

## Summary Minutes

**Board Meeting**  
**October 24, 2024**

### Call to order

The meeting was called to order at 1:30 p.m. by 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/meeting-videos>.

### Roll call of members

Chair	Vice Chairs
(P) Dow Constantine, King County Executive	(P) Kim Roscoe, City of Fife Mayor (A) Dave Somers, Snohomish County Executive

  

Board members	
(P) Nancy Backus, City of Auburn Mayor	(P) Roger Millar, WSDOT Secretary
(P) Claudia Balducci, King County Councilmember	(P) Ed Prince, City of Renton Council President
(P) Angela Birney, City of Redmond Mayor	(A) Dan Strauss, City of Seattle Councilmember
(P) Bruce Dammeier, Pierce County Executive	(A) Dave Upthegrove, King County Council Chair
(P) Cassie Franklin, City of Everett Mayor	(P) Peter von Reichbauer, King County Councilmember
(P) Christine Frizzell, City of Lynnwood Mayor	(P) Kristina Walker, City of Tacoma Councilmember
(P) Bruce Harrell, City of Seattle Mayor	(P) Girmay Zahilay, King County Council Vice Chair
(P) Jim Kastama, City of Puyallup Mayor	

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

### Report of the Chair

Monthly Contract Report - The meeting packet included the monthly CEO contract report for September 2024.

Mark Riker Recognition - Chair Constantine announced that the Board's Labor Liaison Mark Riker was retiring and stepping down from his position. Mr. Riker was first appointed in 2020 and assisted the agency in developing a Responsible Contracting policy and the response to the COVID-19 pandemic. Mr. Riker has served as the Washington State Apprenticeship and Training Council Chair and the Executive Secretary of the Washington State Building and Construction Trade Council. Chair Constantine thanked him for his service to the region and agency and presented him with a plaque.

### CEO Report

Interim CEO Sparrman provided the report.

ASL Interpretation service available for Board and Committee meeting

CEO Sparrman announced that in addition to Board of Directors meetings, all meetings of Sound Transit Committees will also have American Sign Language interpretation services available through the virtual

meeting. Those joining online can activate the interpreter window using the option in the Zoom toolbar. The recent upgrades to the Ruth Fisher Board room allow staff to display that window for the in-person audience.

### Recent Service Disruptions

CEO Sparrman acknowledged the recent Link disruptions that have impacted riders over the last few weeks. He shared that the agency is conducting an urgent analysis to address and fix the root causes of these outages. In the coming weeks, he will announce operational staffing and new expert review initiatives, and the agency will be collaborating closely with partners in King County Metro. The agency is committed to taking the steps necessary so that riders can be assured that Link is reliable.

### Upcoming Planned Service Disruptions

Pivoting to planned future service disruptions for critical work, CEO Sparrman shared that there will be four weekends of reduced service, with stations in the Downtown Seattle Transit Tunnel closed, between now and March. The work will allow integration of overhead power and train control system between the 1 and 2 Lines to support 2 Line service across I-90 in a little over a year from now. Bus bridges will support the Downtown stations, while trains will run on the north (Lynnwood-Capitol Hill) and south (SODO-Angle Lake) ends of the 1 Line. The first of these disruptions will be from November 8 to November 10, 2024. The other three will take place in January and February.

There will a separate disruption on December 7 and 8, 2024 to repair the recent damage to the overhead power wires near University of Washington station. The work will allow the slow order to lifted. The 1 Line will be split into three operating segments due to the specific area of the work. Trains will run every 22 minutes between Lynnwood and U-District, every 22-25 minutes between U-District and Capitol Hill, and every 15 minutes from Capitol Hill to Angle Lake. A bus bridge will also be supporting the U-District to Capitol Hill segment.

