



## Summary Minutes

**Board Meeting  
November 19, 2020**

### Call to order

The meeting was called to order at 1:35 p.m. by Board Chair Kent Keel in a Virtual Meeting via telephone and video conference.

### Roll call of members

Chair	Vice Chairs
(P) Kent Keel, City of University Place Councilmember	(P) Dow Constantine, King County Executive (P) Paul Roberts, Everett Councilmember

Board members	
(P) Nancy Backus, City of Auburn Mayor	(P) Ed Prince, City of Renton Councilmember
(P) David Baker, City of Kenmore Mayor	(P) Kim Roscoe, City of Fife Mayor
(A) Claudia Balducci, King County Council Chair	(P) Nicola Smith, Lynnwood Mayor
(A) Bruce Dammeier, Pierce County Executive	(P) Dave Somers, Snohomish County Executive
(P) Jenny Durkan, Seattle Mayor	(P) Dave Upthegrove, King County Councilmember
(A) Debora Juarez, Seattle Councilmember	(P) Peter von Reichbauer, King County Councilmember
(P) Joe McDermott, King County Council Vice Chair	(P) Victoria Woodards, City of Tacoma Mayor
(A) Roger Millar, Washington State Secretary of Transportation – Patty Rubstello	

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

### Report of the Chair

Fare Enforcement Motion offered by Boardmember McDermott – Chair Keel announced that Boardmember McDermott drafted a motion to advance the agency's Fare Enforcement pilot program and updates to the Board's Fare Enforcement Policy. That motion will be included on the December Executive Committee and Board agendas.

Program Realignment Near Term Actions - At the September Board meeting, as part of the process to remain shovel-ready, the Board approved consideration of a series of near-term actions to un-pause several key projects. This agenda includes the final set of near-term actions for projects identified by the Board in September. Those near-term actions include authorizing an agreement with the City of Seattle and King County Metro for a contribution to improve speed and reliability along the RapidRide C line, and approving budget amendments to start alternative analysis for the South Tacoma and Lakewood Access Improvements Projects. Similar actions moved forward at this month's System Expansion Committee meeting, including a General Engineering Consultant contract for BRT to help look at phasing options, and a contract modification to start alternative analysis for the South Tacoma and Lakewood Access Improvements Projects, pending approval of the budget amendment. As described in earlier realignment updates, in 2021 the Board will consider more actions to help projects maintain shovel ready status ahead of realignment. Approval of these near-term actions will not prevent the Board from making future alignment decisions to best achieve the objectives of the plan with the available resources.

Program Realignment Process and Schedule - The Board Vice Chairs and Chair Keel distributed a document outlining the process and schedule for the Board to work toward a July 2021 realignment plan. This plan utilizes the direction adopted by the Board in July of this year through Motion No. M2020-36 and Motion No. M2020-37.

## **CEO Report**

CEO Rogoff provided the report.

Construction Updates – Mr. Rogoff announced the start of construction for the Puyallup Station parking and access improvements project. The project will provide 610 new parking spaces through the construction of a new five-level garage and added surface parking, a pedestrian bridge crossing at 5th Street NW, a new traffic signal at 7th Street NW and new sidewalks, curb ramps and street lighting. The project is scheduled to open in 2022 and Sound Transit is holding an online open house to share information on construction impacts and improvements to local intersections around the Puyallup Sounder station. Mr. Rogoff also noted that crews working on the Snohomish County segment of the Lynnwood Link Extension will be closing the southbound lanes of I-5 South from 220th Street SW to SR 104 in Mountlake Terrace to erect false work for the elevated light rail guideway that will traverse I-5. During the closures, traffic will be detoured on SR 99 and SR 104 before rejoining I-5.

