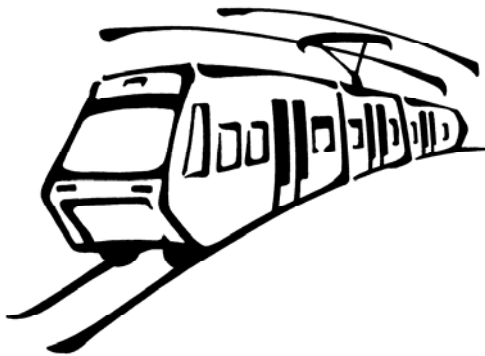
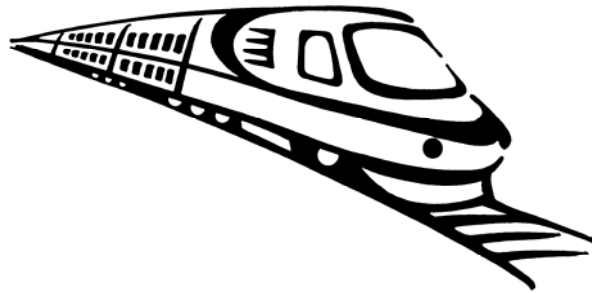




**SOUNDTRANSIT**

**Central Puget Sound  
Regional Transit Authority**



**Quarterly Financial Report  
Fourth Quarter 2008  
December 31, 2008**



# Fourth Quarter Financial Report

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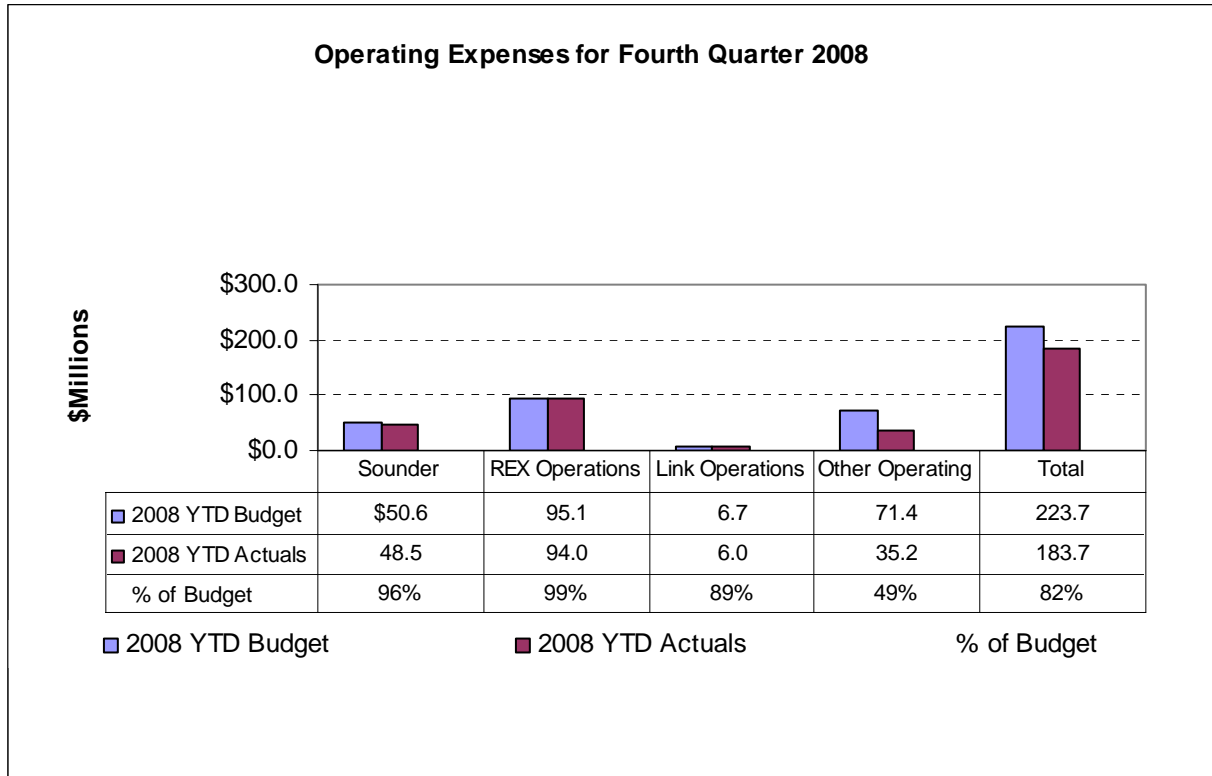




## Expenses

Total agency expenses for the year of \$183.7M were below the annual budget by \$40.0M or 18% of budget. Transportation Services direct operating expenses as a percent of budget was: Sounder 96%, ST Express 99% and Tacoma Link 89%. Much of the under-spending was caused by the timing of vehicle and facility maintenance that will occur later.

The combined Regional Fund, Staff and Other Operating Expenses of \$35.2M was \$36.2M under budget of \$71.4M due to less than anticipated planning costs in the Phase 2 planning project and Fare Integration project. In addition, debt services costs were below budget reflecting a current assumption of full capitalization to capital projects.

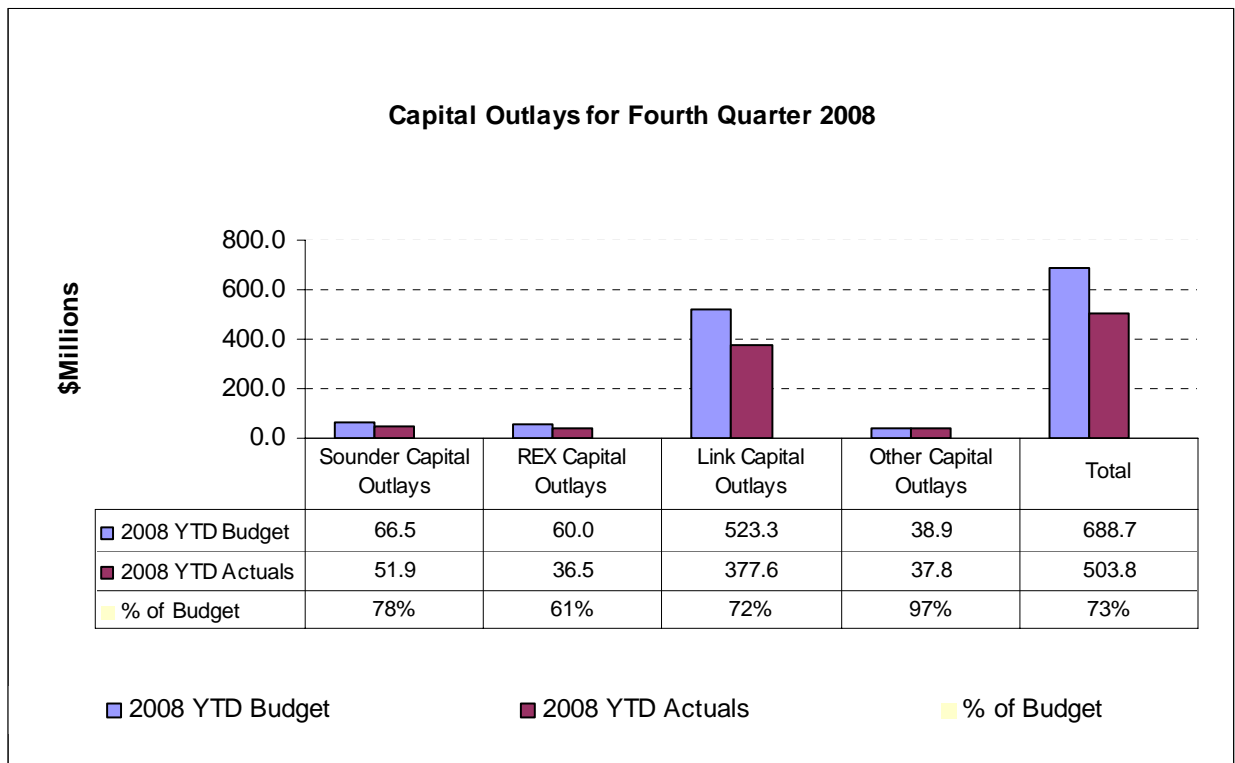


## Capital Outlays

Total agency capital outlays of \$503.8M were 73% of the annual budget. Capital outlays for Sounder came in at 78% of target due to lower than expected spending in the Seattle - Tacoma Track and Signal project and the Lakewood Station project. Both projects captured savings during the 2009 budget process totaling \$8.5 million.

The actual outlays in Regional Express came in at 61% of target primarily due to lower than predicted spending in the final design and right of way phases of the Kirkland Transit Center, Renton HOV Access projects. The construction phase of Totem Lake Transit Center/Evergreen Medical Center project and the receipt of the design error credit for Totem Lake Freeway Station from WSDOT.

Link capital outlays of \$377.6M were 72% of the year-to-date budget plan. Lower than planned expenditures are due to delays in Initial Segment and Beacon Hill civil construction and subsequent impacts on systems follow-on work, prolonged negotiation and lack of resolution of construction-related issues on the Rainier Valley contract, slowed productivity at Beacon Hill and unresolved construction-related issues for the Airport Link project.



## Summary Income Statement

The following table summarizes Revenue and Expenses at the quarter end. Net Revenues were over budget by \$45.3M or 18% due to revenues exceeding their budget and expenses being below budget.

Total Revenue exceeded the YTD Budget by \$31.6M or 6%. This positive variance was primarily driven by higher Federal Grant drawdowns through the third quarter. Farebox revenues, Investment Income, State and Local Contributions and Other Miscellaneous Revenues also exceeded their budget while Tax Revenues came in below their budgeted amounts.

Total expenses were below budget by \$40.0M or 18% of budget, with all major expense categories below their budgeted levels. The expense categories that drove the lower expenditure level included Staff Operations, Transit Operations, and Regional Fund & Other Operations.

