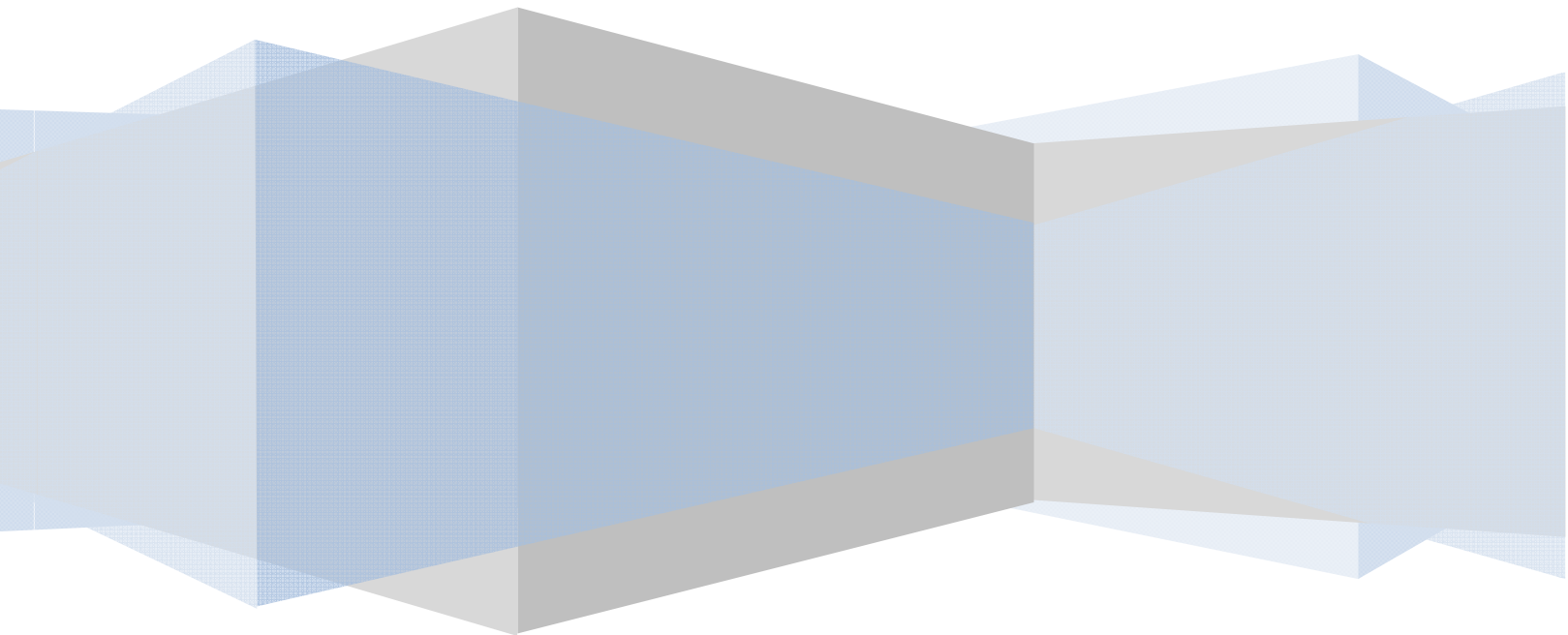




2011 Third Quarter Financial Performance Report



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To: Board of Directors

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

Subject: 2011 Third Quarter Financial Performance Report

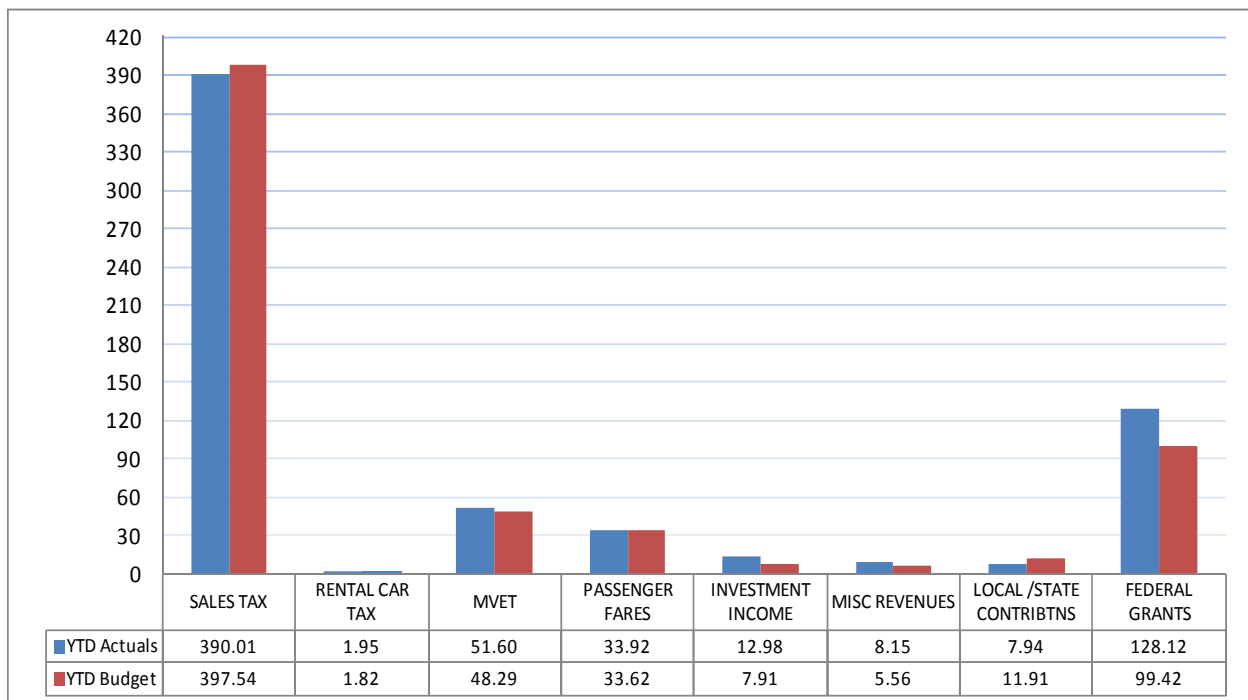
Section I – Executive Summary

This report summarizes Sound Transit’s financial performance for revenues, transit operations, capital outlays and staff operations for the third 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 Year to Date ending September 30, 2011, of \$634.7M, were \$28.6M or 4.7% above budget. This variance is primarily attributable to higher Federal Grant revenues which were \$28.7M or 28.9% above budget. Federal Grants revenues exceeded YTD budget due to U-Link LRT vehicles reaching a key milestone ahead of schedule and the execution of remaining FTA awards for Airport Link construction which were not anticipated for 2011.. Other positive budget variances included Motor Vehicle Excise tax \$3.3M above budget, investment income \$5.1M above budget and miscellaneous revenues which were \$2.6M above budget. Passenger fare revenues were slightly above budget by \$304K or 0.9%. These positive variances were offset by lower Sales Tax revenues which were \$7.5M or 1.9% below budget and lower than budgeted state contributions, down one third or \$4.0M. 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 September 30, 2011
 (\$Millions)



Service Delivery Operating Expenses

Total Service Delivery operating expenses through the 3rd quarter were \$128.5M or 98.4% of YTD budget. As expressed in the graph below, Service Delivery fully allocated operating expenses as a percentage of total expenses were: Central Link 27.7%, Sounder 17.8% ST Express 52.7% and Tacoma Link 1.9%.

Service Delivery as of September 30, 2011 (\$Thousands)

