



Summary Minutes

Board Meeting
August 28, 2025

Call to order

The meeting was called to order at 1:33 p.m. by Chair Dave Somers 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) Dave Somers, Snohomish County Executive	(P) Claudia Balducci, King County Councilmember (A) Ryan Mello, Pierce County Executive

Board members	
(P) Nancy Backus, City of Auburn Mayor (A) Angela Birney, City of Redmond Mayor (P) Shannon Braddock, King County Executive (P) Cassie Franklin, City of Everett Mayor (P) Christine Frizzell, City of Lynnwood Mayor (P) Hunter George, City of Fircrest Councilmember (P) Bruce Harrell, City of Seattle Mayor (P) Ron Pate, Secretary of Transportation Alternate	(A) Ed Prince, City of Renton Councilmember (P) De'Sean Quinn, King County Councilmember (P) Kim Roscoe, City of Fife Mayor (P) Dan Strauss, City of Seattle Councilmember (P) Peter von Reichbauer, King County Councilmember (P) Kristina Walker, City of Tacoma Councilmember (P) Girmay Zahilay, King County Council Chair

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

Report of the Chair

Items requiring a supermajority – Chair Somers noted that Resolutions Nos. R2025-18 and R2025-19 require affirmative supermajority votes of the Board to adopt.

Monthly Contract Report - The meeting packet included the monthly CEO contract report for July 2025.

Enterprise Initiative – Chair Somers noted that later in the meeting, the Board would be taking action to establish principles to guide the work of the Enterprise Initiative, which will result in an updated ST3 System Plan, a new Regional Transit Long-Range Plan, and a balanced and affordable Long-Range Financial Plan. Staff will also be updating the Board on the cost challenges facing the agency.

Chair Somers added that the road ahead will not be easy and requires leadership from every Board member. He noted that one major lesson learned is that projects should progress until an offramp is needed. The Board will begin to look at all opportunities and levers that it can pull to bring the ST3 program back to affordability.

CEO Report

CEO Constantine provided the report.

Federal Way Link Extension opening date – CEO Constantine thanked Board members von Reichbauer, Backus, Balducci, Quinn and Roscoe, along with local and national elected officials, for joining him to announce the opening date of the Federal Way Link Extension: December 6, 2025. The opening will be the second Link light rail opening in 2025, and the extension will greatly benefit residents in South King County.

Four-minute headway testing – Last Friday morning, Link light rail operators successfully simulated 4-minute service between Downtown Seattle and Lynnwood City Center station using exercise trains. Additional operational exercises are planned to prepare the system and operations for the integration of the 1 and 2 Lines.

Reliability and Rider Communications update – CEO Constantine thanked Board members Zahilay, Balducci, and others for recent inquiries on recent service disruptions and the Link system's resiliency. At the September 4, 2025 Rider Experience and Operations Committee meeting, there will be presentations on those topics.

Welcoming Ed Cobean – CEO Constantine welcomed Ed Cobean as the agency's new Service Delivery Deputy CEO. Mr. Cobean brings over 35 years of experience in rail and transit operations in both the public and private sectors.

He also thanked Marie Olson for her work as acting Deputy CEO and for her continued leadership as Passenger Experience Executive Director.

Mr. Cobean thanked CEO Constantine for the introduction and stated his excitement to join Sound Transit.

Public Comment

Chair Somers 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:

Bill Hirt
Marilyn Kennell
Donna Popich
Brien Chow
Gale Sketchly and Jan Roberts
Betty Lau
Eason Wang, on behalf of Central Puget Sound Youth Transportation Alliance
Kevin Freitas

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

Alex Tsimmerman
Ra-tah Dan
Ru Juan Ma
Chen Cai Ju
Fang Fang
Sufen Chen
Huilan Huang
Zhiyun Zhu
Huiying Zhen
Diane Weng
Xing Yao

JM Wong
Marykate Ryan
Betty Lau
Brien Chow

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

Marilyn Kennell
Joe Kunzler
Derek Liu

Consent Agenda

Voucher Certification: July 2025

Minutes of the July 24, 2025, Board of Directors Meeting

Motion No. M2025-37: Reappointing Lorenzo Frazier, Charlotte Murry, Tom Norcott, and Tina Pierce to the Community Oversight Panel to serve a second three-year term beginning September 1, 2025, and expiring August 31, 2028.