Link Capital Budget – Link construction has advanced throughout the year and year to date expenditures through October are 98 percent of planned. Sound Transit has been able to maintain momentum on light rail construction, staying on schedule for targeted revenue service dates despite the impacts of COVID and other challenges. CEO Rogoff advised the Board that action may be required in December to increase the annual Link System Expansion allocated dollars because work is getting done slightly faster than anticipated.

Presentation to Pierce Transit Board and Community Transit Board – Mr. Rogoff briefed the Pierce Transit Board and the Community Transit (CT) Board about our ongoing capital program and our realignment process. Mr. Rogoff provided updates to both Boards on the near-term actions that keep projects in their respective jurisdictions moving forward, such as the Kent, Auburn, Sumner Station parking projects and Sounder South access improvement projects in Pierce, and the Stride BRT, Everett Link, OMF North, and the Everett Parking agreement in Snohomish. Mr. Rogoff was able to thank Community Transit’s CEO Emmett Heath for his longtime service and leadership, and for his invaluable collaborative partnership.

External Engagement – This month’s External Engagement report summarizes some of the important work the agency is doing across the region to keep partners and citizens engaged and informed about agency work. On December 11, 2020, Sound Transit will host Partnering for the Future, a free virtual conference for the architecture, engineering & construction industries and more than 200 participants have signed up for the virtual conference. In addition, Sound Transit provided a Sound Transit hard hat to the City of Federal Way’s time capsule to signify the start of Federal Way Link Extension construction earlier this year. The City plans to open the time capsule in 2050.

## **Public Comment**

Chair Keel announced that due to the Governor’s order and Motion No. M2020-23 approved in March, the Board would only be accepting public comment via email.

Board members received written comments submitted by 12:30pm on November 19, 2020 from the following people:

Larry Fogdall  
Joe Kunzler  
Beverly Triplett

## Consent Agenda

Voucher Certification: October 2020

Minutes: October 22, 2020 Board of Directors Meeting

Motion No. M2020-64: Reappointing Mr. Scott Lampe and Mr. Paul Thompson to the Citizen Oversight Panel to serve a second term of four years beginning December 1, 2020, and expiring November 30, 2024.

Motion No. M2020-65: (1) Authorizing the chief executive officer execute an addendum to the power purchase agreement with Puget Sound Energy for the Green Direct – Phase 1 program, allowing Sound Transit to purchase locally produced renewable wind power, to (a) further lower the 10-year fixed-rate for purchasing renewable power for six Link light rail accounts, (b) extend the end date of the contract to ensure a full 10 years of renewable power, as the initial project launch was delayed, and (2) delegating authority to the chief executive officer to execute future amendments to the power purchase agreement with Puget Sound Energy to add, subtract or swap PSE accounts participating in the Green Direct Program and/or extend the term of the agreement for up to an additional 10 years, so long as utility rates are equal to or less than those of the initial agreement.

Motion No. M2020-66: Authorizing the chief executive officer to execute an amendment to the commuter rail service agreement with BNSF Railway Company extending operation of Sounder north-line service by 10 years and adding two five-year options to extend in an amount not to exceed \$37,958,689 for a new total authorized amount not to exceed \$90,904,587.

Motion No. M2020-69: Authorizing the chief executive officer to execute an agreement with the City of Seattle and King County to reimburse the City of Seattle for \$1,730,000 and King County Metro for \$2,800,000 to provide a total funding contribution of \$4,530,000 for bus speed and reliability improvements to the RapidRide C Line serving West Seattle to South Lake Union.

**The Consent Agenda was moved by Boardmember Roberts and seconded by Boardmember Woodards. Chair Keel called for a roll call vote.**

### Ayes

Nancy Backus  
David Baker  
Dow Constantine  
Joe McDermott  
Ed Prince  
Paul Roberts  
Kim Roscoe

### Nays

Dave Somers  
Nicola Smith  
Dave Uptegrove  
Pete Von Reichbauer  
Victoria Woodards  
Kent Keel

**It was carried by unanimous vote of 13 Boardmembers that the Consent Agenda be approved as presented.**

## Business items

Resolution No. R2020-22: Making a finding of substantial need for the purposes of setting the limit factor for the 2021 property tax levy.