Service Delivery

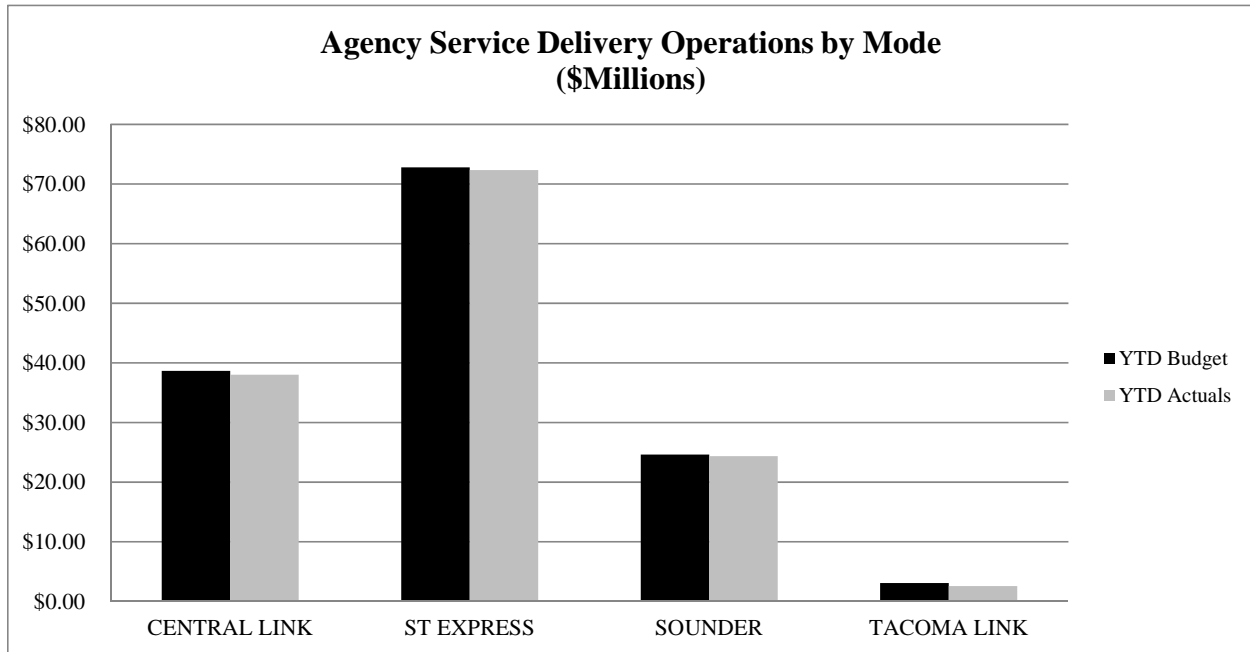
Period Ending: September 30, 2011

* All Totals in Thousands

	Q1 2011	Q2 2011	Q3 2011	YTD 2011	YTD 2011	YTD 2011	YTD 2011
	Actuals	Actuals	Actuals	Actuals	Budget	Budget	% Budget
					Remaining		
Operating Revenues							
Passenger Fares	9,377	11,640	12,908	33,924	33,620	(304)	100.9%
Other Operating Revenue	476	426	483	1,384	792	(592)	174.7%
Total Operating Revenues	\$ 9,853	12,065	13,390	35,308	34,412	(896)	102.6%
Direct Operating Expenses							
Salaries and Benefits	953	1,018	1,073	3,044	3,349	305	90.9%
Services	9,513	8,301	8,837	26,651	28,756	2,105	92.7%
Materials and Supplies	1,852	2,352	1,481	5,685	4,425	(1,260)	128.5%
Insurance	622	616	631	1,869	3,352	1,483	55.8%
Purchased Transportation Svcs	26,499	31,652	28,607	86,758	86,030	(728)	100.8%
Miscellaneous Expenses	9	303	120	433	602	169	71.9%
Leases & Rentals	207	184	187	578	662	83	87.4%
Other Expenses	1,001	1,147	1,354	3,502	3,414	(89)	102.6%
Total Direct Operating Expenses	\$ 40,658	45,572	42,290	128,520	130,589	2,069	98.4%
Agency Admin Allocations	2,735	2,876	3,168	8,779	8,586	(193)	102.2%
Fully Allocated Operating Expenses	\$ 43,392	48,449	45,458	137,299	139,175	1,876	98.7%
Net Subsidy (Fully Allocated Operating Expenses Less Operating							
Depreciation & Amortization	26,212	26,770	27,315	80,297	88,200	7,903	91.0%
Net Subsidy from Operations After Depreciation and Amortization	\$ 59,751	63,153	59,382	182,287	192,963	10,676	94.5%

Agency Service Delivery by Mode

(\$Millions)



	CENTRAL LINK	ST EXPRESS	SOUNDER	TACOMA LINK	Total
YTD Budget	\$36.65	\$72.82	\$24.65	\$3.06	\$139.18
YTD Actuals	\$38.05	\$72.32	\$24.38	\$2.55	\$137.30

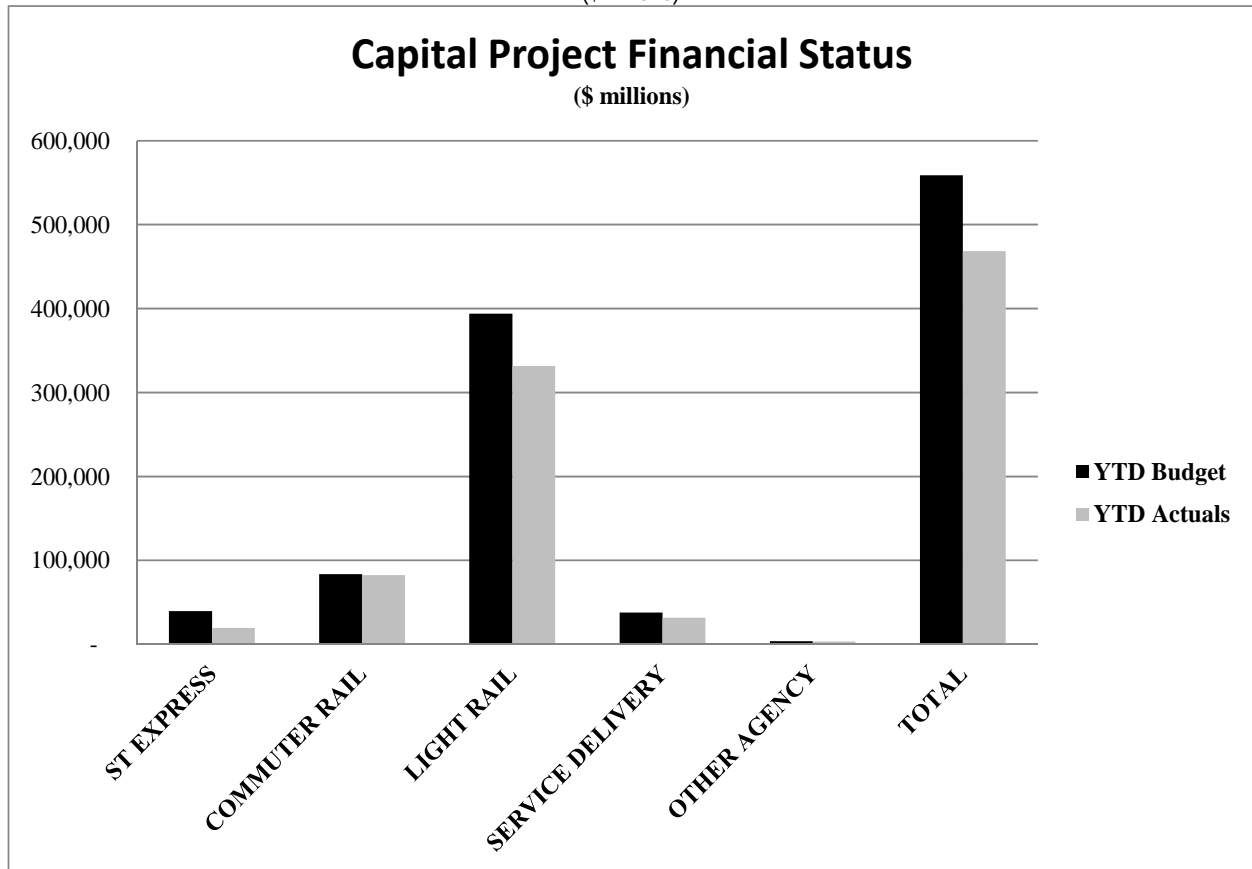
Capital Outlays by Mode

Total Agency capital outlays of \$481.9M were at 89.0% of YTD budget. Capital outlays for Regional Express were 168.9% of the YTD 2011 budget, primarily due a payment made on a third party agreement for the Burien Transit Center Parking Expansion project which had been budgeted to be paid in November. Capital outlays for Sounder were 95.4% of the YTD 2011 budget, primarily due to lower than anticipated spending on the Tukwila Station and Sounder South Expanded Service projects. Light Rail spending is at \$331.5M or 84.1% of budget and has been affected by 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 September 30, 2011
(\$Thousands)

Mode	2011 Budget	YTD Budget	YTD Actuals	YTD Budget Remaining	YTD Percent Budget	Lifetime Budget	LTD Actuals	Contract Remaining	LTD Budget Uncommitted	LTD % Uncommitted
ST EXPRESS	39,658	19,522	32,976	(13,453)	168.9%	779,633	653,758	25,376	100,499	12.9%
COMMUTER RAIL	111,498	86,525	82,522	4,003	95.4%	1,494,101	1,257,915	38,162	198,024	13.3%
LIGHT RAIL	576,301	394,104	331,513	62,591	84.1%	5,559,063	3,366,652	540,809	1,651,602	29.7%
SERVICE DELIVERY*	50,346	37,759	31,660	6,100	83.8%	367,950	198,455	43,216	126,279	34.3%
OTHER AGENCY	4,444	3,730	3,221	509	86.4%	88,768	5,900	774	82,094	92.5%
Total	\$ 782,247	541,640	481,891	59,749	89.0%	8,289,516	5,482,681	648,338	2,158,497	26.0%