### Groundbreaking Events

Earlier this month, Sound Transit broke ground on two projects in South King County. On October 1, 2024, in Kent and on October 4, 2024, in Auburn, groundbreakings were held for two new parking facilities serving the Sounder S Line trains, as well as local bus operations. Agency leadership was joined by Kent Mayor Dana Ralph and Board members Backus, Balducci, and von Reichbauer. The two facilities are set to open in 2027.

### Ballard Link Extension Scoping Period Begins

After a brief FTA administrative delay, the new NEPA Scoping Period for the Ballard Link Extension begins today and will include a 45-day comment period. The agency will conduct two public scoping meetings on November 7 and November 13, 2024. This is a precursor to the anticipated publication of the Draft EIS in Spring 2025.

### Update on the Diversity Oversight Committee

The Office of Civil Rights, Equity, and Inclusion has reconvened the Diversity Oversight Committee, which was established by the Board in 2006. The Committee is an advisory committee that partners with Sound Transit to provide guidance on eliminating barriers, building capacity, and creating opportunities for underrepresented business to ensure those building our regional transit system represent the communities we serve.

He thanked the current members for their commitment over the years and shared that Lyle Quasim has recently stepped down. Additionally, retired Sound Transit Chief of Labor Relations Leslie Jones will be joining the committee. A major effort to recruit individuals from across the district will be launched, with more specific information forthcoming.

### Introducing Brian McCartan as a financial consultant

CEO Sparrman introduced former CFO Brian McCartan as a financial consultant as the agency works to replace former CFO John Henry. Mr. McCartan was Sound Transit's CFO for more than 20 years and his 36-year career includes 6 years as Vice President of Finance for the University of Washington, and roles with the Treasury Department and City of Seattle.

## **Public Comment**

Chair Constantine announced that the Board was accepting public comment via email and verbally through the virtual meeting platform.

The following people provided written public comment to the Board:

Thaisa Andruscavage	Karen Goon, on behalf of the Port of Seattle
Peter Hernandez	Rachel Smith, on behalf of the Seattle
Jack Miller	Metropolitan Chamber of Commerce
Letitia Russell, on behalf of USPS	Daniel Poor
Margaret Fredrick	Ralph Ibarra
Jan Roberts	John Niles and Maggie Fimia, on behalf of
Michael Woodward	smartertransit.org
Marilyn Kennell	Brien Chow
Candace Shattuck	Jack Carr
Kirsten Whitemore	Bill Hirt
Gavin Yehle	Christine Cranston
John Wolfe, on behalf of the Northwest Seaport	Patrick Robinson
Alliance	

The following people provided in-person verbal public comment to the Board:

Rich Koehler	Kelli Refer
Nate Caminos	Mark Weed
Isabelle Heeler	Marilyn Kennell
Maggie Fimia	Nathan Rose
Jade Smith	Blair Johnson
Betty Lau	

The following people provided virtual verbal public comment to the Board:

Ralph Ibarra	Marcy Miller
Erin Goodman	Zakariya Osman
Kirk Hovenkotter	Kim Schwarzkopf

## **Consent Agenda**

Voucher Certification: September 2024

Minutes: Minutes for the September 26, 2024, Board of Directors Meeting

Motion No. M2024-60: Approving the Downtown Redmond Link Extension Service and Fare Equity report.

Motion No. M2024-61: Authorizing the chief executive officer to (1) execute an amendment to the Construction and Maintenance Agreement with the Washington State Department of Transportation for Stage 4 of its I-5 Steilacoom-DuPont Road to Thorne Lane Corridor Improvements Project; and (2) grant additional licenses and easements in exchange for compensation from the Washington State Department of Transportation in the amount \$622,678, for a total of \$1,767,878.

Motion No. M2024-62: Authorizing the chief executive officer to (1) execute a Section 106 Programmatic Agreement with the Federal Transit Administration, Washington State Historic Preservation Officer, City of Seattle, the Muckleshoot Indian Tribe, the Suquamish Tribe, and the Stillaguamish Tribe of Indians for the West Seattle Link Extension project, and (2) to execute amendments, including adding consulting parties and addressing newly identified adverse effects, that are consistent with processes outlined in the Section 106 Programmatic Agreement and with Sound Transit Policy and Procedures.

