



2014

Adopted | Budget

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January 2014

To: Sound Transit Board of Directors
From: Joni Earl, Chief Executive Officer
SUBJECT: Adopted 2014 Budget

Sound Transit is working every day to build the regional transit system and offer quality customer experiences on our buses and trains. And now, we're also starting the conversation with our riders and the public about how, where, and when to expand the system in the future.

Our budget for 2014 is \$1.1 billion, relatively unchanged from the 2013 adopted budget. We expect to collect \$920 million in revenue, which is 10.0% percent higher than the 2013 budget – mainly due to higher sales tax revenues and federal grant receipts. Our available fund balance will balance the annual budget.

During 2014, we expect to carry over 31 million passengers on our trains and buses, the most ever. While doing so, we'll maintain our emphasis on safe, reliable, and quality service that gives our customers the freedom to get where they need to go. Our operating budget in 2014 is \$221 million, up 4.3 percent compared to the 2013 adopted budget.

Two-thirds of the Sound Transit 2014 budget will be spent on the capital program. Total spending for delivering projects is budgeted at \$742 million to continue the planning, design and build-out of the regional transit system. The 2014 capital budget is 1.8 percent above the 2013 budget.

The departmental budget, which includes most Sound Transit employees, goods, and services, is \$101 million, which is up 9.7 percent over the 2013 adopted budget. The biggest reasons for the cost increases is the inclusion of 43 new positions to be added in 2014, a full year budget for 40.5 positions approved in 2013 and the complex activity in our capital program as we complete *Sound Move* and continue into year six of the ST2 Plan implementation. The additional positions are required to manage the capital program effectively as we proceed with active design and construction in three light rail corridors in the years ahead.

In 2014, while we remain focused on our mission of building and operating the regional transit system, we're also laying the groundwork for a potential major expansion of the system. As seen in the pages of our Adopted 2014 Budget, we're updating our Long-Range Plan to prepare us for future expansion.

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Joni Earl

The Sound Transit 2014 budget has four major themes.

Focusing on our mission

Much of the agency's work in 2014 will be continuing the planning and construction of light rail extensions north, south, and east.

Six Link service startups are on the horizon:

- University Link between downtown Seattle and the University of Washington – 2016.
- S. 200th Link Extension from Sea-Tac Airport to South 200th Street – 2016.
- Northgate Link Extension from the University of Washington to Northgate – 2021.
- Lynnwood Link Extension from Northgate to Lynnwood – 2023.
- East Link Extension from downtown Seattle to Bellevue and Overlake – 2023.
- Link extension from South 200th Street to the Kent/Des Moines area, near Highline Community College – 2023.

The 2014 budget includes funding for several major projects, including the start of tunnel work on the Northgate Link Extension, continued construction on the Tukwila Sounder Station and the South 200th extension to the Angle Lake light rail station, continued construction on U-Link stations in preparation for the launch of service in 2016, and final design and right-of-way acquisition for the East Link Extension between Seattle and Redmond.

Increasing ridership

In 2014, Sound Transit expects to provide about 909,000 service hours with our trains and buses. ST Express will add approximately 2,000 hours of bus service in 2014 to address overcrowding, primarily on East King County routes. Service levels on Tacoma Link and Central Link will remain the same as 2013.

To achieve greater efficiencies, we will pursue opportunities for further integration of bus and rail service with our transit partners. And, we'll continue exploring innovative technological and marketing approaches to attract and retain riders.

Continuously improving our business practices

As a result of the prolonged economic recession, the Sound Transit Board approved a program realignment of the ST2 Plan that assumes we are able to build our capital projects at a lower cost than anticipated. To manage this challenge, we will continue using best management practices such as value engineering, constructability, and project reporting programs to support project success. We'll also continue pursuing alternative project delivery methods, such as Design Build, Job Order Costing, and General Contractor Construction Management to maximize schedule efficiencies and savings.

We are continuing to search for ways to streamline our internal processes and procedures to ensure that we're operating our services and doing our work as efficiently and effectively as possible. In addition, our employees are helping find the most effective ways to do their work and are actively looking to deliver projects and services through a culture of continuous improvement.

System expansion

In 2013, the Sound Transit Board instructed the agency to begin the planning necessary to prepare for the next system expansion. The Sound Transit Board's decisions in updating the Long-Range

Plan in late 2014 will set the stage for what could be included in future ballot measures. The Board will decide whether and when to forward a ballot measure on potential expansions.

Over the next year, the agency will complete the study of regional high-capacity transit corridors and system expansion concepts as the Board considers updating the Long-Range Plan.

Building and operating the regional transit system is a great challenge and incredible responsibility. We take that responsibility very seriously and look forward to working with the Sound Transit Board, staff, and public in 2014 to continue bringing that system to the region.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Central Puget Sound Regional Transit
Washington**

For the Fiscal Year Beginning

January 1, 2014

Executive Director

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Agency Overview

Our Story

The Central Puget Sound Regional Transit Authority – better known as Sound Transit – was created by the Washington State legislature in 1993. Sound Transit plans, builds, and operates a regional mass transit system that connects people to their communities and jobs throughout urban areas of King, Pierce, and Snohomish counties. We have grown from a planning agency to one that carried 28.0 million passengers in 2012; 30.3 million passengers in 2013; and is expected to carry 31 million passengers in 2014 on our trains and buses. We continue building extensions to light rail, transit centers, stations, and other transportation infrastructure.

In 1996 voters in the region approved implementation of the Sound Move plan. The plan includes a mix of transportation improvements: Sounder commuter rail, Link light rail, ST Express bus, new transit centers, park and ride lots, and high occupancy vehicle (HOV) access projects. As a result of Sound Move, ST Express bus service began in 1999; joined by Sounder commuter rail in 2000. Light rail started with Tacoma Link in 2003 and Central Link light rail began



Tacoma Link Light Rail

service in 2009. The vast majority of Sound Move projects have been completed and closed or are pending close out. Active Sound Move projects include the University Link Extension from downtown Seattle to the University of Washington, scheduled for opening in 2016; completion of HOV lane work on I-90 to accommodate light rail across Lake Washington to Bellevue and Overlake; and Mukilteo Station South Platform.

In 2008 voters of the Central Puget Sound region approved the Sound Transit 2 (ST2) ballot measure. This new program includes the addition of 36 miles of track with 18 new stations to create a 50-mile regional light rail system. Due to the recession and resulting large reduction in tax revenues, the ST2 program was realigned to maintain affordability. Current ST2 light rail projects include extensions east to Bellevue and the Overlake area of Redmond, north to Northgate and Lynnwood, south to Kent/Des Moines in the area of Highline Community College as well as planning for future extensions south to Federal Way, and expansion of Tacoma Link. Regional Express bus projects include fleet expansion, a bus base, bus storage, and parking facilities. Sounder commuter rail projects include easements for four additional round trips in the south corridor, station access improvements, permanent stations for Edmonds and Tukwila, track and signal improvements, fleet expansion, and a Sounder yard and shops facility. ST2 also provided for the addition of ST Express bus and commuter rail service.

ST2 included funding to identify and evaluate additional regional high capacity transit (HCT) alternatives – referred to as ST3. Sound Transit is initiating alternative studies in eight transportation corridors that run north to Everett, south to Tacoma, east to downtown Redmond and Issaquah, and

west to Ballard, West Seattle, and Burien. Completion of these planning efforts is scheduled for June 2014.

In association with the HCT studies, the Board has authorized an update to the Sound Transit Long Range Plan and a programmatic Environmental Impact Statement (EIS) on plan elements. December 2014 is the anticipated completion date for this effort.

Safeguarding Tax Dollars

Sound Transit takes its stewardship responsibilities very seriously and is committed to protecting taxpayers' money. Our oversight and structure help us meet that commitment.

Sound Transit is governed by an 18-member Board made up of local elected officials and the Secretary of the Washington State Department of Transportation. The Board establishes policies and gives direction and oversight.

The Board's four committees dig into the details and provide strategic direction for capital projects, the operation of our trains and buses, and our annual financial reports and external and internal audits.

In addition, an independent Citizen Oversight Panel (COP), made up of volunteers appointed by the Board, monitors and reports on agency performance, including capital and operating budgets and financial plans.

Both the Board and the COP receive regular briefings from Sound Transit staff.

For more information, please visit www.soundtransit.org then click on "About Sound Transit."



Dow Constantine, Chair
Sound Transit Board of Directors

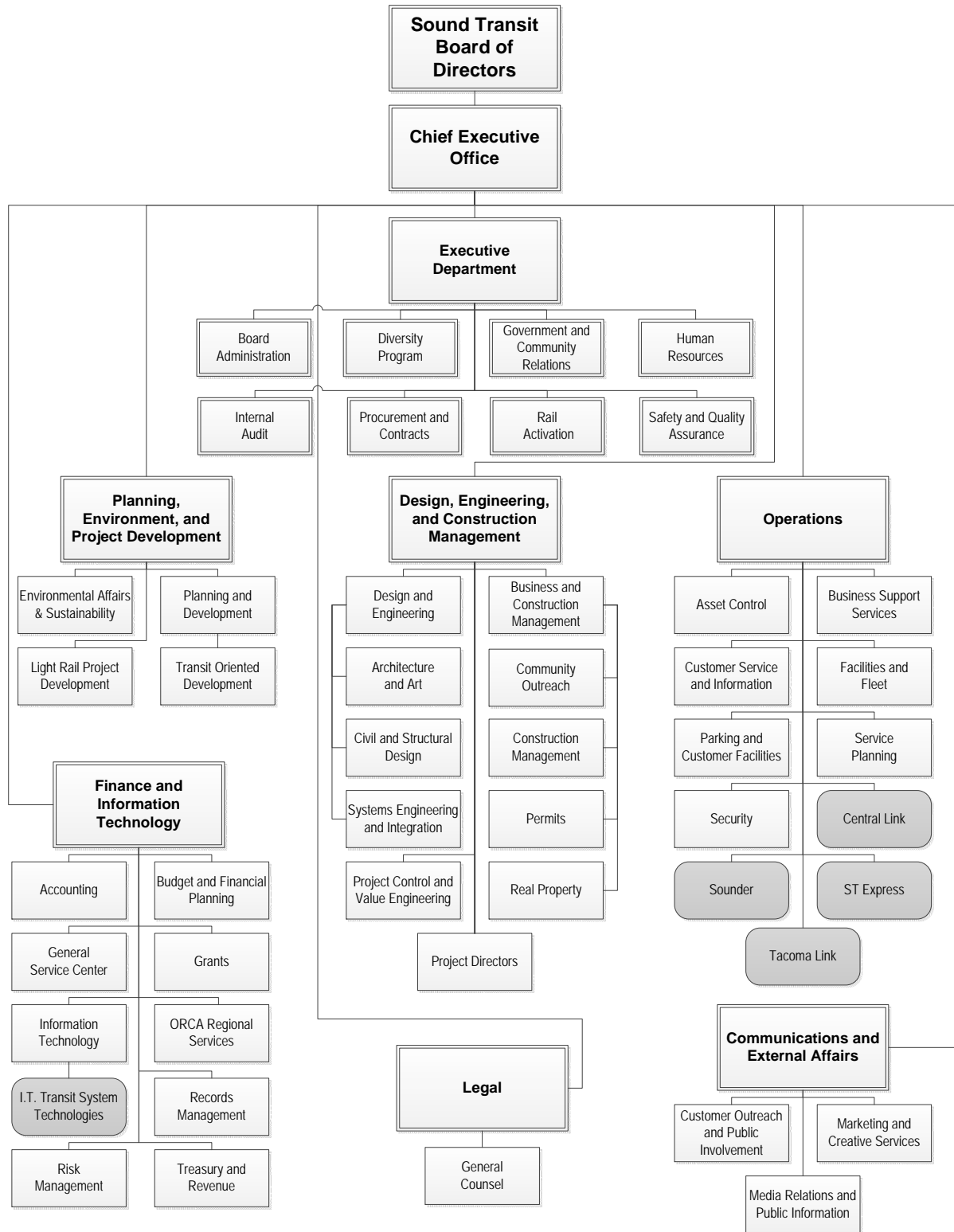
Our People

Sound Transit's departments are organized in a way that ensures taxpayer dollars are aligned with our mission of planning, building, and operating the regional transit system. (An organization chart follows the department descriptions.)

- Executive Department includes the Chief Executive Office as well as Board Administration, Diversity, Government & Community Relations, Human Resources, Internal Audit, Procurement & Contracts, Rail Activation, and Safety & Quality Assurance.
- Planning, Environment, and Project Development (PEPD) leads the initial project activities that engage the public and inform Board decisions on projects' scope, schedule, and budget. Our ST3 planning effort, sustainability, and transit-oriented development programs are led by PEPD.
- Design, Engineering, and Construction Management (DECM) is principally responsible for final design and construction of all major capital projects. DECM supplies professional and technical resources throughout the design and construction phases of each project and also supports the Operations Department in design and delivery of small capital projects for our facilities. The department provides project control and real estate services for the entire agency.
- Operations oversees transit service, maintenance, and security for Central Link light rail, Sounder commuter rail, ST Express bus, and all Sound Transit facilities. The department also directly operates and maintains Tacoma Link light rail.

- Finance and Information Technology (FIT) is responsible for all financial activities including financial planning, budgeting, accounting, treasury, revenue collection, grants, records management, and risk management, as well as managing information technology. The Information Technology division manages the implementation of new technology and maintains our network and software for both transit operations and administrative systems.
- Communications and External Affairs (CEA) focuses on marketing and creative services, media relations and public information, and customer outreach and public involvement.
- Legal provides analysis and advice on a variety of legal subjects including real estate, labor, environmental, construction, land use, permitting, litigation, contracts and interagency issues. The Legal department is actively involved in claims defense and property acquisitions including condemnations.

SOUND TRANSIT ORGANIZATION CHART



□ = Division costs included in Agency Administration section of Budget
 ○ = Division costs included in Service Delivery section of Budget

Our Key Financial Policies

Sound Transit's financial policies provide the framework for planning, building, and operating the regional transit system. Our key policies are outlined below.

Financial Policies

Sound Transit's Financial Policies were amended July 24, 2008. The "Financial Policies reflect Sound Transit's commitment to subarea equity while maintaining the flexibility necessary to manage the financing of the System Plan on a consolidated basis and within legal constraints."

The Sound Transit District is divided into five geographic subareas: Snohomish County, Pierce County, and three subareas within King County – North King County, East King County, and South King County. The regional transit system plan addresses unique needs in each of these subareas. Tax revenues raised in each subarea are used for projects and services benefiting that subarea.

The policies cover implementation of subarea equity and debt management for current and future phases. The full document can be found in Appendix F of the Adopted 2014 Budget.

Budgeting Policies

The budget policies, amended July 25, 2002 (Resolution No. R2002-08), outline the contents of the agency's annual budget and the processes for its submittal, adoption, and modification.

Phase Gate

Phase Gate is a project management process designed around a series of eight defined gates. Gates represent key transition and/or decision points in a project's progression through planning and environmental review, design, construction, and transition to operations. Management and staff representatives throughout the agency review all aspects of a project including budget, schedule, risk mitigation, design, and operational startup plans to determine if the project is ready to advance. The process ensures that the Board and public have visibility into project scope, schedule, and budget through routine staff reporting. And, the process gives the Board control over key project decisions – specifically, approval of budget and project scope and schedule. After the first gate, a request to complete initial planning and conceptual engineering is presented to the Board for approval. When the project is ready to move forward to final design, a second request for budget is made to cover design and right-of way acquisition, if applicable. Then, once final design is underway and value engineering and constructability analysis is complete, the total project budget is presented to the Board for approval – this is referred to as the baseline budget.

Basis of Budgeting and Accounting

Sound Transit maintains a financial reporting system that records expenditures on an accrual basis. Budgets are prepared on the same basis with a few exceptions. Tax revenues are recorded on a modified accrual basis. Principal payments on long-term debt are applied to the outstanding liability. Assets that are transferred to another governmental entity are expensed as a donation upon completion.

Balanced Budget

In a situation where Sound Transit's annual revenues are less than annual expenditures, the budget is balanced with a contribution from unrestricted cash balance. Because of Sound Transit's ability to borrow to build capital projects, revenues do not need to equal expenditures.

Enterprise Fund

Sound Transit uses a single or general fund to account and budget for operating and capital transactions. Funds are not segregated for specific purposes.

Financial Plan

Sound Transit maintains a financial plan that projects the total revenues and costs of Sound Move and ST2 plans through 2040. The plan is used to verify long-term viability of the programs and confirm the maintenance of subarea equity.

Procurement

Resolution No. 78-2 grants the CEO or his/her delegate authority to approve transactions of \$200,000 or less within current budget authorization and \$50,000 or less outside of budget authorization. Sound Transit's Capital Committee and the Operations and Administration Committee are authorized to approve the award of contracts when the contract value does not exceed \$5,000,000. The full Sound Transit Board must approve contracts above \$5,000,000.

Our Business Planning and Reporting

With guidance from the Board, Sound Transit's executive management establishes the agency's objectives and priorities each year. Departments use these to create their annual scorecard – establishing their strategies and performance measures. Departments also update their three-year business plans which enable us to align resource use with strategic priorities and strengthen collaboration within and across departments. The plans identify issues and opportunities, and specify the resources and inter-departmental support necessary to execute the initiatives and achieve the goals. Business planning is a critical step to building a more strategic and efficient budget.

Each year we set agency milestones to establish accountability in the areas of customer service, planning and building major infrastructure projects, and maintaining our commitment to sustainability. Performance relative to these milestones is reported to the Board.

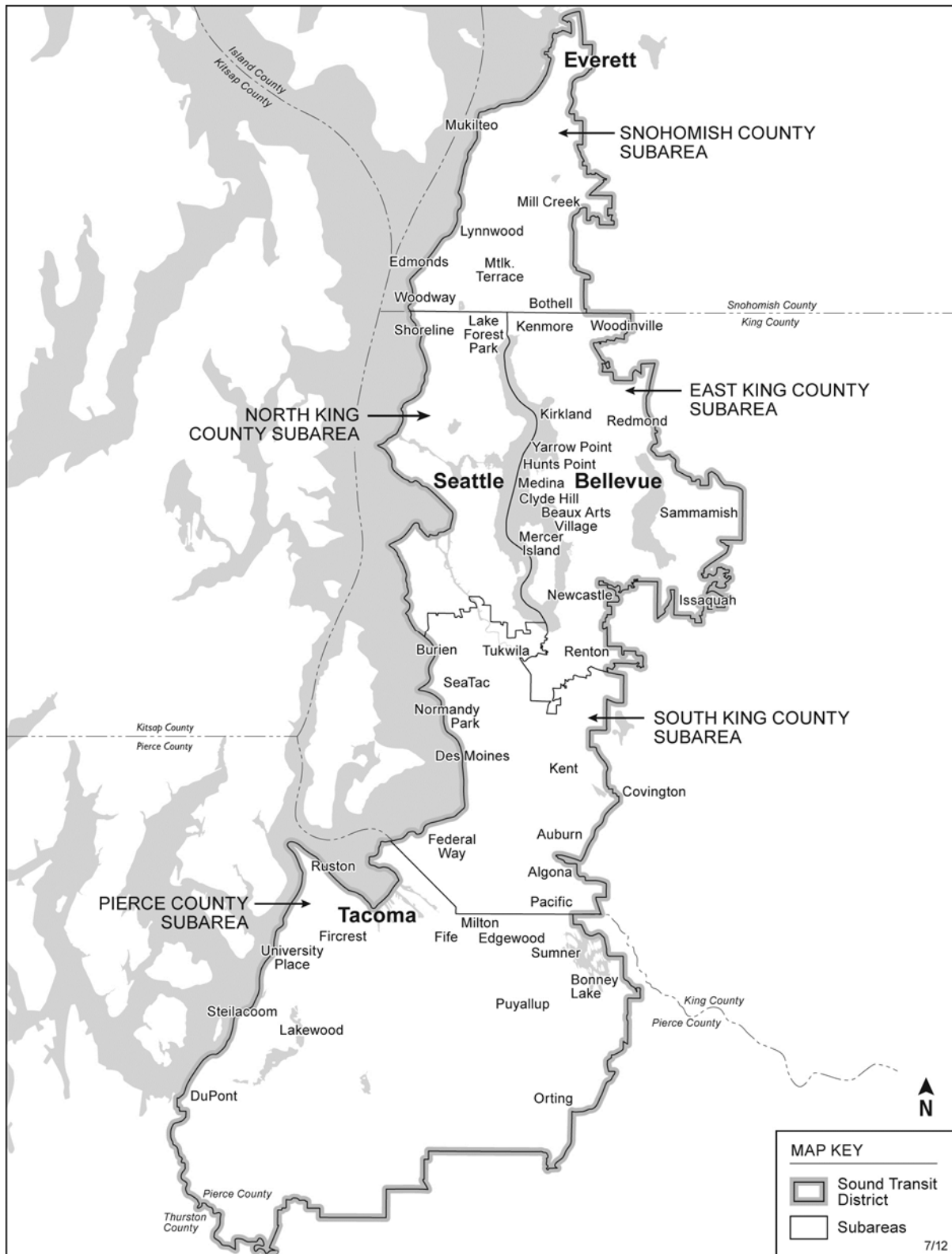
In close coordination with the agency's adopted budget and long-range financial plan, Sound Transit's service planning division prepares a Service Implementation Plan (SIP). The SIP describes service and revisions for the upcoming year and cost estimates for the subsequent five-year period.

Performance relative to the adopted budget is presented to the Audit and Reporting Committee and is published in the agency's Quarterly Report. Capital program performance is detailed in the Agency Progress Report. Quarterly Reports, Agency Progress Reports, Service Implementation Plan, and the agency's milestones are available at www.soundtransit.org.

Sound Transit District

Sound Transit's boundaries, shown on the accompanying map, generally follow the urban-growth boundaries created by each county in accordance with Washington State's Growth Management Act. The Sound Transit District is divided into five subareas: Snohomish County, Pierce County, and three subareas within King County – North King County, East King County, and South King County. Revenues and expenses are allocated to the subareas. More detail on subarea allocations can be found in the Appendices. To learn more about Sound Transit, our district, and how we're organized, please visit www.soundtransit.org.

SOUND TRANSIT DISTRICT



Budget Overview

Sound Transit continues to focus on building out the Central Puget Sound Regional Transit System, particularly light rail. We are maturing as a transit operator with an expanding number of facilities, vehicles, and equipment to maintain. Sounder service extended from Tacoma to Lakewood in 2012. Our light rail service from downtown Seattle to the University of Washington and from Sea-Tac Airport to South 200th Street will launch in 2016. In addition to supporting the agency's project and service plans directly, the Adopted 2014 Budget includes funding for initiatives that target our strategic priorities and enhance our ability to effectively and efficiently achieve our mission.

The Budget Overview provides a summary of revenue, service delivery, project delivery, and administration budgets for 2014. This section also includes a look ahead to the future, risks and opportunities, as well as the 2014 agency scorecard.

2014 Budget Highlights

The Adopted 2014 Sound Transit budget includes revenues of \$920.0 million and outlays of \$1.1 billion. The agency's unrestricted cash balance of \$517.5 million at the end of 2013 will fund the difference of \$202.3 million between annual revenues and expenses, as well as capital replacement fund and emergency reserve contributions of \$51.7 million, yielding a projected unrestricted cash balance of \$263.5 million at the end of 2014.

Revenues

We expect to collect revenues of \$920.0 million in 2014, which is 10.0 percent higher than the 2013 budget – mainly due to higher sales tax revenues and federal grant receipts.

Service Delivery

Total service delivery budget of \$221.0 million is up 4.3 percent compared to the 2013 budget, driven by cost increases in our agreements with transit partners, increased Sounder maintenance expenses, annualization of the latest additions to Sounder service (the tenth trip between Seattle and Tacoma, and the sixth trip from Tacoma to Lakewood), and higher allocations of administrative expenses.

Project Delivery

Total project spending is budgeted at \$741.6 million to continue planning, design, and build out of the regional transit system and enhance current service and operational capabilities.

Agency Administration

Total agency administration budget of \$159.7 million includes net department budgets of \$53.4 million and debt service of \$106.3 million. The total department budget, before any transfers to project delivery and service delivery is \$100.9 million.



Link Light Rail in Downtown Seattle Transit Tunnel

2014 BUDGET SUMMARY

(in thousands)

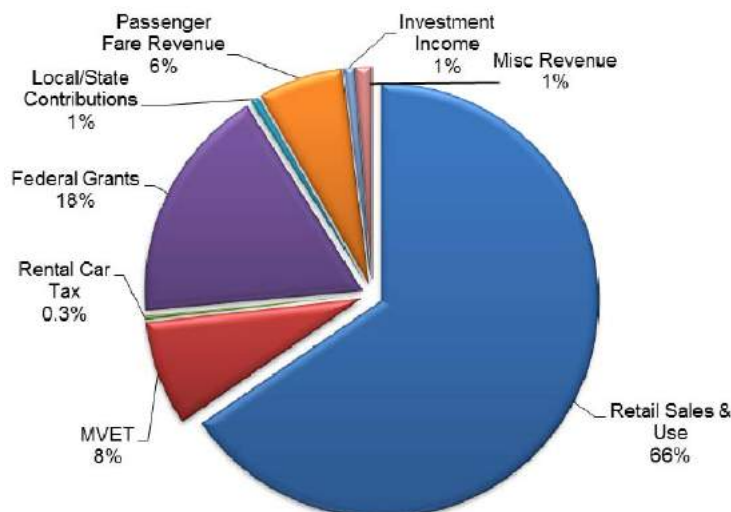
	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Revenues and Other Financing Sources				
Retail Sales And Use Tax	551,898	560,007	587,313	602,080
Rental Car Tax	2,527	2,638	2,773	2,705
Motor Vehicle Excise Tax	65,844	67,522	69,096	71,930
Passenger Fare Revenue	54,145	52,461	56,866	58,171
Investment Income	12,176	5,649	(4,896)	7,377
Miscellaneous Revenues	10,642	10,078	11,028	10,699
Local & State Contributions	3,943	1,000	14,268	5,743
Federal Grants	127,758	136,789	128,093	161,247
Total Revenues and Other Financing Sources	\$828,932	\$836,143	\$864,541	\$919,952
Operating Expenses & Capital Outlays				
Service Delivery				
Central Link	52,684	57,772	53,838	60,385
Sounder	33,206	40,152	36,963	41,950
ST Express	101,487	109,739	106,744	114,200
Tacoma Link	3,856	4,287	3,859	4,425
Subtotal Service Delivery	191,233	211,950	201,404	220,959
Project Delivery				
System Expansion	460,006	660,847	580,997	667,265
Enhancement	5,506	31,582	14,167	33,201
Rehabilitation & Replacement	31,916	31,471	1,690	36,589
Administrative	3,455	5,051	3,186	4,587
Subtotal Project Delivery	500,883	728,951	600,040	741,642
Agency Administration				
Departments	79,379	91,982	87,574	100,894
Transfers to Project and Service Delivery	(35,363)	(43,162)	(40,239)	(47,497)
Net Department Expenses	44,015	48,820	47,335	53,397
Debt Service	88,306	106,276	106,449	106,277
Subtotal Agency Administration	132,321	155,096	153,784	159,674
Total Operating Expenses & Capital Outlays	\$824,437	\$1,095,997	\$955,229	\$1,122,275

Revenues and Other Financing Sources

Funding for Sound Transit's operations and capital programs comes from local retail sales and use tax, motor vehicle excise tax (MVET), rental car tax, federal grants, passenger fare revenue, investment income on cash balances, bond issues, and miscellaneous revenues such as advertising on our vehicles and property rental. Our sales and use tax and MVET revenue forecasts are based on data and assumptions provided by an independent forecaster.

2014 Highlights

- We expect to collect \$920.0 million in total revenues, which is 10.0 percent or \$83.8 million higher than the 2013 budget – mainly due to higher sales tax revenues and federal grant receipts.
- The 2014 revenue budget is 6.4 percent or \$55.4 million higher than 2013 revenues mainly due to higher sales tax revenues and federal grant receipts.
- Sales taxes of \$602.1 million are 7.5 percent or \$42.1 million higher the 2013 budget and 2.5 percent or \$14.8 million higher the 2013 receipts.
- Higher levels of construction activity on Link projects will drive a \$24.5 million increase in federal grants over the 2013 budget and a \$33.4 million increase over the 2013 receipts.
- Passenger Fare revenue is projected to be \$5.7 million or 10.9 percent higher than the 2013 budget and \$1.3 million or 2.3 percent higher than 2013 receipts, due to an increase in ridership across the modes, higher average fare per boarding for Central Link and ST Express as well as the implementation of fares for Tacoma Link effective September 2014.
- Local & State contributions include state grants for projects and operating grants as well as any contributions from local jurisdictions. The 2014 budget of \$5.7 million includes a \$5 million state regional mobility grant.



REVENUE AND OTHER FINANCING SOURCES

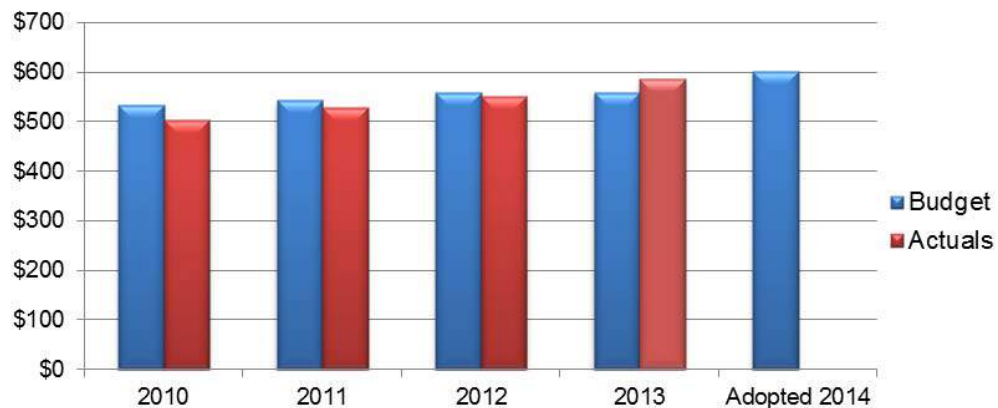
(In thousands)

Retail Sales and Use Tax	\$602,080
MVET	71,930
Rental Car Tax	2,705
Federal Grants	161,247
Local/State Contributions	5,743
Passenger Fare Revenue	58,171
Investment Income	7,377
Misc Revenue	10,699
Total	\$919,952

Retail Sales and Use Tax

- Sound Transit's largest revenue source at two thirds of total revenues, with \$602.1 million projected in 2014.
- Sound Transit receives 0.9 percent of transactions subject to sales and use taxes generated within the Sound Transit district.
- Receipts are expected to be 7.5 percent higher in 2014 than the 2013 budget reflecting stronger consumer spending in an improving regional economy.

SALES TAX REVENUE 2010 – 2014
(in millions)



Motor Vehicle Excise Tax (MVET)

- Sound Transit receives 0.3 percent of vehicle license renewals within the Sound Transit district.
- Receipts of \$71.9 million are \$4.4 million or 6.5 percent higher than the 2013 budget.

Rental Car Tax

- Sound Transit receives 0.8 percent of rental car payments within the Sound Transit district.
- Receipts of \$2.7 million are \$67 thousand or 2.5 percent higher than the 2013 budget.

Federal Grants

- Federal grant revenues for 2014 is expected to be \$161.2 million, including the following projects:
 - University Link construction, \$101 million.
 - East Link final design & ROW, \$21 million.
 - Northgate Link Extension final construction, \$7 million.
 - Federal Way Transit Extension PE/ED, \$6 million.

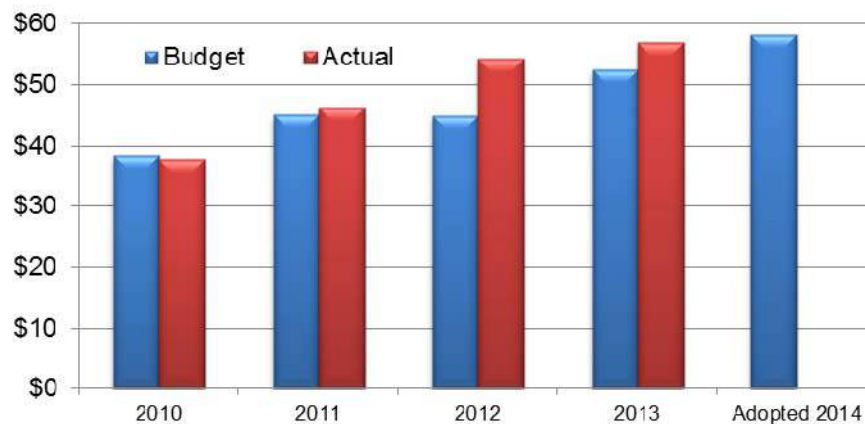
Local & State Contributions

- Previously reported under the miscellaneous revenues category, this category includes state grants for projects and operating grants, as well as any contributions from local jurisdictions.
- The 2014 budget of \$5.7 million includes a \$5 million state regional mobility grant.

Passenger Fare Revenue

- Passenger Fare revenues from ST Express, Central Link, Sounder services and the newly adopted fares for Tacoma Link are projected at \$58.2 million, up \$5.7 million or 10.9 percent over the 2013 budget.
- Average fare per boarding assumptions for the 2014 budget are:
 - Central Link, \$1.57.
 - Sounder, \$3.15.
 - ST Express, \$2.00.
 - Tacoma Link, \$0.61.
- The Board adopted a fare structure for Tacoma Link with implementation to occur effective September 2014. The adopted 2014 budget includes fare revenues for Tacoma Link of \$147K.

PASSENGER FARE REVENUE 2010 – 2014
(in millions)



Investment Income

- Sound Transit receives investment income on surplus cash and restricted funds invested in accordance with Washington State law and overseen according to board-approved investment policy.
- Investment income is projected at \$7.4 million for 2014, up \$1.7 million or 30.6 percent compared to the 2013 budget.

Miscellaneous Revenue

- Miscellaneous revenues include advertising revenues, rental income from Sound Transit properties, ORCA regional program billing reimbursements, and federal government bond subsidy payments.
- The 2014 revenues of \$10.7 million are \$621 thousand or 6.2 percent higher than the 2013 budget due to reimbursements for operational expenses related to the new route 592 to Olympia and TVM services provided for King County Metro, higher ORCA card fee revenues, and advertising revenues.
- The 2014 federal government bond subsidy payment of \$6.6 million, down from \$7.1 million in the 2013 budget, reflects a reduction due to sequestration.

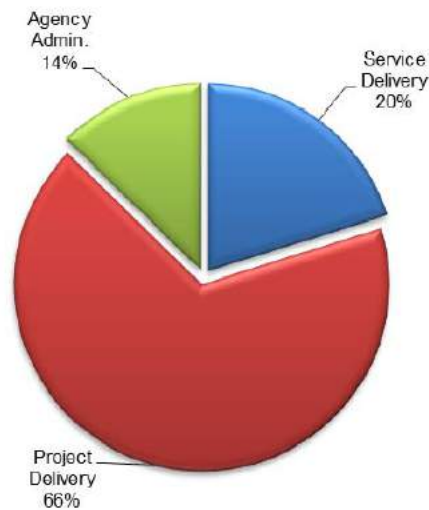
Bond Proceeds

- Bonds are issued to finance capital projects. There is potential for a bond issuance towards the end of 2014, but neither revenues nor costs of a bond sale are included in the budget.

Operating Expenses and Capital Outlays

Sound Transit's 2014 budget is organized in three sections: service delivery, project delivery, and agency administration. Two-thirds or 66 percent of the annual budget expenditures relate to the delivery of projects to expand and improve the regional transit system, and one-fifth or 20 percent of the budget to the operation of regional transit services. The remaining 14 percent are for agency administration expenses, some of which are directly charged or allocated to either service or project delivery budgets.

Service delivery, project delivery, and agency administration budgets are discussed in detail in the subsequent three sections of this document.



OPERATING EXPENSES & CAPITAL OUTLAYS

(in thousands)

Service Delivery	\$220,959
Project Delivery	741,642
Agency Administration	159,674
Total	\$1,122,275

Service Delivery

Operation of regional transit services accounts for \$221.0 million in the 2014 budget, which is a 4.3 percent increase over 2013. Ridership is expected to be 6.2 percent higher than projected for the 2013 budget.

2014 Highlights

- Tacoma Link's 2014 budget totals \$4.4 million, an small increase of 3.2 percent or \$0.1 million from the 2013 budget – mainly due to the introduction of fare collection this year and an increase in agency allocation costs somewhat offset by decreases in contracted services, insurance, and training costs.
- Central Link's budget totals \$60.4 million, up 4.5 percent or \$2.6 million from the 2013 budget – primarily due to an increase in purchased transportation costs from King County, increases in security services cost based on changes in security deployment to the mode, and an increase in agency allocation costs.
- Sounder's 2014 budget totals \$42.0 million, up 4.5 percent or \$1.8 million from the 2013 budget – mainly due to increases in vehicle maintenance costs, maintenance of way expenses, annualization of new round trips, and an increase in agency allocation costs.
- ST Express's budget totals \$114.2 million, up 4.1 percent or \$4.5 million from the 2013 budget – primarily due to increased costs in service agreements, increased hours to address overloads, and an increase in agency allocation costs.

Project Delivery

The bulk of the agency's budget, or \$741.6 million, is devoted to capital spending to continue planning, design, and build out of the regional transit system. In addition to major construction projects, we are maintaining and improving the agency's in-service assets, and investing in technology and systems that support efficient and effective projects and service operations.

Our presentation of the agency's projects is consistent with the 2013 presentation. System Expansion includes all projects that expand the regional mass transit system and include the ST2 and Sound Move voter-approved programs. Three additional project types are Enhancement, Rehabilitation & Replacement, and Administrative. Enhancement projects improve customer experience, increase the existing system's functionality, or reduce operating costs. Rehabilitation & Replacement projects extend the life of elements of the existing system or replace system assets at the end of their useful life. Administrative projects indirectly support the agency's mission.

