

Quarterly Financial Performance Report

Q3 2017

Connecting Communities / Ride the Wave



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Executive Summary

2017 Q3 REVENUES

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Revenues	\$1,621,334	\$1,163,948	\$1,480,335	\$316,387	127.2%

- YTD Q3 revenues of \$1.5B are \$316.4M or 27.2% above budget mainly due to WSDOT Landbank contributions for the purchase of airspace leases, temporary easements and a land parcel, totaling \$204.0M. These non-cash contributions are recognized as state contributions and were not budgeted for.
- YTD Q3 tax revenues of \$1.1B are running \$96.0M or 9.6% above budget. Tax revenues include property tax, a new tax revenue, following voter approval of the ST3 system expansion plan, as well as the ST3 tax rate increases for sales tax and motor vehicle excise tax.

2017 Q3 DEPARTMENT BUDGETS

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Department Budgets	410,922	296,924	270,066	26,858	91.0%

- All departments running below budget; large number of staff vacancies led to salary and benefits running \$5.8M under budget.

2017 Q3 TRANSIT MODES EXPENSE BUDGETS

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Transit Modes	\$299,348	\$223,779	\$198,541	\$25,238	88.7%

- All transit modes finished third quarter under budget. Link ridership continues to grow – 3.7M more riders than YTD 2016. Low fuel prices, purchased transportation, and delayed facility maintenance activities continue to drive lower than planned spending.

2017 Q3 PROJECT BUDGETS

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Project Budgets	\$1,362,201	\$916,577	\$863,336	\$53,242	94.2%

- System Expansion projects are slightly below year-to-date budget, primarily due to slower than planned right of way acquisitions.

Revenues & Other Financing Sources

- Tax revenues include property tax, a new tax revenue for 2017.

- Sales taxes are the largest revenue source, comprising 53% of YTD Q3 revenues.

- Passenger fare revenue includes fare revenues for Link, Sounder, and ST Express.

YTD Q3 revenues of \$1.5B are \$316.4M or 27.2% above budget mainly due to WSDOT Landbank contributions for the purchase of airspace leases, temporary easements and a land parcel from WSDOT, totaling \$204.0M. These non-cash contributions are recognized as state contributions and were not budgeted for.

Tax revenues of \$1.1B are \$96.0M or 9.6% above YTD budget. Passenger fare revenues are \$1.5M or 2.3% above YTD budget due to higher than budgeted ridership for Sounder, Link and ST Express. Federal grant drawdowns are \$2.7M or 3.4% above budget, mainly due to higher than budgeted drawdowns for the Point Defiance Bypass and Tacoma Link Extension projects. Investment income is \$7.7M above YTD budget due to higher than budgeted interest revenue from higher cash balances following the sale of green bonds in December 2016, as well as interest on higher tax revenues.

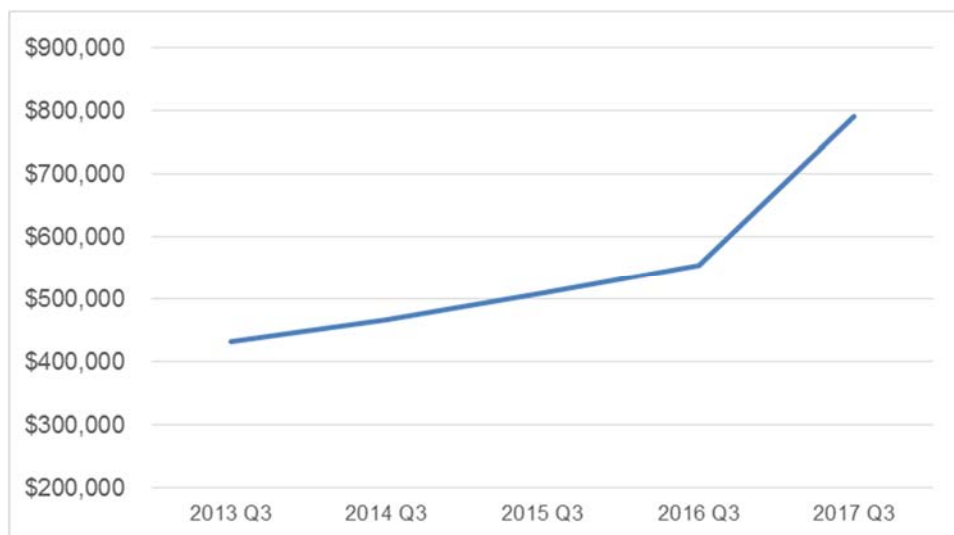
2017 YTD Q3 REVENUE SOURCES
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Retail Sales and Use Tax	\$726,239	\$790,940	\$64,701	108.9%
Motor Vehicle Excise Tax	\$172,790	\$194,578	\$21,788	112.6%
Rental Car Tax	\$2,792	\$2,823	\$31	101.1%
Property Tax	\$94,939	\$104,442	\$9,503	110.0%
Passenger Fare Revenue	\$65,591	\$67,117	\$1,525	102.3%
Federal Grants	\$78,420	\$81,109	\$2,689	103.4%
Local & State Contributions	\$7,747	\$213,228	\$205,481	2752.3%
Investment Income	\$7,473	\$15,129	\$7,656	202.4%
Miscellaneous Revenues	\$7,956	\$10,969	\$3,013	137.9%
Total Revenues	\$1,163,948	\$1,480,335	\$316,387	127.2%

- YTD 2017 Q3 sales taxes include the ST3 sales tax rate increase of 0.5%, which took effect on April 2017.

