



2014 Second Quarter Performance Report





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To: Board of Directors

From: Mike Harbour, Acting Chief Executive Officer
 Brian McCartan, Chief Financial Officer

Subject: 2014 Second Quarter Financial Performance Report

This report summarizes Sound Transit's financial performance for revenues, service delivery, project delivery, and departments through second quarter of 2014.

Section I – Executive Summary

REVENUE OVERVIEW (in thousands)

	2014 YTD Actuals	2014 YTD Budget	2014 Budget Variance	2014 YTD % of Budget
Second Quarter Total Revenue	\$440,707	\$424,750	\$15,957	103.8%
<i>Select Revenue Highlights</i>				
Sales Tax and Use Tax	\$293,935	\$284,904	\$9,031	103.2%
Investment Income	\$9,176	\$3,842	\$5,334	238.8%
Passenger Fare Revenue	\$28,429	\$28,590	(\$161)	99.4%
Federal Grants.	\$62,812	\$64,192	(\$1,380)	97.9%

Total revenue is above budget by \$16.0 million or 3.8 percent primarily due to higher than budgeted sales taxes of \$9.0 million and investment income of \$5.3 million.

Sales tax revenue ahead of budget by \$9.0 million reflecting better than expected construction and retail sales activity.

Investment Income ahead of budget by \$5.3 million.

Passenger Fare revenue slightly below budget by \$161 thousand or 0.6 percent.

Federal Grants below budget by \$1.4 million or 2.1 percent, an improvement on Q1 which was \$9.3 million below budget.

EXPENDITURE OVERVIEW
(in thousands)

	2014 YTD Actuals	2014 YTD Budget	2014 Budget Remaining	2014 YTD % of Budget
Service Delivery	\$102,777	\$110,994	(\$8,217)	92.6%
Project Delivery	\$402,524	\$328,105	\$74,419	122.7%
Departments	\$44,676	\$50,668	(\$5,992)	88.2%

Expenditure Notes

Service Delivery all modes running under budget: Sounder 11 percent under; ST Express 7 percent under; Tacoma Link 7 percent under, and Central Link 6 percent under.

Capital Project costs are \$74.4 million or 22.7 percent above budget due to timing of Northgate tunneling and the payment to the University of Washington for the U-Link project occurring earlier in the year than planned.

All Departments under budget with large budget to actual variances for service related costs primarily for consulting services and computer software maintenance agreement. Material and supply expenditures occurring later in the year than budgeted.

Section II – Agency Revenue

AGENCY REVENUES AS OF JUNE 30, 2014
(in thousands)

Revenue Source	2014 YTD Actuals	2014 YTD Budget	2014 YTD	
			Budget Variance	% of Budget
Sales Tax and Use Tax	\$293,935	\$284,904	\$9,031	103.2%
Rental Car Tax	1,203	1,121	81	107.3%
Motor Vehicle Excise Tax	37,560	36,670	890	102.4%
Passenger Fare Revenue	28,429	28,590	(161)	99.4%
Investment Income	9,176	3,842	5,334	238.8%
Misc Revenue	5,182	5,060	122	102.4%
Federal Grants	62,812	64,192	(1,380)	97.9%
Local & State Contributions	2,411	372	2,039	648.9%
Total Revenue	\$440,707	\$424,750	\$15,957	103.8%

Overall revenues of \$440.7 million were above budget by \$16.0 million or 3.8 percent primarily due to higher than budgeted sales taxes of \$9.0 million and investment income of \$5.3 million. This was partially offset by lower than budgeted federal grants of \$1.4 million and lower than budgeted passenger fare revenues of \$161 thousand.

Retail Sales and Use Tax revenues were \$9.0 million or 3.2 percent above budget at the end of Q2 reflecting a continuing improvement in the local economy. YTD Q2 sales tax revenue was up by \$16.3 million or 5.9 percent compared to YTD Q2 sales taxes last year.

Rental Car Tax revenues were \$81 thousand or 7.3 percent above budget at the end of Q2.

Motor Vehicle Excise revenues were \$890 thousand or 2.4 percent above budget at the end of Q2.

Passenger Fare Revenue was \$161 thousand or 0.6 percent below budget primarily due to higher budgeted fare revenue for Central Link that was not realized. The cyclical nature of Central Link ridership is different from ST Express and Sounder (Central Link ridership and revenues peak in summer); however, the fare revenue budget was allocated similarly for each mode. This variance is expected to decrease with each quarter. Central link ridership exceeded projections by 11.7 percent. ST Express ridership was 3.6 percent higher than expected. Sounder ridership exceeded projections by 9.2 percent.

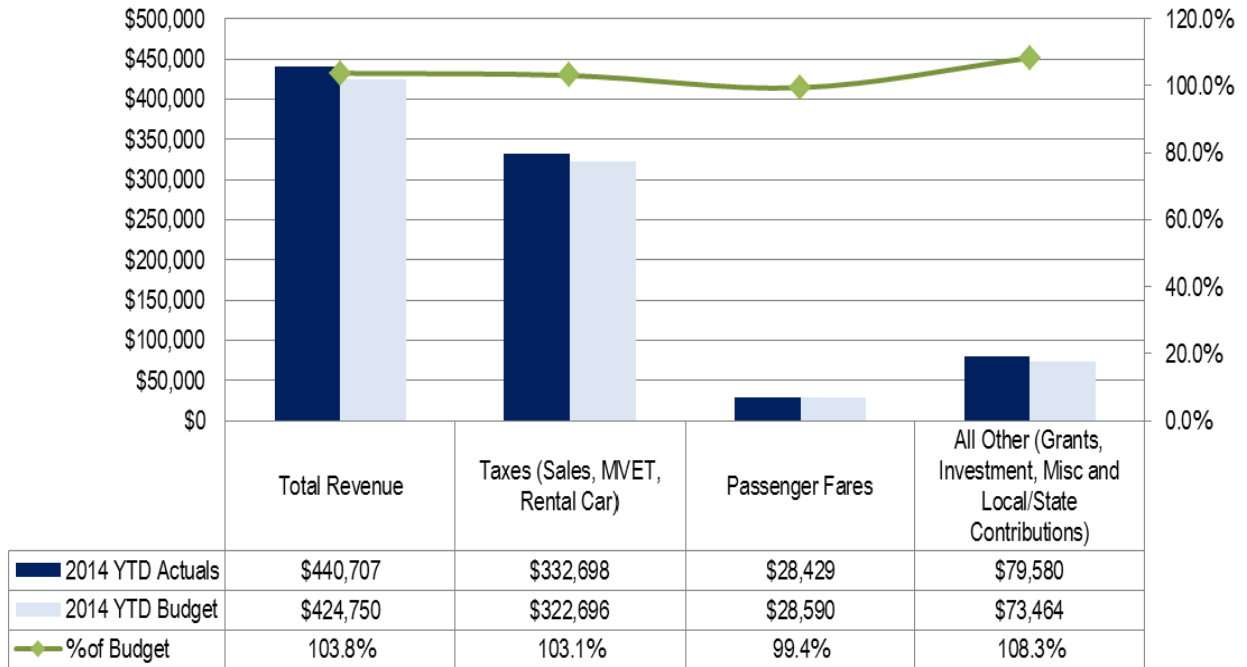
Investment Income was \$5.3 million above budget at the end of Q2. This variance is due to the mark-to-market entries to adjust the investments to their market value. Without the mark-to-market entries, investment income is \$3.9 million, which is slightly above budget.

Miscellaneous Revenues exceeded budget by \$122 thousand or 2.4 percent. Miscellaneous revenues include proceeds from advertising, property rentals, ORCA program reimbursements, and bond subsidy payments. The higher than expected revenue was driven by the sale of 11 vehicles to BNSF, the sale of crane trucks, and bike locker fees.

Federal Grant Revenues were below YTD budget by \$1.4 million or 2.1 percent primarily due to lower than anticipated drawdowns for Lynnwood Link and University Link.

Local & State Contributions exceeded budget by \$2.0 million mainly due to the drawdown of WSDOT S. 200th Street Intermodal Station and Park & Ride grant which was not budgeted for in 2014.

AGENCY REVENUES GROUPED BY CATEGORY AS OF JUNE 30, 2014
(in thousands)



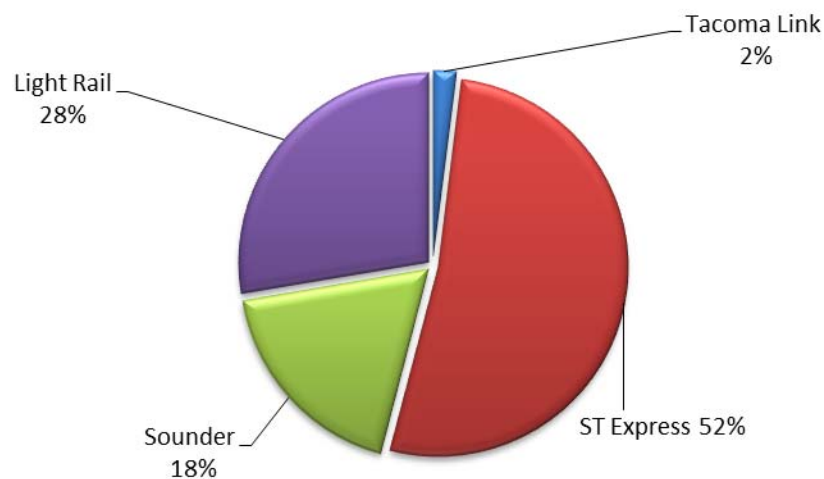
Section III – Service Delivery

SERVICE DELIVERY AS OF JUNE 30, 2014
(in thousands)

	Q1 2014 Actuals	Q2 2014 Actuals	2014 YTD Actuals	2014 YTD Budget	2014 Budget Remaining	2014 YTD % of Budget
Operating Revenues						
Passenger Fares	\$13,643	\$14,786	\$28,429	\$28,590	\$161	99.4%
Other Operating Revenue	769	587	1,356	1,268	(88)	106.9%
Total Operating Revenues	\$14,412	\$15,373	\$29,785	\$29,858	\$73	99.8%
Direct Operating Expenses						
Salaries & Benefits	\$1,189	\$1,182	\$2,372	\$2,502	\$130	94.8%
Services	8,975	9,141	18,117	20,675	2,558	87.6%
Materials and Supplies	1,781	2,255	4,036	4,734	698	85.3%
Insurance	591	730	1,321	1,406	85	94.0%
Purchased Transportation Svcs	31,034	33,639	64,673	68,185	3,512	94.8%
Miscellaneous Expenses	35	20	55	257	202	21.4%
Leases & Rentals	1,355	1,426	2,781	2,745	(36)	101.3%
Other Expenses	1,306	1,367	2,673	2,881	208	92.8%
Total Direct Operating Expenses	\$46,267	\$49,761	\$96,028	\$103,385	\$7,357	92.9%
Agency Admin Allocations	3,252	3,497	6,749	7,610	861	88.7%
Fully Allocated Operating Expenses	\$49,519	\$53,258	\$102,777	\$110,994	\$8,217	92.6%

Total Service Delivery fully allocated operating expenses through second quarter 2014 are \$102.7 million which is \$8.2 million or 7.4 percent under budget. All modes are running below budget through second quarter. (Financial review by mode follows this page.) As highlighted in the following chart, ST Express accounts for 52.0 percent of all Service Delivery operational costs, Central Link 28.0 percent, Sounder commuter rail 18.0 percent, and Tacoma Link 2.0 percent.