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



	ST EXPRESS	COMMUTER RAIL	LIGHT RAIL	SERVICE DELIVERY	OTHER AGENCY	Total
YTD Budget	\$19.5M	\$86.5M	\$394.1M	\$37.8M	\$3.7M	\$541.6M
YTD Actuals	\$33.0M	\$82.5M	\$331.5M	\$31.7M	\$3.2M	\$481.9M

Section II – Agency Revenue

Agency Revenues as of September 30, 2011

(\$Thousands)

	Q1 Actuals	Q2 Actuals	Q3 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	130,722	390,005	397,540	(7,535)	98.1%
RENTAL CAR TAX	387	638	925	1,950	1,825	125	106.8%
MOTOR VEHICLE EXCISE TAX	14,826	17,497	19,275	51,599	48,288	3,311	106.9%
PASSENGER FARE REVENUE	9,377	11,640	12,908	33,924	33,620	304	100.9%
INVESTMENT INCOME	2,145	5,266	5,569	12,979	7,910	5,069	164.1%
MISCELLANEOUS REVENUES	1,382	3,726	3,044	8,152	5,563	2,589	146.5%
OTHER FINANCING							
LOCAL & STATE CONTRIBUTIONS	7,689	134	120	7,943	11,906	(3,963)	66.7%
FEDERAL GRANTS	21,389	43,224	63,511	128,124	99,416	28,708	128.9%
TOTAL SOURCES	179,197	219,405	236,074	634,676	606,068	28,608	104.7%

Retail Sales and Use Tax revenues declined in Q3 with a negative YTD budget variance of \$7.5M or 1.9%, reflecting the continuing effect of a weakened economy. Year-end revenues are forecast to be \$10.8M below budget.

Rental Car Tax revenues exceeded YTD budget by \$125K or 6.8%.

Motor Vehicle Excise revenues were \$3.3M or 6.9% above budget. Year-end revenues are forecast to be \$5.2M above budget.

Passenger Fare Revenues were \$304K or 0.9% above budget due to fare increases in Central Link and ST Express in June and an overall increase in ridership in the third quarter.

Investment Income was \$5.1M or 64.1% above budget at the end of the third 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 \$300K above budget.

Miscellaneous Revenues have exceeded budget by \$2.6M or 46.5% primarily due to the sale of a Lehman Bros claim related to the parity debt service reserve, yielding proceeds of \$1.54M. Other favorable budget variances include 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 \$276K 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 \$4.0M or 33.3% below budget due to the drawdown of WA State Regional Mobility Grant funds in 2010 for bus purchases, which were budgeted in 2011.

Federal Grants revenues exceeded YTD budget by \$28.7M or 28.9% due to U-Link LRT vehicles reaching a key milestone ahead of schedule, the quick turn-around in the payment of U-Link-related invoices and the execution of remaining FTA awards for Airport Link construction (which were not anticipated for 2011).

Section III – Service Delivery

Operations by Program

Sounder Commuter Rail as of September 30, 2011 (\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	Q3 2011 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD 2011 Budget Remaining	YTD 2011 % Budget
Operating Revenues							
Passenger Fares	1,826	2,057	2,224	6,107	5,672	(436)	107.7%
Other Operating Revenue	12	8	27	47	55	(8)	85.1%
Total Operating Revenues	\$ 1,839	2,065	2,251	6,155	5,727	(427)	107.5%
Direct Operating Expenses							
Salaries and Benefits	206	212	206	624	708	84	88.1%
Services	3,265	3,286	3,129	9,680	10,557	878	91.7%
Materials and Supplies	1,423	1,538	975	3,935	3,421	(515)	115.0%
Insurance	181	186	198	565	917	352	61.6%
Purchased Transportation Svcs	1,921	2,142	2,075	6,138	5,416	(721)	113.3%
Miscellaneous Expenses	12	93	39	144	217	72	66.7%
Leases & Rentals	78	28	32	138	282	144	48.9%
Other Expenses	268	342	478	1,088	1,117	29	97.4%
Total Direct Operating Expenses	\$ 7,354	7,827	7,131	22,311	22,634	323	98.6%
Agency Admin Allocations	712	643	714	2,069	2,016	(54)	102.7%
Fully Allocated Operating Expenses	\$ 8,066	8,469	7,845	24,381	24,650	269	98.9%
Net Subsidy (Fully Allocated Operating Expenses Less Operating	\$ 6,227	6,404	5,595	18,226	18,923	697	96.3%
Depreciation & Amortization	4,972	5,591	5,366	15,928	14,701	(1,228)	108.4%
Net Subsidy from Operations After Depreciation and Amortization	\$ 11,199	\$ 11,995	10,960	34,154	33,623	(531)	101.6%

Revenues and Ridership: Passenger revenues were at 108% of YTD budget. Ridership was over budgeted levels by 1% and was above the prior year by 4%. Average fare per boarding was also coming in above budget based on further analysis of ORCA and other fare revenue data.

Services were at 92% of the YTD 2011 budget. The largest individual component of services spending is the vehicle maintenance contract with Amtrak. Discretionary vehicle maintenance projects for overhauls have been pushed back due to procurement issues. Fare vending machine service contracts are also below budgeted levels as more work has been performed in-house.

Materials & Supplies were at 115% of the YTD 2011 budget. Fuel costs were over budget by \$0.7 M. Prices increased sharply during the first quarter of 2011 and have been steady since then. The current actual price to date of \$3.17 is higher than budgeted prices of \$2.55. Additionally, inventory adjustment and equipment purchases related to fare vending machines created a variance of \$0.1M.

Insurance was under the YTD 2011 budget by 38%. Claims experience has been favorable so far during this 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. In addition, maintenance of way costs have been higher than budget to date.

Agency Admin Allocations were at 103% of the YTD 2011 budget. This account includes the staff operating costs allocated from both corporate and line of business departments. Allocated costs to Sounder are higher than budget, offsetting lower than planned costs being allocated to other modes.

ST Express as of September 30, 2011

(\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	Q3 2011 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD 2011 Budget Remaining	YTD 2011 % Budget
Operating Revenues							
Passenger Fares	5,332	6,271	7,061	18,664	17,981	(683)	103.8%
Other Operating Revenue	457	395	396	1,248	689	(559)	181.1%
Total Operating Expenses	5,789	6,666	7,457	19,912	18,670	(1,242)	106.7%
Direct Operating Expenses							
Salaries and Benefits	71	93	91	254	257	3	98.9%
Services	2,209	1,527	1,661	5,397	5,531	133	97.6%
Materials and Supplies	7	51	4	63	99	37	63.0%
Insurance	14	1	8	23	19	(4)	119.9%
Purchased Transportation Svcs	18,541	23,220	20,206	61,967	62,442	475	99.2%
Miscellaneous Expenses	(13)	97	38	122	168	46	72.7%
Leases & Rentals	32	61	61	154	95	(59)	162.2%
Other Expenses	184	252	262	698	689	(9)	101.4%
Total Direct Operating Expenses	\$ 21,045	25,302	22,330	68,678	69,300	622	99.1%
Agency Admin Allocations	1,158	1,120	1,367	3,644	3,520	(125)	103.5%
Fully Allocated Operating Expenses	\$ 22,203	26,422	23,697	72,322	72,820	497	99.3%
Net Subsidy (Fully Allocated Operating Expenses Less Operating	\$ 16,414	19,756	16,240	52,410	54,150	1,740	96.8%
Depreciation & Amortization	5,752	5,694	5,529	16,975	19,693	2,718	86.2%
Net Subsidy from Operations After Depreciation and Amortization	\$ 22,166	25,450	21,769	69,384	73,842	4,458	94.0%

Revenues and Ridership: Passenger Fares were over the YTD 2011 Budget by 4%. Ridership is under budgeted levels by about 1%, although ridership is about 9% ahead of ridership levels from the same period last year. Average fares per boarding are over budget by about 5%.

Services were under YTD budget by \$0.1M, or 2%. The largest variance was \$0.4M related to facilities maintenance at ST Express stations. Maintenance of vehicle expenses were over budget by \$0.2M as extended warranties and manuals related to new bus purchases were expensed, rather than capitalized.

Purchased Transportation Services were at 99% of the YTD 2011 budget. Despite fuel costs being higher than budget, other purchased transportation expenses were lower than budgeted levels as actual rates charged by the ST Express service partners were lower than budgeted levels.

Agency Admin Allocations were at 104% of the YTD 2011 budget. This account includes the staff operating costs allocated from both corporate and line of business departments, as well as project costs transferred into operations.

