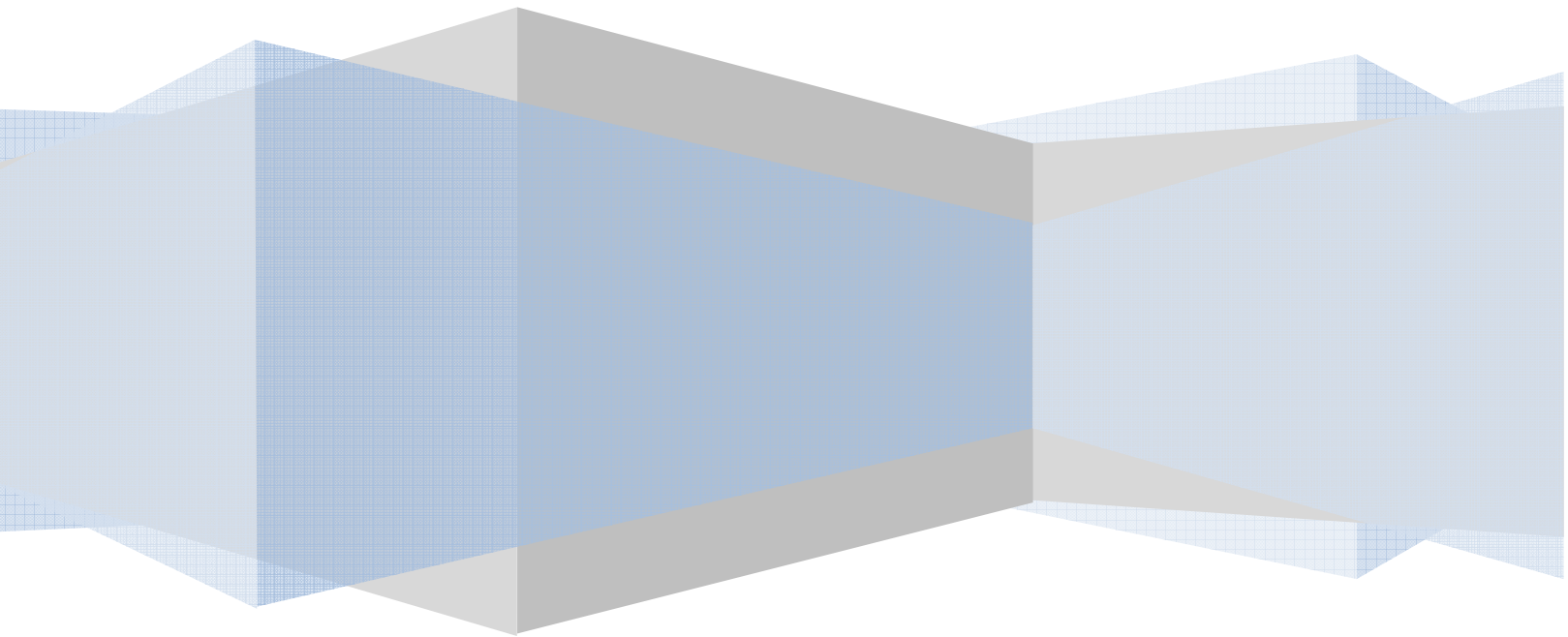




2011 Second Quarter Financial Performance Report



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To: Board of Directors

From: Joni Earl, Chief Executive Officer
 Brian McCartan, Chief Financial Officer

Subject: 2011 Second Quarter Financial Performance Report

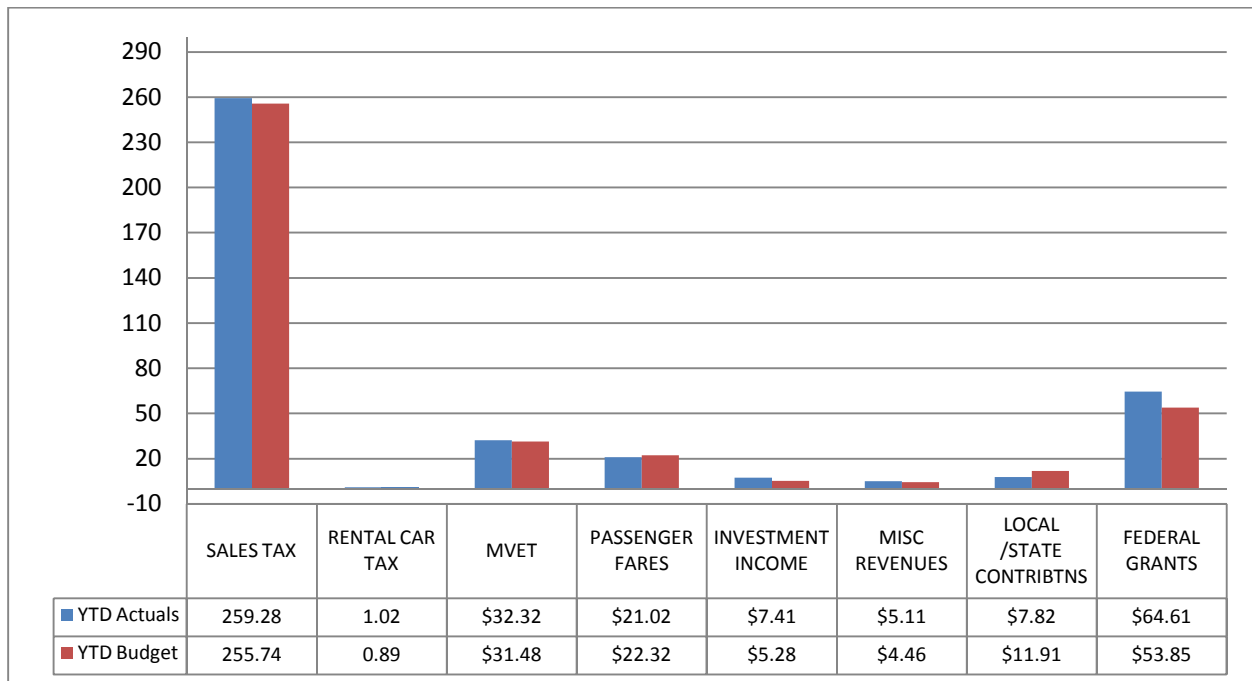
Section I – Executive Summary

This report summarizes Sound Transit’s financial performance for revenues, transit operations, capital outlays and staff operations for the second quarter of 2011. The discussion and graphs below summarize the budget and financial results, followed by more detailed financial data with notes assessing the Agency’s performance to budget.

Revenues

Total Agency revenues for the quarter ending June 30, 2011, of \$398.6M, were \$12.7M or 3.3% above budget. This variance is primarily attributable to higher Federal Grant revenues which were \$10.8M or 20% above budget. Federal Grants revenues exceeded YTD budget due to U-Link LRT vehicles reaching a key milestone ahead of schedule. Other positive budget variances included sales taxes which were \$3.5M above budget and investment income which was \$2.1M above budget. This was offset by lower passenger fare revenues which were \$1.3M below budget due to lower ridership, and lower than budgeted state contributions, down one third or \$4.1M. State contributions were lower due to the drawdown of Washington State Regional Mobility Grant funds in 2010 for bus purchases which were budgeted in 2011.

Agency Revenue as of June 30, 2011
 (\$Millions)