2014 FULLY ALLOCATED COSTS BY MODE AS PERCENT OF TOTAL COST



TACOMA LINK LIGHT RAIL AS OF JUNE 30, 2014
(in thousands)

	Q1 2014	Q2 2014	2014 YTD	2014 YTD	2014	2014 YTD
	Actuals	Actuals	Actuals	Budget	Budget	% of
					Remaining	Budget
Operating Revenues						
Other Operating Revenue	\$3	\$6	\$9	\$5	\$4	180.0%
<i>Total Operating Revenues</i>	\$3	\$6	\$9	\$5	\$4	180.0%
Direct Operating Expenses						
Salaries & Benefits	\$522	\$486	\$1,009	\$937	-\$72	107.7%
Services	180	176	357	445	88	80.2%
Materials and Supplies	78	12	90	113	23	79.6%
Insurance	46	46	92	121	29	76.0%
Purchased Transportation Svcs	0	4	4	3	-1	133.3%
Miscellaneous Expenses	1	4	5	30	25	16.7%
Leases & Rentals	3	3	6	7	1	85.7%
Other Expenses	29	26	55	59	4	94.0%
<i>Total Direct Operating Expenses</i>	\$860	\$758	\$1,618	\$1,715	\$97	94.3%
Agency Admin Allocations	192	204	396	448	52	88.5%
Fully Allocated Operating Expenses	\$1,052	\$962	\$2,014	\$2,162	\$148	93.1%

Ridership: Tacoma Link passenger boardings were 6 percent lower than budget, and also lower than the same period last year by 6 percent. Boardings were adversely affected by the loss of two weekends due to track closures for repair and so far in 2014 there have been fewer special events compared to last year.

Service Expenses were under budget by 20 percent primarily due to no contracted maintenance-of-way (MOW) services costs through two quarters. Security costs were also lower than budgeted levels by 27 percent

Materials and Supplies were over budget by 20 percent, primarily due to high usage for spare parts.

CENTRAL LINK LIGHT RAIL AS OF JUNE 30, 2014
(in thousands)

	Q1 2014 Actuals	Q2 2014 Actuals	2014 YTD Actuals	2014 YTD Budget	2014 Budget Remaining	2014 YTD % of Budget
Operating Revenues						
Passenger Fares	\$3,254	\$3,975	\$7,229	\$7,609	\$380	95.0%
Other Operating Revenue	138	153	291	175	-116	166.3%
<i>Total Operating Revenues</i>	\$3,392	\$4,128	\$7,520	\$7,784	\$264	96.6%
Direct Operating Expenses						
Salaries & Benefits	\$276	\$300	\$576	\$811	\$235	71.0%
Services	3,581	3,311	6,892	7,476	584	92.2%
Materials and Supplies	465	464	929	1,092	163	85.1%
Insurance	326	549	875	838	-37	104.4%
Purchased Transportation Svcs	5,915	8,621	14,536	14,959	423	97.2%
Miscellaneous Expenses	7	4	11	85	74	12.9%
Leases & Rentals	697	704	1,401	1,375	-26	101.9%
Other Expenses	601	666	1,267	1,280	13	99.0%
<i>Total Direct Operating Expenses</i>	\$11,868	\$14,619	\$26,487	\$27,916	\$1,429	94.9%
Agency Admin Allocations	934	999	1,933	2,187	254	88.4%
Fully Allocated Operating Expenses	\$12,802	\$15,618	\$28,420	\$30,103	\$1,683	94.4%

Revenues and Ridership Central Link revenues were under budget by \$380 thousand during Q2 2014. Boardings were 12 percent above budget, and 16 percent higher than the same period of 2013. The average fare per boarding was significantly under budget during the early part of the year, resulting in a shortfall of revenues. We expect to be at budgeted levels by year end.

Salaries & Benefits were under budget by 29 percent or \$235 thousand, as there were two vacancies in a staff of seven for much of the first six months. Both positions have been filled.

Services were under budget by 8 percent, or \$584 thousand. Security Services were under budget by \$445 thousand, or 10 percent due to vacancies among fare enforcement personnel. Costs pertaining to ticket vending machines (TVM) maintenance, fare collection, and ORCA were \$183 thousand under budget. Spending in these categories will increase in the second half of the year. A new contract with the fare collection system vendor for ORCA maintenance will take effect this year and additional expenses are expected through the end of the year as a result. Fare collection costs will also increase as TVM sales increase in the Summer and Fall due to tourism and Special Events.

Purchased Transportation Services were 2 percent below the budget. Maintenance costs are running under budget due to lower than expected vehicle maintenance needs.

SOUNDER COMMUTER RAIL AS OF JUNE 30, 2014
(in thousands)

	Q1 2014 Actuals	Q2 2014 Actuals	2014 YTD Actuals	2014 YTD Budget	2014 Budget Remaining	2014 YTD % of Budget
Operating Revenues						
Passenger Fares	\$2,419	\$2,435	\$4,854	\$4,589	-\$265	105.8%
Other Operating Revenue	326	117	443	211	-232	210.0%
<i>Total Operating Revenues</i>	\$2,745	\$2,552	\$5,297	\$4,800	-\$497	110.4%
Direct Operating Expenses						
			\$0			
Salaries & Benefits	\$267	\$264	\$531	\$557	\$26	95.3%
Services	3,637	3,963	7,600	8,600	1,000	88.4%
Materials and Supplies	1,221	1,785	3,006	3,470	464	86.6%
Insurance	219	135	354	447	93	79.2%
Purchased Transportation Svcs	2,186	2,222	4,408	4,826	418	91.3%
Miscellaneous Expenses	25	18	43	88	45	48.9%
Leases & Rentals	126	185	311	241	-70	129.0%
Other Expenses	440	432	872	940	68	92.8%
<i>Total Direct Operating Expenses</i>	\$8,121	\$9,004	\$17,125	\$19,169	\$2,044	89.3%
Agency Admin Allocations	789	847	1,636	1,847	211	88.6%
Fully Allocated Operating Expenses	\$8,910	\$9,851	\$18,761	\$21,016	\$2,255	89.3%

Revenues and Ridership: Sounder passenger fares were 6 percent over budget, and 4 percent higher than same period last year. Boardings were 13 percent above budgeted levels and 7 percent higher than the same period last year. Average fare per boarding was slightly under budgeted levels. Other Operating Revenues are over budget due in part to flagging services provided to WSDOT for SR16 construction in Tacoma. These revenues offset expenses in the Services category.

Services are under the YTD budget by 12 percent, or \$1 million. Vehicle maintenance expenses are 4 percent lower than budget due to costs for special event service that will occur later this year. Fare collection and Marketing costs were both lower than budget in Q2. In addition, Maintenance of Way costs were lower than budget. Budget reserved for Tacoma Trestle maintenance work had not been spent and flagging costs were less than budgeted as the construction work on SR 16 has come close to the end.

Materials and Supplies were under budget 13 percent, or \$464 thousand. Fuel costs were at 81 percent of the YTD budget due to lower than budgeted diesel prices.

Purchased Transportation Services were under the YTD budget by 9 percent, or \$418 thousand, due to special event service, which is typically lighter for the first half of the year.

ST EXPRESS AS OF JUNE 30, 2014
(in thousands)

	Q1 2014 Actuals	Q2 2014 Actuals	2014 YTD Actuals	2014 YTD Budget	2014 Budget Remaining	2014 YTD % of Budget
Operating Revenues						
Passenger Fares	\$7,970	\$8,376	\$16,346	\$16,392	\$46	99.7%
Other Operating Revenue	302	311	613	877	264	69.9%
<i>Total Operating Revenues</i>	\$8,272	\$8,687	\$16,959	\$17,269	\$310	98.2%
Direct Operating Expenses			\$0			
Salaries & Benefits	\$124	\$132	\$256	\$197	-\$59	129.9%
Services	1,577	1,691	3,268	4,154	886	78.7%
Materials and Supplies	17	-6	11	59	48	18.6%
Insurance	0	0	0	0	0	0.0%
Purchased Transportation Svcs	22,933	22,792	45,725	48,397	2,672	94.5%
Miscellaneous Expenses	2	-6	-4	54	58	-7.4%
Leases & Rentals	529	534	1,063	1,122	59	94.7%
Other Expenses	236	243	479	602	123	79.6%
<i>Total Direct Operating Expenses</i>	\$25,418	\$25,380	\$50,798	\$54,585	\$3,787	93.1%
Agency Admin Allocations	1,337	1,447	2,784	3,128	344	89.0%
Fully Allocated Operating Expenses	\$26,755	\$26,827	\$53,582	\$57,713	\$4,131	92.8%

Revenues and Ridership: Passenger fares were slightly under budget driven by a lower average fare per boarding down about 4 percent. Ridership was over the YTD budget by 3 percent in Q2, and surpassed YTD 2013 ridership by 6 percent.

Services costs were under the YTD budget by 21 percent primarily due to total costs for TVM maintenance, fare collection, and ORCA being \$173 thousand under budget. Spending in this category will increase in the second half of the year. A new contract with the fare collection system vendor for ORCA maintenance will be in place and additional expenses are expected through the end of the year as a result. Fare collection costs will also increase as TVM sales increase in the summer and fall due to tourism and special events. Facilities Maintenance costs were lower than budget by \$148 thousand.

Purchased Transportation Services were under budget by 5 percent. This trend is expected to continue due to final contracted partner rates being lower than budgeted.

