

Sound Transit Community Oversight Panel Hybrid Meeting Summary

May 8, 2024

COP Members Present: James Peyton, Paul Thompson, Tom Norcott, Scott Lampe, Lucas Simons, Tina Pierce, Diana Cambronero Venegas, Charlotte Murry

COP Members Absent: Donia Zaheri, Lorenzo Frazier

Others Present: Adam Montee, Katie Flores, Chris Hoffman

Fare Policy Board Work

- Alex Krieg – Director - Access, Integration & Station Area Planning
- Chad Davis – Director of Fares

Staff began by providing an overview of their recent work, mentioning that the fare policy is going in front of the board later this month. Staff said that they have been putting actions into place on a number of fare items. They introduced an equitable fare compliance policy, expanded reduced fares programs, and established fares where none had previously existed. They also considered fare structure adjustments and reviewed and considered modifying fare box recovery efforts. For 2023 and 2024 they focused on the new fare policy, a fare change on Link, and expanding the parking management program. Staff provided the rationale for the fare policy update, which was adopted in 2010 and last updated with a reduced fare category in 2014. They are making substantial changes related to farebox recovery targets and the approach for adjusting fare rates. A member asked if there are any legislative policies driving fare rates. Staff replied that they are required by state law to have a farebox recovery policy, but there is no specific guidance on what that has to be.

Staff explained the farebox recovery policy and that their financial plan can be threatened if it is not met. The current targets are 40% for Link, 23% for Sounder, and 20% for ST Express. In comparison to peer agencies, Sound Transit has a higher target than other agencies for light rail. Staff said that farebox recovery rates fell significantly between 2019 and 2021 across all peer agencies. A member asked if the other agencies shown in the presentation materials have the same fare collection methods. Staff replied that all peer agencies have open system without fare gates. For Sounder and ST Express, farebox recovery rates also fell significantly between 2019 and 2021 and are significantly below identified targets. Staff said they are currently out of compliance with board-adopted farebox recovery policy, with recovery well below the 40% goal identified for Link; Sounder and ST Express are in similar situations. A member asked if the recovery rate is lower because of new service coming online. Staff replied affirmatively and noted that new lines increase operating expenses. A member asked about projections, and how those are accounted for. Staff replied that they do their best to account for when new services come online.

Staff said they are updating the policy now because the expectation of 40% for light rail, 23% for Sounder, and 20% for ST Express are no longer feasible. The main changes for the policy are to update the targets and to set minimum thresholds. Light rail's recovery minimum threshold will be 17%, with a target of 22%; Sounder's will be a 13% minimum threshold and a 18% target; and ST Express's will be a minimum threshold of 8% and a target of 13%. In addition, minimums and targets must be set within three years of start of collection for new services. For fare rates, adjustments must be considered if a minimum threshold isn't met in consecutive years. There are also other minor changes being made,

including a flat fare, route-based fares, and passenger fare categories. Staff said that next steps include final action by the Board at their May 24 meeting.

A member asked about how this policy affects the financial plan. Staff said the minimum thresholds align with fare revenue projections in the 2023 financial plan. The financial plan also assumes the cadence of regular fare increases on Link light rail every four years. Another member asked if a minimum threshold wasn't projected to be met in 2025 would that trigger an action in 2027. Staff said that it would have to be based on actuals rather than projections. A member thanked the presenters for providing peer data from other agencies.

Discussion – A member noted that farebox recovery ratios across modes stayed roughly the same even though they all have been lowered. They were curious how the original targets were determined.

Discussion, Adoption of Previous Meeting and Retreat Summaries, Member Reports

The April 2 retreat summary and the April 10 meeting summary were approved. Two members reported that they went to the 2 Starter Line opening on April 27, and that it was quite an event, with lots of people attending including numerous elected officials and Board members. They were curious what ridership and parking utilization will look like over the next several months. A member reported that they are recruiting potential members for Snohomish County. A member noted that Sound Transit is starting to develop the invitation list for the Lynnwood Extension opening. Adam reported that they have locked in a date for a Lynnwood Link Extension tour, which will be on Friday, June 14. The plan is to meet at Union Station around 8:30 a.m. and then return around noon. He said that the panel can expect to receive more information about the tour in the coming weeks.

Next Meeting: Wednesday, June 12, 2024, 5:30 – 8:15 PM

- Meeting with Interim CEO Goran Sparrman and Rider Experience and Operations Committee Chair Kristina Walker
- National Transit Database Data Review and Analysis
- Operations and Maintenance Facility – South Project Update