2014 Highlights

- System Expansion – Link light rail projects account for \$572.7 million or 77.3 percent of the total project budget in 2014 including continuation of the following work:
 - Final design and right-of-way acquisition for East Link across I-90 to Overlake.
 - Construction of University of Washington and Capitol Hill Stations.
 - Final design and continuing construction for the South 200th Link Extension of light rail from Airport Station to Angle Lake Station at South 200th Street.
 - Completing the design of the Link extension to Northgate and site work at U District and Roosevelt Station locations.
 - Planning activity for the Federal Way and Lynnwood extensions.

- Beginning construction of tunnels connecting UW station and Northgate.
- System Expansion – Sounder commuter rail budget of \$46.9 million is focused on completing the ST2 Sounder program. This work is concentrated on the construction of two Sounder stations in Mukilteo and Tukwila and wetland mitigation as the final element of the Sounder South Expanded Service.
- System Expansion – Regional Express program budget of \$16.5 million includes baselining the I-90 Stage 3 HOV lanes and coordination of construction in anticipation of light rail crossing the floating I-90 bridges.
- System Expansion – Other projects have a total budget of \$31.2 million, including \$12.8 million for High Capacity Transit Corridor (HCT) studies, \$4.0 million for research and technology projects, \$6.7 million for long-range plan update, and \$2.8 million for the development of public art at various Sound Transit locations.
- Enhancement projects have a total budget of \$33.2 million, with \$15.0 million for Positive Train Control, \$4.5 million for Noise Abatement and \$1.8 million for Transit Oriented Development.
- Rehabilitation & Replacement budget of \$36.6 million includes \$28.1 million for bus replacements and \$5.3 million for Sounder locomotive overhauls.
- Administrative projects budget of \$4.6 million includes continued implementation of an enterprise asset planning system and an automated accounts payable program.

Agency Administration

This section of the budget includes department costs and debt service for a total of \$159.7 million in 2014.

2014 Highlights

- Department budgets are \$100.9 million or 9.7 percent higher than the 2013 budget. Of the total, 47 percent or \$47.5 million is transferred to service delivery or project delivery resulting in a net budget of \$53.4 million.
- Key drivers of the 9.7 percent increase in department costs are the full year costs of the 40.5 positions added in 2013 and 43 new positions for 2014. Workforce growth is driven primarily by ST3 planning and the increase in project activity.
- Debt service is \$106.3 million comprised of \$72.8 million of interest and financing expenses and \$33.5 million of principal repayment.

Looking to the Future

Although the budget document focuses primarily on a single year, many activities are part of longer-term efforts that build on existing programs or plan for future deliverables.

Preparing for Link Service Increases

- Downtown Seattle to University of Washington – 2016.
- Sea-Tac Airport to South 200th Street – 2016.
- University of Washington to Northgate – 2021.
- Northgate to Lynnwood – 2023.

- Downtown Seattle to Bellevue and Overlake – 2023.
- South 200th/Angle Lake to Kent/Des Moines area – 2023.

Building Out the Remainder of the ST2 Program and Planning for ST3

- Reviewing Sound Transit's strategic and financial options is critical to fulfilling commitments made in the ST2 plan. This is made more complex by the sluggish economic recovery. Tax revenue for the period 2009-2023, is currently projected to be 29 percent lower than originally projected in 2008, when voters approved the ST2 plan. Implementation of the majority of the plan is expected to be complete in 2023.
- Developing long-term, systemwide parking and access plan improvements.
- Implementing the second phase of regional transit data services including real time customer facing applications and improved station information systems.
- Extending transit services beyond what is defined in ST2 requires years of study, planning, and early work. Several projects will look at potential expansion of high-capacity transit and revenue options in anticipation of a third transit expansion program – ST3.

Developing an Agency for the Long Term

- ST University continues to expand as it delivers in-house training designed to meet development needs for employees throughout their career with the agency. Trainings offered include Management Excellence Program, Project Management, and Leadership Development.
- Benefit programs, with a focus on wellness, are custom designed to be meaningful, financially sustainable, and competitive to attract and retain qualified employees, maximize the value of benefit dollars, and curb year-over-year increases in costs.

Risks

As directed by the Board, we have identified a number of agency priorities to address the following potential risks to the agency's mission.

- Economic recovery underway but still sluggish.
- Construction costs and real estate values are increasing which could adversely impact the agency's ability to manage projects within budget.
- Limited parking and system access challenges are a risk to building ridership on our trains and buses.
- Adequate, skilled staffing must be maintained to meet project schedules and agency deliverables.
- Transit service demand greater than can be met with financial resources.

Opportunities

Balancing the risks the agency currently faces are opportunities with potential to save money and increase ridership.

- Value engineering and constructability reviews that strive to identify cost saving opportunities.

- High gas prices, tolls, and parking fees continue to promote ridership.
- Transit-oriented development creates long-term ridership growth.
- Public concern about the environment increases use of public transit.

2014 Objectives and Strategies

In 2014, we'll continue our mission of planning, building, and operating the regional transit system. We'll give an increasing number of transit riders safe and reliable service. We'll maintain a focus on customer service, sustainability, and transit-oriented development. And we'll work more efficiently to reduce costs where possible while delivering projects on time and within budget. The agency's 2014 scorecard follows.

2014 AGENCY SCORECARD

VISION STATEMENT

Easy connections...to more places...for more people.

MISSION STATEMENT

Sound Transit plans, builds, and operates regional transit systems and services to improve mobility for Central Puget Sound.

OBJECTIVE: Deliver capital projects on time and within budget		
PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Projects delivered on time and on budget.	Implement best management processes including early value engineering and constructability reviews and maintain strong reporting on schedule and budget performance.	Meet 80% of agency project milestones.
		Cost Performance Index (CPI) of 1.0 or higher.
		Schedule Performance Index (SPI) of 0.95 or greater.
A community that is informed, engaged, and supportive of agency capital construction programs.	Engage key stakeholders and provide opportunities for input by the affected public early in the project development process and maintain continuous communications regarding project process, impacts, and future benefits.	Community members surveyed at all public outreach events.
		Community survey responses of 4.0 or greater (out of 5.0).

OBJECTIVE: Increase ridership		
PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Services easy to access with adequate parking for Sound Transit users.	Implement pilot program to better manage parking availability at Sound Transit facilities.	Increase number of transit riders served per parking stall at pilot facilities (increase HOV use and decrease nontransit related use).
	Evaluate the parking pilot program and develop long-term systemwide implementation plans.	Increase number of parking permits issued at designated stations and transit centers.
Maximize resources by enhancing integration of transit services.	Enhance coordination and service integration with transit partners.	Pursue agreement with King County Metro on an approved service integration plan that provides direct bus connections to Link light rail along the Central Link alignment and at UW and Capitol Hill Stations.

PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Improve customer access to rider information.	Implement Board approved R&T program.	Second phase of regional data services in 2014 implemented.
Increase Sounder ridership from the areas surrounding South Tacoma and Lakewood Stations.	Use market share survey results to implement targeted marketing plans.	Increased ridership based on survey data.
Meet or exceed system ridership goals.	Implement adopted TOD policy.	Qualified teams selected to compete for Capitol Hill TOD project(s).
	Maximize service productivity and allocation of resources.	Systemwide ridership at or above 29.9 million (excluding Paratransit).
		Customer satisfaction rating of 3.5 on 4-point scale on all service modes.
		Meet or exceed on-time performance objectives.

OBJECTIVE: Enhance financial and environmental sustainability		
PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Board reviews sustainable financial plan.	Adjust capital and operating program to maintain fiscal sustainability.	Net debt service coverage above policy level (1.5 times).
		Achieve farebox recovery of 23.3% Sounder, 25.8% Central Link, and 28.4% ST Express.
	Increase grant funding.	Exceed 2013 grant forecast for FY 2014.
	Actively manage program realignment.	Quarterly reporting to Board on realignment status with recommendation on East Link schedule prior to baselining.
Business practices in place to ensure lifetime total cost of ownership is considered.	Implement approach for total cost of ownership (TCO).	Adoption of TCO policy and identification of elements to be routinely included in TCO evaluations.
Contain growth of operating cost per service hour.	Complete initial engineering and update cost estimate for ST2 Sounder Yard and Shops and ST Express Bus Base and evaluate alternative service scenarios.	Submit report to Board with staff recommendation on maintenance strategy.

PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Integrity and transparency in our procurement processes is a Sound Transit core value and key competency.	Develop standard curriculum and training in procurement integrity for Sound Transit employees and contractors.	Establish a mandatory training program for Sound Transit employees and contractors.
Increase the use of Small Business and Disadvantage Businesses.	Develop a comprehensive web based training program designed to improve technical assistances to Small Business.	Training program developed and delivered to small businesses.
	Collaboratively establish departmental goals.	Meet or exceed Small and Disadvantaged Business goals.
Secure federal funding for Lynnwood and Tacoma Link Extensions.	Effective manage the projects through the New Starts program.	Secure local funding share for Tacoma Link extension.
		Submit Small Starts application for Tacoma Link Extension.
Include Sound Transit in any state transportation package.	Share survey results and public involvement feedback related to interest in additional regional transit system expansion with public, partners, key stakeholders and legislators and keep all parties informed about ST3 planning and revenue options.	Pursue state funding and new taxing authority.
Maintain International certification of sustainability program.	Execute 2014 Sustainability Plan.	Achieve 80% of 2014 sustainability targets.
Specific and measurable cost containment or cost reduction implemented.	Implement continuous improvement program.	Two evaluations completed.
Improved flow of projects from planning through construction to operations.	Enhance cross-departmental engagement in planning, design, and construction.	Exceptions at transition to operations (Phase Gate 7) will be resolved within one year of transition.
		Increase dedicated staff resources to operational design review.
All agency assets are managed to maintain a State of Good Repair.	Implement 2014 target of Enterprise Asset Management Plan.	No asset below the condition rating of 2 as defined by FTA.

OBJECTIVE: Enhance talent management and organizational vibrancy.		
PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Timely recruitment of qualified and diverse talent.	Continue to optimize and expedite recruitment process, while monitoring effectiveness of diversity recruitment efforts and talent quality.	"Time to fill" open requisitions at or below 40 days.
Continuous alignment of people, strategy, and performance.	Bring performance management system in alignment with agency objectives, with cascading goals down to individual contributor level.	Performance management system overhaul is completed.
		Performance appraisals – 80% of completed within 30 days.
Support professional growth and development to ensure an environment of continuous learning.	Continue to expand Sound Transit University (STU) program.	All employees receive at least 16 hours of job specific training.
	Implement Leadership Development programs.	Management Excellence Program – 20 to 25 managers receive certification.
An equitable, effective, and financially sustainable total rewards program is in place.	Continuous assessment of total rewards programs to ensure effectiveness and alignment with the total rewards philosophy.	Health premium costs 2% below national trend with no decrease in quality of benefits.
		"Offer acceptance rate" at 95%.
Maintain effective teamwork, engage and motivate employees, and recognize their contributions to the success of the agency.	Support Employee Engagement Program, deploying organizational development programs/ interventions as needed.	Overall job satisfaction above national trend.
	Continue Diversity and Inclusion training.	Diversity and inclusion training received by 90% of employees.
	Promote an atmosphere of professionalism and mutual respect through effective management of employee and labor relations function.	Three or less formal external claims filed.

OBJECTIVE: Provide safe and secure facilities and services for all customers and employees		
PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Improve construction safety.	Successfully implement construction safety plans.	Loss time injuries rate on construction projects below national average.
Ensure the safety and security for Sound Transit passengers and employees.	Improve understanding of customer safety concerns.	Additional questions related to passenger security are included in 2014 Customer Satisfaction Survey.
	Improve CCTV surveillance.	CCTV integration software procured and implemented by Q4.
	Improve passenger education of crime prevention measures.	Marketing and communication material focused on personal crime prevention measures.
Ensure Sound Transit services are safely operated and maintained for passengers.	Enhance oversight and dialogue with partner agencies and contractors to ensure optimal performance.	Preventable accident rates meet or exceed targets.
		Preventive maintenance targets are met or exceeded.

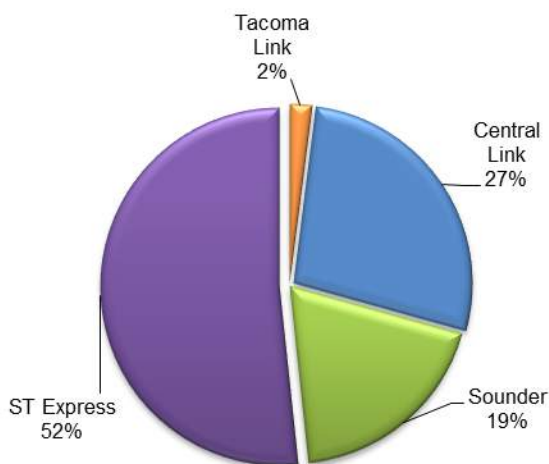
OBJECTIVE: Deliver ST3 studies and plans on time and on budget		
PRIORITIES	STRATEGIES	PERFORMANCE MEASURES
Complete ST3 studies in time for Board to decide on 2016 ballot measure.	Initiate and align corridor studies and long-range plan update to allow completion by early 2016.	Meet all ST3 milestones and project control indicators (CPI, SPI).
Identify funding options for build-out of regional transit system.	Review funding and revenue options with the Sound Transit Board.	Include funding and revenue options in the agency's 2014 legislative agenda.

Service Delivery

The adopted Service Delivery budget for 2014 totals \$221.0 million. In 2014, Sound Transit expects to carry approximately 31.0 million riders by providing over 909,000 service hours across our four transit services plus paratransit.

The Service Delivery budget includes costs for operations and vehicle maintenance provided primarily through contracts with our transit agency partners. Only Tacoma Link operations and maintenance is performed by Sound Transit employees. Our light rail, commuter rail, and express bus services are supported by 31 rail stations, 11 transit centers, and 17 park-and-ride lots. Sound Transit owns 22 of these facilities which range from fairly basic to complex. Operations Department staff manages our facilities, overseeing hundreds of contractors including many small and minority-owned businesses. The IT Transit Systems division performs installation, repairs, and maintenance for the agency's ticket vending machines, closed-circuit television (CCTV) cameras, automatic passenger counters, passenger information systems, and other technology used in the delivery of service.

Each year a Service Implementation Plan (SIP) is prepared by Sound Transit's Service Planning division to guide the delivery of ST Express bus, Sounder commuter rail, and Link light rail services. Developed in close coordination with the agency's budget and long-range financial plan, the SIP describes Sound Transit services and revisions for the upcoming budget year, together with preliminary proposals and financial estimates for the subsequent five-year period. A summary of the Service Delivery cost forecast can also be found in the endorsed 2014 Transit Improvement Plan (TIP).



SERVICE DELIVERY

(in thousands)

Tacoma Link	\$4,425
Central Link	60,385
Sounder	41,950
ST Express	114,200
Total	\$220,959

2014 Highlights

- In 2014, Sounder service includes the annualization of a tenth trip between Seattle and Tacoma and a sixth round trip from Tacoma to Lakewood. Service from Tacoma to Lakewood was implemented in September 2012.
- ST Express bus extended its Route 592 in September 2013 from DuPont to Olympia. This service is made possible through a Regional Mobility Grant administered by Intercity Transit covering the cost of the extended service for at least two years.

- ST Express is adding 2,000 hours of service in 2014 to address overcrowding on routes, primarily in East King County.
- Tacoma Link will implement fare collection for its revenue service in the fourth quarter 2014. Service levels are forecast to remain the same as 2013. In August 2013, Tacoma Link celebrated its ten-year anniversary.
- Central Link celebrated its four-year anniversary in July 2013. Service levels are forecast to remain the same as 2013.
- Contracts with Community Transit, King County Metro, and Pierce Transit for ST Express bus operations, excluding fuel costs, are budgeted to increase at a rate in excess of inflation.



Sounder Commuter Rail
Kent Station

SERVICE DELIVERY BUDGET SUMMARY

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	2,975	3,192	2,781	3,228
Benefits	1,744	1,765	1,704	1,803
Subtotal	4,719	4,957	4,485	5,030
Services				
Marketing & Rider Information	417	635	327	503
Fare Collection	2,000	2,550	2,080	3,188
Vehicle Maintenance	7,729	9,071	8,567	9,826
Facilities Maintenance	2,094	2,870	2,974	3,212
Downtown Seattle Transit Tunnel (DSTT)	5,488	7,065	7,168	6,713
Security & Safety	13,344	14,638	14,176	15,062
Miscellaneous Services	134	280	67	191
Maintenance of Way	1,549	1,188	50	1,258
Signage	252	220	260	266
Subtotal	33,007	38,518	35,669	40,221
Materials & Supplies	7,622	9,163	7,665	9,494
Other Expenses				
Utilities	3,353	3,375	3,227	3,675
Insurance	2,485	2,927	1,241	2,812
Taxes	1,656	1,880	1,862	1,865
Subtotal	7,494	8,182	6,329	8,351
Purchased Transportation Services	118,196	129,071	125,429	134,385
Paratransit	1,029	1,800	1,581	1,748
Miscellaneous Expenses	649	791	604	813
Operating Leases & Rentals	5,265	5,858	6,143	5,416
Transfer of Administrative Expenses	13,231	13,609	13,498	15,500
Service Delivery Budget Total	\$191,211	\$211,950	\$201,404	\$220,959

SERVICE DELIVERY BUDGET SUMMARY OF CHANGES

(in thousands)	2013 Budget	2014 Budget	\$ Change	% Change
Salaries & Benefits				
Salaries	3,192	3,228	36	1.1
Benefits	1,765	1,803	38	2.1
Subtotal	4,957	5,030	73	1.5
Services				
Marketing & Rider Information	635	503	(132)	(20.9)
Fare Collection	2,550	3,188	638	25.0
Vehicle Maintenance	9,071	9,826	755	8.3
Facilities Maintenance	2,870	3,212	343	11.9
Downtown Seattle Transit Tunnel (DSTT)	7,065	6,713	(352)	(5.0)
Security & Safety	14,638	15,062	424	2.9
Miscellaneous Services	280	191	(89)	(31.7)
Maintenance of Way	1,188	1,258	70	5.9
Signage	220	266	46	20.6
Subtotal	38,518	40,221	1,702	4.4
Materials & Supplies	9,163	9,494	331	3.6
Other Expenses				
Utilities	3,375	3,675	300	8.9
Insurance	2,927	2,812	(115)	(3.9)
Taxes	1,880	1,865	(15)	(0.8)
Subtotal	8,182	8,351	170	2.1
Purchased Transportation Services	129,071	134,385	5,314	4.1
Paratransit	1,800	1,748	(52)	(2.9)
Miscellaneous Expenses	791	813	23	2.9
Operating Leases & Rentals	5,858	5,416	(442)	(7.6)
Transfer of Administrative Expenses	13,609	15,500	1,890	13.9
Service Delivery Budget Total	\$211,950	\$220,959	\$9,010	4.3%

Service Delivery Budget

The 2014 Service Delivery budget includes an increase of \$9.0 million or 4.3 percent to \$221.0 million. All modes show a budget increase for 2014:

- Tacoma Link 2014 budget is 3.2 percent higher at \$4.4 million, compared to the adopted 2013 budget.
- Central Link 2014 budget is 4.5 percent higher at \$60.4 million, compared to the adopted 2013 budget.
- Sounder 2014 budget is 4.5 percent higher at \$42.0 million compared to the adopted 2013 budget.
- ST Express 2014 budget is 4.1 percent higher at \$114.2 million, compared to the adopted 2013 budget.

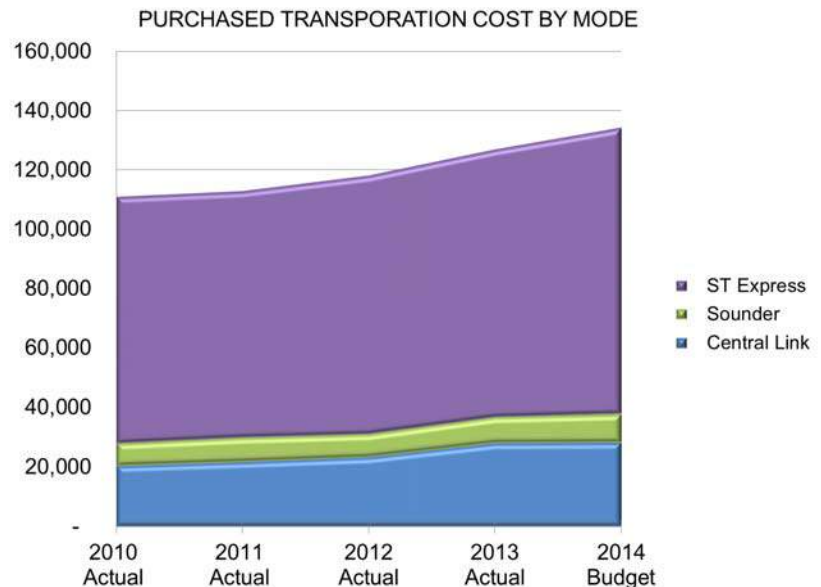
By far the largest Service Delivery budget item is purchased transportation services which comprises almost 61 percent of the 2014 budget. This category covers the negotiated agreements with our partners to deliver Central Link light rail, Sounder commuter rail, and ST Express bus services. The cost trend for these services for the last five years is shown by mode in the chart on the right, and discussed below.

Purchased transportation costs for Central Link (exclusive of Paratransit) are planned to increase 5.3 percent over the 2013 budget. The majority of the increase is driven by cost-of-living adjustments (COLA) included in our contract with KCM. Five new KCM FTEs will be added to support operations. An additional five KCM FTEs will be added to help with startup and testing of vehicles and systems for the new University Link and S. 200th Link Extensions. These costs will be charged directly to those capital projects.

Sounder commuter rail's purchased transportation expense is expected to increase 0.7 percent over the 2013 budget. Costs are driven by the contract with our partner, Burlington Northern Santa Fe (BNSF), as well as the annualized cost of one new round trip added on the south line in 2013.

ST Express costs in this category are planned to increase 4.1 percent over the 2013 Budget, driven primarily by increases in the negotiated contract rates for each of our partners – KCM, CT, and PT. An additional 2,000 service hours have been added to the Adopted 2014 Budget to address the most overcrowded system routes.

Details for other expense items related to our four transit programs can be found in the subsequent pages of this section.



Service Delivery Staffing Plan

Divisions that work directly to manage each of our four transit modes report to the Operations department and are charged directly to the mode they manage.

IT Transit Systems division staff provide technical support for fare collection and passenger-related technology and report to the Finance & Information Technology (FIT) department. Their staff costs are charged to the service delivery budgets based on the number of TVMs deployed to each mode.

Service Delivery staffing plan details are available in the Agency Administration section and Appendix A.

Ridership Forecast

Ridership in 2014 is expected to increase by 2.6 percent systemwide over 2013 ridership. The projected ridership for 2014 is based on modal trends through the third quarter of 2013. The 2013 Actual numbers in the table below represent preliminary year-end ridership numbers.

2014 RIDERSHIP FORECAST

(in thousands)

Mode	2012	2013	2013	2014	Change	%
	Actual	Budget	Actual	Budget	from Actual	Change
Central Link	8,700	9,200	9,681	10,000	319	3.3%
Sounder	2,812	2,700	3,036	3,000	(36)	-1.2%
Tacoma Link	1,024	1,000	1,000	993	(7)	-0.7%
ST Express	15,431	15,300	16,601	17,100	500	3.0%
Paratransit	63	100	62	65	3	5.3%
Total All Modes	28,029	28,300	30,380	31,158	778	2.6%

Systemwide ridership is expected to pass the 31 million mark in 2014. In 2013, for the first time ever, Sound Transit averaged over 100,000 combined bus and train weekday boardings for a full quarter of service, and passed the 30 million mark in passenger boardings.

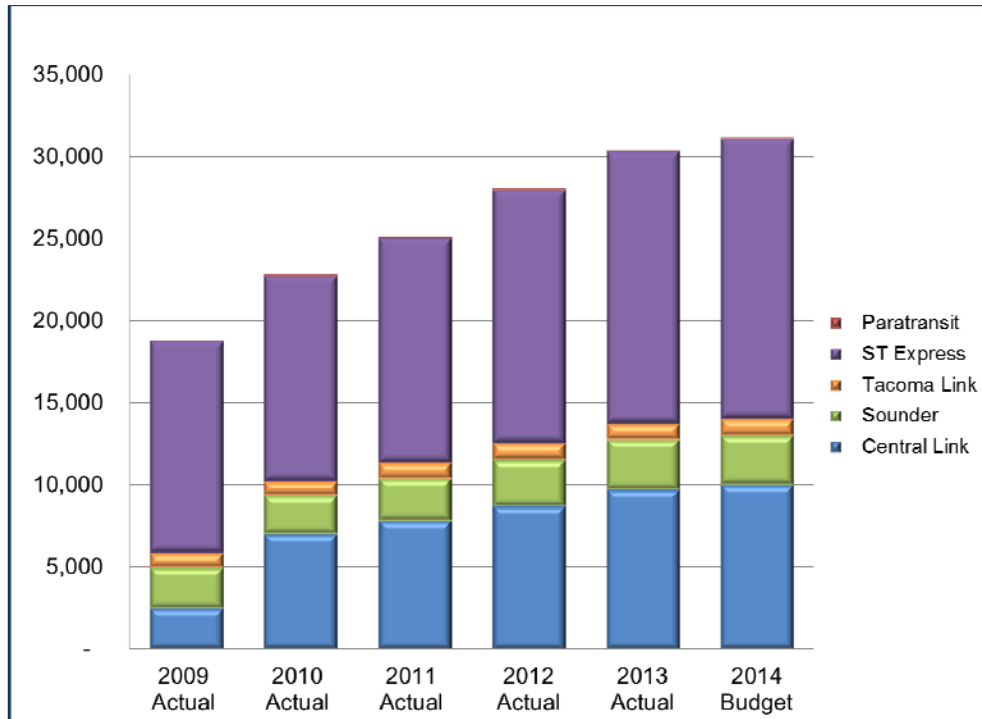
Central Link: The 10.0 million boardings for 2014 represent a 3.3 percent change over 2013, and an increase of 8.7% over the 2013 budget. An improving employment picture and increased boardings on weekends will continue to push ridership upward even with no plans for added service in 2014.

Sounder: Sounder boardings in 2014 are expected to remain at about the same level as 2013 at 3 million riders and increase 11.1 percent over the 2013 budget. New service was added in the third quarter of 2013 with the addition of a tenth roundtrip between Seattle and Lakewood. On the North Line, BNSF and WSDOT have completed work to help prevent mudslides in two locations. We expect to improve ridership on this line by reducing track closures on the northern corridor which experienced a record number of mudslides last winter.

Tacoma Link: Ridership for 2014 is expected to decrease 0.7 percent from 2013 due to implementation of fare collection beginning in the fourth quarter of 2014. No new service will be added on Tacoma Link in 2014.

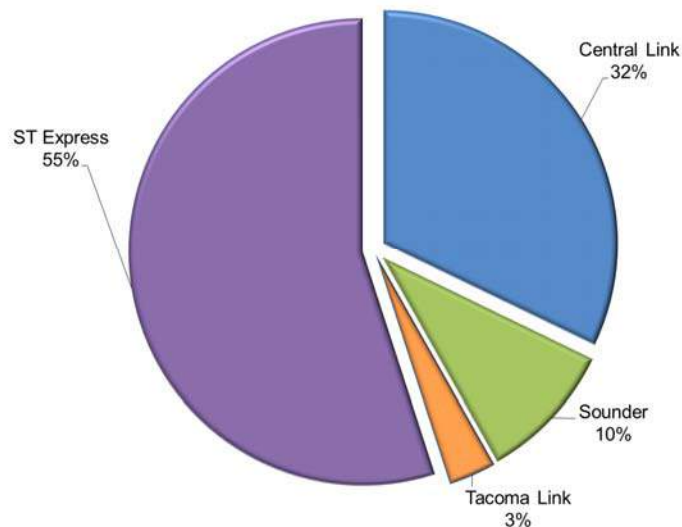
ST Express: Boardings on bus in 2014 are expected to increase 3.0% from 2013 and increase 11.8 percent over the 2013 budget. An additional 2,000 hours are proposed for the 2014 budget to address the most overcrowded routes in the system.

RIDERSHIP BY MODE 2010 – 2014
(in thousands)



The 2014 forecast for boardings by mode is represented in the pie chart below, demonstrating the current make-up of Sound Transit’s service. These modal proportions have remained fairly stable since the first full year of Central Link in 2010. Bus riders account for 55 percent of total ridership, followed by Central Link light rail at 32 percent, Sounder commuter rail at 10 percent, and Tacoma Link representing 3 percent of the system’s boardings.

PROPORTION OF TOTAL BOARDINGS BY MODE – 2014 BUDGET



Service Delivery Budget by Program

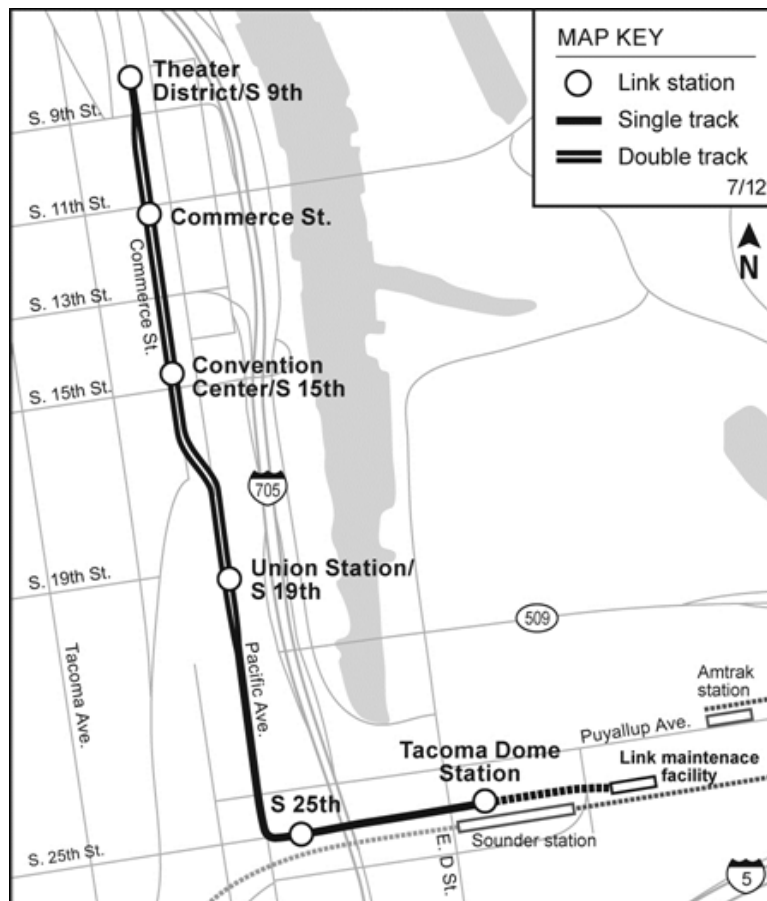
TACOMA LINK LIGHT RAIL

Tacoma Link is a 1.6-mile light rail passenger system that runs through the heart of downtown Tacoma. There are six unique stations complete with artwork that reflects the history and community of Tacoma. We run two trains at peak ridership hours and one during slower times of the day. Trains run at 12-minute intervals. No service changes are being implemented in 2014. However, fare collection will be implemented on Tacoma Link service in fourth quarter of 2014.

Sound Transit operates Tacoma Link out of the operations and maintenance facility in Tacoma. The fleet consists of three, single-car trains. Sound Transit performs routine maintenance work out of our operations and maintenance facility in the Tacoma Dome District. We typically contract for track, signal, and station maintenance services.

Tacoma Link celebrated its tenth anniversary in August 2013. The service has carried more than 9.4 million riders over the years.

TACOMA LINK LIGHT RAIL SERVICE ROUTE



TACOMA LINK

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	1,090	1,163	1,128	1,159
Benefits	744	699	788	729
Subtotal	1,834	1,862	1,915	1,888
Services				
Marketing & Rider Information	30	50	17	27
Fare Collection	0	0	0	38
Vehicle Maintenance	1	48	5	32
Facilities Maintenance	140	257	181	298
Security & Safety	436	404	413	454
Miscellaneous Services	0	22	3	20
Maintenance of Way	62	103	6	50
Signage	20	19	12	40
Subtotal	689	904	637	959
Materials & Supplies	254	227	141	225
Other Expenses				
Utilities	55	131	109	118
Insurance	168	228	166	241
Taxes	0	1	0	3
Subtotal	223	360	275	362
Purchased Transportation Services	1	5	1	5
Miscellaneous Expenses	51	115	83	60
Operating Leases & Rentals	11	13	11	13
Transfer of Administrative Expenses	794	801	795	913
Mode Total	\$3,856	\$4,287	\$3,859	\$4,425

Tacoma Link Budget Analysis

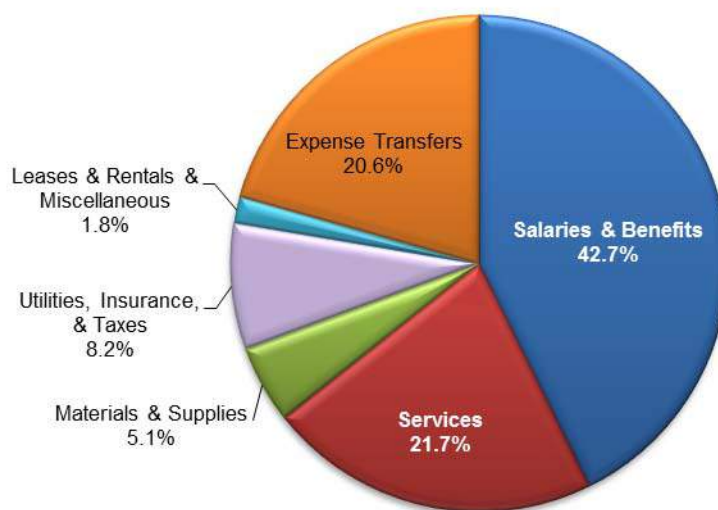
The 2014 Tacoma Link budget is \$4.4 million, up from \$4.3 million in 2013, an increase of 3.2 percent.

- Salaries and benefits are budgeted slightly higher than 2013, due to including Transit Systems staff cost for ticket vending machine services.
- Services are budgeted 6.1 percent higher primarily due to new costs associated with fare collection. In addition, security services have increased to account for fare enforcement on the trains in the fourth quarter.
- Insurance is expected to increase slightly by \$13 thousand or 5.7 percent. This budget increase is based on a change to the allocation of insurance between rail modes.
- Miscellaneous expenses budget is expected to be lower due to a reduction in training for maintenance staff. The initial training for certification of staff on overhead catenary and traction power maintenance was completed in 2013. The 2014 budget provides for ongoing recertification training.
- Agency Administrative expense allocations in 2014 are forecast higher by \$112 thousand, or 14.0 percent, above 2013. This is due to an increase in expected agency expenses allocated to Service Delivery. The increase has three major components: growth in agency staff costs, added allocation from new cost centers not included in 2013, and changes in cost allocation drivers.



Tacoma Link Light Rail at the Convention Center

TACOMA LINK BUDGET BY PERCENTAGE



Tacoma Link Performance Statistics Analysis

Budget projections for 2014 show decreased ridership and increased operating costs which result in a decline in performance for Tacoma Link when compared to 2013 performance.

- No new changes to service are planned for 2014.
- More than 9,600 service hours are expected to be delivered.
- Ridership target is 993,000 boardings or 3,345 per weekday.
- Operating costs are projected to increase by 3.2 percent. Service will remain relatively unchanged; therefore, the cost per hour is expected to increase by 1.6 percent.
- Ridership is projected to decline slightly compared to the 2013 budget resulting in an increase in cost per boarding from \$4.29 to \$4.46 or 4.0 percent in 2014.

TACOMA LINK LIGHT RAIL PERFORMANCE STATISTICS

Performance Statistics	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 v 2013 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated	9,822	9,617	9,850	9,770	1.6%
Revenue Vehicle Miles Operated	75,897	76,037	76,117	75,718	-0.4%
Trips Operated	48,886	47,857	49,047	49,100	2.6%
Service Consumed					
Total Boardings	1,024,053	1,000,000	1,000,316	993,000	-0.7%
Average Weekly Boardings	3,476	3,271	3,304	3,345	2.3%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	104.3	104.0	101.6	101.6	-2.3%
Total Boardings/Trip	20.9	20.9	20.4	20.2	-3.2%
Percentage of Scheduled Trips Operated	99.5%	98.5%	99.5%	98.5%	0.0%
On-time Performance	100.0%	98.5%	100%	98.5%	0.0%
Complaints per 100,000 Boardings	0.1	15.0	0.9	15.0	0.0%
Preventable Accidents per 100,000 Service Miles	1.3	<1.7	2.6	<1.7	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)	\$3,856,024	\$4,286,836	\$3,858,865	\$4,424,797	3.2%
Cost/Revenue Vehicle Hour	\$392.59	\$445.76	\$391.76	\$452.90	1.6%
Cost/Revenue Vehicle Mile	\$50.81	\$56.38	\$50.70	\$58.44	3.7%
Cost/Boarding	\$3.77	\$4.29	\$3.86	\$4.46	3.9%

CENTRAL LINK LIGHT RAIL

Central Link light rail trains run between downtown Seattle and Sea-Tac Airport, serving 13 passenger stations, including the 4 stations in the Downtown Seattle Transit Tunnel. The 15.6-mile ride between Sea-Tac and downtown Seattle takes about 35 minutes. During peak hours, service runs every 7.5 minutes, with less frequent service during mid-day and before and after peak hours.

