Summary Minutes

Executive Committee Meeting
March 7, 2024

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) Dave Somers, Snohomish County Executive

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

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

Report of the Chair

Welcome Kim Roscoe to Executive Committee

At the February 2024 Board meeting, Board member Roscoe was appointed as Board Vice Chair to complete the remainder of the unexpired two-year term which ends at the end of this year. Committee appointments were also updated and Vice Chair Roscoe was added to the Executive Committee.

Passing of former COP member

Chair Constantine shared condolences for Joe Scorcio, a former Community Oversight Panel member and SeaTac City Manager who passed away on February 14, 2024 after a battle with cancer.

CEO Report

Goran Sparrman, Interim CEO, provided the CEO report.

Board Retreat

On February 29, the Board of Directors held a retreat in Everett, WA. CEO Sparrman thanked the Board for their participating. The retreat was focused on building confidence between the Board and staff, discussing communication expectations, Sound Transit history and regionalism, and the finance plan with its challenges and opportunities. The retreat was a step towards confidence building between the

Board and staff, which was the number one recommendation from the Technical Advisory Group (TAG).

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.

The following people provided written public comment:

Diane Ramsey
Marilyn Kennell

The following people provided in-person public comment:

Marilyn Kennell
Matthew Sutherland

There were no virtual public comments received.

Business items

Items for Final Committee Action

February 1, 2024, Executive Committee meeting minutes

Vice Chair Roscoe noted a typo on page 3, first paragraph, to correct the year from 2024 to 2023 and asked staff to correct the minutes.

It was moved by Board member Roscoe, seconded by Board member Franklin and carried by the unanimous vote of all Board members present that the minutes of the February 1, 2024 Executive Committee meeting be approved as corrected.

Items for recommendation to the Board

Resolution No. R2024-02: Adopted a Parking Management Policy and superseding Resolution No. R2018-27 and section 3 of Resolution No. R2013-03 on parking management.

Alex Krieg, Director of Access, Integration and Station Area Planning, provided the presentation.

Chair Constantine asked in what ways the policy was changing in response to public input. Mr. Krieg replied there were two main ways including the expansion of the parking management goals from the 2018 Board action which reflected the public's desire to have a simple and easy to understand program. Another was from the passenger's interest in maintaining permit parking options at the busiest facilities and having the ability to reserve or gain access to those facilities.

Chair Constantine asked if staff had quantified generated revenue at facilities that may be used for special event parking outside of commuting hours. Mr. Krieg replied that the team had modeled a program to assume forecast in 2026 when the program was fully implemented with a starting rate of $2/day with a flat permit fee. The assumed initial net revenue for the first year was within the $5-$7 million range. Staff modeled the finance plan to include a target for parking revenue of $45 million and the assumptions suggested reaching the target around mid to late 2030s or early 2040s. After that, revenue would recapitalize the system access funds. Staff did not model special events fees in those assumptions because those were undecided on how to be deployed.

Board member Millar asked if staff had considered providing an app for riders to provide the ability to check the number of parking spaces available at certain garages prior to arriving. Mr. Krieg replied there was undergoing work with a vendor to support that type of program, which also included a web/app-

based payment option. The contract with the vendor enabled additional work to provide real-time about space availability that could be communicated across different platforms.

Board member Backus asked how parking facilities could identify those parking overnight and how they would be charged. Mr. Krieg replied that riders would provide their license plate, the parking vendors would then be using license plate recognition technology and the rider would gain 24 hours of access and parking per the current parking rules and regulations.

Board member Roscoe asked what payment methods were being contemplated and if it would be integrated with ORCA to ensure transit riders were the ones accessing the parking spaces. Kevin Shively, Senior Transportation Planner, replied that the current vendor to manage the current carpool program would also provide management of daily fees and permits. The primary mode of payment was anticipated to be through mobile apps. The vendor and ORCA were prepared for integration. It was considered to record a rider's ORCA card number if a rider requested a permit space, and the vendor could then validate usage of the service.

Board member Roscoe expressed the importance of collected data and validating service usage to showcase that transit riders were using transit garages.

Resolution No. R2024-02 was moved by Board member Roscoe, seconded by Board member Backus.

Board member Dammeier asked if this program encompassed the disabled community and ensuring this program was also beneficial to their access. Mr. Krieg replied that ADA spaces were not being charged at Sound Transit facilities and would provide discounted parking to those enrolled in discounted ORCA programs.