Tacoma Link Light Rail as of September 30, 2011

(\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	Q3 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	5	13	19	(6)	70.1%
Total Operating Revenues	\$ 6	3	5	14	19	(5)	75.3%
Direct Operating Expenses							
Salaries and Benefits	392	406	437	1,235	1,304	69	94.7%
Services	129	181	146	457	648	191	70.5%
Materials and Supplies	18	36	18	72	172	100	42.1%
Insurance	47	46	45	139	204	65	68.0%
Purchased Transportation Svcs	-	-	-	-	4	4	0.0%
Miscellaneous Expenses	0	2	3	6	18	13	29.9%
Leases & Rentals	5	2	2	8	7	(2)	122.8%
Other Expenses	22	35	52	109	100	(9)	108.7%
Total Direct Operating Expenses	\$ 614	708	704	2,026	2,458	432	82.4%
Agency Admin Allocations	169	171	179	520	598	78	83.3%
Fully Allocated Operating Expenses	\$ 783	879	883	2,546	3,056	510	83.3%
Net Subsidy (Fully Allocated Operating Expenses less Operating	\$ 777	875	878	2,530	3,036	506	83.3%
Depreciation & Amortization	726	726	726	2,179	2,232	53	97.6%
Net Subsidy from Operations After Depreciation and Amortization	\$ 1,503	1,601	1,604	4,709	5,268	560	89.4%

Ridership: YTD Ridership was 9% higher than the same period in 2010, and above the 2011 forecast by 4%. There are no fare revenues on Tacoma Link.

Salaries and Benefits: Salaries and Benefits are under the YTD 2011 budget by \$70k, or 5%. There are three temporarily vacant positions at Tacoma Link.

Services were at 70% of the YTD 2011 budget. Maintenance work on the right of way was lower than budget as discretionary projects were not scheduled during the early part of the year. Security costs are also lower than budgeted levels as deployment has focused more on other modes.

Material and Supplies were under the YTD 2011 budget by 58%. Spare parts purchases have been lower than budgeted levels, although this category is expected to be closer to budget by year end.

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

Agency Admin Allocations were at 83% of the YTD 2011 budget. Agency spending has been under budget overall, resulting in a lower allocation of costs than was budgeted, and other modes were allocated a larger percentage of expenses than was budgeted.

Central Link Light Rail as of September 30, 2011
(\$Thousands)

	Q1 2011 Actuals	Q2 2011 Actuals	Q3 2011 Actuals	YTD 2011 Actuals	YTD 2011 Budget	YTD 2011 Budget Remaining	YTD 2011 % Budget
Operating Revenues							
Passenger Fares	2,219	3,311	3,622	9,152	9,968	816	91.8%
Other Operating Revenue	-	21	56	77	29	(48)	268.6%
Total Operating Expenses	2,219	3,332	3,678	9,229	9,997	768	92.3%
Direct Operating Expenses							
Salaries and Benefits	285	307	339	931	1,079	148	86.3%
Services	3,913	3,305	3,900	11,118	12,020	902	92.5%
Materials and Supplies	403	727	484	1,614	733	(881)	220.1%
Insurance	380	383	380	1,143	2,212	1,069	51.7%
Purchased Transportation Svcs	6,039	6,290	6,326	18,655	18,168	(487)	102.7%
Miscellaneous Expenses	10	111	40	160	199	38	80.8%
Leases & Rentals	93	93	93	278	278	0	100.0%
Other Expenses	528	518	563	1,608	1,508	(100)	106.6%
Total Direct Operating Expenses	\$ 11,650	11,734	12,125	35,508	36,198	690	98.1%
Agency Admin Allocations	665	974	908	2,546	2,452	(94)	103.8%
Fully Allocated Operating Expenses	\$ 12,314	12,707	13,033	38,054	38,650	596	98.5%
Net Subsidy (Fully Allocated Operating Expenses Less Operating	\$ 10,095	9,375	9,355	28,825	28,653	(172)	100.6%
Depreciation & Amortization	14,762	14,758	15,695	45,215	51,575	6,360	87.7%
Net Subsidy from Operations After Depreciation and Amortization	\$ 24,857	24,133	25,049	74,039	80,228	6,189	92.3%

Revenues and Ridership: Fare revenues were at 92% of the YTD 2011 budget. Ridership was at 76% 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 12% higher in 2011 than compared to the same period in 2010, but still below plan. Average fare per boarding has exceeded budgeted estimates as fare increases enacted in June have raised the amount of revenues allocated to Central Link.

Services were under the YTD 2011 budget by 8%, or \$0.9M. fare vending machine contracted services were lower than budget by \$0.4M as more work has been performed in-house. Security costs were lower than budgeted levels by \$0.3M due to unused contingency hours. Finally, miscellaneous services costs were \$0.4M below budget as the Before and After Study of Link performance was determined to be a capital project expense. These savings were offset by higher than planned expenses for ORCA equipment, and for elevator maintenance expenses that had been budgeted to be covered in the service agreement with King County. The maintenance of elevators were transitioned to King County in Q2 2011.

Material and Supplies were \$0.9M, or 220% of the YTD 2011 budget. The primary expenditure was for purchases of equipment for Transit Systems staff, as well as purchases of Fare Vending Machine ticket stock. In addition, purchases of spare parts for LRVs have exceeded budgeted levels due in part to the expansion of the fleet in 2012. There are 27 additional vehicles being maintained in 2011.

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

Other Expenses were at \$0.1M, or 7% over the YTD 2011 budget. Utility expenses were slightly higher than budgeted levels. Seattle City Light provided a catch-up charge at Beacon Hill Station as all previous bills had been estimated bills.

Agency Admin Allocations were at 104% of the YTD 2011 budget. Allocation rules were updated during 2011 to reflect the current level of support from Agency administrative departments.

Service Delivery - Supplemental Information

Systemwide Boardings by Service Type	3rd Quarter			Year to Date			YTD vs. Forecast	
	2010	2011	% Change	2010	2011	% Change	Forecast	% Variance
ST Express Bus	3,178,138	3,495,129	10%	9,342,816	10,207,780	9%	10,289,836	-1%
Sounder Commuter Rail	589,218	658,777	12%	1,794,473	1,859,190	4%	1,845,771	1%
Central Link	2,042,338	2,218,596	9%	5,237,792	5,854,118	12%	7,688,664	-24%
Tacoma Link	217,840	219,850	1%	645,237	701,471	9%	674,354	4%
Total	6,068,193	6,636,761	9%	17,060,976	18,666,968	9%	20,548,625	-9%

Farebox Recovery	Annual Target	Q3 2011 Actuals	YTD 2011 Actuals
Sounder Commuter Rail	24%	29%	25%
ST Express Bus	23%	30%	26%
Central Link	26%	28%	24%

Section IV – Capital Outlays

Souder Commuter Rail

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

Current Year 2011

<u>Phase</u>	<u>2011 Adopted Capital Plan</u>	<u>YTD Budget</u>	<u>YTD Actuals</u>	<u>YTD actuals (over)/under YTD Budget</u>	<u>YTD actuals as % of YTD Budget</u>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b - c]</i>	<i>[c / b]</i>
Agency Administration	5,556	3,718	1,447	2,271	39%
Preliminary Engineering	2,058	1,545	734	811	47%
Final Design	1,374	1,098	1,015	84	92%
Third Party	0	0	222	(222)	0%
ROW Acq. & Permits	44,368	44,284	41,289	2,995	93%
Construction	53,240	35,881	37,815	(1,934)	105%
Construction Management	0	0	2	(2)	0%
Vehicles	0	0	(1)	1	0%
Contingency	4,903	0	0	0	0%
TOTAL	111,498	86,525	82,522	4,003	95%

Lifetime Capital Plan

<u>Phase</u>	<u>Adopted Capital Plan</u>	<u>Life-to-date Outlays</u>	<u>Contract Remaining</u>	<u>Budget Remaining</u>	<u>% Spent & Committed</u>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	64,531	54,002	(20)	10,549	84%
Preliminary Engineering	36,887	27,528	859	8,500	77%
Final Design	47,530	44,554	1,854	1,121	98%
Third Party	0	222	623	(845)	0%
ROW Acq. & Permits	573,101	463,126	183	109,791	81%
Construction	604,194	533,868	33,287	37,039	94%
Construction Management	33	2	1,376	(1,346)	4177%
Vehicles	134,505	134,503	0	1	0%
Contingency	33,321	0	0	33,321	0%
Unabsorbed Overhead	0	108	0	(108)	0%
TOTAL	1,494,101	1,257,915	38,162	198,024	87%

Agency Administration spending was \$2.3M under the YTD budget of \$3.7M. 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 \$811K under the YTD budget of \$1.5M. The Permitting/Environmental Mitigation project was \$265K below budget. The PE costs were lower than budgeted resulting in phase level savings. Souder Yard and Shops Facility was \$349K under spent, work is proceeding more slowly than was originally planned with some tasks delayed until the fourth quarter. Station Access and Demand Study was \$176K under spent, the study's second major outreach effort was delayed from the 3rd quarter into the 4th quarter, so spending has been delayed and should pick up for the 4th quarter.