Motion No. M2025-38: Authorizing the chief executive officer to execute a contract with Systra-Brookville Joint Venture to provide commuter rail car overhaul services in the amount of \$80,622,617 with a 15 percent contingency for a total authorized contract amount not to exceed \$92,716,010, plus applicable taxes, contingent upon adoption of Resolution No. R2025-18.

Motion No. M2025-39: Approving the submittal of the Transit Development Plan 2025-2030 to the Washington State Department of Transportation.

Motion No. M2025-40: Authorizing the chief executive officer to execute a contract modification with Mott MacDonald, LLC to exercise a contract option for Phase 2 Design-Build Project Management services for the Operations and Maintenance Facility South project in an amount not to exceed \$109,840,000, with an approximate 10 percent contingency of \$11,160,000, totaling \$121,000,000, for a new total authorized contract amount not to exceed \$140,843,544, contingent upon adoption of Resolution No. R2025-19.

Resolution No. R2025-20: Authorizing the chief executive officer to acquire certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for construction, operation and maintenance of the Operations and Maintenance Facility South project.

Resolution No. R2025-21: Authorizing the chief executive officer to acquire certain real property interests, including acquisition by condemnation to the extent authorized by law, and to reimburse eligible relocation and reestablishment expenses incurred by affected owners and tenants as necessary for construction, operation and maintenance of the Stride Bus Rapid Transit SR522/NE 145th Street project.

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

It was carried by the unanimous vote of the 14 Board members present that the Consent Agenda be approved as presented.

Business items

Resolution No. R2025-18: Amending the authorized project allocation of the Sounder Vehicle Overhaul Program by \$62,500,000 to bring the total authorized allocation from \$73,908,926 to \$136,408,926.

Martin Young, Commuter Rail Operations Deputy Director, provided the staff presentation.

Board member Roscoe asked if the work on the vehicles would take place in Pennsylvania. Mr. Young responded that the upgrades and repair work would take place in Pennsylvania.

Resolution No. R2025-18 was moved by Board member Walker and seconded by Board member Roscoe.

Chair Somers reminded the Board that this item will need a two-thirds supermajority vote for final adoption.

Chair Somers called for a roll call vote on Resolution No. R2025-18.

Ayes

Nancy Backus	De'Sean Quinn
Claudia Balducci	Kim Roscoe
Shannon Braddock	Dan Strauss
Cassie Franklin	Peter von Reichbauer
Christine Frizzell	Kristina Walker
Hunter George	Girmay Zahilay
Bruce Harrell	Dave Somers

Nays

It was carried by the unanimous vote of the 14 Board members present that Resolution No. R2025-18 be approved as presented.

Resolution No. R2025-19: Amending the Adopted 2025 Budget to advance the Operations and Maintenance Facility South project by a) increasing the authorized project allocation by \$121,000,000 from \$403,729,393 to \$524,729,393 and b) increasing the adopted 2025 annual project budget by \$2,000,000 from \$156,672,390 to \$158,672,390.

Eza Agoes, Operations and Maintenance Facility South Executive Project Director, provided the staff presentation.

Vice Chair 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. Vice Chair Balducci also asked if the current budget amendment keeps the project in line to be on budget. Hughey Newsome, Chief Financial Officer, confirmed that it is the expectation that the project will be delivered within budget.

Resolution No. R2025-19 was moved by Vice Chair Balducci and seconded by Board member Roscoe.

Chair Somers reminded the Board that this item will need a two-thirds supermajority vote for final adoption.

Chair Somers called for a roll call vote on Resolution No. R2025-19.

Ayes

Nancy Backus	De'Sean Quinn
Claudia Balducci	Kim Roscoe
Shannon Braddock	Dan Strauss
Cassie Franklin	Peter von Reichbauer
Christine Frizzell	Kristina Walker
Hunter George	Girmay Zahilay
Bruce Harrell	Dave Somers

Nays

It was carried by the unanimous vote of the 14 Board members present that Resolution No. R2025-19 be approved as presented.

Motion No. M2025-36: Adopting principles to help inform the Board on how to best achieve the planned outcomes of the Enterprise Initiative work, including an update to the current system plan (Sound Transit 3) and long-range finance plan.

Chair Somers introduced the action and reported that the Executive Committee unanimously forwarded the Motion with a do-pass recommendation.