SERVICE DELIVERY – SUPPLEMENTAL SYSTEMWIDE INFORMATION
(in thousands)

Systemwide	2nd Quarter			Year to Date			YTD vs. Budget	
	2013	2014	% Change	2013	2014	% Change	Budget	% Variance
Boardings by Service Type								
ST Express Bus	4,210,114	4,491,346	7%	8,129,052	8,643,990	6%	8,400,000	3%
Sounder Commuter Rail	760,866	817,127	7%	1,470,923	1,577,069	7%	1,400,000	13%
Central Link	2,412,808	2,804,982	16%	4,453,386	5,156,371	16%	4,600,000	12%
Tacoma Link	256,221	248,133	-3%	515,524	485,827	-6%	518,000	-6%
Total	7,640,009	8,361,588	9%	14,568,885	15,863,257	9%	14,918,000	6%
Farebox Recovery	Annual Target		Q2 2014 Actuals		YTD 2014 Actuals			
Sounder Commuter Rail	23.0%		24.7%		25.9%			
ST Express Bus	28.4%		31.2%		30.5%			
Central Link	25.8%		26.0%		24.8%			

Total year-date boardings finished 6 percent or \$945 thousand above levels forecasted in the budget:

- Tacoma Link boardings were 32 thousand or 6 percent below budget and 6 percent less than 2013.
- Central Link was 12 percent higher than budget and 16 percent above 2013.
- Sounder was 13 percent higher than budget and 7.0 percent above 2013.
- ST Express ridership was 3 percent higher than budget and 6 percent above 2013.

Farebox recovery results compared to target for the first half of 2014.

- Central Link finished 1.0 percent below target.
- Sounder 2.9 percent above target.
- ST Express 2.1 percent above target.

Section IV – Project Delivery

The first table below presents capital expenditures in the agency's four project types: system expansion, rehabilitation & replacement, enhancement and administrative.

- System Expansion – projects that expand the regional mass transit system and include the voter-approved ST2 and Sound Move programs.
- Rehabilitation and Replacement – projects that extend the life of elements of the existing transit system or replace system assets at the end of their useful life.
- Enhancement – projects that improve rider experience, increase the existing system's functionality, or reduce operating costs.
- Administrative Projects – projects that indirectly support the agency's mission.

The second table presents capital expenditures summarized by mode: Link light rail, Sounder commuter rail, Regional Express, and their projects. Project delivery expenditures for the year are \$74.4 million or 22.7 percent above 2014 second quarter budget. Individual project details explaining budget variances by mode can be found further in this report.

PROJECT DELIVERY SUMMARY BY TYPE (in thousands)

By Type	2014		YTD Actuals	YTD Budget Remaining	YTD % Budget	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Uncommitted	LTD % Uncommitted
	Current Budget	YTD Budget								
System Expansion	\$735,329	\$306,633	\$390,175	(\$83,542)	127.2%	9,019,367	5,411,220	883,379	2,724,769	30.2%
Rehabilitation and Replacement	\$36,589	\$4,338	\$5,717	(\$1,379)	131.8%	203,289	85,816	45,857	71,616	35.2%
Enhancement	\$33,201	\$15,774	\$5,858	\$9,916	37.1%	121,432	42,839	38,017	40,576	33.4%
Administrative	\$4,587	\$1,360	\$775	\$585	57.0%	47,700	12,907	1,576	33,217	69.6%
Totals	\$809,706	\$328,105	\$402,524	(\$74,420)	122.7%	\$ 9,391,789	\$ 5,552,782	\$ 968,830	\$ 2,870,177	30.6%

PROJECT DELIVERY SUMMARY BY MODE (in thousands)

By Mode	2014		YTD Actuals	YTD Budget Remaining	YTD % Budget	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Uncommitted	LTD % Uncommitted
	Current Budget	YTD Budget								
Link	\$587,670	\$269,507	\$356,480	(\$86,973)	132.3%	7,719,607	4,520,315	849,778	2,349,515	30.4%
Sounder	\$75,196	\$32,358	\$29,931	\$2,427	92.5%	717,877	569,660	66,560	81,657	11.4%
Regional Express	\$106,781	\$8,246	\$7,137	\$1,110	86.5%	720,026	389,956	42,615	287,455	39.9%
Other*	\$40,059	\$17,993	\$8,976	\$9,017	49.9%	234,278	72,851	9,876	151,551	64.7%
Totals	\$809,706	\$328,105	\$402,524	(\$74,420)	122.7%	9,391,789	5,552,782	968,830	2,870,177	30.6%

*Other includes: planning studies, TOD, IT Capital, Research and Technology, Administrative capital, Fare Administration, and STart

Link Light Rail

LINK LIGHT RAIL BY PROJECT – 2014 BUDGET VS ACTUAL AS OF JUNE 30, 2014 (in thousands)

	2014 Current Budget	YTD Budget	YTD Actuals	YTD Budget Remaining	YTD % Budget
SYSTEM EXPANSION					
400007 - FIRST HILL STREETCAR	\$21,357	\$17,150	\$10,331	\$6,819	60.2%
400008 - TACOMA LINK EXPANSION	2,723	1,194	938	256	78.6%
400009 - LINK O&M SATELLITE FACILITY	5,539	1,105	481	625	43.5%
4X100 - NORTHGATE LINK EXTENSION	138,639	62,432	114,361	(51,929)	183.2%
4X115 - LYNNWOOD LINK EXTENSION	16,994	9,087	7,924	1,163	87.2%
4X200 - UNIVERSITY LINK EXTENSION	146,866	83,240	135,561	(52,321)	162.9%
4X300 - INITIAL SEGMENT	1,537	802	388	414	48.4%
4X400 - AIRPORT LINK	418	218	70	148	32.0%
4X420 - S 200th LINK EXTENSION	79,102	36,266	32,723	3,543	90.2%
4X445 - FEDERAL WAY TRANSIT EXTENSION	14,253	5,431	3,748	1,683	69.0%
4X600 - EAST LINK	148,303	46,749	46,880	(131)	100.3%
4X620 - OVERLAKE VILLAGE BRIDGE	782	325	195	130	60.1%
Sytem Expansion Total	\$576,514	\$264,000	\$353,601	(\$89,601)	133.9%
REHABILITATION AND REPLACEMENT					
4X360 - BEACON AVENUE PAVING	\$1,040	\$1,011	\$1,057	(\$46)	104.6%
4X370 - LINK STATION PAVER REPLACEMENT	155	2	0	2	7.6%
7X758 - T LINK LRV COMMUNICATIONS	124	62	70	(8)	112.8%
7X761 - C LINK NETWORK PHONES CNTL CTR	199	9	0	9	0.0%
Rehabilitation and Replacement Total	\$1,519	\$1,085	\$1,128	(\$43)	104.0%
ENHANCEMENT					
4X210 - LRV ON BOARD ENERGY STORAGE	\$675	\$447	\$828	(\$381)	185.2%
4X340 - NOISE ABATEMENT	4,540	2,291	736	1,555	32.1%
600029 - TACOMA LINK FARE COLLECTION	514	243	7	236	0.0%
700773 - C LINK HV AC FOR TRACTION POWER	690	211	141	70	0.0%
700774 - C LINK HV AC-INSTRU HSE/UPS RM	350	81	35	46	0.0%
700775 - C LINK CARD READERS	412	412	3	409	0.7%
700776 - C LINK OMF UPS RM IMPROVEMENTS	1	0	0	0	0.0%
700777 - C LINK OH CAT SYS TIE SWITCH	1,300	0	0	0	0.0%
700778 - C LINK BENCHTEST EQUIPMENT	0	0	1	(0)	607.8%
700781 - NON-REVENUE SUPPORT VEHICLES	664	564	0	564	0.0%
700793 - SIGNAGE IMPROVEMENTS	491	174	1	172	0.8%
Enhancement Total	\$9,637	\$4,423	\$1,752	\$2,671	39.6%
Link Total	\$587,670	\$269,507	\$356,480	(\$86,973)	132.3%

Link light rail capital outlays through second quarter 2014 are \$86.9 million or 132.3 percent of the YTD 2014 budget.

LINK LIGHT RAIL BY PROJECT LIFETIME BUDGET AS OF JUNE 30, 2014
(in thousands)

	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Un- committed	YTD % Un- committed
SYSTEM EXPANSION					
400007 - FIRST HILL STREETCAR	\$132,780	\$115,634	\$13,453	\$3,693	2.8%
400008 - TACOMA LINK EXPANSION	5,831	2,498	1,805	1,528	26.2%
400009 - LINK O&M SATELLITE FACILITY	32,557	26,739	200	5,618	17.3%
4X100 - NORTHGATE LINK EXTENSION	2,131,400	303,804	442,390	1,385,206	65.0%
4X115 - LYNNWOOD LINK EXTENSION	57,119	28,505	14,237	14,376	25.2%
4X200 - UNIVERSITY LINK EXTENSION	1,756,007	1,302,677	153,258	300,072	17.1%
4X300 - INITIAL SEGMENT	2,091,768	2,090,804	722	241	0.0%
4X400 - AIRPORT LINK	261,650	260,811	282	556	0.2%
4X420 - S 200th LINK EXTENSION	383,241	150,689	144,486	88,066	23.0%
4X445 - FEDERAL WAY TRANSIT EXTENSION	42,043	9,651	4,369	28,023	66.7%
4X600 - EAST LINK	798,347	215,466	71,779	511,102	64.0%
4X620 - OVERLAKE VILLAGE BRIDGE	1,898	396	141	1,361	71.7%
Sytem Expansion Total	\$7,694,640	\$4,507,676	\$847,122	\$2,339,842	30.4%
REHABILITATION AND REPLACEMENT					
4X360 - BEACON AVENUE PAVING	\$2,000	\$1,220	\$46	\$735	36.7%
4X370 - LINK STATION PAVER REPLACEMENT	500	345	0	155	31.0%
7X758 - T LINK LRV COMMUNICATIONS	371	317	47	7	1.9%
7X761 - C LINK NETWORK PHONES CNTL CTR	200	1	0	199	99.4%
Rehabilitation and Replacement Total	\$3,071	\$1,883	\$93	\$1,095	35.7%
ENHANCEMENT					
4X210 - LRV ON BOARD ENERGY STORAGE	\$1,643	\$1,389	\$192	\$63	3.8%
4X340 - NOISE ABATEMENT	13,000	8,281	1,299	3,420	26.3%
600029 - TACOMA LINK FARE COLLECTION	514	7	80	427	83.1%
700773 - C LINK HVAC FOR TRACTION POWER	800	253	511	36	4.6%
700774 - C LINK HVAC-INSTRU HSE/UPS RM	420	106	166	148	35.3%
700775 - C LINK CARD READERS	423	14	317	93	21.9%
700776 - C LINK OMF UPS RM IMPROVEMENTS	2	1	0	1	54.6%
700777 - C LINK OH CAT SYS TIE SWITCH	3,000	5	0	2,995	99.8%
700778 - C LINK BENCHTEST EQUIPMENT	700	700	0	(0)	-0.1%
700781 - NON-REVENUE SUPPORT VEHICLES	905	0	0	905	100.0%
700793 - SIGNAGE IMPROVEMENTS	491	1	(0)	490	99.8%
Enhancement Total	\$21,897	\$10,756	\$2,563	\$8,577	39.2%
Link Lifetime Total	7,719,607	4,520,315	849,778	2,349,515	30.4%