Service Delivery Operating Expenses

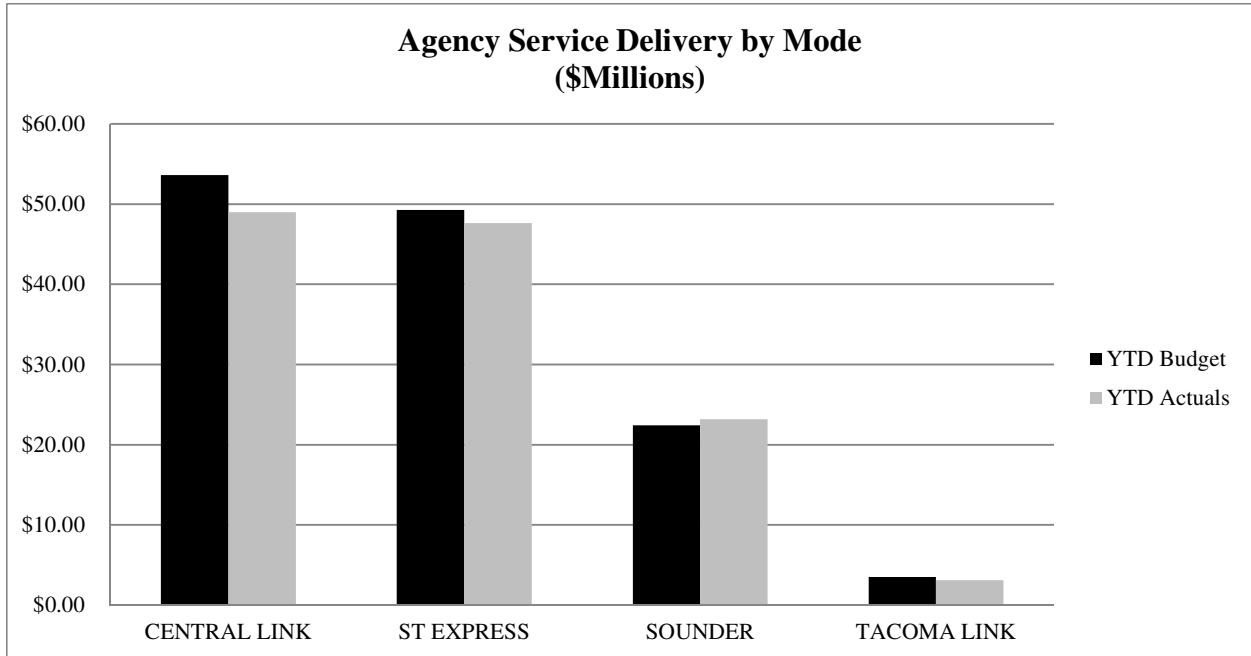
Total Service Delivery operating expenses (Fully Allocated Operating Expenses plus Depreciation) through the 2nd Quarter were \$144.8M or 95.5% of YTD budget. As expressed in the graph below, Service Delivery fully allocated operating expenses as a percentage of total expenses were: Central Link 39.9%, Sounder 18.9% ST Express 38.7% and Tacoma Link 2.5%.

Service Delivery as of June 30, 2011

(\$Thousands)

	Q1 2011	Q2 2011	YTD 2011	YTD 2011	YTD 2011	YTD 2011
	Actuals	Actuals	Actuals	Budget	Budget Remaining	% Budget
Operating Revenues						
Passenger Fares	9,377	11,640	21,017	22,318	1,301	94.2%
Other Operating Revenue	476	426	901	537	(365)	167.9%
Total Operating Revenues	\$ 9,853	12,065	21,918	22,855	936	95.9%
Direct Operating Expenses						
Salaries and Benefits	953	1,018	1,971	2,220	249	88.8%
Services	9,513	8,301	17,814	19,228	1,414	92.6%
Materials and Supplies	1,852	2,352	4,204	2,950	(1,253)	142.5%
Insurance	622	616	1,238	2,235	997	55.4%
Purchased Transportation Svcs	26,499	31,652	58,151	57,354	(798)	101.4%
Miscellaneous Expenses	9	303	313	409	96	76.4%
Leases & Rentals	207	184	391	462	71	84.6%
Other Expenses	1,001	1,147	2,148	2,276	128	94.4%
Total Direct Operating Expenses	\$ 40,658	45,572	86,230	87,135	904	99.0%
Agency Admin Allocations	2,735	2,876	5,611	5,724	113	98.0%
Fully Allocated Operating Expenses	\$ 43,392	48,449	91,841	92,858	1,017	98.9%
Net Subsidy (Fully Allocated Operating Expenses Less Operating Expenses)	\$ 33,540	36,383	69,923	70,004	81	99.9%
Operating Expenses Less Operating Expenses						
Depreciation & Amortization	26,212	26,770	52,982	58,800	5,818	90.1%
Net Subsidy from Operations After Depreciation and Amortization	\$ 59,751	63,153	122,905	128,804	5,899	95.4%

Agency Service Delivery by Mode
(\$Millions)



	CENTRAL	ST EXPRESS	SOUNDER	TACOMA LINK	Total
YTD Budget	\$53.59	\$49.25	\$22.44	\$3.51	\$128.80
YTD Actuals	\$48.99	\$47.62	\$23.19	\$3.10	\$122.90

Capital Outlays by Mode

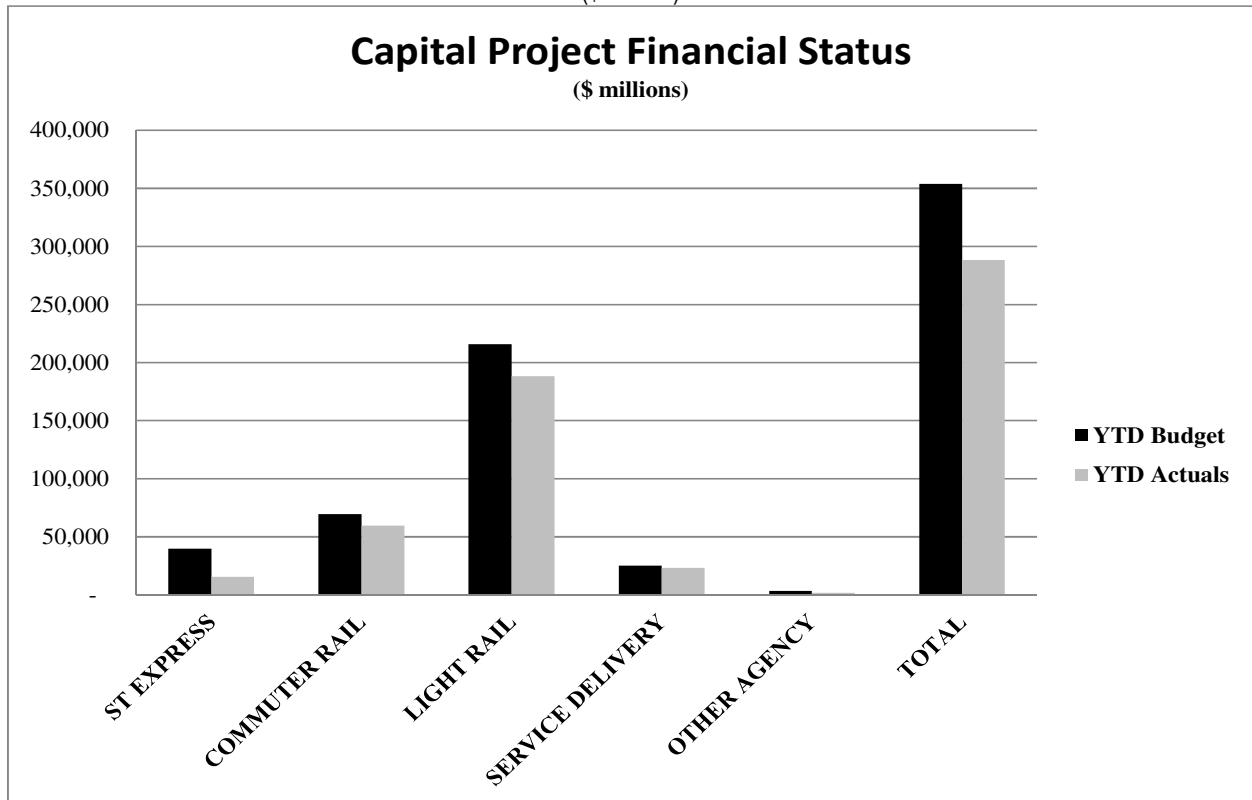
Total Agency capital outlays of \$285.1M were at 86.5% of YTD budget. Capital outlays for Regional Express were 79.6% of the YTD 2011 budget, primarily due to spending lagging behind the budgeted cash flow for I-90 Two-way Transit & HOV Operations, Stage 2; SR522 HOV Enhancements/Bothell; Rainier Avenue Arterial Improvements and ST Express Bus Base. Capital outlays for Sounder were 85.4% of the YTD 2011 budget, primarily due to lower than anticipated spending on the D Street to M Street Track and Signal, Sounder South Expanded Service and Edmonds Station. Edmonds Station is in service and will have substantial savings. Link capital outlays are 87.2% of the YTD budget, spending has increased primarily due to the U Link Project. Delays in East Link and right of way expenditures on North Link continue to lag spending but East Link is moving toward Final Design in the end of the 3rd Quarter and right of way purchase delays are concentrated on a few large properties.