Ryan Fisher, Director of Financial Planning & Analysis & Budget, provided the staff presentation for Resolution No. R2020-22 and the following action, Resolution No. R2020-23.

(Boardmember Durkan arrived at this time)

Chair Keel noted that per the statute, approval of this action requires a majority vote of the Board, plus one member, which is 11 affirmative votes.

**Resolution No. R2020-22 was moved by Boardmember Roberts and seconded by Boardmember Roscoe.**

Chair Keel noted that it was clear to him that a substantial need was present and advocated for the resolution to be passed.

**Chair Keel called for a roll call vote.**

<u>Ayes</u>		<u>Nays</u>
Nancy Backus	Kim Roscoe	
David Baker	Dave Somers	
Dow Constantine	Nicola Smith	
Jenny Durkan	Dave Upthegrove	
Joe McDermott	Pete Von Reichbauer	
Ed Prince	Victoria Woodards	
Paul Roberts	Kent Keel	

**It was carried by unanimous vote of 14 Boardmembers that Resolution No. R2020-22 be approved as presented.**

Resolution No. R2020-23: (1) Authorizing a 1.0 percent statutory increase in the property tax levy for 2021, (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.

**Resolution No. R2020-23 was moved by Boardmember Roscoe and seconded by Boardmember Roberts.**

(Boardmember Dammeier arrived at this time)

Chair Keel explained that a substantial need was present, but he voiced concern around funding sources. He advised that he would not support the motion.

Chair Keel noted that per the statute, approval of this action requires a supermajority vote of the Board, which is 12 affirmative votes. Chair Keel called for a roll call vote.

<u>Ayes</u>		<u>Nays</u>
Nancy Backus	Kim Roscoe	Kent Keel
David Baker	Dave Somers	Bruce Dammeier
Dow Constantine	Nicola Smith	
Jenny Durkan	Dave Upthegrove	
Joe McDermott	Pete Von Reichbauer	
Ed Prince	Victoria Woodards	
Paul Roberts		

**It was carried by majority vote of 13 Boardmembers that Resolution No. R2020-23 be approved as presented with Boardmember Dammeier and Boardmember Keel voting in the minority.**

Resolution No. R2020-19: Amending the Lakewood Station Access Improvements project budget for the administration, preliminary engineering, and right of way activities to support the completion of alternatives analysis by increasing the authorized project allocation by \$705,000 from \$1,255,000 to \$1,960,000.

**Resolution No. R2020-19 was moved by Boardmember Woodards and seconded by Boardmember Backus.**

Boardmember Woodards, System Expansion Committee Vice Chair, advised that the System Expansion Committee reviewed the action at its November meeting and forwarded it with a recommendation for approval.

Chair Keel expressed his excitement in seeing the work getting completed in Pierce County.

Amending the adopted budget requires a supermajority vote of the Board, which is 12 affirmative votes. Chair Keel called for a roll call vote.

**Ayes**

Nancy Backus  
David Baker  
Dow Constantine  
Bruce Dammeier  
Jenny Durkan  
Joe McDermott  
Ed Prince  
Paul Roberts

**Nays**

Kim Roscoe  
Dave Somers  
Nicola Smith  
Dave Upthegrove  
Pete Von Reichbauer  
Victoria Woodards  
Kent Keel

**It was carried by unanimous vote of 15 Boardmembers that Resolution No. R2020-19 be approved as presented.**

Resolution No. R2020-20: Amending the Adopted 2020 Budget to create the South Tacoma Access Improvements project by (a) establishing an authorized project allocation in the amount of \$1,534,000 and (b) establishing a 2020 annual project budget of \$189,000.