Sound Transit operates Central Link light rail out of our operations and maintenance facility in Seattle's SODO neighborhood. Operations and maintenance of the system is performed by KCM through an inter-governmental agreement. Sound Transit has seven Operations Department FTEs and an allocation of eight IT Transit Systems staff. Central Link division staff oversees overall operations and oversight of operations and maintenance of the trains. Sound Transit is directly responsible for security, spare parts, insurance, traction power, and other utilities. IT Transit System staff provide technical support for ticket vending machines, security cameras, and other passenger related technology.

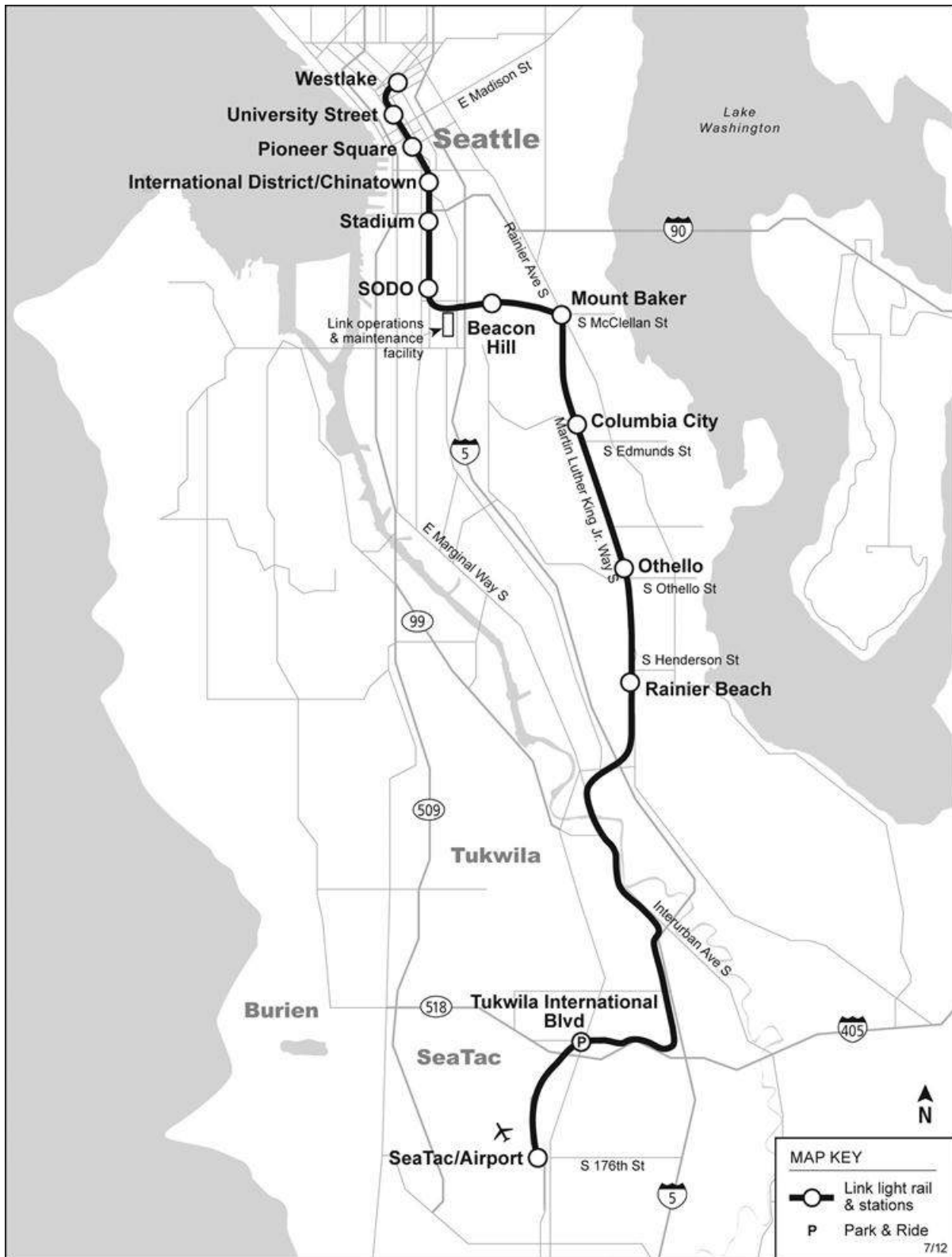
KCM employs 197 Central Link staff including control center personnel, service supervisors, maintenance-of-way personnel, maintenance technicians, facilities custodians, and 56 light rail operators. King County staff provides supervision and operations of the trains, maintenance of the vehicles, and maintenance of the stations and track facilities.

The Central Link fleet consists of 62 single-car vehicles, including 27 vehicles to accommodate the extension of service to the University of Washington in 2016. These vehicles carry a seated load of 74 passengers plus another 74 standing passengers.



Central Link Light Rail
Pioneer Square Station
Downtown Seattle Transit Tunnel

CENTRAL LINK LIGHT RAIL SERVICE ROUTE



CENTRAL LINK

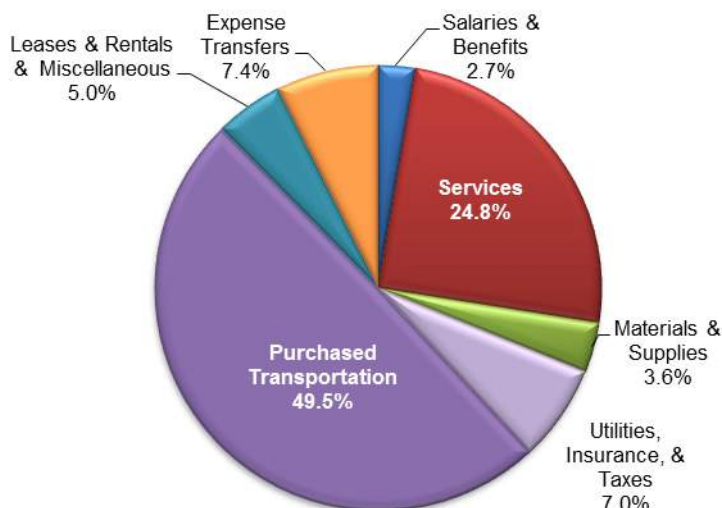
(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	1,007	1,100	841	1,083
Benefits	528	561	477	551
Subtotal	1,535	1,661	1,318	1,633
Services				
Marketing & Rider Information	91	176	85	125
Fare Collection	993	999	777	1,222
Vehicle Maintenance	0	34	0	0
Facilities Maintenance	242	133	613	423
Downtown Seattle Transit Tunnel (DSTT)	3,158	4,065	4,123	3,863
Security & Safety	8,299	8,673	8,360	9,116
Miscellaneous Services	133	169	22	169
Maintenance of Way	863	0	(863)	0
Signage	67	45	39	51
Subtotal	13,846	14,294	13,157	14,968
Materials & Supplies	2,365	2,063	1,855	2,179
Other Expenses				
Utilities	1,970	1,864	1,945	2,168
Insurance	1,581	1,850	(60)	1,676
Taxes	345	356	368	391
Subtotal	3,895	4,070	2,254	4,235
Purchased Transportation Services	23,203	26,742	26,435	28,169
Paratransit	1,029	1,800	1,581	1,748
Miscellaneous Expenses	220	263	183	228
Operating Leases & Rentals	2,767	2,972	3,178	2,771
Transfer of Administrative Expenses	3,824	3,907	3,878	4,454
Mode Total	\$52,683	\$57,772	\$53,838	\$60,385

Central Link Budget Analysis

The budget for Central Link light rail is expected to increase 4.5 percent to \$60.4 million from \$57.8 million.

- Fare collection expenses are expected to increase \$223 thousand or 22.3 percent. This is due to increases in ORCA operating expenses and fare collection costs, driven by an increase in ridership and volume of transactions.
- Materials and Supplies are projected to increase by \$116 thousand or 5.6 percent primarily due to the reclassification of operators' uniform cost from Purchased Transportation Services to this category.
- Downtown Seattle Transit Tunnel (DSTT) expenses for maintenance are forecast lower by \$202 thousand or 5.0 percent to reflect lower cost trending in 2013.
- Security and Safety expense budget is higher by \$443 thousand or 5.1 percent due to changes in security deployment to the modes.
- Facilities Maintenance is expected to increase \$290 thousand or 218 percent due to the addition of sensitive area maintenance contracts which were previously budgeted in the capital project, but are now an on-going maintenance cost.
- Insurance is expected to decrease slightly by \$174 thousand or 9.4 percent. This budget decrease is based on a change to the allocation of insurance between rail modes.
- Purchased Transportation Services are expected to increase \$1.4 million reflecting the addition of five new King County staff and 3% cost-of-living adjustment (COLA) increases for all King County staff in 2014 that provide operations and maintenance services for Central Link light rail.
- Agency Administrative expense allocations are forecast higher by \$546 thousand or 14 percent in 2014 due to higher expected agency expenses allocated to Service Delivery. The increase has three major components: growth in agency staff costs, added allocation from new cost centers not included in 2013, and changes in cost allocation drivers.

CENTRAL LINK BUDGET BY PERCENTAGE



Central Link Performance Statistics Analysis

Budget projections for 2014 show increased ridership and increased operating costs which result in mixed performance for Central Link.

- Train size will go back to two-car all the time rather than the current schedule which reduces trains to one car after 7 p.m. and on weekends.
- About 141,000 revenue vehicle hours are expected to be delivered, an increase of 6.8 percent over the 2013 budget, as a result of running two-car trains
- Ridership is forecasted at 29,600 weekday boardings and 10.0 million annual boardings, an 8.7 percent increase over the 2013 budget. Cost per boarding forecast for 2014 is 3.6 percent lower at \$5.86.
- Operating costs for Central Link (exclusive of Paratransit which is not included in Central Link performance statistics) are projected to increase by 4.8 percent.
- Cost per vehicle hour is expected to decrease by 1.9 percent, and cost per vehicle mile is projected to decrease by 1.9 percent.

CENTRAL LINK LIGHT RAIL PERFORMANCE STATISTICS

Performance Statistics	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 v 2013 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated	136,167	132,000	140,974	141,000	6.8%
Revenue Vehicle Miles Operated	2,552,647	2,455,000	2,642,763	2,622,600	6.8%
Revenue Train Hours Operated	72,240	71,800	71,535	71,800	0.0%
Trips Operated	90,834	92,527	89,864	90,500	-2.2%
Service Consumed					
Total Boardings	8,699,821	9,200,000	9,681,432	10,000,000	8.7%
Average Weekday Boardings	25,990	27,900	28,953	29,600	6.1%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	63.9	69.7	68.7	70.9	1.8%
Total Boardings/Trip	96	99	108	110	11.1%
Percentage of Scheduled Trips Operated	97.5	98.5	99.0%	98.5%	0.0%
Headway Management	93.9%	>90%	93.0%	>90%	0.0%
Complaints per 100,000 Boardings	1.9	15	0.9	15.0	0.0%
Preventable Accidents per 100,000 Service Miles	0	<0.3	0.04	<0.3	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation and paratransit costs)	\$51,654,295	\$55,972,139	\$52,257,413	\$58,636,509	4.8%
Cost/Revenue Vehicle Hour	\$379.35	\$424.03	\$370.69	\$415.86	-1.9%
Cost/Revenue Vehicle Mile	\$20.24	\$22.80	\$19.77	\$22.36	-1.9%
Cost/Revenue Train Hour	\$715.03	\$779.56	\$730.52	\$816.66	4.8%
Cost/Boarding	\$5.94	\$6.08	\$5.40	\$5.86	-3.6%

SOUNDER COMMUTER RAIL

Sounder commuter rail spans three counties, serving commuters and travelers making their way from Lakewood on the south end and Everett on the north end of central Puget Sound. Sounder service operates via a contract with Burlington Northern Santa Fe (BNSF), owner of the railway between these two cities. Sound Transit owns the railway from M Street in Tacoma to Lakewood.

South line commuter service offers nine daily round trips between Seattle and Tacoma. During fourth quarter 2012, Sound Transit began service from Tacoma south to South Tacoma and Lakewood stations. This segment offers five daily round trips. Beginning in fourth quarter 2013, Sound Transit added a sixth round trip between Seattle and Lakewood which results in ten round trips of service between Tacoma and Seattle.

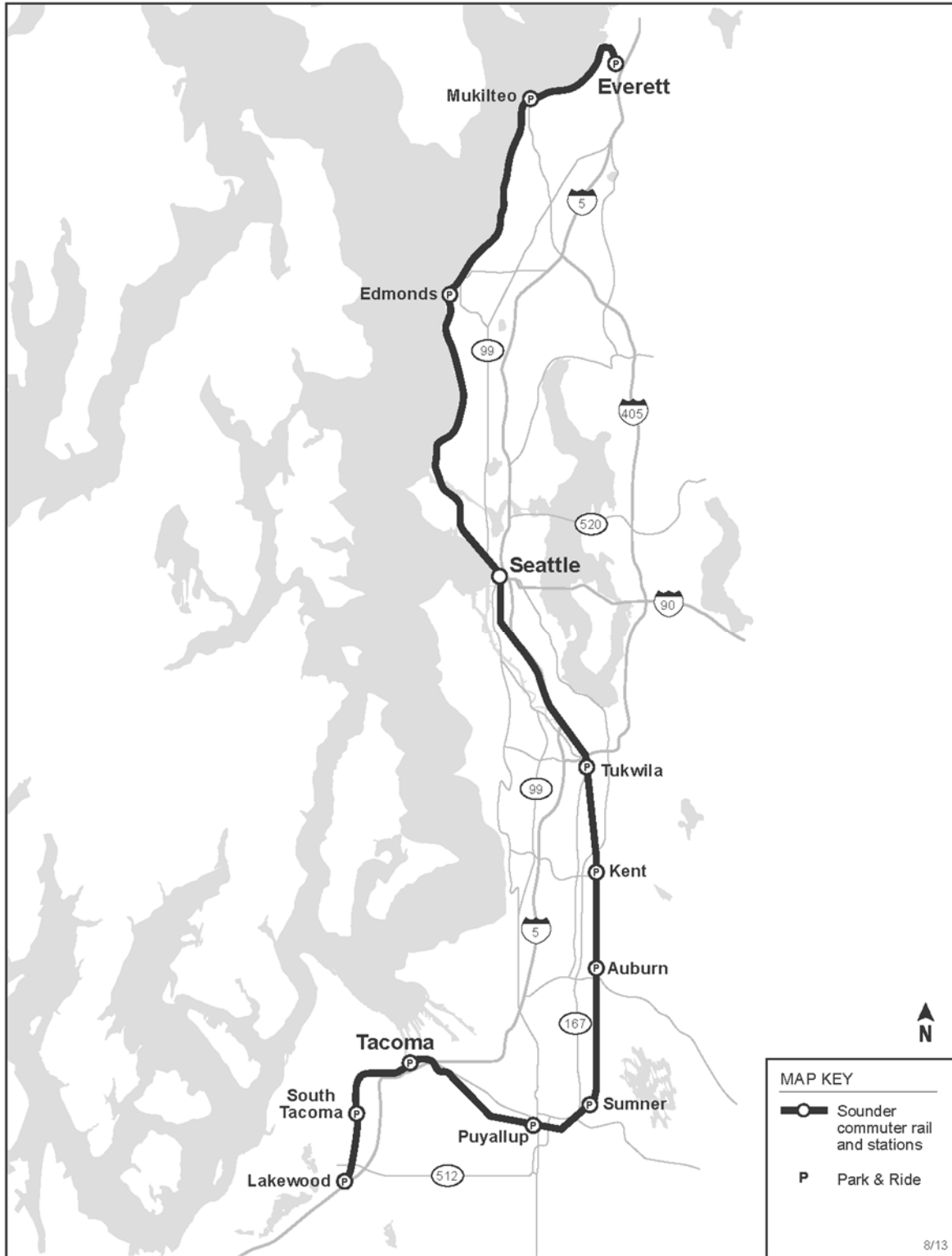
North line Sounder service offers four daily round trips between Everett and Seattle. There are no service additions scheduled for the North line in 2014. Sounder operations staff includes one manager, three superintendents, and an administrative coordinator. Sounder is also supported by 2.5 FTEs from the agency's IT Transit Systems division.

Sounder service is supported by 12 stations and 11 parking facilities. The Sounder fleet consists of 14 locomotives, 40 coaches, and 18 cab cars that include an engineer's cab. During 2013, three additional locomotives were added into our fleet. Also during 2013, the Board approved the purchase of 9 passenger cab cars to fulfill ST2 service expansion requirements. These vehicles are expected to be delivered in early 2016. All vehicles are maintained by Amtrak at their Holgate Yard in Seattle during the day with overnight storage for the 4 North line trains in Everett and the five South line trains in Tacoma. Sounder also benefits from numerous other supporting contracts, such as services for security, station agents, and facilities maintenance.



Sounder Commuter Rail

SOUNDER COMMUTER RAIL SERVICE ROUTE



SOUNDER

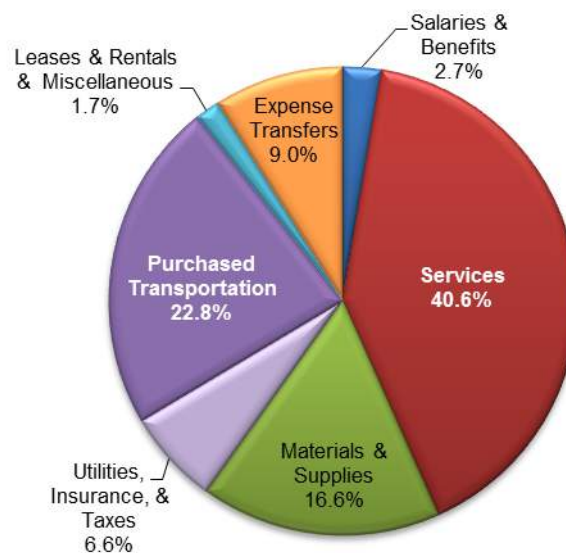
(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	631	680	555	731
Benefits	333	376	306	389
Subtotal	963	1,056	861	1,120
Services				
Marketing & Rider Information	119	132	84	132
Fare Collection	374	441	323	534
Vehicle Maintenance	7,728	8,939	8,562	9,794
Facilities Maintenance	904	1,099	1,025	1,072
Security & Safety	3,707	4,094	4,068	4,219
Miscellaneous Services	1	82	42	3
Maintenance of Way	624	1,085	907	1,208
Signage	79	81	90	79
Subtotal	13,536	15,952	15,101	17,041
Materials & Supplies	4,915	6,798	5,523	6,981
Other Expenses				
Utilities	825	936	836	1,012
Insurance	689	830	1,125	895
Taxes	686	1,044	838	849
Subtotal	2,200	2,810	2,799	2,755
Purchased Transportation Services	7,839	9,509	8,673	9,575
Miscellaneous Expenses	205	243	191	233
Operating Leases & Rentals	368	474	538	482
Transfer of Administrative Expenses	3,162	3,309	3,277	3,762
Mode Total	\$33,189	\$40,152	\$36,963	\$41,950

Souder Budget Analysis

The 2014 Souder budget is \$42.0 million, up 4.5 percent from \$40.2 million in 2013.

- Vehicle Maintenance is expected to be higher by \$855 thousand or 9.6 percent due to increasing fleet size, age of the original fleet, and maintenance contract rates. Three new locomotives were delivered in early 2013. The budget for 2014 reflects an increase in revenue fleet size from 56 to 62, with 1 new locomotive and 5 coaches being added to the existing fleet. Souder also has a new signaling maintenance cost sharing agreement with Amtrak for King Street Station.
- Maintenance of Way expenses are expected to increase \$123 thousand or 11.3 percent due primarily to additional costs for Tacoma Rail Trestle maintenance.
- Materials and Supplies are expected to increase \$183 thousand or 2.7 percent primarily due to spare parts related to the contract for Maintenance of Way. Slightly higher fuel costs are forecast due to an increase in service levels, partially offset by reduction in fuel consumption through the expanded use of wayside power units.
- Purchased Transportation costs charged by BNSF to operate our Souder service are expected to increase \$66 thousand or 0.7 percent. This budget includes the estimated costs for the annualization of the sixth round trip between Seattle to Tacoma to Lakewood which was added the fourth quarter of 2013, and increases to the contract rates for 2014. These increases are largely offset by a reduction from the 2013 budget which included one-time pre-opening costs for Lakewood extension.
- Utility costs are expected to rise by nearly \$76 thousand or 8.1 percent in 2014 due to the increase in wayside power units from four to six at the Lakewood layover.
- Insurance for Souder is forecast to increase by \$65 thousand or 7.8 percent. This budget increase is based on a change to the allocation of insurance between rail modes.
- Agency Administrative expense allocations are expected to increase \$453 thousand or 13.7 percent for 2014 due to an increase in predicted agency expenses allocated to Service Delivery. The increase has three major components: growth in agency staff costs, added allocation from new cost centers not included in 2013, and changes in cost allocation drivers.

SOUNDER COMMUTER RAIL BUDGET BY PERCENTAGE



Souder Performance Statistics Analysis

- In 2014 we will have ten daily round trips between Seattle and Tacoma, six of which will go to Lakewood. We expect to deliver more than 56,300 service hours.
- Ridership target is 3.0 million total boardings or 11,470 per weekday.
- Souder cost per revenue vehicle hour is projected to decrease from \$863 in 2013 to \$744 in 2014, a decrease of 13.8 percent.
- Boardings are forecast to increase by 11.1 percent which would yield a decrease in cost per boarding of 6.0 percent in 2014, from \$14.87 to \$13.98.
- Excluding fuel cost changes, cost per hour is forecast at \$659 or 13.3 percent lower than the 2013 budget of \$761.
- Excluding fuel cost changes, cost per boarding is projected to be \$12.39 for 2014, a decrease of 5.4 percent from 2013 cost of \$13.11.

SOUNDER COMMUTER RAIL PERFORMANCE STATISTICS

Performance Statistics	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 v 2013 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated	38,951	46,500	50,099	56,382	21.3%
Revenue Vehicle Miles Operated	1,507,757	1,690,776	1,662,443	1,793,039	6.0%
Trips Operated	6,542	6,910	6,570	7,340	6.2%
Service Consumed					
Total Boardings	2,811,891	2,700,000	3,035,735	3,000,000	11.1%
Average Weekday Boardings	10,584	10,369	11,042	11,470	10.6%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	72	58	61	53	-8.4%
Total Boardings/Trip	430	391	462	409	4.6%
Percentage of Scheduled Trips Operated	97.5%	99.5%	97.0%	99.5%	0.0%
On-time Performance	96.4%	>95%	98.0%	>95%	0.0%
Complaints per 100,000 Boardings	6.7	<15	8.0	<15	0.0%
Preventable Accidents per 1,000,000 Total Miles	0	<1	0	<1	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)	\$33,203,394	\$40,151,847	\$36,963,157	\$41,949,711	4.5%
Cost/Revenue Vehicle Hour	\$852.44	\$863.48	\$737.80	\$744.03	-13.8%
Cost/Revenue Vehicle Mile	\$22.02	\$23.75	\$22.23	\$23.40	-1.5%
Cost/Boarding	\$11.81	\$14.87	\$12.18	\$13.98	-6.0%
Fuel Costs	\$3,476,347	\$4,764,547	\$3,791,326	\$4,769,510	0.1%
Operating costs (less fuel and depreciation)	\$29,727,047	\$35,387,300	\$33,171,831	\$37,180,201	5.1%
Cost/Revenue Vehicle Hour	\$763.19	\$761.02	\$662.13	\$659.43	-13.3%
Cost/Revenue Vehicle Mile	\$19.72	\$20.93	\$19.95	\$20.74	-0.9%
Cost/Boarding	\$10.57	\$13.11	\$10.93	\$12.39	-5.4%

ST EXPRESS BUS

ST Express offers fast, frequent, two-way service on 25 routes along 18 corridors, connecting Snohomish, King, and Pierce counties. Sound Transit provides this bus service via contracts with transit partners including King County Metro (KCM), Pierce Transit (PT), and Community Transit (CT).

Sound Transit provides 280 buses to support ST Express service. The bus fleet is maintained by transit partners KCM (103 buses), PT (116 buses), and CT (61 buses). ST Express service is supported by 11 transit centers and 9 park-and-ride lots.

Service levels are expected to increase slightly over 2013 levels with the addition of 2,000 hours of service to address overcrowding on some routes, primarily in East King County.

A Regional Mobility Grant administered by Intercity Transit has enabled us to extend Route 592 between Olympia and Lacey. This additional 2,000 hours of service will provide six rush-hour trips each weekday between Seattle and Olympia.



ST Express Bus

ST EXPRESS BUS SERVICE ROUTE



ST EXPRESS

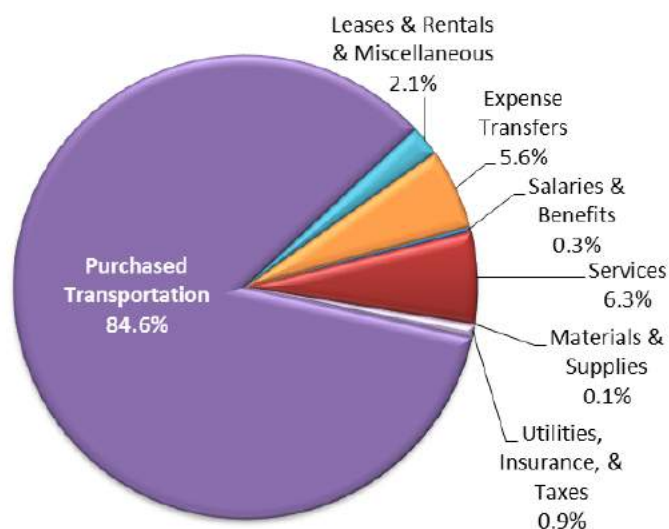
(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	248	249	257	255
Benefits	139	128	133	134
Subtotal	386	378	390	389
Services				
Marketing & Rider Information	177	276	141	218
Fare Collection	632	1,110	980	1,394
Vehicle Maintenance	0	50	0	0
Facilities Maintenance	808	1,380	1,155	1,419
Downtown Seattle Transit Tunnel (DSTT)	2,331	3,000	3,045	2,850
Security & Safety	902	1,468	1,335	1,273
Miscellaneous Services	0	7	0	0
Signage	86	76	119	97
Subtotal	4,937	7,368	6,774	7,252
Materials & Supplies	88	75	146	110
Other Expenses				
Utilities	504	443	337	378
Insurance	46	19	10	0
Taxes	625	480	656	622
Subtotal	1,176	942	1,002	999
Purchased Transportation Services	87,153	92,815	90,320	96,636
Miscellaneous Expenses	173	170	147	292
Operating Leases & Rentals	2,119	2,400	2,416	2,151
Transfer of Administrative Expenses	5,451	5,592	5,548	6,371
Mode Total	\$101,483	\$109,739	\$106,744	\$114,200

ST Express Budget Analysis

ST Express's 2014 budget increases to \$114.2 million, up 4.1 percent from \$109.7 million in 2013.

- Fare collection costs are expected to increase \$284.0 thousand or 25.6 percent due to increases in ORCA operating expenses and ridership.
- DSTT expenses for maintenance will decrease \$150 thousand or 5.0 percent to reflect lower cost trending in 2013.
- Safety and security costs are expected to be lower by \$195 thousand or 13.3 percent due to changes in security deployment which resulted in lower costs to ST Express.
- Materials and Supplies are forecasted to increase \$35 thousand or 46.7 percent, primarily due the planned upgrade of 20 Community Transit buses with larger capacity bike racks.
- Purchased Transportation Services is expected to increase by \$3.8 million or 4.1 percent. This is driven by three major components. (1) Partner rates have increased an average of 3.8 percent. (2) An extension of Route 592 service from DuPont to Olympia was implemented in September 2013. The cost of this service is recovered through a Regional Mobility Grant administered by Intercity Transit. The reimbursements for Sound Transit's cost are included in Miscellaneous Revenues. (3) In 2014, an addition of 2,000 service hours will address overloaded routes in the system, primarily in East King County.
- Agency Administrative expense allocations are forecast to increase by \$779 thousand or 13.9 percent in 2014. The increase has three major components: (1) growth in agency staff costs, (2) added allocation from new cost centers not included in 2013, and (3) changes in cost allocation drivers.

ST EXPRESS BUDGET BY PERCENTAGE



ST Express Performance Statistics Analysis

- We expect 17.1 million boardings in 2014.
- Operating expenses are forecast to be 4.1 percent higher. Platform hours are planned to increase by 4,000, just 0.6 percent higher due to adding hours to extend Route 592 and supplement overloaded routes. A cost per platform hour rate of \$162.68 is expected in 2014, up 3.5 percent from 2013.
- Boardings are expected to increase by about 11.8 percent yielding a cost per boarding 6.9 percent lower than in 2013, a reduction from \$7.17 to \$6.68 per boarding.
- ST Express cost per revenue hour is projected to increase from \$194.57 in 2013 to \$209.25 in 2014, an increase of 7.5 percent.
- Excluding fuel cost changes, cost per revenue hour is forecast higher by 7.7 percent compared to 2013.
- Excluding fuel cost changes, cost per boarding is projected at \$5.96 for 2014, a decrease of 6.8 percent from the 2013 cost of \$6.39.

ST EXPRESS BUS PERFORMANCE STATISTICS

Performance Statistics	2012 Actual	2013 Budget	2013 Actual	2014 Budget	2014 v 2013 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated	549,860	564,000	548,156	545,762	-3.2%
Revenue Vehicle Miles Operated	11,519,025	11,580,000	11,590,306	11,575,000	0.0%
Trips Operated	453,004	444,000	455,584	455,000	2.5%
Platform Hours	689,591	698,000	705,657	702,000	0.6%
Service Consumed					
Total Boardings	15,430,663	15,300,000	16,600,500	17,100,000	11.8%
Average Weekday Boardings	53,098	53,043	57,236	58,405	10.1%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	28.1	27.1	30.3	31.3	15.5%
Total Boardings/Trip	34.1	34.5	36.4	37.6	9.1%
Percentage of Scheduled Trips Operated	99.8%	99.8%	99.9%	99.8%	0.0%
On-time Performance	88.3%	85.0%	89.8%	85.0%	0.0%
Complaints per 100,000 Boardings	15.0	15.0	13.0	15.0	0.0%
Preventable Accidents per 100,000 revenue miles	0.77	<0.80	0.62	<0.80	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)	\$101,486,695	\$109,739,013	\$106,743,873	\$114,200,213	4.1%
Cost/Revenue Vehicle Hour	\$184.57	\$194.57	\$194.73	\$209.25	7.5%
Cost/Platform Hour	\$147.17	\$157.22	\$151.27	\$162.68	3.5%
Cost/Boarding	\$6.58	\$7.17	\$6.43	\$6.68	-6.9%
Fuel Costs	\$10,016,800	\$12,000,000	\$9,969,362	\$12,347,863	2.9%
Operating costs (less fuel and depreciation)	\$91,469,895	\$97,739,013	\$96,774,511	\$101,852,350	4.2%
Cost/Revenue Vehicle Hour	\$166.35	\$173.30	\$176.55	\$186.62	7.7%
Cost/Platform Hour	\$132.64	\$140.03	\$137.14	\$145.09	3.6%
Cost/Boarding	\$5.93	\$6.39	\$5.83	\$5.96	-6.8%

Project Delivery

Sound Transit is developing and operating regional transit infrastructure through two major voter-approved programs: Sound Move approved in 1996 and Sound Transit 2 (ST2) approved in 2008. Transit infrastructure planning, design, and construction account for the majority of the agency's annual budget. Sound Transit's project delivery budget for 2014 is \$741.6 million. The Proposed 2014 Budget includes one year of expected project expenditures. The Proposed 2014 Transit Improvement Plan (TIP) includes six years of cash flow forecasts (beginning with the budget year) for all active projects as well as historical, future, and total Board-approved budget amounts.

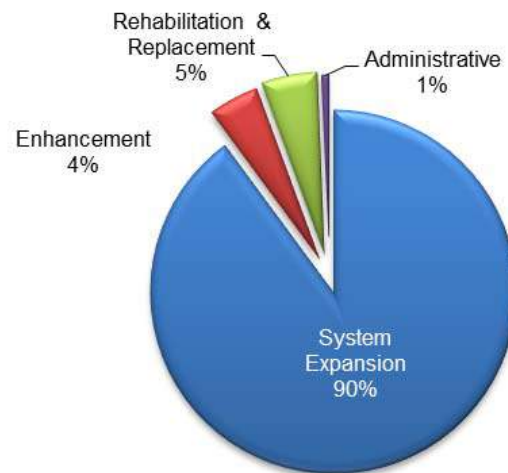
Our presentation of projects is categorized by project type, defined below, and transit mode: Link, Sounder, Regional Express, and Other (non-mode specific).

- System Expansion – Expand the regional mass transit system, includes the ST2 and Sound Move voter-approved programs.
- Enhancement – Enhance the public's riding experience, increase the system's functionality, or reduce operating costs.
- Rehabilitation and Replacement – Extend the life of the existing transit system or replace system assets at the end of their useful life.
- Administrative – Indirectly support the agency's mission.

PROJECT DELIVERY

(in thousands)

System Expansion	
Link	\$572,656
Sounder	46,887
Regional Express	16,530
Other	31,191
System Expansion Total	\$667,265
Enhancement	33,201
Rehabilitation & Replacement	36,589
Administrative	4,587
Total	\$741,642



2014 Highlights

- Advancing construction of light rail extensions north to Northgate and south to South 200th.
- Advancing design efforts for a light rail extension east to Bellevue and Redmond and planning efforts for extensions north to Lynnwood and south to Federal Way.
- Identifying, evaluating, and narrowing options for expanding Tacoma Link.
- Continuing funding of construction for the First Hill Street Car.
- Improving service by replacing buses, updating onboard communications to enhance safety and comfort, and maintaining in-service assets in a state of good repair.
- Exploring system expansion potential beyond our Sound Move and ST2 programs.

- Continuing investment in our regional fare collection system, expanding sales of the ORCA card, and deploying systems that improve efficiency and productivity.



ST Express Bus

System Expansion – Link Light Rail

Sound Transit's regional light rail service began in 2003 with the completion of Tacoma Link, a 1.6-mile light rail line between Tacoma Dome Station and downtown Tacoma. In July 2009, the initial segment, consisting of a 13.9-mile light rail line between downtown Seattle and the city of Tukwila, opened for service. In December 2009, Airport Link, a 1.7-mile extension from Tukwila to Sea-Tac International Airport, was also completed. Today Link trains carry around ten million passengers each year.

2014 Highlights

The proposed 2014 budget totals \$572.7 million including funding for these major Link light rail projects:

- \$146.9 million to continue construction of the extension from downtown Seattle to the University of Washington (UW).
- \$148.3 million to advance final design of a light rail extension east to Bellevue and Redmond's Overlake neighborhood and begin installation of a pedestrian bridge at Overlake Village.
- \$138.6 million to advance final design of the light rail extension north to Northgate, start tunnel boring activities, and continue work at station locations.
- \$79.1 million to extend light rail south of the Airport to Angle Lake Station at South 200th Street through a design/build contracting strategy and continue construction.
- \$31.2 million to continue project development for light rail extensions south from South 200th Street to Federal Way and north from Northgate to Lynnwood.
- \$21.4 million to continue to fund construction of a streetcar connector from Seattle's Capitol Hill to International District/Chinatown Station.
- \$2.9 million for site selection and preliminary engineering designs for the Link light rail operations and maintenance satellite facility.
- \$2.7 million for continued alternative analysis and community engagement with the city of Tacoma and Pierce Transit on the expansion options of Tacoma Link.



Central Link Light Rail
with Reflector Art

LINK LIGHT RAIL
 (in thousands)

Project	Description	2014 Activities	2014 Budget
Airport Link	Airport Link opened for service in December 2009.	Complete work required to close out project.	\$418
East Link Extension	Extend light rail to East King County via I-90, from downtown Seattle to downtown Bellevue, and to the Overlake Transit Center in Redmond.	Continue with final design and property acquisition. Apply for major permits. Award construction management contract for pre-construction services. Procure design-build contract for the SR-520 to Overlake Transit Center.	\$148,303
Federal Way Transit Extension	Plan for expansion of light rail south of S. 200th including an extension to Federal Way.	Develop draft Environmental Impact Statement and advance design through conceptual engineering.	\$14,253
First Hill Streetcar	Plan, design, and construct a streetcar from Capitol Hill to the International District Station. Provide a capped contribution of \$79 million to the city of Seattle which is the lead agency for the project.	Complete construction of tracks, stations and maintenance facility, final assembly of vehicles, system testing, and training. Begin revenue service.	\$21,357
Initial Segment	The Initial Segment opened for service in July 2009.	Complete follow-on construction. Close out project.	\$287
Link Operations & Maintenance Satellite Facility	Review and evaluate current and future light rail storage and maintenance requirements. Initiate development, design, and construction of future light rail operations and maintenance facilities to support ST2 system expansion.	Complete conceptual engineering and draft Environmental Impact Statement. Start preliminary engineering and final Environmental Impact Statement.	\$2,928
Lynnwood Link Extension	Extend light rail over 8.5 miles north from Northgate to Lynnwood.	Advance preliminary engineering of the preferred alternative. Develop final Environmental Impact Study.	\$16,994
Northgate Link Extension	Extend light rail 4.3-miles from the UW Station north to Northgate.	Continue civil and systems final design. Continue tunnel construction and begin utility relocations and parking garage design and construction at Northgate. Start Roosevelt and U District station finishes. Continue real estate acquisitions.	\$138,639
Overlake Village Bridge	Pedestrian and bicycle bridge spanning S-520 from the Overlake Village Station in Redmond. The Overlake Village Bridge is a joint project with the city of Redmond.	Complete pre-final design phase of pedestrian bridge to include in SR-520 to Overlake Transit Center design-build procurement. Negotiate construction funding agreement with the city of Redmond.	\$782
S 200th Link Extension	Extend light rail approximately 1.6 miles south from SeaTac/Airport Station to South 200th Street.	Continue construction of guideway and station through design-build contract. Award parking garage design-build contract in early 2014 and begin design.	\$79,102

Project	Description	2014 Activities	2014 Budget
Tacoma Link Expansion	Conduct conceptual and preliminary engineering and environmental review to expand Tacoma Link in the selected corridor from north downtown Tacoma to the Stadium District and Hilltop.	Conduct conceptual engineering, environmental review, and clearance. Develop financial plan with the partners and apply for a Small Starts grant.	\$2,726
University Link Extension	Extend light rail 3.15 miles from downtown Seattle to the University of Washington (UW).	Continue work on Capitol Hill and University of Washington station finishes and systems.	\$146,866
Total System Expansion - Link			\$572,656

System Expansion – Sounder Commuter Rail

Since its debut in 2000, Sounder commuter rail service has grown to provide daily and special event commuter service between Everett and Tacoma. Program elements included design and construction of 12 Sounder stations. In partnership with BNSF, track and signal systems were upgraded along a 75-mile corridor between Everett and Tacoma. Sound Transit's 8.4-mile Lakewood-to-Tacoma corridor opened in October 2012.