Capital Project Financial Status as of June 30, 2011
(\$Thousands)

Mode	Current Year 2011					Lifetime				
	2011 Budget	YTD Budget	YTD Actuals	YTD Budget Remainin	YTD Percent Budget	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Uncommitted	LTD % Uncommitted
ST EXPRESS	39,658	15,438	12,295	3,143	79.6%	779,633	633,077	46,766	99,790	12.8%
COMMUTER RAIL	111,498	69,747	59,562	10,185	85.4%	1,491,190	1,234,955	60,906	195,329	13.1%
LIGHT RAIL	543,326	215,830	188,156	27,674	87.2%	5,184,837	3,223,295	627,902	1,412,419	27.2%
SERVICE DELIVERY*	50,246	25,173	23,275	1,898	92.5%	372,749	190,070	51,730	130,949	35.1%
OTHER AGENCY	4,444	3,357	1,815	1,542	54.1%	88,768	19,207	2,158	67,403	75.9%
Total	\$ 749,172	329,544	285,102	44,442	86.5%	7,917,176	5,300,604	789,462	1,905,891	24.1%

*Total Includes any adopted amendments to the annual or the lifetime budgets

Capital Project Financial Status as of June 30, 2011
(\$Millions)



	ST EXPRESS	COMMUTER RAIL	LIGHT RAIL	SERVICE DELIVERY	OTHER AGENCY	Total
YTD Budget	\$15.4M	\$69.7M	\$215.8M	\$25.2M	\$3.3M	\$329.5M
YTD Actuals	\$12.3M	\$59.6M	\$188.2M	\$23.3M	\$1.8M	\$285.1M

Section II – Agency Revenue

Agency Revenues as of June 30, 2011 (\$Thousands)

	Q1 Actuals	Q2 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD Actuals over/(under) YTD Budget	YTD Actuals as % of YTD Budget
REVENUE SOURCES						
RETAIL SALES AND USE TAX	122,002	137,281	259,283	255,743	3,540	101.4%
RENTAL CAR TAX	387	638	1,024	892	132	114.8%
MOTOR VEHICLE EXCISE TAX	14,826	17,497	32,323	31,477	847	102.7%
PASSENGER FARE REVENUE	9,377	11,640	21,017	22,318	(1,301)	94.2%
INVESTMENT INCOME	2,145	5,266	7,410	5,279	2,132	140.4%
MISCELLANEOUS REVENUES	1,382	3,726	5,108	4,459	649	114.6%
OTHER FINANCING						
LOCAL & STATE CONTRIBUTIONS	7,689	134	7,822	11,906	(4,083)	65.7%
FEDERAL GRANTS	21,389	43,224	64,613	53,853	10,760	120.0%
TOTAL SOURCES	179,197	219,405	398,601	385,925	12,676	103.3%

Retail Sales and Use Tax revenues improved in the second quarter with a positive budget variance of \$3.5M or 1.4%, compared to Q1 which was slightly under budget by 0.2%.

Rental Car Tax revenues exceeded YTD budget by \$132K or 14.8%.

Motor Vehicle Excise revenues were \$847K or 2.7% above budget with revenues picking up in the second quarter.

Passenger Fare Revenues were \$1.3M or 5.8% below budget due to lower than expected ridership. Ridership trended higher in the second quarter; farebox revenues in the second quarter increased by \$2.3M over the first quarter but were still below the YTD budget.

Investment Income was \$2.1M or 40.4% above budget in the second quarter of 2011. This variance from budget is due to the quarterly mark to market entries. Under Generally Accepted Accounting Principles, the value of investment holdings must be adjusted to current market value. This requirement results in investment income being reduced when the market value of investments declines, and increased when the market value of investments rises. Without the mark to market entries interest income is \$280K above budget.

Miscellaneous Revenues have exceeded budget by \$649K or 14.6% primarily due to higher revenues from ORCA Regional Program billing, ORCA fee revenue, and use license fees. Additionally, some one time revenues were received upon the execution of the recently adopted local O&M agreement for Issaquah Transit Center, which included pending reimbursements for 2009, 2010 and YTD 2011 eligible costs. In addition, there were \$170K in unbudgeted revenues from a vehicle lease agreement with Pierce Transit. Pierce Transit is leasing Sound Transit vehicles on weekends as it recovers from an explosion at its CNG fueling facility in February.

Local and State Contributions were \$4.1M or 34.3% below budget due to the drawdown of WA State Regional Mobility Grant funds in 2010 for bus purchases, which were budgeted in 2011.

Federal Grant revenues exceeded YTD budget by \$10.8M or 20% due to U-Link LRT vehicles reaching a key milestone ahead of schedule and quick turn-around in the payment of U-Link-related invoices.

Section III – Service Delivery

Operations by Program

Sounder Commuter Rail as of June 30, 2011

(\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD 2011 Budget Remaining	YTD 2011 % Budget
Operating Revenues						
Passenger Fares	1,826	2,057	3,883	3,781	(102)	102.7%
Other Operating Revenue	12	8	20	37	(17)	55.2%
Total Operating Revenues	\$ 1,839	2,065	3,904	3,818	(86)	102.2%
Direct Operating Expenses						
Salaries and Benefits	206	212	418	465	47	89.9%
Services	3,265	3,286	6,550	7,051	501	92.9%
Materials and Supplies	1,423	1,538	2,960	2,280	(680)	129.8%
Insurance	181	186	367	611	244	60.0%
Purchased Transportation Svcs	1,921	2,142	4,063	3,611	(452)	112.5%
Miscellaneous Expenses	12	93	106	146	40	72.4%
Leases & Rentals	78	28	106	209	103	50.7%
Other Expenses	268	342	610	744	134	82.0%
Total Direct Operating Expenses	\$ 7,354	7,827	15,180	15,118	(62)	100.4%
Agency Admin Allocations	712	643	1,355	1,344	(11)	100.8%
Fully Allocated Operating Expenses	\$ 8,066	8,469	16,535	16,462	(73)	100.4%
Net Subsidy (Fully Allocated Operating Expenses Less Operating	\$ 6,227	6,404	12,632	12,644	12	99.9%
Depreciation & Amortization	4,972	5,591	10,563	9,800	(762)	107.8%
Net Subsidy from Operations After Depreciation and Amortization	\$ 11,199	11,995	23,194	22,444	2	100.0%

Revenues and Ridership: Ridership was below the YTD budget by 0.3% and was below prior year by 0.4%. Ridership has been trending higher in the second quarter as it recovered from significant service interruptions in early year due to mudslides on the North line. Passenger revenues were at 102.7% of YTD budget as the average fare per boarding has been higher than budget.

Services were at 93% of the YTD 2011 budget. The largest individual component of services spending is the vehicle maintenance contract with Amtrak. Discretionary vehicle maintenance projects for truck overhauls will occur later in the year.

Materials & Supplies were at 130% of the YTD 2011 budget. Fuel costs were over budget by \$0.5 M. Actual diesel fuel cost per gallon of \$3.12 remains higher than budgeted price of \$2.55.

Insurance was under the YTD 2011 budget by 40%. Claims experience has been favorable during the first half of the year.

Purchased Transportation Services were over the YTD 2011 budget by 13%. Payments to BNSF for railroad operations have exceeded the budget to date as inflation rates were higher than budget assumptions.

Other Expenses including taxes and utilities were under the YTD 2011 budget by 18%. Utility costs have been below budgeted levels. Wayside power costs were lower than expected as the unusually cold weather during the winter hampered the use of the auxiliary power units. The wayside power is only used if the temperature is above 40 degrees.

ST Express as of June 30, 2011

(\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD 2011 Budget Remaining	YTD 2011 % Budget
Operating Revenues						
Passenger Fares	5,332	6,271	11,603	11,987	(384)	96.8%
Other Operating Revenue	457	395	852	469	383	181.7%
Total Operating Expenses	5,789	6,666	12,455	12,456	(1)	100.0%
Direct Operating Expenses						
Salaries and Benefits	71	93	164	171	7	95.7%
Services	2,209	1,527	3,736	3,717	(19)	100.5%
Materials and Supplies	7	51	58	66	8	88.5%
Insurance	14	1	15	13	(2)	115.7%
Purchased Transportation Svcs	18,541	23,220	41,761	41,628	(133)	100.3%
Miscellaneous Expenses	(13)	97	84	115	31	73.0%
Leases & Rentals	32	61	93	63	(30)	147.4%
Other Expenses	184	252	436	459	23	95.1%
Total Direct Operating Expenses	\$ 21,045	25,302	46,347	46,232	(115)	100.2%
Agency Admin Allocations	1,158	1,120	2,278	2,347	69	97.0%
Fully Allocated Operating Expenses	\$ 22,203	26,422	48,625	48,579	(46)	100.1%
Net Subsidy (Fully Allocated Operating Expenses Less Operating	\$ 16,414	19,756	36,170	36,123	(45)	100.1%
Depreciation & Amortization	5,752	5,694	11,446	13,129	812	87.2%
Net Subsidy from Operations After Depreciation and Amortization	\$ 22,166	25,450	47,616	49,252	767	96.7%

Passenger Fares and Ridership: Passenger Fares were under the YTD 2011 Budget by 3%. Ridership is under budgeted levels by about 0.8%, but is 9% ahead of ridership levels from the same period last year.