- YTD 2017 Q3 sales taxes grew by 43% or \$237M over 2016 Q3.

YTD SALES TAX REVENUE 2013 - 2017
(in thousands)



Operating Budget – Departments

2017 Q3 DEPARTMENT EXPENSES (in thousands)

Expense Category	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Salary and Benefits	\$75,880	\$70,055	\$5,824	92.3%
Services	\$61,516	\$49,201	\$12,315	80.0%
Materials & Supplies	\$9,399	\$6,436	\$2,963	68.5%
Utilities	\$4,997	\$4,876	\$121	97.6%
Insurance	\$5,631	\$4,333	\$1,298	77.0%
Taxes	\$2,322	\$2,213	\$109	95.3%
Purchased Transportation	\$121,976	\$118,168	\$3,808	96.9%
Miscellaneous Expenses	\$4,092	\$3,373	\$719	82.4%
Interest Expense	\$14	\$4	\$10	26.7%
Operating Rentals	\$11,098	\$11,407	-\$309	102.8%
Total	\$296,924	\$270,066	\$26,858	91.0%

- Salary and benefits below budget due to a higher than expected vacancy rate. 2017 YTD vacancy rate well above previous levels.
- Services under budget due to lower than expected use of facility maintenance contracts, ORCA inter-local agreement, consulting services, and legal fees.
- Insurance costs below budget as actual premium costs were less than planned.
- Materials and supplies below budget due to less than expected fuel costs for Sounder as prices remain low.
- Agency had 111 vacant positions, vacancy rate of 13.0%, at the end of Q3. The nine month vacancy rate is 12.3% with an average number of vacant positions of 102.

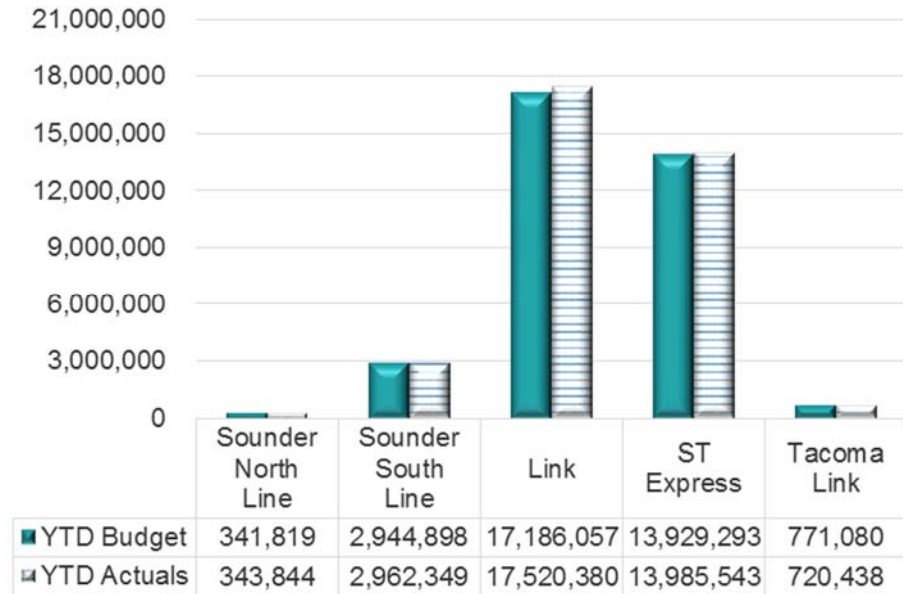
2017 Q3 VACANCY BY DEPARTMENT (on September 30)

Department	YTD Staffing Plan	YTD Filled Positions	# Vacant	% Vacant
Communications and External Affairs	39	38	1	2.6%
Design, Engineering and Construction Management	278	243	35	12.6%
Executive	151	123	28	18.5%
Finance and Information Technology	165	150	15	9.1%
Legal	17	16	1	5.9%
Operations	143	123	20	14.0%
Planning, Environment and Project Development	61	50	11	18.0%
Total	854	743	111	13.0%