Motion No. M2025-36 was moved by Vice Chair Balducci and seconded by Board member Quinn.

Vice Chair Balducci thanked Chair Somers for his collaborative leadership style that is apparent in the proposed principles. She opined that this will be a difficult time for the Board and agency, but that Sound Transit has successfully overcome challenges before. Despite the uncertainty of the current times, the agency must continue to advance its commitment to the region. She noted her intent to support the Motion and the underlying principles, and stated her commitment to the full build-out of ST3. She made three requests to staff: 1) reconsider the need for a second downtown tunnel, 2) consider faster, more cost-effective project delivery strategies, and 3) consider establishing service standards as Board policy.

Board member Braddock also added her thanks to everyone involved in generating the proposed principles. Noting that Sound Transit is not the only government agency facing financial challenges, she stressed that the agency should be focused on finding opportunities. She agreed with Chair Somers earlier point about not paralyzing projects. She expressed confidence in the agency and Board's ability to confront the challenge ahead.

Board member Walker stated her intent to fully represent the people of Pierce County and Tacoma, while recognizing the importance of the regional system. She noted that the challenges are not insurmountable, and she looks forward to working with Board members to chart the path forward. Board member Walker stressed the importance of centering current and future riders in the Board's work.

Board member Backus added her commitment to the ST3 program, stressing the importance of the Link light rail spine from Tacoma to Everett.

Board member Harrell stated his general agreement with the previous comments from Board members.

Amendment 1 to Motion No. M2025-36 was moved by Board member Harrell and seconded by Board member Strauss.

Amendment 1 – offered by Board member Harrell

On page 1-2, amend the fifth paragraph of the background section as follows:

Since the last updates to the Long-Range Plan (2014) and System Plan (2016), much has changed for Sound Transit and other large public agencies due to lower-than-expected revenues, rising costs across capital and service delivery, post-pandemic ridership patterns, and ongoing uncertainty around tariffs and federal funding commitments. Board action is needed to address ST3 affordability challenges and operate a dependable, resilient, and safe system.

As the region faces new challenges and uncertainty, the fundamental benefits of the Sound Transit system remain clear—the region's population has continued to grow along with the need for high-capacity transit to meet this growth.

In times of economic stress, Sound Transit's projects serve as a critical engine for regional stability—creating family-wage jobs, stimulating economic activity, and keeping the region moving forward.

Sound Transit services link people to jobs, schools, healthcare, and essential services. With reliable, congestion-free travel times, light rail gives riders more predictability and freedom from the gridlock that clogs our roads.

Strengthening connections between cities and counties, [and major employment and population centers](#). Sound Transit drives economic growth, expands opportunity, and supports a cleaner, more resilient Puget Sound region.

At the Board Retreat on May 29, 2025, the Board discussed the importance of an agencywide, comprehensive approach that goes beyond capital delivery. The Enterprise Initiative will be a comprehensive effort touching planning, capital, operations, maintenance, and finance to ensure Sound Transit is meeting both current and future regional mobility needs.

If the agency does not take proactive measures via this Enterprise Initiative, the ST3 program will become unaffordable, and we risk our ability to operate a dependable, resilient, and safe system.

And, Amend Section 4 of the motion as follows:

Section 4: The framework should build on ST3 performance characteristics and project-specific evaluation measures to be inclusive of the following principles to help inform the Board on how to best achieve the planned outcomes of the Enterprise Initiative work:

- **Advance Regional Connectivity** – Our region’s voters have had the long-range vision to build a safe, dependable, and resilient mass transit system to serve our population and job centers. Completing the regional transit spine is central to that vision of connecting communities with high-capacity transit. As we look toward building an affordable system, our decisions should be grounded on what benefits the whole region and best achieve the objectives of the ST3 Plan. We are at our best when we think and act as one region.
- **Support Future Growth** – [Maintaining and growing ridership depends on connecting potential riders to their homes, jobs, schools, special events, and other activities. Aligning our investments with current land use and future growth will accrue benefits to the region’s economic, environmental, and equity goals. The region’s transit riders and voters have entrusted Sound Transit with their ridership and tax dollars and the investments that we prioritize should engender broad future support for the system’s operations, maintenance, and expansion.](#)
- **Prioritize the Passenger Experience** – Passengers must be at the center of our decision making. We must make decisions that will prioritize the riders’ experience, maximize opportunities for connections and ridership, keep everyone safe, and ensure our system is dependable. Our decisions must allow the riders to have facilities that meet their needs, easy transfers, hassle free payment of fares, and minimal disruptions.
- **Protect Public Investments with Fiscal Integrity** – Taxpayers work hard for their money, and we must be careful stewards of public resources. That means actively seeking cost savings and efficiencies wherever possible, maintaining strong oversight and accountability, understanding the trade-offs behind every decision, and spending responsibly to ensure the long-term health and sustainability of our regional transit system.