Motion No. M2024-63: Authorizing the chief executive officer to increase the contract contingency with Mass Electric Construction Company for the East Link Systems Construction contract in the amount of \$30,000,000 for a new total authorized contract amount not to exceed \$468,450,000, contingent upon approval of Resolution No. R2024-23.

Motion No. M2024-64: Authorizing the chief executive officer to increase certain East Link Extension contract and/or agreement amounts as necessary, for a total authorized cumulative increase not to exceed \$50,000,000, contingent upon approval of Resolution No. R2024-23.

Motion No. M2024-65: Authorizing the chief executive officer to (1) execute an amendment to Task Order B-12 under the Umbrella Agreement GCA 3361 with the Washington State Department of Transportation to provide continued construction administration and construction services for the East Link Extension construction contracts in the amount of \$950,000, for a new total authorized task order amount not to exceed \$7,648,683, all within the Board approved project budget; and (2) execute future amendments to this task order consistent with current agency delegations of authority detailed in Resolution No. R2023-30, Sound Transit's Procurement, Agreements and Delegated Authority Policy.

Motion No. M2024-66: Authorizing the chief executive officer to execute an amendment to the Construction Agreement with the Washington State Department of Transportation (WSDOT) related to WSDOT's Phase 1 SR 509 Completion Project to extend the time period for the Federal Way Link Extension contractor to work on WSDOT right-of-way and authorize Sound Transit to pay WSDOT contractor claims including paying \$345,000, if required, for impacts to WSDOT's project after May 30, 2025PLACEHOLDER.

Motion No. M2024-67: Authorizing the chief executive officer to execute a funding agreement with the City of Tacoma for the design and construction of non-motorized improvements that are part of the South Tacoma Station Access Improvements Project in an amount not to exceed \$42,310,763.

**The consent agenda was moved by Board member Roscoe and seconded by Board member Walker.**

**It was carried by the unanimous vote of the 15 Board members present that the Consent Agenda be approved as presented.**

## **Business items**

Resolution No. R2024-24: (1) Authorizing a 1.0 percent statutory increase in the property tax levy for 2025, (2) certifying the total property tax levy amount inclusive of levy increases per RCW 84.55.010, and (3) authorizing the preparation of the levy certification forms.

Ryan Fisher, Executive Director for Finance, and Stephanie Ball, Director for Financial Planning, Analysis, and Budget, gave the staff presentation.

Chair Constantine noted that the levy is annual action by the Board and other governmental bodies. Mr. Fisher confirmed that is the case with today's action.

**Resolution No. R2024-24 was moved by Board member Roscoe and seconded by Board member Backus.**

**Chair Constantine called for a roll call vote on Resolution No. R2024-24.**

**Ayes**

Nancy Backus  
 Claudia Balducci  
 Angela Birney  
 Cassie Franklin  
 Christine Frizzell  
 Bruce Harrell  
 Jim Kastama

Roger Millar  
 Ed Prince  
 Kim Roscoe  
 Peter von Reichbauer  
 Kristina Walker  
 Girmay Zahilay  
 Dow Constantine

**Nays**

Bruce Dammeier

**It was carried by the majority vote of the 14 Board members present, with Board member Dammeier voting in the negative, that Resolution No. R2024-24 be approved as presented.**

Resolution No. R2024-23: Amending the East Link Extension project baseline budget to settle certain delay claims and to provide funding to complete the extension by the forecast revenue service date by increasing the authorized project allocation by \$80,000,000 from \$3,677,150,000 to \$3,757,150,000.

Randy Harlow, East Link Extension Executive Project Director, gave the staff presentation.

