

# Quarterly Financial Performance Report

## Q4 2017

*Connecting Communities / Ride the Wave*



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# Executive Summary

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## 2017 Q4 REVENUES

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
<b>Revenues</b>	\$1,621,334	\$1,621,334	\$2,048,008	\$426,675	126.3%

- Year-end revenues of \$2.0B are \$426.7M or 26.3% above budget mainly due to WSDOT Landbank contributions for the purchase of airspace leases, temporary easements and a land parcel for East Link Extension, totaling \$272.4M. These non-cash contributions are recognized as state contributions and were not budgeted for.
- Year-end tax revenues of \$1.5B are \$153.0M or 11.0% 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 Q4 DEPARTMENT BUDGETS

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
<b>Department Budgets</b>	\$410,922	\$410,922	\$381,639	\$29,283	92.9%

- All departments finished 2017 below budget; large number of staff vacancies led to salary and benefits to be \$7.9M under budget.

## 2017 Q4 TRANSIT MODES EXPENSE BUDGETS

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
<b>Transit Modes</b>	\$299,630	\$299,630	\$271,161	\$28,469	90.5%

- All transit modes finished 2017 under budget. Link ridership continues to grow – 4.1M more riders than 2016. Low fuel prices and less than expected purchased transportation costs led to lower than planned 2017 spending.

## 2017 Q4 PROJECT BUDGETS

(in thousands)

	Annual 2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
<b>Project Budgets</b>	\$1,362,201	\$1,362,201	\$1,175,044	\$187,157	86.3%

- System Expansion projects are below 2017 budget primarily due to slower than planned right of way acquisitions.

## Revenues & Other Financing Sources

- Tax revenues include sales tax, motor vehicle excise tax, rental car tax and property tax, a new tax revenue for 2017.

- Sales taxes are the largest revenue source, comprising 55% of 2017 revenues.

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

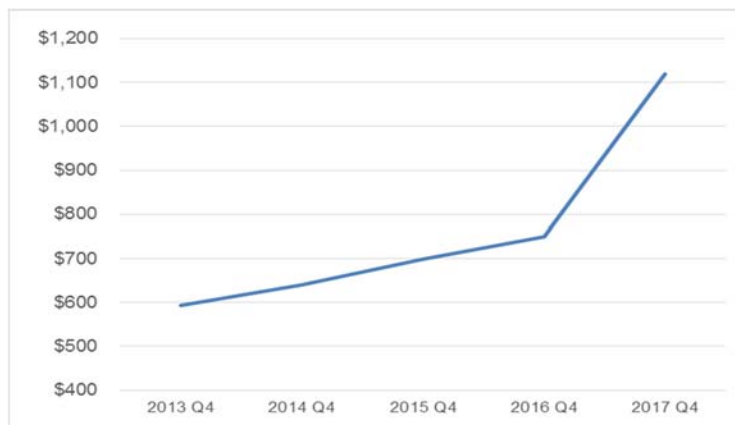
Year-end revenues of \$2.0B are \$426.7M or 26.3% above budget mainly due to WSDOT Landbank contributions for the purchase of airspace leases, temporary easements and a land parcel from WSDOT for East Link Extension, totaling \$272.4M. These non-cash contributions are recognized as state contributions and were not budgeted for. Excluding these landbank contributions, the budget variance would be \$154.3M or 9.5%.

Tax revenues of \$1.5B are \$153.0M or 11.0% above budget, driven by a robust regional economy. Passenger fare revenues are \$2.4M or 2.7% above budget mainly due to higher than budgeted ridership for Link. Federal grant drawdowns are \$19.1M or 17.6% below budget mainly due to lower than budgeted drawdowns for FTA formula funding for projects including Northgate Link Extension, Sounder easements, light rail & bus preventative maintenance grants, as well as capitalized interest for University Link Extension, which was budgeted for in 2017, but booked in 2016. Investment income is \$7.3M above 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 Q4 REVENUE SOURCES (in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Retail Sales and Use Tax	\$1,024,473	\$1,119,719	\$95,247	109.3%
Motor Vehicle Excise Tax	\$236,936	\$280,382	\$43,446	118.3%
Rental Car Tax	\$3,497	\$3,548	\$51	101.5%
Property Tax	\$126,585	\$140,869	\$14,284	111.3%
Passenger Fare Revenue	\$87,961	\$90,339	\$2,378	102.7%
Federal Grants	\$108,425	\$89,339	(\$19,086)	82.4%
Local & State Contributions	\$11,797	\$294,508	\$282,711	2496.4%
Investment Income	\$9,646	\$16,897	\$7,251	175.2%
Miscellaneous Revenues	\$12,013	\$12,407	\$394	103.3%
<b>Total Revenues</b>	<b>\$1,621,334</b>	<b>\$2,048,008</b>	<b>\$426,675</b>	<b>126.3%</b>

### YTD Q4 SALES TAX REVENUE 2013 - 2017 (in millions)



- YTD 2017 Q4 sales taxes include the ST3 sales tax rate increase of 0.5%, which took effect on April 2017.

- YTD 2017 Q4 sales taxes grew by 49% or \$370M over YTD 2016 Q4.