The above principles will guide the Board in its work to deliver an affordable, dependable, resilient, and safe high-capacity transit system that puts riders first.

Board member Harrell thanked those who helped to develop the amendment. He stated that he sees his amendment as friendly in the context of the recent comments. Acknowledging that the region continues to be one of the fast-growing areas in country, Board member Harrell stated that it is imperative to connect population and employment centers via transit. In addition to the regional spine, Board member Harrell noted the importance of the West Seattle and Ballard Link Extensions.

Board member George signaled his opposition to the amendment and expressed that he would have preferred this action be taken up after the Reports to the Board. He expressed support for the underlying motion and principles, noting that while the amendment from Board member Harrell is intended as friendly, it is not insignificant. He added that without definition on a few key terms, the amendment could result in favoring Seattle when the Enterprise Initiative is done. Board member George added that he remains hopeful, both in the Board and staff members, to successfully carry out the Enterprise Initiative. Acknowledging that the Board doesn't fully know what it does not know yet, he felt that the amendment tips the scale at the beginning of the process. He stated he would support Motion No. M2025-36 without the amendment.

Board member Franklin agreed with Board member George and stated her opposition to the amendment. She agreed with Board member Backus's commitment to the light rail spine, cautioning that the amendment could favor Seattle. She added that while larger cities are usually able to grow faster, cities like Everett are also growing and will require transit infrastructure.

Board member Harrell stated that he believes fellow Board members are over-interpreting the intent behind his amendment. He noted that his amendment is in line with the principles espoused in the agency's ballot initiatives that authorized Sound Move, ST2, and ST3. He suggested that not including the language takes information off the table early in the process.

Vice Chair Balducci added that she finds the amendment helpful and noted that the framework that staff are being directed to develop specifically calls for an updated ST3 System Plan, an updated Regional Transit Long-term Plan, and a balanced Long-Range Financial Plan. She specifically noted that the updated Regional Transit Long-term Plan, a goal of hers for some time, requires taking a look at future expansion beyond ST3. She would like to see the information on connecting population and employment centers come forward to help inform the future of Sound Transit's expansion. She stated her support for the amendment.

Board member Roscoe spoke in opposition to the amendment, citing the potential impact of the language. As Pierce County resident, she noted that similar language that has negatively impacted the South Sound's growth and opportunity has been included in other forums. She did state support for the language regarding "engender broad future support" as it is her hope that Pierce County residents can support the next ballot initiative after being satisfied with what Sound Transit has delivered.

Board member Backus questioned whether the amendment was necessary as the principle titled "Advance Regional Connectivity" already mentions job centers and speaks to regionalism.

Board member Frizzell expressed her satisfaction with the regional spirit fostered during the Board retreat and was hopeful that it would continue through the Enterprise Initiative. She stated her support for the spine and opined that bringing transit to new places may inspire future thoughts of where to go across the region.

Board member Strauss stated that serving on the Board of a crucial agency that links so many people to so many places is a true honor. He noted that a regional framework is necessary as more people find homes and jobs in the non-Seattle areas of the Sound Transit district, which is why he is in favor of the amendment. The lack of interconnectivity of the region is a contributing factor to the cost-of-living constraints in the region.

Chair Somers stated his support for amendment, citing a study of economic generation by the state's airport which found that SeaTac generated roughly \$20 billion annually, which Paine Field, in Snohomish County, generated about \$60 billion annually, largely tied to Boeing as a major employer. He also noted that south unincorporated Snohomish County has the population to be the third largest city in the state and even has a higher population density than Seattle. He noted that other long-term regional frameworks utilize similar language.

Board member Harrell thanked all members for the robust discussion. He addressed Board member Backus's point by suggesting that the language in the original Motion only speaks to what is currently seen and experienced in the region.