Key 2014 Link Project Highlights

NORTHGATE LINK EXTENSION –BY PHASE AS OF JUNE 30, 2014

(in thousands)

Annual Budget					
Phase	2014	YTD	YTD	YTD Actuals	YTD Actuals
	Budget	Budget	Actuals	(over)/under	as % of
	<i>a</i>	<i>b</i>	<i>c</i>	YTD Budget	YTD Budget
				<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	\$9,449	\$4,650	\$4,654	(\$5)	100%
Preliminary Engineering	-	-	-	-	0%
Final Design	19,161	9,030	6,259	2,771	69%
Third Party	952	367	326	41	89%
ROW Acq. & Permits	20,127	10,240	1,493	8,747	15%
Construction	77,525	33,015	96,998	(63,984)	294%
Construction Services	11,175	5,131	4,630	501	90%
Vehicles	250	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$138,639	\$62,432	\$114,361	(\$51,929)	183%

Lifetime Budget					
Phase	Lifetime	LTD	Contract	Budget	% Spent &
	Budget	Outlays	Remaining	Remaining	Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	\$149,500	\$22,469	\$14	\$127,017	15%
Preliminary Engineering	15,077	15,077	-	-	100%
Final Design	118,523	69,347	31,524	17,653	85%
Third Party	11,800	2,957	7,394	1,449	88%
ROW Acq. & Permits	127,300	53,607	1,114	72,578	43%
Construction	1,325,120	131,253	334,571	859,295	35%
Construction Services	112,050	9,094	67,772	35,184	69%
Vehicles	259,100	-	-	259,100	0%
Test and Startup	12,930	-	-	12,930	0%
Contingency	-	-	-	-	0%
TOTAL	\$2,131,400	\$303,804	\$442,390	\$1,385,206	35%

Northgate Link Extension annual capital outlays of \$114.4 million through June 2014 were 183 percent of the YTD 2014 budget, or \$51.9 million ahead of plan.

Final Design outlays of \$6.3 million were 69 percent of the YTD 2014 budget, or \$2.8 million below plan. Expenditures were below plan for civil and systems final design by \$3.4 million and ahead of plan for civil design services during construction by \$0.6 million. Civil final design for University of Washington Station finishes remains on hold during procurement of the construction management contract for station finishes.

Right-of-Way outlays of \$1.5 million were 15 percent of the YTD 2014 budget, or \$8.7 million below plan. Property adjacent to Northgate Mall has not been acquired as anticipated in the budget.

Construction outlays of \$97.0 million were 294 percent of the YTD 2014 budget, or \$64.0 million ahead of plan. Expenditures for tunnel work were \$63.8 million ahead of the YTD plan, and are projected to exceed the 2014 budget by more than \$100.0 million at year end. The 2014 cash flow assumed that the tunnel boring machines (TBM) would be mobilized in January 2015; however, the contractor elected to mobilize in 2014, resulting in expenses planned for 2015 being incurred in 2014.

LYNNWOOD LINK EXTENSION –BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
Phase	2014 Budget	YTD Budget	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	\$3,137	\$1,320	\$630	\$690	48%
Preliminary Engineering	13,294	7,420	6,963	457	94%
Final Design	-	-	-	-	0%
Third Party	351	134	62	72	46%
ROW Acq. & Permits	213	213	270	(57)	127%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$16,994	\$9,087	\$7,924	\$1,163	87%

Lifetime Budget					
Phase	Lifetime Budget	LTD 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	\$10,738	\$3,876	(\$32)	\$6,894	36%
Preliminary Engineering	44,334	24,143	13,532	6,660	85%
Final Design	-	-	-	-	0%
Third Party	996	181	613	202	80%
ROW Acq. & Permits	1,050	306	124	620	41%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$57,119	\$28,505	\$14,237	\$14,376	75%

Lynnwood Link outlays of \$7.9 million through the end of June are 87 percent of the adopted 2014 YTD budget, or \$1.2 million below plan.

Agency Administration phase outlays of \$0.6 million are 48 percent of the adopted 2014 YTD budget, or \$0.7 million below plan

Preliminary Engineering phase outlays of \$7.0 million are at 94 percent of the adopted 2014 YTD budget, or \$0.5 million below plan. Phase 3, Preliminary Engineering and Final EIS, will continue through 2014.

Third Party phase expenditures are at \$0.1 million of the adopted 2014 YTD budget, or \$72 thousand below plan. Third party expenditures will increase through 2014 as WSDOT (Washington State Department of Transportation) becomes more involved in design review (since the alignment is in I-5 right-of-way).

ROW phase outlays of \$0.3 million are 123 percent of the adopted 2014 YTD budget, or \$57 thousand above plan.

UNIVERSITY LINK EXTENSION –BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
Phase	2014 Budget	YTD Budget	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	\$8,983	\$4,748	\$7,141	(\$2,394)	150%
Preliminary Engineering	-	-	-	-	0%
Final Design	3,715	1,842	1,964	(122)	107%
Third Party	626	314	48	265	15%
ROW Acq. & Permits	60	30	50	(20)	168%
Construction	118,050	68,803	120,950	(52,147)	176%
Construction Services	15,282	7,429	5,398	2,031	73%
Vehicles	-	-	-	-	0%
Test and Startup	150	75	9	66	13%
Contingency	-	-	-	-	0%
TOTAL	\$146,866	\$83,240	\$135,561	(\$52,321)	163%

Lifetime Budget					
Phase	Lifetime Budget	LTD 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	\$113,554	\$61,349	\$131	\$52,075	54%
Preliminary Engineering	24,261	24,261	-	-	100%
Final Design	89,308	80,530	3,469	5,309	94%
Third Party	18,646	10,637	786	7,223	61%
ROW Acq. & Permits	152,332	125,615	15	26,701	82%
Construction	1,148,783	833,634	135,402	179,747	84%
Construction Services	95,814	67,224	13,424	15,166	84%
Vehicles	103,909	99,175	0	4,734	95%
Test and Startup	9,400	251	32	9,117	3%
Contingency	-	-	-	-	0%
TOTAL	\$1,756,007	\$1,302,677	\$153,258	\$300,072	83%

University Link Extension outlays of \$135.6 million through June 2014 were 163 percent of the YTD 2014 budget, or \$52.3 million ahead of plan.

Because tunneling was completed with few complications, lifetime expenditures are trending \$150 million below the project lifetime budget.

Agency Administration Outlays of \$7.1 million were 150 percent of the YTD 2014 budget, or \$2.4 million ahead of plan. In 1Q during the year-end (2013) financial review, \$2.7 million of historic indirect agency administrative costs attributable to the University Link Extension were charged to this phase. It is anticipated that that this phase to remain over the annual budget throughout the year. The impact of these charges to the project budget is being addressed in the 2015 TIP. Other Agency Administration phase expenditures were ahead of plan by \$0.4 million for staff costs and for insurance by \$0.1 million, and below plan for direct expenses by \$0.8 million.

Final Design Capital outlays of \$2.0 million were 107 percent of the YTD 2014 budget, or \$0.1 million ahead of plan, mainly for Civil and Systems DSDC.

Third Party Capital outlays of \$48 thousand were 15 percent of the YTD 2014 budget, or \$265 thousand below plan. Levels of support continued to be lower than expected.

Right-of-Way (ROW) Phase outlays of \$50 thousand were 168 percent of the YTD 2014 budget, or \$20 thousand ahead of plan, for ROW acquisition. All property acquisitions are complete.

Construction Phase outlays of \$120.9 million were 176 percent of the YTD 2014 budget, or \$52.1 million ahead of plan, mainly for a \$43.3 million compensation payment to UW in June 2014 to relocate sensitive research labs and acceleration of work for early start-up in 1Q 2016. Expenditures for major contracts were ahead of plan for Capitol Hill Station finishes by \$0.9 million, for UW Station finishes by \$4.4 million, and for systems construction by \$4.0 million.

Construction Services Capital outlays of \$5.4 million were 73 percent of the YTD 2014 budget, or \$2.0 million below plan, primarily for systems construction management, including Inspection and testing.

Testing & Startup Capital outlays of \$9 thousand were 13 percent of the YTD 2014 budget, or \$66 thousand below plan. However, because of the accelerated schedule for start of service, expenditures for this phase are projected to exceed the 2014 budget by year-end.

S. 200TH LINK EXTENSION – BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
Phase	2014 Budget	YTD Budget	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	\$2,481	\$1,195	\$1,027	\$167	86%
Preliminary Engineering	-	-	-	-	0%
Final Design	1,500	720	823	(103)	114%
Third Party	1,255	505	469	36	93%
ROW Acq. & Permits	1,100	115	974	(859)	847%
Construction	69,100	31,964	27,952	4,011	87%
Construction Services	3,666	1,768	1,478	290	84%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$79,102	\$36,266	\$32,723	\$3,543	90%

Lifetime Budget					
Phase	Lifetime Budget	LTD 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	\$15,864	\$8,071	(\$14)	\$7,807	51%
Preliminary Engineering	5,702	5,698	0	4	100%
Final Design	9,902	6,785	1,605	1,512	85%
Third Party	7,085	2,231	3,373	1,481	79%
ROW Acq. & Permits	43,549	35,410	5,398	2,741	94%
Construction	282,029	88,014	123,626	70,389	75%
Construction Services	17,322	4,481	10,498	2,342	86%
Vehicles	-	-	-	-	0%
Test and Startup	1,789	-	-	1,789	0%
Contingency	-	-	-	-	0%
TOTAL	\$383,241	\$150,689	\$144,486	\$88,066	77%

S 200th Link Extension outlays of \$32.7 million through June 2014 were 90 percent of the YTD 2014 budget, or \$3.5 million below plan.