Services are at 100.5% of the YTD 2011 budget. Costs in the Downtown Seattle Transit Tunnel are running 1% higher than budget due to higher security and elevator maintenance costs than budget.

Purchased Transportation Services were at 100% of the YTD 2011 budget. Fuel costs are higher than budget, but these have been mitigated by other purchased transportation expenses that were lower than budgeted levels. This item is expected to be below budget by year end as service cuts that were implemented in June will be fully taken into account.

Agency Admin Allocations were at 97% of the YTD 2011 budget. This account includes the staff operating costs allocated from both corporate and line of business departments.

Tacoma Link Light Rail as of June 30, 2011
(\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD 2011 Budget Remaining	YTD 2011 % Budget
Operating Revenues						
Passenger Fares	-	1	1	-	(1)	
Other Operating Revenue	6	2	8	13	(5)	65.3%
Total Operating Revenues	\$ 6	3	9	13	(4)	73.0%
Direct Operating Expenses						
Salaries and Benefits	392	406	798	870	72	91.7%
Services	129	181	310	435	125	71.3%
Materials and Supplies	18	36	54	115	61	47.3%
Insurance	47	46	93	136	43	68.7%
Purchased Transportation Svcs	-	-	-	3	3	0.0%
Miscellaneous Expenses	0	2	2	12	10	20.2%
Leases & Rentals	5	2	7	4	(3)	162.6%
Other Expenses	22	35	57	67	10	85.1%
Total Direct Operating Expenses	\$ 614	708	1,322	1,642	320	80.5%
Agency Admin Allocations	169	171	340	399	59	81.5%
Fully Allocated Operating Expenses	\$ 783	879	1,662	2,041	379	81.5%
Net Subsidy (Fully Allocated Operating Expenses less Operating	\$ 777	875	1,652	2,028	376	81.5%
Depreciation & Amortization	726	726	1,452	1,488	36	88.3%
Net Subsidy from Operations After Depreciation and Amortization	\$ 1,503	1,601	3,104	3,516	412	88.3%

Ridership: YTD Ridership was 13% higher than the same period in 2010, and above the 2011 forecast by 8%. There are no fare revenues on Tacoma Link.

Salaries and Benefits: Salaries and Benefits are at 92% of the YTD budget. Currently, there are three vacant positions at Tacoma Link. Other positions have been vacant during the year as well.

Services were at 71% of the YTD 2011 budget. Maintenance work on the right of way was lower than budget as discretionary projects are scheduled for later in the year. Security costs are also lower than budget as deployment has focused more on other modes.

Material and Supplies were under the YTD 2011 budget by 53%. Spare parts purchases have been lower than budget, although this category is expected to be at budget by year end.

Insurance was under the YTD 2011 budget by 32%. Claims experience was favorable during the first half of the year.

Agency Admin Allocations were at 85% of the YTD 2011 budget. This account includes the staff operating costs allocated from both corporate and line of business departments.

Central Link Light Rail as of June 30, 2011

(\$Thousands)

	Q1 2011	Q2 2011	YTD 2011	YTD 2011	YTD 2011	YTD 2011
	Actuals	Actuals	Actuals	Budget	Budget Remaining	% Budget
Operating Revenues						
Passenger Fares	2,219	3,311	5,530	6,549	1,019	84.4%
Other Operating Revenue	0	21	21	18	(3)	117.0%
Total Operating Revenues	\$ 2,219	3,332	5,551	6,567	1,016	84.5%
Direct Operating Expenses						
Salaries and Benefits	284	307	591	714	123	82.8%
Services	3,913	3,305	7,218	8,025	807	89.9%
Materials and Supplies	403	727	1,130	489	(641)	231.1%
Insurance	380	383	763	1,475	712	51.7%
Purchased Transportation Svcs	6,038	6,290	12,328	12,112	(216)	101.8%
Miscellaneous Expenses	10	111	121	136	15	88.8%
Leases & Rentals	93	93	186	185	(1)	100.4%
Other Expenses	527	518	1,045	1,006	(39)	103.9%
Total Direct Operating Expenses	\$ 11,648	11,734	23,382	24,142	760	96.8%
Agency Admin Allocations	665	974	1,639	1,635	(4)	100%
Fully Allocated Operating Expenses	\$ 12,312	12,708	25,020	25,777	757	95.8%
Net Subsidy (Fully Allocated)	\$ 10,093	9,376	19,469	19,210	(608)	106.4%
Depreciation & Amortization	14,762	14,758	29,520	34,383	4,863	85.9%
Net Subsidy from Operations After Depreciation and Amortization	\$ 24,855	24,134	48,989	53,593	4,604	91.4%

Ridership: Ridership was at 72% of budget YTD 2011 estimates. Subsequent to the finalization of the budgeted ridership number, ridership forecasts were lowered for Central Link for 2011. Ridership on Central Link was 14% higher in 2011 than compared to the same period in 2010, but still below plan. Average fare per boarding has been slightly higher than budget, and is expected to improve further as a fare increase in June is incorporated into revenue.

Services were under the YTD 2011 budget by 10%. Security costs were lower than budgeted levels by \$0.5M due to unused contingency hours. These savings were offset by higher than planned expenses for ORCA maintenance, and for DSTT costs that have been higher than 2011 budget.

Material and Supplies were \$0.6M over the YTD 2011 budget. The primary expenditure was for purchases of equipment for Transit Systems staff, as well as purchases of spare parts.

Insurance costs are at 52% of the YTD 2011 budget. Premiums have been lower than budgeted levels, and claims experience was also favorable during the first half of the year.

Purchased Transportation Services were at 102% of the YTD 2011 budget. Paratransit expenses have been higher than budget due to increased usage of the system caused by shifts in state funding of Medicare transportation.

Other Expenses were over the YTD 2011 budget by 4%. Utility expenses were slightly higher than budget. Seattle City Light provided a catch-up charge at Beacon Hill Station as all previous bills had been estimated bills. This category is expected to be at budget by year end.

Agency Admin Allocations were at 100% of the YTD 2011 budget. This account includes the staff operating costs allocated from both corporate and line of business departments.

Service Delivery - Supplemental Information

Systemwide	2nd Quarter			Year to Date			YTD vs. Forecast	
Boardings by Service Type	2010	2011	% Change	2010	2011	% Change	Forecast	% Variance
ST Express Bus	3,175,935	3,528,929	11.1%	6,164,679	6,712,651	8.9%	6,764,408	-0.8%
Sounder Commuter Rail	624,183	626,118	0.3%	1,205,255	1,200,413	-0.4%	1,203,579	-0.3%
Central Link	1,806,167	1,982,388	9.8%	3,195,454	3,635,522	13.8%	5,059,038	-28.1%
Paratransit	21,119	22,654	7.3%	40,658	44,409	9.2%	50,000	-11.2%
Tacoma Link	212,997	246,520	15.7%	427,397	481,621	12.7%	447,927	7.5%
Total	5,840,401	6,406,609	9.7%	11,033,443	12,074,616	9.4%	13,524,952	-10.7%
Average Weekday Boarding	77,533	85,584	10.4%	79,490	87,135	9.6%	92,567	-5.9%

Systemwide	2nd Quarter			Year to Date			YTD vs. Budget	
Farebox Recovery	2010	2011	% Change	2010	2011	% Change	Budget	% Variance
Sounder Commuter Rail	23.0%	15.2%	-34.0%	23.0%	18.8%	-18.3%	23.0%	-18.3%
ST Express Bus	20.5%	23.7%	15.6%	21.5%	23.9%	11.2%	24.7%	-3.2%
Central Link	17.7%	26.2%	48.1%	19.2%	22.1%	15.1%	26.0%	-15.0%

Section IV – Capital Outlays

Souder Commuter Rail Capital Outlays by Phase as of June 30, 2011 (\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
Current Year 2011	a	b	c	b - c	c / b
Phase					
Agency Administration	5,556	2,230	972	1,259	43.6%
Preliminary Engineering	2,058	1,010	571	439	56.5%
Final Design	1,374	804	668	137	83.0%
ROW Acquisition & Permits	44,368	44,204	40,944	3,260	92.6%
Construction	53,240	21,498	16,408	5,090	76.3%
Vehicles	0	0	(1)	1	0.0%
Contingency	4,903	0	0	0	0.0%
Total	111,498	69,747	59,562	10,185	85.4%
Lifetime Capital Plan					
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Phase					
Agency Administration	64,680	53,526	0	11,154	82.8%
Preliminary Engineering	36,887	27,365	1,421	8,101	78.0%
Final Design	47,288	44,208	2,219	861	98.2%
ROW Acquisition & Permits	572,870	462,782	427	109,661	80.9%
Construction	597,929	512,461	56,839	28,629	95.2%
Vehicles	134,505	134,503	0	2	100.0%
Contingency	37,031	0	0	37,031	0.0%
Unabsorbed Overhead	0	108	0	(108)	0.0%
Total	1,491,190	1,234,954	60,906	195,330	86.9%

Agency Administration spending was \$1.3M under the YTD budget of \$2.2M. Agency Administration is mainly the direct staff overhead being charged to the projects. This phase is under budget due to agency indirect overhead allocation charges no longer being charged to projects as they have been in the past. Budgets have not been reduced pending project completions; this ensures that funding will be available to absorb the program overhead bucket.