Operating Budget – Transit Modes

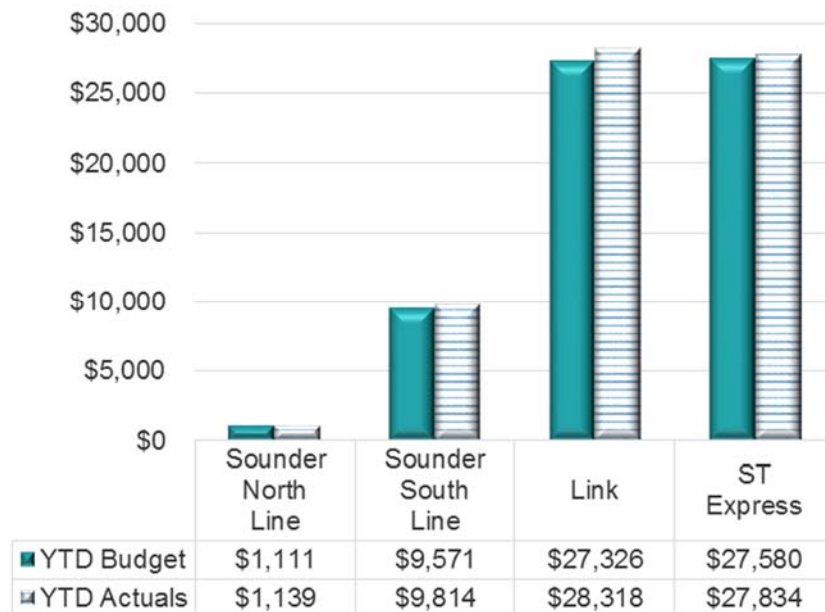
2017 Q3 YTD BOARDINGS

- Boardings across all revenue modes above target by 410K or 1.2%. Compared to YTD 2016 they are up by 3.7M or 12.1%. Link makes up 96.8% of the increase.



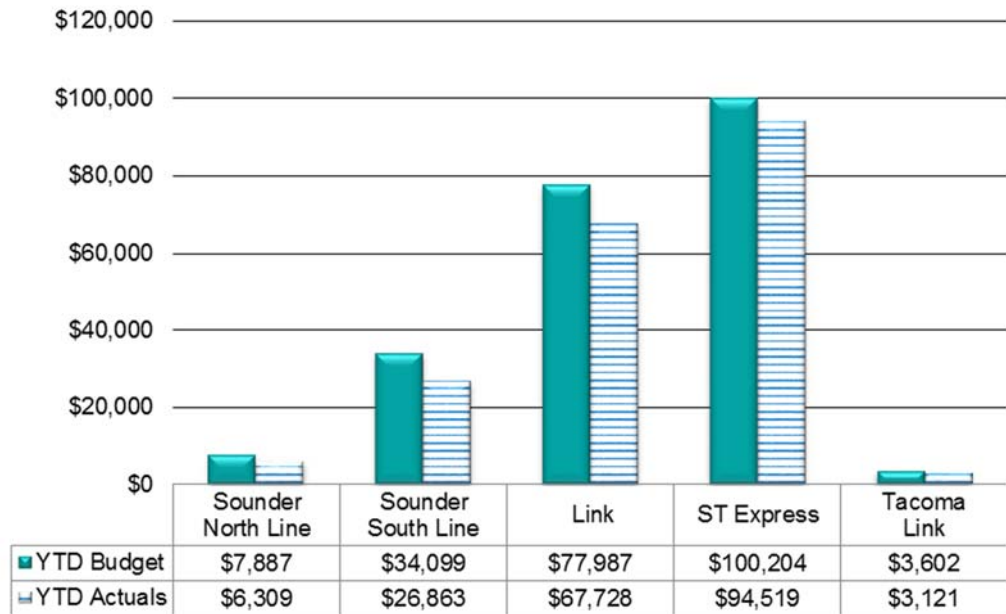
2017 Q3 YTD FARE REVENUE BY MODE (in thousands)

- All modes above target by \$1.5M or 2.3% primarily due to Link.



- All modes under budget by \$25.2M or 11.3% primarily due to under spending for purchased transportation, fuel, and facility maintenance.

2017 Q3 YTD TRANSIT MODE EXPENSE BUDGET PERFORMANCE
(in thousands)



2017 Q3 YTD COST PER BOARDING BY MODE

- A combination of lower costs for all modes and increased ridership help keep cost per boarding below budget.



*Link cost per boarding exclude paratransit expenses.

- Boardings above YTD budget by 1.9% leading to better than expected passenger fare revenue.

- Services under budget primarily due to Downtown Seattle Transit Tunnel (DSTT) costs less than planned, and some planned facility maintenance projects being delayed or carried forward to 2018.

- Other Expenses were above budget primarily driven by high usage of traction power (electricity) due to increased usage of three car alignments.

2017 Q3 Link Light Rail

(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
Revenues				
Passenger Fares	\$27,326	\$28,318	\$992	103.6%
Other Operating Revenue	756	\$1,420	664	187.8%
Total Revenues	\$28,082	\$29,738	\$1,656	105.9%
Expenses				
Salaries and Benefits	\$2,368	\$2,221	\$147	93.8%
Services	21,449	\$18,381	3,068	85.7%
Materials and Supplies	2,679	\$1,713	966	63.9%
Insurance	2,455	\$2,075	380	84.5%
Purchased Transportation Svcs	30,762	\$29,460	1,302	95.8%
Miscellaneous Expenses	139	\$142	(3)	102.2%
Leases & Rentals	4,048	\$4,068	(20)	100.5%
Other Expenses	3,171	\$3,447	(276)	108.7%
Total Expenses	\$67,071	\$61,507	\$5,564	91.7%
Expense Transfers	\$10,916	\$6,221	\$4,695	57.0%
Total	\$77,987	\$67,728	\$10,259	86.8%

2017 Q3 Sounder Commuter Rail

(in thousands)

- Passenger fare revenue slightly above budget, boardings 0.6% above YTD budget.