Chair Constantine called for a roll call vote.

Ayes		**Nays**
Nancy Backus	Roger Millar	
Claudia Balducci	Kim Roscoe	
Bruce Dammeier	Dave Somers	
Cassie Franklin	Dow Constantine	
Bruce Harrell		

It was carried by the unanimous vote of nine committee members present that Resolution No. R2024-02 be forwarded to the Board with a do-pass recommendation.

Motion No. M2024-11: Adopted goals and objectives for Goran Sparrman, Sound Transit interim chief executive officer.

Chair Constantine explained that as established by the CEO's employment agreement, the Board, in consultation with the CEO, needed to establish performance objectives for 2023.

Motion No. M2024-11 was moved by Board member Roscoe, seconded by Board member Backus.

Chair Constantine expressed the goals being ambitious and was glad to have Interim CEO Sparrman on board and would require collaborative efforts to accomplish them.

Board member Roscoe noted there were broad and specific goals and pointed out goal 7 to accelerate prioritization of resources, collaboration with SDOT and other external stakeholders to complete the

2024 safety improvement plan for the Rainier Valley segment of the 1 Line and noted this goal was ambitious and necessary.

Interim CEO Sparrman concurred to the goals and how they were required for the agency's success.

Chair Constantine called for a roll call vote.

Ayes		**Nays**
Nancy Backus	Roger Millar	
Claudia Balducci	Kim Roscoe	
Bruce Dammeier	Dave Somers	
Cassie Franklin	Dow Constantine	
Bruce Harrell		

It was carried by the unanimous vote of nine committee members present that Motion No. M2024-11 be forwarded to the Board with a do-pass recommendation.

Reports to the Committee

Quarterly report from the Board's Technical Advisory Group

Ken Johnsen, with the Technical Advisory Group (TAG) provided the presentation and shared key takeaways. Takeaways included a new and improved implementation plan, good collaboration between TAG and agency staff, there was more work to do but the agency was on the correct track and needing to prioritize projects over process to meet budgets and schedules. He reiterated the TAG's recommendations and noted they were still on par with the agency's progress.

For recommendation 1, trust, progress updates included raising CEO delegates authority, a Board retreat, staff recommendations to the Board, and quantifying delayed impacts. TAG's feedback included that trust should be the underlying focus, continue to assess what actions were brought to the Board, and the need for a regional perspective. For recommendation 2, Capital delivery staff, progress updates noted the Deputy CEO candidate selection was moving forward; TAG's feedback was for the agency needed to move on the ST2 and ST3 Deputy Director positions. For recommendation 3, decision-making, progress updates included identifying barriers to faster decision-making and reviewing the change control board (CCB); TAG's feedback was for the agency to continue seeking industry expertise and feedback, limit CCB role, prioritize projects over process, have faster decision making while still documenting, and staff training and recognition.

For recommendation 4, owner of choice, progress updates included improving invoice processing timelines and data management and baselining; TAG's feedback for the agency was to focus on payments, change orders, and project closeout, pursue early wins, prioritize projects over process, pay attention to outliers, and continue to seek industry feedback. For recommendation 5, betterments, progress updates included updating and consolidating existing policies and engaging Board members in strategic discussions; TAG's feedback for the agency was to address betterments at all phases of project delivery, quickly escalate unresolved issues, and explore use of essential public facility designation and additional legislative authority. Mr. Johnsen noted betterment issues was a common difficulty across many agencies. For recommendation 6, FTA, progress updates included continuing CEO/DCEO/FTA relationship building and inventory of FTA/staff touchpoints; TAG's feedback for the agency included continuing the building of those relationships and exploring pilot projects.

Next steps included ongoing collaboration with staff through monthly check-ins between TAG leadership and agency staff and ad-hoc implementation progress check-ins. TAG will return to the Executive and System Expansion Committees at least quarterly throughout 2024.

Chair Constantine asked what area TAG would focus on in the upcoming months. Mr. Johnsen replied that the administrative portion needed to make changes in order to provide those in the field to move quicker. He also noted how the staff and Board move forward with betterments.

Chair Constantine asked what the TAG needed from the Board to ensure continued success. Mr. Johnsen replied to stay on course and noted Interim CEO Sparrman had set the appropriate tone for the agency.

Board member Balducci expressed the healthy communication of progress made and recognized former Chair Kent Keel on his focus regarding the TAG.