Board member Balducci elevated an issue heard in public comment relating to delays in payments to subcontractors when claims are in dispute between Sound Transit and the prime contractor. She asked if today's action is potentially related to this information. Mr. Harlow noted that he can't speak directly to the specific case but, more generally, he has heard similar concerns about delayed payments to subcontractors. Today's action should alleviate the issue for some subcontractors that are involved in the claim with Mass Electric, and Mr. Harlow noted he would continue to look for ways to resolve these issues.

Chair Constantine added that he asked CEO Sparrman to bring information on the specific issue raised in public comment back to Board members.

Board member Balducci reported that the System Expansion Committee considered this action earlier this month and unanimously forwarded the Resolution to the Board with a do-pass recommendation.

**Resolution No. R2024-23 was moved by Board member Balducci and seconded by Board member Roscoe.**

**Chair Constantine called for a roll call vote on Resolution No. R2024-23.**

**Ayes**

Nancy Backus  
 Claudia Balducci  
 Angela Birney  
 Bruce Dammeier  
 Cassie Franklin  
 Christine Frizzell  
 Bruce Harrell

Jim Kastama  
 Roger Millar  
 Ed Prince  
 Kim Roscoe  
 Peter von Reichbauer  
 Kristina Walker  
 Girmay Zahilay  
 Dow Constantine

**Nays**

**It was carried by the unanimous vote of the 15 Board members present that Resolution No. R2024-23 be approved as presented.**

Resolution No. R2024-22: Selecting the route, profile, and stations to be built for the West Seattle Link Extension project.

CEO Sparrman offered introductory remarks, noting that feedback from the System Expansion Committee has been incorporated into the presentation and the bulk of cost savings work still lies ahead. He reiterated that today's action does not commit any funds.

Terri Mestas, Deputy CEO for Capital Delivery, presented an update on the workplan directed in Motion No. M2024-59. She was joined by Brian McCartan, former CFO and currently a consultant for the agency. After reminding the Board of the direction to staff to develop a workplan, Ms. Mestas laid out the framework that the workplan would be developed under three main categories – Team, Tasks, and Timeline. She broke down the main target areas of both programmatic and project cost-saving opportunities, including indirect costs, design optimization, market conditions, right of way, and construction efficiencies.

Ms. Mestas walked through a general timeline by phase of activities and outcomes related to the West Seattle Link Extension, including when the Board will receive updates and be asked to make decisions. She gave examples of the work that would be performed by staff in each phase to prepare the Board for project decisions, such as baselining, and contract approvals. She walked through an example in the Design Validation phase. Under design optimization, she listed several examples of design choices that could lower the cost of construction, including optimizing vertical transportation and platform widths, locating power substations within the station footprint, utilizing pre-cast segmental superstructures, and other opportunities.

All of the opportunities being explored to reduce project cost are rated on a high, medium, low impact scale, which will be further monitored through the development of a tracking tool called the opportunity register. The register will include accountable teams, expected timelines, and measurable impacts for each opportunity.

Speaking directly to the West Seattle Link Extension, the agency currently estimates that 48% of opportunities fall in the Design phase (under indirect costs and design optimization), 39% fall in the Preconstruction phase (under right of way and market conditions), and 13% fall in the Construction phase (under construction efficiencies).

Discussing funding for the project, Ms. Mestas noted that roughly 86% of the total estimated project budget relates to preconstruction service and construction dollars. Prior to baselining the project and requesting the bulk of funding for construction, the project team would be returning to the Board with requests for contract approvals in the Final Design and Preconstruction phases.

Mr. McCartan highlighted key financial considerations and flagged that an ongoing discussion on System Expansion program affordability is likely to be a 2-3 year effort. At this time, a program realignment is not appropriate as a full picture of the program is needed to inform such a decision. He also advocated for retaining some financial capacity to respond to future risks.