Preliminary Engineering spending was \$439K under the YTD budget of \$1.0M. The Permitting/Environmental Mitigation project was \$182K below budget. The only activity in 2011 was a credit reversing a \$10K accrual from December. The PE costs were lower than budgeted resulting in a phase level savings. Souder Yard and Shops Facility was \$148K under spent, work is proceeding more slowly than was originally planned with some tasks delayed until the third quarter.

Final Design spending was \$137K under the YTD budget of \$804K. Layover was \$231K under budget due to HDR having not completed the final design; final design is now scheduled to be completed by year end. D Street-M Street Track and Signal was \$115K over spent. This was due to expenses being coded to final design phase in error; these will be transferred to the construction phase by the July close.

ROW spending was \$3.3M under the YTD budget of \$44.2M. D Street – M Street Track and Signal was \$1.8M over spent. Sales transactions anticipated to occur in 2010 have pushed into 2011. Property acquisition work on two parcels remains unresolved. Sounder South Expanded Service was \$5.0M under spent. The environmental assessment for easements 3 and 4 will be completed in late 2011 or early 2012. The deposit for easement 3 was originally due in June 2011 but that was changed to December 2011.

Construction spending was \$5.1M under the YTD budget of \$21.5M. Permitting/Environmental Mitigation was \$552K under spent. Construction of the Christofferson Fill pad has been delayed due to City of Marysville permitting issues but is now planned to start in the fourth quarter of 2011. Edmonds Station was \$985K under spent. Project has been completed and \$1.2 million will be captured in savings in the 2012 budget. Layover was \$217K under spent, construction work will not begin until early 2012. Tukwila Station was \$972K under spent. Final design is not yet completed since the station is now being moved to the north and design efforts continue. D Street-M Street Track and Signal was \$2.1M under spent since construction began about six months later than scheduled. M Street – Lakewood Track and Signal was \$205K under spent due to the CTC signaling work not progressing as initially planned in the cash flow.

Vehicles had a credit of \$1K which was a correction for 2004 accruals on the track and signal projects that were entered in error.

Regional Express Capital Outlays by Phase as of June 30, 2011 (\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	2,214	1,233	323	910	26.2%
Preliminary Engineering	1,881	818	380	438	46.5%
Final Design	1,422	225	710	(485)	315.0%
Third Party	14,733	0	0	0	0.0%
ROW Acquisition & Permits	1,622	1,389	272	1,117	19.6%
Construction	17,606	11,772	10,610	1,162	90.1%
Contingency	180	0	0	0	0.0%
Total	39,658	15,437	12,295	3,142	79.6%
Lifetime Capital Plan					
Phase					
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	44,946	36,303	36	8,607	80.9%
Preliminary Engineering	56,568	51,377	395	4,796	91.5%
Final Design	72,664	49,200	1,139	22,325	69.3%
Third Party	14,733	0	14,730	3	100.0%
ROW Acquisition & Permits	53,398	49,490	3,067	841	98.4%
Construction	484,165	445,315	27,399	11,451	97.6%
Contingency	53,160	0	0	53,160	0.0%
Unabsorbed Overhead	0	1,393	0	(1,393)	0.0%
Total	779,633	633,077	46,766	99,790	87.2%

Agency Administration was \$910K under the YTD budget of \$1.2M. Agency Administration is mainly the direct staff overhead being charged to the projects. This phase is under budget due to agency indirect overhead allocation charges no longer being charged to projects as they have been in the past. Budgets have not been reduced pending project completions; this ensures that funding will be available to absorb the program overhead bucket.

Preliminary Engineering was \$438K under the YTD budget of \$818K. ST Express Bus Base was \$438K under spent, the project started in March 2011 so spending commenced later than anticipated in the budget.

Final Design was \$485K over the YTD budget of \$225K. Rainier Avenue Arterial Improvements was \$157K under budget. Delays in franchise utility relocation agreements and ROW acquisitions have in turn delayed completion of final design. The city anticipates its completion in September 2011. Strander Boulevard Extension was \$718K over spent. The 2011 budget did not forecast any final design spending in 2011 but the schedule changed when a new agreement was approved by the Sound Transit Board in January 2011.

ROW was \$1.1M under the YTD budget of \$1.4M. Rainier Avenue Arterial Improvements was \$727K under budget. The City of Renton is running behind in ROW acquisitions, they filed a number of condemnations on parcels in May 2011. It is expected that the expenditures will pick up in the third quarter. ST is a funding partner and our contribution is capped. 85th Corridor, Kirkland was \$304K under budget due to delays in two right of way acquisitions by the city; we will not be billed until they are complete. The City of Kirkland is lead for the project; ST's total contribution is capped.

Construction was \$1.2M under the YTD budget of \$11.8M. Mountlake Terrace Freeway Station was \$290K over spent due to work that was expected to be completed in 2010 pushing into 2011. Project is in service and \$3 million in savings will be captured in the 2012 budget. SR522 HOV Enhancements/ Bothell was \$348K under budget; construction expenditures have been lower than anticipated in the budget. ST is a funding partner and our contribution is capped; the City of Bothell is the project lead. Rainier Avenue Arterial Improvements was \$239K under spent due to delays in utility relocation agreements and ROW acquisitions. City anticipates going to bid in October 2011 and starting construction in January 2012. I-90 Two-way Transit & HOV Operations, Stage 2 was \$734K under budget. Construction is not progressing at the rate anticipated in the budget.

Link Light Rail
Capital Outlays by Project as of June 30, 2011
(\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Project					
North Link - Northgate to 45th Street	84,637	26,982	13,135	13,847	48.7%
University Link - PSST to UW Station	303,716	151,543	154,886	(3,343)	102.2%
Initial Segment - CPS to 154th Street	47,776	1,665	2,029	(364)	121.9%
Central Link Switch Heaters	239	40	38	2	95.0%
DSTT South Access Security	720	650	316	334	48.6%
Initial Segment Project Reserve	-	-	-	-	0.0%
Airport Link - 154th Street to 176th Street	2,742	1,065	448	617	42.1%
South Link - Airport to 200th Street	11,338	4,575	3,451	1,124	75.4%
North Corridor	10,108	3,291	2,600	691	79.0%
South Corridor	436	218	29	189	13.3%
East Link	52,593	14,907	8,076	6,831	54.2%
First Hill Street Car	27,846	10,410	2,853	7,557	27.4%
Tacoma Link Alternative Analysis	971	297	90	207	30.3%
Link Light Rail Maintenance & Storage	203	187	205	(18)	109.6%
LRT Overhead Reserve	-	-	-	-	0.0%
Total	543,325	215,830	188,156	27,674	87.2%

	Adopted Capital	Life-to-Date	Contract	Budget	% Spent &
	Plan	Outlays	Remaining	Remaining	Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Project					
North Link - Northgate to 45th Street	345,500	77,906	57,597	209,997	39.2%
University Link - PSST to UW Station	1,756,007	681,162	417,993	656,852	62.6%
Initial Segment - CPS to 154th Street	2,070,000	2,034,340	15,210	20,450	99.0%
Central Link Switch Heaters	2,453	2,253	-	200	91.8%
DSTT South Access Security	1,000	455	71	474	52.6%
DSTT Capital Costs	23,719	23,719	-	0	100.0%
Initial Segment Project Reserve	90,695	-	-	90,695	0.0%
Airport Link - 154th Street to 176th Street	269,100	255,818	3,817	9,465	96.5%
South Link - Airport to 200th Street	41,391	16,322	1,889	23,180	44.0%
Tacoma Link	77,097	77,097	8	(8)	100.0%
Puyallup Extension Study	-	35	-	(35)	0.0%
North Corridor	57,119	4,686	1,995	50,438	11.7%
South Corridor	2,504	45	5	2,454	2.0%
East Link	364,550	55,965	6,831	301,754	17.2%
First Hill Street Car	132,780	6,513	122,456	3,811	97.1%
Tacoma Link Alternative Analysis	1,642	94	32	1,516	7.7%
Link Light Rail Maintenance & Storage	338	237	0	101	70.1%
LRT Overhead Reserve	-	5,334	-	(5,334)	0.0%
Total	5,235,895	3,241,981	627,904	1,366,010	73.9%

Light rail capital outlays through the second quarter of 2011 are 87% of the YTD 2011 Budget plan. A description of financial performance through June 2011 follows.