Final Design spending was \$84K under the YTD budget of \$1.1M. Layover was \$310K under budget due to final design having not been completed; final design is now scheduled to be done by year end 2011. Tukwila Station was

\$192K over spent. This project is being re-designed at a new location resulting in higher engineering costs than had been budgeted in 2011.

Third Party spending was \$222K against a budget of zero for the year. D Street – M Street Track and Signal project agreement with the City of Tacoma was not budgeted as an expense in 2011 but has been paid.

ROW spending was \$3.0M under the YTD budget of \$44.3M. D Street – M Street Track and Signal was \$2.0M over spent. Valuation and final payment for acquisitions has lagged the original schedule pushing into 2011. Acquisitions remain to be completed on three parcels on which we are obtaining property rights. Souder 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 will now be paid in 2012.

Construction spending was \$1.9M over the YTD budget of \$35.9M. Permitting/Environmental Mitigation was \$580K under spent. Construction of the Christofferson Fill pad has been delayed due to an appeal of the shoreline permit. Construction is now scheduled to start second quarter of 2012. Mukilteo Station, South Platform was \$297K under spent. An ongoing lease negotiation with the Air Force has delayed the start of construction. Layover was \$566K under spent, final design work will not be completed until the end of 2011 and construction work will not begin until early 2012. Tukwila Station was \$3.4M under spent. Final design is not yet completed since the station is being moved north of the original location and design efforts continue. Project will be baselined in December of 2011. D Street - M Street Track and Signal was \$6.1M over spent due to the encounter of large quantities of contaminated soil, subsurface obstructions, and unforeseen subsurface conditions during construction provisions for which were not anticipate in the spending plan. M Street – Lakewood Track and Signal was \$808K over spent due to the CTC signaling work not progressing as initially planned in the cash flow.

Construction Management spending was \$2K against a budget of zero for Tukwila Station; budget will be allocated to this phase in the 2012 budget.

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 September 30, 2011 (\$Thousands)

Current Year 2011

<u>Phase</u>	2011 Current Capital Plan	YTD Budget	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[b/a]</i>
Agency Administration	2,214	1,480	471	1,009	32%
Prelim. Engineering	1,881	1,331	488	842	37%
Final Design	1,422	561	950	(389)	169%
Third Party	14,733	0	14,730	(14,730)	0%
ROW Acq. & Permits	1,622	1,514	1,950	(436)	129%
Construction	17,606	14,637	14,386	250	98%
Contingency	180	0	0	0	0%
REX TOTAL	39,658	19,522	32,976	(13,453)	169%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	44,946	36,451	(7)	8,502	81%
Prelim. Engineering	56,568	51,485	287	4,796	92%
Final Design	72,664	49,439	787	22,438	69%
Third Party	14,733	14,730	0	3	0%
ROW Acq. & Permits	53,398	51,168	1,389	841	98%
Construction	484,165	449,091	22,921	12,152	97%
Contingency	53,160	0	0	53,160	0%
Unabsorbed Overhead	0	1,393	0	(1,393)	0%
REX TOTAL	779,633	653,758	25,376	100,499	87%

Agency Administration was \$1.0M under the YTD budget of \$1.5M. 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 \$842K under the YTD budget of \$1.3M. ST Express Bus Base was \$842K under spent. The scope of the ST Express Bus Base project for 2011 was changed during the capital realignment process so that only two tasks in the preliminary engineering/environmental documentation phase were initiated in 2011. The consultant contract was reduced to include only these tasks, reducing the expenditures. The environmental documentation work for the project will occur in 2012.

Final Design was \$389K over the YTD budget of \$561K. I-90 Two-way Transit and HOV Operations, Stage3 was \$364K under budget. WSDOT is expending all the design dollars allocated to this project before invoicing Sound Transit. WSDOT expects to begin invoicing Sound Transit near the end of 1st quarter 2012. This ensures all WSDOT funding available for the project, earmarked for design only, is contributed prior to expending Sound Transit projects funds. Strander Boulevard Extension was \$868K 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.

Third Party was \$14.7M over the YTD budget of \$0, this was a payment made for the Burien Transit Center Parking Expansion project which the 2011 budget forecasted to be paid in November.

ROW was \$436K over the YTD budget of \$1.5M. Rainier Avenue Arterial Improvements was \$950K over budget. The city filed condemnation on a number of parcels that have now been resolved resulting in higher than budgeted expenditures in 2011. ST is a funding partner and our contribution is capped. 85th Corridor, Kirkland was \$358K 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 \$250K under the YTD budget of \$14.6M. Mountlake Terrace Freeway Station was \$236K 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 \$370K 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. Totem Lake Freeway Station was \$211K over spent due to change orders that were higher than estimated in the 2011 budget. Rainier Avenue Arterial Improvements was \$620K under spent due to delays in utility relocation agreements and ROW acquisitions that in turn delayed the completion of final design. City anticipates going to bid in October 2011 and starting construction in mid to late January 2012. Federal Way Transit Center was \$492K under spent; this project has been in service for several years but remains open due to pending litigation. I-90 Two-way Transit & HOV Operations, Stage 2 was \$636K over budget. Construction spending is occurring at a faster rate than predicted. Project is still within the task order budget.

Link Light Rail

Capital Outlays by Project as of September 30, 2011

(\$\$\$)

Current Year 2011

<u>Project</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
North Link - UW Station to Northgate	84,636,568	43,288,328	19,902,894	23,385,434	46%
University Link - PSST to UW Sta	303,716,000	229,263,395	232,591,610	(3,328,215)	101%
Initial Segment - CPS to 154th St	80,146,724	53,980,651	52,051,058	1,929,593	96%
Central Link Switch Heaters	239,028	40,000	37,488	2,512	94%
DSTT South Access Security	720,000	700,000	357,655	342,345	51%
Initial Segment Project Reserve	-	-	-	-	0%
Airport Link - 154th St to 176th St	2,741,760	1,384,439	536,322	848,117	39%
South Link - Airport to 200th St	11,839,175	5,831,416	4,890,158	941,259	84%
North Corridor	10,108,419	5,548,652	3,200,954	2,347,698	58%
South Corridor HCT S 200th-S 272nd	435,880	326,910	52,486	274,424	16%
South Corridor Transit Plan	-	-	959	(959)	0%
East Link	52,593,084	35,965,865	10,873,098	25,092,767	30%
First Hill Street Car	27,846,200	17,005,150	6,673,627	10,331,523	39%
Tacoma Link Alternative Analysis	932,300	519,000	134,313	384,687	26%
Link Light Rail Maintenance & Storage	306,841	250,000	209,912	40,088	84%
LRT Overhead Reserve	-	-	-	-	0%
TOTAL	576,261,978	394,103,806	331,512,534	62,591,272	84%

Lifetime Capital Plan

<u>Project</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
North Link - UW Station to Northgate	345,500,000	84,673,847	53,055,589	207,770,564	40%
University Link - PSST to UW Sta	1,756,007,000	758,867,201	345,660,563	651,479,235	63%
Initial Segment - CPS to 154th St	2,102,200,000	2,084,361,634	7,556,741	10,281,625	100%
Central Link Switch Heaters	2,452,530	2,252,485	-	200,045	92%
DSTT South Access Security	1,000,000	496,381	165,298	338,321	66%
DSTT Capital Costs	23,719,395	23,719,395	-	-	100%
Initial Segment Project Reserve	58,495,270	-	-	58,495,270	0%
Airport Link - 154th St to 176th St	269,100,000	255,906,199	3,803,727	9,390,074	97%
South Link - Airport to 200th St	383,241,000	17,761,891	4,859,730	360,619,379	6%
Tacoma Link	77,097,444	77,097,444	8,332	(8,332)	100%
Puyallup Extension Study	-	34,569	-	(34,569)	0%
North Corridor	57,118,687	5,287,060	1,601,599	50,230,027	12%
South Corridor HCT S 200th-S 272nd	2,504,244	68,639	757	2,434,848	3%
South Corridor Transit Plan	-	959	-	(959)	0%
East Link	364,549,989	58,762,085	5,447,848	300,340,056	18%
First Hill Street Car	132,780,000	10,333,604	118,641,912	3,804,485	97%
Tacoma Link Alternative Analysis	1,642,286	138,624	8,883	1,494,780	9%
Link Light Rail Maintenance & Storage	338,372	241,443	-	96,929	71%
LRT Overhead Reserve	-	5,333,608	-	(5,333,608)	0%
TOTAL	5,577,746,218	3,385,337,069	540,810,979	1,651,598,169	70%

Light rail capital outlays through the third quarter of 2011 are 93% of the YTD 2011 Budget plan. A description of financial performance through September 2011 follows.