# Operating Budget – Departments

## 2017 Q4 DEPARTMENT EXPENSES BY CATEGORY (in thousands)

- Salary and benefits below budget due to a higher than expected vacancy rate. 2017 vacancy rate well above previous levels.
- Services under budget due to lower than expected use of facility maintenance contracts, Sounder vehicle maintenance, ORCA inter-local agreement and consulting services.
- Materials and supplies below budget due to low fuel costs and less than expected usage of spare parts for Sounder.

Expense Category	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Salary and Benefits	\$109,176	\$101,222	\$7,954	92.7%
Services	\$88,236	\$74,694	\$13,542	84.7%
Materials & Supplies	\$13,143	\$10,943	\$2,200	83.3%
Utilities	\$6,688	\$6,634	\$54	99.2%
Insurance	\$7,519	\$6,807	\$712	90.5%
Taxes	\$3,052	\$2,818	\$234	92.3%
Purchased Transportation	\$163,026	\$158,550	\$4,476	97.3%
Miscellaneous Expenses	\$5,123	\$4,486	\$637	87.6%
Interest Expense	\$18	\$5	\$13	27.6%
Operating Rentals	\$14,942	\$15,480	-\$538	103.6%
<b>Total</b>	<b>\$410,922</b>	<b>\$381,639</b>	<b>\$29,283</b>	<b>92.9%</b>

## 2017 Q4 DEPARTMENT EXPENSES BY DEPARTMENT (in thousands)

Department	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
Communications and External Affairs	\$7,571	\$7,171	\$400	94.7%
Design, Engineering and Construction Management	\$46,950	\$42,292	\$4,658	90.1%
Executive	\$25,352	\$19,794	\$5,558	78.1%
Finance and Information Technology	\$49,959	\$49,031	\$928	98.1%
Legal	\$3,889	\$3,448	\$441	88.7%
Operations	\$267,822	\$251,652	\$16,170	94.0%
Planning, Environment and Project Development	\$9,379	\$8,251	\$1,128	88.0%
<b>Total</b>	<b>\$410,922</b>	<b>\$381,639</b>	<b>\$29,283</b>	<b>92.9%</b>

## 2017 Q4 VACANCY (as of December 31)

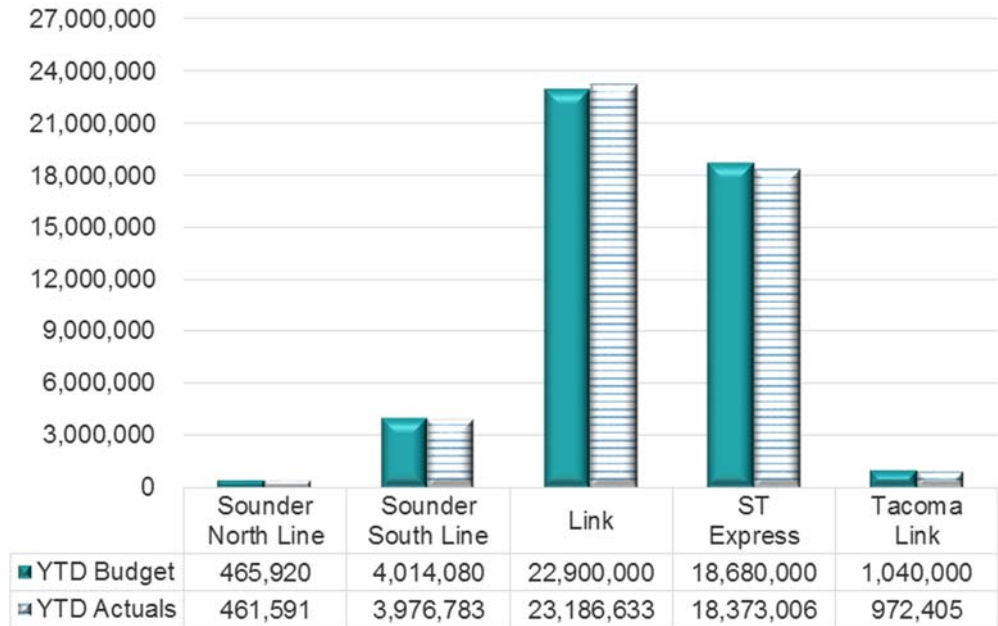
- Agency had 134 vacant positions, vacancy rate of 14.5%, at the end of Q4. The 2017 vacancy rate is 13.3% with an average number of vacant positions of 114.

	YTD Staffing Plan	YTD Filled Positions	Vacant Positions	% Vacant
Agency Total	927	793	134	14.5%