Agency Administration Annual capital outlays of \$1.0 million were 86 percent of the YTD 2014 budget, or \$0.1 million below plan, mainly for staff costs.

Final Design Activity planned for this phase reflects design development for S. 200th & Military Road intersection improvements and the roadway improvements. Capital outlays of \$0.8 million were 114 percent of the YTD 2014 budget, or \$0.1 million ahead of plan.

Right-of-Way Capital outlays of \$1.0 million were ahead of the YTD 2014 budget by \$0.9 million; property acquisitions planned for 2013 were not completed and carried over into 2014. Funds remaining in the lifetime budget are adequate to complete all property acquisitions.

Construction Capital outlays of \$28.0 million were 87 percent of the YTD 2014 budget, or \$4.0 million below plan. Major contract expenditures were below plan for design-build guideway and station contract by \$4.6 million and for construction permits by \$0.2 million. Expenditures are ahead of plan by \$0.8 million for the design-build parking garage contract, because work started ahead of plan.

Construction Services This phase includes design-build project management and construction support. Capital outlays of \$1.5 million were 84 percent of the YTD 2014 budget, or \$0.3 million below plan.

FEDERAL WAY TRANSIT EXTENSION – BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
<u>Phase</u>	2014 Budget	YTD Budget	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	\$2,179	\$1,009	\$344	\$665	34%
Preliminary Engineering	11,700	4,200	3,270	930	78%
Final Design	-	-	-	-	0%
Third Party	304	152	55	97	36%
ROW Acq. & Permits	70	70	79	(9)	113%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$14,253	\$5,431	\$3,748	\$1,683	69%

Lifetime Budget					
<u>Phase</u>	Lifetime Budget	LTD 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	\$9,385	\$1,511	(\$17)	\$7,890	16%
Preliminary Engineering	30,883	7,898	4,232	18,754	39%
Final Design	-	-	-	-	0%
Third Party	1,575	66	96	1,413	10%
ROW Acq. & Permits	200	176	58	(34)	117%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$42,043	\$9,651	\$4,369	\$28,023	33%

Federal Way Transit Extension outlays of \$3.7 million through the end of June are 69 percent of the adopted 2014 YTD budget, or \$1.7 million below plan.

Agency Administration phase outlays of \$0.3 million are at 34 percent of the adopted 2014 YTD budget, or \$0.7 million below plan. The Staffing budget is utilized at 44 percent. Environmental staff working on the project are not charging their time directly to the project.

Preliminary Engineering phase outlays of \$3.3 million are at 78 percent of the adopted 2014 YTD budget, or \$0.9 million below YTD budget. Phase 2 (conceptual engineering and DEIS) will continue through 2014.

Third Party phase outlays of \$0.1 million are at 36 percent of the adopted 2014 YTD budget, or \$0.1 million below plan. The expenses will increase through 2014 as WSDOT becomes more involved in design review (due to alignment being in I-5 right-of-way).

ROW phase outlays of \$0.1 million are at 113 percent of the adopted 2014 YTD budget, or \$9 thousand above plan.

EAST LINK – BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget

Phase	2014	YTD	YTD	YTD Actuals	YTD Actuals
	Budget	Budget	Actuals	(over)/under	as % of
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	\$10,353	\$4,295	\$4,175	\$120	97%
Preliminary Engineering	371	170	166	4	98%
Final Design	61,562	29,341	25,878	3,463	88%
Third Party	1,337	661	517	144	78%
ROW Acq. & Permits	63,130	10,042	15,827	(5,785)	158%
Construction	8,700	1,650	318	1,332	19%
Construction Services	2,850	590	-	590	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$148,303	\$46,749	\$46,880	(\$131)	100%

Lifetime Capital Plan

Phase	Lifetime	LTD	Contract	Budget	% Spent &
	Budget	Outlays	Remaining	Remaining	Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	\$68,119	\$26,206	(\$100)	\$42,013	38%
Preliminary Engineering	56,594	53,663	622	2,308	96%
Final Design	232,621	98,047	51,729	82,844	64%
Third Party	40,605	2,570	2,508	35,527	13%
ROW Acq. & Permits	365,408	34,661	4,923	325,824	11%
Construction	24,000	318	12,096	11,586	52%
Construction Services	11,000	-	-	11,000	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	\$798,347	\$215,466	\$71,779	\$511,102	36%

East Link Extension outlays of \$46.9 million through June 2014 were approximately 100 percent of the YTD 2014 budget, or \$131 thousand ahead of plan.

Agency Administration Annual capital outlays of \$4.2 million were 97 percent of the YTD 2014 budget, or \$120 thousand below plan.

Preliminary Engineering Annual capital outlays of \$166 thousand were 98 percent of the YTD 2014 budget, or \$4 thousand below plan.

Final Design Annual capital outlays of \$25.9 million were 88 percent of the YTD 2014 budget, or \$3.5 million below plan mostly due to suspension of design efforts until construction management procurement for the Bellevue to Overlake Transit Center is complete.

Third Party Annual capital outlays of \$0.5 million were 78 percent of the YTD 2014 budget, or \$144 thousand below plan.

Right-of-Way Annual capital outlays of \$15.8 million were 158 percent of the YTD 2014 budget, or \$5.8 million ahead of plan; acquisitions were finalized a few months earlier than budgeted.

Construction Annual capital outlays of \$0.3 million were 19 percent of the YTD 2014 budget, or \$1.3 million below plan. The construction work provided by WSDOT at Bellevue Way East-North Ramp within I-90 started a few months later than was budgeted.

Sounder Commuter Rail

SOUNDER COMMUTER RAIL BY PROJECT – 2014 BUDGET VS ACTUAL AS OF JUNE 30, 2014 (in thousands)

	2014 Current	YTD	YTD	YTD	YTD %
	Budget	Budget	Actuals	Budget Remaining	Budget
SYSTEM EXPANSION					
300004 - SOUNDER YARD & SHOPS FACILITY	\$2,955	\$630	\$325	\$305	51.6%
300017 - PUYALLUP STATION IMPROVEMENTS	178	178	224	(46)	125.8%
300018 - SUMNER STATION IMPROVEMENTS	180	180	222	(42)	123.5%
300019 - LAKEWOOD STATION IMPROVEMENTS	148	75	1	74	1.2%
300021 - TACOMA TRESTLE TRACK & SIGNAL	10,674	3,886	1,692	2,194	43.5%
300026 - SOUNDER YARD EXPANSION	1,695	496	283	212	0.0%
300027 - PT DEFIANCE BYPASS	642	78	57	21	0.0%
3X130 - M ST-LAKEWOOD TRACK & SIGNAL	238	177	2	174	1.3%
3X131 - PERMITTING/ENVTL MITIGATION	113	13	0	13	2.7%
3X135 - D ST - M ST TRACK & SIGNAL	1,045	453	138	315	30.5%
3X140 - LAYOVER	535	427	1	426	0.2%
3X206 - MUKILTEO STATION-S PLATFORM	6,724	4,912	3,868	1,044	78.8%
3X236 - TUKWILA STATION	9,766	8,485	6,335	2,149	74.7%
3X251 - SOUTH TACOMA STATION	124	-	-	-	0.0%
3X510 - SOUNDER SOUTH EXPANDED SERVICE	11,008	1,026	40	986	3.9%
7X755 - SOUNDER ST2 FLEET EXPANSION	8,400	-	8,631	(8,631)	0.0%
Sytem Expansion Total	\$54,424	\$21,014	\$21,819	(\$805)	103.8%
REHABILITATION AND REPLACEMENT					
700770 - SOUNDER VEHICLE OVERHAUL PROG	\$5,297	\$2,648	\$3,585	(\$937)	135.4%
700771 - STATION MIDLIFE MAINTENANCE	505	252	630	(378)	249.8%
Rehabilitation and Replacement Total	\$5,801	\$2,901	\$4,215	(\$1,315)	145.3%
ENHANCEMENT					
300011 - POSITIVE TRAIN CONTROL	\$14,970	\$8,443	\$3,897	\$4,547	46.1%
Enhancement Total	\$14,970	\$8,443	\$3,897	\$4,547	46.1%
Sounder 2Q Totals	\$75,196	\$32,358	\$29,931	\$2,427	92.5%

Sounder capital outlays through second quarter of 2014 are \$30 million or 92.5 percent of the 2014 second quarter budget.

SOUNDER BY PROJECT LIFETIME BUDGET AS OF JUNE 30, 2014
(in thousands)

	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Un-committed	YTD % Un-committed
SYSTEM EXPANSION					
300004 - SOUNDER YARD & SHOPS FACILITY	\$6,077	\$1,402	\$965	\$3,709	61.0%
300017 - PUYALLUP STATION IMPROVEMENTS	578	461	68	48	8.3%
300018 - SUMNER STATION IMPROVEMENTS	578	458	73	47	8.1%
300019 - LAKEWOOD STATION IMPROVEMENTS	404	252	771	(620)	-153.5%
300021 - TACOMA TRESTLE TRACK & SIGNAL	11,455	2,802	1,621	7,032	61.4%
300026 - SOUNDER YARD EXPANSION	5,422	621	48	4,752	87.7%
300027 - PT DEFIANCE BYPASS	6,400	81	(13)	6,332	0.0%
3X130 - M ST-LAKEWOOD TRACK & SIGNAL	80,654	80,419	19	216	0.3%
3X131 - PERMITTING/ENVTL MITIGATION	6,516	4,772	-	1,743	26.8%
3X135 - D ST - M ST TRACK & SIGNAL	161,072	151,881	485	8,706	5.4%
3X140 - LAYOVER	30,262	29,989	171	102	0.3%
3X206 - MUKILTEO STATION-S PLATFORM	18,313	7,899	3,862	6,552	35.8%
3X236 - TUKWILA STATION	45,969	31,230	5,367	9,372	20.4%
3X251 - SOUTH TACOMA STATION	15,728	15,607	3	118	0.7%
3X510 - SOUNDER SOUTH EXPANDED SERVICE	201,968	186,562	72	15,334	7.6%
7X755 - SOUNDER ST2 FLEET EXPANSION	49,530	38,879	8,576	2,076	4.2%
Sytem Expansion Total	\$640,922	\$553,315	\$22,088	\$65,519	10.2%
REHABILITATION AND REPLACEMENT					
700770 - SOUNDER VEHICLE OVERHAUL PROG	\$22,450	\$4,251	\$13,951	\$4,248	18.9%
700771 - STATION MIDLIFE MAINTENANCE	1,450	754	84	613	42.3%
Rehabilitation and Replacement Total	\$23,900	\$5,005	\$14,035	\$4,861	20.3%
ENHANCEMENT					
300011 - POSITIVE TRAIN CONTROL	\$53,054	\$11,341	\$30,437	\$11,277	21.3%
Enhancement Total	\$53,054	\$11,341	\$30,437	\$11,277	21.3%
Sounder Lifetime Total	\$717,877	\$569,660	\$66,560	\$81,657	11.4%

