BRIDGE Housing at the Operations and Maintenance Facility East in Bellevue, Washington.

Committee Vice Chair Keel joined at this time.

Thatcher Imboden, Director of the Community Development Office, and Rennie Elliott, Senior Project Manager of Transit Oriented Development, provided the presentation.

Board member Dammeier noted the small and minor adjustments to business terms with no impact to the project and asked if any adjustments were required to be brought before the Board. Mr. Imboden responded that staff went before the Board to move forward with the transaction with the developers and to consider specific key business terms and the rest of negotiations were delegated to the CEO subject to the initial key business terms. Because the wording of the key business terms included the sites specifically for affordable housing, versus office or multi-family, and that the agency was proposing moving one site, there was a key business term change that required staff to return to the Board. Mr. Imboden noted they could begin to think of how to structure key business terms to avoid minor adjustments going before the Board. Board member Dammeier thanked staff and noted they should look into what constituted a material change that would require the Board's awareness or action.

Chair Constantine noted Board member Dammeier's comments were consistent with one of the Technical Advisory Group's recommendations that minor details such as this action could be better handled at the staff level rather than going before the Board.

Motion No. M2023-93 was moved by Board member Millar and seconded by Board member Franklin.

Chair Constantine called for a roll call vote.

Ayes	**Nays**
Bruce Dammeier	
Cassie Franklin	
Bruce Harrell	
Kent Keel	
Roger Millar	
Dow Constantine	

It was carried by the unanimous vote of six committee members present that Motion No. M2023-93 be forwarded to the Board with a do-pass recommendation.

Resolution No. R2023-34: Adopting a policy on public comment on fare changes and major service changes and supersedes the public engagement portion of the current fare policy, Resolution No. R2010-10 as amended by Resolution No. R2014-27.

Luke Lamon, Acting Chief Communications Officer, provided the presentation.

Board member Dammeier acknowledged the agency regularly received public comment and asked whether this action was solely a matter of Board policy meeting federal requirements. Mr. Lamon confirmed that was correct.

Board member Dammeier asked about a mention in the presentation regarding the feeding of participants for public comment. Mr. Lamon replied that was a potential outcome dependent on time of day a public comment event was taking place, such as the evening meal hours.

CEO Timm added that would not be a part of the policy and was an option that staff currently practices dependent on when and how engagement takes place with the community.

Board member Dammeier commented on the complexities of potential disparate treatment if not executed carefully.

Resolution No. R2023-34 was moved by Board member Millar and seconded by Boardmember Dammeier.

Chair Constantine called for a roll call vote.

Ayes	Nays
Bruce Dammeier	
Cassie Franklin	
Bruce Harrell	
Kent Keel	
Roger Millar	
Dow Constantine	

It was carried by the unanimous vote of six committee members present that Resolution No. R2023-34 be forwarded to the Board with a do-pass recommendation.

Motion No. M2023-94: Adopting the Sound Transit 2024 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 presentation.

Board member Millar noted he would abstain from this vote.

Committee Vice Chair Keel noted the topic of receiving support from legislature to change the funding structure had been a discussion for the past four years and asked staff if there was any progress on that. Mr. Soldano replied that position remained the same in this proposed legislative agenda and had been a topic of discussion for 6 years. Mr. Soldano noted over the past three sessions, there had been no interest from legislatures to adjust the funding structure.

Motion No. M2023-94 was moved by Committee Vice Chair Keel and seconded by Board member Harrell.

Chair Constantine called for a roll call vote.

Ayes	Nays
Bruce Dammeier	
Cassie Franklin	
Bruce Harrell	
Kent Keel	
Dow Constantine	

It was carried by the majority vote of five committee members present that Motion No. M2023-94 be forwarded to the Board with a do-pass recommendation. Board member Millar abstained.

Motion No. M2023-95: Reappointing Mark Riker as the Labor Liaison to the Sound Transit Board for another four-year term beginning January 1, 2024 and expiring December 31, 2027.