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

Current Year 2011

Phase	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	4,991,773	3,541,700	2,200,926	1,340,774	62%
Preliminary Engineering	50,000	50,000	31,723	18,277	63%
Final Design	15,632,815	10,390,000	14,878,187	(4,488,187)	143%
Third Party	739,000	469,000	95,000	374,000	20%
ROW Acq. & Permits	63,222,980	28,837,628	2,528,493	26,309,135	9%
Construction	-	-	168,566	(168,566)	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	84,636,568	43,288,328	19,902,894	23,385,434	46%

Lifetime Capital Plan

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	49,460,575	5,580,187	10,603	43,869,785	11%
Preliminary Engineering	15,251,399	15,063,814	13,556	174,029	99%
Final Design	85,941,019	22,419,604	51,953,759	11,567,657	87%
Third Party	20,994,295	1,288,558	430,530	19,275,207	8%
ROW Acq. & Permits	164,820,100	32,799,467	542,107	131,478,527	20%
Construction	8,732,612	7,522,218	105,034	1,105,359	87%
Construction Services	300,000	-	-	300,000	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	345,500,000	84,673,847	53,055,589	207,770,564	40%

North Link – UW Station to Northgate project capital outlays of \$19.9M through September 2011 are 46% of the YTD 2011 Budget plan, or \$23.4M below plan. Outlays at year-end 2011 are projected to be \$72.4M, or \$12.3M below the 2011 Budget plan.

Agency Administration Capital outlays of \$2.2M are 62% of the YTD 2011 Budget plan, or \$1.3M below plan, primarily because staffing levels are trending below the staffing plan. Staff activities in the third quarter of 2011 include final design coordination and development of an agreement with the City of Seattle. Outlays to this phase at year-end 2011 are projected to be \$3.0M, or \$2.0M below the 2011 Budget plan.

Preliminary Engineering is complete. Continuing activity in this phase is for environmental mitigation. Capital outlays of \$32K are 63% of the YTD 2011 Budget plan, or \$18K below plan.

Final Design Capital outlays of \$14.9M are 143% of the YTD 2011 Budget plan, or \$4.5M ahead of plan. Outlays to this phase at year-end 2011 are projected to be \$20.0M, or \$4.4M ahead of the 2011 Budget plan. High current-year expenditures reflect the ongoing accelerated effort to offset final design work 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. Capital outlays of \$0.1M are 20% of the YTD 2011 Budget plan, or \$0.4M below plan. Third Party coordination has required a lower level of involvement this calendar year than initially projected.

Right of Way Capital outlays of \$2.5M are 9% of the YTD 2011 Budget plan, or \$26.3M below plan. Outlays to this phase at year-end are projected to be \$49.0M, or \$14.2M below the 2011 Budget plan. Activities through September reflect administrative and relocation efforts related to acquisition of properties around the Roosevelt and Brooklyn station locations. Current-year expenditures are below plan due to delays in acquisition of several high value properties for Brooklyn Station: however, ST has reached an agreement to lease two properties for the duration of construction, and one closing is set for January 2012. Acquisitions for Roosevelt Station are on plan.

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. As a result the 2011 Budget did not include funding for construction. Current year outlays related to contract close-out are covered by funds remaining in the lifetime capital plan for this phase, leaving a balance of approximately \$1.0M 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 Activity planned for this phase is to support storage track expansion at the OMF and construction close-out. Since work completed in 2010, there are no expenditures in 2011, leaving a balance approximately \$300K should be available to reallocate to tunneling and station construction.

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

Current Year 2011

<u>Phase</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	13,540,052	10,262,679	8,461,053	1,801,626	82%
Preliminary Engineering	-	-	-	-	0%
Final Design	8,952,001	6,480,303	4,526,244	1,954,059	70%
Third Party	2,435,120	1,472,108	378,952	1,093,156	26%
ROW Acq. & Permits	576,335	432,252	1,194,599	(762,347)	276%
Construction	217,853,730	170,728,314	171,957,067	(1,228,753)	101%
Construction Services	16,604,000	11,966,500	9,540,120	2,426,380	80%
Vehicles	43,754,762	27,921,239	36,533,575	(8,612,336)	131%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	303,716,000	229,263,395	232,591,610	(3,328,215)	101%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	115,229,000	31,019,971	387,273	83,821,756	27%
Preliminary Engineering	24,348,636	24,260,936	5,499	82,201	100%
Final Design	87,633,364	66,986,648	10,086,620	10,560,096	88%
Third Party	18,646,000	9,879,546	1,290,597	7,475,857	60%
ROW Acq. & Permits	152,332,000	124,814,035	821,438	26,696,527	82%
Construction	1,148,783,000	381,550,469	280,693,254	486,539,278	58%
Construction Services	95,726,000	28,226,692	45,927,004	21,572,304	77%
Vehicles	103,909,000	92,128,905	6,448,878	5,331,216	95%
Test and Startup	9,400,000	-	-	9,400,000	0%
Contingency	-	-	-	-	0%
TOTAL	1,756,007,000	758,867,201	345,660,563	651,479,235	63%

University Link project capital outlays of \$232.6M through September 2011 are 101% of the YTD 2011 Budget plan, or \$3.3M ahead of plan. Outlays at year-end 2011 are projected to be \$303.0M or \$0.8M below 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 \$4.5M are 70% of the YTD 2011 Budget plan, or \$2.0M below plan. Of this amount, \$1.9M is unallocated contingency.

Third Party Activity planned for this phase represents work by outside agencies to support final design and construction. Capital outlays of \$0.4M are 26% the YTD 2011 Budget plan, or \$1.1M 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.

Construction outlays of \$172.0M are 101% of the YTD 2011 Budget plan, or \$1.2M ahead of plan. Variances to plan through September predominantly reflect progress of the TBMs since they were launched in May and June 2011: U215 I-5 Undercrossing is \$0.7M over plan, because costs were projected for 2010; U220 UW Station and Tunnels is \$1.7M below plan; U230 Capitol Hill Station and Tunnels is \$2.5M ahead of plan; and U250 UW Station Finishes is \$0.2M ahead of plan.

Construction Services includes construction management and construction support services. Capital outlays of \$9.5M are 80% of the YTD 2011 Budget plan, or \$2.4M below plan, mainly in inspection and testing support.

Vehicles The current payment plan for this contract is tied to specific deliverables for the University Link project. Capital outlays of \$36.5M are 131% of the YTD 2011 Budget plan, or \$8.6M ahead of plan, due to high productivity in vehicle assembly and delivery. All 27 LRVs were delivered to the OMF by August, and as of September all LRVs were Conditionally Accepted.

Initial Segment – CPS to 154th

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

Current Year 2011

<u>Phase</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	698,415	541,500	1,129,551	(588,051)	209%
Preliminary Engineering	-	-	-	-	0%
Final Design	-	-	109,724	(109,724)	0%
Third Party	100,000	-	20,128	(20,128)	0%
ROW Acq. & Permits	484,494	399,151	(209,256)	608,408	-52%
Construction	77,860,102	52,675,000	50,439,378	2,235,622	96%
Construction Services	565,252	365,000	471,794	(106,794)	129%
Vehicles	-	-	89,790	(89,790)	0%
Test and Startup	438,461	-	(51)	51	0%
Contingency	-	-	-	-	0%
TOTAL	80,146,724	53,980,651	52,051,058	1,929,593	96%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	184,333,000	184,989,581	298,282	(954,864)	101%
Preliminary Engineering	33,275,464	33,268,338	716	6,409	100%
Final Design	144,141,949	143,862,355	37,023	242,571	100%
Third Party	61,408,870	61,061,799	622,113	(275,043)	100%
ROW Acq. & Permits	206,729,339	205,169,153	(716,351)	2,276,536	99%
Construction	1,218,532,603	1,205,995,888	3,415,445	9,121,271	99%
Construction Services	104,911,775	102,460,315	3,024,658	(573,198)	101%
Vehicles	131,803,000	130,928,881	870,115	4,004	100%
Test and Startup	17,064,000	16,625,322	4,739	433,939	97%
Contingency	-	-	-	-	0%
TOTAL	2,102,200,000	2,084,361,634	7,556,741	10,281,625	100%

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.

In July 2011, the lifetime project budget was amended to \$2,102.1M, and the 2011 Annual Budget amended to \$80.1M, by resolution of the ST Board (R2011-09) to reflect the transfer of \$32.2M from the Initial Segment Project Reserve to provide additional funding needed to settle the Rainier Valley construction claim with RCI-Herzog.