It was carried by the majority vote of the 14 Board members present that Motion No. M2025-36 be amended by Amendment 1. Board member von Reichbauer asked for a Roll Call Vote to be taken.

Chair Somers called for a roll call vote on Amendment 1 to Motion No. M2025-36.

Ayes

Nancy Backus	De'Sean Quinn
Claudia Balducci	Dan Strauss
Shannon Braddock	Girmay Zahilay
Bruce Harrell	Dave Somers

Nays

Cassie Franklin	Kim Roscoe
Christine Frizzell	Peter von Reichbauer
Hunter George	Kristina Walker

It was carried by the majority vote of the 14 Board members present that Amendment 1 to Motion No. M2025-36 be approved.

Board member Backus thanked Board members for the robust discussion and signaled a desire to keep up with the heavy discussions that are necessary to successfully guide the Enterprise Initiative to delivery for the entire region.

Board member George noted he hopes to continue the discussions while maintaining collegiality among the Board members.

It was carried by the unanimous vote of the 14 Board members present that Motion No. M2025-36 be approved as amended.

Reports to the Board

Enterprise Initiative Update

CEO Constantine thanked the Board for the robust debate and hoped that the next presentation will help set the table for the path forward. He noted that there is a lot of good news for Sound Transit at this time: ridership is at an all-time high, demand for new service is growing, and communities are seeing the impacts of accessible transit. He added that these successes are also exposing challenges that need to be proactively addressed: rising capital costs, increased maintenance demands, and uncertain revenue projections. Without action through the Enterprise Initiative, the ST3 System Expansion plan will become unaffordable, which is not an option for the agency. CEO Constantine stated his belief that the right time to act is now and to course correct to ensure a balanced Long-Range Financial Plan. He noted that the Capital Cost-savings workplan, directed last year by the Board, has already started to show promising results and has continued to show additional opportunities to build a better system. He opined on the previous three realignments which largely wielded scope-reduction and project phasing as the main mechanisms to achieve financial balance while extending the timelines for projects. He reminded the Board that the Enterprise Initiative is meant to be agency-wide and provide more tools for the Board to consider. While the presentation will provide more parsed-out figures, CEO Constantine highlighted that the Agency is roughly 20-25% out of alignment over the Long-Range Financial Plan, which covers roughly the next 20 years.

Alex Krieg, Enterprise Planning Director, explained that the presentation would provide a brief reminder on the agency's Long-Range Financial Plan, share updated financial figures for the capital program, service delivery needs, and revenue and financing costs, and show how the Enterprise Initiative will address these challenges with the Board. Mr. Krieg briefly reminded the Board of the intent and scope of the Enterprise Initiative and summarized the key deliverables defined in Motion No. M2025-36.

Victoria Wassmer, Finance and Business Administration Deputy CEO, reminded the Board that Long-Range Financial Plan not only covers the System Expansion program, but also incorporates the costs to

operate and maintain the future system. It also projects revenues from taxes, fares, grants, and bond proceeds, as well as subsequent financing costs, and compares those against expected expenditures. She highlighted that the plan is in year-of-expenditure (YOE) dollars, to account for when the disbursement of funds is occurring.

The current Long-Range Financial Plan documents agency sources and uses are from 2017-2046, and a large program will inevitably face volatility over a 30-year period. While the Board's financial policies require a response when expenditures are anticipated to exceed projected revenue, there is still significant capacity to deliver on the goals and objectives of ST3. Ms. Wassmer explained the difference between 2025 dollars and YOE dollars, as both will be used where appropriate during the presentation.

Since the Board Retreat in May, Mr. Krieg explained that staff have been hard at work to quantify the unmitigated cost pressures across the Long-Range Financial Plan. In total, there is a 20-25% increase above the current Fall 2024 Long-Range Financial Plan, assuming no cost savings measures are applied. Cost growth on the capital program is approximately \$14-20 billion in 2025 dollars, or \$22-30 billion in YOE dollars. Cost pressures related to improved service delivery could require approximately \$5 billion more in YOE dollars. Challenges from lower revenues and higher financing cost may result in an impact of \$4-5 billion in YOE dollars.