Chair Constantine noted the committee's meeting materials packet included a letter from the Washington State Labor Council, AFL-CIO, recommending that Mark Riker be re-elected to another four-year term as Sound Transit Labor Liaison. As a reminder, the Board created the labor liaison position in 2019 to advise the Board and participate in committee discussions on any actions that could impact the labor forces required to build or operate the agency's transit system. Mark Riker was elected as the first Labor Liaison with a term of January 2020 through December 2023, based on the recommendation from the Washington State Labor Council, AFL-CIO. Mr. Riker was the Executive Secretary of the Washington Building Trades Council, representing the building and construction trades unions from the entire state of Washington including Snohomish, Pierce, and King Counties. The council's letter notes Mr. Riker's extensive knowledge and experience working with the Labor Unions

that represented employees operating or constructing the agency's transit facilities, and his past work to represent the voice of labor while serving as the Labor Liaison for the past four years.

Motion No. M2023-95 was moved by Board member Millar and seconded by Committee Vice Chair Keel.

Chair Constantine called for a roll call vote.

Ayes	Nays
Bruce Dammeier	
Cassie Franklin	
Bruce Harrell	
Kent Keel	
Roger Millar	
Dow Constantine	

It was carried by the unanimous vote of six committee members present that Motion No. M2023-95 be forwarded to the Board with a do-pass recommendation.

Reports to the Committee

Status of implementing the Technical Advisory Group recommendations

Moises Gutierrez, Chief System Quality Officer, provided the presentation focusing on recommendations 1 and 2, all other recommendations would be briefed at the System Expansion Committee meeting.

For recommendation 1, on October 26, 2023, the Board adopted Resolution No. R2023-30 which updated the Procurement, Agreements, and Delegated authority policy. The policy updated included increasing several delegation levels to the CEO to free up Board capacity for policy debate and decision making. Implementation would occur immediately for items coming to the Board but still had more work to occur, including updating Board bylaws and the Real Property recommendation through 1.03 was still being followed up on.

For recommendation 2, the recruitment of a megaproject executive, Mr. Gutierrez reported that recruitment was live. In mid-October 2023, agency and technical advisory group (TAG) leads met to discuss the workplan and feedback to finalize materials. The recruitment would take place into the months of November and December 2023.

Chair Constantine noted the recruitment for Deputy CEO of megaproject delivery was an important step in fulfilling TAG recommendations and encouraged committee members to forward materials to anyone they believed was qualified.

Board member Dammeier echoed Chair Constantine's comments and asked if there were discussions taking place regarding recommendation 1.03 to streamline property procurement process with the exception of condemnations. Mr. Gutierrez responded staff was taking a look into that and would continue into 2024.

Board member Dammeier asked if there were discussions taking place regarding recommendation 1.05 regarding the TAG strongly recommending that if the Board decided to extend a comment period or delay a decision for further study, the costs of such a delay be quantified and acknowledged by the Board with an amendment to the project budget. Mr. Gutierrez responded staff was continuing to look at how information was conveyed to the Board with clarity and support Board discussions. CEO Timm added staff had worked closely with TAG, finance, and project teams and there was a thermometer report being implemented to showcase financial impacts on the financial plan and staff had begun entering staff recommendations where possible. CEO Timm noted the conflicts in recommendations and mentioned the complications with coming to the Board with a high level of detail while still bringing

information in a transparent and quick manner. Board member Dammeier did not see a conflict in the recommendations and saw the opportunity for staff to have higher delegation to open up time for the Board to make their necessary decisions or discussions.

Presentation on the Proposed 2024 Systemwide Program Budgets

John Henry, Chief Financial Officer, Ryan Fisher, Deputy Executive Director of Financial Planning, Analysis and Budget, and Jenny Stephens, Director of Financial Planning, Analysis and Budget, provided the presentation. Budgets within the Executive committee's purview included system expansion projects – systemwide and debt service and other costs.

The 2024 revenue budget was expected to grow over the 2023 budget by 8 percent, with continued growth in tax revenue based, along with strong investment income projected and a return of the assumed Build America Bonds subsidy. Fare revenues assumed higher ridership due to East Link Starter Line and Lynnwood Link openings. Grant revenues forecast was above the 2023 budget due to earlier than assumed appropriations for Lynnwood Full-Funding Grant Agreements and new funding not forecasted or planned for in 2023. Under bond and TIFIA loan proceeds, this represented a draw for the entire Hilltop TIFIA loan; 2024 was the last year the agency was able to draw down on it.