**Resolution No. R2020-20 was moved by Boardmember Woodards and seconded by Boardmember Backus.**

Boardmember Woodards, System Expansion Committee Vice Chair, advised that the System Expansion Committee reviewed the action at its November meeting and forwarded it with a recommendation for approval.

Boardmember Roscoe echoed support for the motion and for pedestrian, bicycle, and traffic improvements.

Boardmember Dammeier voiced support for the motion and echoed Boardmember Roscoe's comments.

Chair Keel noted that amending the adopted budget requires a supermajority vote of the Board, which is 12 affirmative votes. Chair Keel called for a roll call vote.

**Ayes**

Nancy Backus  
David Baker  
Dow Constantine  
Bruce Dammeier  
Jenny Durkan  
Joe McDermott  
Ed Prince  
Paul Roberts

**Nays**

Kim Roscoe  
Dave Somers  
Nicola Smith  
Dave Upthegrove  
Pete Von Reichbauer  
Victoria Woodards  
Kent Keel

**It was carried by unanimous vote of 15 Boardmembers that Resolution No. R2020-20 be approved as presented.**

Resolution No. R2020-21: Amending the Adopted 2020 Budget for the Bus Base North project to support a property acquisition by (a) increasing the 2020 annual budget from \$1,530,000 to \$16,530,000 and (b) transferring \$12,600,000 from the Construction Services phase to the Right of Way phase while maintaining the authorized project allocation of \$48,676,000.

**Resolution No. R2020-21 was moved by Boardmember Woodards and seconded by Boardmember Baker.**

Boardmember Woodards, System Expansion Committee Vice Chair, advised that the System Expansion Committee reviewed the action at its November meeting and forwarded it with a recommendation for approval.

Boardmember Roscoe asked if there was an expectation that the project budget would increase, and when that would take place. CEO Rogoff advised that the project was too early in its life to determine that, but more information would be provided to the Board as it became available.

Amending the adopted budget requires a supermajority vote of the Board, which is 12 affirmative votes. Chair Keel called for a roll call vote.

**Ayes**

Nancy Backus  
David Baker  
Dow Constantine  
Bruce Dammeier  
Jenny Durkan  
Joe McDermott  
Ed Prince  
Paul Roberts

**Nays**

Kim Roscoe  
Dave Somers  
Nicola Smith  
Dave Upthegrove  
Pete Von Reichbauer  
Victoria Woodards  
Kent Keel

**It was carried by unanimous vote of 15 Boardmembers that Resolution No. R2020-21 be approved as presented.**

Motion No. M2020-63: Adopting the Sound Transit 2021 State Legislative Program and directing staff to evaluate and engage in issues that impact the agency as it continues to implement a regional high-capacity transit system.

Chair Keel noted that Motion No. M2020-63 was forwarded by the Executive Committee. Alex Soldano, Director of State Relations, provided the staff presentation.

**Motion No. M2020-63 was moved by Boardmember Baker and seconded by Boardmember Backus.**

Boardmember Durkan recognized staff for work to determine what was likely to happen in the legislature. She advised that though I-976 was overturned in the courts, there was pressure from the public to resolve the MVET fee schedule. She believed the language in the motion was too passive and more robust work needed to be done to come to a satisfying solution to not undermine public trust in Sound Transit.

Boardmember Roscoe echoed Boardmember Durkan's comments. There is a level of trust that can be re-earned if the Board addressed this issue.

Boardmember Dammeier echoed Boardmembers Durkan and Roscoe's comments.

Chair Keel moved that the motion be postponed until the December meeting so that an amendment could be crafted.

CEO Rogoff let the Board know that the agency is standing by to work with the Boardmembers while also working with the general counsel to finalize the language.

Chair Keel called for a roll call vote to postpone the motion until the December Board Meeting.