2014 Highlights

The proposed 2014 budget totals \$46.7 million including funding for these major Sounder commuter rail projects:

- \$11.0 million for environmental mitigation requirements to complete the acquisition of easements from BNSF.
- \$9.8 million for the construction of Tukwila Station.
- \$8.4 million in progress payments toward the production and delivery of nine passenger cars by 2016.
- \$6.7 million for Mukilteo Station, South Platform construction.
- \$3.0 million for the completion of planning and preliminary engineering of a Sounder Yard and Shops Facility.
- \$5.3 million for the completion of preliminary engineering and right-of-way acquisition for the Tacoma Trestle Track & Signal project.
- \$1.0 million for the completion of the track and signal project from D Street to M Street in Tacoma.



Sounder Commuter Rail Lakewood Launch Celebration

SOUNDER COMMUTER RAIL
 (in thousands)

Project	Description	2014 Activities	2014 Budget
D St-M St Track & Signal	Design and construct a 1.4-mile rail extension between Tacoma Dome Station and M Street in Tacoma.	Complete follow-up work. Close out project.	\$1,045
Lakewood Station Improvements	In partnership with the city of Lakewood, design and construct a pedestrian overpass connecting Lakewood Station with the community northwest of the station.	Provide local grant match of \$100 thousand for station improvements, with additional \$10 thousand for administrative costs.	\$148
Layover	Design and construct facilities for overnight train layovers at Everett Station, King Street Station, Tacoma's L Street, and Lakewood.	Finalize administrative activities. Close out project.	\$535
M St-Lakewood Track & Signal	Reconstruction of approximately 7 miles of existing track between M Street in Tacoma and Lakewood.	Finalize administrative activities. Close out project.	\$238
Mukilteo Station, S Platform	Design and construction of a south boarding platform at Mukilteo Station.	Continue construction and complete right-of-way acquisitions.	\$6,724
Permitting/Environmental Mitigation	Environmental permitting and mitigation required for track and signal improvements between Everett and Seattle, per our agreement with BNSF.	Complete final mitigation program. Monitor and maintain mitigation measures that have been implemented.	\$113
Puyallup Station Improvements	Improve station access.	Continue preliminary engineering and environmental review.	\$178
Souder South Expanded Service	Purchase of 4 easements, track and signal improvements, and environmental permitting/mitigation for four additional daily round trips between Seattle and Lakewood.	Secure environmental permitting. Manage environmental compliance work during BNSF construction on easements 3 and 4.	\$11,008
Souder ST2 Fleet Expansion	Expand fleet to add additional trips between Seattle and Lakewood.	Purchase nine new passenger cab cars.	\$8,400
Souder Yard & Shops Facility	Evaluate commuter rail vehicle storage and maintenance requirements and strategies to identify cost efficient ways to develop commuter rail operations and maintenance facilities.	Continue preliminary engineering, environmental planning, and site selection.	\$2,955
South Tacoma Station	Design and construction of a commuter rail station in South Tacoma.	Finalize administrative activities. Close out project.	\$124
Sumner Station Improvements	Improve station access.	Continue preliminary engineering and environmental review.	\$180
Tacoma Trestle Track & Signal	Design and construction of additional track and new structures between Tacoma Dome Station and near M Street in Tacoma.	Complete preliminary engineering and right-of-way acquisition.	\$5,474

Project	Description	2014 Activities	2014 Budget
Tukwila Station	Tukwila is currently served by a temporary boarding platform. This project includes design and construction of a permanent boarding platform and station amenities.	Complete construction of Tukwila Station.	\$9,766
Total System Expansion - Sounder			\$46,887

System Expansion – Regional Express

Sound Transit has designed and constructed transit centers, park-and-ride lots, HOV direct access freeway ramps, and other transit access improvements throughout the three-county region to support express bus service. ST Express bus service began in 1999 and today carries over 15 million passengers annually on 25 routes.

Much of the Regional Express capital program is complete. Remaining program elements include Stage 3 of the I-90 Two Way Transit and HOV Operations project as well as the ST Express Bus Base, which is part of the ST2 program. In addition, we financially support a number of projects led by third parties.

2014 Highlights

The proposed 2014 budget totals \$16.5 million including funding for these major Regional Express projects.

- \$9.2 million for design of the Two-Way Transit & HOV Operations Stage 3 project over the I-90 Bridge to mitigate traffic impacts as Link light rail is built over the bridge's center lane.
- \$2.1 million for planning and preliminary design work on the ST Express bus base and final design and construction of the Mid-Day Bus Storage facility.
- \$1.9 million for three transit projects with capped contributions led the jurisdictions of Kirkland, Issaquah, and Federal Way.



ST Express Bus
Federal Way Transit Center

REGIONAL EXPRESS

(in thousands)

Project	Description	2014 Activities	2014 Budget
85th Corridor, Kirkland	Financial contribution to the city of Kirkland for street widening, traffic signals, sidewalk improvements, and bus shelters to enhance transit connections and reliability.	Fund commitment for remaining city-led construction.	\$1,570
Federal Way Transit Center	In service.	Pursue ending litigation. Trial scheduled for 2014.	\$1,481
I-90 Two-Way Transit & HOV Operations, Stage 1	Design and construction of an HOV lane in the westbound outer roadway between Bellevue and Mercer Island.	Close out project.	\$88
I-90 Two-Way Transit & HOV Operations, Stage 2	Provides HOV and transit operations capacity on eastbound I-90 between 80th Avenue SE on Mercer Island to Bellevue Way.	Close out project.	\$541
I-90 Two-Way Transit & HOV Operations, Stage 3	Provide two-way transit and HOV lanes eastbound and westbound on I-90 between 80th Avenue SE, Mercer Island, and Rainier Avenue/I-5 in Seattle.	Complete final design work. Baseline the project in Q2 2014. Continue to coordinate the design with Washington State Department of Transportation for code compliance.	\$9,210
Issaquah Transit Center/SR900	Project is in service	Close out project.	\$22
Kirkland Transit Center/3rd	Design and construct transit center and intersection improvements in downtown Kirkland.	Finalize administrative activities. Close out project.	\$402
Mountlake Terrace Freeway Station	Design and construct freeway transit station for improved bus service and reliability.	Finalize administrative activities. Close out project.	\$594
S. Everett Freeway Station	Design and construct freeway transit station for improved bus service and reliability.	Finalize administrative activities. Close out project.	\$143
ST Express Bus Base	Planning and preliminary design for a bus operations and maintenance base to improve cost efficiency of ST Express Bus operations and maintenance.	Continue preliminary engineering, environmental planning and permitting, and site selection.	\$2,056
ST Express Mid-Day Bus Storage	Design and construct a mid-day bus storage facility as an alternative to parking buses at the Link Operations and Maintenance Facility (OMF) when the parking area at the OMF is no longer available.	Complete design and begin construction.	\$121

Project	Description	2014 Activities	2014 Budget
Strander Boulevard Extension	Sound Transit is contributing to the first phase of this project which is construction of an underpass (bridge) at the BNSF tracks & Strander Blvd. Upon completion of future phases of the project, including a crossing at the Union Pacific Railroad (UPRR) the underpass will enhance commuter access to the Tukwila Sounder Station.	Close out project.	\$268
Totem Lake Freeway Station	Design and construction of an I-405 overpass and bus boarding platforms accessible from I-405 HOV lanes.	Finalize administrative activities. Close out project.	\$34
Total System Expansion - Regional Express			\$16,530

System Expansion – Other

System Expansion – Other includes projects that encompass more than one mode or do not yet have a defined scope to determine the mode. For example, many expansion projects begin with an evaluation of alternatives in order to determine the mode.

2014 Highlights

The proposed 2014 budget totals \$31.2 million including funding for these system expansion projects:

- \$8.4 million for HCT Corridor Planning Studies to identify and evaluate high-capacity transit improvement options along eight transit corridors for improvements beyond the voter approved Sound Move and ST2 programs.
- \$6.7 million for ST3 Planning for studying the future expansion of the regional transit system beyond the Sound Move and ST2 capital programs.
- \$4.0 million for research & technology projects including a regional data repository, real-time customer facing applications, and improved station signage systems.
- \$2.8 million for public art installed at stations including Capitol Hill and University of Washington.
- \$2.8 million to complete South Corridor Alternatives Planning to extend transit between Federal Way and Tacoma.

SYSTEM EXPANSION – OTHER

(in thousands)

Project	Description	2014 Activities	2014 Budget
Ballard-to-Downtown Seattle HCT Planning Study	Partner with the city of Seattle to identify and evaluate high capacity transit alternatives between downtown and the Ballard neighborhood of Seattle.	Prepare draft and final reports on analysis.	\$1,757
Central & East HCT Study	Identify and evaluate high capacity transit alternatives in the following corridors: Ballard to U-District, U-District to Kirkland to Redmond, Eastside Rail Corridor, I-405 Bus Rapid Transit, Kirkland to Bellevue to Issaquah.	Evaluate alternative modes, alignments, and station locations. Develop ridership forecasts. Develop conceptual design and cost estimates. Prepare summary reports.	\$4,027
Fare Administration	Manage fares and pricing for Sound Transit. Support initiatives for generating earned revenue from other priced services such as parking and concessions. Fund upgrades to the ORCA system.	Continue work on ORCA system enhancements. Explore mobile ticketing options. Conduct parking management study with WSDOT. Research and analyze transportation demand management strategies and use of operating, fare payment, survey and census data to inform ridership development strategies. Analyze fare changes, Title VI reporting and mitigation requirements. Fund production and distribution of paper tickets, passes and other non-electronic fare media.	\$636

Project	Description	2014 Activities	2014 Budget
HCT Corridor Planning Studies	ST2 included funding for identifying and evaluating high capacity transit improvements along eight transit corridors beyond the improvements to the regional transit system identified in ST2.	Provide funding for corridor-specific, high-capacity transit studies in the event of a scope change or additional requirements.	\$2,590
Lynnwood to Everett HCT Study	Identify and evaluate high capacity transit alternatives in the Lynnwood to Everett corridor.	Evaluate alternative modes, alignments, and station locations. Develop ridership forecasts. Develop conceptual design and cost estimates. Prepare summary reports.	\$2,264
Passenger Information System	Install safety, security, and passenger communication systems in all Sounder stations.	Continue installation of new CCTV and VMS equipment at stations.	\$1,060
Research & Technology	Assess and implement technologies to improve passenger safety, security, service, and information.	Continue work on regional data repository, real time, customer facing applications, and improved station signage systems. Deliver real time web and mobile for Sounder and Link passengers.	\$3,970
South Corridor Alternatives Planning	Develop and evaluate transit alternatives for the Federal Way-Tacoma corridor and for the Pierce and South King subareas.	Complete study and produce final report.	\$2,733
South King County HCT Study	Identify and evaluate high capacity transit alternatives from Downtown Seattle to West Seattle to Burien, and Renton to Tukwila to SeaTac to Burien.	Evaluate alternative modes, alignments, and station locations. Develop ridership forecasts. Develop conceptual design and cost estimates. Prepare summary reports.	\$2,153
ST3 Planning	Provide funding for studying future expansion of the regional transit system beyond the voter approved Sound Move and ST2 capital programs.	Develop planning and technical methodologies and prepare SEPA environmental impact statement in order to update long-range regional transit plan.	\$6,681
STart	Oversee the Agency's public art program. Manage temporary art installations at construction sites. Conduct maintenance, cleaning, and repair of artwork.	Complete installation of artwork at Tukwila and Mukilteo Sounder stations, and the Lakewood Extension improvements in Tacoma. Continue installation coordination at Capitol Hill and UW Stadium stations. Continue final design work at U District, Roosevelt, Northgate, and Angle Lake stations. Develop artwork designs for East Link Extension.	\$2,775
Ticket Vending Machines	Install ticket vending machines at facilities throughout the regional transit system.	Perform systemwide TVM processor and back office upgrades. Evaluate upgrade and enhancements.	\$545
Total System Expansion - Other			\$31,191

Enhancements

Enhancement projects improve system performance or service efficiencies, or decrease operating costs once assets are in service.

2014 Highlights

The proposed 2014 budget totals \$32.3 million including funding for these major enhancement projects:

- \$15.0 million for positive train control – federally mandated to be operational by December 2015.
- \$3.6 million for noise abatement in Tukwila and Rainier Valley.
- \$1.7 million for TOD property due diligence assessments in the TOD property portfolio.
- \$1.3 million for the installation of Overhead Catenary System Tie Switches to allow inspections and maintenance of the system to occur while Link continues to operate.
- \$1.0 million for the upgrade of radios in Sound Transit buses operated by Pierce Transit to meet FCC compliance by 2016.
- \$0.7 million for LRV (light rail vehicle) On Board Energy Storage, a pilot project partially funded by a Transit Investment for Greenhouse Gas and Energy Reduction (TIGGER) grant.

ENHANCEMENT PROJECTS

(in thousands)

Project	Description	2014 Activities	2014 Budget
LINK LIGHT RAIL			
Central Link Card Readers	Install card readers on Central Link doors to improve security and eliminate the need to issue keys to all staff requiring access.	Complete card reader installation.	\$412
Central Link HVAC - Instrument House and UPS Room	Install air conditioning in UPS rooms and signal houses to reduce the potential impact of high temperatures on system operation components.	Design and install HVAC systems.	\$350
Central Link OMF UPS Room Improvement.	Add environmental controls to the operating and maintenance facility UPS Room to maximize UPS battery life expectancy.	Close out project.	\$1
Central Link HVAC for Traction Power	Install HVAC systems in substations to maximize useful life of equipment.	Install HVAC systems. Close out project.	\$690
Central Link Overhead Catenary System Tie Switch	Install tie switches to connect the overhead catenary system (electrical lines that power light rail trains) sections so traction power substations can be inspected and maintained without interrupting Link service.	Complete acquisition of materials and begin installations.	\$1,300

Project	Description	2014 Activities	2014 Budget
LRV On Board Energy Storage	Design, procure, and install energy storage units on vehicles for capturing and storing energy generated by vehicle braking to lower energy consumption and reduce operating costs.	Complete equipment installation and testing. Close out warranty support and project.	\$675
Noise Abatement	Install rail lubricators, rail grinding, erect noise barriers, and retrofit residential properties to lessen noise near rail facilities in Tukwila and the Rainier Valley.	Continue to install residential noise insulation and monitor noise levels to ensure regulatory compliance along the Initial Segment alignment, including associated construction management, obtaining rights-of-entry, and administrative costs.	\$4,540
Non-revenue Support Vehicles	Purchase of maintenance vehicles that support operations and maintenance.	Purchase three additional maintenance vehicles.	\$664
Signage Improvements	Provide signage improvements at Airport Station and Westlake Station and mezzanine. Design, fabricate, and install a wayfinding system within the Sea-Tac Airport parking garage.	Design, fabricate, and install signage at Airport and Westlake Station locations.	\$491
Tacoma Link Fare Collection	Implementation of fare collection, ticketing, and ticket issuance for Tacoma Link.	Implement ticket sales and fare enforcement for Tacoma Link. Install and commission ticket vending machines and ORCA devices. Conduct public outreach.	\$514

SOUNDER			
Positive Train Control	Design and installation of systemwide remote operations monitoring and control system to minimize the risk of train collisions.	Execute Construction Management/Engineering Support Services contract. Finalize Positive Train Control System Design/Install contract.	\$14,970

REGIONAL EXPRESS			
Bus Maintenance Facility	Expand ST Express Bus maintenance facilities.	Negotiate project scope with King County Metro and Pierce Transit.	\$1,273
Pierce Transit Radio System Upgrade	Replace mobile118 radios installed in Pierce Transit-operated buses and replace 13 mobile/portable radios.	Purchase and install radios.	\$1,000
ST Express Mobile Communications	Upgrade mobile communications systems to be compatible with our transit partners, ensuring safety and improving customer service planning information.	Negotiate with King County Metro to finalize Sound Transit's share of costs.	\$3,134
ST Express Security Camera Retrofit	Install video surveillance cameras on buses.	Close out project.	\$22

Project	Description	2014 Activities	2014 Budget
OTHER			
Auburn Garage Lighting Retrofit	Retrofit lighting system at Auburn Garage	Close out project.	\$12
Bike Locker Program	Install bike parking at various Sounder, Link and ST Express stations and other bike and pedestrian amenities.	Install bike lockers at Sumner and Puyallup Sounder Stations.	\$371
Federal Way Transit Center Light Retrofit	Retrofit lighting system at Federal Way Transit Center.	Close out project.	\$4
Regional Parking Pilot Project	Create more parking spaces for transit customers	Plan and implement regional parking pilot to increase station access.	\$475
Security Enhancements	Upgrade existing CCTV systems at Sounder Stations.	Finish work related to security integration system.	\$483
Security Radios	Procure radios for security and fare enforcement personnel to enhance communications between the various Sound Transit facilities and outside agencies including emergency responders.	Close out project.	\$43
Transit Oriented Development Planning	Identify and shape TOD and joint development opportunities on Sound Transit owned property located close to transit stations.	Provide external and internal TOD project support at Sound Move station areas, transit centers, and park and ride lots to assess and fund transit-oriented development, joint development, and public/private or public/public partnerships.	\$100
Transit Oriented Development Property Disposition	Prepare TOD-relevant property for sale through due diligence, evaluating potential opportunities, and creating partnerships.	Conduct due diligence assessments for TOD, joint development, and public/private or public/public partnerships for properties in the TOD Portfolio.	\$1,677
Total Enhancement			\$33,201

Rehabilitation & Replacement

Rehabilitation & Replacement projects extend the life of existing assets and replace existing assets or major components of assets at the end of their useful life.

2014 Highlights

The proposed 2014 budget totals \$36.9 million including funding for these rehabilitation & replacement projects:

- \$28.1 million to replace 52 ST Express buses.
- \$5.3 million to execute planned Sounder Vehicle Overhaul Program for 2014.

REHABILITATION & REPLACEMENT PROJECTS

(in thousands)

Project	Description	2014 Activities	2014 Budget
LINK LIGHT RAIL			
Beacon Avenue Paving	Improve roadway on Beacon Avenue, including full-depth replacement of pavement, drainage improvements, reconstruction of portions of sidewalks, sidewalk widening, addition of raised roadway median, and increased crosswalk widths.	Complete roadway improvements on Beacon Avenue.	\$1,040
Central Link Control Center Phone Network	Replace communications system that allows Link operators to communicate without interference with the Link Control Center.	Replace existing emVista system in the Link Control Center.	\$199
Link Station Paver Replacement	Replace tactile pavers at the Link SODO Station boarding platform that have not performed in accordance with design requirements.	Complete potential punch list work. Close out project.	\$155
Tacoma Link Announcement/Sign System	Replace outdated communications system.	Purchase and install new communication system on light rail vehicles.	\$124

SOUNDER			
Sounder Vehicle Overhaul Program	Overhaul of locomotives, engines, train cars, and replacement of passenger door motors.	Complete engineering review, final design, and materials acquisition.	\$5,297
Station Midlife Refurbishment Program	Fund maintenance projects at stations that have been in service for more than ten years.	Complete maintenance at Auburn, Kent, and King Street stations and South Hill park and ride.	\$505

REGIONAL EXPRESS			
Federal Way Post Tension Cable Repair	Remediate post tension cables that reinforce the structural slab at the Federal Way Transit Center Parking Garage. Remove failed grout pockets and replace the grease-filled caps.	Complete the remediation of the post tension cables at the Federal Way Transit Center parking garage.	\$523
ST Express Fleet Replacement	More than 160 buses will be replaced over the period through 2018	Purchase 52 replacement buses.	\$28,090
OTHER			
Small Works Program	Repair or replacement of in-service assets when the total cost is less than \$200,000.	Continue work in progress: Central Link OMF Entrance Gate Improvements, Canopy/Safety Cable Upgrades, Generator on Trailer for Sumner and Auburn, HVAC for Communications Room at Beacon Hill Station, and Wireless Microphone System for Sounder stations.	\$656
Total Rehabilitation & Replacement			\$36,589

Administrative Projects

This section describes projects that are not associated with a specific transit asset, but are critical to the advancement of the agency's work.

2014 Highlights

The proposed 2014 budget totals \$4.6 million including funding for these administrative projects:

- \$3.2 million for major IT projects include an enterprise asset management system and investing in sustaining infrastructure.
- \$0.8 million to purchase 3 new and replace 20 non-revenue fleet vehicles and improvements for administrative facilities.

ADMINISTRATIVE PROJECTS

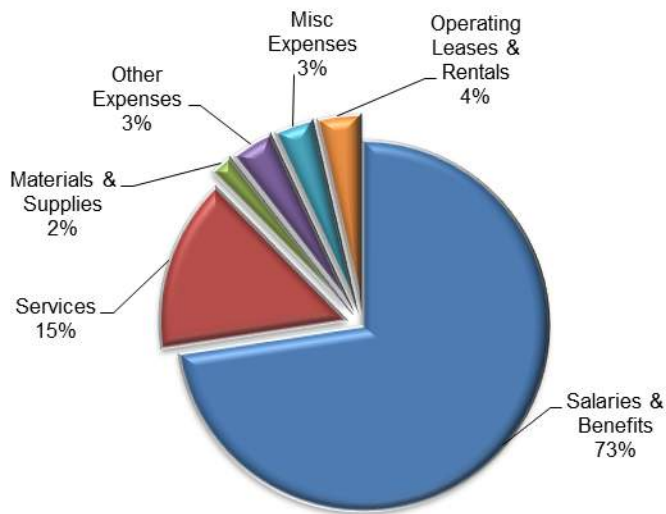
(in thousands)

Project	Description	2014 Activities	2014 Budget
OTHER			
Administrative Capital	Purchase of equipment or other assets to support administrative activities.	Replace 17 non-revenue support vehicles. Purchase new plotter and office furnishings and equipment. Plan office space to accommodate additional staff.	\$824
Environmental Mitigation, Monitoring & Maintenance	Post-construction environmental mitigation monitoring which includes, but is not limited to, critical areas, groundwater, and air quality. Monitoring duration depends upon the permit conditions and lasts up to 10 years.	Monitor mitigation activities at Tukwila, Deer Creek, McKinley Park, Ash Way, Mercer Island, Issaquah, and South Everett.	\$303
Information Technology Program	Invest in new IT hardware and software to improve productivity and ensure system integrity.	Continue to design and implement Enterprise Asset Management System. Invest in sustaining infrastructure and other Technology Governance Team (TGT) approved projects.	\$3,160
Surplus Property Disposition	Prepare agency-owned surplus property for sale over the next four years. These properties are not considered to have transit oriented development potential due to the size or location.	Prepare surplus non-Transit Oriented Development real property for disposal.	\$300
Total Administrative			\$4,587

Agency Administration

Agency Administration includes department budgets and debt service. Sound Transit's adopted 2014 department budgets are \$100.9 million including all employee-related costs plus costs managed on behalf of the agency. Debt service costs are \$106.3 million.

DEPARTMENT BUDGETS SUMMARY



DEPARTMENT BUDGETS

(in thousands)

Salaries & Benefits	\$73,240
Services	15,165
Materials & Supplies	1,868
Other Expenses	3,606
Miscellaneous Expenses	3,339
Operating Leases & Rentals	3,676
Total	\$100,894

2014 Highlights

Department Budgets

- Salaries & Benefits are 72.6 percent of the 2014 department budget of \$100.9 million.
- Department budgets are forecast to increase \$8.9 million or 9.7 percent over the 2013 budget with salaries and benefits accounting for 82.2 percent of this increase.
- Funding for 43 new positions will increase Sound Transit staffing by 6.7 percent to 681 full-time equivalents (FTEs). Of the 681 positions in 2014, 46 are dedicated to Service Delivery.
- Design and construction in the north and south corridors continues in 2014 along with final design for expansion in the east.
- Planning for the next transit expansion program, Sound Transit 3 (ST3) continues in 2014.
- Pre-launch activities increase in anticipation of new light rail services planned for 2016 from downtown Seattle to University of Washington and SeaTac/Airport Station to South 200th Street.

Debt Service

- Debt Service budget of \$106.3 million includes \$33.5 million for principal repayment, \$67.3 million for capitalized interest, \$4.1 million for interest expense and just over a million for financing fees.

DEPARTMENT BUDGETS SUMMARY

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	38,199	42,776	41,457	47,919
Benefits	20,758	23,133	23,530	25,321
Subtotal	58,956	65,909	64,987	73,240
Services				
Temporary Services	388	372	467	324
Consultant/Management	2,675	3,518	2,844	3,592
Interlocal Agreements	2,549	2,816	2,758	2,950
Accounting/Auditing	594	830	674	848
Legal	354	399	170	559
Advertising/Marketing	1,184	1,722	1,053	1,600
Security Services	104	199	87	146
Software/Hardware Maintenance	1,405	2,116	1,841	2,467
Maintenance	409	1,228	618	1,279
Other Services	564	1,076	842	1,107
Subtotal	10,226	14,275	11,354	14,872
Materials & Supplies				
Office Supplies	282	336	252	335
Small Equipment/Furniture	804	777	940	985
Other Materials/Supplies	482	497	428	548
Subtotal	1,569	1,610	1,620	1,868
Other Expenses				
Insurance	2,290	2,578	2,574	2,914
Taxes	5	4	86	97
Utilities	589	785	712	868
Subtotal	2,885	3,367	3,372	3,879
Miscellaneous				
Advertising/Promotion Media	1,160	1,027	1,085	1,083
Travel/Meetings	272	520	384	624
Training	258	303	319	502
Dues/Memberships	262	394	254	360
Books/Subscriptions	127	104	91	115
Contingency	0	350	0	350
Other Miscellaneous	186	239	330	326
Subtotal	2,265	2,936	2,464	3,359
Leases & Rentals				
Vehicles/Parking	297	300	295	297
Administrative Facilities	3,022	3,213	3,270	3,137
Furniture/Equipment	108	281	159	152
Meeting Space	52	92	53	91
Subtotal	3,479	3,885	3,776	3,676
Department Budgets Summary Total	\$79,379	\$91,982	\$87,574	\$100,894

DEPARTMENT BUDGETS SUMMARY OF CHANGES

(in thousands)	2013 Budget	2014 Budget	\$ Change	% Change
Salaries & Benefits				
Salaries	42,776	47,919	5,143	12.0
Benefits	23,133	25,321	2,188	9.5
Subtotal	65,909	73,240	7,331	11.1
Services				
Temporary Services	372	324	(48)	(12.8)
Consultant/Management	3,518	3,592	74	2.1
Interlocal Agreements	2,816	2,950	134	4.8
Accounting/Auditing	830	848	18	2.2
Legal	399	559	160	40.1
Advertising/Marketing	1,722	1,600	(122)	(7.1)
Security Services	199	146	(53)	(26.6)
Software/Hardware Maintenance	2,116	2,467	351	16.6
Maintenance	1,228	1,279	50	4.1
Other Services	1,076	1,107	31	2.9
Subtotal	14,275	14,872	597	4.2
Materials & Supplies				
Office Supplies	336	335	(1)	(0.3)
Small Equipment/Furniture	777	985	208	26.8
Other Materials/Supplies	497	548	50	10.1
Subtotal	1,610	1,868	258	16.0
Other Expenses				
Insurance	2,578	2,914	336	13.1
Taxes	4	97	93	2,279.7
Utilities	785	868	83	10.6
Subtotal	3,367	3,879	512	15.2
Miscellaneous				
Advertising/Promotion Media	1,027	1,083	56	5.5
Travel/Meetings	520	624	104	20.0
Training	303	502	199	65.7
Dues/Memberships	394	360	(34)	(8.6)
Books/Subscriptions	104	115	12	11.3
Contingency	350	350	0	0.0
Other Miscellaneous	239	326	87	36.5
Subtotal	2,936	3,359	424	14.4
Leases & Rentals				
Vehicles/Parking	300	297	(3)	(1.1)
Administrative Facilities	3,213	3,137	(76)	(2.4)
Furniture/Equipment	281	152	(129)	(46.0)
Meeting Space	92	91	(1)	(0.7)
Subtotal	3,885	3,676	(209)	(5.4)
Department Budgets Summary Total	\$91,982	\$100,894	\$8,912	9.7%

Changes to Department Budgets

The following tables show budget changes from the prior year by department and expense category.

CHANGES TO DEPARTMENT BUDGETS BY DEPARTMENT

(in thousands)

Department	2013 Budget	2014 Budget	\$ Change	% Change
Communications & External Affairs	5,437	5,954	518	9.5
Design, Engineering & Construction Mgmt	30,099	33,383	3,283	10.9
Executive	14,094	15,522	1,429	10.1
Finance & Information Technology	24,637	26,872	2,236	9.1
Legal	2,735	3,009	275	10.1
Operations	8,671	9,324	652	7.5
Planning, Environment & Project Dev	6,309	6,829	520	8.2
Total Department Budgets	\$91,982	\$100,894	\$8,914	9.7%

CHANGES TO DEPARTMENT BUDGETS BY EXPENSE CATEGORY

(in thousands)

Category	2013 Budget	2014 Budget	\$ Change	% Change
Salaries & Benefits	65,909	73,240	7,331	11.1
Services	14,275	15,165	890	6.2
Materials & Supplies	1,610	1,868	258	16.0
Other Expenses	3,367	3,606	239	7.1
Miscellaneous Expenses	2,935	3,339	404	13.8
Operating Leases & Rentals	3,885	3,676	(209)	(5.4)
Total Category Budgets	\$91,982	\$100,894	\$8,914	9.7%

2014 Department Budgets Compared to 2013 Department Budgets

In 2014 our department budgets are expected to increase by \$9.2 million or 10.0 percent. Below is a review of significant changes between the adopted 2013 and the adopted 2014 budgets.

Wages and job opportunities are increasing as the economy recovers, particularly for engineering and technology professionals in the Seattle area. The current job market is driving salaries for these professionals higher.

- Salaries and benefits are expected to increase \$7.3 million or 11.1 percent, which includes a 2.9 percent increase in current salaries.
 - \$3.6 million for 43 new positions budgeted for 2014.
 - \$1.6 million for the additional costs of 40.5 positions added in 2013 that have a budget to cover a full year. Ten of these positions were added to work on high-capacity transit (HCT) planning studies and update Sound Transit's long-range plan.
 - \$2.1 million for positions added in 2012 and earlier, a 3.4 percent increase.

- Forty-three new positions are based on the needs of our intense capital program. As projects advance additional professionals are needed to oversee projects and provide support in areas such as procurement, information technology, and human resources. Twenty-eight positions will directly support capital projects and the ST3 planning effort. And, eight of these are term-limited with end dates in 2016 and 2017.
 - Fifteen full-time equivalents in engineering, construction management, and project support functions will be assigned to work on our North Link and East Link extensions.
 - Ten positions are needed to support a variety of ST Express and Sounder projects, Link projects such as South Link Extension and Tacoma Link Expansion, and Research & Technology.
 - Three positions will join ten added in 2013 to work on ST3 corridor studies and the long range plan.
 - Two new positions in the Operations Department will provide design review – a critical function to ensure construction of facilities that are cost effective to maintain.
 - Two rail activation positions will be added early in 2014 to prepare for the launch of two new light rail services in 2016 – University Link and South Link Extensions.
 - Three Procurement and Contracts positions for 2014 to support more extensive business analysis as well as staff to execute a growing number of equipment, supplies, software, and professional services contracts.
 - Three Human Resources staff are forecast to support an increasing workload related to data tracking and analysis to provide employment market information and improve reporting capabilities.
 - One coordinator position to support an increase in Sound Transit's role in the regional ORCA program (funded regionally).
 - One position in Operations dedicated to management of the non-revenue fleet is required to ensure efficient use of this agency resource.
 - One Deputy Director is requested for Real Property due to the substantial increase in property transactions that will be required to support the agency's system expansion programs.
 - One additional systems administrator is requested to support new systems managed by the IT division, currently managed by a temporary staff.
 - One marketing project assistant in Communications and External Affairs is needed to handle the increasing demand for social media and other workload growth.
- Medical Insurance premiums are budgeted 7 percent higher for 2014. The agency held medical insurance costs flat for the 2013 budget by switching to a high deductible plan. A Health Reimbursement Plan was funded by Sound Transit to cover all deductibles with expected spending of only 70 percent. Dental and vision insurance rates are not expected to increase substantially, if at all. Executive Department budget was reduced by \$273.0 thousand from the proposed budget due to lower expected healthcare reform taxes and fees.

The cost of technology continues to grow with the organization driven by both the number of applications and users that the IT division supports. In addition to Sound Transit staff, the agency

provides IT support to our transit partner employees and design consultants that are located at Sound Transit offices. This substantially increases the number of devices and users we support.

- Software and hardware maintenance service agreements are expected to cost \$351 thousand or 17 percent more in 2014.
- New and replacement computer hardware is expected to cost an additional \$208 thousand as equipment beyond its warranty period is replaced and additional equipment is purchased for additional Sound Transit positions and contractors.

Due to higher projected sales and use tax and motor vehicle excise tax revenues from an improving economy, collection fees paid to Department of Revenue and Department of Licensing are budgeted higher in the amount of \$134 thousand or 5 percent.

Insurance premiums are also adjusted higher by \$336 thousand or 13 percent as a result of agency growth.

Sound Transit continues to renew its commitment as a high performance organization. We are fortunate to have a well-educated and experienced workforce.

- Sound Transit University's funding for internally provided training on project management, organizational effectiveness, and leadership will increase 3 percent to \$165 thousand.
- External training and related travel is forecast at \$1.1 million for 2014, to support development of critical technical and industry skills and maintain professional certification requirements.

Department expenses for staff working on projects are transferred to project budgets. Expenses incurred to support operation of our four transit modes are transferred to service delivery budgets. The remaining or net department expenses are either transferred to construction in progress as contributions to the value of assets created or expensed as general and administrative costs for the agency. The adopted budget for 2014 shows 57 percent of the department budgets contributing to agency projects or assets, 15.4 percent supporting service delivery, with 27.6 percent accounted for as agency overhead.

Agency Administration Staffing

Our staffing plan is driven substantially by capital project activities. Sound Transit tracks and forecasts long-term staffing needs, balancing increases to permanent employment with the use of consultants to ensure capital programs are adequately supported and affordable. Sound Transit's staffing and consultant levels are monitored by the Federal Transit Administration (FTA) to ensure we have the "technical capability and capacity" to manage our program. Of our 43 new 2014 positions, 28 will work directly on projects and the remainder will support projects and service delivery indirectly in a variety of functions.

Changes in departmental staffing levels for 2014 are summarized below. A second table shows the number of department employees charged directly to projects and service delivery. Appendix A lists positions by department.

AGENCY STAFFING SUMMARY

Department	2012 Staffing Plan	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Communications & External Affairs	36.0	31.0	-	3.0	34.0
Design, Engineering & Construction Mgmt	203.0	216.0	-	24.0	240.0
Executive	87.5	96.0	1.0	9.0	106.0
Finance & Information Technology	121.0	128.0	-	4.0	132.0
Legal	16.0	17.0	(1.0)	-	16.0
Operations	94.0	101.0	-	3.0	104.0
Planning, Environment & Project Dev	41.0	49.0	-	-	49.0
Department Totals	598.5	638.0	-	43.0	681.0

AGENCY STAFFING SUMMARY OF DIRECT CHARGES

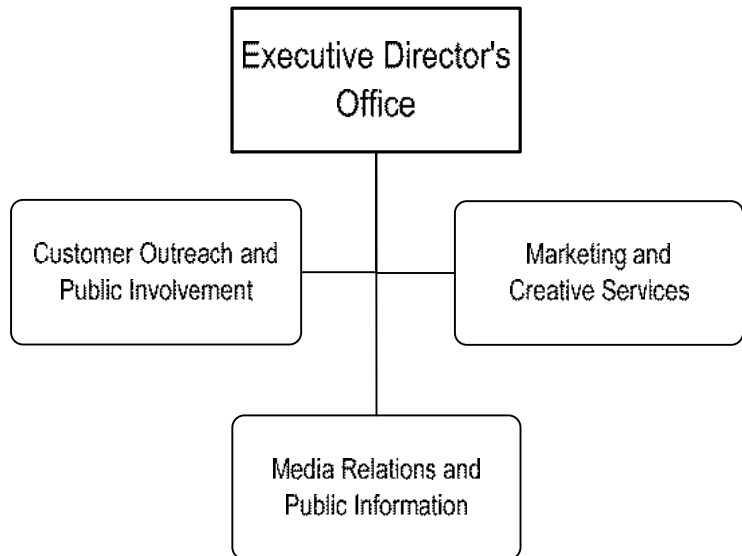
Department	ORCA Regional Reimbursed	Direct Charge to Projects	Direct Charge to Service Delivery ¹	Not Directly Charged	2014 Staffing Plan
Communications & External Affairs	-	3.0	-	31.0	34.0
Design, Engineering & Construction Mgmt	-	230.25	-	9.75	240.0
Executive	-	1.0	-	105.0	106.0
Finance & Information Technology	5.25	5.30	12.0	109.45	132.0
Legal	-	-	-	16.0	16.0
Operations	-	2.0	34.0	68.0	104.0
Planning, Environment & Project Dev	-	18.0	-	31.0	49.0
Department Totals	5.25	259.55	46.0	370.2	681.00

¹ Costs for these positions are included in the Service Delivery section but report to either Operations or Finance and Information Technology Departments. See Sound Transit Organization Chart in the Agency Overview section for further details.