The 2024 proposed expenditures budgets were 2.2 percent, or $69 million, lower than the 2023 budget, largely due to the winding down of projects in construction. The proposed modal operating budget was highly driven by the Starter Line 2 starting revenue service in Spring of 2024 and Lynnwood Link Extension starting revenue service in Fall of 2024. In addition, the budget had increased for security, vertical transportation, cleaning costs, and fare ambassadors as those services increased in 2024.

System expansion projects were lower due to a winding down of projects in construction. The projects with the largest decreases from 2023 budget to 2024 budget included Federal Way, Lynnwood Link, and Downtown Redmond Link. There was an increase for the Tacoma Dome Link Extension for preliminary engineering and right-of-way and increases for the recently baselined Stride project. The total other agency projects, excluding system expansion, was driven mainly by State of Good Repair projects. Highlights from this category included the Kinkisharyo Light Rail Vehicle systems upgrade, the Portfolio Services Office's programmatic work to include updating project control policies and procedures, the Sounder vehicle overhaul program to rebuild Head End Power (HEP) units, and capital improvements in the downtown tunnel.

More than 82 percent of funding currently came from tax revenues, while over 61 percent of spending went to the expansion of the existing system. Staff anticipated the modal operating expenses to continually take a larger share of the overall expenses as the completed expansion projects transitioned towards revenue service. Debt service as a percent of overall budget would continue to grow as the agency drew down on its existing TIFIA loans over the coming few years. The gap between the sources and expenses would be covered by cash from existing balances in 2024.

The total $1.85 billion proposed 2024 budget for system expansion projects included $41.5 million attributable to systemwide projects. The 2023 forecast was currently trending to budget for the full year. The 2024 proposed budget for the systemwide system expansion projects was 3.1 percent, or $1.3 million, higher than 2023 Budget. Highlights included $10.8 million for the Transit System Access Program in continued implementation of system access fund awards. This included the performance monitoring and reimbursement/billing of transit improvements from over 20 agreements with local agencies, ST Art to finalize East Link and Lynnwood Link artwork, fabrication of Federal Way Link Extension and 130th Infill artwork, design of art for sounder parking and access improvements, and planning for ST3 projects, Innovation and Technology Program activities and ST3 Planning Activities to support a capacity planning study and complete the environmental affairs and sustainability stormwater planning efforts.

The overall increase in systemwide spending was related to the nearing completion of the East Link Extension, Downtown Redmond Link Extension, Lynnwood Link Extension, and Federal Way Link Extension. The increases from 2022 to 2023 were driven by increased spending in ST Art to finalize installation and fabrication for major projects in construction, such as East Link, Lynnwood Link, and Federal Way Link, increased spending in transit system access fund, increased spending for Fare Administration, ST3 Planning, and Innovation and Technology.

Mr. Fisher reviewed changes to the Transit Improvement Plan since last year's Board approval of $610.8 million. New projects included $3.1 million for the early planning work for the Unified Control Center, of which $1.4 million was in 2024. Early planning work consisted of consultant costs and internal staff time to evaluate options and included conceptual engineering and environmental review. The Unified Control Center would serve as a centralized command and control facility for control of train movement, incident management, passenger communication, and response to safety and security events. Changes to existing projects and programs was $13.5 million and largely driven by additional dollars for Environmental Remediation to address remediation needs in Northgate Link and multiple properties from Sound Move and ST2. Additional dollars for ST3 Planning increased to cover ongoing stormwater legal work required to meet regulatory requirements and a capacity study and dollars for Fare Administration for ORCA system improvements and ORCA lift registry database enhancement.

For debt service and other expenses, the forecast for these budget items were on track to budget, except for tax collection and fees. A proposed amendment to resolve this was going to the Board at the November 16, 2023 meeting. Debt service in the 2024 budget was proposed to be lower due to retirement of variable rate debt in 2023. Contributions to partner agencies was lower as 2023 was the last year of the agreement with the City of Seattle to contribute towards the First Hill Streetcar. Leases were lower due to leases ending as part of core campus consolidation. Tax collection and fees was lower in line with the decrease in eligible ST3 offset fee construction costs. Agency contingency was higher as the agency moved from 2 percent in 2023 to 3 percent of modal operating budget to help mitigate risks in escalating purchased transportation costs. Other non-operating expenses were relatively flat year-over-year primarily for contracted maintenance services on a segment of heavy rail track stretching from Lakewood to Dupont.