**North Link – University Station to Northgate
Capital Outlays by Phase as of June 30, 2011
(\$Thousands)**

	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals over/under YTD Budget	YTD Actuals as % of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	4,992	2,292	1,298	994	56.6%
Preliminary Engineering	50	50	28	22	56.0%
Final Design	15,633	6,445	9,824	(3,379)	152.4%
Third Party	739	209	0	209	0.0%
ROW Acquisition & Permits	63,223	17,986	1,838	16,148	10.2%
Construction	-	-	147	(147)	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	84,637	26,982	13,135	13,847	48.7%
Lifetime Capital Plan					
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	49,461	4,677	67	44,717	9.6%
Preliminary Engineering	15,251	15,060	17	174	98.9%
Final Design	85,941	17,366	56,800	11,775	86.3%
Third Party	20,994	1,194	150	19,650	6.4%
ROW Acquisition & Permits	164,820	32,109	542	132,169	19.8%
Construction	8,733	7,501	22	1,210	86.1%
Construction Services	300	-	-	300	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	345,500	77,907	57,598	209,995	39.2%

North Link – UW Station to Northgate project capital outlays of \$13.2M through June 2011 are 49% of the YTD 2011 Budget plan, or \$13.8M below plan.

Agency Administration Capital outlays of \$1.3M are 57% of the YTD 2011 Budget plan, or \$1.0M below plan primarily because staffing levels are trending below the staffing plan. Staff activities in the second quarter of 2011 include final design coordination and development of a cost estimate for project early work.

Preliminary Engineering is complete. Continuing activity in this phase is for environmental mitigation. Capital outlays of \$28K are 56% of the YTD 2011 Budget plan, or \$22K below plan.

Final Design Capital outlays of \$9.8M are 152% of the YTD 2011 Budget plan, or \$3.4M ahead of plan. High expenditures in 2011 reflect to ongoing accelerated effort to offset final design being delayed by 5 months in 2010 for selection of the civil/architectural team.

Third Party Activity planned for this phase represents work by outside agencies to support final design. The YTD 2011 Budget plan for this phase is \$0.2M, but no activity has been reported through June.

Right of Way Capital outlays of \$1.8M are 10% of the YTD 2011 Budget plan, or \$16.1M below plan. Activities through June reflect administrative and relocation efforts related to acquisition of properties around the sites for Roosevelt and Brooklyn stations, and tunnel easements. Property acquisitions for several high value properties at

Brooklyn station are currently under negotiation, and are expected to close this year. However, acquisition of two properties has been delayed, and one is in the condemnation process.

Construction The ST Board authorized construction funding for storage track expansion at the Operations and Maintenance Facility (OMF) to accommodate additional vehicles required for North Link – UW Station to Northgate. Storage track expansion at the OMF was substantially complete in 2010. Current year outlays of \$147K reflect contract close-out work. Unexpended construction funding of approximately \$1.0M should be available to reallocate to tunneling and station construction. Approval of tunneling and station construction funding will be sought following establishment of the baseline in early 2012.

Construction Services in support of the storage track expansion completed in 2010. Unexpended construction funding of approximately \$300K should be available to reallocate to tunneling and station construction.

University Link – PSST to University Station
Capital Outlays by Phase as of June 30, 2011
(\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	13,540	6,847	4,440	2,407	64.8%
Preliminary Engineering	-	-	-	-	0.0%
Final Design	8,952	4,009	2,850	1,159	71.1%
Third Party	2,435	981	341	640	34.8%
ROW Acquisition & Permits	576	288	1,176	(888)	408.3%
Construction	217,854	113,258	115,848	(2,590)	102.3%
Construction Services	16,604	7,904	6,005	1,899	76.0%
Vehicles	43,755	18,256	24,226	(5,970)	132.7%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	303,716	151,543	154,886	(3,343)	102.2%
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Phase					
Agency Administration	115,229	26,999	492	87,738	23.9%
Preliminary Engineering	24,349	24,261	5	83	99.7%
Final Design	87,633	65,310	11,754	10,569	87.9%
Third Party	18,646	9,842	1,324	7,480	59.9%
ROW Acquisition & Permits	152,332	124,795	839	26,698	82.5%
Construction	1,148,783	325,441	336,098	487,244	57.6%
Construction Services	95,726	24,692	49,462	21,572	77.5%
Vehicles	103,909	79,821	18,019	6,069	94.2%
Test and Start Up	9,400	-	-	9,400	0.0%
Contingency	-	-	-	-	0.0%
Total	1,756,007	681,161	417,993	656,853	62.6%

University Link project capital outlays of \$154.9M through June 2011 are 102% of the YTD 2011 Budget plan, or \$3.3M ahead of plan.

Final Design Activity planned for this phase includes final design for the Montlake Triangle Project and ongoing design services in support of construction. Capital outlays of \$2.8M are 71% of the YTD 2011 Budget plan, or \$1.2M below plan. Of this amount, \$1.0M is for unallocated contingency.

Third Party Activity planned for this phase represents work by outside agencies to support final design and construction. Capital outlays of \$0.3M are 35% the YTD 2011 Budget plan, or \$0.6M below plan, mainly for the City of Seattle.

Right of Way acquisitions of \$1.2M exceed the Annual 2011 Budget plan by \$0.6M. Activity in 2011 reflects processing of agreements and payments for tunnel easements that was initially anticipated to occur in 2010. Work is substantially complete as of June.

Construction outlays of \$115.8M are 102% of the YTD 2011 Budget plan, or \$2.6M ahead of plan. All three TBMs were launched in the second quarter of 2011 and are in operation. Under/over variances to plan through June mainly result from refinement of work sequences as the project unfolds: U215 I-5 Undercrossing is \$0.7M over plan, because costs were projected for 2010; U220 UW Station and Tunnels is \$3.8M below plan; U230 Capitol Hill Station and Tunnels is \$4.0M ahead of plan; and U250 UW Station Finishes is \$1.9M ahead of plan.

Construction Services includes construction management and construction support services. Capital outlays of \$6.0M are 76% of the YTD 2011 Budget plan, or \$1.9 below plan. Lower than planned expenditures through June are for inspection and testing, and other support services.

Vehicles The current payment plan for this contract is tied to specific deliverables for the University Link project. Capital outlays of \$24.2M are 133% of the YTD 2011 Budget plan, or \$6.0M ahead of plan, due to continued high productivity in vehicle assembly and delivery. As of the end of June, 21 of 27 LRVs have been delivered to the OMF.

Initial Segment – CPS to 154th

Capital Outlays by Phase as of June 30, 2011 (\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	698	381	684	(303)	179.5%
Preliminary Engineering	-	-	-	-	0.0%
Final Design	-	-	48	(48)	0.0%
Third Party	100	-	17	(17)	0.0%
ROW Acquisition & Permits	484	250	80	170	32.0%
Construction	45,489	840	901	(61)	107.3%
Construction Services	565	195	210	(15)	107.7%
Vehicles	-	-	90	(90)	0.0%
Test and Start Up	438	-	0	0	0.0%
Contingency	-	-	-	-	0.0%
Total	47,774	1,666	2,030	(364)	121.8%
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Phase					
Agency Administration	184,333	184,544	28	(239)	100.1%
Preliminary Engineering	33,275	33,268	1	6	100.0%
Final Design	144,142	143,800	74	268	99.8%
Third Party	61,409	61,058	626	(275)	100.4%
ROW Acquisition & Permits	206,729	205,458	(1,125)	2,396	98.8%
Construction	1,186,333	1,156,457	11,446	18,430	98.4%
Construction Services	104,912	102,199	3,286	(573)	100.5%
Vehicles	131,803	130,929	870	4	100.0%
Test and Start Up	17,064	16,625	5	434	97.5%
Contingency	-	-	-	-	0.0%
Total	2,070,000	2,034,338	15,211	20,451	99.0%

The Initial Segment The Initial Segment opened for service on time in July 2009. Although in revenue service, several capital elements remain to be completed, including construction close out work and noise mitigation.

Initial Segment project capital outlays of \$2.0M through June 2011 are 122% of the YTD 2011 Budget plan, or \$0.3M ahead of plan.