Initial Segment project capital outlays of \$52.1M through September 2011 are 96% of the YTD 2011 Budget plan, or \$1.9M below plan. Outlays at year-end 2011 are projected to be \$62.3M, or \$17.9M below plan.

Agency Administration Capital outlays of \$1.1M are \$0.6M 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 September, costs for this phase exceed the lifetime capital plan by \$0.7M, which is 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 noise mitigation reviews and contract close out. Capital outlays of \$20K 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 \$-0.2M are -52% of the YTD 2011 Budget plan, or \$0.6M below plan. Negative outlays in the third quarter of 2011 reflect an accrual for temporary easements at the Beacon Hill Tunnels site that was adjusted to actual cost in June.

Construction Current year activity planned for this phase includes emergency noise mitigation along the alignment, construction close out work in the Beacon Hill / Mt. Baker Station area, and resolution of claims and close out of the Rainier Valley contract.

In July 2011, the 2011 Annual Budget plan for this phase was increased by \$32.2M to \$80.1M to provide additional funding needed to cover the \$48.9M payment to RCI-Herzog to settle the C735 Rainier Valley construction claim.

Capital outlays of \$50.4M are 96% of the YTD 2011 Budget plan, or \$2.2M below plan, which includes the payment to RCI-Herzog in August 2011. Annual 2011 outlays for this phase are projected to be \$57.6M, or \$20.7M below plan at year-end. Of this amount, \$16-17M reflects unallocated contingency set aside in the lifetime capital plan and 2011 Budget for potential settlement of the C710 Beacon Hill Tunnels construction claim in 2011. Although the payment to Obayashi was made in January 2011, it was accrued as a 2010 expenditure before year-end final close. Another \$2-3M will fund expenditures that are projected to exceed the 2011 Budget plan in other phases.

Construction Services Current year activity planned for this phase is to support follow-on construction and noise mitigation. Capital outlays of \$0.5M exceed the YTD 2011 Budget plan by \$0.1M. 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 \$0.1M 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, all current-year outlays covered by unexpended funds remaining in the lifetime capital plan for this phase.

Testing and Start-Up Testing and start-up work is complete, but funds remaining in the lifetime capital plan were set aside in the 2011 Budget for contract close out. 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 capital outlays of \$37K through September 2011 are 94% of the YTD 2011 Budget plan, or \$3K below plan.

This project completed in June 2011, below budget. Final Acceptance was delayed due to defective equipment that had to be replaced by the manufacturer, and is now expected in November 2011.

DSTT South Access Security project capital outlays of \$0.4M through September 2011 are 51% of the YTD 2011 Budget plan, or \$0.3M below plan. Outlays at year-end 2011 are projected to be \$0.6M, or \$0.1M below plan.

Agency Administration includes: Staff costs and direct charges. Capital outlays of \$79K are 63% of the YTD 2011 Budget plan, or \$46K below plan. Staff activity in the third quarter of 2011 is for construction coordination, and procurement negotiation for work requested by the Seattle Department of Transportation (SDOT) and King County Metro (KCM).

Construction Activity planned for this phase represents the construction contracts to procure and install the access security improvements. Capital outlays of \$0.3M are 49% of the YTD 2011 Budget plan, or \$0.3M below plan. Fabrication of the pop-up barrier component of the access improvements is completed. SDOT and KCM have identified the need for additional security measures, including tire shredders and new bollards in the crosswalk. The current-adopted project budget contains adequate surplus to fund this work. However, the Proposed 2012 TIP reduces the project budget to \$0.8M.

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

Current Year 2011

<u>Phase</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	424,760	279,945	(90,810)	370,755	-32%
Preliminary Engineering	-	-	-	-	0%
Final Design	50,000	37,494	31,175	6,319	83%
Third Party	50,000	-	5,309	(5,309)	0%
ROW Acq. & Permits	-	-	43,078	(43,078)	0%
Construction	2,017,000	932,000	402,415	529,585	43%
Construction Services	200,000	135,000	132,127	2,873	98%
Vehicles	-	-	13,140	(13,140)	0%
Test and Startup	-	-	(112)	112	0%
Contingency	-	-	-	-	0%
TOTAL	2,741,760	1,384,439	536,322	848,117	39%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	11,859,150	9,806,927	8,563	2,043,660	83%
Preliminary Engineering	3,690,627	3,666,039	50	24,538	99%
Final Design	15,923,643	15,693,978	99,833	129,833	99%
Third Party	1,386,520	1,336,089	117,646	(67,215)	105%
ROW Acq. & Permits	12,512,658	12,001,028	26,165	485,464	96%
Construction	192,600,953	183,734,053	2,386,634	6,480,266	97%
Construction Services	15,539,402	14,840,292	535,521	163,588	99%
Vehicles	14,587,047	13,910,902	628,921	47,224	100%
Test and Startup	1,000,000	916,892	393	82,715	92%
Contingency	-	-	-	-	0%
TOTAL	269,100,000	255,906,199	3,803,727	9,390,074	97%

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 \$0.5M through September 2011 are 39% of the YTD 2011 Budget plan, or \$0.8M below plan. The project is expected to complete in 2011. The Proposed 2012 TIP reduces the lifetime project budget by \$6.0M to \$263.1M to reflect project savings. Additional savings may be realized at project final close.

Final Design phase activity represents design services provided in support of construction. Capital outlays of \$31K are 83% of the YTD 2011 Budget plan, or \$6K below plan.

Third Party Capital outlays are \$5K 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 Capital outlays of \$43K exceed the Annual 2011 Budget. Current year activity for this phase relates to reconciliation of easement areas to reflect as-built conditions.

Construction Activity planned for this phase reflects close out work required for final acceptance of the project. Capital outlays of \$0.4M are 43% of the YTD 2011 Budget plan, or \$0.5M below plan. Activity in the third 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 \$0.1M are 98% of the YTD 2011 Budget 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 September 30, 2011
 (\$\$\$)

Current Year 2011

<u>Phase</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	1,770,270	1,078,958	1,028,391	50,567	95%
Preliminary Engineering	3,129,626	3,129,626	3,109,744	19,882	99%
Final Design	1,932,500	579,750	300,000	279,750	52%
Third Party	829,600	85,001	135,625	(50,624)	160%
ROW Acq. & Permits	4,177,179	958,081	316,397	641,683	33%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	11,839,175	5,831,416	4,890,158	941,259	84%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	16,064,000	1,736,350	(6,199)	14,333,849	11%
Preliminary Engineering	5,878,000	5,689,113	6,107	182,780	97%
Final Design	20,005,000	673,368	3,213,180	16,118,452	19%
Third Party	6,885,000	614,716	289,669	5,980,615	13%
ROW Acq. & Permits	43,549,000	9,048,344	1,356,973	33,143,683	24%
Construction	273,936,000	-	-	273,936,000	0%
Construction Services	15,135,000	-	-	15,135,000	0%
Vehicles	-	-	-	-	0%
Test and Startup	1,789,000	-	-	1,789,000	0%
Contingency	-	-	-	-	0%
TOTAL	383,241,000	17,761,891	4,859,730	360,619,379	6%

South Link – Airport to 200th project In July 2011, the South Link – Airport to 200th lifetime project budget was amended to \$383.2M, and the 2011 Annual Budget amended to \$11.8M, by resolution of the ST Board (R2011-05) to baseline the project budget to complete on an accelerated schedule in 2016.

South Link – Airport to 200th capital outlays of \$4.9M through September 2011 are 84% of the amended YTD 2011 Budget plan, or \$0.9M below plan. Outlays at year-end 2011 are projected to be \$11.2M, or \$0.6M below plan.

Agency Administration Capital outlays of \$1.0M are 95% of the YTD 2011 Budget plan, or \$50K below plan. Staff costs are \$50K ahead of plan, which are offset by direct charges \$100K below plan. Staff activity in the third quarter of 2011 is for final design coordination, and preparation of the design-build procurement package.

Preliminary Engineering is complete. Capital outlays of \$3.1M are 99% of the YTD 2011 Budget plan.

Final Design started in August 2011. Capital outlays of \$0.3M are 52% of the YTD 2011 Budget plan, or \$0.3M below plan.

Third Party Activity planned for this phase represents work by outside agencies performed in support of design and construction. Capital outlays of \$0.1M are 160% of the YTD 2011 Budget plan. Work during the third quarter of 2011 reflects development of draft term sheets with the Port of Seattle and City of SeaTac.

Right of Way Capital outlays of \$0.3M are 33% of the YTD 2011 Budget plan, or \$0.6M below plan. In July, the ST Board authorized acquisition of property required for the project. Activity during the third quarter primarily reflects preparation of appraisals.