Ms. Mestas laid out a brief summary of expected West Seattle Link Extension actions and updates in Q1 2025, including a progress report on the workplan, an award for a design contract, and strategic right-of-way acquisitions. She also highlighted potential policy work that will require Board engagement and approval.

Board member Strauss arrived during the presentation.

Vice Chair Roscoe inquired into agency policies on early acquisitions and whether the agency has considered acquiring property early and leasing back the space. Jason Hampton responded that the timeline for property acquisition is typically driven by the construction schedule and there are elements of design certainty, particularly when it comes to partial acquisitions, which need to be completed before the agency deems property as necessary for the project. Vice Chair Roscoe asked if there was any deference given to those owners who wish for their property to be acquired. Mr. Hampton noted that there is the potential for early acquisition due to hardship, but the willingness to owners to sell their property is not usually a factor in acquisition occurring after the Record of Decision is received. Discussions for individual circumstances can be explored.

Jason Hampton, High-Capacity Transit Development Manager, gave the staff presentation.

Chair Constantine asked to what extent entering the design phase would enable the agency to advance the project to be shovel-ready should conditions turn in the agency's favor. Ms. Mestas noted that entering the Design phase is critical to exploring these cost-savings and is necessary to get the project to a shovel-ready state.

Board member Franklin asked what is necessitating the need to complete the West Seattle Link Extension at this time and not later in the System Expansion Program. Mr. Hampton responded that not only will the West Seattle Link Extension create transfer points for the 1 and 3 Lines when the full system is built, it will also enable additional access to the Operations and Maintenance Facility Central to support efficiency and headway requirements through the Downtown Seattle Transit Tunnel. Noting the avoidance of park impacts, Board member Franklin inquired if today's action would preclude the agency from looking at more impactful alternatives should they end up providing cost savings. Mr. Hampton responded that the opportunities in the cost savings workplan would most likely not rise to the level of looking at other alternatives and noted that the design phase would continue to attempt to limit impacts to the surrounding environment. Board member Franklin asked if the alternative in today's action is the most expensive alternative. Mr. Hampton responded that the current recommended alignment is similar in cost to other alternatives that do still impact park spaces. He walked through supplemental slides shared at the System Expansion Committee that summarized the differences between the alternatives.

Board member Zahilay raised questions and concerns surrounding community impact from King County Councilmember Mosqueda and asked if work has been done to engage with her office and the community. Chair Constantine noted that he has had discussions with the Councilmember and invited CEO Sparrman to context remarks. CEO Sparrman noted that work has been done to look at and mitigate impacts, especially around the Delridge area and the West Seattle Health Club. Ms. Mestas noted that conversations have been ongoing over the last seven years and will continue. She highlighted that the design contractor will be an asset in continuing those discussion and exploring mitigation opportunities.

Board member Strauss noted his support for both the proposed amendment and the overall resolution, and that he may need to depart prior to the final votes. He thanked the staff who have been working with him over the last weeks to understand the project. He asked what elements of the project may be uncovered as it advances into design and how can that be applied in terms of mitigation. Ms. Mestas answered using the examples of construction impacts to the community. She highlighted potentially relying more on pre-cast construction so the impacts to the community are not a heavy constant but can wax and wane. Board member Strauss also inquired into more long-term structural impacts such as sidewalk space and routes for waste management. Ms. Mestas responded community engagement will be essential to understand what is needed and what would require Board engagement.

Board member Kastama asked if today's action would negatively impact funding for Link projects in Pierce County. Mr. McCartan noted that today's action does not impact the affordability of the program as it is not committing dollars. He added that if the request today was for the full construction funding, her would have to pause as that decision would need to be taken in the full context of the expansion program's affordability. Board member Kastama noted the long-running frustration of Pierce County projects being pushed back in favor of other projects, not just from Sound Transit but from many different agencies. Ms. Mestas added that the overall finance plan already accounts for design dollars.