Agency Administration Capital outlays of \$0.7M are \$0.3M ahead of the YTD 2011 Budget plan due to higher than planned staff costs related to continuing noise mitigation and follow-on construction work. As of June, costs for this phase exceed the lifetime capital plan by \$0.2M, which is being addressed in the Proposed 2012 Budget.

Final Design is complete. Current year activity for this phase represents design services provided in support of follow-on construction and noise mitigation. Capital outlays of \$48K exceed the Annual 2011 Budget.

Third Party Current year activity planned for this phase includes contract close out, and environmental mitigation and reviews. Capital outlays of \$17K are ahead of the YTD 2011 Budget plan. An apparent budget shortfall to the lifetime

capital plan for this phase is a result of *Contract Remaining*, which is not anticipated to be spent and will be decommitted as contracts complete and are closed.

Right of Way Current year activity planned for this phase relates to the extension of construction easements in the Beacon Hill, MLK Way, and Tukwila segments required for construction close out activities and environmental mitigation work. Capital outlays of \$80K are 32% of the YTD 2011 Budget plan, or \$170K below plan.

Construction Current year activity planned for this phase includes emergency noise mitigation along the alignment and construction close out work in the Beacon Hill / Mt. Baker Station area. Capital outlays of \$901K are 107% of the YTD 2011 Budget plan, or \$61K ahead of plan, because costs expected in 2010 for Systems follow-on work have shifted to 2011.

The 2011 Budget for this phase includes funding set aside for potential settlement of construction issues by year end. The project budget amendment to be considered by the Board in late July would increase the budget for this phase by \$32.2M to provide additional funding needed to cover the payment to RCI-Herzog to settle the C735 Rainier Valley construction claim.

Construction Services Current year activity planned for this phase is to support follow-on construction and noise mitigation. Capital outlays of \$210K exceed the YTD 2011 Budget plan by \$15K. In February 2011, the ST board approved a contract amendment to provide additional architectural, engineering and construction management services for the Residential Sound Insulation Program (RSIP) to mitigate noise in the Rainier Valley. This award will result in a \$700K shortfall to the lifetime capital plan (2011 TIP), which will be funded from unallocated contingency within the construction phase.

Vehicles All LRVs for the Initial Segment were accepted in 2009 and are in operation. Capital outlays of \$90K exceed the Annual 2011 Budget, and reflect payment for vehicle weight incentive. Completion of warranty work and delivery of spare parts had been expected in 2010. Final contract payment is now projected for late 2011.

Testing and Start-Up Testing and start-up work is complete. Capital outlays in 2011 reflect cost adjustments. A budget surplus of approximately \$400K is projected for this phase when contracts are closed.

Central Link Switch Heaters project Central Link Switch Heaters project capital outlays of \$38K through June 2011 are 94% of the YTD 2011 Budget plan, or \$2K below plan.

Final acceptance of this work was delayed due to defective equipment that had to be replaced by the manufacturer. The project completed in June 2011, below budget.

DSTT South Access Security project DSTT South Access Security project capital outlays of \$316K through June 2011 are 49% of the YTD 2011 Budget plan, or \$334K below plan.

This Link light rail project to design and construct security barriers at the south access to the Downtown Seattle Transit Tunnel (DSTT) is partly funded by a Homeland Security grant.

Fabrication of the pop-up barrier component of the access improvements is completed. Remaining field work to install swing gates, bollards, barriers, etc. is being coordinated with Seattle Department of Transportation (SDOT) and King County Metro (KCM).

Airport Link – 154th to 176th
Capital Outlays by Phase as of June 30, 2011
(\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	425	187	(128)	315	-68.4%
Preliminary Engineering	-	-	-	-	0.0%
Final Design	50	25	30	(5)	120.0%
Third Party	50	-	0	0	0.0%
ROW Acquisition & Permits	-	-	43	(43)	0.0%
Construction	2,017	748	410	338	54.8%
Construction Services	200	105	80	25	76.2%
Vehicles	-	-	13	(13)	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	2,742	1,065	448	617	42.1%
Lifetime Capital Plan					
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Phase					
Agency Administration	11,859	9,770	10	2,079	82.5%
Preliminary Engineering	3,691	3,666	0	25	99.3%
Final Design	15,924	15,693	101	130	99.2%
Third Party	1,387	1,331	123	(67)	104.8%
ROW Acquisition & Permits	12,513	12,001	26	486	96.1%
Construction	192,601	183,742	2,340	6,519	96.6%
Construction Services	15,539	14,788	587	164	98.9%
Vehicles	14,587	13,911	629	47	99.7%
Test and Start Up	1,000	917	0	83	91.7%
Contingency	-	-	-	-	0.0%
Total	269,101	255,819	3,816	9,466	96.5%

Airport Link opened for service on schedule in December 2009. Although in revenue service, certified final acceptance and close out remain to be completed.

Airport Link project capital outlays of \$448K through June 2011 are 42% of the YTD 2011 Budget plan, or \$616K below plan. The final cost for this project, which is expected to complete in 2011, is estimated to be approximately \$7.5M below budget.

Final Design phase activity represents design services provided in support of construction. Capital outlays of \$30K are 120% of the YTD 2011 Budget plan, or \$5K ahead of plan.

Third Party Capital outlays are \$0.2K ahead of the YTD 2011 Budget plan. An apparent budget shortfall to the lifetime capital plan for this phase is a result of *Contract Remaining*, which is not anticipated to be spent and will be decommitted as contracts complete and are closed.

Right of Way Current year activity for this phase relates to reconciliation of easement areas to reflect as-built conditions. Capital outlays of \$43K exceed the Annual 2011 Budget.

Construction Activity planned for this phase reflects close out work required for final acceptance of the project. Capital outlays of \$410K are 55% of the YTD 2011 Budget plan, or \$338K below plan. Activity in the second quarter of 2011 includes construction of permanent emergency access platform structures along the alignment, participation in a follow-on contract for Restoration managed by the Port, and investigative and technical assessment of noise and vibration issues.

Construction Services Activity planned for this phase reflects ongoing project/contract close out work. Capital outlays of \$80K are 76% of the YTD 2011 Budget plan, or \$25K below plan.

Vehicles All four LRVs for Airport Link were accepted in December 2009 and are in service. Capital outlays of \$13K exceed the Annual 2011 Budget, and reflect payment for vehicle weight incentive. Final contract payment is projected for late 2011.

South Link – Airport to 200th
Capital Outlays by Phase as of June 30, 2011
(\$Thousands)

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	2,036	1,099	614	485	55.9%
Preliminary Engineering	526	526	2,588	(2,062)	492.0%
Final Design	6,000	1,000	-	(1,000)	0.0%
Third Party	600	444	85	359	19.1%
ROW Acquisition & Permits	2,177	1,507	164	1,343	10.9%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	11,339	4,576	3,451	(875)	75.4%
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Phase					
Agency Administration	3,378	1,322	(1)	2,057	39.1%
Preliminary Engineering	5,878	5,167	168	543	90.8%
Final Design	15,373	373	0	15,000	2.4%
Third Party	1,321	564	314	443	66.5%
ROW Acquisition & Permits	15,441	8,896	1,408	5,137	66.7%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	41,391	16,322	1,889	23,180	44.0%

South Link – Airport to 200th project capital outlays of \$3.5M through June 2011 are 75% of the YTD 2011 Budget plan, or \$1.1M below plan.

When the 2011 Budget was finalized, it was anticipated that the project budget would be amended in early 2011 to enter final design, baseline the project budget and enter construction (Phase Gates 4-6). As of the end of June, the alignment

and station location were finalized, and the resolution to baseline the project budget will be presented for Board consideration in late July.

Agency Administration Capital outlays of \$0.6M are 56% of the YTD 2011 Budget plan, because the start of final design, and commitment of internal resources for final design, has been delayed. Staff activity in the second quarter of 2011 focused on the effort to complete design refinement and baseline the project schedule and budget.

Preliminary Engineering Capital outlays of \$2.6M exceed the Annual 2011 Budget by \$2.1M, but remain within the lifetime capital plan. When the 2011 TIP was finalized, work for this phase was expected to complete in January 2011 with a budget surplus of \$2.6M, which was moved to 2012. However, the effort to finalize the alignment and station location, and coordinate with stakeholder jurisdictions, continued through June.

Final Design Capital outlays are \$1.0M below the YTD 2011 Budget plan, because work that was to start in May has been delayed.

Third Party Activity planned for this phase represents work by outside agencies performed in support of the design refinement. Capital outlays of \$0.1M are 19% of the YTD 2011 Budget plan, or \$0.4M below plan.