<b>Income Statement</b> (in thousands)								
<b>For the Quarter Ending December 31, 2008</b>								
<b>Budget to Actuals</b>								
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD Actuals</b>	<b>YTD Actuals</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>2008</b>	<b>2008</b>	<b>to YTD Budget</b>	<b>as % of</b>
					<b>Actuals</b>	<b>Budget</b>	<b>(over)/under</b>	<b>YTD Budget</b>
<b>REVENUES</b>								
Tax Revenues	83,370	89,228	91,094	82,501	346,193	362,887	(16,694)	95%
Farebox Revenues	5,092	6,739	7,576	7,251	26,658	19,914	6,744	134%
Investment Income	7,388	3,813	4,107	8,136	23,445	21,056	2,389	111%
Other Miscellaneous	733	1,208	699	1,154	3,794	2,546	1,248	149%
State & Local Contributions	350	9,458	140	1,644	11,592	1,222	10,370	948%
Federal Grants	15,062	21,139	51,075	45,633	132,908	105,343	27,565	126%
<b>TOTAL REVENUES</b>	<b>\$ 111,995</b>	<b>\$ 131,585</b>	<b>\$ 154,691</b>	<b>\$ 146,319</b>	<b>\$ 544,589</b>	<b>\$ 512,968</b>	<b>\$ 31,621</b>	<b>106%</b>
<b>EXPENSES</b>								
Net Staff Operating Divisions	4,342	5,561	4,991	3,937	18,832	41,447	22,616	45%
Transit Operations	34,026	36,351	39,433	39,376	149,186	153,568	4,382	97%
Regional Fund & Other Operations	1,703	2,330	1,867	2,795	8,695	17,761	9,066	49%
Community Development Fund	264	129	240	82	715	792	77	90%
Debt Service	0	1	0	-	1	3,651	3,650	0%
Non-Capitalizable LOB expenses	821	1,886	1,828	1,761	6,294	6,515	220	97%
<b>TOTAL EXPENSES</b>	<b>\$ 41,157</b>	<b>\$ 46,257</b>	<b>\$ 48,359</b>	<b>\$ 47,951</b>	<b>\$ 183,723</b>	<b>\$ 223,735</b>	<b>\$ 40,012</b>	<b>82%</b>
<b>EXCESS REVENUE OVER EXP.</b>	<b>\$ 70,838</b>	<b>\$ 85,328</b>	<b>\$ 106,332</b>	<b>\$ 98,369</b>	<b>\$ 360,866</b>	<b>\$ 289,233</b>	<b>\$ 71,633</b>	<b>125%</b>
Non-cash Expenses	-	7,332	3,301	57,557	68,190	41,874	(26,316)	163%
<b>NET REVENUE OVER EXP.</b>	<b>\$ 70,838</b>	<b>\$ 77,996</b>	<b>\$ 103,030</b>	<b>\$ 40,812</b>	<b>\$ 292,676</b>	<b>\$ 247,359</b>	<b>\$ 45,317</b>	<b>118%</b>

## Summary of Net Assets

The following table summarizes assets and liabilities at the quarter end and provides comparative data for the prior year. Total assets increased by \$241.2M from the same period in 2007, and liabilities decreased by \$53.8M. Current assets decreased by \$218.7M due to the receipt of bond proceeds on the 2007 bond issue.

The strong spending on our capital program is evidenced by the amount invested in capital assets, which increased by \$485.7M reflecting the activity on capital programs, particularly the Link Light Rail Program.

<b>Summary of Net Assets</b> <i>(in millions)</i>				
	<b>Dec-08</b>	<b>Dec-07</b>	<b>% Change</b>	<b>Prior Year Variance</b>
Current Assets, excluding Restricted Assets	\$ 511.6	\$ 730.3	-30%	\$ (218.7)
Restricted Assets	109.0	120.2	-9%	(11.2)
Property, Vehicles and Equipment, Net of Accumulated Depreciation	1,479.3	1,356.7	9%	122.6
Capital Projects in Progress	2,418.0	2,043.2	18%	374.9
Capital Projects in Progress - non ST	21.2	54.1	-61%	(32.9)
Other Non-Current Assets	77.2	70.7	9%	6.5
<b>Total Assets</b>	<b>\$ 4,616.3</b>	<b>\$ 4,375.1</b>	<b>6%</b>	<b>\$ 241.2</b>
Current Liabilities, excluding Debt Services Payable from Restricted Assets	135.2	171.4	-21%	(36.2)
Debt Services Payable from Restricted Assets	33.8	30.4	11%	3.4
Long-Term Debt	1,204.1	1,226.3	-2%	(22.2)
Other Long-Term Liabilities	72.1	70.7	2%	1.3
<b>Total Liabilities</b>	<b>\$ 1,445.1</b>	<b>\$ 1,498.9</b>	<b>-4%</b>	<b>\$ (53.8)</b>
<b>Net Assets</b>	<b>\$ 3,171.2</b>	<b>\$ 2,876.3</b>	<b>10%</b>	<b>\$ 294.9</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,616.3</b>	<b>\$ 4,375.1</b>	<b>6%</b>	<b>\$ 241.2</b>
Invested in Capital Assets, Net of Related Debt	2,702.5	2,216.8	22%	485.7
Restricted Net Assets	95.0	108.9	-13%	(13.9)
Unrestricted Net Assets	373.7	550.5	-32%	(176.9)
<b>Total Net Assets</b>	<b>\$ 3,171.2</b>	<b>\$ 2,876.3</b>	<b>10%</b>	<b>\$ 294.9</b>

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## **FINANCIAL DETAIL**



## Revenue

### Agencywide Revenues (in thousands)

For the Quarter Ending December 31, 2008

Budget to Actuals

	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	2008	2008	over/(under)	as % of
					Actuals	Budget	YTD Budget	YTD Budget
<b>REVENUE SOURCES</b>								
Retail Sales and Use Tax	64,813	69,402	71,182	68,962	274,359	286,196	(11,837)	96%
Rental Car Tax	438	602	912	543	2,495	1,769	725	141%
Motor Vehicle Excise Tax	18,120	19,224	18,999	12,996	69,339	74,922	(5,582)	93%
Farebox Revenue	5,092	6,739	7,576	7,251	26,658	19,914	6,744	134%
Investment Income	7,388	3,813	4,107	8,136	23,445	21,056	2,389	111%
Miscellaneous Revenues	733	1,208	699	1,154	3,794	2,546	1,248	149%
<b>OTHER FINANCING</b>								
Local & State Contributions	350	9,458	140	1,644	11,592	1,222	10,370	948%
Federal Grants	15,062	21,139	51,075	45,633	132,908	105,343	27,565	126%
<b>TOTAL SOURCES</b>	<b>\$ 111,995</b>	<b>\$ 131,585</b>	<b>\$ 154,691</b>	<b>\$ 146,319</b>	<b>\$ 544,589</b>	<b>\$ 512,968</b>	<b>\$ 31,621</b>	<b>106%</b>

## Revenue Notes

**Retail Sales and Use Tax** revenues are \$11.8M or 4.0% below budget. Compared to 2007, sales tax revenues are down \$0.7m or 0.3%. This decline reflects the onset of the current economic recession.

**Rental Car Tax** revenues are \$725K or 41% above budget. Compared to last year, MVET revenues are up by \$121k.

**Motor Vehicle Excise Tax** revenues are \$5.6M or 93% of budget. Compared to 2007 MVET revenues are up by \$0.2m or 0.3%. This reflects the onset of the current economic recession and particularly a slowdown in new vehicle sales.

**Farebox Revenues** of \$26.7M exceed the 2008 budget by \$6.7M or 34% of budget. Ridership is 17% higher than the same period last year and the average fare per boarding was higher than the budgeted amount by 20%. In particular, Sounder ridership is 29% higher than last year, increasing the average fare per boarding overall. The growth in ridership on all modes continues as more and more commuters look to public transportation, helped by higher fuel costs, and increased service provided.

**Investment Income** is at 111% of the year to date budget, with an excess of \$2.4M. This variance is primarily due to the year-end mark to market valuation required by GAAP accounting. Investments purchased in 2008 were yielding significantly higher than the market interest rate at year-end. The fair market value adjustment at year-end was almost \$4M resulting in higher than expected interest earnings.

**Miscellaneous Revenues** exceed the 2008 budget by \$1.2M or 49%. Included in this category is Sounder revenue vehicle income, advertising on the Sound Transit fleet, rental property income, user license fees, and operating contributions from other governments for their share of facilities costs. The higher revenues primarily relate to increases in advertising revenues and revenues from rental property on Capitol Hill, licenses and permitting fees.

**Local and State** contributions are above budget by \$10.4M. In May, land bank credits totaling \$7.96 million were obtained for E-3 Bus way (\$4.32 million) and for King Street Station layover (\$3.64 million). The State contributions include grants as well as Land Bank credits. Local Contributions include Local Grants for stations and projects.

**Federal Grants** are higher than budget by \$27.6M or 26%, largely due to FTA appropriating grant funds for Initial Segment and Airport Link in the quarter.

## Summary Operations and Capital Outlays

### Capital Outlays by Line of Business (in thousands)

For the Quarter Ending December 31, 2008

Regional Express, Sounder, Link, & Other

Current Year 2008

	2008 Adopted Capital Plan <i>a</i>	YTD Capital Plan <i>b</i>	YTD Actuals <i>c</i>	YTD actuals (over)/under YTD Budget <i>[b - c]</i>	YTD actuals as % of YTD Budget <i>[c/b]</i>
Sounder Commuter Rail	66,508	66,508	51,896	14,612	78%
Link Light Rail	523,267	523,267	377,575	145,692	72%
Regional Express	59,999	59,999	36,532	23,467	61%
Other Capital	38,903	38,883	37,828	1,054	97%
<b>TOTAL</b>	<b>\$ 688,677</b>	<b>\$ 688,657</b>	<b>\$ 503,831</b>	<b>\$ 184,826</b>	<b>73%</b>
<b>Lifetime Capital Plan</b>					
	Adopted Capital Plan <i>d</i>	Life-to-date Outlays <i>e</i>	Remaining Contract <i>f</i>	Budget Remaining <i>[d-(e+f)]</i>	% Spent and Committed <i>[(e+f)/d]</i>
Sounder Commuter Rail	1,219,941	1,020,995	28,438	170,508	86%
Link Light Rail	4,236,501	2,469,442	289,894	1,477,164	65%
Regional Express	785,242	577,331	30,860	177,051	77%
Other Capital	263,924	178,269	8,743	76,913	71%
<b>TOTAL</b>	<b>\$ 6,505,608</b>	<b>\$ 4,246,037</b>	<b>\$ 357,935</b>	<b>\$ 1,901,636</b>	<b>71%</b>

### Combined Transit Operations Summary (in thousands)

For the Quarter Ending December 31, 2008

ST Express, Sounder, Link, & Accessible Services

	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Total Actuals	YTD 2008 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as a % of YTD Budget
<b>Revenues</b>								
Passenger Fares	5,092	6,739	7,576	7,251	26,658	19,914	6,744	134%
Other Operating Revenues	388	867	211	560	2,027	1,807	219	112%
<b>Total Operating Revenues</b>	<b>\$ 5,480</b>	<b>\$ 7,607</b>	<b>\$ 7,787</b>	<b>\$ 7,811</b>	<b>\$ 28,684</b>	<b>\$ 21,721</b>	<b>\$ 6,963</b>	<b>132%</b>
<b>Direct Operating Expenses</b>								
Salaries & Benefits	502	543	511	594	2,149	2,286	136	94%
Services	3,526	5,453	4,839	5,018	18,836	21,680	2,844	87%
Materials & Supplies	742	1,157	958	1,837	4,694	4,101	(592)	114%
Insurance	397	414	400	458	1,669	2,311	642	72%
Purchased Transportation Svcs	18,677	17,689	21,042	19,331	76,738	74,535	(2,203)	103%
Miscellaneous Expenses	53	176	313	283	826	557	(268)	148%
Leases & Rentals	90	60	58	54	262	336	73	78%
Other Expenses	362	470	468	526	1,825	1,822	(3)	100%
<b>Total Direct Operating Expenses</b>	<b>\$ 24,349</b>	<b>\$ 25,961</b>	<b>\$ 28,589</b>	<b>\$ 28,102</b>	<b>\$ 107,000</b>	<b>\$ 107,628</b>	<b>\$ 628</b>	<b>99%</b>
Agency Admin Allocations	1,412	1,814	1,766	1,932	6,924	7,283	359	95%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 25,761</b>	<b>\$ 27,775</b>	<b>\$ 30,355</b>	<b>\$ 30,034</b>	<b>\$ 113,925</b>	<b>\$ 114,912</b>	<b>\$ 987</b>	<b>99%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (20,281)</b>	<b>\$ (20,169)</b>	<b>\$ (22,568)</b>	<b>\$ (22,223)</b>	<b>\$ (85,240)</b>	<b>\$ (93,190)</b>	<b>\$ 7,950</b>	<b>91%</b>
Contingency	-	-	-	-	-	2,765	2,765	-
Depreciation & Amortization	8,265	8,575	9,079	9,342	35,262	35,892	630	98%
<b>Net Subsidy from Operations after Depreciation and Amortization</b>	<b>\$ (28,547)</b>	<b>\$ (28,744)</b>	<b>\$ (31,646)</b>	<b>\$ (31,565)</b>	<b>\$ (120,502)</b>	<b>\$ (131,847)</b>	<b>\$ 11,345</b>	<b>91%</b>
<b>Ridership</b>								
Boardings	3,596,293	3,988,174	4,356,362	4,187,313	16,128,142	14,555,000	1,573,142	111%
Average Weekday Boardings	50,368	55,758	59,959	57,725	55,953	49,867	6,086	112%