Board member Harrell opined that it is essential that engagement with local businesses is easy and streamlined so that the agency and Board members are able to hear and be responsive to their concerns. Ms. Mestas responded that there will be dedicated resources provided and that she is looking forward to small business roundtables to work through these types of discussions.

Board member Backus inquired about a previously supplied report that detailed the finances by subarea. Mr. McCartan responded that subarea equity is baked into the ST3 program, and the accounting of revenues and expenses is conducted by subarea. He noted that the Proposed 2025 Budget does include an appendix with that breakdown.

Board member Frizzell highlighted the cost increase and asked what assurances can be made that the agency is confident in the current estimate and confident in estimates for future projects. Ms. Mestas noted that the cost-savings workplan will explore programmatic opportunities that could apply to all projects. Board member Frizzell what went wrong in previous forecasting. Ms. Mestas noted that there were scope changes that were not originally part of the project, competition in the construction market is lagging so there are unforeseen price markups, and that the two additional years of environmental review cost time and money. Board member Frizzell noted she felt optimistic to hear that Ernst & Young would be brought on a financial consultant.

Board member Balducci added that she intends to discuss with staff the reintroduction of “phase gate” terminology and Board actions to better track and understand the Board’s role in advancing these projects.

Board member Franklin agreed with Board member Balducci and reaffirmed her commitment for the Board to maintain oversight on the project as it moves through design and explores cost savings. She added her support for focusing on the Link spine should project costs escalate.

Vice Chair Roscoe asked when the Board will be asked to Baseline the project. Noted that the request to baseline the project would likely be in early to mid-2027, with the construction contracts following on in the months after that decision.

**Resolution No. R2024-22 was moved by Board member Balducci and seconded by Board member Harrell.**

Board member Balducci reported that the System Expansion Committee considered this action earlier this month and unanimously forwarded the Resolution to the Board with a do-pass recommendation.

Board member Dammeier noted his thanks for the presentation on the workplan and noted his cautious optimism that the exercise will uncover cost savings measures for the project and the program. He indicated his continued skepticism that the work will be able to reduce the current project estimate by \$2 billion. He noted that he expects a future similar discussion on the Ballard Link Extension, and stated he intends to vote no on today’s action.

**Amendment 1 to Resolution No. R2024-22 was moved by Board member Strauss and seconded by Board member Harrell.**

Amendment 1 – offered by Board members Harrell, Straus, Balducci, and Constantine

Amending Resolution No. R2024-22 to add the following as Section 2:

Section 2: The agency is directed to move forward with the development and implementation of a workplan per Motion No. M2024-59 to evaluate and report progress to the Board on programmatic, financial, and project-level measures and opportunities the agency will pursue to improve the agency’s financial situation and move the West Seattle Link Extension through design to inform a financially sound project to be baselined, including timelines and scale of potential benefits for each measure, and whether each measure is West Seattle Link Extension-specific or applies broadly to future projects.

The agency is further directed to continue working to reduce identified project impacts during the design phase and advancement of the workplan to achieve cost savings and to minimize community impacts in SODO and West Seattle, particularly impacts related



[to utility relocation, transportation, mobility, and displacement, while continuing to provide enhanced transit integration and station access and engaging with impacted residents and businesses.](#)

Board member Strauss thanked his fellow sponsoring Board members for their work on this amendment and re-iterated his intent to engage with the community on mitigating long term effects of the project.

Chair Constantine also expressed his thanks to the co-sponsoring Board members and echoed the need to continue explore cost-savings opportunities.

Board member Dammeier stated he will support the amendment but his comments on the overall Resolution stand.

Board member Millar noted he will support both the amendment and full Resolution. He added that cost escalation is not unique to this project and is a near universal experience for capital projects around the nation and world. He noted the further work is necessary to understand the complete risk profile of the project, which is included as excess cost in the current analysis.

Board member Harrell stated his support for this project and the proposed alignment. He re-iterated his support for engagement with local communities on impacts and highlighted the City of Seattle's commitment to being the best partner possible for Sound Transit.

