

Adopted
2012
Budget

SOUNDTRANSIT



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January 2012

To: Sound Transit Board of Directors
From: Joni Earl, Chief Executive Officer
SUBJECT: Adopted 2012 Budget

The story of Sound Transit, where we are and where we're going, is told through the pages of the Adopted 2012 Budget and accompanying multi-year Transit Improvement Plan.

Even though the national recession continues to hit us hard, Sound Transit's capital construction program remains one of the largest and most ambitious in the U.S. In 2012, that means moving ahead with light rail extensions north, south and east as well as providing quality day-to-day service on our trains and buses. We expect to safely and efficiently carry more than 25 million passengers in 2012 and we'll continue adding service when we finish the D-to-M Streets project in Tacoma and start running Sounder trains to South Tacoma and Lakewood in October.

Designing, building, and operating a multi-modal transit system requires skilled employees and I'm proud of the quality work that we do. While we're working hard to hold down costs and manage with lower revenues, the 2012 budget does include 30.75 new positions. The majority of those positions are needed as we continue expanding out in every corridor direction with light rail design, engineering, or construction.

The 2012 Budget is \$1.1 billion and includes \$200 million for delivering our train and bus service, \$762 million for capital projects, and \$131 million for agency administration.

I look at 2012 as the year when the ST2 program really takes off. And as we move forward, our focus is always on the customer. To keep that focus sharp, our priorities include building and maintaining ridership and making sure that when riders step onto our trains and buses, we get them where they need to go in a dependable, safe way. Our riders are our greatest asset and we want them to keep coming back.

We also want to build upon the 10 percent ridership growth we saw in 2011 by continuing to add customers. To generate ridership, we are reaching out with grassroots-level customer information; we're making sure that our vehicles and facilities are clean and safe to use; we're providing security officers who are customer friendly; and, along with our city partners, we're focusing on transit-oriented development that puts potential riders closer to transit stations.

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CHIEF EXECUTIVE OFFICER
Joni Earl

Like other transit agencies across the region, our priorities include managing with reduced revenues. For us, that means cutting discretionary spending and investing more in our in-house development to ensure our staff is well prepared for the challenges they face each day. We are also dedicating resources to make sure our systems and assets are kept in good repair. We are using well-tested, continuous improvement methods to streamline our business processes, and we're making sure we're doing the work we need to do, not just what's comfortable and routine. We are also implementing our Sustainability Strategic Plan that looks to save both money and the environment. In response to fiscal realities, we are strongly encouraging our employees to participate in a Health Wellness program that will help contain our long-term medical benefit costs.

2010/2011 Program Realignment Plan

In late 2010, because of the recession, we launched a plan to see us through the loss of nearly \$4 billion in revenues through the 15-year Sound Transit 2 plan horizon. The program realignment plan approved by the Board of Directors keeps us moving ahead with most projects, limits funding or suspends activities on a few projects. The realignment plan positions the agency to be ready to go ahead if and when funds do become available. So far the realignment plan has been exceptionally effective and the hard work we undertook in 2010 and 2011 gave us a clear pathway to deliver the services that are needed to keep this region competitive.

2011 achievements set the stage for 2012

Despite the economy, in 2011 we achieved many milestones. For example, we saw ridership increase by about 10 percent from a year earlier as we carried nearly 25 million on our trains and buses. We opened the Kirkland Transit Center and the Mountlake Terrace Freeway Station. We made significant improvements to the Edmonds Sounder Station. During the year, the Board selected the final route and stations for the East Link light rail expansion project and tunneling began on the University Link light rail line. In addition, the Board approved an accelerated construction program to extend light rail from Sea-Tac Airport to a new station at South 200th Street four years earlier than envisioned in the ST2 plan. Under the new schedule, trains will begin running to South 200th Street in September 2016, at the same time service begins on the University Link extension.

Also in 2011, the Board approved a new Sound Transit Sustainability Strategic Plan, we received another clean financial audit, and we launched a new customer-focused website that has increased the number of viewers by 17 percent! Twenty-seven new light rail cars for University Link were assembled in Mukilteo and delivered to our Forest Street operating facility. New buses came into service and we were able to help our partner agency, Pierce Transit, when they needed extra buses that could fill in for their compressed natural gas buses that could no longer be fueled on site.

Highlights of 2012

We expect to achieve major milestones in 2012. Our three tunnel boring machines will continue building the U-Link expansion between downtown Seattle and the University of Washington. We'll start early construction work on North Link; select a design/build contractor for the South Link extension from Sea-Tac Airport to South 200th Street; begin final design on East Link light rail; and we'll build the Mukilteo Sounder station south platform and the permanent Tukwila Sounder station.

In 2012, we will do alternatives analysis work on further Link expansion towards Federal Way and the same for the possible expansion of the Tacoma Link system, and we will begin the environmental process for the North Corridor from Northgate to Lynnwood. We will add Sounder service to South Tacoma and Lakewood and, along with our partner transit agencies, will continue providing excellent bus alternatives to paying a toll to cross Lake Washington. Throughout the year we will focus more effort on reaching out to customers through grassroots marketing and outreach, improved on-line trip planning for Sound Transit and our partner transit agencies, and conduct necessary research to make sure we are spending our marketing dollars as effectively as possible.

And all this work will be completed with a close eye on managing with lower revenues. We take our stewardship very seriously and are working hard to make sure our decisions are good not only for today, but also for the long-term. By finding solutions that meet today's needs and are cost effective and sustainable into the future, we are meeting our agency commitment to be responsible with our taxpayer's money.

I am looking forward to working with the Sound Transit Board and staff in 2012 to bring this budget to life.

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What's in the Adopted 2012 Budget?

Sound Transit's adopted 2012 budget is built around three primary sets of activities: service delivery, project delivery, and agency administration. A separate budget section is devoted to each. Each section outlines proposed initiatives, changes to programs and staffing, and corresponding capital and operating budgets for 2012.

Agency Overview

The agency overview explains the structure, roles, and responsibilities of the board of directors, citizen oversight panel, and agency departments. In addition, our strategic priorities, initiatives and performance outcomes are discussed.

Budget Overview

The budget overview provides key budget highlights for the upcoming year on ridership revenues and our core program areas of service delivery, project delivery, and agency administration.

Service Delivery

Sound Transit's annual budgets for operating Central Link light rail, Sounder commuter rail, ST Express bus, and Tacoma Link light rail are presented here. Descriptions of services, operating budgets, and performance statistics for each transit mode are also included.

Project Delivery

The project delivery section provides budgeted capital expenditures and information on anticipated activities for the capital expansion of rail and bus infrastructure. Capital projects associated with maintaining transit service, as well as other agencywide projects, are outlined in this section as well.

Agency Administration

This section presents our staffing plan and staff operating budget, as well as department budgets. Non-staff budgets: debt service, administrative and information technology capital, and net non-operating expenses along with information on reserves and non-cash expenses are also included.

Appendices

Appendices provide more information on Sound Transit staffing plans; our budget process; subarea allocations; debt status; reconciliation of the adopted budget to proposed budget; budget resolution; department scorecards; agency financial policies; an index of charts, maps, and tables; and a glossary of terms used throughout this report.

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AGENCY OVERVIEW

Our Mission

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

Our Vision

Easy connections...

to more places...

for more people.

Our Story

The Central Puget Sound Regional Transit Authority – better known as Sound Transit – was created by the Washington state legislature. In 1996, voters in the central Puget Sound region approved implementation of the Sound Move plan. Our mandate: to build a mass transit system that connects major employment and housing centers in King, Pierce, and Snohomish counties.

Since 1996, we have grown tremendously. ST Express bus service began in 1999, joined by Sounder commuter rail in 2000. Light rail debuted with Tacoma Link in 2003, and Central Link light rail began service in 2009.

We now provide transit services to 80 percent of Snohomish, King, and Pierce county residents – 40 percent of the entire state's population. Around 25 million people use Sound Transit to get around the region each year.

Today we continue to expand our high-capacity transportation network, which serves the nearly 1,100-square-mile Sound Transit district. We help millions of Puget Sound residents get where they need to go affordably each year, with services and facilities that include commuter rail, light rail, regional bus service, transit stations, and park-and-ride lots.

Our more than 500 employees are moving forward to make mass transit in Puget Sound even better, both by expanding our system and improving existing transit service. As we grow, we stay deeply in touch with community needs – we've held nearly 250 neighborhood meetings to develop our East Link light-rail service alone.

We are dedicated to delivering the Puget Sound's mass transit needs, while operating with the fiscal responsibility required in these difficult economic times and expected by the region's taxpayers.

Our Values

As employees of Sound Transit, we will exemplify these values in our work as we achieve our vision of a regional transit system:

- ✓ Accountability
- ✓ Excellence
- ✓ Inclusiveness
- ✓ Innovation
- ✓ Integrity
- ✓ Public Trust
- ✓ Respect
- ✓ Transparency

Voter-Authorized Transit Programs

Sound Transit is implementing two major, voter-authorized regional transit plans in partnership with public agencies, local jurisdictions, community organizations, the private sector, and the citizens of the Sound Transit District:

Sound Move

In 1996, central Puget Sound voters approved implementation of the Sound Move plan to build a high-capacity public transit system. Since then, Sound Transit has built and now operates 75 miles of Sounder commuter rail, 25 ST Express bus routes, and 17 miles of Link light rail.

We are still completing other elements of the Sound Move plan. Notable current projects include building University Link, which extends light rail from downtown Seattle to the University of Washington, and extending Sounder commuter rail an additional 7.5 miles from Tacoma to Lakewood.