## Sounder Commuter Rail

<b>Sounder Commuter Rail Transit Operations</b> (in thousands)								
For the Quarter Ending December 31, 2008								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	2008	2008	to YTD Budget	as a % of
					Actuals	Budget	(over)/under	YTD Budget
<b>Revenues</b>								
Passenger Fares	1,555	2,102	2,319	2,297	8,273	6,275	1,998	132%
Other Operating Revenues	223	548	215	65	1,051	1,154	(104)	91%
<b>Total Operating Revenues</b>	<b>\$ 1,778</b>	<b>\$ 2,651</b>	<b>\$ 2,533</b>	<b>\$ 2,362</b>	<b>\$ 9,324</b>	<b>\$ 7,430</b>	<b>\$ 1,894</b>	<b>125%</b>
<b>Direct Operating Expenses</b>								
Salaries & Benefits	92	127	114	144	478	446	(32)	107%
Services	2,440	3,024	3,240	3,258	11,961	13,491	1,530	89%
Materials & Supplies	728	1,065	904	1,796	4,493	3,369	(1,125)	133%
Insurance	318	336	326	372	1,352	1,956	604	69%
Purchased Transportation Svcs	2,147	2,146	2,166	2,355	8,814	8,346	(469)	106%
Miscellaneous Expenses	38	102	20	203	363	220	(143)	165%
Leases & Rentals	68	18	24	39	148	265	116	56%
Other Expenses	211	297	271	323	1,102	1,153	51	96%
<b>Total Direct Operating Expenses</b>	<b>\$ 6,043</b>	<b>\$ 7,114</b>	<b>\$ 7,065</b>	<b>\$ 8,489</b>	<b>\$ 28,711</b>	<b>\$ 29,245</b>	<b>\$ 534</b>	<b>98%</b>
Agency Admin Allocations	468	602	585	640	2,295	2,208	(87)	104%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 6,511</b>	<b>\$ 7,716</b>	<b>\$ 7,651</b>	<b>\$ 9,129</b>	<b>\$ 31,007</b>	<b>\$ 31,453</b>	<b>\$ 446</b>	<b>99%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (4,733)</b>	<b>\$ (5,065)</b>	<b>\$ (5,117)</b>	<b>\$ (6,767)</b>	<b>\$ (21,683)</b>	<b>\$ (24,023)</b>	<b>\$ 2,341</b>	<b>90%</b>
Contingency	-	-	-	-	-	949	949	0%
Depreciation & Amortization	4,187	4,193	4,448	4,652	17,481	18,199	718	96%
<b>Net Subsidy from Operations after Depreciation and Amortization</b>	<b>\$ (8,921)</b>	<b>\$ (9,258)</b>	<b>\$ (9,565)</b>	<b>\$ (11,419)</b>	<b>\$ (39,164)</b>	<b>\$ (43,172)</b>	<b>\$ 4,008</b>	<b>91%</b>
<b>Ridership</b>								
Boardings	603,431	656,679	708,479	700,034	2,668,623	2,300,000	368,623	116%
Average Weekday Boardings	9,303	9,947	10,428	9,979	9,914	8,197	1,717	121%

**Revenues and Ridership:** Passenger Fares were over the 2008 budget by 32%. Fare revenues were impacted by ridership that was higher than forecast, as well as a higher realized average fare per boarding than what had been assumed in the budget. Ridership continued to rise, exceeding 2007 ridership by 23% and the 2008 forecast by 16%. Non-transportation revenue, primarily the revenue associated with the leasing of Sounder vehicles to other jurisdictions, was under the budget by 9%.

**Services** were under budget by \$1.5M or 11%. The largest variance was maintenance of vehicles, which was under budget by \$0.8M. Work on exit pathway lighting had been expected to be complete by year end but will now occur in early 2009. There were also provisions for the beginning of a multi-year seat upholstery upgrade that will now begin in 2009. Maintenance of stations was under budget by \$376K, or 35% of the 2008 budget, as some allowances for on-call maintenance were not required in 2008. Security and Safety was over the budget by \$192K, or 14% as there were emphasis patrols added at Kent Station to address security concerns there.

**Materials & Supplies** were over budget by \$1.1M or 33%. Fuel costs actually ended the year just below budgeted levels despite price spikes in the middle of the year. Fuel spiked in July with an average price of \$4.03 per gallon, but by year end prices were under \$2.00 per gallon. For the year, average fuel prices were over budgeted levels by \$0.22 per gallon, but consumption was under budgeted levels. Over spending relates to the \$1.2M purchase of Head-end Panel (HEP) units during 2008. These purchases were originally budgeted as a capital purchase but were later deemed to be an operating expense. These units provide auxiliary power to the trains while they are on layover.

**Insurance** was under 2008 budget by \$604K or 31%. Claims experience continues to be more favorable than budgeted for Sounder.

**Purchased Transportation Services** were over the 2008 budget by 6%. The budget was constructed assuming reduced BNSF rates would commence in September, but the actual lower rates began in November.

**Miscellaneous Expenses** were over the 2008 budget by \$143K or 65%. Marketing campaigns were over budget by \$99K, related to higher than planned media buys in support of expanded Sounder service in September. These expenditures were balanced by lower expenditures in marketing services. In total,

marketing expenses were within budgeted levels. Other miscellaneous expenses related to travel expenses to meet with contractors and to inspect leased vehicles operated by other properties.

**Agency Admin Allocations** were over budget by \$87K, or 4% of the 2008 budget. This account includes the staff operating costs allocated from both corporate and line of business departments. Overages relate to updates of internal allocation rules that result in a slightly higher percentage of expenses being allocated to Sounder.

## ST Express

<b>ST Express Transit Operations</b> (in thousands)								
For the Quarter Ending December 31, 2008								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	to YTD Budget	as % of
							(over)/under	YTD Budget
<b>Revenues</b>								
Passenger Fares	3,536	4,637	5,257	4,954	18,384	13,638	4,746	135%
Other Operating Revenues	163	315	(13)	476	941	653	288	144%
<b>Total Operating Revenues</b>	<b>\$ 3,700</b>	<b>\$ 4,952</b>	<b>\$ 5,244</b>	<b>\$ 5,430</b>	<b>\$ 19,326</b>	<b>\$ 14,291</b>	<b>\$ 5,034</b>	<b>135%</b>
<b>Direct Operating Expenses</b>								
Salaries & Benefits	25	24	24	21	94	231	137	41%
Services	890	2,209	1,266	1,311	5,676	6,445	770	88%
Materials & Supplies	3	11	106	24	144	502	358	29%
Insurance	6	6	4	7	22	22		100%
Purchased Transportation Svcs	16,529	15,542	18,876	16,976	67,924	66,188	(1,736)	103%
Miscellaneous Expenses	9	68	289	78	444	309	(135)	144%
Leases & Rentals	22	42	34	15	112	67	(46)	168%
Other Expenses	120	148	171	174	613	528	(85)	116%
<b>Total Direct Operating Expenses</b>	<b>\$ 17,604</b>	<b>\$ 18,051</b>	<b>\$ 20,770</b>	<b>\$ 18,604</b>	<b>\$ 75,030</b>	<b>\$ 74,293</b>	<b>\$ (736)</b>	<b>101%</b>
Agency Admin Allocations	828	1,063	1,035	1,132	4,057	4,397	340	92%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 18,432</b>	<b>\$ 19,114</b>	<b>\$ 21,804</b>	<b>\$ 19,736</b>	<b>\$ 79,086</b>	<b>\$ 78,690</b>	<b>\$ (396)</b>	<b>101%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (14,733)</b>	<b>\$ (14,162)</b>	<b>\$ (16,560)</b>	<b>\$ (14,306)</b>	<b>\$ (59,761)</b>	<b>\$ (64,399)</b>	<b>\$ 4,638</b>	<b>93%</b>
Contingency	-	-	-	-	-	1,579	1,579	-
Depreciation & Amortization	3,356	3,653	3,867	4,087	14,963	14,811	(152)	101%
<b>Net Subsidy from Operations after Depreciation and Amortization</b>	<b>\$ (18,089)</b>	<b>\$ (17,814)</b>	<b>\$ (20,427)</b>	<b>\$ (18,393)</b>	<b>\$ (74,723)</b>	<b>\$ (80,788)</b>	<b>\$ 6,065</b>	<b>92%</b>
<b>Ridership</b>								
Boardings	2,771,272	3,111,703	3,402,521	3,243,391	12,528,887	11,300,000	1,228,887	111%
Average Weekday Boardings	38,140	42,854	46,490	44,543	43,007	38,517	4,490	112%

**Passenger Fares and Ridership:** Passenger Fares were over the 2008 Budget by \$4.7M or 35%. The increase is due to a higher than budgeted average fare per boarding for the year as well as stronger than budgeted ridership. Ridership exceeded 2007 levels by 17% and the 2008 forecast by 11%. Other operating revenues, including advertising and property rentals were over budget by \$288K, or 44%, as ST increased its emphasis on alternative revenue sources.

**Salaries and Benefits** were under budget by \$137K or 59%. Two positions are currently vacant and are being filled by one direct hire staff and one temporary reassignment. These positions are currently being evaluated.

**Services** were under budget by \$770K or 12%. Maintenance of stations was at 70% of the budget, as allocations for on-call maintenance were not necessary for 2008. Security costs were \$130K over budget due to additional coverage provided at Federal Way TC following incidents there earlier in the year. Costs for the Downtown Seattle Transit Tunnel maintenance and debt service were at 99% of budget.

**Materials and Supplies** were at 29% of the budget. Budgets for parts and equipment purchases were not utilized in an effort to contain cost growth.

**Purchased Transportation Services** were over budget by \$1.7M, or 3%. Hours operated were higher than plan by about 1% due to increased congestion causing a need for more schedule maintenance hours. In addition, accruals for additional fuel costs totaled \$1.3M reflecting the increase in prices seen during the

summer. Though prices came back to below budgeted levels at year end, for the year, average fuel prices were approximately 10% over budgeted levels.

**Miscellaneous Expenses** were over budget by \$135K, or 44%. Marketing campaigns in support of additional service caused an increase of about 9% over 2007 levels. Total marketing expenses were at budgeted levels for the year.

**Agency Admin Allocations** were under budget by \$340K, or 8%. Underspending in this category is reflective of agency performance on staff budgets as well as changes in internal allocation rules during the year.