Mr. Fisher provided a few highlights from debt service and other trends over the last few years. Debt service was down after the strategic cash optimization which the agency undertook in late 2021 in which $1 billion of higher interest debt was retired and issued $1 billion of new debt at a lower interest rate. The agency would see an uptick in the next few years it completed the drawdowns for existing TIFIA loans. Tax collection and fees had fluctuated based upon eligible construction contracts for ST3 projects offset by fees paid for tax revenue collections. Leases had decreased over time as the agency looked to find cost savings with core campus space consolidation in the post-pandemic hybrid work environment.

After this presentation, the committee would receive a budget recommendation to recommend to the Finance and Audit Committee at its December 7, 2023 meeting. Then the Board will adopt the proposed 2024 budget at its December 15, 2023 meeting.

Board member Dammeier noted he presided over the November 2, 2023 public hearing on the 2024 proposed budget and property tax levy and received no public comments.

Briefing on Link fares and fare structure

Alex Krieg, Director of Access, Integration and Station Area Planning, provided the presentation. The current existing adult Link fares ranged from $2.25 to $3.50 which was determined using the base fare of $2.25 plus $0.05 per mile charge rounded to the nearest $0.25. The fare change and structure was being considered due to the last fare change on Link occurring in 2015, an expanding system resulted in a larger distance-based fare table and more fare rates, and staff received interest from Board members to explore a flat fare structure. Mr. Krieg displayed a table of existing fares across the Sound Transit

district with the Sound Transit fares alongside partner agencies' fares. He also displayed the current Link fare table for adult fares across the Link line and the Link fare table for adult fares after ST2 projects opened with no changes to the current fare structure or rates. Mr. Krieg reviewed how Sound Transit Link compared to peer transit agencies with light rail, what their fare structure was, if they offered income-qualifying reduced fares, and if they capped fares. A presentation on these comparisons was provided earlier in the year. Since then, Tri-Met in Portland has increased their adult fares from $2.50 to $2.80 and RTD in Denver went from a zone-based fare to a flat fare with airport surcharge and reduced each of their fare rates and would go into effect early 2024.

Chair Constantine asked for more definition on fare capping terms. Mr. Krieg explained a fare cap was a cap on the total fare a passenger may pay and could be set on a daily, weekly, or monthly basis and could be set in different ways such as daily and monthly.

Board member Harrell asked if there was a fare structure that was flat fare then how was it considered a capped fare. Mr. Krieg shared the Portland Tri-Met fares as an example. The Tri-Met cap was set as $5.00. If a passenger rode twice, or more than twice, a passenger would not pay more than $5.00 in a single day and the same idea could be applied to monthly capping.

Mr. Krieg reviewed the fare structures for distance-based and flat fare considerations. Distance-based fare considerations listed fares depended on how far a passenger travels, distance-based fares required passengers to tap on and tap off, and if passengers did not tap off, they were charged the highest fare from their originating station. Flat fare considerations listed one fare for all rides which was simpler to understand and budget for, flat fares required passengers to only tap on, and simplified fare structure allowed for easier potential transition to fare capping.

54 percent of Link fare boardings in 2022 were paid by passengers that had a reduced fare or an employer-provided ORCA card. Mr. Krieg noted this group of passengers would not be impacted by fare changes since there would not be a change to reduced fares or subsidy programs with employers. 46 percent of Link boardings in 2022 were paid with the adult fare using an ORCA e-purse, pass products, or via ticket vending machines. This group would see impacts of the fare change and influenced the agency's engagement approach.

Chair Constantine asked if the reduced fare percentages included low income and no income. Mr. Krieg confirmed and stated it also included seniors, disability, youth, and so on. Chair Constantine asked if staff knew how employer-provided ORCA card percentages varied over time given the pandemic and hybrid work. Mr. Krieg noted it had not dramatically decreased since the pandemic and stayed within that 40 to 41 percent range.

The focus of engagement was whether to maintain a distance-based fare or adopt a flat fare. The change would only affect adult fares. The fare rates under consideration for distance-based fare would increase base fare by $0.25 or $0.50. Flat fares would consider $3.00, $3.25, or $3.50. Engagement would also seek input related to simplicity, affordability, and impact on a passenger's use of light rail based on a change to Link fare structure. No changes were being proposed to other fare categories such as low-income fare, senior, disabled, or youth fares.