Board member Roscoe expressed interest in receiving more information on exploring the use of legislative authority on the betterments policy. Mr. Johnsen referred to Toronto transit as an example, mentioning they had more authority on permitting closer to the track and recommended the Board consider what authorities Sound Transit has. This recommendation's intent was to give Sound Transit more authority towards making certain decisions closer to the tracks.

Board member Millar encouraged the agency how to be an owner of choice within the contracting space.

Quarterly report from the Board's Independent Consultant

Dave Peters, the Board's Independent Consultant, provided the presentation. His current activities included engagement with the Ballard Link Extension team to receive briefings on the South Lake Union/Harrison station alternative feasibility study. The engineering was well along and the team was moving forward to assessing the implications with constructability, maintenance of traffic, transit integration, utility relocations, and cost and schedule. Mr. Peters will return and report back as the team furthered the study. He also received agency staff briefing on the procurement of 10 additional Series 2 LRVs. He observed cost for LRVs were increasing nationwide and was a result of COVID-19. He mentioned this because it presented a concern for the next procurement for over 240 Series 3 LRVs.

Mr. Peters reviewed the status of previous recommendations including changing the project delivery method for parking, pre-purchasing long lead-time equipment and materials and system-wide contracts, implementing technical standards for repetitive design elements, embracing a culture of urgency for the agency, Board, and stakeholders, and establishing an independent megaproject delivery team.

Due to technical difficulties, at approximately 11:38 a.m. Chair Constantine placed the committee into a recess for 3 minutes to allow staff to potentially address the issues.

The meeting resumed at approximately 11:48 a.m.

Status of implementing the Technical Advisory Group recommendations

Moises Gutierrez, Chief System Quality Officer, provided the presentation focusing on recommendations 1 and 2 and would expand on the other recommendations at the March 2024 System Expansion Committee meeting. Mr. Gutierrez noted an updated version of the tracking table was included in the members' packets and asked for feedback on whether this version met their expectations. There was significant work taking place towards recommendation 1, building trust and improving role clarity between the Board and staff. Since last month's update, Interim CEO Sparrman implemented additional delegation of signing authority eliminating the previous internal policy of requiring the CEO signatures for competitively procured contracts over $250,000 and sole source contracts over $25,000. Appropriate levels of staff were now empowered to move forward, because of this, Mr. Gutierrez reported the prior process bottleneck was no longer.

Last week, the Board held its retreat and was a successful opportunity for the Board and staff to collaborate and align on a shared vision for a regional approach to decision making. In the next month, staff would return with specific potential actions and commitments stemming from the retreat. Staff also

began putting together a report on programmatic work that spanned across multiple committees. That work would help staff develop a framework proposal for a potential Board wide workplan in the coming months.

For recommendation 2, the hiring of a Deputy CEO for megaproject delivery, he reported progress and thanked the Board for their participation in the interview process. The recruitment for an ST2 and ST3 Deputy Director began in February 2024. The full recruitment process would roll out within the next few months. Lastly, Interim CEO Sparrman completed his review of the agency's organizational structure and would work towards developing adjustments over the next few months. The goals stemmed from accountability, empowerment, and efficiency. He noted the TAG's report that urged the agency to rethink CCB and reported staff had issued guidance, effective immediately, to streamline that process in accordance with the TAG's recommendation. This meant project teams were further empowered to make decisions at their respective level and would begin work to refocus change control board based on industry standards.

Presentation on Scope Control Policy Update

Alex Krieg, Director of Access, Integration and Station Area Planning, provided the presentation. As a reminder, TAG's recommendation 5 was to strengthen and enforce an agency betterments policy. Per the Board's Scope Control Policy, a betterment was defined as project elements that were not clearly: 1) included in the initial project scope, 2) necessary in the normal course of completing the initial project scope, 3) included in the project definition, or 4) among the mitigation measures indicated in the final environmental documentation for the project. Examples of agency betterments included the bus layover at Kent Station for King County Metro as part of the Kent Station Parking and Access Improvement project authorized through Motion No. M2023-88, constructing a sanitary sewer line for City of Shoreline as part of the Lynnwood Link Extension project through Motion No. M2022-80, and upsizing wastewater pipe for King County Wastewater as part of the OMF East project through Motion No. M2018-07. Betterments were discreet capital elements that were required to bring forward for Board approval above a certain cost threshold to incorporate into a capital project.