Terri Mestas, Capital Delivery Deputy CEO, noted that the cost growth for the System Expansion program challenges the ability to complete the major ST3 Light Rail Extensions and the Link infill stations at Graham Street and Boeing Access Road. She reiterated that the \$22-30 billion figure is without considering any cost saving opportunities that the Capital Delivery Department has been developing since Fall 2024. She made sure to differentiate between pre-baselined projects, which includes all of the ST3 Light Rail extensions, and baselined projects, such as the Stride Bus Rapid Transit program. The Board will have more runway to address the pre-baselined projects.

Ms. Mestas plotted the cost growth over time from the 206 ST3 ballot to the 2025 Enterprise Initiative. The 2016 ST3 ballot measure cost estimates were based on a parametric method appropriate for very low levels of design. In 2021, during the last Realignment, the Light Rail extensions were at about 5% design and the increases were being observed in Right-of-Way, construction, and associated soft costs. At this time and during the environmental review process, the Unit Cost Library method was used to compare costs between alternatives on each project. Looking at the period between 2021 and 2025, further cost growth is being fueled by historic inflation, complex project delivery, tariffs, labor shortages, supply chain disruptions, added scope, and right-of-way prices. Due to having more clarity across the ST3 projects, the more concrete bottoms-up method of cost estimating is being used to quantify project estimates. Ms. Mestas elaborated that highway construction costs have surged 71.5% since the end of 2020, and in early 2024, costs were rising at an annual rate of nearly 10%. Additionally, the price trend to engineering services has increased roughly twice since 2020 as fast as during the preceding four years.

Ms. Mestas explained the four broad levers that the agency can utilize to optimize cost savings on the System Expansion program. In order of ease to implement, they are: Project level, Interdepartmental Collaboration, External Coordination, and Phasing. She added that other programmatic cost savings will also help to complement the four levers, some of which will require Board approval.

Ed Cobean, Service Delivery Deputy CEO, noted that while it is only his 14th day at the agency, he intends to center the Enterprise Initiative within his department's leadership team. He asked Marie Olson, Passenger Experience Executive Director, to speak to the Service Delivery Department's cost pressures. She highlighted that the cost pressures include five billion dollars in year-of-expenditure spending due to new and replacement light rail vehicles, investments into improving light rail system resiliency, and higher costs of operating and maintaining Sound Transit services through the full life of the long-range plan.

Light rail vehicles (LRV) face increased cost pressures due to external factors such as post-COVID inflation and potential tariff impacts, as well as additional pressures on the cost of procuring new vehicles, which will be addressed through the Enterprise Initiative. Multiple feasibility studies are underway to explore potential investments in system resiliency to enhance service efficiency and reduce

operations costs; these studies cover system upgrades and improvements to the Downtown Seattle Transit Tunnel. Ms. Olson noted that current cost pressures only reflect upfront costs, not any associated lifecycle costs savings after implementation. Continued expansion of the Link light rail network has revealed the necessity for additional staff and resources to operate Sound Transit's services, which are primarily handled through operating partner agencies. Staff is working to determine the expected full cost growth and assess opportunities for cost savings.

Mr. Krieg outlined the steps being taken through the Enterprise Initiative to address cost pressures in the Service Delivery department, which include the development of better information to determine full cost impacts, the revisiting of current service assumptions to inform future LRV fleet needs, and collaboration with the Capital Delivery departments on assessing service delivery impacts for future system expansion projects. He noted that an LRV and resiliency update will be provided through the REO committee in September 2025.

Victoria Wassmer, Finance and Business Administration Deputy CEO, described the revenue and financing impacts identified through the Enterprise Initiative: Five billion dollars in year-of-expenditure spending due to lower-than-expected sales tax revenue, fare revenues being impacted by post-COVID ridership trends, and high financing costs for funding capital and service cost increases. Sales tax revenue projections from Spring 2025 continue to show lower revenues, combined with lower fare revenue from current ridership trends. Ms. Wassmer noted that the agency is updating its fall forecast to take these new projections into account, with updates occurring twice per year as part of the budget, transit improvement plan, and long-range financial plan. An increase in capital and operating leads to an increase in needed debt issues, which increases the agency's debt service costs as well. Current cash balances are strong but will be exhausted by the start of the 2030s, when major construction on multiple Link light rail extensions will occur. Ms. Wassmer noted that S&P and Moody's affirmed the agency's high credit ratings, and that trade-offs of lower borrowing costs for higher ratings with the opportunity cost of risk reduction measures, such as cash reserves and higher debt service coverage ratios, must be considered. The Finance and Business Administration department plans to undertake various measures through the enterprise initiative effort, including enhancing collaborations with other departments about expenditures, identifying revenue and debt capacity improvements, and modeling risks associated with potential changes in financial controls to balance risk management and optimal debt capacity.