Right of Way Capital outlays of \$0.2M are 11% of the Annual 2011 Budget, or \$1.3M below plan. Activity for this phase reflects securing rights-of-entry and easements to perform geotechnical explorations and environmental studies to inform the design refinement effort. Property acquisitions will begin if the Board approves accelerating the project in late July.

East Link Capital Outlays by Phase as of June 30, 2011

	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals over/under YTD Budget	YTD Actuals as % of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	9,466	4,629	1,558	3,071	33.7%
Preliminary Engineering	15,138	9,482	6,247	3,235	65.9%
Final Design	7,850	0	0	0	0.0%
Third Party	911	196	157	39	80.1%
ROW Acquisition & Permits	19,228	600	115	485	19.2%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	52,593	14,907	8,077	6,830	54.2%
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Phase					
Agency Administration	63,764	7,815	77	55,872	12.4%
Preliminary Engineering	64,660	46,832	6,624	11,204	82.7%
Final Design	169,400	0	0	169,400	0.0%
Third Party	25,569	795	(20)	24,794	3.0%
ROW Acquisition & Permits	41,157	524	151	40,482	1.6%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	364,550	55,966	6,832	301,752	17.2%

East Link project capital outlays of \$8.1M through the end of Q2 2011 are 54% of the Adopted 2011 YTD budget, or \$6.8.M below plan. The variance is mainly driven by lower Staff costs in the administrative phase and CH2M-Hill contract expenditures in the PE phase.

Agency Administration Staffing cost contributes about \$2.8M to the variance. The Staff Plan for the budget is based on the assumption that by Q2 East Link project would be in the Final Design phase when, in fact, the project is still completing PE and the FEIS. Staffing levels will continue to be below budget throughout 2011 because Final Design is not likely to start until 2012.

Preliminary Engineering The burn rate of the CH2M-HILL contract contributes about \$2.3M to the variance. Consultant work related to Civil Design had \$1.2M positive variance due to the various schedule delays and Environmental expenditures contributed to \$1.0M positive variance. FEIS is completed; no further large Environmental related consulting work is anticipated.

North Corridor Capital Outlays by Phase as of June 30, 2011

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
	a	b	c	b - c	c / b
Current Year 2011					
Phase					
Agency Administration	2,181	695	338	357	48.6%
Preliminary Engineering	7,831	2,596	2,255	341	86.9%
Final Design	-	-	-	-	0.0%
Third Party	96	-	-	-	0.0%
ROW Acquisition & Permits	-	-	-	-	0.0%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	10,108	3,291	2,593	698	78.8%
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Phase					
Agency Administration	13,282	793	5	12,484	5.0%
Preliminary Engineering	42,219	3,886	1,990	36,343	14.0%
Final Design	-	-	-	-	0.0%
Third Party	1,618	-	-	1,618	0.0%
ROW Acquisition & Permits	-	-	-	-	0.0%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	57,119	4,679	1,995	50,445	11.7%

The North Corridor Project Capital outlays of \$2.6M through the end of Q2 2011 are 79% of the Adopted 2011 YTD budget, or \$0.7M below the plan.

Preliminary Engineering The 2011 annual budget had anticipated to begin the Draft Environmental Impact Statement by mid-year and it now appears that the DEIS will not begin until early 2012.

**First Hill Street Car
Capital Outlays by Phase as of June 30, 2011**

	2011 Adopted	YTD	YTD	YTD Actuals	YTD Actuals as %
	Capital Plan	Budget	Actuals	over/under YTD Budget	of YTD Budget
Current Year 2011	a	b	c	b - c	c / b
Phase					
Agency Administration	757	59	35	24	59.3%
Preliminary Engineering	-	-	-	-	0.0%
Final Design	-	-	-	-	0.0%
Third Party	27,089	10,351	2,818	7,533	27.2%
ROW Acquisition & Permits	-	-	-	-	0.0%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	27,846	10,410	2,853	7,557	27.4%
	Adopted Capital Plan	Life-to-Date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Lifetime Capital Plan					
Phase					
Agency Administration	3,867	56	0	3,811	1.4%
Preliminary Engineering	-	-	-	-	0.0%
Final Design	-	-	-	-	0.0%
Third Party	128,913	6,457	122,456	0	100.0%
ROW Acquisition & Permits	-	-	-	-	0.0%
Construction	-	-	-	-	0.0%
Construction Services	-	-	-	-	0.0%
Vehicles	-	-	-	-	0.0%
Test and Start Up	-	-	-	-	0.0%
Contingency	-	-	-	-	0.0%
Total	132,780	6,513	122,456	3,811	97.1%

First Hill Streetcar project capital outlays of \$2.9M through the end of Q2 2011 are 27% of the Adopted 2011 YTD budget, or \$7.6M below plan.

Third Party capital outlays of \$2.8M are 27% of the YTD 2011 Budget, or \$7.5M below plan. The spending is principally scheduled payments to the City of Seattle. The forecasted 2011 expenditure presented by City of Seattle are substantially higher than year to end of July billed rate. Sound Transit anticipates total 2011 year expenses around \$12M while the City of Seattle 2011 forecast states it at \$24.5M.

Section V – Agency Staff and Other Expenses

Agency Staff Operating by Department as of June 30, 2011 Before Expense Transfers and Transfers to Other Governments (\$Thousands)

	Q1 2011	Q2 2011	YTD 2011	YTD 2011	YTD 2011	
	Actuals	Actuals	Actuals	Budget	Budget Remaining	YTD 2011 % Budget
Communications and External Affairs	1,326	1,737	3,063	3,819	756	80.2%
Design, Engineering and Construction Management	4,438	4,638	9,076	10,105	1,029	89.8%
Executive	2,229	2,278	4,507	5,469	962	82.4%
Finance and Information Technology	4,518	4,472	8,990	9,425	435	95.4%
Legal	510	528	1,038	1,352	314	76.8%
Non-Departmental	679	79	758	1,363	605	55.6%
Operations	1,676	1,619	3,295	4,031	736	81.7%
Planning, Environment, and Project Development	1,336	1,212	2,548	3,076	528	82.8%
Total	16,712	16,563	33,275	38,640	5,365	89.2%

Agency Staff and Other Expenses as of June 30, 2011 Before Expense Transfers and Transfers to Other Governments (\$Thousands)

	Q1 2011	Q2 2011	YTD 2011	YTD 2011	YTD 2011	
	Actuals	Actuals	Actuals	Budget	Budget Remaining	YTD 2011 % Budget
Staff Operating Expenses						
Salaries and Benefits	12,093	11,568	23,661	27,364	3,703	86.5%
Services	2,353	2,353	4,706	6,083	1,377	77.4%
Materials and Supplies	253	289	542	740	198	73.2%
Insurance	541	552	1,093	1,167	74	93.7%
Miscellaneous Expenses	208	490	698	1,399	701	49.9%
Leases and Rentals	780	744	1,524	1,510	-14	100.9%
Other Expenses	119	177	296	374	78	79.1%
Staff Operating Expenses	16,347	16,173	32,520	38,637	6,117	84.2%
Agency Admin Allocations	(10,978)	(11,449)	(22,427)	(27,402)	(4,975)	81.8%
Total Staff Operating Expenses	5,369	4,724	10,093	11,235	1,142	89.8%
Other Expenses						
Debt Service Costs	12,724	11,761	24,485	29,258	4,773	83.7%
Non-Capitalizable LOB Expenses	39,726	11,142	50,868	25,157	(25,711)	202.2%
Depreciation & Amortization	506	662	1,168	-	(1,168)	n/a
Total Other Expenses	52,956	23,565	76,521	54,415	(22,106)	140.6%
Grand Total Operating Expenses	58,325	28,289	86,614	64,969	(21,645)	133.3%

Staffing Plan

Staffing Plan by Department as of June 30, 2011

	Staffing Plan	Filled	Open
Agency Administration			
Communications and External Affairs	38.75	37.75	1.00
Design, Engineering, and Construction Management	176.00	158.00	18.00
Executive	80.00	73.00	7.00
Finance and Information Technology	90.25	77.25	13.00
Legal	15.00	12.00	3.00
Operations	57.00	50.00	7.00
Planning, Environmental, and Project Development	42.00	37.00	5.00
Total Staff Operating Expenses	499.00	445.00	54.00
Service Delivery			
IT Transit Systems	11.00	9.00	2.00
OPS Central Link Light Rail	6.00	6.00	0.00
OPS Sounder	5.00	4.00	1.00
OPS ST Express	3.00	3.00	0.00
OPS Tacoma Link Light Rail	18.00	15.00	3.00
Total	43.00	37.00	6.00
ORCA Regional Staff			
ORCA St Regional Services	3.75	3.75	0.00
Total	3.75	3.75	0.00
Total Sound Transit Staff	545.75	485.75	60.00