**Ayes**

Nancy Backus  
David Baker  
Dow Constantine  
Bruce Dammeier  
Jenny Durkan  
Joe McDermott  
Ed Prince  
Paul Roberts

**Nays**

Kim Roscoe  
Dave Somers  
Nicola Smith  
Dave Upthegrove  
Pete Von Reichbauer  
Victoria Woodards  
Kent Keel

**It was carried by unanimous vote of 15 Boardmembers that Motion No. M2020-63 be postponed to the December Board Meeting.**

Resolution No. R2020-18: Adopting the 2021 Service Plan with major service changes for implementation in March and September of 2021.

**Resolution No. R2020-18 was moved by Boardmember Roberts and seconded by Boardmember Baker.**

Vice Chair Roberts advised that the Rider Experience and Operations Committee reviewed the action and forwarded to the Board with a recommendation to approve. He noted that this service plan was more notable due to the challenges brought on by COVID-19.

Brian de Place, Deputy Director of System Planning, and Michael Couvrette, Service Planning Manager, provided the presentation.

Boardmember Dammeier noted that the plan offered options for riders concerned with dense packing into busses and trains.

CEO Rogoff advised that the years' service planning effort required a much closer look at how COVID-19 affected ridership and which riders really needed service. Also, the effort required unprecedented cooperation with partner agencies as routes were suspended, extended, and rerouted.

Chair Keel voiced the importance of coordination between agencies and celebrated staff for the work done in that regard.

Vice Chair Roberts echoed the comments of Boardmember Dammeier, and Chair keel, and added that the people currently using the system were likely essential workers and service for them was very important.

Chair Keel called for a roll call vote.

**Ayes**

Nancy Backus  
David Baker  
Bruce Dammeier  
Jenny Durkan  
Joe McDermott  
Ed Prince  
Paul Roberts

**Nays**

Kim Roscoe  
Dave Somers  
Nicola Smith  
Dave Upthegrove  
Pete Von Reichbauer  
Kent Keel

**It was carried by unanimous vote of 13 Boardmembers that Resolution No. R2020-18 be approved as presented.**

Resolution No. R2020-24: Adopting a Budget Policy and superseding Resolution No. R2018-23.

Ryan Fisher, Director of Financial Planning & Analysis & Budget, and Jenny Stephens, Deputy Director of Financial Planning, Analysis and Budget, provided the staff presentation for Resolution No. R2020-24 and the following action Resolution No. R2020-25.

Boardmember Dammeier stated that with the data provided in the staff report, he was now comfortable supporting the action.

Chair Keel advised that the additional information provided during the presentation was helpful. Noting that amending the budget requires a majority vote of the Board, which is 10 affirmative votes. Chair Keel called for a roll call vote.

**Resolution No. R2020-24 was moved by Boardmember Baker and seconded by Boardmember Dammeier.**

**Ayes**

Nancy Backus  
David Baker  
Bruce Dammeier  
Jenny Durkan  
Joe McDermott  
Ed Prince

**Nays**

Paul Roberts  
Kim Roscoe  
Dave Somers  
Nicola Smith  
Kent Keel

**It was carried by unanimous vote of 11 Boardmembers that Resolution No. R2020-24 be approved as presented.**

Resolution No. R2020-25: Authorizing phase transfers for certain System Expansion, Enhancement and State of Good Repair projects while maintaining the authorized project allocation established for each project. – Potential Action, pending decision on Resolution No. R2020-24.

Chair Keel advised that with approval of Resolution No. R2020-24, no action is needed on Resolution No. R2020-25 because the policy updates just approved will allow the CEO to approve the budget transfers listed in Resolution No. R2020-25.

**Report to the Board**

2021-2022 Disadvantaged Business Enterprise Goal & Methodology

CEO Rogoff formally introduced Jonté Robinson who is the Acting Chief Civil Rights, Equity & Inclusion Officer. Jonté Robinson, Deputy Director of Civil Rights and Inclusion, provided the presentation. Ms. Robinson explained that the Office of Civil Rights, Equity & Inclusion office expanded in scope following the agency's Design for Growth initiative. She reviewed the office's approach, the Equal Employment Opportunity program, and demographics goals.