# Operating Budget – Transit Modes

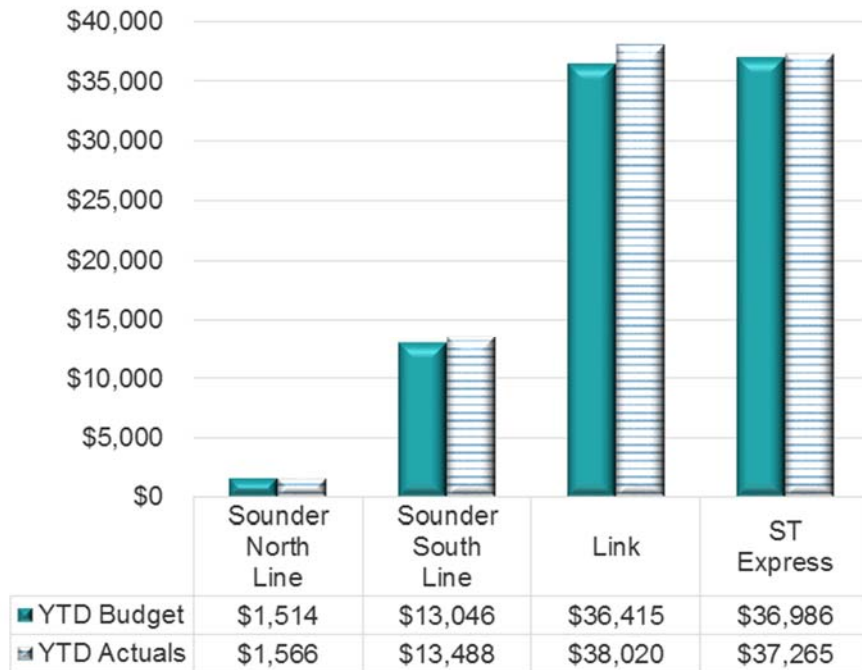
## 2017 YTD BOARDINGS

- 2017 boardings for Link 287K or 1.3% above budget. Boardings for the other modes below budget but still ahead of 2016. Compared to 2016 boarding across all modes up by 4.1M or 9.7%.



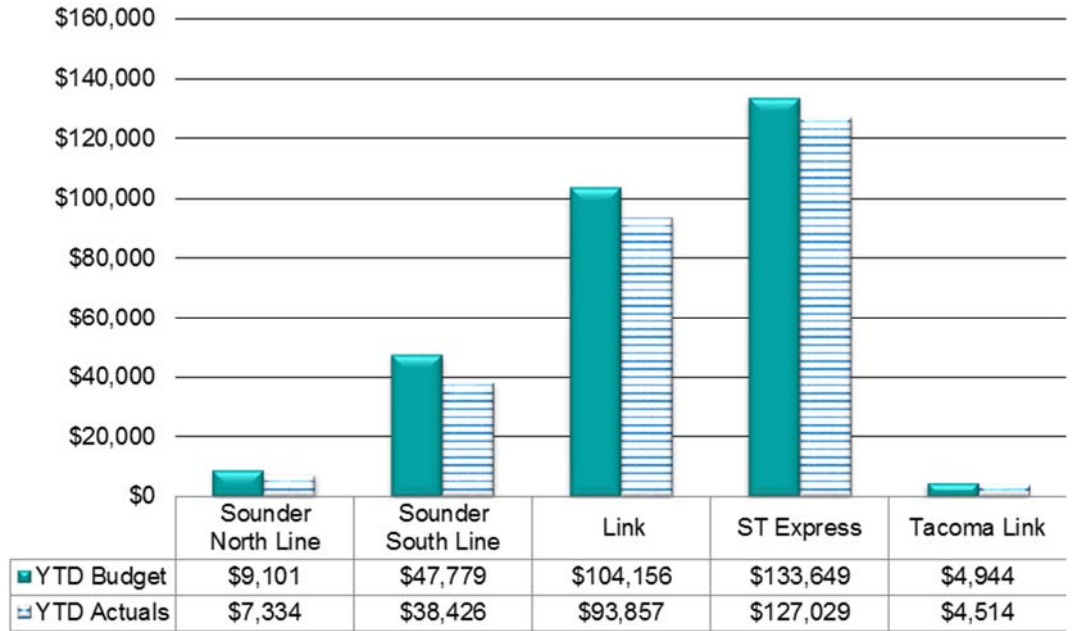
## 2017 YTD FARE REVENUE BY MODE (in thousands)

- All modes above target by \$2.4M or 2.7% primarily due to Link.



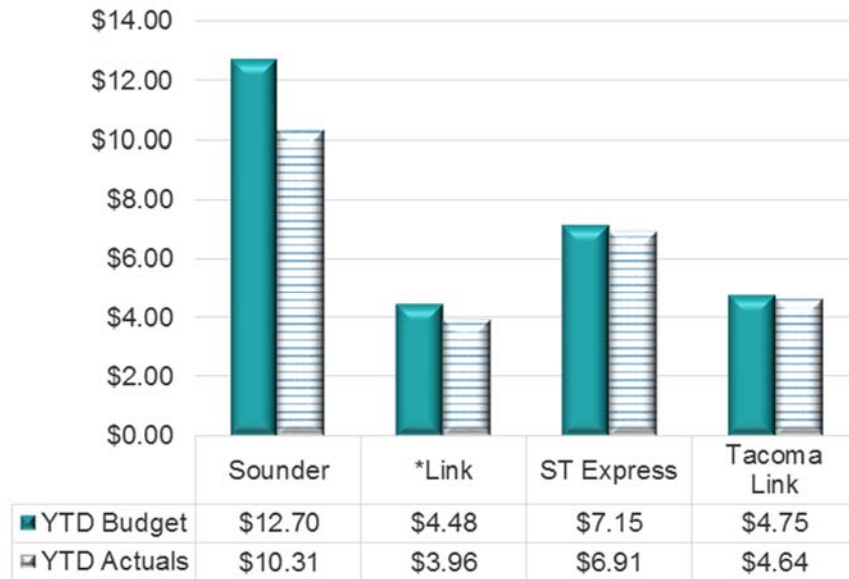
2017 Q4 YTD TRANSIT MODE EXPENSE BUDGET PERFORMANCE  
(in thousands)

- All modes under budget by \$28.5M or 9.5% primarily due to lower fuel prices, lower utilization of purchased transportation services and less than planned facility maintenance.