Key 2014 Sounder Project Highlights

MUKILTEO STATION, SOUTH PLATFORM – BY PHASE AS OF JUNE 30, 2014

(in thousands)

Annual Budget						
Phase	2014		YTD	YTD	YTD actuals	YTD actuals
	Budget	Capital Budget	Actuals	Actuals	(over)/under	as % of
	<i>a</i>	<i>b</i>	<i>c</i>		<i>[b - c]</i>	<i>[c / b]</i>
Agency Administration	333	167	132		35	79%
Preliminary Engineering	0	0	0		0	0%
Final Design	120	92	131		-39	142%
Third Party	247	0	0		0	0%
ROW Acq. & Permits	2,240	2,197	0		2,197	0%
Construction	2,964	2,023	3,199		-1,175	158%
Construction Management	820	433	407		26	94%
Vehicles	0	0	0		0	0%
Contingency	0	0	0		0	0%
Total	6,724	4,912	3,868		1,044	79%

Lifetime Capital Plan 1997 - 2023					
Phase	Lifetime	LTD	LTD Contract	Budget	% Spent and
	Budget	Actuals	Remaining	Remaining	Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	1,128	685	-6	449	60%
Preliminary Engineering	0	0	0	0	0%
Final Design	2,447	2,123	56	268	89%
Third Party	247	0	0	247	0%
ROW Acq. & Permits	3,588	378	8	3,202	11%
Construction	9,040	3,985	3,033	2,023	78%
Construction Management	1,863	729	771	363	81%
Vehicles	0	0	0	0	0%
Contingency	0	0	0	0	0%
Total	18,313	7,899	3,862	6,552	64%

Mukilteo Station, South Platform outlays through June 2014 were 79 percent of the YTD 2014 budget. A description of financial performance follows.

Agency Administration phase outlays of \$132 thousand were 79 percent of the YTD 2014 budget, or \$35 thousand below plan.

Final Design phase outlays of \$131 thousand were 142 percent of the YTD 2013 budget, or \$39 thousand above plan.

ROW phase outlays \$2.2 million below plan. ROW acquisition was expected to be completed by July 2014 but has been delayed until fourth quarter as the Port of Everett works to meet the property needs of various interested partners.

Construction phase outlays of \$3.2 million were 158 percent of the YTD 2014 budget, or \$1.2 million above plan. When the budget/cashflow was developed, it was assumed that the level of effort for construction would be less than planned due to the delay in issuing NTP, BNSF changes to the shoring and platform design, and a 4Q work stoppage due to the BNSF moratorium. However, the Contractor began construction in January and performing at higher level than anticipated for 2Q.

Construction Management phase outlays of \$400 thousand were 94 percent of the YTD 2014 budget, or \$26 thousand below plan.

TUKWILA STATION – BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
<u>Phase</u>	2014 Budget	YTD Capital Budget	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	407	230	145	85	63%
Preliminary Engineering	0	0	0	0	0%
Final Design	250	190	156	34	82%
Third Party	0	0	0	0	0%
ROW Acq. & Permits	60	35	6	29	17%
Construction	8,219	7,477	5,505	1,972	74%
Construction Management	830	553	523	30	95%
Vehicles	0	0	0	0	0%
Contingency	0	0	0	0	0%
Total	9,766	8,485	6,335	2,150	75%

Lifetime Capital Plan 1997 - 2023					
<u>Phase</u>	Lifetime Budget	LTD Actuals	LTD Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	2,773	1,364	-10	1,419	49%
Preliminary Engineering	1,101	1,101	0	0	100%
Final Design	4,724	4,428	39	257	95%
Third Party	0	0	0	0	0%
ROW Acq. & Permits	11,009	10,347	57	605	95%
Construction	24,281	12,865	4,846	6,570	73%
Construction Management	2,081	1,125	435	521	75%
Vehicles	0	0	0	0	0%
Contingency	0	0	0	0	0%
Total	45,969	31,230	5,367	9,372	80%

Tukwila Station – outlays through June 2014 were 75 percent of the YTD 2014 budget. A description of financial performance follows.

Agency Administration phase outlays of \$145 thousand were 63 percent of the YTD 2014 budget, or \$84 thousand below plan. Lower level of effort for Sound Transit staff than anticipated in the cash flow plan.

Final Design phase outlays of \$156 thousand were 82 percent of the YTD 2014 budget, or \$34 thousand below plan.

ROW phase outlays of \$6 thousand were 17 percent of the YTD 2014 budget, or \$28 thousand below plan.

Construction phase outlays of \$5.5 million were 74 percent of the YTD 2014 budget, or \$2 million below plan. Prime contractor Absher has been slow in billing for completed Time & Material Provisional Sum and Work Directive work. A 30 day contract time extension was granted due to severe weather delays that pushed construction beyond the holiday moratorium period and this has pushed back expected cash flows.

Construction Management phase outlays of \$523 thousand were 94 percent of the YTD 2014 budget, or \$31 thousand below plan.

POSITIVE TRAIN CONTROL – BY PHASE AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
<u>Phase</u>	2014 Budget	YTD Capital Budget	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	745	375	177	198	47%
Preliminary Engineering	0	0	0	0	0%
Final Design	0	0	0	0	0%
Third Party	1,740	1,740	0	1,740	0%
ROW Acq. & Permits	0	0	0	0	0%
Construction	11,285	5,728	3,686	2,042	64%
Construction Management	1,200	600	33	567	6%
Vehicles	0	0	0	0	0%
Contingency	0	0	0	0	0%
Total	14,970	8,443	3,896	4,547	46%

Lifetime Capital Plan 1997 - 2023					
<u>Phase</u>	Lifetime Budget	LTD Actuals	LTD Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	2,238	653	-8	1,593	29%
Preliminary Engineering	0	0	0	0	0%
Final Design	279	226	0	53	81%
Third Party	4,266	2,510	1,390	366	91%
ROW Acq. & Permits	0	0	0	0	0%
Construction	40,484	7,882	26,837	5,765	86%
Construction Management	4,062	70	2,217	1,775	56%
Vehicles	0	0	0	0	0%
Contingency	1,725	0	0	1,725	0%
Total	53,054	11,341	30,436	11,277	79%

Positive Train Control (PCT) – outlays through June 2014 were 46 percent of the YTD 2014 budget. A description of financial performance follows.

Agency Administration phase outlays of \$177 thousand were 47 percent of the YTD 2014 budget, or \$198 thousand below plan. Project has been slow in ramping up. Design work preceding construction has produced minimal change requests resulting in lower than expected direct staff support.

Third Party phase has no capital outlays versus the YTD 2014 budget of \$1.74 million. BNSF has yet to bill for remaining portion of Everett to Tacoma PTC costs.

Construction phase outlays of \$3.7 million were 64 percent of the YTD 2014 budget, or \$2 million below plan. Design/Install progress has been trending toward the Late Start line of the baseline cost curve, thus producing lower than expect cash flows. Wayside antennas have been procured but not yet delivered to site/installed, so not yet billed for. Also, major high value submittals have required numerous reviews and resubmit iterations and cannot be paid for until fully approved.

Construction Management phase outlays of \$33 thousand were 6 percent of the YTD 2014 budget, or \$567 thousand below plan. Minimal RFI's and RFC's have led to lower than anticipated Engineering Support Services costs. First pilot installations have begun on locomotives and cab cars, so CM inspector costs should begin appearing soon.

Regional Express

REGIONAL EXPRESS BY PROJECT – 2014 BUDGET VS ACTUAL AS OF JUNE 30, 2014

(in thousands)

	2014 Current Budget	YTD Budget	YTD Actuals	YTD Budget Remaining	YTD % Budget
SYSTEM EXPANSION					
500005 - ST EXPRESS BUS BASE	\$2,056	\$1,028	\$30	\$998	2.9%
500020 - ST EXPRESS MID-DAY BUS STORAGE	2,133	135	138	(3)	102.5%
5X140 - TOTEM LAKE FREEWAY STATION	34	21	0	21	0.1%
5X141 - 85TH CORRIDOR, KIRKLAND	1,570	-	1	(1)	0.0%
5X142 - KIRKLAND TRANSIT CENTER/3rd	402	250	13	237	5.3%
5X151 - RAINIER AVE ARTERIAL IMPRV	10	-	6	(6)	0.0%
5X152 - STRANDER BOULEVARD EXTENSION	268	-	2	(2)	0.0%
5X312 - MOUNTLAKE TERRACE FREEWAY STN	594	565	7	558	1.2%
5X319 - S EVERETT FREEWAY STATION	143	12	0	12	0.0%
5X321 - FEDERAL WAY TRANSIT CENTER	1,481	-	672	(672)	0.0%
5X326 - ISSAQUAH TRANST CENTER/SR 900	22	10	10	-	100.0%
5X382 - I-90 2-WAY TRAN & HOV OP, ST 1	88	-	0	(0)	0.0%
5X386 - REX I-90 2 WAY TRANS & HOV II	541	-	-	-	0.0%
5X387 - REX I-90 2 WAY TRANS& HOV III	63,397	5,292	6,451	(1,158)	121.9%
Sytem Expansion Total	\$72,740	\$7,313	\$7,330	(\$17)	100.2%
REHABILITATION AND REPLACEMENT					
7X701 - ST EXPRESS FLEET REPLACEMENT	28,090	0	33	(33)	0.0%
7X768 - FED WAY POST TENSION CABLE RPR	523	24	1	23	6.1%
Rehabilitation and Replacement Total	\$28,613	\$24	\$34	(\$10)	139.6%
ENHANCEMENT					
5X261 - BUS MAINTENANCE FACILITY	\$1,273	\$637	(\$8)	\$644	-1.2%
700772 - ST EXP SECURITY CAMERA RETRO	22	11	-	11	0.0%
700790 - PT 2-WAY RADIO SYSTEM UPGRADE	1,000	-	-	-	0.0%
7X745 - ST EXP MOBILE COMMUNICATIONS	3,134	261	(219)	480	-83.9%
Enhancement Total	\$5,429	\$908	(\$227)	\$1,135	-25.0%
Regional Express Total	\$106,781	\$8,246	\$7,137	\$1,109	86.6%

Regional Express annual capital outlays through June 30, 2014, were \$7.1 million or 86.6 percent of the 2014 second quarter budget.