Jonté Robinson, Acting Chief Civil Rights, Equity, and Inclusion Officer, Brenda Nnambi, Technical Advisor and Sameer Bawa, BBC Research Director, provided the presentation. Ms. Robinson explained that Sound Transit was required to set a Disadvantaged Business Enterprise goal every three years.

Mr. Bawa outlined the Disparity Study objectives, noting that it would aid in setting future goals. He explained the utilization analysis using agency data and survey data gathered by the third party contractor and its results. He then explained the factors of an availability analysis, which reviewed the availability of Disadvantaged Business Enterprises in the market. This data would help determine the percentage of dollars expected to be available.



A calculation was done to perform a disparity analysis, which determined the ratio of funds received over those available. Anything below .08 would be determined as substantial underutilization. Any disparity would justify measures to encourage participation like Sound Transit's DBE goals. Mr. Bawa reviewed the disparity analysis and explained that disparities existed for many categories of disadvantaged business enterprises.

Mr. Bawa reviewed at a high level the results of the disparity study. Summarizing that Black American, Hispanic American, Native American and sub-continent Asian American owned businesses showed substantial disparities for certain contracts. This is largely because Sound Transit typically awards contracts without the use of race, gender conscious measures.

Chair Keel thanked the presenters for a comprehensive and informative report. He then asked how raising the agency's goal would work over improving practices if the goals are not being met. Mr. Bawa explained that the goals had been met over the past years, but they were being met through use of non-Hispanic women and Asian-Pacific owned businesses at the expense of other disadvantaged business enterprise groups, which the disparity revealed.

Boardmember Roscoe asked for more information regarding how the agency would conduct outreach to the DBE's which were being under-utilized. She asked for clarification about those DBE's which would not be eligible and/or considered for the program. Mr. Bawa explained based on that data that that non-Hispanic, White Women owned and Asian-Pacific owned businesses are not suffering substantial disparities.

CEO Rogoff explained that the report gives rise to the base number which is well below the level of participation that the agency would like to see in terms of Sound Transit's DBE participation on the considerable amount of capital work throughout the region. The agency is working to get from 7.5 percent to 16 percent of preferred participation.

Boardmember Dammeier echoed the Chairs comments and asked if there was a way to expand the region's disadvantaged business enterprises by using Sound Transit's capital program's influence. Mr. Bawa explained that between the first and second disparity studies conducted by BBC, the contract sizes became much larger. That was a problem because minority owned businesses tended to be smaller and younger, and therefore less able to compete with the larger more established non-Hispanic white, male owned businesses which were more established.

An option would be to not bundle/combine contracts to allow for more diverse contractors. Mr. Bawa highlighted that another option would be to encourage contractors to use different subcontractors for separate contracts. Other actions were in the report available to the Board and public.

### Financial Plan Update

Tracy Butler, Chief Financial Officer, provided the presentation. She explained that the Long Range Financial Plan was unaffordable under current forecasts, with a \$6 billion revenue gap. She outlined debt capacity as forecasted in 2019 compared to 2020 assumptions of a moderate assumption. A more severe recession would exaggerate the unaffordability. Ms. Butler explained that the long-term revenue outlook was uncertain and could be worse than current forecasts. At the same time, cost estimates for future projects continued to increase in the degree of billions dollars. On the operating side, purchased transportation costs were increasing as well.

Ms. Butler then answered questions posed at the October 24, 2020, Board meeting. The first question was whether revenue forecasts were improving like they were in other jurisdictions. The answer was that they were in comparison to early projections. However, unlike jurisdictions which only projected 1 to 2 years in the future. Sound Transit had to balance short-term projections with long term projections of 20+ years to ascertain program affordability. She advised that revenue projections were likely to never return to ST3 levels. She used the Dot com recession of 2001/2002 and the Great Recession of 2008 to

show that revenue level increases were slow. Luckily, tax revenues from 2017 to 2019 were \$474 million higher than projected, however, that was likely to be quickly drawn down.

