



Summary Minutes

Finance and Audit Committee Meeting November 20, 2025

Call to order

The meeting was called to order at 10:34 a.m. by Board member Kim Roscoe 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
(A) Nancy Backus, Auburn Mayor	(A) Christine Frizzell, Lynnwood Mayor

Board Members	
(P) Shannon Braddock, King County Executive	(P) Ed Prince, Renton Councilmember
(P) Hunter George, Fircrest Councilmember	(P) Kim Roscoe, Fife Mayor
	(P) Girmay Zahilay, King County Council Chair

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

Board member Roscoe noted that both Chair Backus and Vice Chair Frizzell were unable to attend the meeting and preside over the committee’s business. As both the Chair and Vice Chair were absent, a quorum of the committee must select a Chair Pro Tem to preside.

Board member Roscoe stated that she had spoken with staff and is willing to chair the meeting.

It was moved by Board member Prince, seconded by Board member George, and carried by unanimous voice vote of the committee members present that Board member Kim Roscoe be elected as Chair Pro Tem.

Report of the Chair

None.

CEO Report

CEO Dow Constantine noted that he cannot attend the meeting and stated that Agency Chief of Staff Calli Knight would provide the CEO Report in his stead. Ms. Knight noted particular investments in safety and security as part of the 2026 budget including bird mitigation and at-grade crossing investments. She also thanked Board member Braddock for hosting the November Board retreat, noting that staff is working on the development of different Enterprise Initiative scenarios at the direction of Board Chair Somers, which will be presented in early 2026.

Public comment

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

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

Deputy CEO and CFO Report

Victoria Wassmer, Finance and Business Administration Deputy CEO, provided opening remarks and introduced Ryan Fisher, Finance Executive Director, Jeff Clark, Controller Executive Director, and Jenny Stephens, Financial Planning, Analysis, and Budget Director, to provide the report.

2025 Q3 Financial Report

Mr. Fisher provided the third quarter 2025 financial performance report. He highlighted that tax revenues are under budget, although investment income and other revenues are over projected budget figures. He also noted that most expenditures – such as System Expansion Projects, Transit Operations, and Service Delivery Projects – have also been under budget, primarily driven by scheduling decisions.

Mr. Fisher provided additional details on the underlying causes of the lower-than-expected revenues, noting that tax revenues are under project budget figures primarily due to lower-than-expected sales tax incomes, and that fares, grants, and other investment incomes are higher than projected due to higher than anticipated interest rates.

Mr. Fisher also provided additional details on the underlying causes of the under-budget expenses, including decreased right-of-way expenditures in connection with the OMF-S project and decreased spending on preliminary design on the Ballard Link Extension for Link light rail, as well as lower than anticipated construction costs for Stride BRT projects.

Mr. Fisher noted that transit operations expenses were also under budget, with lower insurance costs on Link and Sounder, as well as credits received for unutilized ST Express purchased services from 2024.

Mr. Fisher also highlighted details from service delivery projects, noting that actuals were significantly lower than projected at 46 percent under budget, due to timing in several state of good repair projects, as well as shifts in timing and underspends on various design portions of enhancement projects.

Quarterly Asset and Liability Management Report

Mr. Clark provided details on the agency's investment portfolio. He noted that Sound Transit currently holds approximately \$7.7 billion as of September 30, 2025. He also reported that an additional approximately \$630 million was drawn from the agency's TIFIA loans, which were outside the scope of the Q3 report out.

Mr. Clark reported that the agency has \$5 billion in outstanding bonds and TIFIA borrowings as of September 30, 2025. He noted that staff regularly reviews the debt portfolio and acts as needed based on the market, while highlighting that the agency's strong cash position. He further noted that the agency is exploring options to refinance some of the debt in 2026.

Community Oversight Panel Presentation to the Committee

Charlotte Murry, COP Chair, provided the presentation. She noted that the COP received a presentation from the Audit division at their October 8, 2025, meeting, and were presented with four topics for potential recommendation to the FAC: Infrastructure Investment and Jobs Act review, governance maturity review, workforce planning budget process review, and regulatory permitting process review.