Sound Transit 2

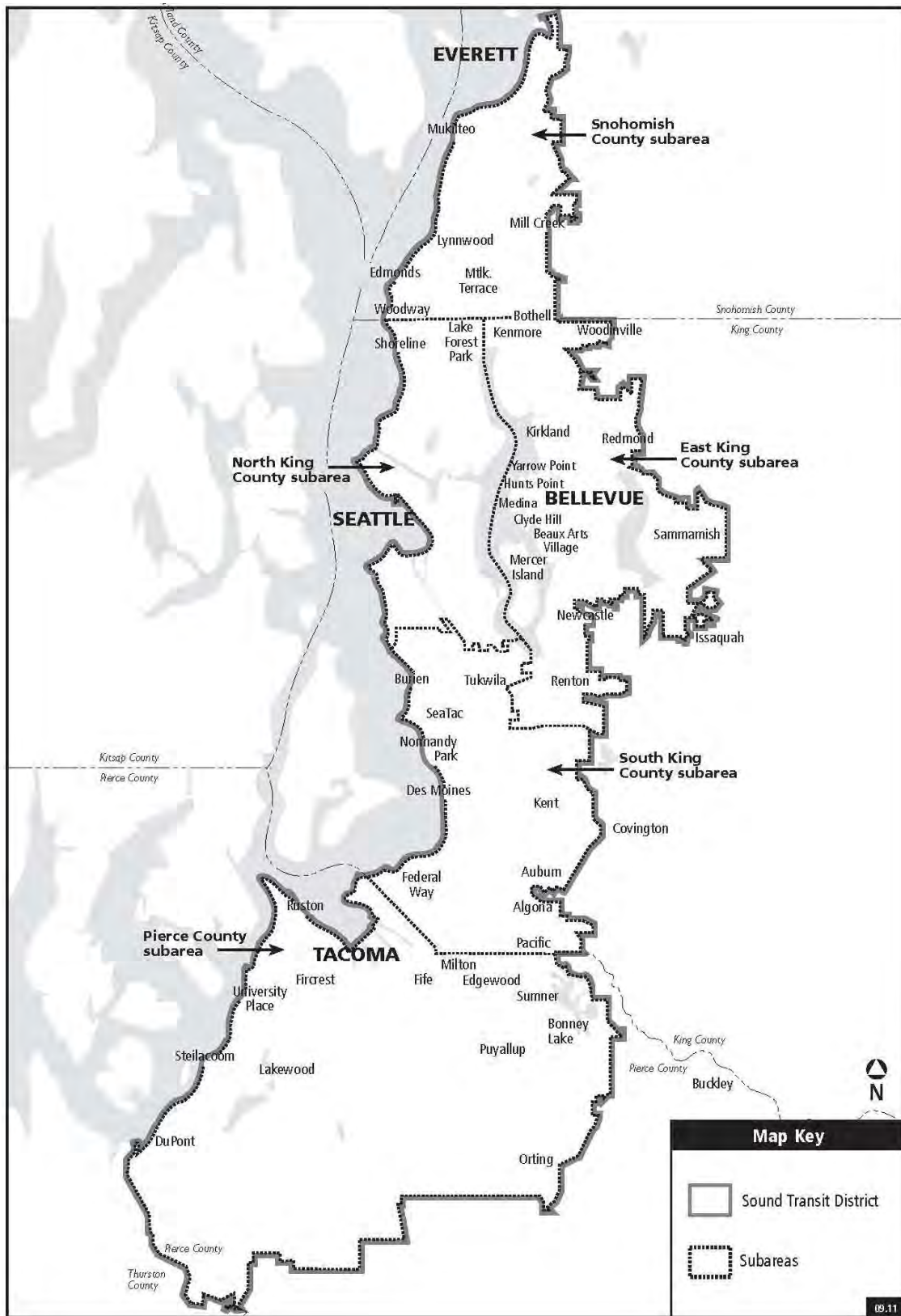
In 2008, central Puget Sound voters approved Sound Transit 2 (ST2), a mass-transit expansion proposal to add 36 miles of light rail, increase express bus service by 17% and increase commuter rail service. The plan also includes improved access to transit through expanded bike facilities, and better pedestrian access. Additional parking will be added in some locations.

New services will be phased in over several years. The first of the new services began in 2009 with increased ST Express bus service. University Link and South Link – Airport to South 200th Street are both scheduled to start service in 2016. However, due to the significant decline in agency revenues as a result of the recession, there are insufficient funds to complete all elements of the ST2 program by 2023 as originally planned. In last year's budget we described a plan to realign ST2 with the agency's revenue forecast. The realignment plan recommended continuing our progress on most projects, reducing the pace of service growth, deferring, rephrasing, and/or rescoping other projects on a priority basis.

Sound Transit District

Sound Transit District's boundary lines, shown on the accompanying map, generally follow the urban-growth boundaries created by each county in accordance with Washington State's Growth Management Act. The Sound Transit District is then divided into five subareas, shown on the accompanying map. Revenues and expenses are allocated to the subareas. For more detail on subarea allocations, please see Appendix C.

Sound Transit District



About Sound Transit's Board of Directors

Sound Transit is governed by an 18-member board of directors, made up of 17 local elected officials and the Washington State secretary of transportation, who is required to serve. The representation of the board is established in state law. Along with the Secretary of the Washington State Department of Transportation, members are elected city or county council members, mayors, and county executives. Board members are appointed to the Sound Transit Board by their respective county executive and confirmed by the county council.

To assure effective coordination between local and regional transit plans, half the members appointed in each county are governing officials of local transit agencies. Appointments must include elected officials representing the largest city in each county we serve, while smaller cities and unincorporated areas receive proportional representation.

The board's responsibilities include:

- Establish policy.
- Provide direction.
- Adopt budgets.
- Approve major contracts.
- General agency oversight.

Board Meetings

The board and its committees conduct work at regularly scheduled meetings which are open to the public. Meetings are structured to allow for public comment. Meeting schedules, locations, and agendas are available in advance.

Sound Transit board members elect officers, including a chair and two vice chairs, every two years. The chair and vice chairs must be from different counties. The chair presides over all board and executive committee meetings and is a voting member of both.

The current array of board committees reflects our agency's growing role as a transit operator, as well as the increasing scale and complexity of the ST2 program. The committees assist in reviewing motions, resolutions, and staff recommendations. Each committee focuses on a different area of Sound Transit business.

Additional information on the Sound Transit board – including its structure, meeting schedules and locations, standing committees, and actions – can be found at www.soundtransit.org in the "About Sound Transit" tab.

BOARD OF DIRECTORS

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Pierce County Executive

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King County Councilmember

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Snohomish County Executive

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Mary Moss
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Larry Phillips
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Paul Roberts
Everett Council President

Marilyn Strickland
Tacoma Mayor

Pete von Reichbauer
King County Councilmember

Chief Executive Officer

Joni Earl

Board Committees

Executive Committee

The executive committee's responsibilities include:

- Review board rules, operating procedures, and governance structure.
- Analyze agencywide policies and provide policy recommendations to the board.
- Assess and monitor legislative activities.
- Monitor government relations and communications strategies.
- Examine the overall budget and other committees' budget recommendations.
- Validate and monitor our financial plan.
- Approve proposed bond issues.
- Evaluate the performance of the chief executive officer.

The executive committee does not have final approval authority, but board policy allows it to act in lieu of the board.

Capital Committee

The capital committee reviews and monitors stages of all capital projects to ensure they proceed as mandated in our long-range capital plan, the Transit Improvement Plan (TIP). Additional duties include:

- Provide oversight, strategic direction, and recommendations on capital-project budget approvals as required by our Phase Gate process.
- Analyze and provide recommendations on new and existing capital-related policies.
- Validate projects' scope, schedule, budget, risks, construction activities, and claims.
- Examine proposed annual capital projects budgets and provide recommendations.

The board delegates the capital committee final authority to approve capital program transactions above the chief executive officer's level of authority of \$200,000 and under \$5 million.

Operations and Administration Committee

The operations and administrative committee is responsible for the following:

- Review and monitor operating plans, transit services, and customer-facing programs.
- Provide oversight, strategic direction, and recommendations on fleet and facility plans.
- Approve the annual Service Implementation Plan (SIP).
- Evaluate the impact on operating transit systems of facility and corridor capital projects.
- Examine proposed annual transit operations and staff budgets and provide recommendations.
- Analyze and provide recommendations on new and existing operations and administration policies.

The board delegates the operations and administration committee final authority to approve operating and administrative transactions above the chief executive officer's level of authority of \$200,000 and under \$5 million.

Audit and Reporting Committee

The audit and reporting committee is responsible for the following tasks:

- Review quarterly and annual financial reports.
- Evaluate external and internal auditors' planned scope, audit approach, results, and recommendations.
- Analyze and monitor management's implementation of audit recommendations.
- Review and approve performance audits to be conducted by the Internal Audit Division.
- Assess the agency's internal control systems.
- In addition to board members, the committee includes the chair of the citizen oversight panel.

About the Citizen Oversight Panel

Sound Transit's independent Citizen Oversight Panel (COP) is comprised of volunteers appointed by our board. Their mandate is to monitor and report on agency performance in delivering commitments to the Sound Move and Sound Transit 2 programs in the following areas:

- Fulfill public commitments.
- Involve citizens in an open and timely manner.
- Evaluate project alternatives.
- Review capital and operating budgets and finance plans.
- Maintain equity in subarea budgets and reporting.
- Adhere to schedules and budgets.
- Review annual performance audits.

Panel Members

Panel members are appointed by our board to serve four-year terms. The members possess a variety of interests, professional expertise, and experience. At least two members are appointed from each of the five geographic subareas of the Sound Transit District. The first panel was appointed in 1997.