The second question was how has tax revenue changed since 2016, and how has the variance been spent. The answer was that tax revenues from 2017-2019 were \$474 million higher than projected. The result was a higher cash reserve that is now being used to cover current revenue shortfalls and cost increases.

The third question addressed was where the higher construction costs are and which projects were impacted. Ms. Butler explained the cost increase compared to the ST3 Plan. Downtown Redmond Link Extension - \$98 million, Federal Way Link Extension - \$460 million, Lynnwood Link Extension \$707 million, Hilltop Tacoma Link Extension \$35 million. The following projects are unknown at this time, West Seattle – Ballard Link Extension, Tacoma Dome Link Extension, Everett Link Extension, Bus Rapid Transit I-405, SR522.

The fourth question asked was why differences were expected in long-term construction costs and current local conditions. She explained that economists project long-term national slowdowns in inflation for construction and right-of-way, but near-term Puget Sound market remains hot. Projects currently in planning are experiencing the same or higher cost pressures as the Federal Way and Lynnwood projects. Rapid local development activity, particularly in urban centers, means our projects will incur higher property acquisition and relocation costs. New increased cost projections will be available in Q1.

The fifth question asked was how the cost changes net out to the current projection of a \$0.6 billion increase. Ms. Butler explained that capital costs are -\$1.2 billion, operating and state of good repair is \$0.8 billion, debt service is \$1.0 billion, totaling the increase to \$0.6 billion.

The sixth question asked was why contracts with partner agencies (purchased transportation) are not included in the general inflation number. Ms. Butler explained that because the cost growth from operating partner agencies has always exceeded CPI (in 2016-2019 it was 5.7 percent), we project purchased transportation cost growth using historical data instead of the CPI, which is 2.3 percent. The updated financial plans assume 5% annual cost growth (for the next five years) in purchased transportation instead of CPI. If this higher cost growth continues beyond five years, \$1 billion of additional cost will need to be added to be plan.

The seventh question asked was why vertical conveyance costs so much higher than projected in 2019. A Downtown Seattle Transit Tunnel (DSTT) condition assessment was completed after the 2019 financial plan update. The average age of DSTT vertical conveyances is 30+ years. DSTT needs coupled with conveyance challenges at other stations prompted a system-wide evaluation of long-term resource needs. As a result, higher costs are assumed for maintenance and heavier duty replacement for existing equipment.

The eighth question asked was why debt service is higher. Ms. Butler explained that in order to make up for the currently projected revenue shortfall, \$3.2B in additional debt would need to be issued. Therefore there will be higher debt service (interest and principal repayment) costs to pay for additional borrowing. Program becomes more expensive when more debt financing (vs. revenue) is utilized.

CEO Rogoff added that new data for projects under development would be provided to the Board in future meetings, and preliminary costs were sobering. Property values continue to grow, and upcoming projects would require purchase of more expensive properties than in the past. In addition, unlike the Great Recession of 2008, construction costs were not falling drastically in this recession, and would not be able to offset the decreasing revenues.

Boardmember Roscoe appreciated the timeliness of this presentation and would like to continue staying on top of this work.

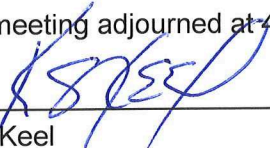
Chair Keel echoed Boardmember Roscoe's comments.

**Next meeting**

The next regular Board meeting would be held on Thursday, December 17, 2020, 1:30 to 4:00 p.m. as a virtual meeting via WebEx.

**Adjourn**

The meeting adjourned at 4:20 p.m.



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Kent Keel  
Board Chair

ATTEST:



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Kathryn Flores  
Board Administrator

APPROVED on December 17, 2020, TW.