East Link
Capital Outlays by Phase as of September 30, 2011
(\$\$\$)

Current Year 2011

Phase	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	9,466,351	7,014,145	2,330,112	4,684,032	33%
Preliminary Engineering	15,138,162	12,750,720	8,086,814	4,663,906	63%
Final Design	7,850,000	-	-	-	0%
Third Party	910,776	301,000	244,815	56,185	81%
ROW Acq. & Permits	19,227,795	15,900,000	211,356	15,688,644	1%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	52,593,084	35,965,865	10,873,098	25,092,767	30%

Lifetime Capital Plan

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	63,763,894	8,587,468	25,831	55,150,595	14%
Preliminary Engineering	64,660,343	48,671,831	5,089,273	10,899,239	83%
Final Design	169,400,000	-	-	169,400,000	0%
Third Party	25,568,672	882,272	222,859	24,463,541	4%
ROW Acq. & Permits	41,157,080	620,513	109,885	40,426,681	2%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	364,549,989	58,762,085	5,447,848	300,340,056	18%

East Link project capital outlays of \$10.9M through the end of Q3 2011 are 30% of the Adopted 2011 YTD budget, or \$25.1M below plan. The variance is mainly driven by lower Staff costs in the administrative phase, CH2M-Hill contract expenditures in the PE phase and delayed purchase of right of way.

Agency Administration Capital outlays of \$2.3M are 33% of the YTD 2011 Budget plan, or \$4.7M below plan Staffing cost contributes about \$4.2M 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 Capital outlays of \$8.1M are 63% of the YTD 2011 Budget plan, or \$4.7M below plan The burn rate of the CH2M-HILL contract contributes about \$3.5M to the variance. Consultant work related to Civil Design had \$2.0M positive variance due to the various schedule delays and Environmental expenditures contributed to \$1.1M positive variance. FEIS is completed; no further large Environmental related consulting work is anticipated.

ROW Acq. & Permits Capital outlays of \$0.2M are less than 1% of the YTD 2011 Budget plan. \$15.7 M of the variance is a result of delays in the project preventing the moving forward of ROW Acquisitions. It is anticipated that ROW acquisitions will begin in Q4 of 2011.

North Corridor
Capital Outlays by Phase as of September 30, 2011
 (\$\$\$)

Current Year 2011

<u>Phase</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	2,180,991	1,232,800	535,007	697,793	43%
Preliminary Engineering	7,831,135	4,315,851	2,659,047	1,656,804	62%
Final Design	-	-	-	-	0%
Third Party	96,293	-	-	-	0%
ROW Acq. & Permits	-	-	6,900	(6,900)	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	10,108,419	5,548,652	3,200,954	2,347,698	58%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	13,281,676	990,203	15,849	12,275,623	8%
Preliminary Engineering	42,219,303	4,289,957	1,585,750	36,343,596	14%
Final Design	-	-	-	-	0%
Third Party	1,617,709	-	-	1,617,709	0%
ROW Acq. & Permits	-	6,900	-	(6,900)	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	57,118,687	5,287,060	1,601,599	50,230,027	12%

The North Corridor Project Capital outlays of \$3.2M through the end of Q3 2011 are 58% of the Adopted 2011 YTD budget, or \$2.3M below the plan.

Preliminary Engineering Capital outlays of \$2.7M are 62% of the YTD 2011 Budget plan, or \$1.7M below plan primarily due to unallocated contingency – Phase 2 of NCTP contract that will start in Q1 2012..

First Hill Street Car
 Capital Outlays by Phase as of June 30, 2011
 (\$\$\$)

Current Year 2011

<u>Phase</u>	2011 Adopted Capital Plan	YTD Budget	YTD Actuals	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	757,200	120,150	42,489	77,661	35%
Preliminary Engineering	-	-	-	-	0%
Final Design	-	-	-	-	0%
Third Party	27,089,000	16,885,000	6,631,138	10,253,862	39%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	27,846,200	17,005,150	6,673,627	10,331,523	39%

Lifetime Capital Plan

<u>Phase</u>	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	3,867,379	63,259	(365)	3,804,485	2%
Preliminary Engineering	-	-	-	-	0%
Final Design	-	-	-	-	0%
Third Party	128,912,621	10,270,345	118,642,277	0	100%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Construction Services	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	132,780,000	10,333,604	118,641,912	3,804,485	97%

First Hill Streetcar project capital outlays of \$6.7M through the end of Q3 2011 are 39% of the Adopted 2011 YTD budget, or \$10.3M below plan.

Third Party capital outlays of 6.6M are 39% of the YTD 2011 Budget, or \$10.3M 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 September billed rate. Sound Transit anticipates total 2011 year expenses around \$7.0M 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 September 30, 2011

Before Expense Transfers and Transfers to Other Governments

(\$Thousands)

	Q1 2011	Q2 2011	Q3 2011	YTD 2011	YTD 2011	YTD 2011	YTD 2011
	Actuals	Actuals	Actuals	Actuals	Budget	Budget Remaining	% Budget
COMMUNICATIONS & EXT AFFAIRS	1,180	1,597	1,383	4,160	5,230	1,070	79.5%
DESIGN, ENG & CONST MGMT	4,438	4,638	4,839	13,915	15,811	1,896	88.0%
EXECUTIVE	2,375	2,418	2,692	7,485	8,990	1,505	83.3%
FINANCE & INFO TECHNOLOGY	4,518	4,472	4,791	13,781	14,192	411	97.1%
LEGAL	510	528	576	1,614	2,048	434	78.8%
NON-DEPARTMENTAL	679	79	1,075	1,833	2,045	212	89.7%
OPERATIONS	1,676	1,619	1,799	5,094	6,065	971	84.0%
PLANNING, ENV & PROJECT DEV	1,336	1,212	1,310	3,858	4,632	774	83.3%
Total	\$ 16,712	16,563	18,465	51,740	59,013	2,028	87.7%

Agency Staff and Other Expenses as of September 30, 2011

Before Expense Transfers and Transfers to Other Governments

(\$Thousands)

	Q1 2011	Q2 2011	Q3 2011	YTD 2011	2011 YTD	2011 YTD	2011 YTD
	Actuals	Actuals	Actuals	Actuals	Budget	Budget Remaining	% Spent
Staff Operating Expenses							
Salaries and Benefits	12,093	11,568	12,969	36,630	41,869	5,239	87.5%
Services	2,353	2,083	2,665	7,101	9,248	2,147	76.8%
Materials and Supplies	253	289	247	789	1,103	314	71.5%
Insurance	401	552	553	1,506	1,751	245	86.0%
Miscellaneous Expenses	208	490	485	1,183	2,213	1,030	53.4%
Leases & Rentals	780	744	789	2,313	2,264	(49)	102.1%
Other Expenses	119	177	147	443	563	120	78.7%
Depreciation & Amortization	506	662	612	1,780	-	(1,780)	n/a
Interest Expense	-	-	-	0	4	4	0.0%
Staff Operating Expenses	\$ 16,712	16,565	18,467	51,742	59,014	7,272	87.7%
Agency Admin Allocations	(10,978)	(11,449)	(11,780)	(34,207)	(41,102)	(30,124)	83.2%
Total Staff Operating Expenses	\$ 5,734	5,116	6,687	17,535	17,912	12,178	97.9%
Other Expenses							
Debt Service Costs	12,724	11,761	10,995	35,480	44,925	9,445	79.0%
Non-Capitalizable LOB Expenses	39,726	11,142	21,154	72,022	37,736	(34,286)	190.9%
Regional Fund Projects	147	(32)	139	254	925	671	27.5%
STart	3	27	12	42	31	(11)	137%
Transit-Oriented Development	55	62	(10)	107	130	23	82%
Total Other Expenses	\$ 52,656	22,961	32,291	107,908	83,747	(24,159)	129%
Grand Total Operating Expenses	\$ 58,390	28,077	38,978	125,445	101,659	43,269	57%

Staffing Plan

Staffing Plan by Department as of September 30, 2011

	Staffing	Filled	Open
AGENCY ADMINISTRATION			
COMMUNICATIONS & EXT AFFAIRS	32.75	32.75	0.00
DESIGN, ENG & CONST MGMT	185.00	166.00	19.00
EXECUTIVE	86.00	79.00	7.00
FINANCE & INFO TECHNOLOGY	90.25	80.25	10.00
LEGAL	15.00	12.00	3.00
OPERATIONS	57.00	54.00	3.00
PLANNING, ENV & PROJECT DEV	42.00	39.00	3.00
Total	508.00	463.00	45.00
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 LIGHT RAIL	18.00	16.00	2.00
Total	43.00	38.00	5.00
ORCA Regional Staff			
ORCA ST REGIONAL SERVICES	3.75	3.75	0.00
Total	3.75	3.75	0.00
Total Sound Transit	554.75	504.75	50.00