COP Reports

The panel reports its findings and suggestions for improvement to the board. Working on behalf of the region's citizens, the citizen oversight panel's vigilance, continuous feedback, and constructive suggestions help ensure that we successfully implement vital transportation improvements throughout the region.

Performance reports, meeting schedules, and the list of current panel members are available at www.soundtransit.org.

CITIZEN OVERSIGHT PANEL

Chair

Stuart L. Scheuerman

Vice Chair

Josh Benaloh

Members

Annette P. Bailes

Aubrey Davis

Bob Goldstein

Philip B. Lovell

Karen J. Mask

David A. Russell

Bruce W. Seiber

Virendra (Vic) K. Sood

JD Wessling

Paul J. Wiesner

Harold Wirch

Organization Structure

Sound Transit is structured to fulfill its increasing role as both a transit operator and manager of the ST2 capital development program. The following three departments are functionally aligned with project development, design and construction, and operation of the regional transit system.

Planning, Environment, and Project Development (PEPD) Department

PEPD leads the initial project activities that inform board decisions on projects' scope, schedule, and budget. These include:

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

Once project development is complete and project scopes are defined, lead project management responsibility shifts to Design, Engineering, and Construction Management (DECM) to oversee design and construction.

Design, Engineering, and Construction Management (DECM) Department

DECM is principally responsible for final design and construction of all major capital projects. DECM supplies professional and technical resources throughout the design and construction phases of each project:

- Community outreach.
- Project design and engineering.
- Project and construction management.
- Project control – cost estimating, scheduling, cost control and reporting.
- Equipment and system testing and commissioning.
- Ongoing technical support of in-service assets.
- Real property management – property appraisal, acquisition, management, and surplus property disposition.
- Public art program – one percent of construction budget, excluding tunneling.

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

Operations

The Operations department is responsible for:

- Tacoma Link light rail service delivery and maintenance.
- Central Link light rail, Sounder commuter rail, and ST Express bus operations and maintenance through oversight of third-party management contracts.
- Parking, customer, and administrative facilities maintenance.
- Equipment and supplies procurement.
- Service planning.
- Customer service.

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

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

Communications and External Affairs (CEA)

CEA has four divisions focused on marketing & creative services, media relations and public information, customer outreach, and government & community relations. CEA's work is as diverse as its many stakeholders. Key activities include:

- Build community awareness of our services.
- Educate the public about the benefits of riding public transit.
- Work to increase ridership.
- Conduct outreach to local, state, and federal officials regarding support of Sound Transit issues and funding needs.
- Enhance customer satisfaction.

CEA also disseminates public information through conventional and social media outlets and our website.

Executive

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

- **Board Administration** serves the public by supporting the Sound Transit Board's legislative processes and ensuring open access to the Board's proceedings.
- The **Diversity Program** develops strategies and policies, and provides oversight and support for Sound Transit programs that ensure small, minority, women-owned, and disadvantaged business firms experience equitable access to Sound Transit contracts. The division also administers the Project Labor Agreement, working closely with the labor community and contractors.

- **Human Resources** provides the full range of human resource services including affirmative action/Equal Employment Opportunity reporting, recruitment, compensation, job classification, benefits administration, labor and employee relations, and employee training and development.
- **Internal Audit** conducts independent audits to identify process improvement opportunities and to confirm the adequacy of internal controls and reports to the board's audit committee and the Deputy CEO.
- **Procurement and Contracts** manages purchasing and contracting for the entire agency.
- **Safety and Quality Assurance** oversees safety at construction sites and service facilities through communication and training of employees and third-parties; establishment, audit, and enforcement of requirements, procedures, and workplace safety rules.
- **Security** is responsible for public and employee safety and security inside vehicles, at operating facilities, and on construction sites working with a private security firm and the King County Sheriff's Department.

Finance and Information Technology (FIT)

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

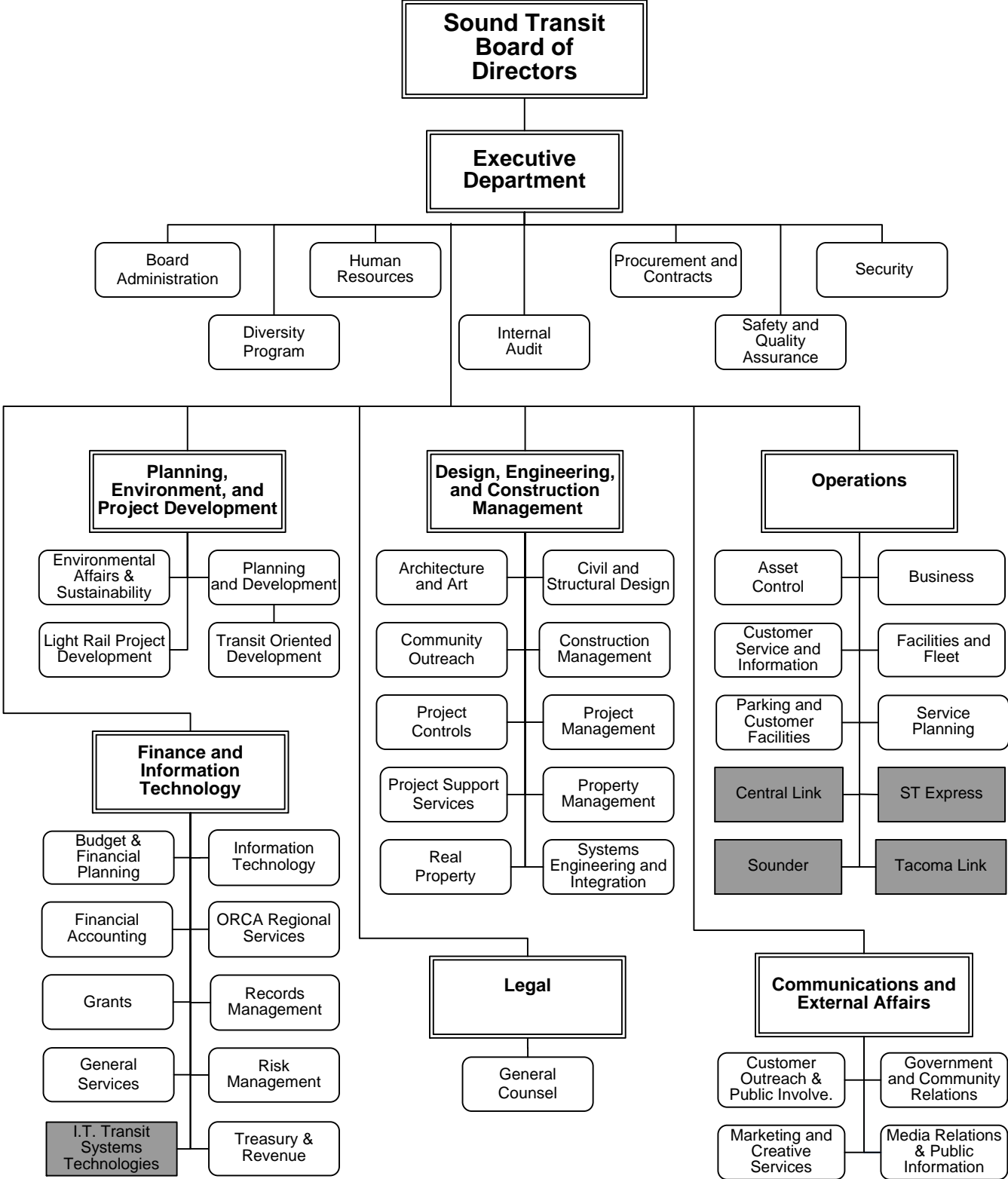
Information Technology division supports implementation of new technology and maintains the agency's network and various software applications including:

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

Legal Department

Legal staff serves the agency with analysis and advice on a wide variety of legal subjects including real estate, labor, employment, municipal, environmental, construction, land use, permitting, litigation, railroad, contracts, procurement, and interagency issues. They monitor changes in law and regulations on our behalf and respond to public disclosure requests. All litigation is handled by the department, with assistance from outside counsel as necessary.

SOUND TRANSIT ORGANIZATION CHART



○ = Staff costs included in Agency Administration section of Budget
 ■ = Staff costs included in Service Delivery section of Budget

Financial Policies Summary

Sound Transit Financial Polices

First established to guide the financing of Sound Move, the financial policies were amended on July 24, 2008 (Resolution No. R2008-10). These policies provide tools for the board to appropriately manage execution of current and future system expansion plans. They include subarea equity maintenance and reporting, debt management, spending priorities, financial management, public accountability, voter approval requirement of future phases, tax rate rollbacks, and a provision for these policies to be reviewed. The full policy is located in Appendix H.

Phase Gate Policy

The Phase Gate Policy requires that phase lifetime budgets for all projects be approved by the board as projects reach specific milestones. The Transit Improvement Plan includes board-approved budget for all projects with spending in the budget and prior years.

Budget Policies

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

Basis of Budgeting

Budgets are prepared on a full accrual basis. Under this method revenues are recognized when earned and expenses when incurred. Sound Transit uses a zero-based budgeting approach. Each year annual budgets, including the annual outlays related to projects that have lifetime budgets, must be justified to the CEO before being presented to the board for spending approval. Unspent annual budget does not roll forward to the next year.

Enterprise Fund

Sound Transit uses a single enterprise fund to account and budget for operating and capital transactions. Any shortfalls between annual sources and uses of funds are covered by the agency's unrestricted cash balance.

Financial Plan

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

Strategic Priorities and Performance Outcomes

With guidance from the board and adherence to our vision, mission, and values, our executive leadership team establishes our strategic priorities. Departments translate these priorities into specific initiatives and performance outcomes and provide quarterly status updates. Scorecards for all departments and divisions of the Executive department can be found in Appendix G.