The engagement period took place from September 25, 2023 to October 22, 2023. Key tactics included an online open house, a passenger survey, engagement with community-based organizations, targeted focus groups, and street teams to drive survey participation. Engagement efforts targeted areas and populations likely to be most impacted by a Link fare change, parking program expansion, or both. Online survey results was not truly representative of the rider population and not every entry included an answer regarding the demographic choice.

With the question of which fare structure option do passengers and the public prefer, overall there were 3,841 respondents and option 1 (updated distance-based fare) received 50.14 percent of votes and

option 2 (new flat rate) received 49.86 percent of votes. 2,261 respondents were passengers that paid adult fares and did not have employer-paid ORCA cards – 52 percent of this group chose option 1 and 48 percent chose option 2. 2,296 respondents were passengers that rode light rail at least once a week and 53 percent of this group chose option 1 and 47 percent chose option 2. The data was also broken down by county. 51 percent of King County respondents chose option 1, 45 percent of Snohomish County respondents chose option 1, and 60 percent of Pierce County respondents chose option 1. Mr. Krieg reiterated that not all respondents provided a zip code to place them in a demographic region.

Committee Vice Chair Keel asked where respondents with unidentified zip codes were placed in the data. Mr. Krieg replied those respondents were excluded for that particular set of data comparisons only relating to counties.

51 percent of passengers using existing stations chose option 1 and 47 percent of passengers planning to use ST2 stations chose option 1. Passengers based on income levels showed closely divided percentages between the two options. Passengers based on racial identity showed more in favor of option 1. Mr. Krieg noted that data comparisons for income levels and racial identity also received fewer respondents and therefore had lower respondent counts to use for percentages. The survey asked respondents whether they agreed or disagreed with statements related to distance-based or flat fare structures. Mr. Krieg shared the results for each statement.

Staff was working to summarize themes from information sessions, focus groups, community-based organizations, and the 1,600 open-ended comments received in the passenger survey. Initial themes that emerged included considering a zone-based fare structure, fare rates under consideration were too high, or fares should be free, and focus on enforcing fare payment compliance before raising fares.

Board member Harrell asked if those that showed a preference for flat rate may have assumed the rates may decrease and by distance it would be a penalized effect based on distance traveled. Mr. Krieg replied that could be an accurate assumption given the varying costs that passengers pay dependent on their travel styles and durations.

Chair Constantine shared the many reasonings that could complicate the choices of flat fare versus distance-based fares.

Committee Vice Chair Keel shared his thoughts on creating a hybrid option such as an entry level fee with an added distance-based component and thought there was more work to be done to consider other flexible options. He noted the importance of ensuring the agency wasn't being short-changed in fee collection. He also noted considering the flow of ORCA use across all agencies.

Chair Constantine agreed with the ORCA coordination across all agencies and should be focused on the passenger experience more so than back of house operations. He asked how Sound Transit was working with all the other agencies. Mr. Krieg replied that Sound Transit had engaged with all agencies and there was a regional fare subcommittee that met regularly and was focused on coordination given the expanding services.

Board member Millar asked if staff looked at examples from other agencies outside the county and shared he was in a county that provided more of a time based ticket such as a 15-minute ticket, a 2-hour ticket, or an all day ticket and mileage based ticket. Mr. Krieg replied that studies did not take into account international practices given the US and Canada practices were more relatable and international methods were more complex and could be more technologically advanced.

Next steps included a public hearing on November 16, 2023 as well as briefing the Board at its November 16, 2023 meeting. The Rider Experience and Operations Committee would take potential action Link fare changes at its December 7, 2023 meeting and the Board would take potential action at its December 15, 2023 meeting.

Executive Session – None

Other business – None

Next meeting

Thursday, December 7, 2023
3:30 p.m. to 5 p.m.
Ruth Fisher Boardroom and Virtually via WebEx

Adjourn

The meeting was adjourned at 12 p.m.

Dave Somers
Executive Committee Vice Chair

ATTEST:

Kathryn Flores
Board Administrator

APPROVED on December 7, 2023, JG