Communications and External Affairs

Communications and External Affairs (CEA) has three divisions focused on marketing and creative services, media relations and public information, and customer outreach. CEA's work is as diverse as its many stakeholders. Key activities include:

- Build community awareness of our services.
- Educate the public about the ease and benefits of riding public transit.
- Work to increase ridership through advertising, community events, and rider education such as how to purchase an ORCA card and how to use our ticket vending machines.
- Use market research and analysis to inform our use of budget to build ridership, understand ways to improve customer service, and develop customer outreach tools.
- Inform stakeholders of our performance by publishing reports on milestone achievement, project updates, and our annual financial report.
- Provide graphics and communications support to projects across the agency.
- CEA also disseminates public information through conventional and social media outlets and our website.

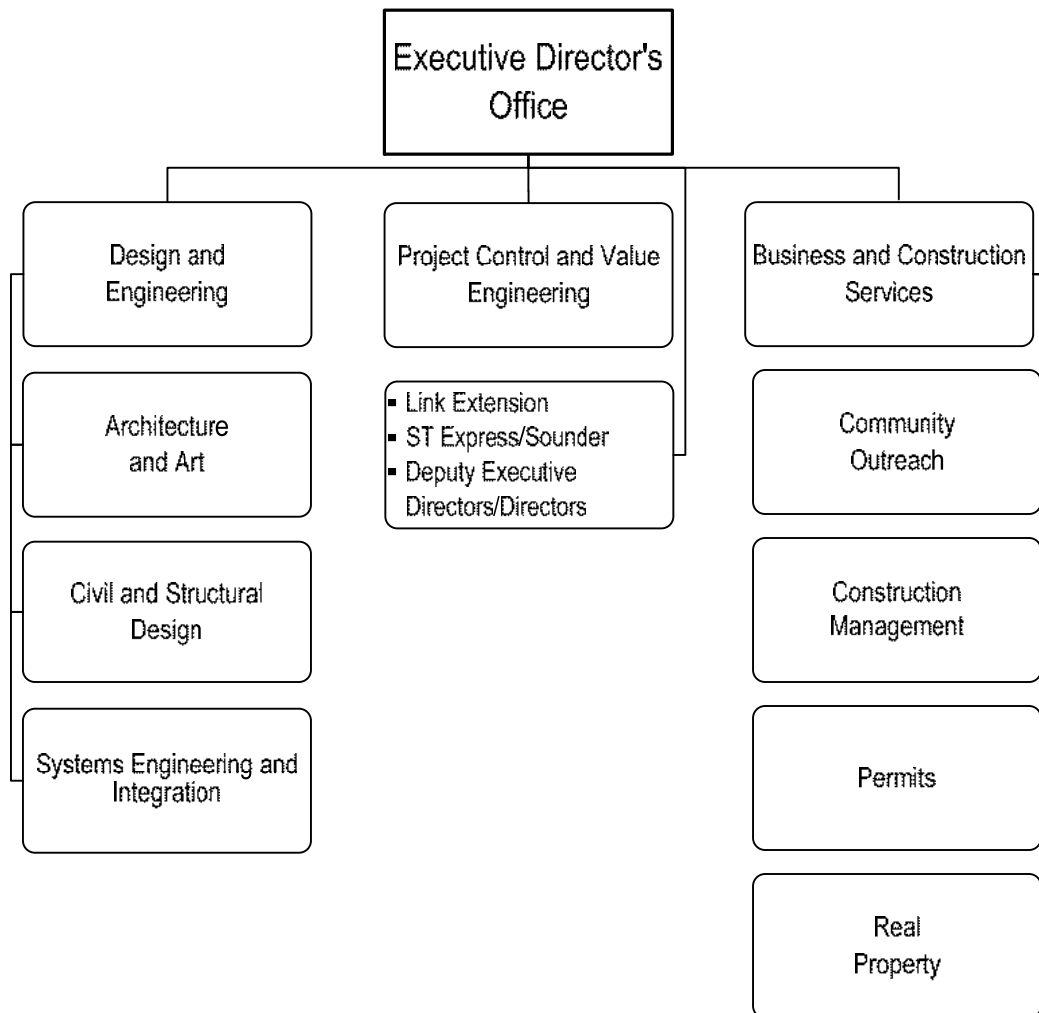


Tukwila Sounder Station Groundbreaking

COMMUNICATIONS AND EXTERNAL AFFAIRS

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	1,864	1,880	1,934	2,265
Benefits	1,076	1,109	1,170	1,282
Subtotal	2,940	2,989	3,104	3,547
Services				
Temporary Services	0	1	0	1
Consultant/Management	83	116	84	106
Interlocal Agreements	198	200	203	200
Advertising/Marketing	505	651	444	623
Maintenance	3	10	3	10
Other Services	104	190	172	196
Subtotal	893	1,168	906	1,135
Materials & Supplies				
Office Supplies	13	82	31	83
Small Equipment/Furniture	3	4	5	8
Other Materials/Supplies	5	11	4	7
Subtotal	21	96	40	98
Other Expenses				
Utilities	7	0	0	0
Subtotal	7	0	0	0
Miscellaneous				
Advertising/Promotion Media	999	872	894	897
Travel/Meetings	14	18	15	20
Training	4	14	12	19
Dues/Memberships	180	262	175	222
Books/Subscriptions	9	12	7	13
Other Miscellaneous	11	1	0	1
Subtotal	1,217	1,179	1,104	1,170
Leases & Rentals				
Furniture/Equipment	0	3	1	3
Meeting Space	0	1	0	1
Subtotal	0	4	1	4
Department Total	\$5,079	\$5,437	\$5,156	\$5,954

Design, Engineering, and Construction Management



Design, Engineering, and Construction Management (DECM) is principally responsible for final design and construction of all major capital projects and support of our Operations department's capital maintenance needs. DECM supplies professional and technical resources throughout the design and construction phases of each project including:

- Community outreach.
- Project design and engineering.
- Project and construction management.
- Project control – cost estimating, scheduling, risk assessment, cost control, and reporting.
- Equipment and system testing and commissioning.
- Ongoing technical support of in-service assets.

- Real property management – property appraisal, acquisition, management, and disposition of surplus property, and management of property held for either construction or operations.
- Public art program.

DECM is also engaged during earlier phases as projects progress from conceptual to preliminary engineering by matrixing technical staff to PEPD project teams. Collaboration with other departments ensures a smooth handoff of the engineering, enhances buildability, reduces project risks, and ultimately delivers effective transit facilities that operate efficiently.



Capitol Hill Station
Rail Construction

DESIGN, ENGINEERING, AND CONSTRUCTION MANAGEMENT

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	14,196	16,370	15,491	18,763
Benefits	7,648	8,756	8,781	9,779
Subtotal	21,843	25,126	24,271	28,542
Services				
Temporary Services	49	30	12	30
Consultant/Management	85	312	181	277
Advertising/Marketing	3	15	4	11
Security Services	0	40	0	0
Maintenance	18	822	172	522
Other Services	3	12	4	63
Subtotal	157	1,231	374	903
Materials & Supplies				
Office Supplies	21	61	18	59
Small Equipment/Furniture	40	17	34	72
Other Materials/Supplies	8	29	5	21
Subtotal	68	108	57	153
Other Expenses				
Taxes	0	0	80	91
Utilities	88	1	34	60
Subtotal	42	1	114	151
Miscellaneous				
Advertising/Promotion Media	0	0	2	0
Travel/Meetings	57	171	85	219
Training	57	91	91	216
Dues/Memberships	21	39	23	49
Books/Subscriptions	25	21	17	25
Other Miscellaneous	21	6	16	3
Subtotal	182	329	233	513
Leases & Rentals				
Administrative Facilities	2,987	3,161	3,233	3,099
Furniture/Equipment	0	138	0	0
Meeting Space	3	6	14	21
Subtotal	2,990	3,304	3,247	3,120
Department Total	\$25,329	\$30,099	\$28,296	\$33,383

Executive Department

This department includes the office of the Chief Executive Officer (CEO) and divisions that report directly to the CEO or Deputy CEO.

Board Administration serves the public by supporting the Sound Transit Board's legislative processes and ensuring open access to the Board's proceedings.

The **Diversity Program** develops strategies and policies, and provides oversight and support for Sound Transit programs that ensure small, minority, women-owned, and disadvantaged business firms experience equitable access to Sound Transit contracts. The division also administers the Project Labor Agreement, working closely with the labor community, contractors, and Sound Transit construction management.

Government & Community Relations conducts outreach to local, state, and federal officials in support of Sound Transit issues and funding needs.

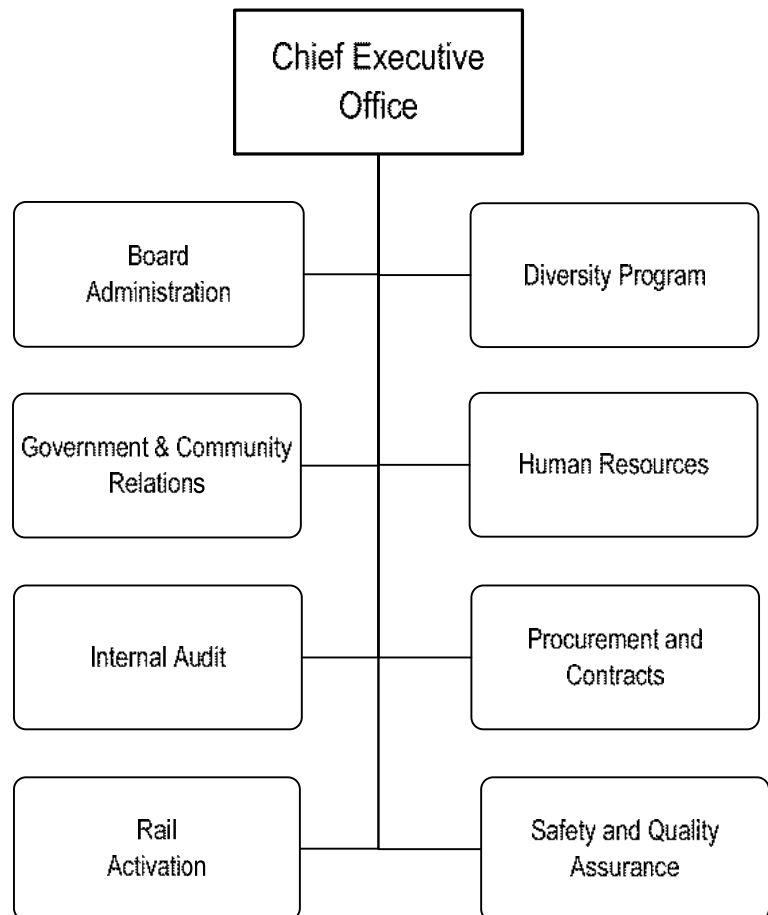
Human Resources provides the full range of human resource services including affirmative action/Equal Employment Opportunity reporting, recruitment, compensation, job classification, benefits administration, labor and employee relations, and employee training and development.

Internal Audit conducts independent audits to identify process improvement opportunities and to confirm the adequacy of internal controls and reports to the Board's audit committee and the Deputy CEO.

Procurement and Contracts manages purchasing and contracting for the entire agency including capital projects and all goods and services.

Rail Activation provides important management of the required steps and process to transfer the University Link Extension and South 200th Link Extension light rail projects from the construction phase to startup testing and revenue operations.

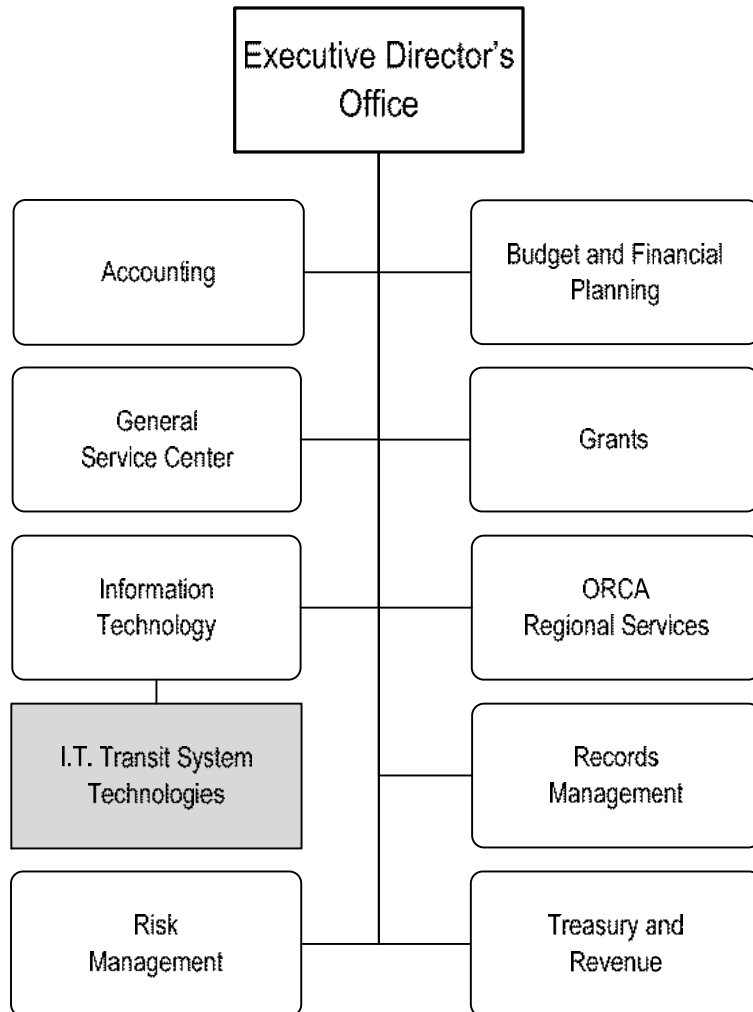
Safety and Quality Assurance oversees safety at construction sites and facilities through communication and training for employees and third parties; establishment, audit, and enforcement of requirements, procedures, and workplace safety rules.



EXECUTIVE DEPARTMENT

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	6,323	6,996	6,796	7,838
Benefits	3,593	3,700	3,933	4,214
Subtotal	9,916	10,696	10,730	12,052
Services				
Temporary Services	10	68	111	45
Consultant/Management	1,160	1,313	1,109	1,325
Accounting/Auditing	101	250	244	250
Legal	0	0	1	0
Advertising/Marketing	15	42	13	42
Security Services	8	0	0	0
Software/Hardware Maintenance	0	2	0	2
Maintenance	0	1	0	1
Other Services	254	620	453	585
Subtotal	1,549	2,295	1,932	2,250
Materials & Supplies				
Office Supplies	27	34	25	23
Small Equipment/Furniture	85	54	59	78
Other Materials/Supplies	5	10	1	4
Subtotal	116	97	85	104
Other Expenses				
Utilities	46	0	1	0
Subtotal	46	0	1	0
Miscellaneous				
Advertising/Promotion Media	159	131	125	168
Travel/Meetings	101	154	164	182
Training	67	48	62	100
Dues/Memberships	29	45	30	39
Books/Subscriptions	21	14	9	15
Contingency	0	350	0	350
Other Miscellaneous	136	183	226	200
Subtotal	513	924	616	1,053
Leases & Rentals				
Meeting Space	49	82	38	64
Subtotal	49	82	38	64
Department Total	\$12,189	\$14,094	\$13,401	\$15,522

Finance and Information Technology




Finance divisions are responsible for financial planning, budgeting, accounting, treasury, grants, revenue collection, risk management, and records management.

Information Technology division supports implementation of new technology and maintains the agency's network and various software applications including:

- Enterprise resource planning.
- Office productivity.
- Project estimating and management.
- Regional fare collection system (ORCA) and ticket vending machines.
- Computer-aided design and graphic arts.

 = Division costs included in Agency Administration section of Budget

 = Division costs included in Service Delivery section of Budget

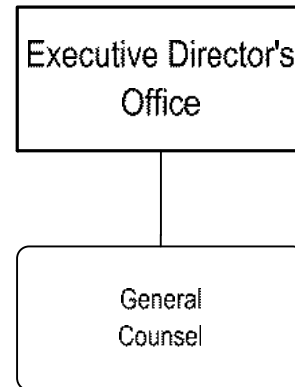
FINANCE AND INFORMATION TECHNOLOGY

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	7,132	8,224	7,905	8,797
Benefits	3,819	4,521	4,559	4,760
Subtotal	10,951	12,745	12,464	13,557
Services				
Temporary Services	231	148	289	218
Consultant/Management	732	1,066	896	1,123
Interlocal Agreements	2,351	2,616	2,556	2,750
Accounting/Auditing	493	580	430	598
Legal	0	54	0	54
Advertising/Marketing	640	842	445	818
Software/Hardware Maintenance	1,394	2,098	1,841	2,465
Maintenance	37	52	37	57
Other Services	49	71	103	169
Subtotal	5,927	7,527	6,596	8,252
Materials & Supplies				
Office Supplies	209	135	160	150
Small Equipment/Furniture	576	656	829	784
Other Materials/Supplies	111	64	87	140
Subtotal	896	854	1,076	1,074
Other Expenses				
Insurance	2,308	2,578	2,576	2,914
Taxes	0	0	(0)	0
Utilities	196	575	478	596
Subtotal	2,503	3,153	3,054	3,510
Miscellaneous				
Advertising/Promotion Media	1	2	48	0
Travel/Meetings	50	65	60	84
Training	69	76	85	93
Dues/Memberships	15	21	9	22
Books/Subscriptions	26	15	15	15
Other Miscellaneous	11	44	86	120
Subtotal	172	223	303	333
Leases & Rentals				
Furniture/Equipment	104	135	153	146
Meeting Space	1	1	0	1
Subtotal	105	136	153	147
Department Total	\$20,554	\$24,637	\$23,647	\$26,872

Legal Department

Legal monitors changes in law and regulations on our behalf and provides analysis and advice on a wide variety of legal subjects including:

- Real estate acquisitions, including condemnation.
- Labor and employment.
- Municipal zoning and land use.
- Environmental.
- Construction claims.
- Permitting.
- Litigation.
- Railroad easements.
- Contracts.
- Interagency issues.



All litigation is handled by the department with assistance from outside counsel as necessary. Legal also responds to public disclosure requests.

LEGAL DEPARTMENT

(in thousands)	2012	2013	2013	2014
	Actual	Budget	Actual	Budget
Salaries & Benefits				
Salaries	1,411	1,547	1,622	1,659
Benefits	661	780	803	776
Subtotal	2,072	2,327	2,425	2,435
Services				
Temporary Services	7	0	0	0
Consultant/Management	0	0	2	3
Legal	354	345	169	505
Other Services	0	0	1	1
Subtotal	361	345	171	509
Materials & Supplies				
Office Supplies	2	3	2	3
Small Equipment/Furniture	0	0	0	2
Subtotal	2	3	2	5
Other Expenses				
Utilities	6	0	0	0
Subtotal	6	0	0	0
Miscellaneous				
Advertising/Promotion Media	0	0	0	0
Travel/Meetings	0	9	6	5
Training	8	11	15	10
Dues/Memberships	6	8	7	7
Books/Subscriptions	31	33	37	38
Other Miscellaneous	0	0	(0)	0
Subtotal	46	60	65	61
Leases & Rentals				
Meeting Space	0	0	0	1
Subtotal	0	0	0	1
Department Total	\$2,487	\$2,735	\$2,664	\$3,010

Operations

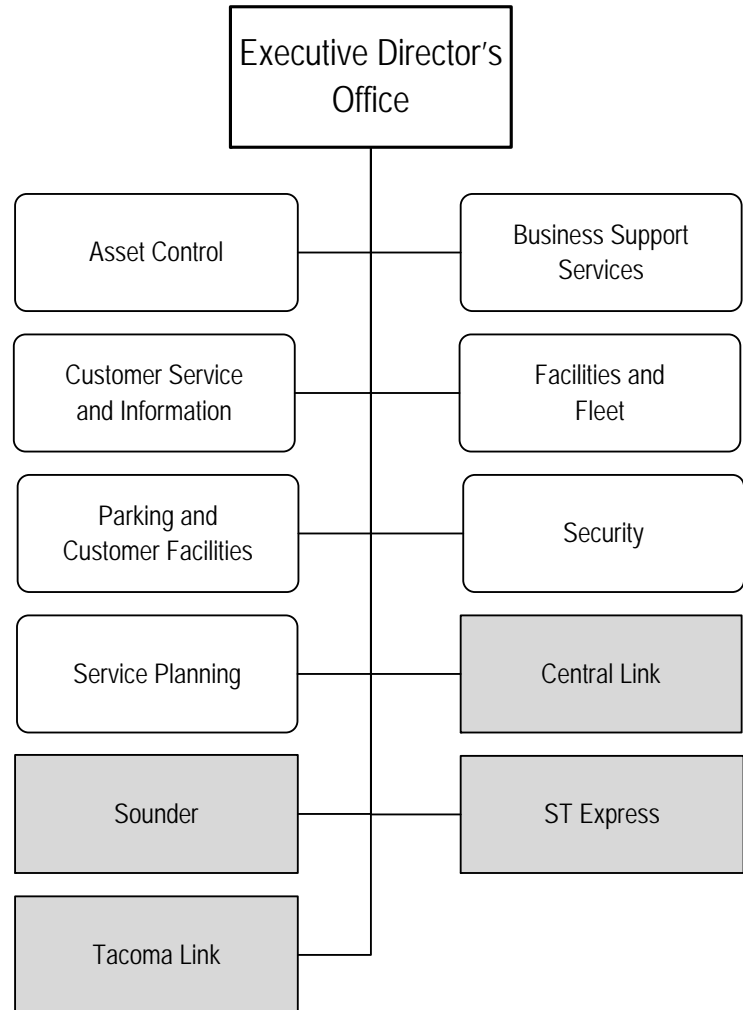
The Operations Department is responsible for:

- Tacoma Link light rail service delivery and maintenance.
- Central Link light rail, Sounder commuter rail, and ST Express bus operations and maintenance through oversight of third-party management contracts.
- Customer service, parking, customer and administrative facilities maintenance.
- Service planning and customer service for all modes.
- Security.

Operations provides input to PEPD and DECM on the design of functional and sustainable facilities. Department staff work closely with DECM to ensure appropriate operating and maintenance contracts are in place prior to the start of transit service.

Operations' security division is responsible for public and employee safety and security inside vehicles, at operating facilities, and on construction sites working with a private security firm and the King County Sheriff's Department. The division staff also reviews facility designs to ensure security issues are addressed.

All other agency departments support the successful delivery and operation of the regional transit system.



 = Division costs included in Agency Administration section of Budget

 = Division costs included in Service Delivery section of Budget



Sound Transit Vehicles

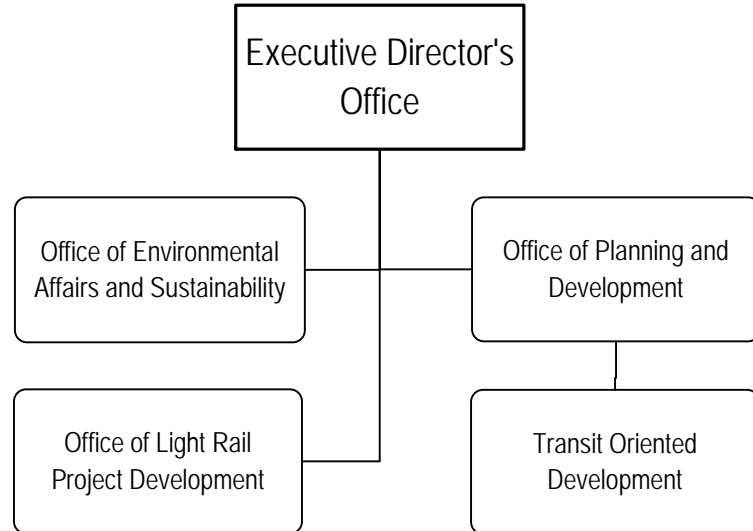
OPERATIONS

(in thousands)	2012 Actual	2013 Budget	2013 Actual	2014 Budget
Salaries & Benefits				
Salaries	3,934	4,205	4,068	4,568
Benefits	2,209	2,307	2,362	2,469
Subtotal	6,143	6,512	6,430	7,037
Services				
Temporary Services	91	85	40	20
Consultant/Management	122	135	212	120
Advertising/Marketing	20	108	107	102
Security Services	96	159	87	146
Software/Hardware Maintenance	11	16	0	0
Maintenance	351	344	405	690
Other Services	154	181	110	91
Subtotal	845	1,028	960	1,169
Materials & Supplies				
Office Supplies	9	17	12	13
Small Equipment/Furniture	100	41	12	39
Other Materials/Supplies	353	384	330	374
Subtotal	462	442	354	427
Other Expenses				
Insurance	(1)	0	(2)	0
Taxes	5	4	6	5
Utilities	236	209	199	212
Subtotal	240	213	203	217
Miscellaneous				
Advertising/Promotion Media	0	22	15	17
Travel/Meetings	26	47	38	60
Training	38	32	36	39
Dues/Memberships	3	9	4	9
Books/Subscriptions	9	7	12	8
Other Miscellaneous	2	1	1	1
Subtotal	77	118	107	135
Leases & Rentals				
Vehicles/Parking	287	300	295	297
Administrative Facilities	44	52	37	38
Furniture/Equipment	3	5	5	3
Meeting Space	0	2	0	2
Subtotal	334	359	336	339
Department Total	\$8,102	\$8,671	\$8,391	\$9,324

Planning, Environment, and Project Development

Planning, Environment, and Project Development (PEPD) leads the initial project activities that include:

- System planning – stewardship of our long-range plan, development of ST2 and follow-on plans to be decided by voters.
- Project-level planning – first phase of project development including alternatives analysis, conceptual and preliminary engineering, and environmental planning pursuant to state and national environmental policy laws.
- Environmental affairs – environmental compliance at in-service facilities and construction sites, as well as implementation of our agency sustainability program.
- Transit Oriented Development – research, policy, planning, and business outreach to promote residential and commercial developments that support public transit use.



Once project development is complete and project scopes are defined, lead project management responsibility shifts to DECM to oversee design and construction.



Monitoring the vegetation along the Central Link light rail line in Tukwila

PLANNING, ENVIRONMENT, AND PROJECT DEVELOPMENT

(in thousands)	2012	2013	2013	2014
	Actual	Budget	Actual	Budget
Salaries & Benefits				
Salaries	3,339	3,555	3,642	4,028
Benefits	1,752	1,960	1,917	2,042
Subtotal	5,091	5,514	5,559	6,070
Services				
Temporary Services	0	40	15	10
Consultant/Management	493	575	360	638
Advertising/Marketing	0	64	39	4
Other Services	0	3	0	3
Subtotal	493	681	414	654
Materials & Supplies				
Office Supplies	2	5	3	5
Small Equipment/Furniture	1	5	0	2
Other Materials/Supplies	0	1	1	2
Subtotal	3	10	5	9
Other Expenses				
Utilities	10	0	0	0
Subtotal	10	0	0	0
Miscellaneous				
Advertising/Promotion Media	0	1	0	1
Travel/Meetings	25	55	16	54
Training	15	31	17	25
Dues/Memberships	7	11	7	11
Books/Subscriptions	6	2	(5)	1
Other Miscellaneous	4	3	0	1
Subtotal	57	102	36	94
Leases & Rentals				
Meeting Space	0	1	0	2
Subtotal	0	1	0	2
Department Total	\$5,655	\$6,309	\$6,014	\$6,829

Debt Service

As of December 31, 2013, Sound Transit has \$1.43 billion of outstanding long-term bonds, the proceeds of which finance construction of capital projects. Interest on long-term debt is capitalized to fixed assets to the extent that the underlying debt funds construction in progress; otherwise it is recognized as an expense.

2014 Highlights

Debt service is budgeted at \$106.3 million including:

- \$33.5 million of principal repayment.
- \$67.3 million of capitalized interest.
- \$4.1 million of interest expense.
- \$1.3 million for financial expenses.

Legal Debt Limit

Sound Transit is currently authorized to incur debt in an amount equal to 1.5 percent of the value of taxable property within the service area without securing voter approval for bonds. Under state law, issuance of bonds payable from any type of tax is subject to statutory debt limitations. With approval of 60 percent of the region's voters, Sound Transit may incur aggregate indebtedness of up to 5 percent of the value of taxable property within the service area. Each county assessor in the service area is required to report to Sound Transit annually on the value of the property within its taxing district.

2013 DEBT CAPACITY STATUS FOR SOUND TRANSIT (in millions)

Assessed Valuation in 2012 for collection of taxes in 2013	\$ 396,027
Maximum non-voted debt (1.5% of assessed valuation)	\$ 5,940
Less: Series 1999, 2005A, 2007A, 2009 and 2012 Bonds and other long-term debt	<u>1,434</u>
Non-voted debt capacity remaining	\$ 4,506
Maximum voted debt (5% of assessed valuation)	\$ 19,801
Less: Series 1999, 2005A, 2007A, 2009 and 2012 Bonds and other long-term debt	<u>1,434</u>
Voted debt capacity remaining	<u>\$ 18,367</u>

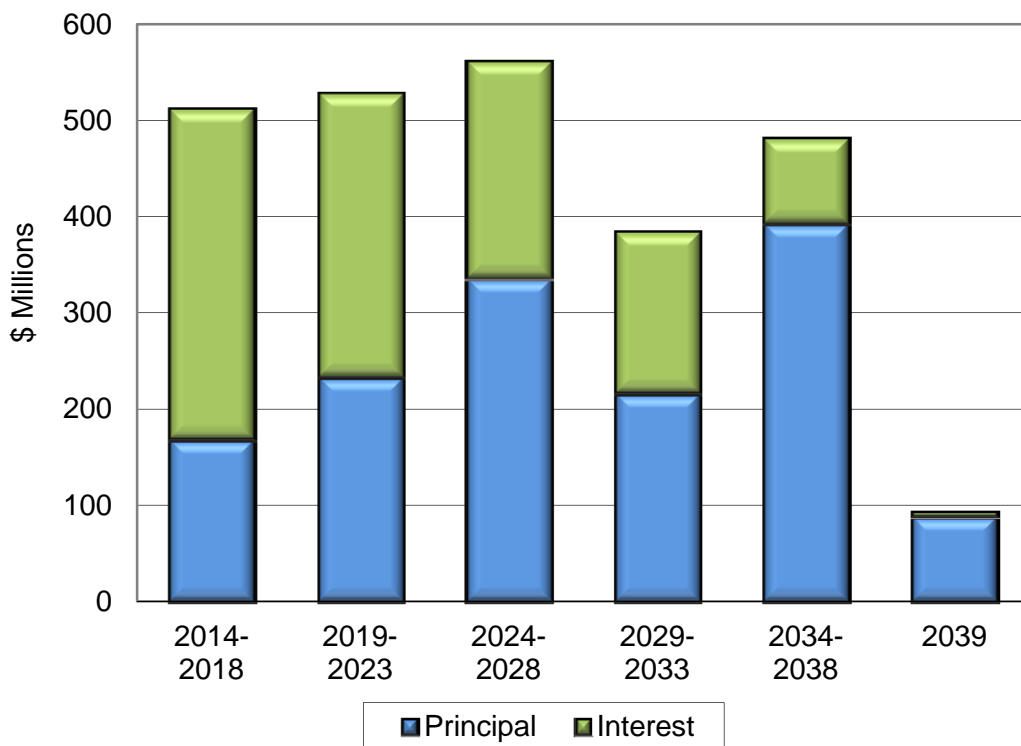
DEBT SERVICE REQUIREMENTS BY MATURITY*

(in thousands)

Year Ending	Principal	Interest	Total
December 31, 2013			
2014	33,545	71,962	105,507
2015	34,935	70,346	105,281
2016	30,430	68,666	99,096
2017	33,235	67,133	100,368
2018	36,290	65,387	101,677
2019-2023	233,125	295,016	528,141
2024-2028	335,625	225,913	561,538
2029-2033	216,095	168,151	384,246
2034-2038	392,440	88,826	481,266
2039	88,485	4,859	93,344
Total	\$ 1,434,205	\$ 1,126,259	\$ 2,560,464

* Debt service requirements are maintained on a cash basis but are budgeted on an accrual basis so there will be a slight budget variance. Debt service does not deduct for Build America Bond 35% subsidy on interest payments.

DEBT SERVICE REQUIREMENTS TO MATURITY FOR LONG-TERM BONDS PAYABLE



Reserves & Non-Cash Expenses

Sound Transit maintains budgets for reserves and non-cash expenses. Because these budgets do not represent cash outlays, they are not included in the spending authorization request.

Reserves

Additional monies are set aside in anticipation of future financial obligations. Sound Transit has reserves for capital replacement and emergency/loss. These amounts are included in this document but not as part of the agency administration budget since they are not an expense in the budget year. If reserved funds are to be used, the Board's spending authorization is required in advance through a separate authorization.

Capital Replacement

An annual contribution to the capital replacement fund is determined by a schedule of all asset costs and useful lives maintained in the agency's Financial Plan. Funds are held in long-term investments and their use is restricted to future asset replacement. The 2014 contribution is \$49.7 million.

Emergency/Loss

Sound Transit has an emergency reserve to cover the retention/deductible in the event of an insured loss. Funds are accumulated at a rate of \$2.0 million a year.

Non-Cash Expenses

Non-cash expenses include depreciation and amortization of assets as well as donations and other non-cash expenses as described below.

Depreciation and Amortization

In 2014 the depreciation of service delivery assets is estimated at \$127.2 million and depreciation of administrative assets is estimated at \$2.2 million.

Donations and Other Non-Cash Expenses

In 2014 donations to other governments are estimated to be \$22.4 million as a result of capital contributions made.