Each year, all departments and executive divisions develop three-year business plans. The plans identify opportunities and risks, define initiatives to address them, and specify the resources and inter-departmental support necessary to succeed. The plans enable us to align resource use with strategic priorities and strengthen collaboration within and across departments. These business plans are a critical step to building a more strategic and efficient budget.

In 2009 and 2010, Sound Transit underwent a strategic realignment in response to the economic downturn. The Board considered proposed funding plans and schedules for all Sound Move and ST2 capital projects by subarea. They identified operational efficiencies and capital program restructures in order to realign project and operational costs with available resources.

Our strategic priorities for 2012 are focused on moving forward with multi-corridor major construction activities and project development, increasing ridership on all services provided, continuing efforts to control cost growth, and building internal capacity – developing people, processes, and technology to support our growing programs.

In delivering voter-approved transit programs, we will:

- Continue construction of University Link.
- Accelerate the South Link extension from Sea-Tac Airport to South 200th Street by using a design/build contract approach.
- Begin Tacoma-Lakewood Sounder service once construction is completed.
- Begin building the Mukilteo Station south platform and permanent Tukwila Station.
- Advance final design of North Link and East Link.
- Begin environmental and project development on North Corridor from Northgate to Lynnwood.

As a transit operator building one of the country's largest capital expansion programs, we will:

- Focus on activities that drive ridership and increase customer satisfaction.
- Strive to better understand our riders by analyzing rider data and conducting external research to guide our efforts to attract new riders.
- Develop a comprehensive asset-management system and maintenance program to keep all assets in good repair as we build and maintain a 100-year system.
- Continue strong community outreach efforts in neighborhoods, with key stakeholders including business and community leaders, and use the Sound Transit website as a key tool for information distribution and updates.

- Analyze the total cost to build and operate assets over the long term, to inform on-going design and construction decisions.
- Develop and maintain partnerships with other agencies to maximize the overall effectiveness of mass transit in the region.
- Implement our sustainability strategic plan.

In tightly managing our financial resources, we will:

- Redesign processes and procedures to focus on continuous improvements that increase operating efficiencies.
- Strengthen and maximize staff capabilities through increased internal collaboration including Sound Transit business efficiency teams, community outreach leadership teams, and use of our initiative sponsorship model that supports successful cross-departmental team projects.
- Develop a comprehensive ST University to focus on effective employee training at all levels of the organization.
- Respond to reduced tax revenue by streamlining budgets, tightly managing consulting dollars, and standardizing IT equipment.
- Aggressively pursue funding opportunities such as state and federal grants, and public-private partnerships to increase affordability of construction, operations, and maintenance.

MISSION STATEMENT

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

In 2012, the agency’s key strategic objectives are:

- Increase ridership
- Reduce operating and capital costs
- Deliver capital projects on time and within budget

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

1. Minimize the impact of the Great Recession on the ST2 program.
2. Develop projects with sustainable total cost of ownership.
3. Engage key partners earlier in project development process and pursue strategies to fully fund all ST2 projects.
4. Enhance and support meaningful relationships with Labor Unions, Consultants/Contractors, including local businesses and partner agencies.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Pursue alternate project delivery more aggressively including public-private partnerships. ▪ Develop strategy for ST Express and Sounder Operations and Maintenance Facilities, including opportunities for operating cost containment. ▪ Refine Total Cost of Ownership (TCO) methodology. ▪ Standardize IT network in order to improve systems uptime (Scada, Videosecurity, Fare collection business systems) and enable delivery of University Link systems. ▪ Identify and prioritize partner agreements critical to maintaining project schedules. 	<ul style="list-style-type: none"> ▪ Construction contracts will be kept on or ahead of schedule (Schedule Performance Index (SPI) index of 0.95 or greater). ▪ 85% of agency project milestones met. ▪ Construction contracts completed on or below budget. ▪ Contingency expenditures not to exceed project progress. (Contingency Index greater 1.0 or greater). ▪ Complete and execute agreements with partners critical to maintaining project schedules. ▪ All projects meet Phase Gate requirements. ▪ Recordable Injury Rate (RIR) lower than the national average.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

1. Increase ridership and market share.
2. Enhance operational cost effectiveness.
3. Ensure emergency readiness.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Develop marketing strategy and plan to build and retain ridership; leverage industry best practices. ▪ Streamline business account pricing by analyzing ORCA data to increase average fare per boarding. ▪ Develop ridership forecast metrics that account for external factors such as gas prices and employment rates. ▪ Expand development and testing of emergency response plans for employees. 	<ul style="list-style-type: none"> ▪ Systemwide ridership at or above 25.8 million. ▪ Achieve Agency fare box recovery targets: <ul style="list-style-type: none"> - <i>ST Express</i> 24% - <i>Sounder</i> 23% - <i>Link</i> 27% ▪ Meet or exceed on time performance and preventable accident objectives: <ul style="list-style-type: none"> - On-time performance: <ul style="list-style-type: none"> ♦ ST Express bus: ≥ 85% ♦ Sounder commuter rail: ≥ 95% ♦ Tacoma Link: ≥ 98.5% ♦ Central Link: ≥ 90% - Preventable accidents per 100k revenue miles: <ul style="list-style-type: none"> ♦ ST Express: <0.8 ♦ Sounder <1.0 ♦ Tacoma Link: <1.7 ♦ Central Link: <1.0 - Customer complaints per 100,000 boardings all modes: ≤15 ▪ Achieve customer satisfaction ratings of 3.5 on 4-point scale on all service modes. ▪ 85% of facilities inspected per scheduled work plan maintained by the Facilities Division. ▪ Decrease in number of serious security-related incidents.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Manage all agency assets in state of good repair.
2. Intensify cost containment focus throughout the Agency.
3. Maintain strong long-term agency financial condition.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Procure, implement, and support new Enterprise Asset Management System. ▪ Execute Agency Sustainability Plan and meet milestones. ▪ Analyze significant cost drivers for opportunities to reduce waste or increase productivity and recognize employees for doing so. ▪ Work with stakeholders and Legislature to expand options for funding transit development and operations. 	<ul style="list-style-type: none"> ▪ Unqualified financial audit opinion with no reportable conditions. ▪ Condition assessment of “3.5” or better on 85% of agency assets. ▪ 85% of Sustainability Plan targets met.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

1. Enhance agency efforts to recruit highly qualified personnel to meet Agency’s staffing requirements.
2. Increase focus on retention and development of employees.
3. Enhance staff support of board in providing policy leadership.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Develop and implement a more robust on-boarding process. ▪ Strengthen human resource processes, policies, and procedures. ▪ Develop an equitable and financially sustainable strategy to deliver meaningful Health and Welfare benefits to ST employees (in line with company strategic objectives and overall total rewards philosophy). ▪ Streamline and coordinate outreach with consistent messages; actively pursue partnering relationships with labor and business. ▪ Develop and implement Sound Transit University Program (STU) for all employees to maximize potential for individual and organizational success. 	<ul style="list-style-type: none"> ▪ At least 20% of ST jobs posted will be filled through internal promotions. ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/ supervisors will receive 32 hours of leadership/management training.

BUDGET OVERVIEW

In 2012, Sound Transit will continue to expand its major project development activities in every corridor and subarea of the region. While construction will continue on University Link, final design will occur in three different corridors: east to Bellevue and Overlake, south from SeaTac Airport to South 200th, and north through the University of Washington to Northgate. Additionally, planning activities will focus on high-capacity transit expansion within Tacoma, between Tacoma and the Federal Way Transit Center, and northward to Lynnwood from Northgate. Sound Transit is now simultaneously engaged in design and construction of high capacity transit in all three major corridors of the region.

Souder commuter rail service will also expand southward to Lakewood and stations will be improved along the line. ST Express buses will continue to serve the region, including the new service established along the 520 corridor. Introduction of tolls on the 520 bridge will provide a further incentive to use public transit. Throughout the year, Sound Transit will work to increase ridership on all of its services. The agency will focus on areas where ridership demands are highest while still providing regional coverage.

Internal to the organization, Sound Transit will work to better develop staff capabilities to meet the complex needs of our programs, standardize equipment purchases where possible to reduce costs, and increase productivity and operational efficiency throughout the organization.

The 2012 budget also reflects our ever-expanding outreach to customers, key stakeholders, and the general taxpayers, providing access to information about services and activities funded through their tax dollars. Sound Transit takes its responsibility as a steward of public funds very seriously and places a high value on being a transparent and accountable public agency.