2017 Q4 YTD COST PER BOARDING BY MODE

- Cost per boarding below budget for all modes.



\*Link cost per boarding exclude paratransit expenses.

## 2017 Q4 Link Light Rail

(in thousands)

- Boardings above YTD budget by 1.3% leading to better than expected passenger fare revenue.

- Services under budget primarily due to Downtown Seattle Transit Tunnel (DSTT) costs less than planned.

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

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
<b>Revenues</b>				
Passenger Fares	\$36,415	\$38,020	\$1,605	104.4%
Other Operating Revenue	940	1,711	772	182.0%
<b>Total Revenues</b>	<b>\$37,355</b>	<b>\$39,731</b>	<b>\$2,377</b>	<b>106.4%</b>
<b>Expenses</b>				
Salaries and Benefits	\$3,396	\$3,258	\$138	95.9%
Services	28,575	25,327	3,248	88.6%
Materials and Supplies	3,553	2,737	816	77.0%
Insurance	3,273	3,224	49	98.5%
Purchased Transportation Svcs	41,015	40,099	916	97.8%
Miscellaneous Expenses	185	169	16	91.4%
Leases & Rentals	5,398	5,437	(39)	100.7%
Other Expenses	4,205	4,568	(363)	108.6%
<b>Total Expenses</b>	<b>\$89,601</b>	<b>\$84,820</b>	<b>\$4,781</b>	<b>94.7%</b>
Expense Transfers	\$14,555	\$9,037	\$5,518	62.1%
<b>Total</b>	<b>\$104,156</b>	<b>\$93,857</b>	<b>\$10,299</b>	<b>90.1%</b>

## 2017 Q4 Sounder Commuter Rail

(in thousands)

- Passenger fare revenue 3.4% above budget despite boardings slightly under budget.

- Services below budget primarily driven by vehicle maintenance as the delivery of nine cab cars delayed to Q4.

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

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
<b>Revenues</b>				
Passenger Fares	\$14,560	\$15,054	\$494	103.4%
Other Operating Revenue	437	487	\$50	111.4%
<b>Total Revenues</b>	<b>\$14,997</b>	<b>\$15,541</b>	<b>\$544</b>	<b>103.6%</b>
<b>Expenses</b>				
Salaries and Benefits	\$2,237	\$2,135	\$102	95.4%
Services	21,741	19,559	2,182	90.0%
Materials and Supplies	6,881	4,511	2,370	65.6%
Insurance	2,749	2,362	387	85.9%
Purchased Transportation Svcs	12,096	11,114	982	91.9%
Miscellaneous Expenses	183	166	17	90.7%
Leases & Rentals	637	546	91	85.7%
Other Expenses	2,274	2,165	109	95.2%
<b>Total Expenses</b>	<b>\$48,798</b>	<b>\$42,558</b>	<b>\$6,240</b>	<b>87.2%</b>
Expense Transfers	\$8,082	\$3,202	\$4,880	36.5%
<b>Total</b>	<b>\$56,880</b>	<b>\$45,760</b>	<b>\$11,120</b>	<b>80.5%</b>



2017 Q4 Sounder North Line  
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
<b>Revenues</b>				
Passenger Fares	\$1,514	\$1,566	\$51	103.4%
Other Operating Revenue	\$45	\$51	5	111.4%
<b>Total Revenues</b>	<b>\$1,560</b>	<b>\$1,616</b>	<b>\$57</b>	<b>103.6%</b>
<b>Expenses</b>				
Salaries and Benefits	\$358	\$342	\$16	95.4%
Services	3,479	3,129	349	90.0%
Materials and Supplies	1,101	722	379	65.6%
Insurance	440	378	62	85.9%
Purchased Transportation Svcs	1,935	1,778	157	91.9%
Miscellaneous Expenses	29	27	3	90.7%
Leases & Rentals	102	87	15	85.7%
Other Expenses	364	359	5	98.5%
<b>Total Expenses</b>	<b>\$7,808</b>	<b>\$6,821</b>	<b>\$986</b>	<b>87.4%</b>
Expense Transfers	\$1,293	\$512	\$781	39.6%
<b>Total</b>	<b>\$9,101</b>	<b>\$7,334</b>	<b>\$1,767</b>	<b>80.6%</b>