## Tacoma Link Light Rail

<b>Tacoma Link Transit Operations</b> (in thousands)								
<b>For the Quarter Ending December 31, 2008</b>								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	to YTD Budget	as % of
							(over)/under	YTD Budget
<b>Revenues</b>								
Passenger Fares	-	-	-	-	-	-	-	-
Other Operating Revenues	2	4	10	19	34	-	34	-
<b>Total Operating Revenues</b>	<b>\$ 2</b>	<b>\$ 4</b>	<b>\$ 10</b>	<b>\$ 19</b>	<b>\$ 34</b>	<b>\$ -</b>	<b>\$ 34</b>	<b>-</b>
<b>Direct Operating Expenses</b>								
Salaries & Benefits	346	339	321	373	1,380	1,395	15	99%
Services	170	181	218	215	784	973	189	81%
Materials & Supplies	11	81	(53)	17	56	204	148	27%
Insurance	73	73	70	80	296	334	38	89%
Purchased Transportation Svcs	-	-	-	-	-	1	1	-
Miscellaneous Expenses	5	2	4	-	11	16	5	71%
Leases & Rentals	-	-	1	1	2	4	3	38%
Other Expenses	30	24	25	29	109	139	31	78%
<b>Total Direct Operating Expenses</b>	<b>\$ 634</b>	<b>\$ 701</b>	<b>\$ 586</b>	<b>\$ 716</b>	<b>\$ 2,637</b>	<b>\$ 3,066</b>	<b>\$ 429</b>	<b>86%</b>
Agency Admin Allocations	103	132	129	141	505	569	64	89%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 737</b>	<b>\$ 833</b>	<b>\$ 715</b>	<b>\$ 857</b>	<b>\$ 3,142</b>	<b>\$ 3,635</b>	<b>\$ 493</b>	<b>86%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (735)</b>	<b>\$ (829)</b>	<b>\$ (705)</b>	<b>\$ (838)</b>	<b>\$ (3,107)</b>	<b>\$ (3,635)</b>	<b>\$ 528</b>	<b>85%</b>
Contingency	-	-	-	-	-	181	181	-
Depreciation & Amortization	722	730	764	603	2,818	2,882	64	98%
<b>Net Subsidy</b>	<b>\$ (1,457)</b>	<b>\$ (1,559)</b>	<b>\$ (1,469)</b>	<b>\$ (1,440)</b>	<b>\$ (5,925)</b>	<b>\$ (6,697)</b>	<b>\$ 772</b>	<b>88%</b>
<b>Ridership</b>								
Boardings	221,590	219,792	245,362	243,888	930,632	955,000	(24,368)	97%
Average Weekday Boardings	2,925	2,957	3,041	3,203	3,032	3,153	(121)	96%

**Ridership:** Revenues of \$34K reflected advertising revenues on Tacoma Link vehicles. Tacoma Link does not charge fares, but ridership was 1% higher than 2007, although annual ridership was under the forecast 2008 by 3%. Ridership in July for the Tall Ship event was 25% less than what was expected.

**Salaries and Benefits** are the largest element of the Tacoma Link operation, and they were within 1% of budgeted levels at year-end.

**Services** were under budget by \$189K, or 19%. Maintenance of stations and facilities was under budget by \$161K, or 48% of the budget as allotments for on-call maintenance were not used in 2008. In addition, provisions for a WSDOT safety audit were not utilized as the audit was deferred into 2009. Maintenance of Vehicles was under the budget by \$15K.

**Materials and Supplies** were under budget by \$148K, or 73%. A planned purchased of spare parts from the LRV contractor, Inekon, was delayed.

**Insurance** was at 89% of budget. Claims experience for Tacoma Link continues to be favorable.

**Agency Admin Allocations** were at 89% of the YTD budget. Underspending in this area is reflective of agency-wide trends.

## Sounder Capital

### Sounder Commuter Rail - Capital Outlays by Phase (in thousands) For the Quarter Ending December 31, 2008

#### Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b - c]</i>	<i>[c / b]</i>
Agency Administration	3,264	3,264	3,511	(247)	108%
Preliminary Engineering	546	546	903	(356)	165%
Final Design	531	531	2,899	(2,368)	546%
ROW Acq. & Permits	1,893	1,893	5,924	(4,031)	313%
Construction	59,918	59,918	38,659	21,259	65%
Vehicles	356	356	-	356	0%
Contingency	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 66,508</b>	<b>\$ 66,508</b>	<b>\$ 51,896</b>	<b>\$ 14,612</b>	<b>78%</b>

#### Lifetime Capital Plan

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	49,323	42,085	20	7,219	85%
Preliminary Engineering	27,641	26,374	156	1,111	96%
Final Design	34,817	31,853	9,159	(6,195)	118%
ROW Acq. & Permits	354,121	350,220	752	3,148	99%
Construction	561,645	427,344	18,351	115,950	79%
Vehicles	136,381	134,505	-	1,876	99%
Contingency	56,013	-	-	56,013	0%
Unabsorbed Overhead	-	8,614	-	(8,614)	-
<b>TOTAL</b>	<b>\$ 1,219,941</b>	<b>\$ 1,020,995</b>	<b>\$ 28,438</b>	<b>\$ 170,508</b>	<b>86%</b>

## Sounder Capital Notes

**Agency Administration** spending was at 108% of the 2008 budget. This category includes the total line of business and administrative overhead charged to capital projects.

### **Preliminary Engineering.**

- Tukwila Station was \$296 thousand over spent because PE/ED started late pushing more spending into 2008 than had been budgeted.

### **Final Design**

- Mukilteo Station, North Platform was under budget by \$448 thousand and the Mukilteo Station, South Platform was \$744 thousand over spent. The final design contract was split between the North and South Platform projects resulting in a credit of \$469 thousand to the North Platform and an expense for the same amount to the South Platform. Also, the South Platform had been budgeted that the final design work would be completed in 2007 but finished in early 2008.
- D Street-M Street Track and Signal was \$1.0 million over spent. The 2008 budget placed most of the project budget in the contingency phase pending a selection of a preferred alternative for the track alignment which occurred in December of 2007. The 2009 budget has moved the funds from contingency and the project will be budgeted by phase based on anticipated work.

- Edmonds Station was \$438 thousand over spent, final design is behind the budgeted schedule which forecast the work to be completed in 2007 but completed in early 2008. We are working with the city and BNSF on scope revisions.
- South Tacoma Station was \$228 thousand over spent. Expenses for final design were budgeted to be completed in 2007, but continued in 2008 because the same firm is providing design support during construction.
- Lakewood Station was \$209 thousand over the phase budget. Funds have been moved from the project contingency in the 2009 budget to cover the phase level shortfall. The overall project is within budget.

## **ROW**

- Permitting/Environmental Mitigation was \$1.1 million over spent. Acquisitions of the four properties were expected to take place in 2007, but two closed in January 2008, one closed in September 2008 and it has been determined that the fourth property will not be needed. Savings from the project in the amount of \$2.1 million has been transferred to the program reserve as part of the 2009 budget process.
- D Street – M Street Track and Signal was \$2.0 million over spent. ROW acquisition had been on hold pending an evaluation of the preferred alternative. The majority of the project budget was put into the contingency phase until a decision on the alignment was made. The 2009 budget has moved the funds from contingency and the project will be budgeted by phase based on anticipated work.
- M Street-Lakewood Track and Signal was \$435 thousand over budget due to legal fees in relation to the relocation of the fiber optics utilities.
- South Tacoma Station was \$311 thousand over spent. The costs associated with finalizing the acquisition of property were greater than what had been anticipated in the budget.

## **Construction**

- Layover was \$2.4 million under budget. The L Street Layover Expansion is scheduled for substantial completion in March 2009. In Snohomish County, the Everett Layover project was delayed by protracted real estate negotiations with the adjacent property owner. The track extension work will be advertised in the second quarter of 2009.
- Everett Station was \$2.3 million over budget. Construction had been budgeted to begin in 2007 but did not start until June 2008, so more spending occurred in 2008 than was anticipated. Project is expected to be completed within budget in March 2009.
- Mukilteo Station, South Platform was \$900 thousand under budget. Project will not be advertised for construction until the property transfer with the United States Air Force/Department of Defense and the Port of Everett is complete. Advertisement date is currently scheduled for April 2009.
- Edmonds Station was \$2.6 million under budget, advertisement for construction has been delayed while we are awaiting permits and scope revisions.
- Seattle-Tacoma Phase II Track and Signal improvements were \$7.9 million under budget. Physical progress on this project is on schedule with costs under running the forecasted budget, \$6.9 million in project savings has been captured in the 2009 budget.
- M Street-Lakewood Track and Signal was \$4.6 million under budget, construction was delayed due to the addition of work from the Point Defiance Bypass project, WSDOT's funding shortfall and fiber optics conflicts along the right of way.
- Lakewood Station was \$4.9 million under budget. Expenditures are behind the budgeted schedule due to a delay in completing the garage exterior screening, but the project opened on schedule in September. Project savings of \$1.6 million has been captured as part of the 2009 budget.
- South Tacoma Station was \$713 thousand over spent. Due to delay in the start of construction, which did not begin until January, spending anticipated in 2007 has occurred in 2008. The project is within the lifetime budget.

**Vehicle** spending was 0% of the 2008 budget of \$356 thousand for the D Street – M Street Track and Signal project. This unallocated phase contingency has been moved to the project contingency phase in the 2009 budget cycle.

## Regional Express Capital

### Regional Express - Capital Outlays by Phase (in thousands) For the Quarter Ending December 31, 2008

#### Current Year 2008

Phase	2008 Adopted Capital Plan <i>a</i>	YTD Capital Plan <i>b</i>	YTD Actuals <i>c</i>	YTD actuals (over)/under YTD Budget <i>[b - c]</i>	YTD actuals as % of YTD Budget <i>[c/b]</i>
Agency Administration	3,332	3,332	2,679	654	80%
Prelim. Engineering	514	514	1,450	(936)	282%
Final Design	10,657	10,657	2,377	8,280	22%
ROW Acq. & Permits	10,359	10,359	1,008	9,351	10%
Construction	34,121	34,121	29,018	5,103	85%
Vehicles	-	-	-	-	-
Contingency	1,015	1,015	-	1,015	0%
<b>TOTAL</b>	<b>\$ 59,999</b>	<b>\$ 59,999</b>	<b>\$ 36,532</b>	<b>\$ 23,467</b>	<b>61%</b>

#### Lifetime Capital Plan

Phase	Adopted Capital Plan <i>d</i>	Life-to-date Outlays <i>e</i>	Contract Remaining <i>f</i>	Budget Remaining <i>[d-(e+f)]</i>	% Spent & Committed <i>[(e+f)/d]</i>
Agency Administration	41,999	37,416	138	4,446	89%
Prelim. Engineering	51,332	50,639	638	56	100%
Final Design	55,874	43,913	4,130	7,831	86%
ROW Acq. & Permits	63,291	48,169	1,211	13,910	78%
Construction	525,418	397,194	24,744	103,480	80%
Mid-Life Asset Management	-	-	-	-	-
Contingency	47,327	-	-	47,327	0%
Unabsorbed Overhead	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 785,242</b>	<b>\$ 577,331</b>	<b>\$ 30,860</b>	<b>\$ 177,051</b>	<b>77%</b>

## Regional Express Capital Outlay Notes

**Agency Administration** spending was at 80% of the 2008 budget. This category includes the total line of business and administrative overhead charged to capital projects.