Budget Overview

(in thousands)

	2010 Actual	Amended 2011 Budget	2011 Actual	Adopted 2012 Budget
Revenue and Financing Sources				
Retail Sales and Use Tax	504,101	542,985	529,034	557,781
Motor Vehicle Excise Tax	65,788	62,832	65,816	70,051
Rental Car Tax	2,409	2,352	2,491	2,533
Federal Grants	151,958	159,550	160,347	131,316
Farebox Revenue	37,589	44,959	45,922	44,810
Interest Earnings	14,122	10,528	20,823	8,162
Miscellaneous Revenue ¹	21,844	20,783	19,946	11,000
Total Revenues & Other Financing Sources	\$ 797,811	\$ 843,990	\$ 844,379	\$ 825,653
Operating Expenses & Capital Outlays				
Service Delivery				
Tacoma Link Light Rail	3,364	4,076	3,486	4,112
Central Link Light Rail	45,964	51,531	51,058	54,189
Souder commuter Rail	32,652	32,848	32,334	37,734
ST Express Bus	95,940	97,094	96,178	102,309
Accessible Services ²	725			
Contingency	-	1,400	-	1,455
Subtotal Service Delivery	\$ 178,646	\$ 186,949	\$ 183,057	\$ 199,800
Project Delivery				
Link Light Rail	345,118	576,301	411,507	475,276
Souder Commuter Rail	88,126	111,498	92,013	183,669
Regional Express	25,825	39,658	38,979	24,136
Service Delivery	46,762	50,346	32,673	68,926
Other Agency	5,261	6,482	3,840	9,510
Subtotal Project Delivery	\$ 511,093	\$ 784,286	\$ 579,012	\$ 761,516
Agency Administration				
Staff Costs				
Total Staff Costs	64,488	79,102	71,244	87,043
Less: Direct Charges to Project Delivery	(14,965)	(23,534)	(19,470)	(26,657)
Less: Allocations to Service Delivery	(11,322)	(11,447)	(12,229)	(11,285)
Less: Allocations to Capital Assets	(15,658)	(19,822)	(14,687)	(20,429)
Subtotal Net Staff Costs	\$ 22,542	\$ 24,298	\$ 24,859	\$ 28,673
Non-Staff Costs				
Debt Service ³	76,337	75,899	75,898	94,320
Administrative Capital	1,773	7,553	3,676	1,488
Information Technology Program ⁴	-	-	-	4,449
Net Non-Operating Expenses	15,248	6,500	7,650	2,062
Subtotal Non--Staff Costs	\$ 93,359	\$ 89,951	\$ 87,224	\$ 102,319
Subtotal Agency Administration	\$ 115,901	\$ 114,249	\$ 112,083	\$ 130,992
Total Operating Expenses & Capital Outlays	\$ 805,640	\$ 1,085,484	\$ 874,151	\$ 1,092,307

(1) Includes contributions from local jurisdictions, advertising revenues, and rental income from Sound Transit Properties.

(2) From 2011, Accessible Services is included in the Agency Administration Operations staff budget.

(3) From 2012, debt service budget includes principal repayments.

(4) From 2012, the IT portion of the administrative capital budget has been transferred out of the administrative capital budget and set up as a separate project.

2012 Budget Highlights

The adopted 2012 Sound Transit budget includes revenues of \$825.7 million and outlays of \$1.1 billion. The agency's unrestricted cash balance, which was \$672 million at the end of 2011, will fund the difference between annual revenues and annual expenditures.

Revised 2011 Ridership Budget

Increasing ridership is a key focus for Sound Transit in 2012 when we expect to carry 25.8 million riders by providing over 880,000 hours of service.

Each year, as part of the annual budget development process, Sound Transit develops a forecast of ridership for the upcoming year using the ridership numbers from the first few months of the current year as the basis for the projections. In 2010, ridership forecasts were developed based on ridership experience in January through May 2010. As the year proceeded, however, our ridership numbers for 2010 were lower than expected.

Staff recalculated the ridership projections for 2011 and reported to the Board in January 2011 as part of the 2011 Milestones Report. While the adopted 2011 budget was not formally revised to reflect the new projections, the revised 2011 ridership budget numbers were used throughout 2011 as benchmarks for ridership reporting to the Board and the public. During this time, ridership overall increased more than 10% compared to 2010.

The table below presents both the ridership projections included in the adopted 2011 budget and the revised 2011 ridership that budget used throughout the year for tracking of performance. Throughout the adopted 2012 budget document, ridership comparisons will be made between the revised 2011 ridership budget and the adopted 2012 ridership budget.

Ridership Budget Summary

	2010 Actual	Revised 2011 Budget*	2011 Actual	Adopted 2012 Budget
Central Link	6,989,504	8,300,000	7,812,433	8,400,000
Souder	2,364,290	2,800,000	2,543,955	2,600,000
Tacoma Link	871,793	900,000	972,429	900,000
ST Express	12,494,546	12,900,000	13,664,664	13,800,000
Paratransit	82,540	100,000	82,311	100,000
Total All Modes	22,802,673	25,000,000	25,075,792	25,800,000

A revised 2011 ridership budget was developed in January 2011 and is used in place of the adopted 2011 budget to compare 2011 to 2012 budget.

Program Highlights

- **Revenue:** The adopted 2012 budget estimates we will collect \$825.7 million which is 2.2% lower than the adopted 2011 budget. This is mainly attributable to a decrease in federal grant receipts.
- **Project Delivery:** This budget contains \$761.5 million in capital spending to continue planning, design, and build out of the regional transit system. In 2012, the regional transit system is being expanded in all directions – north, south, and east.

Major projects for light rail account for 62% of the project delivery budget including University Link construction, UW–Northgate final design, start of environmental analysis and preliminary design from Northgate to Lynnwood, start of East Link final design, initiation of design and construction of the SeaTac Airport to South 200th Street extension by means of a design-build contract, extend alternatives analysis to high-capacity transit from Tacoma to Federal Way and within Tacoma related to expansion of the Tacoma Link system.

Sounder commuter rail budget is \$183.7 million and includes opening of a service extension from Tacoma to Lakewood and completion of construction of the D to M project in Tacoma. The 2012 budget also includes funds to begin implementation of improvements identified through the completed Sounder Demand and Access studies at various commuter rail stations.

Regional Express program budget includes \$24.1 million for a variety of projects including I-90 Two-Way Transit & HOV — continuing construction on eastbound I-90 between 80th Avenue SE on Mercer Island to Bellevue Way and final design on both directions between 80th Avenue SE and Rainier Avenue.

Service delivery capital projects account for 9% of the project delivery budget at \$68.9 million and include revenue vehicle and equipment procurement, operating and maintenance facilities upgrades, and essential midlife equipment maintenance.

Other agency programs with lifetime budgets that are not specific to a mode or the delivery of service are included in this section, such as the disposition of surplus property, the agency’s public art program, ST3 planning, and investment related to fare policy and collection, and transit technology. This group of programs has a budget of \$9.5 million for 2012.

- **Service Delivery:** Sound Transit expects to carry 25.8 million riders in 2012 by providing over 880,000 hours of service using four transit modes. Service levels remain unchanged with the exception of Sounder commuter rail, which has new service between Tacoma and Lakewood beginning in late 2012. Continued operation of regional transit services accounts for \$199.8 million in the 2012 budget. This 6.9% increase in budget from the adopted 2011 budget is primarily attributed to higher fuel costs, expansion of Sounder service, increased maintenance costs, and the addition of two new positions to aid in better facility maintenance and improved operations.

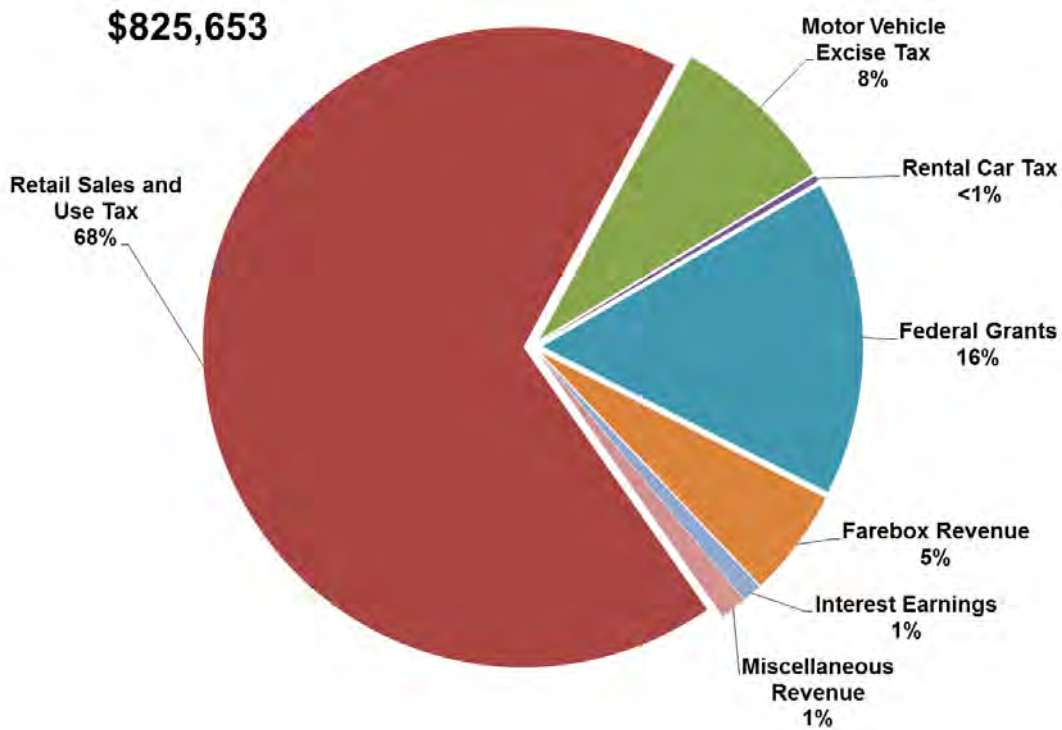
- **Agency Administration:** Agency staff operating costs, debt service, administrative capital, IT capital and net non-operating expenses are funded by the budget's \$130.9 million administrative allotment. Staff costs include salary, benefits, professional services, materials and supplies, and other miscellaneous expenses. In 2012, the budget specifically for staff expenses is \$87.0 million, a 10% increase from the adopted 2011 budget. This increase reflects the addition of 28.75 new positions needed to carry out the expanding ST2 program of projects and services. The 2012 staffing plan is discussed in the agency administration section of this document with details shown in Appendix A. The budget also reflects increases in medical benefit costs, an increasing amount of which is shifted to employees. In addition, the staff budget includes a substantial increase in tax revenue collection fees paid to the state of Washington.

Revenues and Financing Sources

Sound Transit's funding for operations and capital programs comes from local retail sales and use tax, motor vehicle excise tax (MVET), rental car tax, federal grants, farebox revenue, interest income on cash balances, bond issues, and miscellaneous revenues such as advertising on its vehicles and property rental. Sales and use tax and MVET revenue budgets are calculated using estimates provided by an independent forecaster.