2014 DONATIONS

(in thousands)

Donation	Recipient	Amount
First Hill Streetcar	City of Seattle	\$ 21,357
Mountlake Terrace Freeway Station	WSDOT	594
Totem Lake Freeway Station	WSDOT	34
Kirkland Transit Center	City of Kirkland	402
Total		\$ 22,387

APPENDIX A

Staffing Plan Detail

Staffing Plan Detail

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Communications and External Affairs				
CEA DIRECTOR'S OFFICE				
Executive Director of Communications & External Affairs	1.0	-	-	1.0
Executive Assistant	1.0	-	-	1.0
Subtotal	2.0	-	-	2.0
CUSTOMER OUTREACH/PUBLIC INVOL				
Customer Outreach Assistant	1.0	-	-	1.0
Customer Outreach Manager	1.0	-	-	1.0
Customer Outreach Specialist	1.0	-	-	1.0
Events Specialist	1.0	-	-	1.0
Events Coordinator	1.0	-	-	1.0
Subtotal	5.0	-	-	5.0
MARKETING & CREATIVE SERVICES				
Marketing Project Assistant	-	-	1.0	1.0
Communications & Marketing Supervisor	1.0	-	-	1.0
Communications Specialist	3.0	-	1.0	4.0
Creative Services Supervisor	1.0	-	-	1.0
Graphic Designer	2.0	-	1.0	3.0
Marketing Coordinator	1.0	-	-	1.0
Marketing Coordinator-Website	1.0	-	-	1.0
Marketing Specialist	1.0	-	-	1.0
Marketing/Creative Services Specialist	1.0	-	-	1.0
Rider Information Specialist	1.0	-	-	1.0
Senior Graphic Designer	2.0	-	-	2.0
Video Producer	1.0	-	-	1.0
Video Production Technician	1.0	-	-	1.0
Web Program Manager	1.0	-	-	1.0
Subtotal	17.0	-	3.0	20.0
MEDIA RELATION & PUBLIC INFO				
Information Center Specialist	1.0	-	-	1.0
Media Relations/Public Information Manager	1.0	-	-	1.0
Public Information Coordinator	1.0	-	-	1.0
Public Information Officer	4.0	-	-	4.0
Subtotal	7.0	-	-	7.0
COMMUNICATIONS AND EXTERNAL AFFAIRS TOTAL				
	31.0		3.0	34.0
Design, Engineering, and Construction Management				
ARCHITECTURE & ART				
Public Art Project Manager	-	-	1.0	1.0
Architect	4.0	-	-	4.0
Art & Architecture Director	1.0	-	-	1.0
Collection Coordinator	1.0	-	-	1.0
Project Coordinator - DECM	1.0	-	-	1.0
Public Art Program Administrator	1.0	-	-	1.0
Public Art Program Coordinator	1.0	-	-	1.0
Senior Architect	3.0	-	-	3.0
Senior Project Coordinator - DECM	1.0	-	-	1.0
Subtotal	13.0	-	1.0	14.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
CIVIL & STRUCTURAL DESIGN				
Structural/Geological Engineer	-	-	1.0	1.0
CAD Manager	1.0	-	-	1.0
Civil Engineer	7.0	-	1.0	8.0
Corridor Design Manager	2.0	-	1.0	3.0
Corridor Design Manager - North Link	1.0	-	-	1.0
Corridor Design Manager - South Link	1.0	-	-	1.0
Corridor Design Manager - East Link/I-90	1.0	-	-	1.0
Deputy Director, Civil/Structural Design	1.0	-	-	1.0
Design & Engineering Coordinator	1.0	-	-	1.0
Director Civil & Structural Design	1.0	-	-	1.0
Senior CAD Drafter	6.0	-	1.0	7.0
Senior Civil Engineer	12.0	-	-	12.0
Senior Civil Engineer Right-of-Way	-	-	1.0	1.0
Senior Rail Engineer	1.0	-	-	1.0
Senior Structural Engineer	4.0	-	-	4.0
Specification Writer	1.0	-	1.0	2.0
Structural Engineer	2.0	-	-	2.0
Structural Engineering Manager	1.0	-	-	1.0
Subtotal	43.0	-	6.0	49.0
COMMUNITY OUTREACH				
Business Mitigation Specialist	1.0	-	-	1.0
Community Outreach Assistant	1.0	-	-	1.0
Community Outreach Corridor Lead	1.0	-	-	1.0
Community Outreach Corridor Supervisor	3.0	-	-	3.0
Community Outreach Director	1.0	-	-	1.0
Community Outreach Specialist	9.0	-	1.0	10.0
Senior Administration Specialist	1.0	-	-	1.0
Subtotal	17.0	-	1.0	18.0
CONSTRUCTION MANAGEMENT				
Construction Claims Specialist	-	-	1.0	1.0
Deputy Director Construction	-	-	1.0	1.0
Construction Management Director	1.0	-	-	1.0
Construction Manager	-	-	3.0	3.0
Construction Manager - DECM	10.0	-	-	10.0
Construction Project Specialist	-	-	-	-
Deputy Construction Manager	4.0	-	-	4.0
Lead Inspector	1.0	-	-	1.0
Non-Corridor Projects Manager	1.0	-	-	1.0
Principal Construction Manager - DECM	4.0	-	-	4.0
Principal Construction Manager - Systems	1.0	-	-	1.0
Project Coordinator - DECM	1.0	-	-	1.0
Project Manager	-	-	1.0	1.0
Residential Sound Insulation Program Manager	1.0	-	-	1.0
Senior Construction Engineer	1.0	-	-	1.0
Senior Project Coordinator - DECM	1.0	-	-	1.0
Subtotal	26.0	-	6.0	32.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
DECM DIRECTOR'S OFFICE				
Business Efficiency & Compliance Manager	1.0	-	-	1.0
Chief of Staff	1.0	-	-	1.0
Deputy Executive Director - Business/Construction	1.0	-	-	1.0
Deputy Executive Director - Design/Engineering	1.0	-	-	1.0
Deputy Project Director - East Link	1.0	-	-	1.0
Deputy Project Director - North Link	1.0	-	-	1.0
Deputy Project Director -University Link	1.0	-	-	1.0
Executive Assistant	1.0	-	-	1.0
Executive Director - DECM	1.0	-	-	1.0
Executive Project Director	3.0	-	-	3.0
Project Coordinator - DECM	4.0	-	-	4.0
Project Director	2.0	-	-	2.0
Project Manager - DECM	6.0	-	-	6.0
Receptionist/Administrative Assistant	1.0	-	-	1.0
Senior Administrative Specialist	1.0	-	-	1.0
Senior Project Coordinator - DECM	3.0	-	-	3.0
Senior Project Manager - DECM	2.0	-	-	2.0
Senior Scheduling Engineer	-	-	1.0	1.0
Subtotal	31.0	-	1.0	32.0
PROJECT CONTROL & VALUE ENG.				
Configuration & Change Management Specialist	1.0	-	-	1.0
Configuration Coordinator	1.0	-	-	1.0
Corridor Project Control Supervisor	3.0	-	1.0	4.0
Cost Engineer	1.0	-	-	1.0
Courier	1.0	-	-	1.0
Deputy Executive Director Project Control & Value Engineering	1.0	-	-	1.0
Document Control Coordinator	5.0	-	-	5.0
Project Control Coordinator	3.0	-	-	3.0
Project Control Specialist	9.0	-	2.0	11.0
Senior Administrative Specialist	1.0	-	-	1.0
Senior Cost Engineer	2.0	-	1.0	3.0
Senior Document Control Coordinator	2.0	-	-	2.0
Senior Project Control Manager	1.0	-	-	1.0
Senior Project Control Specialist	2.0	-	-	2.0
Senior Project Risk Engineer	1.0	-	-	1.0
Senior Scheduling Engineer	3.0	-	-	3.0
Senior Systems Cost Engineer	1.0	-	-	1.0
Senior Manager, Project Control Services	-	-	-	-
Senior Project Control Manager-Conf/Doc	1.0	-	-	1.0
Senior Project Control Manager-Risk/Value Engineering	1.0	-	-	1.0
Value Engineering Manager	1.0	-	-	1.0
Subtotal	41.0	-	4.0	45.0
PROJECT SUPPORT SERVICES				
Assistant Permit Administrator	3.0	-	1.0	4.0
Permits Administrator	1.0	-	-	1.0
Project Coordinator	-	-	1.0	1.0
Subtotal	4.0	-	2.0	6.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
REAL PROPERTY				
Deputy Real Property Director	-	-	1.0	1.0
Director of Real Property	1.0	-	-	1.0
Leasing Document Coordinator	1.0	-	-	1.0
Property Coordinator	3.0	-	-	3.0
Property Management Assistant Manager	1.0	-	-	1.0
Property Management Coordinator	1.0	-	-	1.0
Property Management Manager	1.0	-	-	1.0
Property Management Specialist	1.0	-	-	1.0
Property Records Research Technician	1.0	-	-	1.0
Senior Administrative Specialist	1.0	-	-	1.0
Senior Leasing Document Coordinator	1.0	-	-	1.0
Senior Real Property Agent	4.0	-	-	4.0
Subtotal	16.0	-	1.0	17.0
SYSTEMS ENGINEERING & INTEGRATION				
Civil/Systems Integration Manager	1.0	-	-	1.0
Corridor Design Manager-Systems	3.0	-	-	3.0
Electrical Engineer	1.0	-	1.0	2.0
Mechanical Engineer	2.0	-	1.0	3.0
Senior Administrative Specialist	1.0	-	-	1.0
Senior CAD Drafter	1.0	-	-	1.0
Senior Electrical Engineer	1.0	-	-	1.0
Senior Mechanical Engineer	1.0	-	-	1.0
Senior Systems Engineer	9.0	-	-	9.0
Systems Engineering & Integration Director	1.0	-	-	1.0
Systems Engineer	3.0	-	-	3.0
Systems Engineering Manager	1.0	-	-	1.0
Subtotal	25.0	-	2.0	27.0
DESIGN, ENGINEERING, AND CONSTRUCTION MANAGEMENT TOTAL	216.0	-	24.0	240.0
Executive				
BOARD ADMINISTRATION				
Administrative Specialist	1.0	-	-	1.0
Board Administrator	1.0	-	-	1.0
Board Coordinator	1.0	-	-	1.0
Board Coordinator (Term-limited)	1.0	-	-	1.0
Correspondence Management Coordinator	1.0	-	-	1.0
Subtotal	5.0	-	-	5.0
CHIEF EXECUTIVE OFFICE				
Board Coordinator	1.0	-	-	1.0
Chief Executive Officer	1.0	-	-	1.0
Deputy Chief Executive Officer	1.0	-	-	1.0
Executive Program Advisor	1.0	-	-	1.0
Senior Executive Assistant	1.0	-	-	1.0
Subtotal	5.0	-	-	5.0
DIVERSITY PROGRAM				
Compliance Field Monitor	-	1.0	-	1.0
Diversity Program Director	1.0	-	-	1.0
Diversity Program Specialist	2.0	-	-	2.0
Diversity Small Business Manager	-	-	-	-
Diversity Technical Advisor	1.0	-	-	1.0
Labor Agreement Specialist	2.0	-	-	2.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Lead Diversity Program Specialist	1.0	-	-	1.0
PLA Program Manager	1.0	-	-	1.0
Senior Administrative Specialist	1.0	-	-	1.0
Subtotal	9.0	1.0	-	10.0
GOVERNMENT & COMMUNITY RELATIONS				
Government & Community Relations Officer	4.0	-	-	4.0
Government & Community Relations Director	1.0	-	-	1.0
State Relations Officer	1.0	-	-	1.0
Subtotal	6.0	-	-	6.0
HUMAN RESOURCES				
Senior HRIS & Compensation	-	-	1.0	1.0
Chief Human Resources Officer	1.0	-	-	1.0
Employee & Labor Relations Manager	1.0	-	-	1.0
HRIS & Talent SPT Specialist	-	-	-	-
HRIS Data Entry & Audit Coordinator	-	-	1.0	1.0
Human Resources Specialist	1.0	-	-	1.0
Invoice Processing Coordinator	-	-	1.0	1.0
Retirement & Benefits Analyst	1.0	-	-	1.0
Senior Employee & Relations Specialist	1.0	-	-	1.0
Senior HRIS/LMS Analyst	1.0	-	-	1.0
Senior Recruiter	2.0	-	-	2.0
Senior Trainer	1.0	-	-	1.0
Talent & Organizational Development Manager	1.0	-	-	1.0
Total Rewards Manager	1.0	-	-	1.0
Subtotal	11.0	-	3.0	14.0
INTERNAL AUDIT				
Internal Audit Director	1.0	-	-	1.0
Senior Internal Auditor	2.0	-	-	2.0
Subtotal	3.0	-	-	3.0
PROCUREMENT & CONTRACTS				
Contracts Supervisor MTS	-	-	1.0	1.0
Administrative Specialist	2.0	-	-	2.0
Assistant Buyer	1.0	-	-	1.0
Business Analyst	-	-	1.0	1.0
Contracts Manager	1.0	-	-	1.0
Contracts Specialist	-	-	-	-
Contracts Supervisor	1.0	-	-	1.0
Contracts Systems Supervisor	1.0	-	-	1.0
Design & Construction Contracts Manager	1.0	-	-	1.0
Design & Construction Contracts Supervisor	2.0	-	-	2.0
Design & Construction Contracts Specialist	4.0	-	-	4.0
Procurement & Contracts Director	1.0	-	-	1.0
Procurement & Contracts Assistant	2.0	-	-	2.0
Procurement & Contracts Coordinator	1.0	-	-	1.0
Senior Buyer/Planner	1.0	-	-	1.0
Senior Contracts Specialist	-	-	1.0	1.0
Senior Contracts Specialist	7.0	-	-	7.0
Senior Design & Construction Contracts Specialist	7.0	-	-	7.0
Subtotal	32.0	-	3.0	35.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
QUALITY ASSURANCE				
Agency QA/QC Manager	1.0	-	-	1.0
Project Administration Specialist	1.0	-	-	1.0
Quality Assurance Engineer	4.0	-	1.0	5.0
Senior Quality Assurance Assessor	1.0	-	-	1.0
Senior Quality Assurance Engineer	2.0	-	-	2.0
Subtotal	9.0	-	1.0	10.0
RAIL ACTIVATION				
Rail Activation Manager	-	-	1.0	1.0
Rail Activation Project Assistant	-	-	1.0	1.0
Subtotal	-	-	2.0	2.0
SAFETY				
Chief Safety Officer	-	-	-	-
Community Outreach Specialist	1.0	-	-	1.0
Construction Safety Manager	1.0	-	-	1.0
Construction Safety Specialist	2.0	-	-	2.0
Health & Safety Specialist	2.0	-	-	2.0
Occupation Health & Safety Manager	1.0	-	-	1.0
Project Administration Specialist	1.0	-	-	1.0
Rail Passenger Safety Manager	1.0	-	-	1.0
Senior Construction Safety Specialist	2.0	-	-	2.0
Senior Health & Safety Specialist	1.0	-	-	1.0
Senior Systems Safety & Assurance Specialist	1.0	-	-	1.0
System Safety & Assurance Specialist	1.0	-	-	1.0
Subtotal	14.0	-	-	14.0
SAFETY & QA DIRECTOR'S OFFICE				
Director of Safety & QA	1.0	-	-	1.0
Senior Administrative Specialist	1.0	-	-	1.0
Subtotal	2.0	-	-	2.0
EXECUTIVE TOTAL	96.0	1.0	9.0	106.0
Finance and Information Technology				
BUDGET & FINANCIAL PLANNING				
Financial Planner	-	-	1.0	1.0
Budget Manager	2.0	-	-	2.0
Business Analyst	-	-	-	-
Director of Budget and Financial Planning	1.0	-	-	1.0
Finance & Budget Coordinator	1.0	-	-	1.0
Senior Financial Budget Analyst	6.0	-	-	6.0
Senior Financial Planner	2.0	-	-	2.0
Subtotal	12.0	-	1.0	13.0
CHIEF FINANCIAL OFFICER				
Executive Assistant	1.0	-	-	1.0
Executive Director of Finance & Information Technology	1.0	-	-	1.0
Subtotal	2.0	-	-	2.0
FINANCIAL ACCOUNTING				
Accountant I	2.0	-	-	2.0
Accountant II	3.0	-	-	3.0
Accounting Manager	1.0	-	-	1.0
Accounting Supervisor	1.0	-	-	1.0
Account Payable	3.0	-	-	3.0
Account Payable Supervisor	1.0	-	-	1.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Accounting Operations & Business Process Manager	1.0	-	-	1.0
Assistant Controller	1.0	-	-	1.0
Business Analyst	-	-	-	-
Controller	1.0	-	-	1.0
Management Analyst	-	-	-	-
Payroll Specialist	1.0	-	-	1.0
Payroll Supervisor	1.0	-	-	1.0
Senior Accountant	2.0	-	-	2.0
Senior Administrative Specialist	1.0	-	-	1.0
Senior Compliance Analyst	1.0	-	-	1.0
Senior Financial Analyst - CIP & Fixed Assets	1.0	-	-	1.0
Senior Financial Reporting Analyst	1.0	-	-	1.0
Subtotal	22.0	-	-	22.0
GENERAL SERVICES/WAREHOUSE				
General Services Center Assistant	1.0	-	-	1.0
General Services Center Coordinator	1.0	-	-	1.0
Subtotal	2.0	-	-	2.0
GRANTS				
Grants Administrator	1.0	-	-	1.0
Grants Manager	1.0	-	-	1.0
Grants Specialist	2.0	-	-	2.0
Subtotal	4.0	-	-	4.0
INFORMATION TECHNOLOGY				
Application Development Supervisor	1.0	-	-	1.0
Business Analyst	-	-	-	-
CIO, Deputy Executive Director	1.0	-	-	1.0
Data Architect	1.0	-	-	1.0
Database Administrator Supervisor	1.0	-	-	1.0
Database Administrator	1.0	-	-	1.0
GIS Analyst	1.0	-	-	1.0
GIS Specialist	1.0	-	-	1.0
Helpdesk Support Technician	2.0	-	-	2.0
Information Technology Systems Analyst	0.5	-	-	0.5
IT Applications Developer	-	-	-	-
IT Business Manager	1.0	-	-	1.0
IT Director of Operations	1.0	-	-	1.0
IT Manager	4.0	-	-	4.0
IT Manager - Research & Technology	-	-	-	-
IT Manager Development	-	-	-	-
IT Manager-Transit Rider Technology	1.0	-	-	1.0
IT Project Analyst	-	-	-	-
IT Project Manager	3.0	-	-	3.0
IT Project Manager, Senior	4.0	-	-	4.0
IT Purchasing Coordinator	1.0	-	-	1.0
IT R&T Program Supervisor - (Term Limited)	1.0	-	-	1.0
IT Service Desk Manager	1.0	-	-	1.0
IT Support Specialist	3.0	-	-	3.0
IT Systems Administrator	2.0	-	-	2.0
IT Systems Engineer	2.0	-	-	2.0
Network Engineer	1.0	-	-	1.0
Report Developer	1.0	-	-	1.0
Senior Client Systems Architect	1.0	-	-	1.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Senior Database Administrator	2.0	-	-	2.0
Senior Enterprise Architect	1.0	-	-	1.0
Senior IT Support Specialist	2.0	-	-	2.0
Senior IT Systems Analyst	5.0	-	1.0	6.0
Senior IT Systems Engineer	1.0	-	-	1.0
Senior Network Engineer	3.0	-	-	3.0
Senior Software Engineer	1.0	-	-	1.0
Systems Administrator	-	-	1.0	1.0
Transit Systems Electrician	1.0	-	-	1.0
Transit Systems Engineer	1.0	-	-	1.0
Web Developer	1.0	-	-	1.0
Subtotal	54.5	-	2.0	56.5
ORCA REGIONAL SERVICES				
ORCA Administrative Analyst	1.0	-	-	1.0
ORCA Regional Program Administrator	1.0	-	-	1.0
Subtotal	2.0	-	-	2.0
ORCA ST REGIONAL SERVICES				
Cash Accountant	1.0	(0.3)	-	0.8
Fiscal Agent - ORCA	1.0	-	-	1.0
Information Technology Systems Analyst	0.5	-	-	0.5
ORCA Program Coordinator	1.0	-	1.0	2.0
Revenue Analysis Manager	1.0	-	-	1.0
Subtotal	4.5	(0.3)	1.0	5.3
RECORDS MANAGEMENT				
Electronic Records Analyst	1.0	-	-	1.0
Records Management Coordinator	-	-	-	-
Records Management Specialist	1.0	-	-	1.0
Records Manager	1.0	-	-	1.0
Subtotal	3.0	-	-	3.0
RISK MANAGEMENT				
Administrative Specialist	1.0	-	-	1.0
Director of Risk Management	1.0	-	-	1.0
Risk & Claims Analyst	2.0	-	-	2.0
Risk & Insurance Manager	1.0	-	-	1.0
Subtotal	5.0	-	-	5.0
TREASURY & REVENUE				
Cash Accountant	1.0	0.3	-	1.3
Cash and Investment Administrator	1.0	-	-	1.0
ORCA Site Administrator	1.0	-	-	1.0
Senior Financial Analyst	1.0	-	-	1.0
Treasurer	1.0	-	-	1.0
Subtotal	5.0	0.3	-	5.3
FINANCE AND INFORMATION TECHNOLOGY TOTAL	116.0	-	4.0	120.0
Legal				
Administrative Specialist	1.0	-	-	1.0
Business Manager and Public Record Officer	1.0	-	-	1.0
Deputy General Counsel	1.0	-	-	1.0
Executive Assistant	1.0	-	-	1.0
General Counsel	1.0	-	-	1.0
Legal Counsel	1.0	-	-	1.0
Legal Project Assistant and Compliance Monitor	1.0	(1.0)	-	-
Legal Secretary	1.0	-	-	1.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Paralegal	1.0	-	-	1.0
Project Administration Specialist	1.0	-	-	1.0
Senior Legal Counsel	7.0	-	-	7.0
LEGAL TOTAL	17.0	(1.0)	-	16.0
Operations				
ASSET PLANNING & PROGRAMMING				
Asset Control Specialist	1.0	-	-	1.0
Asset Planning & Programming Manager	1.0	-	-	1.0
Project Manager, Asset Control	1.0	-	-	1.0
Senior Document Control Coordinator	1.0	-	-	1.0
Senior MMIS Administrator	1.0	-	-	1.0
Space Planning/CADD Operator	1.0	-	-	1.0
Subtotal	6.0	-	-	6.0
BUSINESS SERVICES				
Operations Business Analyst	1.0	-	-	1.0
Operations Business Coordinator	3.0	-	-	3.0
Operations Business Manager	1.0	-	-	1.0
Senior Business Analyst	2.0	-	-	2.0
Subtotal	7.0	-	-	7.0
CUSTOMER FAC & ACCESSIBLE SERV				
Accessibility Coordinator	1.0	-	-	1.0
Customer Facilities & Accessible Services Manager	1.0	-	-	1.0
Project Manager, CFAS	1.0	-	-	1.0
Senior CFAS Coordinator	3.0	-	-	3.0
Subtotal	6.0	-	-	6.0
CUSTOMER SERVICES				
Customer Services Manager	1.0	-	-	1.0
Customer Service Representative	4.0	-	-	4.0
Customer Service Supervisor	2.0	-	-	2.0
Receptionist & Administrative Assistant	2.0	-	-	2.0
Senior Customer Service Representative	2.0	-	-	2.0
Subtotal	11.0	-	-	11.0
FACILITIES				
NRV Project Control Coordinator	-	-	1.0	1.0
Assistant Facilities Maintenance Manager	1.0	-	-	1.0
Facilities Maintenance Manager	1.0	-	-	1.0
Facilities Specialist	6.0	-	-	6.0
Project Manager	-	-	2.0	2.0
Project Manager, Facilities	4.0	-	-	4.0
Senior Facilities Coordinator	2.0	-	-	2.0
Senior Facilities Specialist	5.0	-	-	5.0
Subtotal	19.0	-	3.0	22.0
OPERATIONS DIRECTOR'S OFFICE				
Administrative Analyst	1.0	-	-	1.0
Deputy Executive Director - Transportation & Maintenance	1.0	-	-	1.0
Executive Assistant	1.0	-	-	1.0
Executive Director of Operations	1.0	-	-	1.0
Facility & Asset Control Director	1.0	-	-	1.0
Light Rail Operations Director	1.0	-	-	1.0
Operations Support Services Director	1.0	-	-	1.0
Project Administration Specialist	1.0	-	-	1.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Senior Administrative Specialist	1.0	-	-	1.0
Transit Expansion Program Manager	1.0	-	-	1.0
Subtotal	10.0	-	-	10.0
SECURITY				
Chief Security Officer	1.0	-	-	1.0
CPTED & Technical Security Specialist	-	-	-	-
Operations Security Specialist	1.0	-	-	1.0
Project Administration Specialist	1.0	-	-	1.0
Security Specialist - Facilities	1.0	-	-	1.0
Subtotal	4.0	-	-	4.0
SERVICE PLANNING & DEVELOPMENT				
Assistant Service Planner	1.0	-	-	1.0
Service Planner	2.0	-	-	2.0
Service Planning Manager	1.0	-	-	1.0
Subtotal	4.0	-	-	4.0
OPERATIONS TOTAL	67.0	-	3.0	70.0
Planning, Environment, and Project Development				
ENVIRONMENTAL & SUSTAINABILITY				
Associate Environmental Planner	1.0	-	-	1.0
Associate Planner	2.0	-	-	2.0
Deputy Director of Environmental Affairs & Sustainability	1.0	-	-	1.0
Environmental Affairs & Sustainability Director	1.0	-	-	1.0
Environmental Compliance Manager	1.0	-	-	1.0
Environmental Planner	3.0	-	-	3.0
Senior Administrative Specialist	1.0	-	-	1.0
Senior Environmental Planner	6.0	-	-	6.0
Sustainability Manager	1.0	-	-	1.0
Subtotal	17.0	-	-	17.0
LIGHT RAIL PROJECT DEVELOPMENT				
Deputy Executive Director - PEPD	1.0	-	-	1.0
Deputy Project Director - PEPD	1.0	-	-	1.0
Light Rail Development Manager	2.0	-	-	2.0
Project Manager - Agreements	1.0	-	-	1.0
Project Manager - LR Segment	7.0	-	-	7.0
Senior Administrative Specialist	1.0	-	-	1.0
Transportation Planner	1.0	-	-	1.0
Subtotal	14.0	-	-	14.0
PEPD DIRECTOR'S OFFICE				
Executive Assistant	1.0	-	-	1.0
Executive Director - PEPD	1.0	-	-	1.0
Subtotal	2.0	-	-	2.0
PLANNING AND DEVELOPMENT				
Associate Planner	1.0	-	-	1.0
Business Development Coordinator	1.0	-	-	1.0
Planning & Development Director	1.0	-	-	1.0
Planning & Project Development Manager	1.0	-	-	1.0
Project Manager - Modeler	2.0	-	-	2.0
Research, Policy & Business Development Manager	1.0	-	-	1.0
Senior Policy Planner	1.0	-	-	1.0
Senior Project Manager - PEPD	1.0	-	-	1.0
Senior Transportation Planner	3.0	-	-	3.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
Transportation Planner	1.0	-	-	1.0
Subtotal	13.0	-	-	13.0
TRANSIT ORIENTED DEVELOPMENT				
Senior TOD Analyst	1.0	-	-	1.0
Senior TOD Specialist	1.0	-	-	1.0
TOD Manager	1.0	-	-	1.0
Subtotal	3.0	-	-	3.0
PLANNING, ENVIRONMENT, AND PROJECT DEVELOPMENT TOTAL				
	49.0	-	-	49.0

Department BUSINESS UNIT Position	2013 Staffing Plan	Transfers	2014 New Positions	2014 Staffing Plan
POSITIONS DIRECT CHARGED TO SERVICE DELIVERY				
Finance and Information Technology				
IT TRANSIT SYSTEMS				
SCADA Systems Engineer Supervisor	1.0	-	-	1.0
Senior Systems Analyst - SCADA	-	-	-	-
Senior Systems Engineer - SCADA	1.0	-	-	1.0
Systems Engineering Supervisor	1.0	-	-	1.0
Transit System Bench Technician	1.0	-	-	1.0
Transit Systems Electronic Supervisor	1.0	-	-	1.0
Transit Systems Electronic Technician	5.0	-	-	5.0
Transit Systems Engineer	2.0	-	-	2.0
Subtotal	12.0	-	-	12.0
Operations				
CENTRAL LINK LIGHT RAIL				
Central Link Maintenance Manager	1.0	-	-	1.0
Central Link Maintenance Supervisor	2.0	-	-	2.0
Central Link Transportation Manager	1.0	-	-	1.0
Light Rail Transportation Supervisor	2.0	-	-	2.0
Senior Administrative Specialist	1.0	-	-	1.0
Subtotal	7.0	-	-	7.0
SOUNDER				
Commuter Rail Transportation Superintendent	1.0	-	-	1.0
Commuter Rail Coordinator	1.0	-	-	1.0
Commuter Rail Mechanical Superintendent	1.0	-	-	1.0
Commuter Rail Operations Manager	1.0	-	-	1.0
Maintenance of Way Specialist	1.0	-	-	1.0
Subtotal	5.0	-	-	5.0
ST EXPRESS				
Bus Maintenance Superintendent	1.0	-	-	1.0
Bus Operations Analyst	1.0	-	-	1.0
Bus Operations Manager	1.0	-	-	1.0
Subtotal	3.0	-	-	3.0
TACOMA LIGHT RAIL				
Light Rail Vehicle Operator	7.0	-	-	7.0
Maintenance Supervisor	1.0	-	-	1.0
Operations and Maintenance Supervisor	4.0	-	-	4.0
Operations & Maintenance Technician	4.0	-	-	4.0
Project Administration Specialist	1.0	-	-	1.0
Tacoma Link Light Rail Operations Manager	1.0	-	-	1.0
Tacoma Link Light Rail Assistant Operations Manager	1.0	-	-	1.0
Subtotal	19.0	-	-	19.0
TOTAL SERVICE DELIVERY STAFFING	46.0	-	-	46.0
TOTAL AGENCY STAFFING	638.0	-	43.0	681.0

APPENDIX B

Budget Process

Budget Process

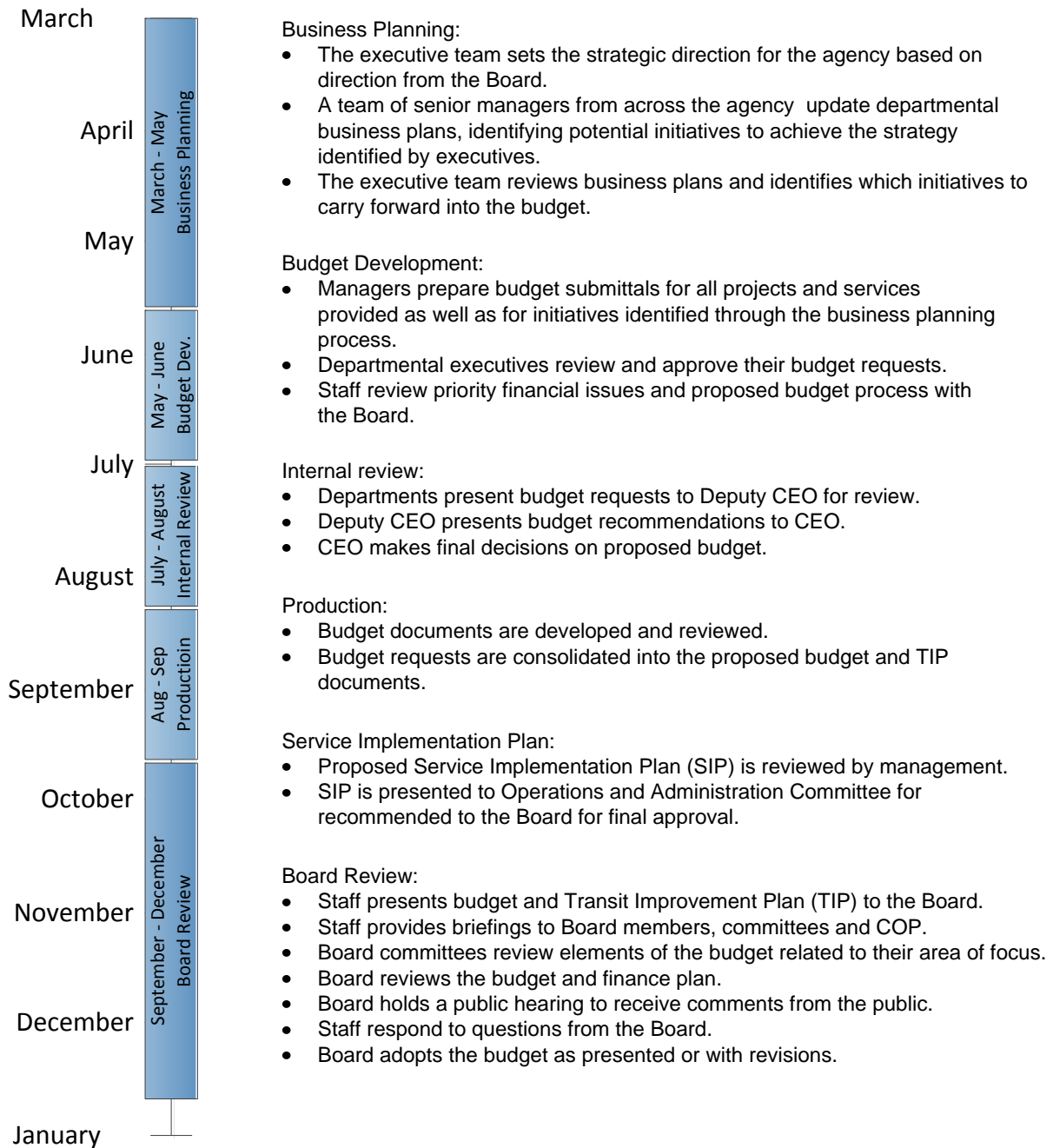
Sound Transit's budget process is structured to serve two purposes. Within the agency, the development of the budget provides a forum for joint planning of objectives and strategies, with executive and board review of programs. For the region's citizens, the budget reports on the status of projects and services, detailing the agency's proposed activities and their costs for the coming year.

The internal process is a collaborative and iterative one, with the agency's senior management providing strategic direction and critical review, managers and project managers preparing resource proposals, and budget staff providing analysis and technical support for the process. Once the proposed budget and transit improvement plan have been published, the Sound Transit Board and the public provide an external review of project and service proposals from a policy standpoint.

The annual budget process begins with business planning beginning in March, budget development beginning in May and with budget adoption anticipated in December. Major phases of this process are outlined on the next page. In addition, a Service Implementation Plan is also prepared that guides the delivery of transit services and is approved by the board.

Amendments to the budget after adoption require the CEO to submit a supplemental budget resolution to the Board. Amending the budget is required if spending is to exceed the total annual operating budget for the agency, the annual operating budget for a transit mode, or the authorized budget for a capital project. Supplemental budget resolutions must be passed by a two-thirds majority vote of the Board.

SOUND TRANSIT BUDGET PROCESS SUMMARY



APPENDIX C

Subarea Allocations

Subarea Allocations

The Central Puget Sound Regional Transit Authority (Sound Transit) has implemented an accounting and reporting system consistent with the financial policies approved in the ST2 voter-approved program. Annually, Sound Transit (the agency) prepares a Schedule of Sources and Uses of Funds by Subarea (the schedule) that is based on the agency's audited financial statements and the agency's long-term Finance Plan. The schedule reports actual tax revenues received by subarea and an allocation to each subarea of other sources and uses earned.

This system is integrated into the agency's system of internal control over financial reporting, ensuring the integrity of the information reported and providing management, the Board, and the Citizen Oversight Panel required information to monitor progress against Sound Transit's subarea commitments to its voters.

Annually, the agency's financial statement auditors perform agreed upon procedures which look at the allocation of sources and uses of funds presented. These procedures were developed by management, reviewed by the Citizen Oversight Panel, and approved by the Audit and Reporting Committee of the Board. All results from independent examinations are presented to the Board.

This appendix provides the drivers that will be used to allocate sources and uses to subareas in 2013 as well as new projects for 2014. Any additional projects are added at the end of the year when subarea allocations are calculated.

Revenues and Financing Sources

Sources

Description	Driver
Sales & Use Tax	Department of Revenue Location Code
Motor Vehicle Excise Tax	Zip Code Location
Rental Car Tax	Department of Revenue Location Code/County Level
Capital Grants	Project Costs or Board Designation
Operating Grants	Operating Uses by Mode
Passenger Fares	(see next section)
Interest Earnings	Financial Plan
Other Revenue	Location/Modal Operating Use Drivers (see Operating Uses section below)
Bond Proceeds	Financial Plan

PASSENGER FARES

Description	Driver
Souder Fares	Station Boardings
ST Express Bus Fares	Route Boardings/Platform Hours
Central Link Light Rail Fares	Station Boardings
Tacoma Link Light Rail Fares	Station Boardings

Operating Uses

LINK LIGHT RAIL SERVICES OPERATING USES

Description	Driver
Central Link Operations	Track Miles/Boardings
Tacoma Link Operations	Location

SOUNDER COMMUTER RAIL SERVICES OPERATING USES

Description	Driver
BNSF North Line	Track Miles
BNSF South Line	Track Miles
All Other Souder Operations	Vehicle Miles

ST EXPRESS BUS SERVICES OPERATING USES

Description	Driver
Bus Operations	Platform Hours
DSTT Operations	Location

OTHER USES

Description	Driver
Art Maintenance	Location
Other Expenses	Location or Board Designation

Capital Project Uses (Outlays)

System Expansion – Link Light Rail Projects	Driver
First Hill Link Streetcar	Location
Tacoma Link Expansion	Location
Link Operations & Maintenance Satellite Facility	ST2 Adopted Financial Plan
Northgate Link Extension	Location
Lynnwood Link Extension	ST2 Adopted Financial Plan
University Link Extension	Location
Initial Segment	2009 Sound Move Reported Rules
Airport Link	Location
S. 200 th Link Extension	Location
Federal Way Transit Extension	Location
East Link Extension	ST2 Adopted Financial Plan Location
Overlake Village Bridge	Location

System Expansion – Sounder Commuter Rail Projects	Driver
Station Access & Demand Study	ST2 Adopted Financial Plan
Eastside Rail Partnership	Location
Sounder Yard & Shops Facility	ST2 Adopted Financial Plan
Puyallup Station Improvements	Location
Sumner Station Improvements	Location
Lakewood Station Improvements	Location
Tacoma Trestle Track & Signal	Location
Sounder Yard Expansion	Track Miles
Willow Creek Environmental Mitigation	Location

System Expansion – Sounder Commuter Rail Projects	Driver
M St.-Lakewood Track & Signal	Location
Permitting/Environmental Mitigation	Location
D St-M St Track & Signal	Location
Layover	Vehicle Miles
Mukilteo Station, South Platform	Location
Edmonds Station	Location
Tukwila Station	Location
South Tacoma Station	Location
Lakewood Station	Location
Sounder South Expanded Service	ST2 Adopted Financial Plan
Sounder ST2 Fleet Expansion	ST2 Adopted Financial Plan

System Expansion – ST Express Bus Projects	Driver
ST Express Bus Base	ST2 Adopted Financial Plan
ST Express Mid-Day Bus Storage	Location
Burien Transit Center Parking Expansion	Location
Ash Way Transit Access	Location
Federal Way HOV Access/S 317 th	Location
Totem Lake Freeway Station	Location
85 th Corridor, Kirkland	Location
Kirkland Transit Center/3 rd	Location
Renton HOV Access/N 8 th	Location
Rainier Avenue Arterial Improvements	Location
Strander Boulevard Extension	Location
Mountlake Terrace Freeway Station	Location
S. Everett Freeway Station	Location
Federal Way Transit Center	Location
Canyon Park Freeway Station	Location
Issaquah Transit Center/SR900	Location
Totem Lake Transit Center	Location
Newcastle Transit Improvements	Location
Mercer Island Park & Ride	Location
I-90 Two-Way Transit & HOV Operations, Stage 1	Location
SR 522 HOV Enhancements/Bothell	Location
I-90 Two-Way Transit & HOV Operations, Stage 2	Location
I-90 Two-Way Transit & HOV Operations, Stage 3	Location

System Expansion – Other	Driver
ST3 Planning	Financial Policies
South Corridor Alternatives Planning	Location
Ballard to Downtown Seattle HCT Planning Study	Financial Policies
HCT Corridor Planning Studies	Financial Policies
Central & East HCT Study	Financial Policies
Lynnwood to Everett HCT Study	Financial Policies
South King County HCT Study	Financial Policies
Fare Integration	Financial Policies
Fare Administration	Financial Policies
Research and Technology	Financial Policies
STart	Location
Passenger Information System/CCTV	Location
Ticket Vending Machines	Location

Enhancement Projects	Driver
Bus Maintenance Facility	Platform Hours
Federal Way Transit Center Lighting Retrofit	Location
Auburn Garage Lighting Retrofit	Location
TOD Property Disposition	Location
Positive Train Control	Location
LRV On Board Energy Storage	Location
Noise Abatement	Location
Security Enhancements	Location
ST Express Mobile Communications	Platform Hours
Parking Enhancements	Location
Bike Locker Program	Location
Link OMF Laydown Area Improvements	Boardings/Track Miles
Link LRV Wash Bay Doors	Boardings/Track Miles
Central Link Radio Upgrade	Boardings/Track Miles
ST Express Security Camera Retrofit	Platform Hours
HVAC for Traction Power Sub Station (TPSS)	Boardings/Track Miles
Central Link HVAC – Instrument House & UPS Room	Boardings/Track Miles
Central Link Card Readers	Boardings/Track Miles
Central Link OMF UPS Room Improvement	Boardings/Track Miles
Central Link Overhead Catenary System Tie Switch	Boardings/Track Miles

Enhancement Projects	Driver
Central Link Benchtest Equipment	Track Miles/Boardings
Security Radios	Securitas Service
Non Revenue Support Vehicles	Boarding/ Track Miles
Central Link Switch Heaters	2009 Sound Move Reported Rules; Vehicle Maintenance
DSTT South Access Security	Location
Regional Parking Pilot Project	Financial Policies
Pierce Transit Radio System Upgrade	Platform Hours
Tacoma Link Fare Collection	Location
Signage Improvements	Location

Rehabilitation & Replacement Projects	Driver
Beacon Avenue Paving	Location
Link Station Paver Replacement	Location
Tacoma Dome Station	Location
ST Express Fleet Replacement	Platform Hours
Small Works Program	Location
Tacoma Link Auxiliary Power Supply Replacement	Location
Tacoma Link LRV Communications Upgrade	Location
Central Link Control Center Phone Network	Boardings/Track Miles
Federal Way: Post Tension Cable Repair	Location
Souder Vehicle Overhaul Program	Vehicle Miles
Station Midlife Refurbishment Program	Location

Administrative Projects	Driver
Administrative Capital	Financial Policies
Information Technology Program	Financial Policies
Environmental Mitigation, Monitoring and Maintenance	Modal Operating Expense Rules
Surplus Property Disposition	Location

Systemwide Uses

Description	Driver
Agency Administration	Financial Policies

Debt Service

Description	Driver
Debt Service	Financial Plan

APPENDIX D

Reconciliation of Proposed Budget to Adopted Budget

Reconciliation of Proposed 2014 Budget to Adopted 2014 Budget

The proposed 2014 budget and proposed 2014 Transit Improvement Plan (TIP) were submitted for Board review in September 2013. By Resolution No. R2013-33, the board adopted the annual budget for the period January 1 through December 31, 2014. Consistent with budget policies, the resolution adopted the operating and capital plan contained in the proposed budget, and authorized Sound Transit to expend \$1,098.81 million in the operating and capital program subject to changes identified in selected amendments and administrative adjustments.