### Preliminary Engineering

- Kirkland Transit Center was \$106 thousand over budget; PE/ED was to have been completed in 2007 but continued into 2008 due to an appeal of environmental determination.
- Rainier Avenue Arterial Improvements was \$627 thousand over budget. Due to a change in the scope of the project it is behind schedule which has resulted in higher spending in 2008 than had been anticipated in the budget. The city is the lead on this project and ST's total costs are capped.

### Final Design

- Kirkland Transit Center was \$927 thousand below budget; final design could not begin until additional environmental analysis was completed in May. Project is now scheduled to complete final design and go to bid for construction in April 2009.
- I-90 Two-way Transit and HOV Operations, Stage 1 was \$1.2 million under budget which reflects a credit for \$1.1 million due to ST from WSDOT for an over payment of ST's share of final design.

- I-90 Two-way Transit and HOV Operations, Stage 2 was \$1.2 million under budget. WSDOT and ST are to share the cost of final design but the project is on hold at 90% design until WSDOT funding is in place. When the 2008 budget was prepared it had been anticipated the legislature would provide WSDOT's portion of the funding in 2008.
- Renton HOV Access was \$3.7 million under budget. With the failure of the roads and transit initiative in 2007, the future of this project has not yet been determined and no work is currently being performed.
- Rainier Avenue Arterial Improvements was \$1.1 million under budget. The City of Renton is lead on this project and they have delayed the schedule by a year due to a change in scope.

## ROW

- 85<sup>th</sup> Corridor, Kirkland was \$835 thousand under budget; this project has been delayed until 2011. The City of Kirkland is the lead on this project and ST's contribution is capped.
- Renton HOV Access was \$5.1 million under budget, with the failure of the roads and transit initiative in 2007, the future of the WSDOT project has not yet been determined and no work is currently being performed.
- Rainier Avenue Arterial Improvements was \$1.3 million under budget, right of way spending will not occur until final design is completed. Due to a change in scope the project is a year behind the original schedule.
- SR522 HOV Enhancements/Bothell was \$932 thousand under budget. ST's contribution to ROW has been completed and remaining phase budget will not be needed.
- Kirkland Transit Center was \$1.2 million under budget. No significant ROW acquisitions will be required and we do not expect to expend these funds. The budget has been reallocated within the project in the 2009 budget.

## Construction

The following projects have exceeded the forecasted 2008 budget:

- S. Everett Freeway Station was \$850 thousand over spent. Construction progressed faster than assumed in the 2008 budget. The project is in service and is within the lifetime budget.
- Issaquah Transit Center was \$3.3 million over spent. This project was initially budgeted to be completed in January, but due to poor weather and the concrete strike the schedule was delayed, which resulted in more spending in 2008 than was budgeted.
- Rainier Avenue Arterial Improvements was \$2.5 million over spent. Construction spending was not budgeted until 2009, but the board authorized a \$2.5 million payment to the City of Renton for the widening of the BNSF trestle in advance of the roadway widening.

The following projects were below the forecasted annual 2008 budget:

- Bothell Branch Campus Access was \$1.3 million under budget. The City of Bothell has indicated that they will not be moving forward with the Main Street signal project to which ST was contributing funds. This will result in project savings of approximately \$1.6 million which was transferred to the East King County program reserve as part of the 2009 budget.
- Totem Lake Freeway Station was \$2.0 million under planned budget expenditure. The under spending reflects the reimbursement for the replacement of the failed section of the north direct access ramp. WSDOT issued a check to ST for \$3.1 million and paid invoices totaling \$2.4 million for a total reimbursement of \$5.5 million.
- Totem Lake Transit Center/Evergreen Medical Center was \$2.8 million under budget. Evergreen Healthcare will bill when the project is complete, the project is expected to come in under budget.
- Redmond Transit Center was \$1.1 million under budget, the contribution to King County Metro for the parking garage is anticipated in the second quarter of 2009.
- Newcastle Transit Center was \$1.1 million under budget. There have been challenges with right of way acquisition managed by the City of Newcastle which have resulted in the advertisement for construction being delayed.

- Strander Boulevard Extension was \$1.1 million under budget. The City is the lead on this project and they have encountered significant delays in their negotiations with Union Pacific Railroad on the relocation of those tracks to co-align with the BNSF tracks. The City is reconsidering the feasibility of the Strander Blvd Extension as an overpass alignment.
- Mercer Island Park and Ride was \$624 thousand under budget. The project was completed in February and is now in the close out process.
- Federal Way HOV Access was \$708 thousand under budget. Funds are being held pending settlement of a claim.

### Contingency

- The remaining budget for the Star Lake Freeway Station project was put in the contingency phase pending a decision on whether the project would proceed. It has been determined that there is not a viable project, and as part of the 2009 budget process the board approved that the project be closed and the \$1 million remaining budget be transferred to the South King County Regional Express program reserve.

### Link Light Rail

<b>Link Light Rail - Capital Outlays by Project</b>					
<b>As of December 30, 2008</b>					
<b>Current Year 2008</b>					
<b>Project</b>	<b>(Amended) 2008 Adopted Capital Plan</b>	<b>(Amended) YTD Capital Plan</b>	<b>YTD Actuals</b>	<b>YTD actuals (over)/under YTD Budget</b>	<b>YTD actuals as % of YTD Budget</b>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
North Link - Northgate to 45th St	13,120,674	13,120,674	10,052,438	3,068,236	77%
University Link - PSST to UW Sta	133,480,403	133,480,403	95,781,445	37,698,958	72%
North Link - UW Sta to Brooklyn Sta	6,572,609	6,572,609	30,016	6,542,593	0%
Initial Segment - CPS to 154th St	275,056,179	275,056,179	197,569,340	77,486,839	72%
DSTT Capital Costs	-	-	-	-	0%
Initial Segment Project Reserve	-	-	-	-	0%
Airport Link - 154th St to 176th St	95,036,997	95,036,997	71,826,229	23,210,768	76%
Airport Link South - 176th St to 200th St	-	-	1,954,803	(1,954,803)	0%
Tacoma Link	-	-	360,570	(360,570)	0%
Puyallup Extension Study	-	-	-	-	0%
LRT Overhead Reserve	-	-	-	-	0%
<b>TOTAL</b>	<b>523,266,862</b>	<b>523,266,862</b>	<b>377,574,841</b>	<b>145,692,021</b>	<b>72%</b>
<b>Lifetime Capital Plan 1997 - 2016</b>					
<b>Project</b>	<b>(Amended) Adopted Capital Plan</b>	<b>Life-to-date Outlays</b>	<b>Contract Remaining</b>	<b>Budget Remaining</b>	<b>% Spent and Committed</b>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
North Link - Northgate to 45th St	19,548,000	16,450,691	1,265	3,096,044	84%
University Link - PSST to UW Sta	1,614,007,000	224,743,837	169,749,255	1,219,513,909	24%
North Link - UW Sta to Brooklyn Sta	26,443,957	18,905,331	7	7,538,620	71%
Initial Segment - CPS to 154th St	2,070,000,000	1,896,510,015	70,899,287	102,590,699	95%
DSTT Capital Costs	24,918,744	23,719,395	-	1,199,349	95%
Initial Segment Project Reserve	128,300,000	-	-	128,300,000	0%
Airport Link - 154th St to 176th St	269,100,000	200,116,483	48,528,512	20,455,005	92%
Airport Link South - 176th St to 200th St	3,767,420	4,014,030	-	(246,610)	107%
Tacoma Link	80,416,000	77,097,444	716,168	2,602,388	97%
Puyallup Extension Study	-	34,569	-	(34,569)	0%
LRT Overhead Reserve	-	7,850,539	-	(7,850,539)	0%
<b>TOTAL</b>	<b>4,236,501,122</b>	<b>2,469,442,333</b>	<b>289,894,494</b>	<b>1,477,164,295</b>	<b>65%</b>

### Capital Outlays Notes

Link Light Rail capital outlays through the fourth quarter of 2008 are 72% of the annual 2008 budget plan.

Description of financial performance through December 2008 follows in detail by project. Since no expenditures are anticipated in 2008 for the DSTT Capital Cost project, it is not shown.

## North Link - Northgate to 45th St Project - Capital Outlays by Phase

As of December 30, 2008

Current Year 2008					
Phase	(Amended) 2008 Adopted Capital Plan <i>a</i>	(Amended) YTD Capital Plan <i>b</i>	YTD Actuals <i>c</i>	YTD actuals (over)/under YTD Budget <i>[b-c]</i>	YTD actuals as % of YTD Budget <i>[c/b]</i>
Agency Administration	1,811,217	1,811,217	11,319	1,799,898	1%
Preliminary Engineering	588,483	588,483	41,119	547,364	7%
Final Design	-	-	-	-	0%
ROW Acq. & Permits	10,043,973	10,043,973	10,000,000	43,973	100%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	677,001	677,001	-	677,001	0%
<b>TOTAL</b>	<b>13,120,674</b>	<b>13,120,674</b>	<b>10,052,438</b>	<b>3,068,236</b>	<b>77%</b>

Lifetime Capital Plan 1997 - 2009					
Phase	(Amended) Adopted Capital Plan <i>d</i>	Life-to-date Outlays <i>e</i>	Contract Remaining <i>f</i>	Budget Remaining <i>[d-(e+f)]</i>	% Spent and Committed <i>[(e+f)/d]</i>
Agency Administration	2,320,054	507,704	-	1,812,350	22%
Preliminary Engineering	5,367,218	4,811,847	1,265	554,107	90%
Final Design	1,033,727	1,033,727	-	-	100%
ROW Acq. & Permits	10,150,000	10,097,413	-	52,587	99%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	677,001	-	-	677,001	0%
<b>TOTAL</b>	<b>19,548,000</b>	<b>16,450,691</b>	<b>1,265</b>	<b>3,096,044</b>	<b>84%</b>

### North Link – Northgate to 45<sup>th</sup> Project - Capital Outlay Notes

The North Link – Northgate to 45<sup>th</sup> Street project lifetime budget reflects an amendment to the Adopted 2008 Budget for this project that was adopted by resolution of the ST Board in November 2008. The project lifetime budget was increased by \$10.5M to a revised total amount of \$19.5M, and the 2008 annual budget was increased by \$10.5M to \$13.1M to supplement funding for the acquisition of property needed for the Roosevelt Station, and related agency cost allocations.

North Link – Northgate to 45<sup>th</sup> project capital outlays through December 2008 are 77% of the amended 2008 budget plan. Expenditures to this project are for work that is requested as needed.

**Agency Administration** includes: Link staff costs, agency costs allocated to projects, and direct charges. Staff work during this period is related to the purchase of the Roosevelt property. Capital outlays of \$11.3K through the fourth quarter of 2008 are >1% of the amended 2008 budget plan. It was anticipated that YTD 2008 agency cost allocations would be \$0.5M, since they are calculated as a percent of life to date project expenditures.

**Preliminary Engineering Activity** planned for this phase represents consultant work that is contracted to provide studies for this project as requested. No activity was reported during this period. Capital outlays are \$41.1K or 7% of the 2008 budget plan.