2017 Q4 Sounder South Line  
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
<b>Revenues</b>				
Passenger Fares	\$13,046	\$13,488	\$443	103.4%
Other Operating Revenue	\$392	\$436	45	111.4%
<b>Total Revenues</b>	<b>\$13,437</b>	<b>\$13,925</b>	<b>\$487</b>	<b>103.6%</b>
<b>Expenses</b>				
Salaries and Benefits	\$1,879	\$1,793	\$86	95.4%
Services	18,262	16,429	1,834	90.0%
Materials and Supplies	5,780	3,789	1,991	65.6%
Insurance	2,309	1,984	325	85.9%
Purchased Transportation Svcs	10,161	9,336	825	91.9%
Miscellaneous Expenses	154	139	14	90.7%
Leases & Rentals	535	459	76	85.7%
Other Expenses	1,910	1,806	104	94.6%
<b>Total Expenses</b>	<b>\$40,990</b>	<b>\$35,736</b>	<b>\$5,255</b>	<b>87.2%</b>
Expense Transfers	\$6,789	\$2,690	\$4,099	39.6%
<b>Total</b>	<b>\$47,779</b>	<b>\$38,426</b>	<b>\$9,353</b>	<b>80.4%</b>

2017 Q4 ST Express Bus  
(in thousands)

▪ Passenger fare revenue slightly above budget, boardings were 1.6% below 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
<b>Revenues</b>				
Passenger Fares	\$36,986	\$37,265	\$279	100.8%
Other Operating Revenue	1,271	1,227	(44)	96.5%
<b>Total Revenues</b>	<b>\$38,257</b>	<b>\$38,492</b>	<b>\$235</b>	<b>100.6%</b>
<b>Expenses</b>				
Salaries and Benefits	\$1,089	\$1,029	\$60	94.5%
Services	10,206	8,078	2,128	79.1%
Materials and Supplies	76	90	(14)	118.4%
Insurance	146	(25)	171	-17.1%
Purchased Transportation Svcs	109,910	107,338	2,572	97.7%
Miscellaneous Expenses	150	148	2	98.7%
Leases & Rentals	2,159	2,316	(157)	107.3%
Other Expenses	1,156	1,042	114	90.1%
<b>Total Expenses</b>	<b>\$124,891</b>	<b>\$120,014</b>	<b>\$4,877</b>	<b>96.1%</b>
Expense Transfers	\$8,758	\$7,015	\$1,743	80.1%
<b>Total</b>	<b>\$133,649</b>	<b>\$127,029</b>	<b>\$6,620</b>	<b>95.0%</b>

2017 Q4 Tacoma Link Light Rail  
(in thousands)

	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of Budget
<b>Revenue</b>				
Other Operating Revenue	\$1	\$21	\$20	1341.3%
<b>Total Revenue</b>	<b>\$1</b>	<b>\$21</b>	<b>\$20</b>	<b>1341.3%</b>
<b>Expenses</b>				
Salaries and Benefits	\$2,321	\$2,465	-\$143	106.2%
Services	966	823	143	85.2%
Materials and Supplies	159	129	30	81.1%
Insurance	167	170	-2	101.8%
Purchased Transportation Svcs	5	0	5	0.0%
Miscellaneous Expenses	24	20	4	83.3%
Leases & Rentals	23	24	-1	104.3%
Other Expenses	128	101	26	78.9%
<b>Total Expenses</b>	<b>\$3,793</b>	<b>\$3,731</b>	<b>\$61</b>	<b>98.4%</b>
Expense Transfers	1,152	\$783	369	68.0%
<b>Total</b>	<b>\$4,944</b>	<b>\$4,514</b>	<b>\$430</b>	<b>91.3%</b>

# Project Budgets

- System Expansion projects are 97% of the total capital program. Link expansion projects are 87% of the total capital program expenditures through Q4.

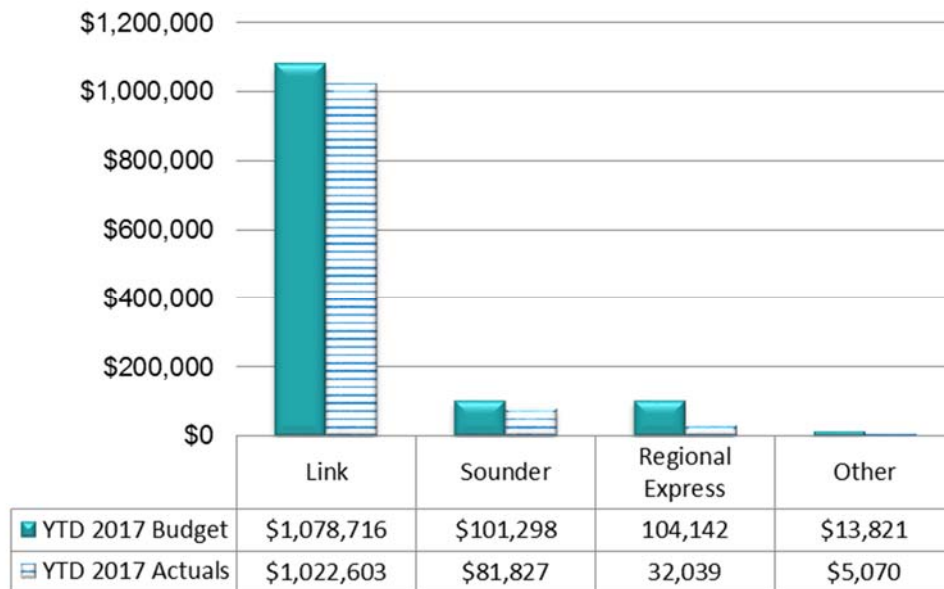
- Q4 Link spending slightly behind plan as acquisitions of right of way property have occurred slower than planned.