- Services below budget primarily driven by vehicle maintenance as the delivery of nine cab cars delayed to Q4. Facilities maintenance below budget due to a number of planned projects being delayed or carried forward to 2018.

- Materials and supplies below budget due to low fuel prices.

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
Revenues				
Passenger Fares	\$10,682	\$10,953	\$271	102.5%
Other Operating Revenue	276	\$418	142	151.4%
Total Revenues	\$10,958	\$11,371	\$413	103.8%
Expenses				
Salaries and Benefits	\$1,591	\$1,468	\$123	92.3%
Services	\$16,143	\$14,470	1,673	89.6%
Materials and Supplies	\$5,028	\$3,030	1,998	60.3%
Insurance	\$2,062	\$1,647	415	79.9%
Purchased Transportation Svcs	\$8,779	\$8,146	633	92.8%
Miscellaneous Expenses	\$137	\$144	(7)	105.1%
Leases & Rentals	\$478	\$416	62	87.0%
Other Expenses	1,706	\$1,639	67	96.1%
Total Expenses	\$35,924	\$30,960	\$4,964	86.2%
Expense Transfers	\$6,062	\$2,212	\$3,850	36.5%
Total	\$41,986	\$33,172	\$8,814	79.0%

2017 Q3 Sounder N Line
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
Revenues				
Passenger Fares	\$1,111	\$1,139	\$28	102.5%
Other Operating Revenue	\$29	\$43	15	151.4%
Total Revenues	\$1,140	\$1,183	\$43	103.8%
Expenses				
Salaries and Benefits	\$255	\$235	\$20	92.3%
Services	\$2,583	\$2,315	268	89.6%
Materials and Supplies	\$804	\$485	320	60.3%
Insurance	\$330	\$264	66	79.9%
Purchased Transportation Svcs	\$2,563	\$2,293	270	89.5%
Miscellaneous Expenses	\$22	\$23	(1)	105.1%
Leases & Rentals	\$76	\$67	10	87.0%
Other Expenses	\$284	\$274	9	96.8%
Total Expenses	\$6,917	\$5,955	\$961	86.1%
Expense Transfers	\$970	\$354	\$616	36.5%
Total	\$7,887	\$6,309	\$1,577	80.0%

2017 Q3 Sounder South Line
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
Revenues				
Passenger Fares	\$9,571	\$9,814	\$243	102.5%
Other Operating Revenue	\$247	\$375	127	151.4%
Total Revenues	\$9,818	\$10,188	\$370	103.8%
Expenses				
Salaries and Benefits	\$1,336	\$1,233	\$103	92.3%
Services	\$13,560	\$12,155	1,405	89.6%
Materials and Supplies	\$4,224	\$2,545	1,678	60.3%
Insurance	\$1,732	\$1,383	349	79.9%
Purchased Transportation Svcs	\$6,216	\$5,852	364	94.1%
Miscellaneous Expenses	\$115	\$121	(6)	105.1%
Leases & Rentals	\$402	\$349	52	87.0%
Other Expenses	\$1,422	\$1,365	58	95.9%
Total Expenses	\$29,007	\$25,004	\$4,004	86.2%
Expense Transfers	\$5,092	-	0	36.5%
Total	\$34,099	\$26,863	\$7,237	78.8%

2017 Q3 ST Express Bus
(in thousands)

- Passenger fare revenue slightly above budget, boardings 0.4% above YTD budget.

- Services for facilities maintenance below budget due to some projects being delayed or carried forward to 2018.

- Purchased transportation below budget driven by low fuel prices.

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
Revenues				
Passenger Fares	\$27,580	\$27,834	\$254	100.9%
Other Operating Revenue	953	\$922	(31)	96.7%
Total Revenues	\$28,533	\$28,756	\$223	100.8%
Expenses				
Salaries and Benefits	\$775	\$714	\$61	92.1%
Services	7,667	\$5,782	1,885	75.4%
Materials and Supplies	61	\$69	(8)	113.1%
Insurance	109	(\$178)	287	-163.3%
Purchased Transportation Svcs	82,432	\$80,562	1,870	97.7%
Miscellaneous Expenses	107	\$133	(26)	124.3%
Leases & Rentals	1,619	\$1,830	(211)	113.0%
Other Expenses	865	\$782	83	90.4%
Total Expenses	\$93,635	\$89,694	\$3,941	95.8%
Expense Transfers	\$6,569	\$4,825	\$1,744	73.5%
Total	\$100,204	\$94,519	\$5,685	94.3%

2017 Q3 Tacoma Link Light Rail
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
Revenue				
Other Operating Revenue	\$1	\$21	\$20	0.0%
Total Revenue	\$1	\$21	\$20	0.0%
Expenses				
Salaries and Benefits	\$1,628	\$1,709	-\$81	105.0%
Services	727	\$596	131	82.0%
Materials and Supplies	120	95	25	79.2%
Insurance	125	84	41	67.2%
Purchased Transportation Svcs	4	0	4	0.0%
Miscellaneous Expenses	21	8	13	38.1%
Leases & Rentals	17	16	1	94.1%
Other Expenses	96	75	21	78.1%
Total Expenses	\$2,738	\$2,583	\$155	94.3%
Expense Transfers	864	\$539	325	62.4%
Total	\$3,602	\$3,122	\$480	86.7%

Project Budgets

- System expansion projects are 98% of the total capital program. Link expansion projects are 85% of the total capital program expenditures through Q3.