**It was carried by the unanimous vote of the 16 Board members present that Resolution No. R2024-22 be amended by Amendment 1.**

Chair Constantine noted universal frustration with the rising costs of capital projects across the region and nation. He added that he expects similar discussions on the Ballard Link Extension, which is essential to supporting the Link spine with the second downtown Seattle tunnel. He encouraged the Board to continue advancing projects in the midst of economic uncertainty and re-iterated his commitment to the workplan to explore opportunities to ensure the project is ready when conditions improve.

**Chair Constantine called for a roll call vote on Resolution No. R2024-22.**

**Ayes**

Nancy Backus	Ed Prince
Claudia Balducci	Kim Roscoe
Angela Birney	Dan Strauss
Cassie Franklin	Peter von Reichbauer
Christine Frizzell	Kristina Walker
Bruce Harrell	Girmay Zahilay
Roger Millar	Dow Constantine

**Nays**

Bruce Dammeier  
Jim Kastama

**It was carried by the majority vote of the 16 Board members present, with Board members Dammeier and Kastama voting in the negative, that Resolution No. R2024-22 be approved as amended.**

Resolution No. R2024-21: Adopting the 2025 Service Plan, which includes the major service change of extending 2 Line service to Downtown Redmond.

Brian de Place, Director of System and Service Planning, gave the staff presentation.

Board member Birney thanked the staff for their work and signaled her support for the action.

Board member Prince reported that the Rider Experience and Operations Committee considered this action earlier this month and unanimously forwarded the Resolution to the Board with a do-pass recommendation. He also highlighted that a Public Hearing was held, although no public comments were made.

**It was moved by Board member Prince, seconded by Board member Birney, and carried by the unanimous vote of the 15 Board members present that Resolution No. R2024-21 be approved as presented.**

## **Reports to the Board**

### Presentation on the At-grade Crossing Program update and Rainier Valley Master Plan

Noting the remaining time, Moises Gutierrez, Deputy Chief Executive Officer for Agency Oversight, began the presentation and stated that he will provide a brief verbal report and the team will be returning next month for the system-wide update. He noted that the materials for today's meeting includes a draft Master Plan for the At-grade Crossing Program, and that much more work is needed to ensure a balance of safety, reliability, and accessibility is developed for the at-grade areas of the system.

### Presentation of the Proposed 2025 Annual Budget and Transit Improvement Plan

Ryan Fisher, Executive Director of Finance, began the presentation and introduced Jenny Stephens and Stephanie Ball, Director for Financial Planning, Analysis, and Budget. Mr. Fisher noted that the Budget process is kicking off with this presentation on the Proposed 2025 Budget and Transit Improvement Plan (TIP). In November, the Committees will review and forward their portions of the budget for potential adoption by the Board at the November meeting. Mr. Fisher also briefly explained the relationship between the 2025 Budget, the TIP, and the Long-Range Financial Plan. He also noted the responsibility and budget sections under the purview of each Committee.

Mr. Fisher reported that there is a small growth in capital spending with a shift from Link projects to Stride BRT as ST2 projects enter service, which will require an increase in operating expenses to account for that revenue service. This year, the budget process focused on zero-based budgeting to reduce lower priority spending. Additionally, the agency is planning to draw down a large portion of remaining TIFIA loans in order to take advantage of interest rates on investments. The agency would expect a \$300 million budget deficit in 2025 without the drawdown.

Compared to the 2024 budget, the agency is forecasting a 4.3% increase in tax revenue, a 9.9% increase in fares, a 20.3% decrease from grants, a 5.7% decrease from investments, a 16.6% increase in miscellaneous revenue, and a 1,523% increase in TIFIA drawdowns. The total forecast sources for the 2025 budget totals \$4.4 billion.