Revenues and Financing Sources

(in thousands)



Revenue & Financing Sources	(in thousands)
Retail Sales and Use Tax	557,781
Motor Vehicle Excise Tax	70,051
Rental Car Tax	2,533
Federal Grants	131,316
Farebox Revenue	44,810
Interest Earnings	8,162
Miscellaneous Revenue	11,000
Total	\$825,653

Retail Sales Tax and Use Tax

Sound Transit's largest revenue source is sales taxes collected on transactions within our service region. The agency receives 0.9% of all retail sales taxes collected in the area, as well as 0.9% of all use taxes. Use taxes are levied on items purchased out of state but used in state or items where sales tax hasn't been paid. This tax revenue is collected by the Washington State Department of Revenue. During 2012, retail sales and use tax revenue is expected to rise by 5.4% over 2011 estimated collections to \$557.8 million. This increase reflects expected increases in consumer spending during 2012 in our service area.

Motor Vehicle Excise Tax

Sound Transit collects 0.3% of the Motor Vehicle Excise Tax (MVET), a tax based on the value of vehicles and collected as part of vehicle licensing. The Washington State Department of Licensing collects the MVET. This revenue source is expected to grow to \$70 million, up by \$4.2 million or 6.4%, over 2011 receipts. This revenue growth reflects expected increases in regional vehicle licensing during 2012.

Rental Car Tax

Sound Transit collects 0.8% of the rental car tax. The tax is collected by rental car agencies and contributes modestly to the agency's overall revenue profile. Rental car tax revenue is expected to rise to \$2.5 million in 2012, up 1.7% over 2011 estimated collections.

Federal Grants

The federal government is an important financial partner with Sound Transit. From 1997 to 2023, Sound Transit estimates it will receive \$3.2 billion in federal grant awards for projects set forth in Sound Move and ST2 project plans. These estimates anticipate three Full Funding Grant Agreements (FFGAs), including \$500 million already received for the Initial Segment/Airport Link, \$813 million currently being received in installments for University Link, and a future grant of \$600 million for ST2 projects. FFGA awards apply to multi-year projects and therefore are paid out over time.

The budget also assumes other grant revenues and FTA formula funds secured for other agency projects and /or preventative maintenance. Grant funds are received to reimburse eligible incurred capital expenditures.

In 2012, federal grant receipts of \$131 million are expected. Of this funding, \$90 million is for University Link construction, \$19 million is for East Link design and other projects, and \$14 million is for the North Corridor light rail projects.

Farebox Revenue

Farebox revenue includes fares paid by riders for ST Express bus service, Central Link light rail service, and Sounder commuter rail service. During 2012, farebox revenue is projected to be \$44.8 million, 2.5% lower than 2011 receipts. This more conservative budget number does not reflect the higher than expected average fare per boarding achieved in 2011 driven by higher rates for ORCA business contracts.

Fares have increased across all modes of transit (except Tacoma Link which operates without fares) over the past two years. In April 2010, the Board approved fare increases for ST Express bus and Central Link light rail. ST Express fares rose in June 2010, with

an additional increase in June 2011. Central Link light rail fares also increased in June 2011. The board establishes farebox recovery goals for each form of service and when a specific service type is not meeting the established goal, staff examines the service closely to determine if a fare increase is necessary. There is no fare increase proposed at this time for any Sound Transit services.

The 2012 fare revenue forecast assumes an average fare per boarding of \$3.10 for Sounder commuter rail, up from \$3.05; \$1.75 for ST Express bus service, up from \$1.73; and \$1.50 for Central Link, up from \$1.30 in 2011. Average fare per boarding estimates are calculated from the base fare, the average number of zones or distance traveled, the number of institutional passes purchased, and incidences of fare evasion.

Interest Earnings

Sound Transit also receives revenue from interest received on surplus cash. These funds are invested in accordance with Washington State law and overseen according to the board-approved investment policy.

A portion of the cash balance is deposited in state and county investment pools to provide liquidity, with the remainder invested in high-quality securities such as bonds, with staggered maturity dates. The interest budget is based upon estimated cash balances calculated from cash flow modeling as well as interest-rate forecasts provided by external experts. Investment duration is determined by benchmarks established for each investment portfolio.

We project a drop in our interest income to \$8.2 million, down by \$12.7 million over 2011 receipts. This is due both to a reduction in the amount of cash the agency intends to hold in investments this year and to historically low interest rates paid on the kinds of investments the agency can purchase such as treasuries, certificates of deposit, and state investment pools. These investments carry interest rates set forth by the Federal Reserve which has suppressed rates paid on these products through mid-2013.

Miscellaneous Revenue

Sound Transit receives miscellaneous revenue, primarily from advertising on trains and buses and from rental income at Sound Transit properties. We also receive miscellaneous payments and contributions from government and private parties. In the budget, these revenues are reported on a consolidated basis.

During 2012, miscellaneous revenue sources are budgeted at \$11 million, an \$8.9 million or 45% drop from the 2011 receipts, mainly due to a \$4.5 million reduction in anticipated contributions from state and local governments.

Bond Proceeds

Sound Transit issues bonds to fund capital projects. The bond issuance process takes months of planning and the pricing, date, and total dollar amount of a bond issue can change due to market conditions. The forecast for timing and amount of bond issuances in the coming year is typically not included in the annual budget. However, a budget amendment is adopted by the board concurrent with the debt issuance authorization.

Our bond ratings are among the highest in the country for transit agencies, which enables us to borrow at favorable rates. The agency's debt capacity is calculated based on a multiple of the assessed value of all residential real estate in the geographic region Sound Transit serves.

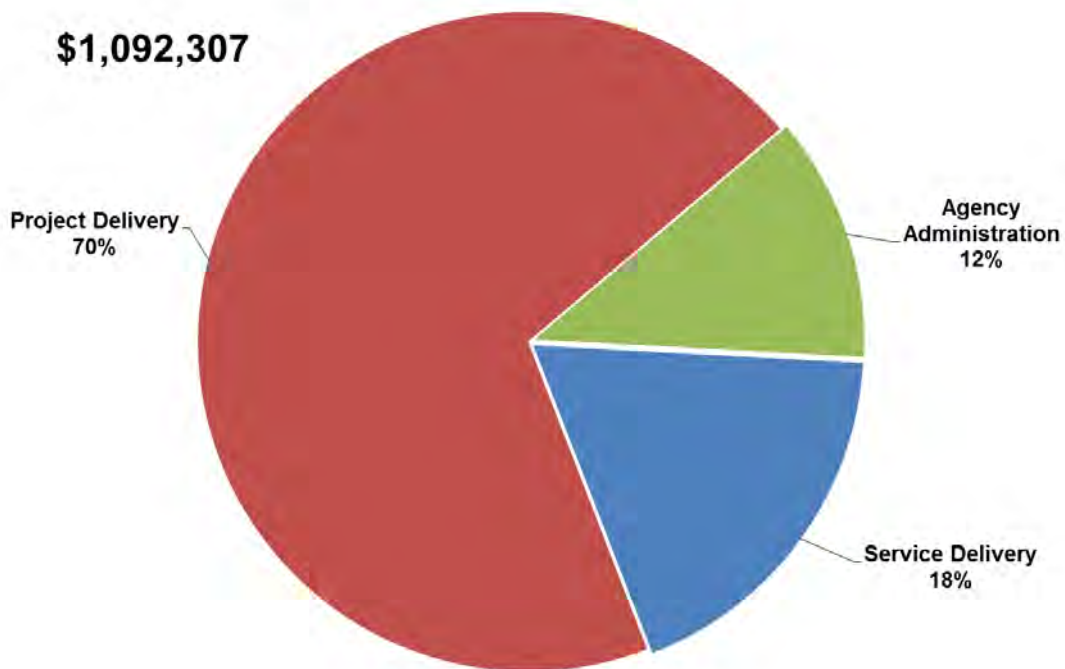
Operating Expenses and Capital Outlays

Sound Transit's adopted 2012 budget centers on our three primary program areas: service delivery, project delivery, and agency administration. The vast majority of annual budget expenses relate to the delivery of capital projects.

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

Operating Expenses and Capital Outlays

(in thousands)



Budget Section	(in thousands)
Service Delivery	199,800
Project Delivery	761,516
Agency Administration	130,992
Total	\$1,092,307