COP Chair Murry reported that, following discussion, the COP agreed to recommend a governance maturity review for the 2026 internal performance audit topic for consideration by the Committee.

Business Items

For Final Committee Action

October 9, 2025, Finance and Audit Committee meeting minutes

It was moved by Board member George, seconded by Board member Braddock, and carried by unanimous voice vote of the committee members present that the minutes of the October 9, 2025, Finance and Audit Committee meeting be approved as presented.

For Recommendation to the Board

Resolution No. R2025-29: Adopting an annual budget for the period from January 1 through December 31, 2026, and adopting the 2026 Transit Improvement Plan.

Ryan Fisher, Finance Executive Director, as well as Stephanie Ball and Jenny Stephens, Financial Planning, Analysis, and Budget Directors, provided the presentation on the 2026 annual budget and Transit Improvement Plan.

Mr. Fisher noted that the Committee had received a presentation on the budget, and that other committees have reviewed their portions of the budget and forwarded them to the Finance and Audit Committee for recommendation to the Board.

Mr. Fisher provided key highlights for the 2026 budget. Revenues are projected at slightly higher than their 2025 levels, that the agency's service hours will increase by 29 percent over 2025 levels, that Stride BRT construction represents the majority of construction spending for 2026, and that additional investments are being made in World Cup preparation and service delivery projects to improve system resiliency and reliability.

Mr. Fisher reported that the agency's 2026 revenues are projected to total approximately \$3.3 billion, consisting of \$2.443 billion in tax revenues, \$85 million in fares, \$232 million in grants, \$261 million in investment income, \$233 million in TIFIA loan proceeds, and an additional \$21 million in other miscellaneous income. He noted that tax revenues are expected to remain stable, while fare revenue will increase over 2025 due to a full operating year of the Federal Way Link Extension paired with the opening of the Crosslake Connection. He also noted an increase in expected grant revenue due to final Lynnwood Link funding, as well as additional income from TIFIA loans for Pinehurst Station and Sounder Access loan drawdowns.

Mr. Fisher gave an overview of projected expenditures totaling approximately \$3.5 billion, consisting of \$1.924 billion in expansion, \$891 million in modal operations and maintenance, \$282 million in service delivery projects, \$230 million in debt service, \$98 million in other spending, with an additional \$31 million in contingency funds. He noted that expansion costs consist of primarily Stride BRT construction, with modal operations and maintenance accounting for a full year of operations of the East Link and Federal Way Link Extensions.

Mr. Fisher detailed specific investments in system resiliency and World Cup preparations totaling \$194 million. He noted that these expenditures span a wide variety of different projects, ranging from safety and security to operational response to system enhancements to enterprise resource planning deployment.

Ms. Stephens gave additional details on the \$891 million operating budget, which consists of \$779 million to run current service, \$47 million to fund the opening of new stations and extensions, \$31 million for operational response improvements, \$19 million in increased security, \$12 million for World Cup, and an additional \$2 million dedicated to enterprise resource planning. She detailed the increase in service hours across modes, highlighting significant jumps in Link and T Line service over 2025.

Ms. Ball gave additional details on the service delivery and system expansion projects budgets. She noted that service delivery projects expenditures have been recategorized across asset based classes, leading to the organization of projects into distinct portfolios of work, including IT, facilities, infrastructure, rolling stock, and other projects. For system expansion projects, she noted that half of the projected \$1.924 billion is on various Link projects in planning and design, with a further 37 percent being dedicated to Stride BRT construction. Additional funds are split across Sounder access improvements, ST Express and T Link projects, and other multi-modal expenditures.

Ms. Ball also highlighted changes to the 2026 version of the Transit Improvement Plan, noting an increase from 2025 of \$318 million, or 1.2 percent over 2025. These changes are mainly driven by increased spending in service delivery projects, including a full funding of the Downtown Seattle Transit Tunnel modernization program.