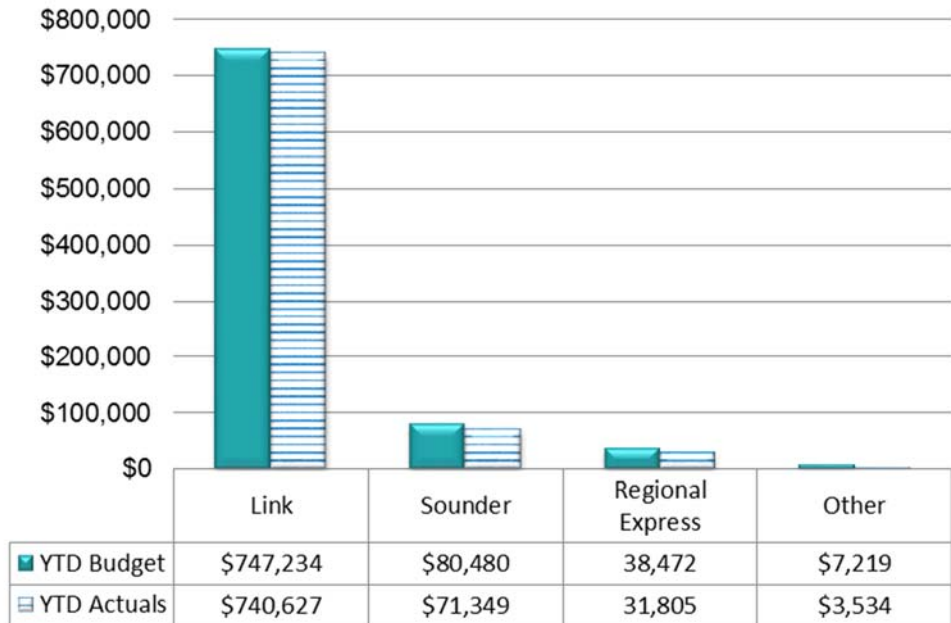
- Q3 Link spending slightly behind plan as right of way property acquisitions have occurred slower than planned.

- System expansion across all transit modes below year to date budget by \$16.7M or 3.3%.

2017 Q3 PROJECT BUDGETS
(in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
System Expansion					
Link	\$1,078,716	\$747,234	\$740,627	\$6,607	99.1%
Sounder	101,298	\$80,480	\$71,349	9,131	88.7%
Regional Express	104,142	38,472	31,805	6,667	82.7%
Other	13,821	\$7,219	\$3,534	3,686	48.9%
System Expansion Subtotal	\$1,297,978	\$873,405	\$847,315	\$26,090	97.0%
Enhancement	\$30,742	\$21,165	\$3,994	\$17,171	18.9%
State of Good Repair	24,333	14,287	8,958	5,329	62.7%
Administrative	9,148	7,719	3,068	4,651	39.7%
Project Budgets					
Total	\$1,362,201	\$916,577	\$863,336	\$53,242	94.2%