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SERVICE DELIVERY

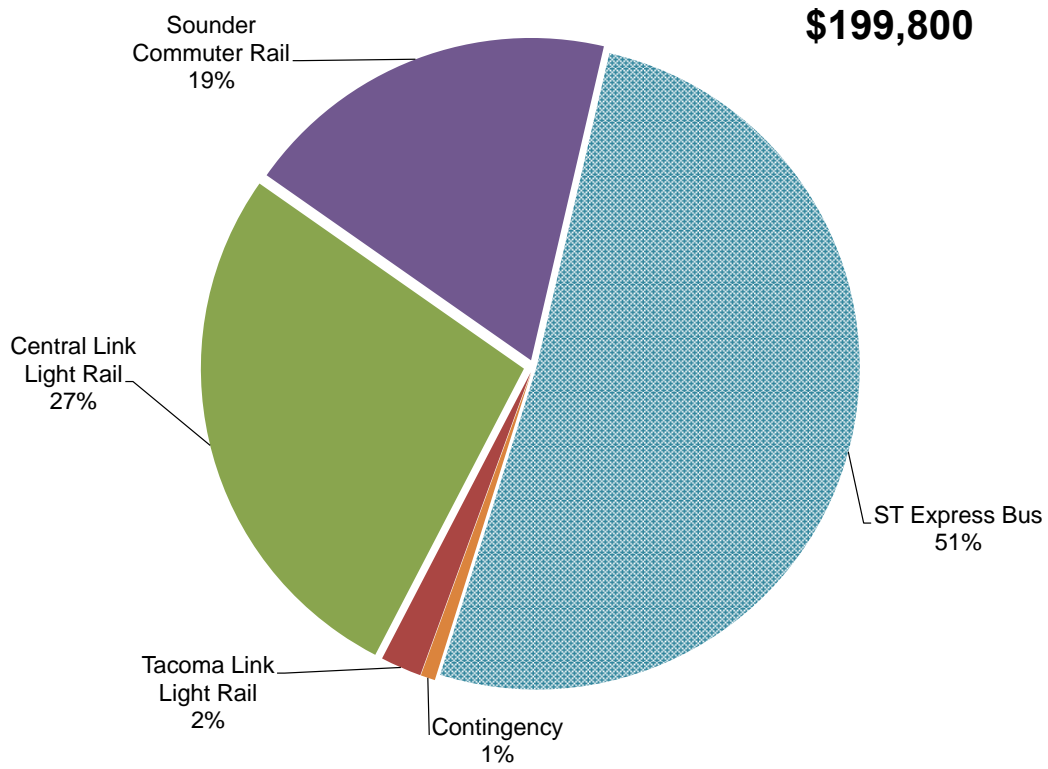
The service delivery budget includes expenses to operate and maintain current regional transit service. Operating costs include payments to third-party operators for Central Link light rail, Sounder commuter rail, and ST Express bus services, as well as Sound Transit's direct costs for providing those services and the costs for the agency to operate Tacoma Link light rail.

Sound Transit expects to carry over approximately 25.8 million riders by providing over 880,000 service hours with its four transit programs. Additional service is planned for Sounder commuter rail in the fourth quarter 2012 when service expands from Tacoma south to Lakewood. Compared to 2011 budgeted service levels, there are no changes planned for Central Link light rail or Tacoma Link light rail service in 2012. ST Express service hours for 2012 are essentially unchanged from the 2011 forecast.

Our service delivery budget for 2012 totals \$199.8 million, up \$12.9 million or 6.9% from \$186.9 million budgeted in 2011. This increase stems from higher budgets assigned to three of our four transit programs – Central Link light rail, Sounder commuter rail, and ST Express bus service. Tacoma Link light rail spending remains essentially flat.

Nearly half of the budget increase or \$6 million can be attributed to dramatically higher fuel costs. Excluding the increase in fuel prices our 2012 budget is higher by only 3.7% compared to the 2011 budget. Other major contributors to the increased budget include costs for purchased transit services provided by our various regional transit partners, expansion of Sounder service offered in late 2012, and the addition of two full-time employees.

Service Delivery Budget Summary
(in thousands)



Program	(in thousands)
Tacoma Link Light Rail	4,112
Central Link Light Rail	54,189
Sounder Commuter Rail	37,734
ST Express Bus	102,309
Contingency	1,455
Total	\$199,800

Note: Figures may not sum due to rounding.

Service Delivery Budget Summary

(in thousands)	2010 Actual	2011 Adopted	2011 Actual	2012 Adopted
Salaries & Benefits				
Salaries	2,618	2,843	2,609	3,133
Benefits	1,453	1,634	1,495	1,771
Subtotal	4,071	4,477	4,105	4,903
Services				
Marketing and Rider Information	1,228	1,374	1,084	1,273
Fare Collection	1,467	2,772	1,780	2,477
Ticket Vending Machines	7,977	8,482	7,861	8,852
Facilities Maintenance	2,853	2,919	2,725	3,531
Downtown Seattle Transit Tunnel	9,796	9,367	9,706	-
Maintenance of Way	209	360	213	684
Security and Safety	10,797	12,170	11,428	12,444
Miscellaneous Services	366	926	411	667
Accessible Services Program Operations	375	-	-	-
Subtotal	35,067	38,369	35,208	29,928
Materials & Supplies	7,165	5,899	8,094	9,188
Purchased Transportation	110,998	112,971	113,237	120,849
Paratransit	1,789	1,736	1,951	1,999
Miscellaneous Expenses	804	766	635	697
Lease and Rentals	706	861	796	10,707
Other Expenses				
Utilities	2,550	2,733	3,167	3,162
Insurance	2,651	4,468	2,544	3,783
Taxes	1,523	1,821	1,091	1,845
Subtotal	6,724	9,022	6,802	8,789
Transfer of agency admin.	11,322	11,447	12,229	11,285
Fully Allocated Service Delivery	178,646	185,548	183,057	198,345
Contingency		1,400		1,455
TOTAL	178,646	186,949	183,057	199,800

Service Delivery Budget Change Summary

(in thousands)	2011 Adopted	2012 Adopted	\$ Change	% Change
Salaries & Benefits				
Salaries	2,843	3,133	290	10.2%
Benefits	1,634	1,771	136	8.3%
Subtotal	4,477	4,903	426	9.5%
Services				
Marketing and Rider Information	1,374	1,273	(100)	-7.3%
Fare Collection	2,772	2,477	(295)	-10.6%
Maintenance of Vehicles	8,482	8,852	370	4.4%
Facilities Maintenance	2,919	3,531	612	21.0%
Downtown Seattle Transit Tunnel	9,367	-	(9,367)	-100.0%
Maintenance of Way	360	684	324	90.0%
Security and Safety	12,170	12,444	273	2.2%
Miscellaneous Services	926	667	(259)	-27.9%
Accessible Services Program Operations	-	-	-	0.0%
Subtotal	38,369	29,928	(8,442)	-22.0%
Materials & Supplies	5,899	9,188	3,289	55.7%
Purchased Transportation	112,971	120,849	7,878	7.0%
Paratransit	1,736	1,999	263	15.1%
Miscellaneous Expenses	766	697	(69)	-9.0%
Lease and Rentals	861	10,707	9,846	1143.6%
Other Expenses				
Utilities	2,733	3,162	429	15.7%
Insurance	4,468	3,783	(685)	-15.3%
Taxes	1,821	1,845	24	1.3%
Subtotal	9,022	8,789	(232)	-2.6%
Transfer of Agency Administration	11,447	11,285	(163)	-1.4%
Fully Allocated Service Delivery	185,548	198,345	12,796	6.9%
		-		
Contingency	1,400	1,455	55	3.9%
TOTAL	186,949	199,800	12,851	6.9%

Service Delivery Staffing Plan

Service delivery staff work directly to deliver our transit services. Within Sound Transit, they are located in the Operations department (Tacoma Link, Central Link, Sounder, and ST Express divisions) and in the Finance & Information Technology department (Transit Systems division). Transit systems staff maintains both ticket vending machines (TVMs) and other technology available on passenger vehicles and at Sound Transit facilities. Transit Systems staff provide technical support for Ticket Vending Machines (TVMs) and other technology.

Service Delivery Staffing Plan by Department

Service Delivery	2010 Staffing Plan	2011 Staffing Plan	Filled At End of Dec 2011	2012 Staffing Plan	New
Operations					
Accessible Services	2.00	-	-	-	-
Central Link	5.00	6.00	6.00	7.00	1.00
ST Express	3.00	3.00	3.00	3.00	-
Sounder	4.00	5.00	4.00	5.00	-
Tacoma Light Rail	18.00	18.00	17.00	18.00	-
Finance & IT Department					
Transit Systems	10.00	11.00	9.00	12.00	1.00
Service Delivery Total	42.00	43.00	39.00	45.00	2.00

Operations department staff are charged directly to the transit program they support. Transit Systems staff are charged to each transit program on the basis of the number of ticket vending machines deployed for each transit program.

Service Delivery Staffing Plan by Program

Service Delivery	2010 Staffing Plan	2011 Staffing Plan	Filled At End of Dec 2011	2012 Staffing Plan	New
Operations					
Accessible Services	2.00	-	-	-	-
Central Link	11.50	13.48	12.12	15.12	1.64
ST Express	4.30	4.32	4.08	4.34	0.02
Sounder	6.20	7.20	5.80	7.54	0.34
Tacoma Light Rail	18.00	18.00	17.00	18.00	-
Service Delivery Total	42.00	43.00	39.00	45.00	2.00

Service delivery staffing plan details are available in Appendix A. The remainder of this section includes program-specific service and operations information as well as budget and performance statistics with analysis.

2012 Service Delivery Budget Analysis

Adopted 2012 Budget Compared to Adopted 2011 Budget

Our total service delivery budget is increasing by 6.9% due largely to higher diesel fuel prices that will impact the ST Express and Sounder budgets. We estimate paying \$3.63 per gallon for diesel fuel in 2012, up from a forecasted systemwide average of \$2.70 and a budget of \$2.50 per gallon in 2011.

The amount paid to King County to lease the Downtown Seattle Transit Tunnel is budgeted at 10.2% higher. Previously a separate line under services, this cost has been moved to leases and rentals. Facilities maintenance is higher by 21% in 2012 for repairs of older Sounder and ST Express facilities. A 90% increase in maintenance of way costs is primarily due to adding the Tacoma to Lakewood Sounder service, but about one quarter is due to higher contract costs for Tacoma Link. Paratransit is 15.1% higher due to increased utilization of the service for Central Link. Required spare parts are up 50% for light rail - completing its third year of service in 2012.

We have several costs managed by administrative divisions but charged to the individual transit programs. These costs include:

Security and Safety

Overall, security costs for transit services are expected to rise 2.2% in 2012, reflecting scheduled wage increases for private security workers and for contracted police service. Security costs are assigned to each transit program based on an internal security staff deployment plan.