Compared to the 2024 budget, the agency is forecasting a 2% increase in expansion spending, a 29% increase in modal operations spending, a 63% increase in service delivery projects, a 60% increase in debt service spending, a 0.3% increase in administrative support, and a 10% increase in contingency/other spending. The total forecast spending for the 2025 budget totals \$3.2 billion.

Ms. Ball noted system expansion projects represent \$1.7 billion in spending for 2025, or 55% of total agency uses. This is an increase of 2% over the 2024 forecast. Link expansion projects account for 32% of total agency expenditures; projects in planning, including Ballard Link Extension, Operations and Maintenance Facility South, and West Seattle Link, are increasing their budgets while other Link projects under construction are decreasing as they near or enter revenue service. Stride RT represents 18% of total expenditures, and Sounder is budgeted at \$103 million, with the largest 2025 project expenditure allocated to the Sumner, Kent, and Auburn Parking and Access Improvement projects. The remaining expansion funds are for Regional Express, Tacoma Link, and other projects. Other projects are not associated with a single mode, such as innovation and technology spending, ST Art, and the transit system access program.

Comparing year-to-year spending from 2022 to the proposed 2025 budget on system expansion, Ms. Ball noted that key takeaways include the decrease in Link spending and the increase in Stride spending. Additionally, Sounder and other projects show increase over the past few years, with Tacoma

Link decreases aligning with the recent opening of the Hilltop Tacoma Link Extension. The Sounder 2025 proposed budget is 15% higher than the 2024 forecast, driven by the recent baselining of the South Tacoma Station and Lakewood Station Access Improvement projects.

Ms. Stephens compared the trends in revenue hours for each of the four modes over the same 2022-2025 period. Link service has increase substantially and is expected to continue to increase again in 2025. Regional Express has been relatively stable over the time period with a slight increase in the 2025 budget as the agency explores potential restoration of some routes operated in Pierce County. Sounder is also increasing slightly in 2025 as two daily trips are added to the Sounder N Line. Tacoma Link is expected to have the same revenue hours as 2024. Modal operating expenses constitute 24% of expenditures in the 2024 proposed budget.

Service Delivery projects make up 6% of the 2025 proposed budget and cover 131 active projects. Projects include budgets for programmatic work for engineering and standards, the South Warehouse Facility, work in the Downtown Seattle Transit Tunnel, the SeaTac Airport second elevator, and the Sounder vehicle overhaul.

Administrative support makes up 4% of the 2025 proposed budget and costs are mainly allocated to capital projects. The \$141 million in proposed expenditures includes a 0.3% increase from the 2024 forecast.

Mr. Fisher reviewed the update to the 2025 TIP. Last year, the Board approved a \$25.5 billion dollar TIP and approved additions throughout this year with budget amendments for the South Tacoma Station and Lakewood Station Sounder projects and the Passenger Information Management System project. Approval of the updated 2025 TIP as proposed would include a net addition of \$247 million.

In this year's budget development, staffing vacancies were removed from the staffing plan which resulted in savings. The agency continues efforts to identify opportunities to improve spending through Project MOST. Mr. Fisher highlighted the upcoming period of extensive service openings crease more operating budget risks now and in the future, and the shift from ST2 to ST3 projects may strain future capital budgets. Mr. Fisher briefly touched on the remaining budget process steps in November.

Chair Constantine noted that Committee have essential work in November to advance the Budget and expressed thanks for the clarity of the presentation.

#### Presentation on the Long-Range Financial Plan

This presentation was not given.

### **Executive Session**

None.

### **Other business**

None.

### **Next meeting**

The next regular Board meeting would be held on November 21, 2024, 1:30 p.m. to 5:00 p.m. in the Ruth Fisher Board Room and as a virtual meeting via Zoom. Chair Constantine noted that both the November and December Board meeting would be taking place a week earlier than usual to accommodate holiday schedules.

## Adjourn

The meeting adjourned at 4:51 p.m.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator

APPROVED on November 21, 2024, AJM.