- System Expansion across all transit modes below year to date budget by \$156M or 12.1%.

## 2017 Q4 PROJECT BUDGETS (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Variance	% of YTD Budget
<b>System Expansion</b>					
Link	\$1,078,716	\$1,078,716	\$1,022,603	\$56,113	94.8%
Sounder	101,298	\$101,298	\$81,827	19,471	80.8%
Regional Express	104,142	104,142	32,039	72,104	30.8%
Other	13,821	\$13,821	\$5,070	8,751	36.7%
<b>System Expansion Subtotal</b>					
	\$1,297,978	\$1,297,978	\$1,141,539	\$156,439	87.9%
Enhancement	\$30,742	\$30,742	\$7,246	\$23,496	23.6%
State of Good Repair	24,333	24,333	19,077	5,256	78.4%
Administrative	9,148	9,148	7,182	1,966	78.5%
<b>Project Budgets Total</b>					
	<b>\$1,362,201</b>	<b>\$1,362,201</b>	<b>\$1,175,044</b>	<b>\$187,157</b>	<b>86.3%</b>

## 2017 Q4 YTD SYSTEM EXPANSION (in thousands)



## System Expansion Projects (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Remaining	% of YTD
<b>LINK</b>					
400007 - FIRST HILL STREETCAR	\$438	\$438	\$434	\$4	99.1%
400008 - TACOMA LINK EXTENSION	12,096	12,096	11,916	\$180	98.5%
400009 - LINK O&M FACILITY EAST	108,766	108,766	96,986	\$11,781	89.2%
400032 - LRV FLEET EXPANSION	71,934	71,934	69,542	\$2,392	96.7%
400034 - ENHANCEMENTS TO TLE	1,500	1,500	34	\$1,466	2.3%
400066 - WEST SEATTLE-BALLARD LINK	4,150	4,150	2,155	\$1,995	51.9%
4X100 - NORTHGATE LINK EXTENSION	267,957	267,957	255,404	\$12,553	95.3%
4X115 - LYNNWOOD LINK EXTENSION	116,296	116,296	109,277	\$7,018	94.0%
4X200 - UNIVERSITY LINK EXTENSION	7,795	7,795	4,976	\$2,819	63.8%
4X420 - S 200th LINK EXTENSION	9,428	9,428	7,872	\$1,556	83.5%
4X445 - FEDERAL WAY LINK EXTENSION	70,758	70,758	21,919	\$48,839	31.0%
4X600 - EAST LINK	393,373	393,373	432,165	(\$38,792)	109.9%
4X630 - DOWNTOWN REDMOND LINK EXT	14,225	14,225	9,921	\$4,304	69.7%
<b>Total</b>	<b>\$1,078,716</b>	<b>\$1,078,716</b>	<b>\$1,022,603</b>	<b>\$56,113</b>	<b>94.8%</b>
<b>OTHER</b>					
3X212 - FARE COLLECTION	\$148	\$148	\$61	\$86	41.6%
5X410 - RESEARCH & TECHNOLOGY	\$2,297	2,297	806	1,491	35.1%
600016 - FARE ADMINISTRATION	\$2,473	2,473	307	2,166	12.4%
600039 - RESEARCH & BUSINESS DEV PROG	\$400	400	51	349	12.7%
600668 - STart OPERATIONS & MAINTENANCE	\$239	239	253	(14)	106.0%
6X668 - ST ART	\$1,390	1,390	1,177	213	84.7%
809100 - ST3 PLANNING	\$6,850	6,850	2,415	4,435	35.3%
809100 - CENTRAL & EAST HCT STUDY	\$25	25	-	25	0.0%
<b>Total</b>	<b>\$13,821</b>	<b>\$13,821</b>	<b>\$5,070</b>	<b>\$8,751</b>	<b>36.7%</b>
<b>REGIONAL EXPRESS</b>					
500005 - ST EXPRESS BUS BASE	\$587	\$587	\$2	\$585	0.4%
500030 - BOTHELL TRANSIT-RELATE IMPRVT	5,036	5,036	1	5,034	0.0%
500050 - I-405 BUS RAPID TRANSIT	45,650	45,650	501	45,149	1.1%
5X387 - REX I-90 2 WAY TRANS& HOV III	39,221	39,221	31,433	7,788	80.1%
700720 - ST EXPRESS FLEET EXPANSION	13,649	13,649	101	13,547	0.7%
<b>Total</b>	<b>\$104,142</b>	<b>\$104,142</b>	<b>\$32,039</b>	<b>\$72,104</b>	<b>30.8%</b>
<b>SOUNDER</b>					
300004 - SOUNDER MAINTENANCE BASE	\$5,814	\$5,814	\$483	\$5,331	8.3%
300017 - PUYALLUP STATION IMPROVEMENTS	6,014	6,014	1,123	4,891	18.7%
300018 - SUMNER STATION IMPROVEMENTS	4,481	4,481	1,178	3,303	26.3%
300019 - LAKEWOOD STATIONS IMPROVEMENT	-	-	1	(1)	0.0%
300021 - TACOMA TRESTLE TRACK & SIGNAL	58,630	58,630	57,090	1,540	97.4%
300026 - SOUNDER YARD EXPANSION	4,755	4,755	3,444	1,311	72.4%
300027 - PT DEFIANCE BYPASS	6,972	6,972	14,478	(7,506)	207.7%
300035 - KENT STATION ACCESS IMPRVMNTS	506	506	588	(82)	116.1%
300040 - AUBURN STATION ACCESS IMPRVMNT	506	506	561	(55)	110.8%
3X135 - D ST - M ST TRACK & SIGNAL	71	71	18	52	25.7%
3X206 - MUKILTEO STATION-S PLATFORM	1,620	1,620	1,577	43	97.3%
3X236 - TUKWILA STATION	366	366	247	119	67.4%
3X510 - SOUNDER SOUTH EXPANDED SERVICE	4,800	4,800	404	4,396	8.4%
7X755 - SOUNDER ST2 FLEET EXPANSION	6,764	6,764	637	6,128	9.4%
<b>Total</b>	<b>\$101,298</b>	<b>\$101,298</b>	<b>\$81,827</b>	<b>\$19,471</b>	<b>80.8%</b>
<b>System Expansion Total</b>	<b>\$1,297,978</b>	<b>\$1,297,978</b>	<b>\$1,141,539</b>	<b>\$156,439</b>	<b>87.9%</b>