Adjustments to the Operating & Capital Budget for Fiscal Year 2014

Project cashflow projections are developed during the month of July. In order to include the most current information in the adopted budget, assumptions leading to these projections were reviewed during October and November. If changed circumstances warranted, cashflow projections were updated, prior to board-adoption of the budget. These cashflow change requests are shown in attachment D to the proposed budget.

The adopted 2014 budget document was produced after the close of fiscal year 2013. Based on a comparison of the forecasted expenditures for 2013 contained in the proposed budget to actual expenditures, project budget cashflows are adjusted to reflect actual 2013 expenditures. These adjustments may result in offsetting adjustments to the 2014 fiscal year budget.

As part of the budget review process, board committees reviewed the proposed 2014 budget, cashflow change requests and amendments before the final approval of the budget by the board. These changes made by the board as part of the review process are included in the following reconciliation.

As a result, there are three primary sources for changes from the proposed to the adopted budget:

1. Budget amendments and cashflow change requests to the proposed budget that were adopted by the board.
2. Updated project cashflows to reflect actual 2013 capital outlays.
3. Any Other changes per Resolution No. R2013-33.

Consistent with budget policies and Resolution No. R2013-33, the following changes were made to the proposed 2014 budget. In total, these changes increased the operating & capital outlay budget for 2014 by \$23.5 million to a new total of \$1,122.3 million.

	(thousands)
Proposed Operating & Capital Budget for 2014	\$1,098,813
1a. Budget Amendments	12,951
1b. Cashflow Change Requests	5,095
2. Cashflow Changes	5,474
3. Any Other Changes Per Resolution R2013-33	(58)
Adopted Operating & Capital Budget for 2014 *	\$1,122,275

* Numbers may not sum due to rounding.

1a. Changes to Budgets Reflected in Amendments

Budget / Project Category	Project Name or Description	2014 Change (\$000)	Comments
Agency Department Budget	Medical Insurance Benefits	(273)	Based on bids provided by two new medical insurance providers, the budget for medical insurance will decrease by about 4% from the amount included in the proposed 2014 budget.
Debt Service	TIFIA Loan Application	1,250	Transportation Infrastructure Finance and Innovation Act (TIFIA) application fee of \$800K and \$450K for consulting service to support application development.
Transit Operations	Transit Operations -Modal Budget Increase	54	This amendment reflects the net effect of changes to each mode's budget due to (1) a decrease in total insurance premium cost for rail modes, (2) increased Tacoma Link costs associated with fare collection scheduled to begin October 1, 2014, and (3) the revision of allocated insurance and fare collection costs as a result of these changes.
Enhancement	Central Link Card Readers (700775)	123	2014 annual budget is updated to match the current work plan.
System Expansion -Sounder	Tacoma Trestle Track and Signal (300021)	2932	An increase of \$2.9 million to the 2014 annual budget to accelerate property/ROW acquisition to meet compliance requirements of a recently awarded TIGER V Grant.
System Expansion -Sounder	Lakewood Station Improvements (300019)	110	Shift of \$110K of project budget from 2015 to 2014 to provide funds for a local grant match for a grant applied for by the City of Lakewood, and administrative costs, to be used if the grant is awarded.
Enhancement	Signage Improvements (700793)	491	Signage improvements at Airport Station (\$15K), connection between the station and airport (\$350K), and at Westlake station entrances and mezzanine (\$25K). The budget also includes funding for administrative costs, construction management and contingency.
System Expansion -Link	Initial Segment (4X300)	905	Remaining work to be completed is anticipated to cost more than anticipated when the Proposed 2014 Budget was prepared. Estimated legal costs for contract reviews/disputes and conveyance of right-of-way ownership, preparation of as-built drawings, remaining follow-on construction, and contingency.
System Expansion -Link	East Link (4X600)	7,000	Additional budget of \$7 million to fund completion of final design and construction of entrance ramps from 1-90 to Bellevue Way.
System Expansion -Link	Link Operations & Maintenance Satellite Facility (400009)	(840)	A cash flow adjustment in the preliminary engineering phase to account for a delay in the schedule.
System Expansion -ST Express	Rainier Avenue Arterial Improvements (5X151)	(669)	Budget decrease reflects final costs of project close-out.
Enhancement	Tacoma Link Fare Collection Implementation (600029)	514	Costs associated with the Board decision to implement fare collection on Tacoma Link, beginning in the fourth quarter of 2014.
Enhancement	Bus Maintenance Facility (5X261)	1,273	Budget increase will fund cost sharing agreement with Community Transit for the rehabilitation of asphalt parking and circulation paving with sections of concrete and asphalt.
Enhancement	Security Enhancements (7X743)	81	Budget increase covers contingency and a portion of professional services to assist with the integration of the agency's two disparate CCTV systems.
Total		12,951	

1b. Changes to Budgets Reflected in Cashflow Change Requests

Cashflow change requests for certain projects within the project delivery program shift dollars between years and phases, to reflect changes in the treatment of prior expenditures and result in a change to proposed budget spending in 2014. The following cashflow change requests were approved by the Capital Committee on 12/12/13 and the Board on 12/19/13:

Project Category	Project Name or Description	2014 Change (\$000)	Comments
System Expansion -Link	Airport Link (4x400)	164	Carry over costs for follow-on work.
System Expansion -Link	S 200th Link Extension (4x420)	(6,425)	Align anticipated spending with contractor schedule.
System Expansion -Sounder	Tukwila Station (3x236)	544	Cashflow closed out lower for 2013, moved out into outer years, 2014 and 2015. No change to Lifetime Budget.
System Expansion -ST Express	Totem Lake Freeway Station (5x140)	(10)	Cashflow closed out higher for 2013, moved from 2014. No change to Lifetime Budget.
System Expansion -ST Express	I-90 Two-Way Transit & HOV Operations, Stage 3 (5x387)	3,042	Cashflow closed out lower for 2013, moved into 2014 & onwards. Only phase changes in Lifetime Budget.
System Expansion -Other	Ticket Vending Machines (3x212)	100	Moving 100K into 2014 from outyears. No change to Lifetime Budget
Enhancement -Link	Central Link HVAC for Traction Power Sub Station (700773)	110	Cashflow closed lower in 2013, moved into 2014. No changes in Lifetime Budget.
Enhancement -Link	Central Link HVAC for Instrument House & UPS Room (700774)	110	Cashflow closed lower in 2013, moved into 2014. No changes in Lifetime Budget.
Rehabilitation & Replacement -Link	Beacon Avenue Paving (4x360)	182	Increased spending planned for 2014.
Rehabilitation & Replacement -Link	Link Station Paver Replacement (4x370)	(75)	Project expected to complete in 2013.
System Expansion -Link	First Hill Streetcar (400007)	3,802	The project has expected to escalate workload in 2014
Enhancement -Other	TOD Planning (8x100)	(344)	Delay due to grant matching for in partnership with KC Metro at the Mount Baker Station bus facility.
System Expansion -Other	Central & East HCT Study (809103)	1,491	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014.
System Expansion -Other	Lynnwood to Everett HCT Study (809104)	586	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014.
System Expansion -Other	South King County HCT Study (809105)	822	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014. There is an error in the Budget Amendment, 2014 Budget increase should be \$575K instead.
System Expansion -Link	East Link Extension (4x600)	996	Increase 2014 spending supporting the integration with the Microsoft Co related to Overlake Transit Center improvements (2013 Budget Amendment).
	Total	5,095	

2. Updated Project Cashflows Based on Actual Expenditures in 2013

Project cashflows within the proposed 2014 budget document included a forecast for 2013 expenditures. As part of developing the adopted 2014 budget document, the proposed 2014 budget annual project cashflows are updated to reflect actual capital outlays for the preceding year (2013). Normally, adjustments are made so as not to change the projected cashflow for fiscal year 2014 by project as shown in the proposed 2014 budget. However, in certain limited instances for projects that are anticipated to be closed in 2014, the fiscal year 2014 projected cashflow had to be adjusted from that shown in the proposed 2014 budget in order to incorporate actual 2013 outlays. In all such cases no changes were made to the total lifetime budget. The effect of this change is an increase of

\$5.8 million for cashflow adjustments. The following projects' fiscal year 2014 projected cashflows were adjusted:

Project	Proposed 2014 (\$000)	Revised 2014 (\$000)	Difference (\$000)	Comments
System Expansion - Link Light Rail				
Initial Segment (4X300) *	905	287	(618)	Carry over costs to complete follow-on work and close out project.
First Hill Streetcar (400007) *	25,554	21,357	(4,197)	This incremental budget change reflects high accruals in 1st close of 2013.
Airport Link (4x400) *	164	418	254	Carry over costs, in addition to amendment, to complete follow-on work and close out project.
System Expansion - Sounder				
Puyallup Station Improvements (300017)	189	178	(11)	Higher spending than expected in 2013 close.
Sumner Station Improvements (300018)	189	180	(9)	Higher spending than expected in 2013 close.
Lakewood Station Improvements (300019) *	110	148	38	Adjustment for project closing in 2014.
M ST-Lakewood Track & Signal (3X130)	106	238	132	Lower spending than expected in 2013 close.
Layover (3X140)	100	535	434	Lower spending than expected in 2013 close.
South Tacoma Station (3X251)	124	124	(1)	Higher spending than expected in 2013 close.
System Expansion - ST Express				
Totem Lake Freeway Station (5X140)*	15	34	19	Lower spending than expected in 2013 close.
85TH Corridor, Kirkland (5X141)	780	1,570	789	Lower spending than expected in 2013 close.
Kirkland Transit Center/3rd (5X142)	447	402	(45)	Higher spending than expected in 2013 close.
Strander Boulevard Extension (5X152)	0	268	268	Lower spending than expected in 2013 close.
Mountlake Terrace Freeway Station (5X312)	230	594	364	Lower spending than expected in 2013 close.
S Everett Freeway Station (5X319)	50	143	93	Lower spending than expected in 2013 close.
Federal Way Transit Center (5X321)	1,355	1,481	127	Lower spending than expected in 2013 close.
Issaquah Transit Center/SR 900 (5X326)	0	22	22	Lower spending than expected in 2013 close.
I-90 Two-Way Transit & HOV Operations, Stage 1 (5X382)	0	88	88	Lower spending than expected in 2013 close.
I-90 Two-Way Transit & HOV Operations, Stage 2 (5X382)	0	541	541	Lower spending than expected in 2013 close.

Project	Proposed 2014 (\$000)	Revised 2014 (\$000)	Difference (\$000)	Comments
System Expansion - Other				
South Corridor Alternatives Planning (4X446)	782	2,733	1,952	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014.
Ballard to Downtown Seattle HCT Study (809101)	622	1,757	1,135	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014.
Central & East HCT Study (809103)*	3,853	4,027	174	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014.
Lynnwood to Everett HCT Study (809104)*	2,013	2,264	251	Increase 2014 spending to match anticipated schedule. The majority of the work is planning in 2014.
South King County HCT Study (809105) *	2,243	2,153	(90)	It was an error in the Budget Amendment. The cashflow change should be \$159K increase instead.
Enhancement				
Security Enhancements (7X743) *	398	483	84	Lower spending than expected in 2013 close.
ST Express Mobile Communications (7x745)	0	3,134	3,134	Delay due to final milestone delivery by King County and Community Transit project team.
ST Express Camera Retrofit (700772)	0	22	22	Delay due to final milestone delivery by King County and Community Transit project team
Central Link HVAC For Traction Power (700773)*	610	690	80	Lower spending than expected in 2013 close.
C LINK HVAC-Instrument House/UPS Room (700774)*	320	350	30	Lower spending than expected in 2013 close.
Central Link Card Readers (700775) *	396	412	16	Lower spending than expected in 2013 close.
Central Link OMF UPS Room Improvements (700776) *	0	1	1	Lower spending than expected in 2013 close. Project closing out in Jan.
Security Radios (700779)	0	43	43	Lower spending than expected in 2013 close.
Federal Way Transit Center Lighting Retrofit (700780)	0	4	4	Lower spending than expected in 2013 close.
Auburn Garage Lighting Retrofit (700782)	0	12	12	Lower spending than expected in 2013 close.
Rehabilitation & Replacement				
Link Station Paver Replacement (4X370) *	0	155	155	Carry over costs to close out project.
Tacoma Link Announcement/Sign System (7x758)	0	124	124	Lower spending than expected in 2013 close.
Central Link Network Phone Control Center (7X761)	190	199	9	Lower spending than expected in 2013 close.
Federal Way Post Tension Cable Repair (7X768)	475	523	48	Lower spending than expected in 2013 close.
Total	42,221	47,694	5,474	

* Proposed 2014 Budget shown in this table for these projects reflect the amendments approved by the board, the changes here therefore only reflect budget in addition to these approved amendments.

3. Any Other Changes per Resolution No. R2013-33

Resolution No.2013-33, section 4, authorizes the CEO to revise the Adopted 2014 Budget to correct for non-material errors and these are shown below:

Budget / Project Category	Project Name or Description	2014 Change (\$000)	Comments
Agency Administration	Transfers to Service Delivery & Project Delivery	(58)	The amendment to the department budget for medical insurance benefits premium reduction of \$273,000 reduced overhead allocations to service delivery and project delivery by \$58K.
Agency Department Budget	Legal Department	0.55	\$550 for other services was included in the Proposed 2014 department budget total but did not appear in the legal department budget. This change has no fiscal impact.
Non-Cash Expenses	Donations to Other Governments	(736)	Non -cash expenses reduced by \$736K reflecting updated actual project expenses to be donated after project close-out. These non-cash expenses are not included in the annual spending authorization. This change has no fiscal impact.

Adopted 2014 Revenue Budget

Resolution No. R2013-33 projected annual revenues of \$918.9 million subject to changes identified in the following revenue amendments adopted by the Board on 12/19/14:

Budget / Project Category	Project Name or Description	2014 Change (\$000)	Comments
Agency Revenues	Passenger Fare Revenues - Central Link Light Rail and ST Express	945	Updated ridership forecast has increased revenue projections for 2014: Central Link Light Rail increased by \$171,000 and ST Express increased by \$774,000.
Agency Revenues	Passenger Fare Revenues - Tacoma Link Light Rail	147	Sound Transit adopted a fare structure for Tacoma Link in 2013 with implementation of the fares to occur in September 2014.

APPENDIX E

Resolution No. R2013-33

RESOLUTION NO. R2013-33

Proposed 2014 Budget

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	12/19/13	Final Action	Brian McCartan, Executive Director Finance & Information Technology Pete Rogness, Director, Budget and Financial Planning	206-398-5100 206-398-5102

PROPOSED ACTION

Adopts an annual budget for the period from January 1 through December 31, 2014.

KEY FEATURES SUMMARY

- The Proposed 2014 Budget requests funding authorization of \$1.1 billion; \$221.0 million for Service Delivery, \$719.2 million for Project Delivery, and \$158.7 million for Agency Administration (including debt service).
- The Proposed 2014 Budget would be funded by an estimated \$918.9 million in revenue and \$410.0 million in projected unrestricted cash balances at the end of 2013.
- The Proposed 2014 Budget is fully affordable within the agency's existing revenue projections and financial policies.

BACKGROUND

The Sound Transit Board adopts Sound Transit's annual budget, which contains the agency's budget for revenue and financing, administrative expenses, transit operations, and capital and other projects. Sound Transit annual budgets are organized by three primary program areas: Service Delivery, Project Delivery, and Agency Administration. Sound Transit's budget and fiscal year runs from January to December.

The Sound Transit Board endorses an annual Transit Improvement Plan (TIP) that provides projected capital and operating expenditures for the construction and operation of the Sound Transit regional high-capacity transit system. The TIP contains information on scope, budget, and risk as well as changes in budget and schedule for all active phases of both capital and operating programs. Also included in the TIP are summary-level six-year forecasts for Service Delivery expenses by mode that reflect detailed service plans in the annual Service Implementation Plan.

The resolution approves the following expenditures for 2014:

- \$221.0 million for service delivery made up of \$4.2 million for Tacoma Link, \$60.7 million for Central Link, \$41.8 million for Sounder and \$114.2 million for ST Express. The resolution authorizes expenditures at the modal level to exceed these levels by up to 2% so long as the total service delivery budget of \$221.0 million is not exceeded.
- \$101.2 million for staff operations
- \$105.0 million for debt service

- \$719.2 million for the delivery of projects, made up of:
 - System Expansion - \$651.0 million which includes;
 - \$42.7 million for Sounder
 - \$571.6 million for Link
 - \$11.9 million for ST Express projects
 - \$24.8 million Other non-mode specific projects
 - Enhancements - \$27.4 million
 - Rehabilitation and Replacement - \$36.1 million
 - Administrative Projects - \$4.6 million

The resolution also provides for the agency to reserve funds for the following purposes:

- \$49.7 million for the Capital Replacement Fund
- \$2.0 million for the Emergency/Loss Fund

The resolution also includes estimated revenues of:

- \$602.1 million from Retail Sales and Use Tax
- \$74.6 million from Motor Vehicle Excise and Rental Car Taxes
- \$161.2 million from federal grants
- \$5.7 million from State and Local contributions
- \$57.1 million from farebox revenues
- \$7.4 million in interest earnings
- \$10.7 million in miscellaneous revenues

This resolution also authorizes amendments and cashflow change requests as endorsed and forwarded by the Capital and Operating and Administration Committees and those adopted by the Board through a separate action.

For 2014 budget management, staff will continue providing quarterly briefings to the Audit and Reporting Committee on progress to date.

FISCAL IMPACT

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan. The Proposed 2014 Budget is fully affordable within the agency's existing revenue projections and financial policies.

Sound Transit's Proposed 2014 Budget requests funding authorization totaling \$1,098,813,498 in operating expenditures and capital outlays. The agency's expenses and outlays will be funded by an estimated \$918,860,443 in revenue and other financing sources (on an accrual basis) and by a projected positive cash position in January 2014 of \$410,000,000.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

PUBLIC INVOLVEMENT

The Sound Transit Board reviewed the Proposed 2014 Budget in public session in September, October, and November. On October 24, 2013 a public hearing was held in order to provide an opportunity for testimony from interested members of the public.

TIME CONSTRAINTS

A one-month delay would postpone adoption of the Proposed 2014 Budget into the 2014 fiscal year.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R72-1: Rescinded Resolution 72 and amended the financial policies to include a strategic property acquisition program as an enumerated purpose of the Regional Fund.

Resolution No. R2002-08: Adopted revised budget policies and superseded Resolution No. 98-4.

ENVIRONMENTAL REVIEW

JI 12/6/2013

LEGAL REVIEW

JW 12/13/2013

**RESOLUTION NO. R2013-33**

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period from January 1 through December 31, 2014.

WHEREAS, the Central Puget Sound Regional Transit Authority, hereinafter referred to as Sound Transit, has been created for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit District on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the central Puget Sound region; and

WHEREAS, Sound Transit is successfully building and operating the first phase of the regional transit system plan that was approved by voters in 1996; and

WHEREAS, Sound Transit is implementing the second phase of the regional transit system plan that was approved by voters in 2008; and

WHEREAS, Sound Transit is meeting a high standard of public accountability through effective monthly progress reports and quarterly financial reporting; and

WHEREAS, the Sound Transit Board adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, the chief executive officer submitted a Proposed 2014 Budget for Board consideration; and

WHEREAS, the Proposed 2014 Budget is consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2008-10 and is in compliance with the Budget Policies as adopted by Resolution No. R2002-08; and

WHEREAS, in 2010 the Sound Transit Board designated the Capital Committee and the Operations and Administration Committee as permanent committees with specific responsibilities, including reviewing proposed annual budgets and providing recommendations to the Board; and

WHEREAS a public hearing was held on October 24, 2013 to take testimony on the Proposed 2014 Budget; and

WHEREAS, at its December 5, 2013 meeting, the Operations and Administration Committee recommended the Proposed 2014 Service Delivery and Agency Administration budgets and amendments approved by the Committee to the Board; and

WHEREAS, at its December 12, 2013 meeting, the Capital Committee recommended the Proposed 2014 Project Delivery budget and amendments and cash flow change requests approved by the Committee to the Board; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the 2014 Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that:

Section 1a – Debt Service. Sound Transit is authorized to incur \$71,481,848 in interest expense and fees on debt and \$33,545,000 in principal repayments for a total of \$105,026,848 for debt service on outstanding bonds, or such amounts as are contained in amendments to the Proposed 2014 Budget as adopted by the Board.

Section 1b – Agency Administration. Sound Transit is authorized to incur \$101,167,000 in staff operating expenses, and \$152,592,373 for depreciation and other non-cash expenses or such amounts as are contained in amendments to the 2014 Proposed Budget as adopted by the Board.

Section 1c – Service Delivery. Sound Transit is authorized to incur \$114,164,774 for ST Express service delivery expenses; \$4,246,021 for Tacoma Link operations expenses; \$60,696,218 for Central Link service delivery expenses; \$41,844,149 for Sounder service delivery

expenses; or such amounts as are contained in amendments to the Proposed 2014 Budget as adopted by the Board. Expenditures against the Service Delivery budgets for Sounder, Central link, ST Express and Tacoma Link may exceed the levels contained in the Adopted 2014 Budget for that mode by up to 2% provided the total Service Delivery expenses do not exceed the total Board approved budget amount of \$220,951,162, or such amount as is contained in amendments to the 2014 Budget as adopted by the Board. If expenditures for a mode are forecast to exceed the modal budget by more than 2%, the CEO will seek Board adoption of a budget amendment.

Section 1d – Project Delivery. Sound Transit is authorized to incur the following amounts for Project Delivery: \$719,152,897 in project outlays (including allocations) comprised of System Expansion outlays of \$11,901,071 in ST Express, \$42,718,151 in Sounder, \$571,612,748 in Link, and \$24,770,903 for Other related projects for System Expansion; \$27,417,184 for Enhancement projects; \$36,145,572 for Rehabilitation and Replacement projects; and \$4,587,268 in Administrative projects, or such amounts as are contained in amendments to the Proposed 2014 Budget as adopted by the Board.

Section 1e – Reserves. Sound Transit is authorized to place in reserve \$49,672,000 for the Capital Replacement Fund and \$2,000,000 for the Emergency/Loss Fund.

Section 1f – Revenues. The Proposed 2014 Budget projects the collection of \$918,860,443 in total revenues including \$602,080,072 in Sales and Use Tax and \$74,635,507 in Motor Vehicle Excise Tax and Rental Car Tax, \$161,247,074 in federal grants, \$5,743,065 in state and local contributions, \$57,079,063 in farebox collections, \$7,376,673 in interest earnings and \$10,698,988 in miscellaneous revenues or such amounts as are contained in amendments to the Proposed 2014 Budget as adopted by the Board.

Section 2. The budget for the period January 1, 2014 to December 31, 2014 as set forth in Attachment A (Proposed 2014 Budget document) and the approved amendments and cash flow change requests to the Proposed 2014 Budget in Attachments C and D together constitute the Adopted 2014 Budget as adopted by this Resolution.

Section 3. The Adopted 2014 Budget is not an exclusive authorization of expenses, except as specified in Section 1a – Debt Service, as authorization of expenditures must comply with Resolution No. 78-2.

Section 4. The chief executive officer is authorized to conform and reformat the budget document as necessary to uniformly present the information, and to revise the Adopted 2014 Budget to correct nonmaterial errors and to update Appendix C: Subarea Allocations of the Proposed 2014 Budget, to be consistent with Board actions.

Section 5. The chief executive officer is authorized to amend the Adopted 2014 Budget to allow for transfers between capital budgets and operating budgets with no net change in overall budgetary level, in order to comply with Generally Accepted Accounting Principles and Governmental Accounting Standards Board pronouncements. Staff will report any such changes to the Board on a quarterly basis.

Section 6. The chief executive officer is authorized to amend the fiscal year budget reflected in the published Adopted 2014 Budget to reflect actual expenditures for 2013, including shifting of budget authority between 2013 and 2014 for projects anticipated to be completed in 2014, provided the adopted total lifetime budget is not changed.

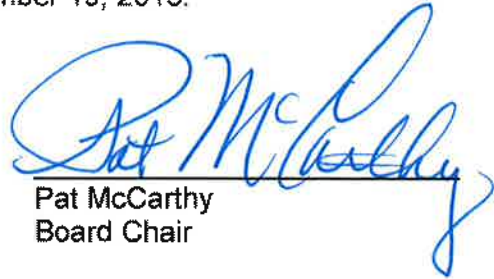
Section 7. The Proposed 2014 Transit Improvement Plan (Attachment B) is hereby endorsed. Such endorsement does not constitute capital project authorization under Section 8 of Resolution No. 78-2.

Section 8. The chief executive officer is directed to submit the Adopted 2014 Budget and the 2014 Transit Improvement Plan to the Sound Transit Board Chair to ensure any amendments are accurately reflected.

Section 9. The chief executive officer is directed to provide the Board with regular budget reports and such information as may be necessary to compare actual financial performance with the Adopted 2014 Budget and to ensure conformance with the Financial Policies.

Section 10. The Board further authorizes the chief executive officer to take any actions necessary to implement the policies and determinations of the Board pursuant to this Resolution.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on December 19, 2013.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Marcia Walker
Board Administrator

Approved Amendments

Amendments approved by the Operations and Administration Committee on December 5, 2013

Medical Insurance Benefits – Anticipated Premium Reduction

Total Amendment: (\$273,000)

Description: The agency departmental budget will be reduced by \$273,000 for 2014.

Justification: Since the 2014 Proposed Budget was published, the decision has been made to offer a choice of two new medical insurance plans to employees. Based on bids provided by medical insurance providers, the budget for medical insurance will decrease by about 4% from the amount included in the 2014 Proposed budget.

Debt Service – TIFIA Loan Application

Total Amendment: \$1,250,000

Description: Sound Transit's application for credit assistance through the Federal Government's Transportation Infrastructure Finance and Innovation Act (TIFIA) requires an application fee of \$800K and \$450K for consulting service to support application development.

Justification: Receipt of a TIFIA credit assistance will save the agency in long term interest expense over the period of the loan. This expenditure would increase the 2014 costs and are in addition to the proposed budget. These costs would be charged as systemwide costs. The additional cost can be absorbed within the existing set asides within the agency's finance plan for agency borrowing costs.

Transit Operations – Revenue Increase

Total Amendment: \$945,000

Description: Sound Transit's updated ridership forecast has increased revenue projections for 2014. The revised ridership totals increased fare revenue in Link Light Rail by \$171,000 and in St Express by \$774,000.

Justification: Revenue forecasts reflect the estimates of the Service Implementation Plan (SIP) which is revised annually and published after the proposed budget is presented to the Board.

Transit Operations – Tacoma Link Revenue Increase

Total Amendment: \$146,846

Description: Sound Transit adopted a fare structure for Tacoma Link in 2013 with implementation of the fares to occur in September 2014. The amendment reflects the anticipated fare revenue of \$146,846 for 2014.

Justification: Revenue forecasts reflect the estimates of the new fares as a result of the adopted fare structure for Tacoma Link.

Transit Operations – Modal Budget Increase

Total Amendment: \$53,787

Description: This amendment reflects the net effect of changes to each mode's budget due to (1) a decrease in total insurance premium cost for rail modes, (2) increased Tacoma Link costs associated with fare collection scheduled to begin October 1, 2014, and (3) the revision of allocated insurance and fare collection costs as a result of these changes.

Central Link – (\$298,480) budget reduction results from revised allocation of insurance premium and fare collection costs.

ST Express – \$54,179 budget increase results from revised allocation of fare collection costs.

Sounder - \$116,628 budget increase is the net result of an increase in allocated insurance premium costs and a decrease in allocated fare collection costs.

Tacoma Link - \$181,460 budget increase is the result of an increase in allocated insurance costs and increases in costs associated with implementation of fares (fare collection, fare enforcement, security, and State excise tax).

Justification: These changes reflect new estimates of costs for the modal budgets that occurred subsequent to publication of the 2014 Proposed Budget. The changes are (1) Board approval for fare collection to begin on Tacoma Link in the 4th quarter of 2014, (2) a reduction in total rail insurance premium based on negotiated contracts for 2014, (3) new ridership estimates for ST Express, Central Link, and Tacoma Link, and (4) the reallocation of insurance and fare collection costs between the four modes based on this new information. This expenditure would increase the 2014 Budget and future costs are in addition to the proposed budget. These costs would be charged to the subareas where operations occur. The additional cost can be absorbed within the existing set asides within the agency's finance plan for operating costs.

Amendments approved by the Capital Committee on December 12, 2013

700775 Central Link Card Readers – Increased Administrative and Inspection Support

Total 2014 Annual Amendment: \$123,359

Total Lifetime Amendment: \$50,000

Description: Additional lifetime budget of \$50K is requested to cover additional administrative costs, inspection costs and provide a contingency for the project. The 2014 annual budget is updated to match the current work plan.

Justification: Card readers are installed at Link stations to provide centralized control of access to secure areas. This project reduces the key management issues typically associated with securing multiple facilities and increases the timeliness of access management.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 36	\$ -	\$ 36	\$ 50	\$ -	\$ 50
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ 36	\$ -	\$ 36	\$ 50	\$ -	\$ 50
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 182	\$ 66	\$ 249	\$ 249	\$ -	\$ 249
Construction Management	\$ -	\$ 50	\$ 50	\$ -	\$ 50	\$ 50
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ 18	\$ 7	\$ 25	\$ 25	\$ -	\$ 25
Total	\$ 273	\$ 123	\$ 397	\$ 373	\$ 50	\$ 423

300021 Tacoma Trestle Track and Signal – Right-of-Way Acquisition

Total 2014 Annual Amendment: \$2,932,000

Total Lifetime Amendment: \$1,687,520

Description: An increase of \$2.9 million to the 2014 annual budget and an additional lifetime budget of \$1.7 million is requested to accelerate property/ROW acquisition to meet compliance requirements of a recently awarded TIGER V Grant.

Justification: To meet and comply with grant requirements.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 204	\$ 250	\$ 454	\$ 353	\$ 239	\$ 592
Preliminary Engr / Environmental Documentation	\$ 1,923	\$ 1,097	\$ 3,020	\$ 3,188	\$ 342	\$ 3,530
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 415	\$ 1,585	\$ 2,000	\$ 5,026	\$ 1,106	\$ 6,132
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,542	\$ 2,932	\$ 5,474	\$ 8,567	\$ 1,688	\$ 10,255

300019 Lakewood Station Improvements - Grant Match

Total 2014 Annual Amendment: \$110,000

Total Lifetime Amendment: (\$806,399)

Description: Shift of \$110K of project budget from 2015 to 2014 to provide funds for a local grant match for a grant applied for by the City of Lakewood, and administrative costs, to be used if the grant is awarded. The balance of the uncommitted lifetime budget of \$806,399 will be defunded from the project.

Justification: To provide funds for a grant match, if awarded.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 10	\$ 10	\$ 55	\$ (15)	\$ 40
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ 100	\$ 100	\$ 1,000	\$ (692)	\$ 308
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 100	\$ (100)	\$ -
Total	\$ -	\$ 110	\$ 110	\$ 1,155	\$ (806)	\$ 349

700793 Signage Improvements - New Project

Total 2014 Annual Amendment: \$491,000

Total Lifetime Amendment: \$491,000

Description: Signage improvements at Airport Station (\$15K), connection between the station and airport (\$350K), and at Westlake station entrances and mezzanine (\$25K). The wayfinding portion of the amendment in the amount of \$350,000 will fund the design, fabrication, and installation of a wayfinding system within the Sea-Tac Airport parking garage. The specific design and signage system is still, to be developed. The estimated budget amount was based on the costs for comparable wayfinding systems. The budget also includes funding for administrative costs, construction management and contingency. If approved, next steps would include:

- Formalizing the partnership with the Port of Seattle to develop the wayfinding system;
- Developing concepts for wayfinding system;
- Selecting and designing the most effective wayfinding system. The design work is estimated to comprise between 20% and 30% of the total project cost, or \$70,000 - \$105,000.
- Install new wayfinding system.

Justification: Based on the results of a recently completed signage review a number of areas were identified as needing improvements in 2014. A broader plan will be developed in 2014 to address additional signage needs.

Budget / Schedule Risk: Low/Medium

Signage Improvements

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 26	\$ 26	\$ -	\$ 26	\$ 26
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ 105	\$ 105	\$ -	\$ 105	\$ 105
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 285	\$ 285	\$ -	\$ 285	\$ 285
Construction Services	\$ -	\$ 30	\$ 30	\$ -	\$ 30	\$ 30
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ 45	\$ 45	\$ -	\$ 45	\$ 45
Total	\$ -	\$ 491	\$ 491	\$ -	\$ 491	\$ 491

4X300 Initial Segment – Follow-On Costs

Total 2014 Annual Amendment: \$905,000

Total Lifetime Amendment: \$946,000

Description: The amendment will increase the annual 2014 budget and lifetime budget for the initial Segment by \$905,000 and reduce the project savings reported in the 2014 Proposed Budget document from \$6M to \$5.054M.

Justification: Remaining work to be completed is anticipated to cost more than anticipated when the 2014 Proposed Budget was prepared. Estimated legal costs for contract reviews/disputes and conveyance of right-of-way ownership, preparation of as-built drawings, remaining follow-on construction, and contingency.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 288	\$ 288	\$ 186,000	\$ 330	\$ 186,330
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 33,268	\$ -	\$ 33,268
Final Design / Specifications	\$ -	\$ 32	\$ 32	\$ 144,016	\$ 45	\$ 144,061
Third Party	\$ -	\$ -	\$ -	\$ 61,101	\$ -	\$ 61,101
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ 205,018	\$ 71	\$ 205,089
Construction	\$ -	\$ 506	\$ 506	\$ 1,209,186	\$ 405	\$ 1,209,591
Construction Services	\$ -	\$ 79	\$ 79	\$ 102,559	\$ 95	\$ 102,654
Vehicles	\$ -	\$ -	\$ -	\$ 131,799	\$ -	\$ 131,799
Testing and Start-up	\$ -	\$ -	\$ -	\$ 16,625	\$ -	\$ 16,625
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 905	\$ 905	\$ 2,089,572	\$ 946	\$ 2,090,518

4X600 East Link – Entrance Ramps from I-90 to Bellevue Way

Total 2014 Annual Amendment: \$7,000,000

Total Lifetime Amendment: \$14,700,000

Description: Additional 2014 annual budget of \$7 million and lifetime budget of \$14.7M is requested to fund completion of final design and construction of entrance ramps from I-90 to Bellevue Way.

Justification: Request for bids advertising will begin December 23, 2013. Construction of the I-90 to Bellevue ramp is a required mitigation of East Link. Acceleration of final design completion and construction will avoid conflicts with 2015 planned construction activities.

Budget / Schedule Risk: Low/Medium

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 10,269	\$ -	\$ 10,269	\$ 65,459	\$ 700	\$ 66,159
Preliminary Engr / Environmental Documentation	\$ 371	\$ -	\$ 371	\$ 57,852	\$ -	\$ 57,852
Final Design	\$ 60,650	\$ -	\$ 60,650	\$ 228,214	\$ 1,800	\$ 230,014
Third Party	\$ 1,337	\$ -	\$ 1,337	\$ 39,887	\$ -	\$ 39,887
Row Acquisition and Permits	\$ 63,130	\$ -	\$ 63,130	\$ 365,408	\$ -	\$ 365,408
Construction	\$ 1,700	\$ 7,000	\$ 8,700	\$ 11,800	\$ 12,200	\$ 24,000
Construction Management	\$ 2,850	\$ -	\$ 2,850	\$ 11,000	\$ -	\$ 11,000
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 140,307	\$ 7,000	\$ 147,307	\$ 779,619	\$ 14,700	\$ 794,319

400009 Link Operations and Maintenance Satellite Facility – Adjustment for property acquisition

Total 2014 Annual Amendment: (\$839,756)

Total Lifetime Amendment: \$44,000

Description: : The amendment will decrease the annual 2014 budget by \$839,756 and increase the lifetime budget for the Link Operations and Maintenance Satellite Facility by \$44,000.