2017 Q3 YTD SYSTEM EXPANSION
(in thousands)



System Expansion Projects (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Remaining	% of YTD
LINK					
400007 - FIRST HILL STREETCAR	\$438	\$435	\$434	\$1	99.8%
400008 - TACOMA LINK EXTENSION	12,096	9,328	10,002	(\$674)	107.2%
400009 - LINK O&M FACILITY EAST	108,766	71,737	70,400	\$1,336	98.1%
400032 - LRV FLEET EXPANSION	71,934	65,254	69,359	(\$4,105)	106.3%
400034 - ENHANCEMENTS TO TLE	1,500	932	34	\$898	3.7%
400066 - WEST SEATTLE-BALLARD LINK	4,150	-	456	(\$456)	0.0%
4X100 - NORTHGATE LINK EXTENSION	267,957	197,626	180,184	\$17,441	91.2%
4X115 - LYNNWOOD LINK EXTENSION	116,296	88,073	77,789	\$10,284	88.3%
4X200 - UNIVERSITY LINK EXTENSION	7,795	5,908	3,262	\$2,647	55.2%
4X420 - S 200th LINK EXTENSION	9,428	7,070	7,400	(\$329)	104.7%
4X445 - FEDERAL WAY LINK EXTENSION	70,758	34,624	13,747	\$20,877	39.7%
4X600 - EAST LINK	393,373	259,972	301,983	(\$42,012)	116.2%
4X630 - DOWNTOWN REDMOND LINK EXT	14,225	6,276	5,577	\$699	88.9%
Total	\$1,078,716	\$747,234	\$740,627	\$6,607	99.1%
OTHER					
3X212 - FARE COLLECTION	\$148	\$56	\$45	\$11	80.0%
5X410 - RESEARCH & TECHNOLOGY	2,297	1,603	646	957	40.3%
600016 - FARE ADMINISTRATION	551	413	79	334	19.2%
600038 - ORCA NEXT GENERATION	1,922	1,393	184	1,209	13.2%
600039 - RESEARCH & BUSINESS DEV PROG	400	275	16	259	5.8%
600668 - STart OPERATIONS & MAINTENANCE	239	175	205	(30)	117.0%
6X668 - ST ART	1,390	944	793	152	83.9%
809100 - ST3 PLANNING	6,850	2,359	1,565	794	66.4%
809103 - CENTRAL & EAST HCT STUDY	25	-	-	-	0.0%
Total	\$13,821	\$7,219	\$3,534	\$3,686	48.9%
REGIONAL EXPRESS					
500005 - ST EXPRESS BUS BASE	\$587	\$371	\$2	\$369	0.5%
500030 - BOTHELL TRANSIT-RELATE IMPRVT	5,036	-	0	(0)	0.0%
500050 - I-405 BUS RAPID TRANSIT	45,650	230	188	42	81.7%
5X387 - REX I-90 2 WAY TRANS& HOV III	39,221	37,161	31,514	5,647	84.8%
700720 - ST EXPRESS FLEET EXPANSION	13,649	711	101	609	14.3%
Total	\$104,142	\$38,472	\$31,805	\$6,667	82.7%
SOUNDER					
300004 - SOUNDER MAINTENANCE BASE	\$5,814	\$1,517	\$401	\$1,116	26.4%
300017 - PUYALLUP STATION IMPROVEMENTS	6,014	5,549	846	4,703	15.2%
300018 - SUMNER STATION IMPROVEMENTS	4,481	3,369	564	2,805	16.8%
300021 - TACOMA TRESTLE TRACK & SIGNAL	58,630	52,562	48,938	3,624	93.1%
300026 - SOUNDER YARD EXPANSION	4,755	3,755	3,427	328	91.3%
300027 - PT DEFIANCE BYPASS	6,972	6,455	14,098	(7,643)	218.4%
300035 - KENT STATION ACCESS IMPRVMNTS	506	506	478	28	94.4%
300040 - AUBURN STATION ACCESS IMPRVMNT	506	506	463	43	91.5%
3X135 - D ST - M ST TRACK & SIGNAL	71	44	17	27	38.9%
3X206 - MUKILTEO STATION-S PLATFORM	1,620	1,620	1,371	249	84.7%
3X236 - TUKWILA STATION	366	361	194	167	53.6%
3X510 - SOUNDER SOUTH EXPANDED SERVICE	4,800	993	223	770	22.5%
7X755 - SOUNDER ST2 FLEET EXPANSION	6,764	3,244	329	2,915	10.2%
Total	\$101,298	\$80,480	\$71,349	\$9,131	88.7%
System Expansion Total	\$1,297,978	\$873,405	\$847,315	\$26,090	97.0%

Tacoma Link Extension – The project baseline budget of \$217M was adopted by the Board in September, with no change to the Annual 2017 Budget. Costs above year-to-date budget reflect project team efforts to complete 60% design reviews and baseline the project.

Link Operations and Maintenance Facility - East – Project right of way acquisitions are running behind schedule impacting the spending plan. Property acquisition schedule is on the critical path and continues to be closely followed.

LRV Fleet Expansion – Project costs are ahead of the year-to-date budget. The 2016 budget assumed higher vehicles contract outlays however, the contractor's milestone payment schedule shifted work into 2017. All work is on plan and no additional contractor payments are scheduled until 2018. The project anticipates a slight surplus in 2017 budget as budgeted contingencies will not be needed.

Northgate Link Extension – Project costs are \$17M below the year-to-date budget. Procurement of rail materials for track work was delayed pending a "Buy America Waiver".

Lynnwood Link Extension – Project costs are running below the year-to-date budget. Advancement of design to 90% is underway. Work continues to identify, assess and evaluate cost savings ideas.

University Link Extension – Project costs, which reflect close-out activities and systems monitoring, are running below the year-to-date budget. A project budget surplus is estimated at \$200M.

South 200th Link Extension – Project costs, which reflect activities to transfer work to the Operations Department and completion of contracts, are ahead of the year-to-date budget; expenditures include two claim settlements totaling \$1.3M paid to construction contractors in Q2 2017. Project savings are estimated to be \$42M.

Federal Way Link Extension – Project costs are running at 95% of year-to-date budget. Preliminary engineering has been advanced as the project prepares for a design-build bid process. The project remains on schedule despite some slowing of property acquisitions.