**Link Operations and Maintenance Facility - East** – Project right of way acquisitions are running behind schedule delaying acquisitions into 2018.

**LRV Fleet Expansion** – Project costs are \$2.4M below the annual budget. Expenditures reflect scheduled payments to the vehicle manufacturer, including additional vehicles for ST3 procured via contract option.

**Northgate Link Extension** – Project costs are \$12.6M below the annual budget. Production of floating slabs for track work was postponed while quality issues were resolved. Property acquisitions slower than anticipated and are now scheduled for 2018.

**Lynnwood Link Extension** – Project costs are \$7M below the annual budget. Advancement of design to 90% is underway. Work continues to identify, assess and evaluate cost savings ideas which have delayed some work resulting in the \$7M underspending during the year.

**University Link Extension** – Project costs, which reflect close-out activities and systems monitoring, are \$3M below the annual budget. A project budget surplus is estimated at \$200M.

**South 200<sup>th</sup> Link Extension** – Project costs, which reflect activities to transfer work to the Operations Department and completion of contracts, are \$1.6M below the annual budget. Project savings are estimated to be \$51M.

**Federal Way Link Extension** – Project costs are running at 31% of the annual budget. While preliminary engineering costs has been advanced to support the design-build delivery strategy, the right of way acquisitions and relocations were slower than originally anticipated.

**East Link Extension** – Project costs are running at 110% of year-to-date budget due to an accelerated construction schedule. Seven major construction packages finalized their base schedule after the annual budget was approved resulting in changes in cash flow. The construction expenses has exceeded the annual phase plan but will stay within the baseline phase budget.

**I-405 Bus Rapid Transit** – Property acquisitions in Renton for potential construction of Transit Center, P&R and in Bothell for potential construction of an operations and maintenance facility will be executed in 2018.

**REX I-90 2 Way Transit and HOV Operations, Stage 3** – Project costs are running at 80% of the year-to-date budget. The substantial completion date has moved to mid of February 2018.

**Point Defiance By-Pass** - Project spend exceeds plan as a result of a \$2.5M change order for schedule recovery and a \$4M settlement with contractor. The project remains on schedule.

**Puyallup Station Improvements** – Major property acquisition for the project has not been finalized, resulting in a budget variance in the right of way phase.