**Right of Way Acquisitions** of \$10.0M in the fourth quarter of 2008 reflect the payment for the purchase of the property needed for the proposed Roosevelt Station, and are 100% of the YTD 2008 budget plan.

**Contingency** The Amended 2008 Budget for this project includes \$0.7M set aside in the Contingency phase to address any additional or unforeseen costs.

## University Link - PSST to UW Station Project - Capital Outlays by Phase

As of December 30, 2008

### Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	7,489,466	7,489,466	3,504,675	3,984,791	47%
Preliminary Engineering	115,781	115,781	4,950	110,831	0%
Final Design	27,435,736	27,435,736	27,324,389	111,347	100%
ROW Acq. & Permits	73,808,166	73,808,166	44,294,948	29,513,218	60%
Construction	4,742,366	4,742,366	1,366,465	3,375,901	29%
Vehicles	19,888,888	19,888,888	19,286,019	602,869	97%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>133,480,403</b>	<b>133,480,403</b>	<b>95,781,445</b>	<b>37,698,958</b>	<b>72%</b>

### Lifetime Capital Plan 1997 - 2016

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	115,229,000	10,210,562	139,357	104,879,081	9%
Preliminary Engineering	24,987,511	24,823,474	7,724	156,313	99%
Final Design	87,879,000	55,021,134	21,125,662	11,732,204	87%
ROW Acq. & Permits	157,332,000	105,115,316	7,544,172	44,672,512	72%
Construction	1,115,270,489	10,287,333	62,916,263	1,042,066,893	7%
Vehicles	103,909,000	19,286,019	78,016,075	6,606,906	94%
Test and Startup	9,400,000	-	-	9,400,000	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>1,614,007,000</b>	<b>224,743,837</b>	<b>169,749,255</b>	<b>1,219,513,909</b>	<b>24%</b>

## University Link Project - Capital Outlay Notes

University Link project capital outlays of \$95.8M through December 2008 are 72% of the 2008 budget plan, or \$37.7M below plan. The University Link FFGA application was sent to Congress for a sixty-day review on November 14, 2008. Signing is scheduled for January 15, 2009.

**Agency Administration** includes: Link staff costs and direct charges. The project budget does not include agency allocations after March 31, 2006. Outlays through December 2008 of \$3.5M are 4% of the 2008 budget plan, or \$4.0M below plan: Link staff costs of \$3.0M are 88% of the 2008 budget plan, and direct charges of \$0.5M are 12% of plan. Lower than expected outlays for Link staff are due to positions that remained unfilled during the first half of 2008. Direct charges for OCIP/Builder's Risk insurance payments and IT related expenses were not incurred by the project until the fourth quarter, and are \$3.0M below the 2008 plan.

**Preliminary Engineering** is complete. Activity planned for this phase represents consultant work that is contracted for potential environmental studies in support of final design. No activity was reported during this period. Outlays through December 2008 are \$5.0K.

**Final Design** outlays of \$27.3M are 100% of the 2008 budget plan, only \$0.1M below plan. In November 2008, Northlink Transit Partners (NTP) was awarded a contract amendment to provide bid support and design services during construction for the University Link project.

**Right of Way** acquisitions of \$44.3M are 60% of the 2008 budget plan, or \$29.5M below plan. Appraisals for the remaining tunnel easement parcels have been delayed; however, delivery of ROW is anticipated by the scheduled completion date in late 2009. As of December 2008, ST owns or has secured use of all 19 property parcels certified, and completed the 140 relocations of owners and tenants that are needed for the construction staging area of Capitol Hill Station. Offers have been made on 196 of the 224 parcels required for tunnel easements: of those, 6 have signed agreements, and 46 have closed.

**Construction** outlays through December 2008 of \$1.4M are 29% of the YTD 2008 budget plan, or \$3.4M below plan. Contract package U210 Advance Utility Relocation, UW, was awarded to Granite Northwest,

Inc. in October 2008, with a Limited Notice to Proceed issued on October 22, 2008. Contract U211 Demolition and Remediation at Capitol Hill was awarded to NRC Environmental Services in October 2008, with NTP issued on November 17, 2008. Contracts U215 I-5 Undercrossing Construction Pits and U220 Tunnels UW Station to Capitol Hill Station went out for bid in November and December 2008, respectively.

**Vehicles** In July 2008, the Sound Transit Board approved a motion to exercise an option in the existing contract with the vehicles manufacturer to purchase an additional 27 vehicles for the University Link project. Capital outlays of \$19.3M in the fourth quarter are 97% of the 2008 budget plan, and represent the first two payments made in accordance with the payment plan.

<b>North Link - UW Sta to Brooklyn Sta Project - Capital Outlays by Phase</b>					
<b>As of December 30, 2008</b>					
<b>Current Year 2008</b>					
<b>Phase</b>	<b>(Amended) 2008 Adopted Capital Plan</b>	<b>(Amended) YTD Capital Plan</b>	<b>YTD Actuals</b>	<b>YTD actuals (over)/under YTD Budget</b>	<b>YTD actuals as % of YTD Budget</b>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	(146,286)	(146,286)	7,147	(153,433)	-5%
Preliminary Engineering	1,150,000	1,150,000	22,869	1,127,131	2%
Final Design	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	5,568,895	5,568,895	-	5,568,895	0%
<b>TOTAL</b>	<b>6,572,609</b>	<b>6,572,609</b>	<b>30,016</b>	<b>6,542,593</b>	<b>0%</b>
<b>Lifetime Capital Plan 1997 - 2016</b>					
<b>Phase</b>	<b>(Amended) Adopted Capital Plan</b>	<b>Life-to-date Outlays</b>	<b>Contract Remaining</b>	<b>Budget Remaining</b>	<b>% Spent and Committed</b>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	1,584,482	1,212,809	-	371,673	77%
Preliminary Engineering	10,463,984	8,865,926	7	1,598,051	85%
Final Design	5,350,220	5,350,220	-	-	100%
ROW Acq. & Permits	2,132,686	2,132,686	-	-	100%
Construction	1,343,690	1,343,690	-	-	100%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	5,568,895	-	-	5,568,895	0%
<b>TOTAL</b>	<b>26,443,957</b>	<b>18,905,331</b>	<b>7</b>	<b>7,538,620</b>	<b>71%</b>

### **North Link – UW Station to Brooklyn Station Project - Capital Outlay Notes**

The North Link – UW Station to Brooklyn Station project lifetime budget reflects an amendment to the Adopted 2008 Budget for this project that was adopted by resolution of the ST Board in November 2008. The project lifetime budget was decreased by \$10.5M to a revised total amount of \$26.4M, and the 2008 annual budget was decreased by \$10.5M to \$6.6M, to reflect the reduction of the project contingency and related agency cost allocations to transfer funds to the North Link – Northgate to 45<sup>th</sup> Street project.

North Link – UW Station to Brooklyn Station project capital outlays through December 2008 are negligible as a percent of the 2008 budget plan. Expenditures to this project are for work that is requested as needed.

**Agency Administration** includes: Link staff costs, agency costs allocated to projects, and direct charges. Per the November 2008 amendment to the Adopted 2008 Budget for this project, the lifetime and 2008 annual budgets for this phase were decreased by \$0.5M for agency cost allocations. Agency cost allocations are calculated as a percent of overall project costs. Since the Adopted 2008 Budget plan for this project assumed no work beyond 2008, and the reduction in the amendment exceeds the annual 2008 budget for agency cost allocations, the resulting amended 2008 annual budget is a negative amount. Capital outlays are \$7.1K or -5% of the amended 2008 budget plan.

**Preliminary Engineering** Activity planned for this phase represents consultant work that is contracted to provide studies for this project as requested. No activity was reported during this period. Capital outlays through December 2008 are \$22.9K or 2% of the 2008 budget plan.

**Contingency** The Amended 2008 Budget for this project includes \$5.6M set aside in the Contingency phase to address any additional or unforeseen costs.

<b>Initial Segment - CPS to 154th Project - Capital Outlays by Phase</b>					
<b>As of December 30, 2008</b>					
<b>Current Year 2008</b>					
<b>Phase</b>	<b>2008 Adopted Capital Plan</b>	<b>YTD Capital Plan</b>	<b>YTD Actuals</b>	<b>YTD actuals (over)/under YTD Budget</b>	<b>YTD actuals as % of YTD Budget</b>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	24,244,829	24,244,829	19,049,751	5,195,077	79%
Preliminary Engineering	23,990	23,990	-	23,990	0%
Final Design	4,008,446	4,008,446	2,840,238	1,168,208	71%
ROW Acq. & Permits	8,404,093	8,404,093	3,295,130	5,108,963	39%
Construction	187,610,851	187,610,851	133,629,633	53,981,217	71%
Vehicles	45,814,095	45,814,095	33,902,647	11,911,448	74%
Test and Startup	4,949,875	4,949,875	4,851,940	97,935	98%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>275,056,179</b>	<b>275,056,179</b>	<b>197,569,340</b>	<b>77,486,839</b>	<b>72%</b>
<b>Lifetime Capital Plan 1997 - 2009</b>					
<b>Phase</b>	<b>Adopted Capital Plan</b>	<b>Life-to-date Outlays</b>	<b>Contract Remaining</b>	<b>Budget Remaining</b>	<b>% Spent and Committed</b>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	193,274,000	166,598,293	1,178,144	25,497,563	87%
Preliminary Engineering	41,124,490	41,070,932	9,553	44,004	100%
Final Design	154,084,231	151,692,304	1,431,907	960,020	99%
ROW Acq. & Permits	208,396,250	202,132,923	255,140	6,008,187	97%
Construction	1,323,450,029	1,205,995,022	49,953,290	67,501,718	95%
Vehicles	132,307,000	120,386,793	11,291,863	628,345	100%
Test and Startup	17,364,000	8,633,749	6,779,389	1,950,862	89%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>2,070,000,000</b>	<b>1,896,510,015</b>	<b>70,899,287</b>	<b>102,590,699</b>	<b>95%</b>

## **Initial Segment Project - Capital Outlay Notes**

Initial Segment project capital outlays of \$197.6M through the fourth quarter of 2008 are 72% of the 2008 budget plan, or \$77.5M below plan.

**Agency Administration** includes: Link staff costs, agency costs allocated to projects, and direct charges. Capital outlays through December 2008 of \$19.0M are 79% of the 2008 budget plan, or \$5.2M below plan. Link staff charges of \$6.5M are 81% of the plan, and agency cost allocations are \$7.1M or 72% through this period. Payments for OCIP/Builder's Risk insurance of \$3.4M are ahead of plan at 156%. Although direct charges of \$2.0M are below the plan at 43%, expenditures for safety education and advertising significantly increased during the fourth quarter of 2008 in preparation for revenue service.

**Preliminary Engineering** is complete. Activity planned for this phase represents environmental monitoring that will continue through construction.

**Final Design** phase activity represents design services provided in support of construction. Capital outlays of \$2.8M are 71% of the 2008 budget plan, or \$1.2M below plan.

**Right of Way** acquisitions and permits outlays of \$3.3M are 39% of the 2008 budget plan, or \$5.1M below plan. Outlays in the fourth quarter of 2008 are for construction easements for Beacon Hill and Southcenter Blvd. in Tukwila. Anticipated payments to the City of Seattle and utilities are delayed for resolution of outstanding issues.