Board member George noted that some dollars were being transferred in relation to the West Seattle Link Extension and asked for clarification on what those dollars would cover. Brad Owen, Capital Delivery Executive Director, responded that these dollars were being transferred into preliminary engineering to allow staff to further pursue cost savings measures as part of the Enterprise Initiative over the next six months.

It was moved by Board member George, seconded by Board member Prince, and passed by a unanimous vote of all committee members present that Resolution No. R2025-29 be forwarded to the Board with a do-pass recommendation.

Audit Report

2024 Accountability Audit Exit Presentation – Washington State Auditor's Office

Joe Simmons from the State Auditor's Office (SAO) provided the presentation.

Mr. Simmons provided an outline of the different types of audits conducted by the Washington SAO and expected outcomes. He noted that the audit report covers the selected areas covered under the audit and reported that the agency complied with all applicable state laws, regulations, and policies.

Mr. Simmons described the areas that were covered under the audit, including accounts payable, payroll, fuel cards, open public meetings act, and financial condition of the agency. In all areas, no findings were made during the audit.

Chair Pro Tem Roscoe shared her satisfaction with the lack of findings as part of the audit, and thanked Ms. Simmons for his work and his recognition of staff's helpfulness as part of the audit process.

2025 Q4 Internal Audit Update

Moises Gutierrez, Agency Oversight Deputy CEO, provided opening remarks and introduced Patrick Johnson, Audit Director, to provide the report.

Mr. Johnson reviewed the 2025 Audit Plan Dashboard, highlighting that of the 35 audits for the year, 25 have been completed with the remaining 10 being in progress. Across the completed audits, 12 findings were identified, with one loss reporting incident having occurred. He noted that 2025 internal performance audit topic, Disaster Preparedness, was ongoing and would not be completed until early 2026. While this work is ongoing, other safety and emergency management work is being undertaken in the interim.

Mr. Johnson gave details on the work completed thus far in Q4 2025. Of the seven completed audits, two had findings: The Non-Revenue Vehicle (NRV) Fleet special audit with four findings, and the ISO 27001 Maturity Assessment audit having two. In the NRV Fleet audit, findings included the following: A disconnect between the NRV policy and current NRV Fleet plan, inadequate identification and access controls for drivers, non-automation of driver eligibility monitoring, and non-automation of fleet maintenance and fuel card oversight processes. Mr. Johnson noted that the NRV Fleet Management team has already begun implementing actions, with a completion date of remedying all findings by June 30, 2026.

Mr. Johnson noted that of the 10 outstanding audits for 2025, eight will be completed in December, with the other two requiring external approval from WSDOT projected to be finalized in January 2026.

2026 – 2028 Internal Audit Plan

Mr. Johnson provided the report, giving an overview of the rationale for the development of a three-year audit plan. He noted that doing so would provide strategic guidance for internal audit coverage and would help ensure that high-risk areas are reviewed regularly. He further explained that any updates for the plan would be communicated to the Committee, CEO, and senior leadership. Topics presented to the COP that were not selected as the recommended topic for the 2026 Performance Audit topic are still included in the plan and will be conducted over the period.

Discussion on 2026 Internal Performance Audit Topic

Chair Pro Tem Roscoe shared her appreciation that topics not selected by the COP for recommendation are still included in the audit plan and asked for confirmation that those topics will be covered in the audit division's work. Mr. Johnson responded in the affirmative. She also thanked the COP for their work and noted her agreement with the recommendation.

It was moved by Board member George, seconded by Board member Braddock, and passed by a unanimous vote of all committee members present that Internal Governance Maturity Review be selected as the 2026 Internal Performance Audit topic.

Executive session – None

Other business – None

Next meeting


Thursday, March 12, 2026

10:30 a.m. to 12:00 p.m.

Ruth Fisher Boardroom and Virtually via an online meeting platform

Adjourn

The meeting adjourned at 11:31 a.m.



Thomas McLeod
Finance and Audit Committee Chair

ATTEST:



Kathryn Flores
Board Administrator

APPROVED on March 12, 2026, HRR.