**Sumner Station Improvements** – With only one remaining parcel to purchase, ROW acquisitions have delayed into 2018.

## Enhancement Projects (in thousands)

	2017 Budget	YTD 2017 Budget	YTD 2017 Actuals	YTD Budget Remaining	% of YTD Budget
300011 - POSITIVE TRAIN CONTROL	\$8,002	\$8,002	\$1,913	\$6,089	23.9%
400044 - LINK OP SYST ENHANCEMENT/UPGRD	1,400	1,400	5	1,395	0.4%
4X340 - NOISE ABATEMENT	130	130	1	129	0.4%
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	300	5	295	1.6%
700697 - LRV BETWEEN CAR BARRIERS	520	520	412	108	79.3%
700706 - OMF ENERGY EFFICIENCY	1,042	1,042	916	126	87.9%
700707 - BELLEVUE TC SECURITY SYSTEM	150	150	-	150	0.0%
700708 - CUSTOMER EMERGENCY STATIONS	300	300	-	300	0.0%
700710 - LOCOMOTIVE INBOARD CAMERAS	300	300	-	300	0.0%
700711 - SCR PSSNGR EMERGENCY INTRCOM	750	750	-	750	0.0%
700712 - LRV WHEEL FLAT SOFTWARE	250	250	-	250	0.0%
700713 - LRV WASH BAY MODIFICATIONS	300	300	0	300	0.1%
700723 - DSTT MITIGATION	2,334	2,334	408	1,926	17.5%
700724 - PUYALLUP STN LED LIGHTING	178	178	94	84	52.6%
700725 - SUMNER STN LED LIGHTING	134	134	49	85	36.4%
700726 - KENT STN PLATFORM LIGHTING	236	236	83	153	35.3%
700727 - KENT STN PARKING LOT PAVING	626	626	-	626	0.0%
700730 - OMF LRV LIFT	4,458	4,458	216	4,242	4.8%
700736 - UNION STN GARDEN LEVEL REMODEL	1,455	1,455	996	459	68.4%
700774 - C LINK HVAC-INSTRU HSE/UPS RM	449	449	10	439	2.1%
700775 - C LINK CARD READERS	292	292	(0)	292	0.0%
700777 - C LINK OH CAT SYS TIE SWITCH	2,995	2,995	1	2,994	0.0%
700781 - NON-REVENUE SUPPORT VEHICLES	1,034	1,034	689	345	66.6%
700793 - SIGNAGE IMPROVEMENTS	1,014	1,014	240	773	23.7%
700798 - LINK REMOTE SWITCH HEATERS	125	125	-	125	0.0%
7X753 - BIKE LOCKER PROGRAM	184	184	70	114	37.9%
804100 - TOD PROPERTY DISPOSITION	1,725	1,725	1,088	637	63.0%
	\$30,742	\$30,742	\$7,246	\$23,496	23.6%

**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. 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 will not get underway until Q1 2018.

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

**Souder Passenger Emergency Intercom** – This project will install Federal Railroad Administration mandated intercom systems in existing Souder 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 annual budget. Installation of upgraded signage for King Street, International District/Chinatown stations and First Hill began in April 2017. 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** – Expenditures are \$2M below the annual 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 \$4M below the annual budget. A second LRV lift will be procured and installed at the Link Operations and Maintenance Facility. The procurement contract was awarded in November 2017. The project has an aggressive schedule that requires procurement, design, installation and commissioning of the lift be completed by Q4 2018, so the lift to be in place before major overhauls to the current LRVs are due.

## 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	\$2,549	\$1,002	\$1,547	39.3%
600033 - LINK CCTV SYSTEM UPGRADE	2,394	2,394	-	2,394	0.0%
700695 - ACCESS CONTROL CARD UPGRADE	1,114	1,114	-	1,114	0.0%
700704 - LINK RADIO UPGRADE	1,000	1,000	-	1,000	0.0%
700705 - LINK BRIDGE REPAIRS	550	550	0	550	0.1%
700716 - OHELLO TPSS PARKING LOT	378	378	130	249	34.3%
700718 - TACOMA LINK LRV OVERHAUL	418	418	-	418	0.0%
700728 - LINK STN BRAIDED TILE RPLCMNT	435	435	-	435	0.0%
700769 - LRV OVERHAUL	2,959	2,959	-	2,959	0.0%
700770 - SOUNDER VEHICLE OVERHAUL PROG	6,652	6,652	5,968	683	89.7%
700771 - STATION MIDLIFE MAINTENANCE	616	616	33	583	5.3%
7X356 - TACOMA DOME STATION	414	414	-	414	0.0%
7X701 - ST EXPRESS FLEET REPLACEMENT	25	25	9,850	(9,825)	39217.9%
7X740 - SMALL WORKS PROGRAM	2,877	2,877	542	2,335	18.8%
870100 - IT LINK LIGHT RAIL	1,597	1,597	1,331	266	83.3%
870101 - IT TRANSIT SYSTEMS	355	355	220	135	62.0%
<b>State of Good Repair</b>	<b>\$24,333</b>	<b>\$24,333</b>	<b>\$19,077</b>	<b>\$5,256</b>	<b>78.4%</b>

**Convention Place Development Systems Retrofit** – Project expenditures are \$1.5M below the annual budget.

Construction work on this project has two phases: material construction that was essentially completed as of late-December 2017; and systems software that is projected to be installed in 2018.

**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. Execution of repairs is limited to night maintenance windows and good weather, which has delayed repairs until 2018.

**LRV Overhaul** – No expenditures were reported in 2017. All physical repairs to vehicles and spare gear boxes and traction motors have been completed; however testing is ongoing. Completion of negotiations with the manufacturer and final acceptance are not anticipated until well into 2018.

**Sounder Vehicle Overhaul Program**. – At the end of Q4 the program is \$683K behind plan. Actual costs for the overhaul were less than anticipated.

**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 current 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	\$165	\$92	\$73	55.8%
802000-ADMIN CAPITAL	6,526	6,526	2,925	3,601	44.8%
803800-INFORMATION TECH PROGRAM	2,274	2,274	4,130	(1,856)	181.6%
804500-SURPLUS PROPERTY DISPOSITION	183	183	35	148	19.1%
<b>Administrative Total</b>	<b>\$9,148</b>	<b>\$9,148</b>	<b>\$7,182</b>	<b>\$1,966</b>	<b>78.5%</b>

**Administrative Capital** – This project 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. The project only utilized a small portion of its budget in 2017.

**Information Technology Program** – This project exceeded its annual budget by \$1.9M. A change in accounting treatment of costs for Contract Manager software has resulted in additional costs being borne by the program.

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