REGIONAL EXPRESS BY PROJECT LIFETIME BUDGET AS OF JUNE 30, 2014
(in thousands)

	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Un-committed	YTD % Un-committed
SYSTEM EXPANSION					
500005 - ST EXPRESS BUS BASE	\$5,515	\$1,123	\$1,954	\$2,439	44.2%
500020 - ST EXPRESS MID-DAY BUS STORAGE	3,128	708	254	2,166	69.2%
5X140 - TOTEM LAKE FREEWAY STATION	73,138	73,104	256	(223)	-0.3%
5X141 - 85TH CORRIDOR, KIRKLAND	5,590	4,021	1,391	179	3.2%
5X142 - KIRKLAND TRANSIT CENTER/3rd	10,959	10,570	31	358	3.3%
5X151 - RAINIER AVE ARTERIAL IMPRV	15,358	15,353	1	4	0.0%
5X152 - STRANDER BOULEVARD EXTENSION	4,073	3,807	227	39	1.0%
5X312 - MOUNTLAKE TERRACE FREEWAY STN	29,260	28,674	2,143	(1,557)	-5.3%
5X319 - S EVERETT FREEWAY STATION	28,358	28,215	121	23	0.1%
5X321 - FEDERAL WAY TRANSIT CENTER	39,455	38,645	-	809	0.0%
5X326 - ISSAQUAH TRANST CENTER/SR 900	28,962	28,950	-	12	0.0%
5X382 - I-90 2-WAY TRAN & HOV OP, ST 1	23,448	23,359	1,000	(912)	-3.9%
5X386 - REX I-90 2 WAY TRANS & HOV II	22,828	22,288	1	539	2.4%
5X387 - REX I-90 2 WAY TRANS& HOV III	225,648	19,186	(34)	206,497	91.5%
Sytem Expansion Total	\$515,720	\$298,004	\$7,344	\$210,372	40.8%
REHABILITATION AND REPLACEMENT					
7X701 - ST EXPRESS FLEET REPLACEMENT	\$170,009	\$77,060	\$31,585	\$61,364	36.1%
7X768 - FED WAY POST TENSION CABLE RPR	525	4	-	521	99.3%
Rehabilitation and Replacement Total	\$170,534	\$77,063	\$31,585	\$61,886	36.3%
ENHANCEMENT					
5X261 - BUS MAINTENANCE FACILITY	\$22,033	\$7,377	\$1,135	\$13,521	61.4%
700772 - ST EXP SECURITY CAMERA RETRO	209	187	-	22	10.3%
700790 - PT 2-WAY RADIO SYSTEM UPGRADE	1,000	-	-	1,000	0.0%
7X745 - ST EXP MOBILE COMMUNICATIONS	10,531	7,325	2,552	654	6.2%
Enhancement Total	\$33,773	\$14,889	\$3,687	\$15,197	45.0%
Regional Express Lifetime Total	\$720,026	\$389,956	\$42,615	\$287,455	39.9%

Key 2014 Regional Express Project Highlights

I-90 TWO-WAY TRANSIT & HOV OPERATIONS, STAGE 3 – BY PHASE
AS OF JUNE 30, 2014
(in thousands)

Annual Budget					
Phase	2014 Budget	YTD Capital Budget	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	1,238	289	137	151	48%
Preliminary Engineering	0	0	0	0	0%
Final Design	9,722	5,004	6,314	-1,310	126%
Third Party	0	0	0	0	0%
ROW Acq. & Permits	0	0	0	0	0%
Construction	52,437	0	0	0	0%
Construction Management	0	0	0	0	0%
Vehicles	0	0	0	0	0%
Contingency	0	0	0	0	0%
Total	63,397	5,292	6,451	-1,158	122%

Lifetime Capital Plan 1997 - 2023					
Phase	Lifetime Budget	LTD Actuals	LTD Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	3,648	1,112	-6	2,542	30%
Preliminary Engineering	1,549	1,549	0	0	100%
Final Design	22,121	16,525	-29	5,625	75%
Third Party	0	0	0	0	0%
ROW Acq. & Permits	0	0	0	0	0%
Construction	198,330	0	0	198,330	0%
Construction Management	0	0	0	0	0%
Vehicles	0	0	0	0	0%
Contingency	0	0	0	0	0%
Total	225,648	19,186	-34	206,497	8%

I-90 Two-Way Transit & HOV Operations, Stage 3 outlays through June 2014 were 122 percent of the YTD 2014 budget. A description of financial performance follows.

Agency Administration phase outlays of \$137 thousand were 48 percent of the YTD 2014 budget, or \$151 thousand below plan. Sound Transit staff level of effort lower than projected to support the project work.

Final Design phase outlays of \$6.3 million were 126 percent of the YTD 2014 budget, or \$1.3 million above plan. Final Design phase was expected to complete in May when the budget was set. However, higher cost and efforts are required to meet evolving Fire and Life Safety requirements as well as coordination with local and national agencies on system retrofits to 30 year old structures. Final Design phase is expected to be completed in October instead.

Other

OTHER BY PROJECT – 2014 BUDGET VS ACTUAL AS OF JUNE 30, 2014 (in thousands)

	2014 Current Budget	YTD Budget	YTD Actuals	YTD Budget Remaining	YTD % Budget
SYSTEM EXPANSION					
3X212 - SCR TVM	1,005	60	58	2	0.0%
3X216 - SCR CCTV	1,060	251	(0)	251	0.0%
4X446 - S CORRIDOR ALTERNATIVES PLAN	2,733	1,442	283	1,159	19.7%
5X410 - RESEARCH & TECHNOLOGY	3,970	1,487	489	999	32.9%
600016 - FARE ADMINISTRATION	636	318	169	149	53.2%
600668 - START OPERATIONS & MAINTENANCE	400	173	93	80	53.9%
6X668 - ST ART	2,375	378	265	113	70.2%
809100 - ST3 PLANNING	6,681	2,644	2,263	381	85.6%
809101 - BALLARD-SEATTLE HCT PLANNING	1,757	1,449	242	1,207	16.7%
809102 - HCT CORRIDOR PLANNING STUDIES	2,590	1,295	16	1,279	1.2%
809103 - CENTRAL & EAST HCT STUDY	4,027	2,135	1,406	729	65.9%
809104 - LYNNWOOD TO EVERETT HCT STUDY	2,264	1,381	881	500	63.8%
809105 - SOUTH KING COUNTY HCT STUDY	2,153	1,294	1,259	35	97.3%
Sytem Expansion Total	31,651	14,306	7,425	6,881	51.9%
REHABILITATION AND REPLACEMENT					
7X740 - SMALL WORKS PROGRAM	656	328	340	(12)	103.7%
Rehabilitation and Replacement Total	656	328	340	(12)	103.7%
ENHANCEMENT					
700779 - SECURITY RADIOS	43	43	(36)	79	-85.2%
700780 - FEDERAL WAY TC LIGHT RETROFIT	4	4	-	4	0.0%
700782 - AUBURN LIGHTING RETROFIT	12	6	-	6	0.0%
700784 - REGIONAL PARKING PILOT PROJECT	475	238	44	193	18.7%
7X743 - SECURITY ENHANCEMENTS	483	483	215	268	44.5%
7X753 - BIKE LOCKER PROGRAM	371	202	4	198	1.9%
804100 - TOD PROPERTY DISPOSITION	1,677	959	210	749	21.9%
8X100 - TOD PLANNING	100	65	-	65	0.0%
Enhancement Total	3,165	1,999	437	1,563	21.8%
ADMINISTRATIVE					
600025 - ENVIRONMENTAL MITIGATION/MONITR	303	151	-	151	0.0%
802000 - ADMINISTRATIVE CAPITAL	824	-	54	(54)	0.0%
803800 - INFORMATION TECH PROGRAM	3,160	1,059	719	340	67.9%
804500 - SURPLUS PROPERTY DISPOSITION	300	150	2	148	1.5%
Administrative Total	4,587	1,360	775	585	57.0%
Other Total	40,059	17,993	8,976	9,017	49.9%

Other annual capital outlays through June 30, 2014, were \$9.0 million or 49.9 percent of the 2014 second quarter budget. Select project notes are included below:

South Corridor Alternative Planning

Capital outlays of \$0.3 million through the end of June are 22 percent of the Adopted 2014 YTD budget, or \$1.4 million below plan.

Preliminary Engineering phase outlays of \$0.3 million are 22 percent, or \$1.0 million below the Adopted 2014 YTD budget.

Parametrix contract work is currently scheduled to end in September. It is possible that only \$1.7 million of the \$2.5 million contract budget will be used. .

HCT Corridor Planning Studies

Outlays of \$16 thousand through the end of June are 1 percent of the Adopted 2014 YTD budget, or \$1.5 million below plan.

2014 budget was developed to ensure that adequate funding was available to fund additional corridor studies that may have been requested by the Sound Transit Board. In 2015 most of the budget from this project would be moved to ST3 Planning project leaving a smaller portion of the remaining funds in case of further potential Board inquires related to corridor planning studies.