East Link Extension – Project costs are running at 116% of year-to-date budget due to an accelerated construction schedule. The Notices to Proceed (NTP) for 7 construction contracts were issued in 2017. The forecast for 2017 anticipates that actual capital outlays will exceed the annual budget but stay within baseline budget. The most recent project forecast anticipates spending to exceed the 2017 budget by \$95.5M. Staff will re-assess the forecast in November.

REX I-90 2 Way Transit and HOV Operations, Stage 3 – Project costs are running at 85% of the year-to-date budget. The substantial completion date has moved from end of May to November this year.

Tacoma Trestle Track & Signal – As of Q3, project is on schedule and will reach substantial completion in December.

Point Defiance By-Pass - Project spend exceeds plan as a result of \$4M settlement with contractor and planned 2016 work that carried over into 2017. Project remains on schedule.

Puyallup Station Improvements – Major property acquisition for the project has not been finalized, resulting in a positive budget variance in the ROW phase.

Sumner Station Improvements – With only one remaining parcel to purchase, ROW acquisitions are expected to be complete in Q4 2017.

Enhancement Projects (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Remaining	% of YTD Budget
300011 - POSITIVE TRAIN CONTROL	\$8,002	\$7,724	\$109	\$7,615	1.4%
400044 - LINK OP SYST ENHANCEMENT/UPGRD	1,400	986	4	981	0.4%
4X340 - NOISE ABATEMENT	130	54	2	52	3.7%
5x261- BUS MAINTENANCE FACILITY	-	-	2	(2)	0.0%
600045 - OPENSIDEWALKS DATA DVLPMNT	60	60	50	10	83.3%
700696 - KING ST STATION PLATFORM IMPRV	300	270	3	267	1.2%
700707 - BELLEVUE TC SECURITY SYSTEM	150	113	-	113	0.0%
700697 - LRV BETWEEN CAR BARRIERS	520	520	412	108	79.3%
700706 - OMF ENERGY EFFICIENCY	1,042	1,042	140	902	13.4%
700708 - CUSTOMER EMERGENCY STATIONS	300	225	-	225	0.0%
700710 - LOCOMOTIVE INBOARD CAMERAS	300	228	-	228	0.0%
700711 - SCR PSSNGR EMERGENCY INTRCOM	750	750	-	750	0.0%
700712 - LRV WHEEL FLAT SOFTWARE	250	208	-	208	0.0%
700713 - LRV WASH BAY MODIFICATIONS	300	294	0	293	0.1%
700723 - DSTT MITIGATION	2,334	1,689	349	1,341	20.6%
700724 - PUYALLUP STN LED LIGHTING	178	178	52	126	29.0%
700725 - SUMNER STN LED LIGHTING	134	134	20	114	14.8%
700726 - KENT STN PLATFORM LIGHTING	236	236	77	159	32.7%
700727 - KENT STN PARKING LOT PAVING	626	-	-	-	0.0%
700730 - OMF LRV LIFT	4,458	428	139	289	0.0%
700736 - UNION STN GARDEN LEVEL REMODEL	1,455	1,455	988	467	67.9%
700774 - C LINK HVAC-INSTRU HSE/UPS RM	449	449	6	442	1.4%
700775 - C LINK CARD READERS	292	-	(0)	0	0.0%
700777 - C LINK OH CAT SYS TIE SWITCH	2,995	1,498	1	1,496	0.0%
700781 - NON-REVENUE SUPPORT VEHICLES	1,034	517	662	(144)	127.9%
700793 - SIGNAGE IMPROVEMENTS	1,014	470	86	385	18.2%
700798 - LINK REMOTE SWITCH HEATERS	125	-	-	-	0.0%
7X753 - BIKE LOCKER PROGRAM	184	184	67	117	36.4%
804100 - TOD PROPERTY DISPOSITION	1,725	1,454	826	628	56.8%
	\$30,742	\$21,165	\$3,994	\$17,171	18.9%

Positive Train Control – The project is expected to achieve substantial completion by end of Q1 2018. The project contractor, Xorail, has been under a “stop work order” since September 2016 while Burlington Northern Santa Fe railroad (BNSF) and the Federal Railroad Administration (FRA) discuss responsibilities for system certification. Xorail is expected to remobilize in Q4 2017 to finish their contract less work that BNSF will now complete. The project is

dependent on BNSF Railroad FRA certification as they will assist Sound Transit in the administration of the positive train control system. Project expenditures are anticipated to be well under the 2017 annual budget as testing and commissioning by the FRA is expected to occur early 2018.

Link Operating Segment Systems Enhancements and Upgrades – Work is expected to get underway in late Fall 2017.

Union Station Garden Level Remodel – The project is substantially complete and has begun the contract close-out process.

Sounder Passenger Emergency Intercom – This project will install Federal Railroad Administration mandated intercom systems in existing Sounder coaches and cab cars. New cars will come equipped with the mandated passenger emergency intercom capabilities. The project is deferred until 2018.

Signage Improvements – Expenditures are substantially below the year-to-date budget. Installation of upgraded signage for King Street, International District/Chinatown stations and First Hill began in April 2017, but the contractor will not invoice ST until work is completed. Design of wayfinding signage in the pedestrian connector between Sea-Tac Airport and the Link station is on hold pending coordination with other improvements by the Port of Seattle.