**Construction** outlays of \$133.6M are 71% of the 2008 budget plan, below plan by \$54.0M. Under-expenditure through December 2008 is primarily due to:

- continued construction delays at Beacon Hill;
- delayed access to the Beacon Hill Tunnel for follow-on systems work impacting systems construction/installation performance;
- inclement weather and abnormal snow that hampered planned construction at all sites; and
- longer than anticipated time to resolve and settle construction-related issues with the C735 Rainier Valley contractor, the C710 Beacon Hill contractor, and C803 Communications contractor.

**Vehicles** The current payment plan for this contract is tied to specific deliverables for the Initial Segment project. Although outlays of \$33.9M are 74% of the 2008 budget plan, or \$11.9M below the budget plan, contract payments reflect the current schedule. All LRVs are at the O&M Facility, and conditional acceptance of these vehicles was issued on December 31, 2008. Overall procurement remains on schedule for Revenue Service in 2009.

**Testing and Start-Up** Expenditures for startup are in accordance with the Intergovernmental Agreement between Sound Transit and King County Metro (KCM) to operate the Central Link Operations and Maintenance Facility, and are distributed between the Initial Segment and Airport Link projects. Outlays of \$4.9M through December 2008 are 98% of the 2008 budget plan, up from 69% at the end of the third quarter.

<b>Airport Link - 154th to 176th Project - Capital Outlays by Phase</b>					
<b>As of December 30, 2008</b>					
<b>Current Year 2008</b>					
<b>Phase</b>	<b>(Amended) 2008 Adopted Capital Plan</b>	<b>(Amended) YTD Capital Plan</b>	<b>YTD Actuals</b>	<b>YTD actuals (over)/under YTD Budget</b>	<b>YTD actuals as % of YTD Budget</b>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	4,114,854	4,114,854	2,216,280	1,898,573	54%
Preliminary Engineering	138,631	138,631	(1,270,056)	1,408,687	-916%
Final Design	2,082,893	2,082,893	1,339,698	743,195	64%
ROW Acq. & Permits	1,000,000	1,000,000	(3,305,144)	4,305,144	-331%
Construction	81,073,197	81,073,197	68,381,964	12,691,233	84%
Vehicles	5,912,636	5,912,636	4,186,776	1,725,860	71%
Test and Startup	714,786	714,786	276,710	438,075	39%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>95,036,997</b>	<b>95,036,997</b>	<b>71,826,229</b>	<b>23,210,768</b>	<b>76%</b>
<b>Lifetime Capital Plan 1997 - 2009</b>					
<b>Phase</b>	<b>(Amended) Adopted Capital Plan</b>	<b>Life-to-date Outlays</b>	<b>Contract Remaining</b>	<b>Budget Remaining</b>	<b>% Spent and Committed</b>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	12,217,234	7,136,470	960	5,079,804	58%
Preliminary Engineering	4,833,997	4,620,432	96,810	116,755	98%
Final Design	16,136,027	14,822,003	143,690	1,170,335	93%
ROW Acq. & Permits	12,843,087	11,778,428	457,208	607,451	95%
Construction	205,982,608	149,479,365	45,364,197	11,139,047	95%
Vehicles	14,587,047	11,817,780	2,079,982	689,285	95%
Test and Startup	1,000,000	462,005	385,666	152,329	85%
Contingency	1,500,000	-	-	1,500,000	0%
<b>TOTAL</b>	<b>269,100,000</b>	<b>200,116,483</b>	<b>48,528,512</b>	<b>20,455,005</b>	<b>92%</b>

## Airport Link Project - Capital Outlay Notes

The Airport Link project lifetime budget reflects the Amended 2008 Budget for this project that was adopted by resolution of the ST Board in February 2008. The resolution increased the project lifetime budget based on the revised cost to complete for redesign of the airport station and associated facilities (Station Finishes), created a new project for the light rail segment extending from South 176<sup>th</sup> to South 200<sup>th</sup>

to separately manage and report the costs directly attributable to that segment, and treat as property for resale a \$4.1M acquisition for a portion of the Kiss-and-Ride facility at the Sea-Tac/Airport Link Station.

Airport Link project capital outlays of \$71.8M through December 2008 are 76% of the amended 2008 budget plan or \$23.2M below plan.

Actual outlays reflect the transfer of historical costs to the new Airport Link South project and to an asset account for "land held for resale." The amended lifetime budget reflects these costs as incurred during prior years. However, \$6.1M of these costs (\$2.0M for Airport Link South project plus \$4.1M for acquisition of a property at the SeaTac/Airport Station site that will be sold) appears as being incurred in 2008, resulting in a variance to the amended annual 2008 budget plan. Excluding this impact, Airport Link project capital outlays would be \$77.9M, which is 82% of the 2008 budget plan, or \$17.1M below plan.

**Agency Administration** includes Link staff costs, agency allocations, OCIP/Builder's Risk insurance and other direct charges. Outlays of \$2.2M are 54% of the amended 2008 budget plan, or \$1.9M below plan. Aside from the transfer of \$0.3M to the new Airport Link South project in April 2008, low expenditures in 2008 are primarily due to staffing and other administrative expenditures not reaching the levels anticipated in the annual budget plan.

**Preliminary Engineering** Preliminary engineering is complete. Activity planned for this phase represents environmental monitoring that will continue as needed through construction. Preliminary engineering costs in the amount of \$1.3M were transferred to the new Airport Link South project in April 2008, resulting in negative capital outlays for this phase.

**Final Design** phase activity represents design services provided in support of construction, as well as redesign of the SeaTac/Airport Station finishes package, which was completed in March 2008. Capital outlays of \$1.3M are 64% of the amended 2008 budget plan, or \$0.7M under plan, partly due to the transfer of \$0.4M to the Airport Link South project in April 2008.

**Right of Way** The lifetime budget for this phase was amended to exclude a \$4.1M property acquired in prior years for construction related issues and a portion of the Kiss-and-Ride facility at the Sea-Tac/Airport Link Station. However, the costs for this property were not transferred from the project to an asset account for "land held for resale" until 2008, resulting in negative outlays for this phase. Excluding this impact, expenditures through December 2008 of \$0.8M reflect payments to the Port of Seattle to lease property for construction staging.

**Construction** outlays of \$68.4M are 84% of the amended 2008 budget, or \$12.7M below plan. Of this amount, \$5.8M is due to under-expenditures for general construction, permits, construction management and work by third parties. Capital outlays for the major construction contracts through December 2008:

- C410 Elevated Structure – 154<sup>th</sup> St. to 160<sup>th</sup> St. are 83% of the YTD plan, or \$0.9M under plan.
- C420 Guideway at Grade and Elevated – 160<sup>th</sup> St. to 170<sup>th</sup> St. are 85% of the YTD plan, or \$2.8M under plan.
- C430R Station, Elevated Structure, Pedestrian Bridge and Kiss-and-Ride – 170<sup>th</sup> St. to 176<sup>th</sup> St. are 98% of the YTD plan, or \$1.0M below plan;
- and the Systems traction power (TPSS) contract is 24% of the YTD plan, or \$2.3M below plan.

**Vehicles** The payment plan for this contract is tied to specific deliverables for the Airport Link project. Although outlays of \$4.2M are 71% of the 2008 budget plan, or \$1.7M below the budget plan, contract payments reflect the current schedule. All four LRVs are at the O&M Facility, with conditional acceptance of these vehicles anticipated starting in early 2009. Overall procurement remains on schedule for Revenue Service in December 2009.

**Testing and Startup** Expenditures for startup are in accordance with the Intergovernmental Agreement between Sound Transit and King County Metro (KCM) to operate the Central Link Operations and Maintenance Facility, and are distributed between the Initial Segment and Airport Link projects. Outlays of \$0.3M through December 2008 are 39% of the amended 2008 budget plan, or \$0.4M under plan.

**Contingency** The amended 2008 lifetime budget for the Airport Link project includes \$1.5M set aside in the Contingency phase to address any additional or unforeseen costs for the project.

<b>Airport Link South - 176th to 200th Project - Capital Outlays by Phase</b>					
<b>As of December 30, 2008</b>					
<b>Current Year 2008</b>					
<b>Phase</b>	<b>(Amended) 2008 Adopted Capital Plan</b>	<b>(Amended) YTD Capital Plan</b>	<b>YTD Actuals</b>	<b>YTD actuals (over)/under YTD Budget</b>	<b>YTD actuals as % of YTD Budget</b>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	-	-	258,608	(258,608)	0%
Preliminary Engineering	-	-	1,323,525	(1,323,525)	0%
Final Design	-	-	373,368	(373,368)	0%
ROW Acq. & Permits	-	-	(698)	698	0%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>1,954,803</b>	<b>(1,954,803)</b>	<b>0%</b>
<b>Lifetime Capital Plan 1997 - 2009</b>					
<b>Phase</b>	<b>(Amended) Adopted Capital Plan</b>	<b>Life-to-date Outlays</b>	<b>Contract Remaining</b>	<b>Budget Remaining</b>	<b>% Spent and Committed</b>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	113,922	258,608	-	(144,686)	227%
Preliminary Engineering	1,326,359	1,323,525	-	2,834	100%
Final Design	355,223	373,368	-	(18,145)	105%
ROW Acq. & Permits	1,971,916	2,058,529	-	(86,613)	104%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>3,767,420</b>	<b>4,014,030</b>	<b>-</b>	<b>(246,610)</b>	<b>107%</b>

### **Airport Link South Project - Capital Outlay Notes**

The Airport Link South project is a new project created by resolution of the ST Board in February 2008 to separately manage and report costs that are directly attributable to the light rail segment extending from South 176<sup>th</sup> to South 200<sup>th</sup>. The project budget of \$3.8M reflects historical costs related to this segment incurred during prior years.

Capital outlays related to this new project were moved from the Airport Link project in April 2008. The amended lifetime budget reflects these costs as incurred during prior years. However, when the transfer was completed, \$2.0M of these costs appeared as being incurred in 2008, resulting in a variance to the annual 2008 budget plan.

Life-to-date outlays exceed the lifetime project budget, because additional historical costs were identified as related to this segment at the time of the transfer. The project budget has been amended in the Adopted 2009 Budget to include these additional costs.

## Tacoma Link Project - Capital Outlays by Phase

As of December 30, 2008

### Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	-	-	-	-	0%
Preliminary Engineering	-	-	-	-	0%
Final Design	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Vehicles	-	-	360,570	(360,570)	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>360,570</b>	<b>(360,570)</b>	<b>0%</b>

### Lifetime Capital Plan 1997 - 2007

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	4,616,371	4,538,456	-	77,915	98%
Preliminary Engineering	6,194,364	6,194,364	0	(0)	100%
Final Design	3,994,078	3,994,078	-	-	100%
ROW Acq. & Permits	2,630,197	2,632,055	-	(1,858)	100%
Construction	52,558,078	51,369,348	64,896	1,123,834	98%
Vehicles	8,043,440	7,935,124	651,273	(542,956)	107%
Test and Startup	632,111	434,019	-	198,092	69%
Contingency	1,747,361	-	-	1,747,361	0%
<b>TOTAL</b>	<b>80,416,000</b>	<b>77,097,444</b>	<b>716,168</b>	<b>2,602,388</b>	<b>97%</b>

## Tacoma Link Project - Capital Outlay Notes

Tacoma Link project began revenue service in August 2003. Sound Transit issued final payment for LRV procurement in October 2008. The project will be closed. Project outlays are \$3.3M under budget.