Mr. Krieg previewed upcoming enterprise initiative work: A long-range plan scoping discussion at the Executive Committee, an update on LRV and resiliency topics at the Rider Experience & Operations Committee, an update to the Capital Delivery Cost Savings Workplan at the System Expansion Committee, and additional policy and revenue opportunities at the Finance and Audit Committee.

CEO Constantine reiterated that staff is committed to providing the Board with the tools needed to make the most informed decisions about how the agency expands and operates in pursuit of fulfilling the ST3 plan. He also shared his optimism in the outcome of the enterprise initiative, noting that it may produce a better holistic system than what was possible if this work was not undertaken.

Ken Johnsen, Capital Delivery Technical Consultant, shared his thoughts and experiences from engaging with staff on the enterprise initiative work. He shared his optimism and confidence in the leadership assembled by the agency over the last year, noting that the enterprise initiative is well-planned and coordinated between departments. Mr. Johnson also remarked that the agency is not alone in its current predicaments, while highlighting the importance of maintaining project momentum to minimize cost-incurring delays.

Chair Somers reflected on the inflation curve that was shared as part of the presentation, noting that during the realignment in 2021, the Board thought it had adequately forecasted the agency's struggles, but noted that additional COVID-related impacts and other developments have ballooned that figure. He noted that while the Board will never be able to have perfect knowledge of how future trends will emerge, all those involved in the enterprise initiative are trying to their utmost capability to assess and navigate the situation that the agency finds itself in.

Board member Zahilay asked whether, considering that each day delayed incurs additional costs, the expected Q2/Q3 final recommendations date on the enterprise initiative is the soonest that this work can be given to the Board to take next steps. CEO Constantine shared his desire to accelerate the effort and bring work to the Board sooner, while noting that staff cannot commit to any accelerated timeline at this point.

Board member Roscoe asked for clarification on the definition of programmatic opportunities within the Capital Delivery Cost Savings Workplan. Ms. Mestas responded that programmatic opportunities are mainly in general specifications that all contracts must abide by, and that by streamlining those specifications can induce operational savings for each contractor doing work with the agency.

Board member George asked when the Board can expect to see what the specific impacts are for each project. Ms. Mestas responded that staff are currently working on developing a report that would provide that additional information, with an intended delivery date of mid-September 2025.

Chair Somers added that the Board is planning an additional retreat in November 2025, and that the information provided in that report would be useful for conversations in that setting.

Board member Strauss shared his thoughts on what cost savings could be derived from the various levers mentioned in the enterprise initiative presentation, and the importance of starting the development of future plans for the agency's expansion efforts. He also asked for clarification on how a 20-25% cost increase emerged compared to the Fall 2024 long-range financial plan update. Mr. Krieg responded that other projects' cost projections had been scrutinized over the past year due to the increases seen from the West Seattle Link Extension, noting that other extension projects had not had new cost estimates made in several years. Ms. Mestas added that the change from the Unit Cost Library to a Bottoms-up cost estimate model helped to refine and determine a truly reflective cost for each expansion project.

Board member Strauss shared his commitment to fulfilling the ST3 plan, highlighting that the City of Seattle is investing and taking steps to assist in the delivery of these projects.

Board member Harrell agreed with Board member Strauss' sentiment and encouraged other Board members to explore what steps could be taken in their respective jurisdictions to assist in the permitting and planning phases of Sound Transit projects.

Executive Session – None

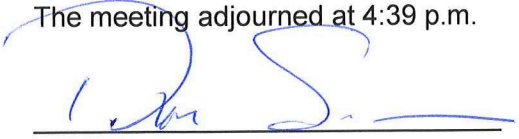
Other business – None

Next meeting

The next regular Board meeting would be held on September 25, 2025, 1:30 p.m. to 4:00 p.m. in the Ruth Fisher Board Room and as a virtual meeting via Zoom.

Adjourn

The meeting adjourned at 4:39 p.m.



Dave Somers
Board Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on September 25, 2025, AJM and HRR.