DSTT Mitigation – Project costs are 21% of year-to-date budget. This project reflects ST's contribution to street improvements in downtown Seattle, to mitigate the impacts of buses transitioning out of the Downtown Seattle Transit Tunnel (DSTT) to accommodate increased light rail activity in the tunnel.

Central Link Overhead Catenary System Tie Switch – This project is managed by the Operations department with support from the Systems Engineering group in DECM. Given the limited maintenance window for installation the work is expected to commence in Q1 2018.

OMF LRV Lift - Project expenditures are significantly below the year-to-date budget. A second LRV lift will be procured and installed at the Link Operations and Maintenance Facility. Procurement of the lift is scheduled to be complete by 4th quarter 2017, design package completion is scheduled for 1st quarter 2018, construction of the electrical and foundation work to occur 2nd-3rd quarter 2018, and commissioning of the lift 3rd quarter 2018. This aggressive project schedule is needed for the lift to be in place before major overhauls to the current light rail vehicles.

State of Good Repair Projects (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Remaining	% of YTD Budget
400046 - CONVENTION PL SYSTEM RETROFIT	\$2,549	\$2,514	\$544	\$1,970	21.6%
600033 - LINK CCTV SYSTEM UPGRADE	2,394	1,368	-	1,368	0.0%
700695 - ACCESS CONTROL CARD UPGRADE	1,114	835	-	835	0.0%
700704 - LINK RADIO UPGRADE	1,000	667	-	667	0.0%
700705 - LINK BRIDGE REPAIRS	550	50	0	50	0.9%
700716 - OHELLO TPSS PARKING LOT	378	265	31	234	11.7%
700718 - TACOMA LINK LRV OVERHAUL	418	193	-	193	0.0%
700728 - LINK STN BRAIDED TILE RPLCMNT	435	218	-	218	0.0%
700769 - LRV OVERHAUL	2,959	-	-	-	0.0%
700770 - SOUNDER VEHICLE OVERHAUL PROG	6,652	4,475	2,265	2,210	50.6%
700771 - STATION MIDLIFE MAINTENANCE	616	308	-	308	0.0%
7X356 - TACOMA DOME STATION	414	-	-	-	0.0%
7X701 - ST EXPRESS FLEET REPLACEMENT	25	-	5,022	(5,022)	0.0%
7X740 - SMALL WORKS PROGRAM	2,877	1,857	405	1,452	21.8%
870100 - IT LINK LIGHT RAIL	1,597	1,248	472	776	37.8%
870101 - IT TRANSIT SYSTEMS	355	290	219	71	75.7%
State of Good Repair	\$24,333	\$14,287	\$8,958	\$5,329	62.7%

Convention Place Development Systems Retrofit – The systems retrofit work was in scope for the GC/CM systems construction contract for Northgate Link and East Link extensions awarded in April 2017. Expenditures for systems design are below the year-to-date budget. Construction did not start until September 2017 but will be completed this year. Systems software installation will not be completed until 2018, possibly 2019.

Link Bridge Repairs – Repairs to bridge structures within the Link light rail alignment are required to correct areas of deterioration that have developed over time. Work was anticipated to start summer 2017 and execution of repairs is limited to night maintenance windows and good weather, which has slowed progress. Repairs are expected to carry over into 2018.

LRV Overhaul – All repairs to vehicles have been completed. Work continues on repairs to spare traction motors. The Agency is still negotiating warranty coverage on the repairs. Project completion, including resolution of costs, is anticipated by year-end 2017.

Sounder Vehicle Overhaul Program – At the end of Q3 the program is \$2.2M behind plan. However, two locomotives which are scheduled for completion in 2017 are scheduled for delivery in November and December which represents the balance of the program for 2017.

ST Express Fleet Replacement – The anticipated delivery of double decker buses accelerated from Q1 2018 to 2017, resulting in the project being overspent in 2017. Overall the replacement of buses is within the bus replacement plan.

Administrative Projects (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Remaining	% of YTD Budget
600025-ENVIRONMENTAL MITIGATION	\$165	\$140	\$67	\$73	47.9%
802000-ADMIN CAPITAL	6,526	5,439	559	4,880	10.3%
803800-INFORMATION TECH PROGRAM	2,274	2,085	2,409	(324)	115.5%
804500-SURPLUS PROPERTY DISPOSITION	183	55	33	22	60.0%
Administrative Total	\$9,148	\$7,719	\$3,068	\$4,651	39.7%

Administrative Capital – This project has significantly under performed in 2017. A 6-month delay in finalizing a lease agreement and associated tenant improvements has affected the project cash flow. The lease was approved and the owner performed virtually all of the tenant improvements anticipated to be a Sound Transit cost. It is expected the project will utilize only a small portion of its budget in 2017.

Information Technology Program – This project has exceeded its annual budget at the end of Q3. A change in accounting treatment of costs for Contract Manager software has resulted in additional costs being borne by the program. The project is expected to exceed its annual budget total by \$720,000.

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