## Agency Administration Expenses

<b>Agency Summary by Department (in thousands)</b>								
Staff Operating Departments - Before Expense Transfers & Transfers to Other Govts								
For the Quarter Ending December 31, 2008								
Budget to Actuals								
	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Executive	588	945	946	977	3,457	4,691	1,234	74%
Policy Planning & Public Affairs	1,268	1,186	1,182	1,381	5,016	5,573	557	90%
Legal	646	560	593	736	2,535	2,890	355	88%
Finance & Information Technology	2,266	3,309	3,253	3,266	12,093	13,328	1,235	91%
Link Light Rail	2,768	2,898	2,918	2,998	11,582	12,709	1,126	91%
Capital Projects	654	703	684	632	2,674	3,293	620	81%
Corporate Services	1,611	2,278	2,080	1,653	7,622	8,918	1,296	85%
Transportation Services	1,065	1,273	1,212	1,676	5,226	5,495	269	95%
Non-Departmental	951	903	860	722	3,436	3,725	290	92%
<b>TOTAL</b>	<b>\$ 11,816</b>	<b>\$ 14,055</b>	<b>\$ 13,729</b>	<b>\$ 14,041</b>	<b>\$ 53,641</b>	<b>\$ 60,623</b>	<b>\$ 6,982</b>	<b>88%</b>

<b>Staff &amp; Other Expenses (in thousands)</b>								
For the Quarter Ending December 31, 2008								
Budget to Actuals								
	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Salaries & Benefits	8,776	9,266	9,271	9,915	37,227	41,393	4,166	90%
Services	1,510	1,843	2,055	2,130	7,538	9,315	1,777	81%
Materials & Supplies	125	305	249	273	953	1,248	295	76%
Miscellaneous Expenses	265	937	750	373	2,325	2,926	601	79%
Leases & Rentals	503	456	524	523	2,006	1,948	(59)	103%
Other Expenses	113	743	445	420	1,721	1,667	(54)	103%
Depreciation	523	505	435	407	1,870	2,125	255	88%
<b>Gross Staff Operating Expenses</b>	<b>\$ 11,816</b>	<b>\$ 14,055</b>	<b>\$ 13,729</b>	<b>\$ 14,041</b>	<b>\$ 53,641</b>	<b>\$ 60,623</b>	<b>\$ 6,982</b>	<b>88%</b>
Expense Transfers	(7,473)	(8,494)	(8,738)	(10,104)	(34,809)	(19,175)	15,634	182%
<b>Net Staff Operating Expenses</b>	<b>\$ 4,342</b>	<b>\$ 5,561</b>	<b>\$ 4,991</b>	<b>\$ 3,937</b>	<b>\$ 18,832</b>	<b>\$ 41,447</b>	<b>\$ 22,616</b>	<b>45%</b>
<b>Other Expenses</b>								
Regional Fund Projects	1,692	2,298	1,816	2,753	8,559	17,149	8,590	50%
Transit-Oriented Development	5	23	37	16	81	200	119	41%
STart	6	9	14	25	55	412	357	13%
Community Development Fund	264	129	240	82	715	792	77	90%
Debt Service Costs	.3	.6	-	-	1	3,651	3,650.3	0.02%
Non-Capitalizable LOB expenses	821	1,886	1,828	1,761	6,294	6,515	220	97%
Transfers to Other Governments	-	-	-	-	-	-	-	-
<b>Total Other Expenses</b>	<b>\$ 2,788</b>	<b>\$ 4,345</b>	<b>\$ 3,934</b>	<b>\$ 4,638</b>	<b>\$ 15,705</b>	<b>\$ 28,719</b>	<b>\$ 13,014</b>	<b>55%</b>
<b>Grand Total Operating Expenses</b>	<b>\$ 7,131</b>	<b>\$ 9,906</b>	<b>\$ 8,925</b>	<b>\$ 8,575</b>	<b>\$ 34,537</b>	<b>\$ 70,167</b>	<b>\$ 35,630</b>	<b>49%</b>

## Staff Operating Notes

**Salaries and Benefits** were under budget by \$4.2M or 10% of budget at the end of the fourth quarter. The agency filled 342 positions of the total 371 budgeted.

**Services** were below budget by \$1.8M, or 19%, at the end of the fourth quarter, mainly due to the timing of when legal fees for Link Light Rail and software maintenance services for Finance & Information Technology incurred, as well as HR consulting and agency wide training which was postponed to 2009.

**Materials and Supplies** were below budget by \$295K or 24%, at the end of the fourth quarter. The largest variances were in small computer equipment purchases for Information Technology not yet required.

**Miscellaneous Expenses** were below budget by \$601K or 21%, at the end of the fourth quarter. This category contains contingency funds of \$200K which were largely unspent.

**Leases & Rentals** were above budget by \$59K or 3%, at the end of fourth quarter. This was mainly due to unbudgeted expenses for postage machine rentals and higher than anticipated spending on copier leases for the GSC division. This category also includes administrative facilities rent, parking garage lease and meeting space rentals.

**Other Expenses** were above budget by \$54K or 3%, at the end of the fourth quarter mainly due to higher than anticipated utilities expenses across the agency. This category also includes insurance, taxes and interest.

**Depreciation** was below budget at the end of the fourth quarter by \$255K or 12%. Included in this category is depreciation on assets such as fleet vehicles, Union Station building, furniture and fixtures, Computer Equipment, Office Equipment, Software and Capital Leases.

**Expense Transfers** were higher than budget by \$10.4M or 54% at end of the fourth quarter. This category represents the allocated overhead dollars transferred to capital and operating projects.

### **Other Non-Operating Expense Notes**

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**Regional Fund Projects** were below budget by \$1.8M or 11% at the end of the fourth quarter. This category includes operational spending for Research & Technology, Fare Integration, Phase 2 Planning, and East Corridor Planning. In Fare Integration, \$908K is budgeted to provide reimbursements to partner agencies for smart card implementation expenses in 2008; through the end of 2008 \$497K has been requested by partner agencies. Phase 2 Planning expenses came in at 48% of the 2008 budget, spending on the Phase II Alternatives Analysis was below what was anticipated in the budget. The 2008 East Corridor Planning budget trended below budget at 53% for the year.

**Transit-Oriented Development** spending was \$37K or 82% of the 2008 budget. These funds are for transit-related studies are spent as needed.

**STart** was below budget by \$357K, or 87%, at the end of fourth quarter. The operating expense budget for STart is for repairing and maintaining art as needed. STart is developing a database of art assets and related maintenance needs to improve the forecasting of these operating expenses

**Community Development Fund** was below budget by \$240K, or 30%, at the end of the fourth quarter. This program has been closed and is not funded for 2009.

**Debt Service Costs** were below budget by \$3.6M, or 100%, at the end of the fourth quarter reflecting a current assumption of full capitalization to capital projects. The capitalization of interest is subject to change upon analysis that occurs closer to year-end once all costs incurred.

**Non-Capitalizable LOB Expenses** were below budget by \$220K or 3%. This was caused by lower than anticipated non-capitalizable costs primarily in Consulting, Accounting / Auditing services and OCIP Insurance claims.

## Subarea Quarter 2008 Summaries

### Subarea Revenue Summary

Millions YOES

2008 Revenue Category	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
<b>2008 Tax Revenues</b>							
Dec YTD Budget	46.8	91.7	64.3	94.6	66.0	0.0	363.4
Dec YTD Actuals	41.3	93.2	62.8	89.8	59.1	0.0	346.2
\$ Variance	-5.5	1.5	-1.5	-4.8	-6.9	0.0	-17.2
% Variance	-11.7%	1.6%	-2.3%	-5.1%	-10.5%	-	-4.7%
<b>2008 Farebox Revenues</b>							
Dec YTD Budget	3.3	0.0	3.2	7.2	6.2	0.0	19.9
Dec YTD Actuals	4.0	0.0	4.6	10.2	7.9	0.0	26.7
\$ Variance	0.7	0.0	1.4	3.0	1.7	0.0	6.8
% Variance	20.8%	-	43.7%	41.6%	27.3%	-	34.0%
<b>2008 Grant &amp; Contribution Revenues</b>							
Dec YTD Budget	8.5	51.7	29.4	2.1	13.6	0.0	105.3
Dec YTD Actuals	11.6	55.7	54.2	2.1	20.4	0.4	144.5
\$ Variance	3.1	4.0	24.8	0.0	6.8	0.4	39.2
% Variance	36.0%	7.8%	84.2%	2.2%	50.3%	1402.2%	37.2%
<b>2008 Other Revenues</b>							
Dec YTD Budget	3.0	0.5	1.7	0.3	0.8	21.3	27.6
Dec YTD Actuals	0.7	2.2	1.8	0.4	1.6	20.1	27.0
\$ Variance	-2.3	1.7	0.1	0.1	0.8	-1.2	-0.6
% Variance	-76.7%	349.6%	7.9%	48.6%	102.5%	-5.5%	-2.3%

### Subarea Operating Expense & Capital Outlay Summary

Millions YOES

2008 Expense/Outlay Category	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
<b>2008 Transit Operating Expenses</b>							
Dec YTD Budget	22.8	1.5	35.0	50.8	42.0	-	152.2
Dec YTD Actuals	21.8	0.7	36.5	45.7	44.2	-	148.9
Percent Spent	95.4%	47.7%	104.3%	89.9%	105.1%	-	97.8%
<b>2008 Other Operating Expenses</b>							
Dec YTD Budget	0.1	0.6	(0.3)	1.6	1.9	66.2	70.2
Dec YTD Actuals	(0.2)	0.3	(1.1)	0.8	0.4	34.4	34.5
Percent Spent	-278.5%	57.1%	445.5%	46.1%	19.5%	52.0%	49.2%
<b>2008 Capital Outlays</b>							
Dec YTD Budget	30.1	352.4	189.9	53.9	53.5	9.6	689.5
Dec YTD Actuals	29.7	243.6	145.8	31.0	41.4	11.7	503.2
Percent Spent	98.5%	69.1%	76.8%	57.5%	77.3%	122.1%	73.0%
<b>2008 Lifetime Capital Outlays</b>							
LTD Budget	580.3	3,292.9	1,324.9	623.9	661.4	22.2	6,505.6
LTD Actual	498.7	1,682.5	1,123.1	396.3	490.8	55.2	4,246.6
Outstanding Contracts	0.2	225.1	70.1	27.1	21.5	5.0	349.0
Percent Spent or Committed	86.0%	57.9%	90.1%	67.8%	77.5%	271.5%	70.6%

### Subarea Net Asset Summary

Millions YOES

2008 Net Asset Category	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
<b>2008 Net Asset Summary</b>							
Invested Capital Assets	262.1	1,197.7	778.5	119.2	323.0	21.9	2,702.5
Restricted	5.1	25.1	27.8	-	16.7	20.3	95.0
Unrestricted	22.3	(16.6)	(94.9)	277.2	121.3	64.3	373.7
<b>Total Net Assets</b>	<b>289.6</b>	<b>1206.2</b>	<b>711.4</b>	<b>396.4</b>	<b>461.0</b>	<b>106.6</b>	<b>3,171.2</b>