Justification: A cash flow adjustment is being proposed in the Preliminary Engineering Phase to account for a delay in schedule. The Lifetime budget increase \$44,000, is proposed to reconcile the proposed 2014 TIP with the 9/26/2012 Board action approving the protective acquisition of property.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 1,166	\$ -	\$ 1,166	\$ 3,237	\$ -	\$ 3,237
Preliminary Engr / Environmental Documentation	\$ 2,358	\$ (840)	\$ 1,519	\$ 5,710	\$ -	\$ 5,710
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ 220	\$ -	\$ 220	\$ 385	\$ -	\$ 385
Row Acquisition and Permits	\$ 23	\$ -	\$ 23	\$ 23,181	\$ 44	\$ 23,225
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,767	\$ (840)	\$ 2,928	\$ 32,513	\$ 44	\$ 32,557

5X151 Rainier Avenue Arterial Improvements – Decrease Project

Total 2014 Annual Amendment: (\$669,000)

Total Lifetime Amendment: (\$375,025)

Description: This amendment decreases the 2014 annual budget by \$669,000 and the lifetime budget by \$375,025.

Justification: The project is in process of being closed out.

Budget / Schedule Risk: None

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 187	\$ (187)	\$ -	\$ 817	\$ (375)	\$ 442
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ 2,500
Final Design	\$ -	\$ -	\$ -	\$ 1,700	\$ -	\$ 1,700
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ 2,800	\$ -	\$ 2,800
Construction	\$ 482	\$ (482)	\$ -	\$ 7,900	\$ -	\$ 7,900
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 669	\$ (669)	\$ -	\$ 15,717	\$ (375)	\$ 15,342

5X000 East King County Program Reserve

Total 2014 Annual Amendment: \$0

Total Lifetime Amendment: \$375,025

Description: Captures savings of \$375,025 from Rainier Avenue Improvements project to transfer to the EKC Program Reserve.

Justification: Follows practice of transferring Regional Express East King County closed project(s) savings to the Regional Express EKC Program reserve.

Budget / Schedule Risk: None

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration			\$ -			
Preliminary Engr / Environmental Documentation			\$ -			
Final Design			\$ -			
Third Party			\$ -			
Row Acquisition and Permits			\$ -			
Construction			\$ -			
Construction Management			\$ -			
Vehicles			\$ -			
System Testing & Startup			\$ -			
Contingency			\$ -	\$ 26,756	\$ 375	\$ 27,131
Total	\$ -	\$ -	\$ -	\$ 26,756	\$ 375	\$ 27,131

#TBD Tacoma Link Fare Collection Implementation – New Project

Total 2014 Annual Amendment: \$513,833

Total Lifetime Amendment: \$513,833

Description: This amendment increases the 2014 annual budget and the lifetime budget by \$513,833.

Justification: Costs associated with Board decision to implement fare collection on Tacoma Link. Implementation of fare collection and ticket issuance for Tacoma will use eight ticket vending machines owned by ST that require upgrades, parts replacements, spare parts inventory, commission and reconfiguration (\$371,833). Additional software upgrades (\$75K) plus project contingency of (\$67K) for a total of \$513,883. Fare collection is anticipated to begin in the fourth quarter 2014.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 447	\$ 447	\$ -	\$ 447	\$ 447
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ 67	\$ 67	\$ -	\$ 67	\$ 67
Total	\$ -	\$ 514	\$ 514	\$ -	\$ 514	\$ 514

5X261 Bus Maintenance Facility – Community Transit Bus Base Paving

Total 2014 Amendment: \$1,272,751

Total Lifetime Amendment:\$0

Description: This amendment increases the 2014 annual budget by \$1,272,751.

Justification: Complies with cost sharing agreement. Community Transit has approach Sound Transit with a maintenance base rehabilitation project that is critical to maintaining the continuing operation of ST Express service in Snohomish County. The project would be an approximately \$2.75 million project to fund the rehabilitation of asphalt parking and circulation paving with sections of concrete and asphalt. ST would be expected to contribute approximately 47-50% of the project cost in accordance with the proportionate impact on the project area. A cost sharing agreement will be developed and brought to the Board for review in 2014. CT has programmed for this work to occur in 2014.

Budget / Schedule Risk: Low/Low

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Amendment	Revised Project Budget	2014 Proposed Project Budget	Budget Amendment	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ 527	\$ -	\$ 527
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ 8
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition	\$ -	\$ -	\$ -	\$ 59	\$ -	\$ 59
Construction	\$ -	\$ 1,273	\$ 1,273	\$ 21,439	\$ -	\$ 21,439
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 1,273	\$ 1,273	\$ 22,033	\$ -	\$ 22,033

7X743 Security Enhancements – Increased Contract Costs

Total 2014 Annual Amendment: \$81,000

Total Lifetime Amendment: \$81,000

Description: This amendment increases the 2014 annual budget and the lifetime budget by \$81,000

Justification: Initiate and complete the integration project that centralizes monitoring and incident response for the Agency's two disparate CCTV systems. The integration of both systems will enable Sound Transit Security group to monitor Sounder rail platforms, assets and facilities in a centralized way. The amendment provides additional budget authority to cover the contingency and a portion of professional services to assist with the integration of the systems.

The original budget estimate was completed 3 years ago based on the consulting firm review of Agency's requirements and suitable software options at that time. The budget did not account for 15% contingency costs or consultancy services to ensure a smooth integration of the unique systems. This change provides a sufficient increase to cover current costs to procure the software solution, leverage consulting resources for professional expertise related to the integration and to provide a contingency for any unanticipated expenses associated with the completion of this project.

Budget / Schedule Risk: N/A

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preliminary Engr / Environmental Documentation	\$ 162	\$ -	\$ 162	\$ 162	\$ -	\$ 162
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 318	\$ 81	\$ 399	\$ 2,255	\$ 81	\$ 2,336
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 318	\$ 81	\$ 399	\$ 2,417	\$ 81	\$ 2,498

Cash Flow Change Requests approved by the Capital Committee on December 12, 2013

Project: 4X400 Airport Link

\$1000s

ACTION: The Airport Link project 2014 Annual Budget will be amended to account for carry over costs for follow on work

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 15	\$ 15	\$ 9,902	\$ 20	\$ 9,922
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 3,666	\$ -	\$ 3,666
Final Design / Specifications	\$ -	\$ -	\$ -	\$ 15,743	\$ (6)	\$ 15,737
Third Party	\$ -	\$ -	\$ -	\$ 1,336	\$ -	\$ 1,336
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ 16,509	\$ -	\$ 16,509
Construction	\$ -	\$ 129	\$ 129	\$ 184,164	\$ (66)	\$ 184,098
Construction Services	\$ -	\$ 20	\$ 20	\$ 14,874	\$ 53	\$ 14,926
Vehicles	\$ -	\$ -	\$ -	\$ 14,540	\$ -	\$ 14,540
Testing and Start-up	\$ -	\$ -	\$ -	\$ 917	\$ -	\$ 917
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 164	\$ 164	\$ 261,650	\$ 0	\$ 261,650

Project: 4X420 S. 200th Link Extension

\$1000s

Action: The S. 200th Link Extension 2014 Annual Budget will be amended to align anticipated spending with contractors schedule.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 2,481	\$ -	\$ 2,481	\$ 15,864	\$ -	\$ 15,864
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 5,702	\$ -	\$ 5,702
Final Design / Specifications	\$ 1,500	\$ -	\$ 1,500	\$ 9,902	\$ -	\$ 9,902
Third Party	\$ 1,255	\$ -	\$ 1,255	\$ 7,085	\$ -	\$ 7,085
ROW Acquisition and Permits	\$ 1,100	\$ -	\$ 1,100	\$ 43,549	\$ -	\$ 43,549
Construction	\$ 75,525	\$ (6,425)	\$ 69,100	\$ 282,029	\$ -	\$ 282,029
Construction Services	\$ 3,666	\$ -	\$ 3,666	\$ 17,322	\$ -	\$ 17,322
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ 1,789	\$ -	\$ 1,789
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 85,527	\$ (6,425)	\$ 79,102	\$ 383,241	\$ -	\$ 383,241

Project: 3X206 Tukwila Station

1,000s

Action: Cashflow closed out lower for 2013, moved out into outer years, 2014 and 2015. No change to Lifetime Budget.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 407	\$ -	\$ 407	\$ 2,773	\$ -	\$ 2,773
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,101	\$ -	\$ 1,101
Final Design	\$ 200	\$ 50	\$ 250	\$ 4,724	\$ -	\$ 4,724
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 60	\$ -	\$ 60	\$ 11,009	\$ -	\$ 11,009
Construction	\$ 7,825	\$ 394	\$ 8,219	\$ 24,281	\$ -	\$ 24,281
Construction Management	\$ 730	\$ 100	\$ 830	\$ 2,081	\$ -	\$ 2,081
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 9,222	\$ 544	\$ 9,766	\$ 45,969	\$ -	\$ 45,969

Project: 3X130 M St-Lakewood Track & Signal

1,000s

Action: Adjust Phase budget in 2014 versus proposed. No changes in Total Annual and Lifetime Budget.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 106	\$ (12)	\$ 94	\$ 3,768	\$ (3)	\$ 3,765
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,496	\$ -	\$ 1,496
Final Design	\$ -	\$ 3	\$ 3	\$ 2,982	\$ 3	\$ 2,985
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ 12,815	\$ -	\$ 12,815
Construction	\$ -	\$ 10	\$ 10	\$ 50,639	\$ -	\$ 50,639
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 8,953	\$ -	\$ 8,953
Total	\$ 106	\$ 0	\$ 106	\$ 80,653	\$ 0	\$ 80,654

Project: 3X140 Layover

1,000s

Action: Adjust Phase budget in 2014 versus proposed. No changes in Total Annual and Lifetime Budget.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 100	\$ (30)	\$ 70	\$ 1,180	\$ (31)	\$ 1,149
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 268	\$ -	\$ 268
Final Design	\$ -	\$ 16	\$ 16	\$ 1,509	\$ 16	\$ 1,540
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ 2,910	\$ -	\$ 2,910
Construction	\$ -	\$ -	\$ -	\$ 23,952	\$ -	\$ 23,952
Construction Management	\$ -	\$ 15	\$ 15	\$ 444	\$ 15	\$ 444
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 100	\$ 0	\$ 100	\$ 30,262	\$ (0)	\$ 30,262

Project: 5X140 Totem Lake Freeway Station

1,000s

Action: Cashflow closed out higher for 2013, moved from 2014. No change to Lifetime Budget.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 15	\$ -	\$ 15	\$ 4,384	\$ -	\$ 4,384
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 6,283	\$ -	\$ 6,283
Final Design	\$ -	\$ -	\$ -	\$ 4,565	\$ -	\$ 4,565
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ 1,849	\$ -	\$ 1,849
Construction	\$ 10	\$ (10)	\$ -	\$ 56,056	\$ -	\$ 56,056
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 25	\$ (10)	\$ 15	\$ 73,138	\$ -	\$ 73,138

Project: 5X387 I90 2 Way Transit & HOV Ops Stage 3**Action: Anticipated cashflow closed out lower for 2013, moved into 2014 & onwards. Only phase changes in Lifetime Budget.**

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 715	\$ -	\$ 715	\$ 3,385	\$ 282	\$ 3,667
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,549	\$ -	\$ 1,549
Final Design	\$ 5,453	\$ 3,042	\$ 8,495	\$ 23,000	\$ -	\$ 23,000
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 36,288	\$ (282)	\$ 36,006
Total	\$ 6,168	\$ 3,042	\$ 9,210	\$ 64,222	\$ -	\$ 64,222

Project: 3X212 Ticket Vending Machines

1,000s

Action: Moving 100K into 2014 from outyears to meet anticipated spending. No change to Lifetime Budget

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 60	\$ -	\$ 60	\$ 784	\$ -	\$ 784
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ 150
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 385	\$ 100	\$ 485	\$ 8,284	\$ -	\$ 8,284
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 445	\$ 100	\$ 545	\$ 9,218	\$ -	\$ 9,218

Project: 5X410 Research & Technology

1,000s

Action: Adjust Phase budget in 2014 and lifetime versus proposed. No changes in Total Annual and Lifetime Budget.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 315	\$ 6	\$ 321	\$ 2,602	\$ (1,452)	\$ 1,150
Preliminary Engr / Environmental Document	\$ 172	\$ (6)	\$ 166	\$ 950	\$ 1,407	\$ 2,357
R&T	\$ 3,484	\$ -	\$ 3,484	\$ 11,105	\$ 45	\$ 11,150
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,970	\$ -	\$ 3,970	\$ 14,656	\$ 0	\$ 14,656

Project: 300011 Positive Train Control

1,000s

Action: Adjust Phase budget in 2014 versus proposed. No changes in Total Annual and Lifetime Budget.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 745	\$ -	\$ 745	\$ 2,238	\$ -	\$ 2,238
Preliminary Engr / Environmental Documentation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ 279	\$ -	\$ 279
Third Party	\$ 1,190	\$ 550	\$ 1,740	\$ 6,348	\$ -	\$ 6,348
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 12,135	\$ (850)	\$ 11,285	\$ 41,396	\$ -	\$ 41,396
Construction Management	\$ 900	\$ 300	\$ 1,200	\$ 2,794	\$ -	\$ 2,794
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 14,970	\$ 0	\$ 14,970	\$ 53,054	\$ -	\$ 53,054

Project: 700773 Central Link HVAC for Traction Power

1,000s

Action: Anticipated cashflow closed out lower for 2013, moved into 2014 & future years.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 40	\$ -	\$ 40	\$ 80		\$ 80
Preliminary Engr / Env Documentation						
Final Design	\$ 40	\$ -	\$ 40	\$ 80		\$ 80
Third Party	\$ -			\$ -		
Row Acquisition and Permits						
Construction	\$ 382	\$ 100	\$ 482	\$ 582		\$ 582
Construction Management	\$ -			\$ -		
Vehicles						
System Testing & Startup						
Contingency	\$ 38	\$ 10	\$ 48	\$ 58		\$ 58
Total	\$ 500	\$ 110	\$ 610	\$ 800	\$ -	\$ 800

Project: 700774 Central Link HVAC - Instrument House and UPS Room

1,000s

Action: Anticipated cashflow closed out lower for 2013, moved into 2014 & onwards.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 28	\$ -	\$ 28	\$ 56		\$ 56
Preliminary Engr / Env Documentation						
Final Design	\$ 28	\$ -	\$ 28	\$ 56		\$ 56
Third Party	\$ -			\$ -		
Row Acquisition and Permits						
Construction	\$ 140	\$ 100	\$ 240	\$ 280		\$ 280
Construction Management	\$ -			\$ -		
Vehicles						
System Testing & Startup						
Contingency	\$ 14	\$ 10	\$ 24	\$ 28		\$ 28
Total	\$ 210	\$ 110	\$ 320	\$ 420	\$ -	\$ 420

Project: 4X360 Beacon Avenue Paving

\$1000s

Action: The Beacon Avenue Paving project 2014 Annual Budget will be amended to recognized increased spending in 2014.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 50	\$ 15	\$ 65	\$ 150	\$ -	\$ 150
Preliminary Engr / Environmental Review						
Final Design / Specifications	\$ 22	\$ 8	\$ 30	\$ 125		\$ 125
Third Party	\$ -			\$ -		
ROW Acquisition and Permits	\$ -			\$ -		
Construction	\$ 660	\$ 140	\$ 800	\$ 1,515	\$ (20)	\$ 1,495
Construction Services	\$ 126	\$ 19	\$ 145	\$ 210	\$ 20	\$ 230
Vehicles	\$ -			\$ -		
Testing and Start-up						
Contingency	\$ -			\$ -		
Total	\$ 858	\$ 182	\$ 1,040	\$ 2,000	\$ -	\$ 2,000

Project: 4X370 Link Station Paver Replacement

\$1000s

Action: This change is recognizing the project completing in 2013.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ 75	\$ -	\$ 75
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 75	\$ (75)	\$ -	\$ 375	\$ -	\$ 375
Construction Services	\$ -	\$ -	\$ -	\$ 50	\$ -	\$ 50
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 75	\$ (75)	\$ -	\$ 500	\$ -	\$ 500

Project: 40007 First Hill Street Car

\$1,000s

Action: Increase 2014 spending to align with estimate of contractor.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 554	\$ -	\$ 554	\$ 3,867	\$ -	\$ 3,867
Preliminary Engr / Environmental Doc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 21,198	\$ 3,802	\$ 25,000	\$ 128,913	\$ -	\$ 128,913
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 21,752	\$ 3,802	\$ 25,554	\$ 132,780	\$ -	\$ 132,780

Project: 8X100 Transit Oriented Development - Planning

\$1,000s

Action: Delay of grant match for in partnership with KC Metro at the Mount Baker Station bus facility.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ 43	\$ -	\$ 43
Preliminary Engr / Environmental Documentation	\$ 444	\$ (344)	\$ 100	\$ 1,597	\$ -	\$ 1,597
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 444	\$ (344)	\$ 100	\$ 1,640	\$ -	\$ 1,640

Project: 809103 Central & East HCT Study

\$1,000s

Action: Increase 2014 spending to match anticipated schedule. The majority of the work will be occurring in 2014.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 357	\$ 236	\$ 593	\$ 715	\$ -	\$ 715
Preliminary Engr / Environmental Documentation	\$ 2,005	\$ 1,255	\$ 3,260	\$ 4,010	\$ -	\$ 4,010
Total	\$ 2,362	\$ 1,491	\$ 3,853	\$ 4,725	\$ -	\$ 4,725

Project: 809104 Lynnwood to Everett HCT Study

\$1,000s

Action: Increase 2014 spending to match anticipated schedule. The majority of the work will be occurring in 2014.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 215	\$ 92	\$ 307	\$ 429	\$ -	\$ 429
Preliminary Engr / Environmental Documentation	\$ 1,213	\$ 493	\$ 1,707	\$ 2,427	\$ -	\$ 2,427
Total	\$ 1,428	\$ 585	\$ 2,014	\$ 2,856	\$ -	\$ 2,856

Project: 809105 South King County HCT Study

\$1,000s

Action: Increase 2014 spending to match anticipated schedule. The majority of the work will be occurring in 2014.

Phase	2014 Annual Budget			Lifetime Budget		
	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget	2014 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 187	\$ 61	\$ 248	\$ 374	\$ -	\$ 374
Preliminary Engr / Environmental Documentation	\$ 1,233	\$ 761	\$ 1,995	\$ 2,466	\$ -	\$ 2,466
Total	\$ 1,420	\$ 822	\$ 2,243	\$ 2,840	\$ -	\$ 2,840

Project 4X600 East Link Extension

\$1000s

Action: Increase in 2014 spending supports the integration of the Microsoft Agreement (2013 budget Amendment) into the design process.

Phase	2014 Annual Budget			Lifetime Budget		
	Proposed 2014 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2014 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 10,269	\$ 84	\$ 10,353	\$ 65,459	\$ -	\$ 65,459
Preliminary Engineering	\$ 371	\$ -	\$ 371	\$ 57,852	\$ -	\$ 57,852
Final Design	\$ 60,650	\$ 912	\$ 61,562	\$ 228,214	\$ -	\$ 228,214
Right of Way	\$ 63,130	\$ -	\$ 63,130	\$ 365,408	\$ -	\$ 365,408
Construction	\$ 1,700	\$ -	\$ 1,700	\$ 11,800	\$ -	\$ 11,800
Construction Services	\$ 2,850	\$ -	\$ 2,850	\$ 11,000	\$ -	\$ 11,000
Third Party Agreements	\$ 1,337	\$ -	\$ 1,337	\$ 39,887	\$ -	\$ 39,887
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 140,307	\$ 996	\$ 141,303	\$ 779,619	\$ -	\$ 779,619

APPENDIX F

Financial Policies

Sound Transit Financial Policies

**As Adopted May 31, 1996 (Resolution No. 72)
As Amended April 13, 2006 (Resolution No. 72-1)
As Amended May 24, 2007 (Resolution No. R2007-05)
As Amended July 24, 2008 (Resolution No. R2008-10)***

The Sound Transit Board may amend these Financial Policies from time to time; the most current version of the Financial Policies is available at www.soundtransit.org

PURPOSE

The Sound Transit Board (“the Board”) adopted an initial framework for the financing of Sound Move, by setting local tax rates, focusing on minimal debt financing, requiring conservative projections for federal and state funding, and establishing a definition by which equity will be measured. The Financial Policies reflect the Board’s policy intent for implementing the financial framework for completing *Sound Move* and subsequent System Plans and for providing the tools to the Board to appropriately manage toward and respond to future conditions.

LEGAL RESPONSIBILITIES

In adopting these Financial Policies, the Board recognizes certain legal responsibilities. Existing state law grants all legislative and policy authority to the Board, and does not allow the Board to abrogate, transfer or delegate such authority to other agencies or to the five subareas within the Sound Transit District. Consequently, all funds collected by or provided to Sound Transit, including local tax revenues, federal and other government grants, bond proceeds, fare box revenues, interest earnings, and private development revenues, may be disbursed only with approval of the Board. Priorities for disbursements will be determined within Sound Transit’s annual budgetary process, which by law requires a favorable vote by two-thirds of the Board.

Similarly, the Board recognizes that bonds issued by Sound Transit will be secured by a pledge of repayment through local taxes. When the bonds are issued, Sound Transit will enter a binding contract with its bondholders that requires a first claim against local tax revenues for repayment. Stated differently, bondholders will have a legal priority to Sound Transit’s local tax revenues, above and beyond any commitment Sound Transit may wish to make with its subareas that no subarea will pay another subarea’s debt. Therefore, these Financial Policies reflect Sound Transit’s commitment to subarea equity while maintaining the flexibility necessary to manage the financing of the System Plan on a consolidated basis and within legal constraints.

* Resolution No. R2008-10 provides that these amended Financial Policies take effect upon the earlier of either the approval of local funding for the ST2 Plan by the voters at an election, or upon Board adoption of the amended Financial Policies by separate Resolution.

EQUITY

Definition of equity

Equity will be defined as utilizing local tax revenues for projects and services that provide transportation benefits to the residents and businesses in each of the subareas generally in proportion to the level of revenues each subarea generates. Subareas may fund projects or services located outside of the geographic subarea when the project substantially benefits the residents and businesses of the funding subarea. The Financing Plan for Sound Transit activities addresses this equity principle by providing a financial plan for each of the five Sound Transit subareas, comprised of the subarea's share of local taxes, bonding capacity, farebox proceeds and an assumption for federal funding. The five subareas are defined as Snohomish County, North King County/Seattle, East King County, South King County, and Pierce County. While the Financing Plan will be managed by the Board on a consolidated basis, the Board will report annually on individual subarea performance.

The Board agrees, therefore, that the facilities, projects and services identified in all voter-approved System Plans represent a reasonable definition of equity for purposes of satisfying both public policy concerns and statutory requirements. The Financial Plan for voter-approved System Plans will serve as the starting point for evaluating the equity principle.

IMPLEMENTATION POLICY

Subarea Reporting

1. The Financial Plan will provide projections for each of the five subareas, comprised of the subarea's projected share of local taxes, use of bonds, farebox proceeds, an assumption for federal funding and related expenditures.
2. Local taxes will be allocated for subarea reporting based on actual tax receipts collected by subarea and within the Sound Transit District. The annual Financial Plan will incorporate updated forecasts based on these actual receipts. A portion of local taxes from each subarea will be allocated to fund system-wide costs as identified by the Board.
3. For subarea reporting purposes, government funding that is received for a specific project or service will be allocated to subarea(s) on a basis consistent with the allocation of costs for the project or service, unless the board takes action to allocate the funds to other subareas as it deems in the best interest of Sound Transit after consideration of the funding needs to complete, enhance or extend the system plan.

For subarea reporting purposes, government funding that is received that is agency-wide or general in scope will be allocated by the board as it deems in the best interest of Sound Transit after consideration of the funding needs to complete, enhance or extend the system plan.

4. Miscellaneous revenues, such as those generated through private-public partnerships, advertising and terminal concessions will be allocated for subarea reporting based on subarea investment in the facility and/or service from which the revenue is generated.

5. Debt will be allocated for subarea reporting based on a subarea's share of total long-term bonding requirements or as otherwise directed by the Board as deemed in the best interest of Sound Transit.
6. Subarea expenditures will be allocated for subarea reporting based on facilities and services to be provided, their projected costs and project contingencies, associated operating costs, debt service, reserves for debt service, operations and maintenance and capital replacement. The allocation of expenditures for reporting purposes for facilities and services that cross subarea boundaries will be made by the Board to ensure safe and efficient operation of the system-wide facilities and services after due consideration to subarea benefits and priorities.

Monitoring function

1. Sound Transit will establish a system that on an annual basis reports subarea revenues and expenditures. This monitoring and reporting function will be incorporated into Sound Transit's financial cycle. The Board may at its discretion conduct an independent assessment of the consistency of subarea reporting with Board policy guidance.
2. Sound Transit will appoint an advisory Citizen Oversight committee to monitor Sound Transit performance under these policies (see Public accountability below).

Adjustments to subarea projects and services

1. Subarea capital projects and transit services will be evaluated and adjusted annually as a part of the Board's consideration and adoption of an annual budget which requires a two-thirds favorable vote of the Board. Adjustments to subarea capital projects and services can include additional priority projects and/or services within that subarea should funding be available. This adjustment process recognizes that some fluctuation in revenues and expenditures against forecasts will occur.
2. For those cases where a subarea's actual and projected expenditures exceed its actual and projected revenues and funding sources by 5 percent or greater, and/or where unforeseen circumstances occur which would result in an inability to substantially complete projects within such subarea's plan, the Board shall take one or more of the following actions:
 - Correct the shortfall through use of such subarea's uncommitted funds and/or bond capacity which is available to the subarea; and/or
 - Scale back the subarea plan or projects within the plan to match a revised budget; and/or
 - Extend the time period of completion of the subarea plan; and/or
 - Seek legislative authorization and voter approval for additional resources.
3. For those cases where a subarea's actual and projected revenue to be collected until the system plan is completed will exceed its actual and projected expenditures by five percent or greater, and/or where unforeseen circumstances occur which would result in the subarea's ability to fund additional projects and services not identified in the Plan, then Sound Transit may use such surplus funds to complete, extend or enhance the System Plan to provide transportation benefits for the subarea's residents or businesses as determined by the Board.

4. Contributions from other parties, including the State, local governments and private sector can be programmed by the Board to complete, extend or enhance the System Plan, consistent with agreements with the other party.

SYSTEM-WIDE EXPENDITURES

The Board shall fund such system-wide expenditures as necessary to maintain and plan for an integrated regional transit system consistent with voter-approved System Plans. Such system-wide expenditures shall include fare integration, research and technology programs, future phase planning and agency administration and other such expenditures as determined by the Board to be appropriate. Properties authorized for purchase by the Board to preserve required right-of-way will be funded as a system-wide cost until such time as the right-of-way is utilized by a subarea(s), at which time the cost will be allocated to the subarea(s) consistent with Board approved allocation. System-wide expenditures, not funded by dedicated system-wide agency interest earnings, revenues or other specific funding sources, shall be allocated to subareas proportional to the subarea's share of total local tax revenues, population, benefits received, or on another basis as deemed appropriate by the Board.

DEBT MANAGEMENT

Legal Definition of Sound Transit Debt Financing Capacity

Sound Transit's enabling legislation defines Sound Transit's capacity for issuing general obligation debt at one and one-half percent of the value of the taxable property within the boundaries of the Sound Transit District (and with approval of three-fifths of voters voting within the Sound Transit District, up to five percent of the value of the taxable property within the district's boundaries). There is no dollar limit for revenue indebtedness.

Debt Service Coverage Requirements

The Board recognizes that its future bondholders will hold first claim against taxes pledged as repayment for outstanding bonds. However, Sound Transit's debt financing capacity will be calculated on a more conservative basis, by evaluating all revenues and deducting total operating expenses for net revenues available for debt service.

For long-term planning purposes, Sound Transit agency debt service coverage ratio policy will be set at an average coverage ratio of 2.0x for net revenues over annual debt service costs, not to fall below 1.5x in any single year. However, as voter-approved plans are implemented, prudent changes to coverage ratios may be made by the Board as appropriate. Prior to bond issuance, Sound Transit will establish the appropriate debt service coverage ratio to incorporate into its bond covenants.

Uses of Debt Financing

1. Debt financing for capital projects covers two distinct types of borrowing, the first related to long term debt financing, and the second related to short term debt financing.
2. Short-term debt financing (with terms of ten years or less) is expected to be used primarily to bridge the gap between the necessary timing of expenditures and the anticipated receipt of revenues.

3. The use of long term financing (with terms of more than ten years) is expected to be limited to capital and related costs for portions of the program that have a useful life in excess of the term of the debt. Long-term financing should be preserved for those aspects of the program for which other sources of funds are not likely to be available.

Allocation of Sound Transit Debt

1. For reporting purposes, the amount of long-term debt financing used to benefit each of the subareas will be based on each subarea's ability to repay debt after covering operating costs. The Board may determine appropriate debt service limits by subarea.
2. While the above policy prescribes the use of debt financing for subarea reporting, the Board will manage the agency's debt capacity on a consolidated basis so as to maximize resources between subareas.

SETTING PRIORITIES FOR EXPENDITURES

The Board will adopt expense budgets for transit operations and agency administration and maintain a multi-year capital improvement plan. A two-thirds vote of the Board is required for budget adoption. Sound Transit will establish guidelines for its budgeting process and criteria by which to establish priorities for expenditures.

FINANCIAL MANAGEMENT

Sound Transit shall maintain polices for debt and investment management, risk management, capital replacement, fares and operating expenses and grants management so as to effectively manage voter-approved revenues and efficiently operate the regional public transit system.

PUBLIC ACCOUNTABILITY

To ensure that the construction program development and implementation occurs within the framework and intent of these policies, Sound Transit will:

1. Conduct an annual independent audit of its financial statements in compliance with state and federal requirements;
2. Implement a performance audit program; and
3. Appoint and maintain an advisory citizen oversight committee, charged with an annual review of Sound Transit's performance and financial plan, for reporting and recommendations to the Board.

FUTURE PHASES

Voter Approval Requirement

The Board recognizes that the voter-approved taxes are intended to be used to implement the System Plan and to provide permanent funding for future operations, maintenance, capital replacement and debt service (“permanent operations”) for voter-approved programs and services. The Board has the authority to fund these future costs through a continuation of the local taxes authorized by the voters. However, as a part of its commitment to public accountability, the Board pledges that the local taxes will be rolled back to the level required for permanent operations and debt service after the voter-approved ST2 and *Sound Move* plans are completed and implemented. The rollback procedure is prescribed in the Tax Rate Rollback section. The Board further pledges that, after the voter-approved ST2 and *Sound Move* plans are completed any subsequent phase capital programs that would continue local taxes after the System is completed at tax rates higher than necessary for permanent operations will require approval by a vote of those citizens within the Sound Transit District.

Tax Rate Rollback

When the voter-approved capital projects in ST2 and *Sound Move* are completed, the Board will initiate two steps to roll back the rate of sales tax collected by Sound Transit.

1. First, Sound Transit will initiate an accelerated pay off schedule for any outstanding bonds whose retirement will not otherwise impair the ability to collect tax revenue and complete ST2 or Sound Move, or impair contractual obligations and bond covenants. Sound Transit will implement a sales tax rollback to a level necessary to pay the accelerated schedule for debt service on outstanding bonds, System operations and maintenance, fare integration, capital replacement, and ongoing system-wide costs and reserves.
2. Once all debt is retired, Sound Transit will implement a tax rollback to a level necessary to pay for system operations and maintenance, fare integration, capital replacement and ongoing system-wide costs and reserves.

Financial Policies Review

These Financial Policies may be amended from time to time as the Board deems necessary to implement and complete the System Plan. These policies, as they may be amended, will apply to future capital programs. The Financial Policies will be reviewed for applicability prior to any submittal of a future capital program to the Sound Transit District voters.

APPENDIX G

List of Charts, Maps, and Tables

List of Charts, Maps, and Tables

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¹ Communications and External Affairs

² Design, Engineering, and Construction Management

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³ Planning, Environment, and Project Development

APPENDIX H

Glossary

Glossary of Terms

The following definitions reflect how the terms are used at Sound Transit and in this document.

ADA – Americans with Disabilities Act. Federal law passed in 1990 that prohibits discrimination in services, facilities and employment against individuals with disabilities.

Adopted Budget – The Board-approved budget and capital plan for Sound Transit for the current fiscal year

Baseline – A plan, design, specification, contract, or other approved document or configurations against which actual performance is measured. Baseline can also refer to a schedule or budget used for management control and reporting purposes.

BAT – Business and Transit Access

BNSF – Burlington Northern Santa Fe Railway

Board – The Sound Transit Board of Directors

Boarding – The number of one-way passenger trips between two points on a single vehicle. Synonymous with unlinked passenger trip, rider, or passenger.

Capital Asset – Individual assets costing \$5,000 or more and having useful lives greater than one year. Also, significant alterations, renovations, or structural changes that increase the usefulness of a Sound Transit owned asset, enhance its efficiency, or prolong its useful life by more than one year.

Capital Outlay – Expense which results in the acquisition of or addition to fixed assets

Capital Projects – Projects that purchase or construct capital assets

CCTV – Closed circuit television

CEA – Communication and External Affairs Department

CEO – Sound Transit Chief Executive Officer

CFO – Sound Transit Chief Financial Officer

COLA – Cost-of-Living Adjustment

Contingency – A budgetary reserve put aside for emergencies or unforeseen expenses

COP – Citizen Oversight Panel

CPI – Cost Performance Index

DBE – Disadvantaged Business Enterprise

Debt Service – Payment of interest and principal

DECM – Design, Engineering, and Construction Management Department

Department – Highest organizational unit of Sound Transit, consisting of Executive; Finance and Information Technology; Legal; Design, Engineering, and Construction Management; Planning, Environment, and Project Development; Operations; and Communications and External Affairs.

Depreciation – A method by which the costs of property and equipment are systematically and rationally allocated over their useful life.

Division – Organizational sub-unit within departments

DPO – Diversity Program Office

DSTT – Downtown Seattle Transit Tunnel

EEO – Equal Employment Opportunity

EIS – Environmental Impact Statement. A study of the impacts of a major project on the environment and surrounding areas, required for any capital construction project for which federal funds are used.

Expense – A decrease in net current assets. Expenses include salaries and benefits, administrative expenses, debt service, and those current operating costs that require the use of current assets.

EXEC – Executive Department

FCC – Federal Communications Commission

FFGA – Full Funding Grant Agreement

Fiscal Year – A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and results of its operations. Sound Transit's fiscal year is concurrent with the calendar year.

FIT – Finance and Information Technology Department

FRA – Federal Railroad Administration

FTA – Federal Transit Administration

FTE – Full Time Equivalent employee. The fractional equivalent of one full-time employee working a 40-hour work week for one calendar year.

FY – Fiscal Year

GFOA – Government Finance Officers Association

GIS – Geographic Information Services

HCT – High Capacity Transit

HOV – High-Occupancy Vehicle

IT – Information Technology

KCM – King County Metro

kVA – Kilovolt-ampere

LRV – Light Rail Vehicle

MMIS - Maintenance Management Information System

MVET – Motor Vehicle Excise Tax

NTD – National Transit Database

O&M – Operations and Maintenance

OCS - Overhead Contract System

OEM – Original Equipment Manufacturer

OMF – Operations Maintenance Facility

OMSF – Operations & Maintenance Satellite Facility

OPS – Operations Department

ORCA – One Regional Card for All. A stored-value smart card used for payment of public transit fares in the Central Puget Sound region.

Paratransit – The comparable transportation service required by the ADA for individuals with disabilities who are unable to use fixed-route (bus and rail) service.

PE – Preliminary Engineering

PE/ED – Preliminary Engineering and Environmental Documentation

PEPD – Planning, Environment, and Project Development Department

PLA – Project Labor Agreement

Proposed Budget – The recommended and unapproved Sound Transit budget submitted by the CEO to the Board.

PTC – Positive Train Control

Revenues – Increases in proprietary fund type net total assets from other than expense refunds and capital contributions.

REX – Regional Express

RFP – Request for Proposal

ROD – Record of Decision

ROIP – Rail Operations Insurance Program

ROW – Right-of-Way

RSIP – Residential Sound Insulation Program

SIP – Service Implementation Plan. This document is produced annually by the Service Planning division and approved by the Board. It documents the development of each mode of service, describes any service changes planned for the year, and contains preliminary service proposals and financial projections for the following five years.

SODO – South of downtown Seattle

Sound Move – Voter-approved plan to build a high-capacity public transit system

Sound Transit – The Central Puget Sound Regional Transit Authority

SPI – Schedule Performance Index

SR – State Route

ST2 – Sound Transit 2 – the second phase of Sound Transit’s plan for mass transit expansion

ST3 – Sound Transit 3 – the third phase of Sound Transit’s plan for mass transit expansion

STart – Sound Transit Art Program – Public Art

STU – Sound Transit University Program

Subarea – Five subareas of the Sound Transit District defined for planning and budgeting purposes consisting of Snohomish County, North King County, East King County, South King County, and Pierce County.

TCO – Total Cost of Ownership

TGT – Technology Governance Team

TIFIA – Transportation Infrastructure Financing and Innovation Act. A direct loan, loan guarantee, and standby line of credit program allowing the USDOT to provide credit assistance of up to 33 percent of the construction costs of a regionally or nationally significant surface transportation project. Loans are made at U.S. Treasury rates and may be repaid over as long as 35 years after substantial completion of the project.

TIP – Transit Improvement Plan. This document provides projected capital and operating expenditures for the construction and operation of the Sound Transit regional transit system in the central Puget Sound. The TIP contains information on scope and budget as well as changes in budget and schedule for all active phases of both capital and operating programs.

TOD – Transit Oriented Development

TPSS – Traction Power Sub Station

TVM – Ticket Vending Machine

UPS – Uninterrupted Power Supply

UW – University of Washington

WSDOT – Washington State Department of Transportation

YOE – Year of Expenditure