Betterments were not part of the core capital project scope. Better clarity about project definition would give staff the ability to address and respond to betterment requests. Projects were not developed in a vacuum and the agency must engage in local, state, federal, and tribal regulatory processes. Adopted Sound Transit standards, guidelines, and requirements supported agency ability to clearly state what was necessary for operational and passenger success.

There were existing policies related to betterments such as the scope control policy, reimbursement policy, and the policies to guide permitting activities of Sound Transit staff. Mr. Krieg referred to Mr. Johnsen's TAG presentation which stated that if there was a full policy related to betterments it was not widely known or understood. Staff agreed with that statement in that the listed polices were insufficient and were not consistently applied by project teams. Staff proposed to consolidate and strengthen them.

Major policy topics staff planned to address included clarifying and emphasizing that Sound Transit was an essential public facility, solidifying definition of project scope throughout project development, formalizing incorporation of Sound Transit standards and requirements, defining betterment outside of core scope, Sound Transit standards and requirements, and required mitigation, clarifying Sound Transit status and standing in regulatory processes, and improving enforcement of and accountability to an updated policy. Staff plan to share and enforce accountability by creating pathways to resolve disputes at all levels including project staff and management, government relations, legal, agency leadership, and the Board. Project decisions could and would impact the regional system and this policy update would support systemwide thinking.

Staff was drafting a policy update and would incorporate Board input, brief the System Expansion Committee at its March 2024 meeting, engage regularly with TAG, and present a policy update for potential Board action at the April 2024 meeting.

Chair Constantine commented on the difficulties of navigating betterments and thanked staff for their focus.

Final review of the draft 2024 Executive Committee work plan

Chair Constantine noted the addition of joint development work and the CEO search committee to the committee's work plan and asked for further discussion. There were no additions this time.

Presentation on Fare Policy Update

Alex Krieg, Director of Access, Integration and Station Area Planning, provided an abbreviated presentation due to time constraints. The full presentation and materials were included in the committee members' packets. He emphasized the fare policy update was to address substantive issues associate with farebox recovery targets and approach for adjusting fare rates given the inability to meet existing farebox recovery targets and recent fare revenue challenges. Farebox recovery ratio was the percentage of operating expenses made up by passenger fares. RCW required Sound Transit to have a farebox recovery policy. The existing recovery targets was 40 percent for Link, 23 percent for Sounder, 20 percent for ST Express. The T Line and Stride did not have targets established yet. The agency was currently out of compliance for all modes.

Mr. Krieg summarized the policy changes that staff would propose to address the observed underperformance such as modifying the existing targets to include a minimum threshold and target. The minimums were based on projected fare revenue performance in the fall 2023 Long Range Finance Plan update. Another change was to add a systemwide farebox recovery minimum of 15 percent and target of 20 percent to enable a broader understanding of fare revenue health. Another change was to delete a reference to when farebox recovery minimums were in effect. Last change was to add language that minimums and targets must be set within three years for new modes or after existing modes begin charging fare, which would apply to Stride and T Link and allow for ridership and operating expenses to normalize before setting minimums and targets.

For fare rates and adjustments, the Board's fare policy established a trigger for when a change must be considered and when farebox recovery falls below the established level, a fare change process was triggered. Changes to this existing policy would be to require Board consideration of a fare change and review of operational expense trends every four years. This would align the fare policy with assumptions in the agency's Finance Plan regarding fare increases. Another change was to require Board consideration of a fare change if a minimum threshold was not achieved for two consecutive calendar years. This would supplement the first change should the agency not meet farebox recovery minimums and required sustained underperformance in the event of outlier years.

Staff would return at the April 2024 Executive Committee for recommendation on a fare policy update with potential action at the Board meeting.

Mr. Krieg provided updates on fare capping which included the development of information on the policy, technical, financial, and passenger experience considerations related to fare capping, the engagement with partner agencies about their interest in and potential scenarios for fare capping across the region, and coordination with the ORCA team regarding technical capacity and feasibility to implement in the near-term.

Chair Constantine noted King County Metro was prepared to move towards a capping system and encouraged Sound Transit to remain engaged.

Executive Session – None

Other business – None

Next meeting

Thursday, April 4, 2024
10:30 a.m. to 12 p.m.
Ruth Fisher Boardroom and Virtually via WebEx

Adjourn

The meeting was adjourned at 12:02 p.m.

Dave Somers
Executive Committee Vice Chair

ATTEST:

Kathryn Flores
Board Administrator

APPROVED on May 2, 2024, JG