OTHER BY PROJECT LIFETIME BUDGET AS OF JUNE 30, 2014 (in thousands)

	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Un- committed	YTD % Un- committed
SYSTEM EXPANSION					
3X212 - SCR TVM	9,218	7,683	1	1,534	16.6%
3X216 - SCR CCTV	10,142	6,013	123	4,006	39.5%
4X446 - S CORRIDOR ALTERNATIVES PLAN	4,064	1,609	1,069	1,387	34.1%
5X410 - RESEARCH & TECHNOLOGY	14,656	11,657	1,076	1,924	13.1%
600016 - FARE ADMINISTRATION	17,611	723	163	16,725	95.0%
600668 - STart OPERATIONS & MAINTENANCE	4,927	581	30	4,315	0.0%
6X668 - ST ART	49,267	13,914	407	34,946	0.0%
809100 - ST3 PLANNING	39,200	3,266	2,973	32,961	84.1%
809101 - BALLARD-SEATTLE HCT PLANNING	2,800	1,154	587	1,058	37.8%
809102 - HCT CORRIDOR PLANNING STUDIES	5,779	65	-	5,714	98.9%
809103 - CENTRAL & EAST HCT STUDY	4,725	2,158	151	2,416	51.1%
809104 - LYNNWOOD TO EVERETT HCT STUDY	2,856	1,466	464	926	0.0%
809105 - SOUTH KING COUNTY HCT STUDY	2,840	1,936	(219)	1,123	0.0%
Sytem Expansion Total	168,086	52,225	6,825	109,035	64.9%
REHABILITATION AND REPLACEMENT					
7X740 - SMALL WORKS PROGRAM	5,784	1,865	145	3,774	65.3%
Rehabilitation and Replacement Total	5,784	1,865	145	3,774	65.3%
ENHANCEMENT					
700779 - SECURITY RADIOS	340	261	36	43	12.5%
700780 - FEDERAL WAY TC LIGHT RETROFIT	579	575	4	(0)	0.0%
700782 - AUBURN LIGHTING RETROFIT	220	208	1	11	5.0%
700784 - REGIONAL PARKING PILOT PROJECT	475	44	2	429	0.0%
7X743 - SECURITY ENHANCEMENTS	2,498	2,230	415	(147)	-5.9%
7X753 - BIKE LOCKER PROGRAM	1,355	627	148	579	0.0%
804100 - TOD PROPERTY DISPOSITION	5,601	761	719	4,122	0.0%
8X100 - TOD PLANNING	1,640	1,146	5	489	29.8%
Enhancement Total	12,708	5,853	1,331	5,525	43.5%
ADMINISTRATIVE					
600025 - ENVIRONMENTAL MITIGATION/MONTR	1,423	170	206	1,047	73.6%
802000 - ADMINISTRATIVE CAPTIAL	13,334	3,924	442	8,968	67.3%
803800 - INFORMATION TECH PROGRAM	32,235	8,678	888	22,670	70.3%
804500 - SURPLUS PROPERTY DISPOSITION	708	135	41	532	75.2%
Administrative Total	47,700	12,907	1,576	33,217	69.6%
Other Lifetime Total	234,278	72,851	9,876	151,551	64.7%

Section V – Department Expenses

DEPARTMENT EXPENSES BY CATEGORY AS OF JUNE 30, 2014
(in thousands)

Department Expenses	2014 YTD Actuals	2014 YTD Budget	Budget v. Actuals	% of Budget
Salaries and Benefits	\$34,306	\$36,011	\$1,705	95%
Services	\$5,530	\$7,653	\$2,123	72%
Materials and Supplies	\$372	\$1,190	\$818	31%
Insurance	\$1,475	\$1,457	-\$18	101%
Miscellaneous Expenses	\$873	\$1,659	\$786	53%
Leases & Rentals	\$1,652	\$1,910	\$258	86%
Other Expenses	\$468	\$788	\$320	59%
Total	\$44,676	\$50,668	\$5,992	88.2%

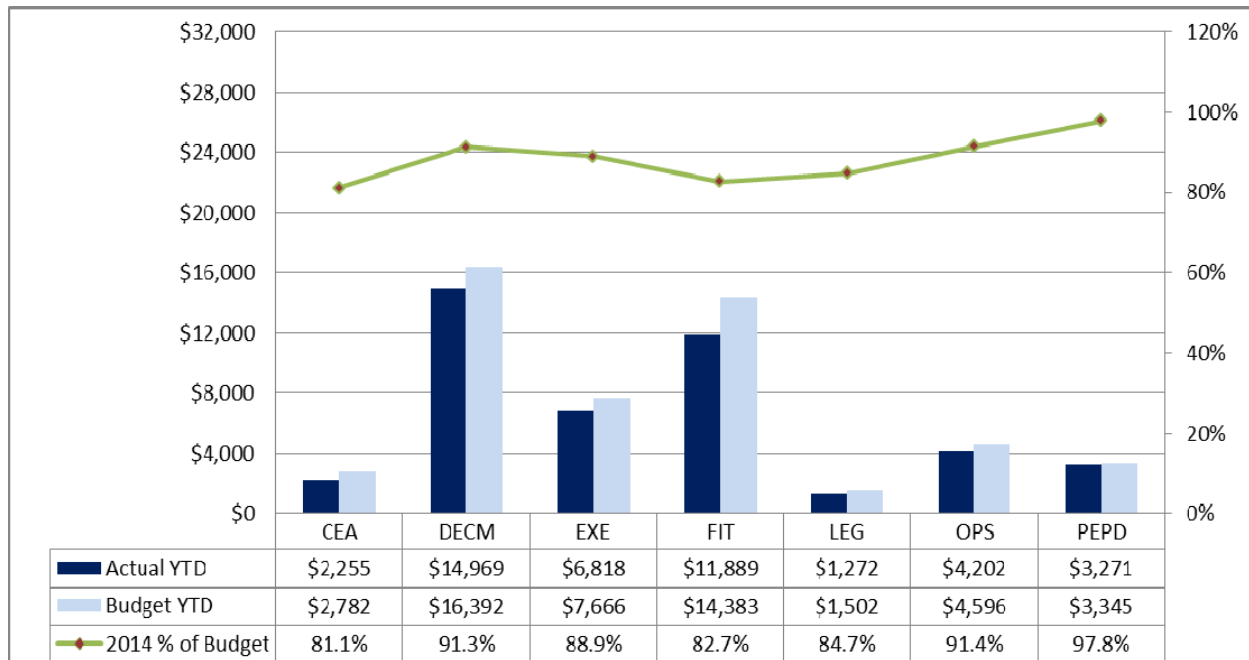
Second quarter department expenses are \$6.0 million or 12 percent below the YTD budget. All expense categories are below budget except Insurance with services posting the largest underrun of \$2.1 million followed by material and supplies of \$0.8 million.

Salaries and benefits are running under budget by \$1.7 million or 5 percent. Through two quarters the average vacancy rate is 10.3 percent, the second quarter vacancy rate is 11.2 percent which equates to an average of 77 open positions.

Service related under spending is primarily due to consultant services, software maintenance agreements and other professional contract work beginning later than expected.

The majority of under spending for materials and supplies is related to computer and other hardware purchases, which are expected to be procured later in the year.

DEPARTMENT EXPENSES AS OF JUNE 30, 2014
(in thousands)



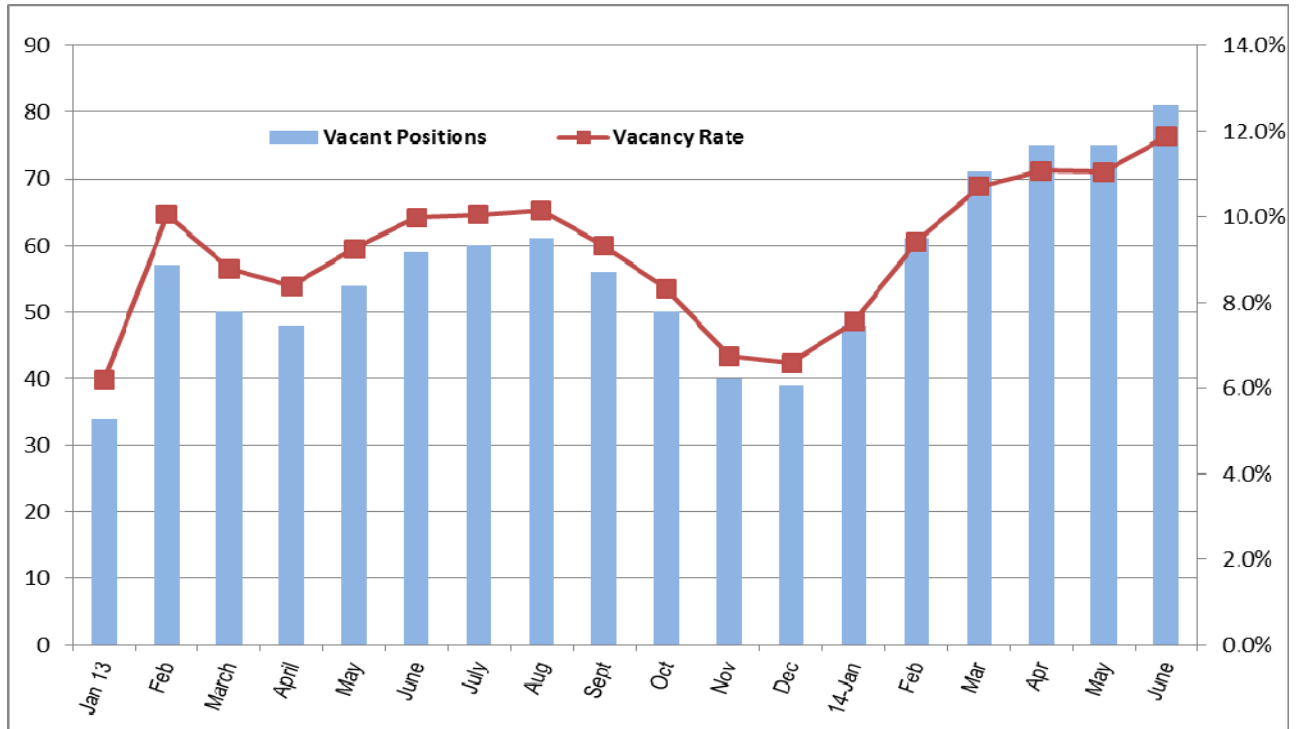
As the graph illustrates, all departments are running under budget through second quarter of 2014.

STAFFING PLAN BY DEPARTMENT AS OF JUNE 30, 2014

Department	Filled As of End of Jun-14	Adopted 2014 Staffing Plan
COMMUNICATIONS & EXT AFFAIRS	31.00	34.00
DESIGN, ENG & CONST MGMT	210.00	240.00
EXECUTIVE	91.00	106.00
FINANCE & INFO TECHNOLOGY	107.00	120.00
LEGAL	16.00	16.00
OPERATIONS	60.00	70.00
PLANNING, ENV & PROJECT DEV	44.00	49.00
TOTAL: AGENCY ADMINISTRATION	559.00	635.00
SERVICE DELIVERY		
FINANCE & INFO TECHNOLOGY	10.00	12.00
CENTRAL LINK LIGHT RAIL	7.00	7.00
SOUNDER	5.00	5.00
ST EXPRESS	3.00	3.00
TACOMA LIGHT RAIL	17.00	19.00
TOTAL: SERVICE DELIVERY	42.00	46.00
TOTAL SOUND TRANSIT STAFF	601.00	681.00

Total Sound Transit staffing finished second quarter with 80 vacant positions and a June vacancy rate of 12 percent.

2014 SOUND TRANSIT Q1 VACANCIES AND VACANCY RATE BY MONTH



The 2014 January – June vacancy rate is 10.3 percent which averages to 70 vacant positions. The 2014 vacancy rate is running 17 percent higher for the first half of 2014 compared to the same period in 2013.