Transit Systems

The Transit Systems division budget includes maintenance costs for ticket vending machines. The fare collection budget line includes these costs along with \$1.1 million for regionally shared ORCA operating costs. The budget for fare collection is 10.6% lower in 2012, which more closely reflects the current year's actual maintenance expense trend. Fare collection costs are assigned to programs based on the number of ticket machines installed per program.

Insurance

Rail service-related insurance costs are proportionate to projected ridership rates, as well as other risk factors. Insurance for rail transit is provided by the agency's Rail Operations Insurance Program (ROIP). ST Express bus related insurance costs are included in fees we pay to contract transportation providers.

Service Delivery Budget by Program

Tacoma Link Light Rail

Service Description

Tacoma Link service, a 1.6-mile light rail passenger system that runs through the heart of downtown Tacoma, began in August 2003. All vehicles, services, and facilities are Americans with Disabilities Act (ADA) compliant. Fares are not charged on Tacoma Link. From the Tacoma Dome Station on South 25th Street to the Theater District Station on Commerce Street, there are six unique stations complete with artwork that reflect the history and community of Tacoma. We run two trains at peak ridership hours and one during slower times of day. During the second half of 2011 we began running trains at 12-minute intervals rather than 10-minute intervals. This shift in scheduling was necessary to accommodate service at our new city-developed station located at Commerce Street and 12th Street in Tacoma, which opened in September 2011. No new changes to service are proposed for 2012.

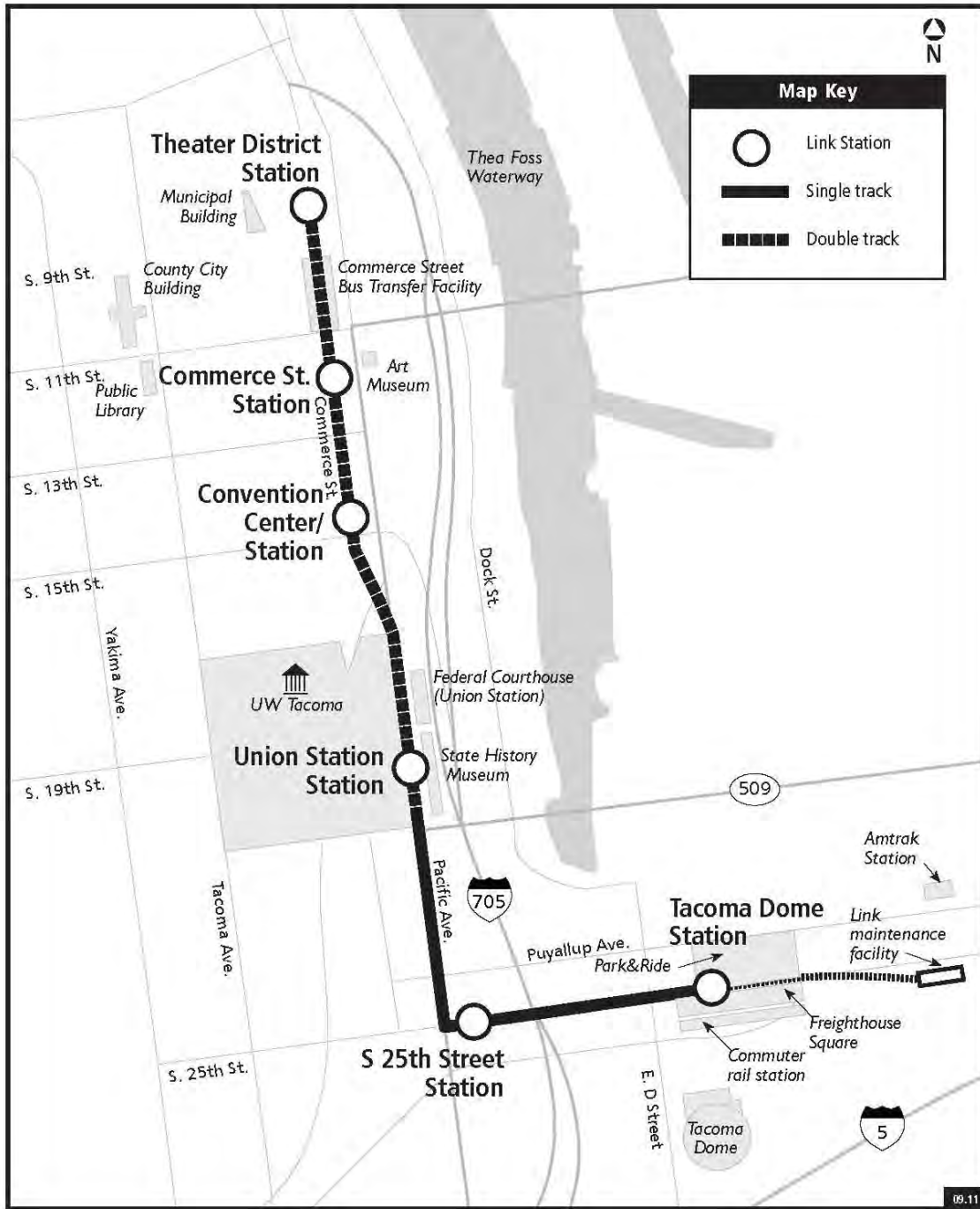
In 2012 more than 9,600 service hours are expected to be delivered. The 2012 target for ridership is 900,000 total boardings or 2,850 per weekday.

Operations Overview

Sound Transit operates Tacoma Link out of the operations and maintenance facility in Tacoma. The fleet consists of three single-car trains. The third train is available for use during train maintenance. Our staff performs routine maintenance work 6 days per week, 12 hours per day, out of the Tacoma operations and maintenance facility. We typically contract out track, signal, and station maintenance services.

2012 represents the first full year of service at the new Commerce Street Station in Tacoma, which accounts for a less than 2% increase in both expenses and ridership for Tacoma Link. All expenses related to the new Commerce Street Station will be reimbursed by the city of Tacoma.

Tacoma Link Light Rail Service Route



Tacoma Link Light Rail Budget

(in thousands)	2010 Actual	2011 Adopted	2011 Actual	2012 Adopted
Salaries & Benefits				
Salaries	1,041	1,085	1,009	1,111
Benefits	649	654	632	663
Subtotal	1,690	1,739	1,641	1,774
Services				
Marketing and Rider Information	32	36	32	49
Fare Collection	-	-	-	-
Maintenance of Way	16	105	47	179
Maintenance of Vehicles	20	58	18	58
Facilities Maintenance	207	197	152	300
Security and Safety	235	420	344	376
Miscellaneous Services	41	49	42	46
Subtotal	552	866	636	1,007
Materials & Supplies	146	229	90	206
Purchased Transportation	-	5		5
Miscellaneous Expenses	10	25	8	31
Lease and Rentals	7	9	12	9
Other Expenses				
Utilities	117	133	173	132
Insurance	181	272	204	264
Taxes	1	1		1
Subtotal	299	406	377	396
Transfer of Agency Administration	660	797	722	685
Fully Allocated Transit Operations	3,364	4,076	3,486	4,112
Contingency	-	-	-	-
TOTAL	3,364	4,076	3,486	4,112

Budget

The adopted 2012 Tacoma Link budget will increase slightly to \$4.11 million, from \$4.08 million last year (excluding depreciation). The primary driver for the change stems from a slight increase in track and signal railway maintenance (or “maintenance of way”) costs. No fares are collected for Tacoma Link service.

Tacoma Link Light Rail Performance Statistics

Performance Statistics	2010 Actual	2011 Budget	2011 Actual	2012 Adopted	2012 v 2011 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated ⁽¹⁾	9,724	9,617	9,817	9,617	0.0%
Revenue Vehicle Miles Operated	90,168	76,037	82,563	75,900	-0.2%
Trips Operated	58,344	58,648	53,209	47,857	-18.4%
Service Consumed					
Total Boardings	871,793	900,000 *	972,429	900,000	0.0%
Average Weekday Boardings	2,944	2,500 *	3,293	2,850	14.0%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Service Hour	90	94	99	94	0.0%
Total Boardings/Trip	15	15	18	19	22.5%
Percentage of Scheduled Trips Operated	99.8%	98.5%	99.9%	98.5%	0.0%
On-time Performance ⁽²⁾	99.9%	98.5%	99.8%	98.5%	0.0%
Complaints per 100,000 boardings	0.2	15.0	0.9	15.0	0.0%
Preventable Accidents per 100,000 service miles ⁽³⁾	0	<1	0	<1.7	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)	\$3,364,341	\$4,075,732	\$3,486,288	\$4,112,308	0.9%
Cost / Revenue Vehicle Hour	\$345.98	\$423.80	\$355.13	\$427.61	0.9%
Cost / Revenue Vehicle Mile	\$37.31	\$53.60	\$42.23	\$54.18	1.1%
Cost / Boarding	\$3.86	\$4.53	\$3.59	\$4.57	0.9%

Notes

* Ridership forecast for 2011 was revised in January 2011.

(1) Service is reported as service hours or miles operated.

(2) Standard is greater than or equal to 98.5%. A train is late if it (a) departs a terminal station more than one minute late or, (b) arrives at a terminal station three or more minutes late and is unable to make its departure time.

(3) A preventable accident is defined as an accident in which the operating employee(s) failed to do everything reasonable to prevent it. For Tacoma Link, the standard is less than or equal to 1.0 per 30,000 service miles. This standard was lowered from one preventable accident per 100,000 service miles to better reflect standard industry practices for light rail.

Performance Statistics

The service plan for 2012 will include the first full year of operations at Commerce Street station in Tacoma. The adopted ridership forecast for Tacoma Link remains the same as 2011. The addition of Commerce Station should provide marginal growth. The forecast may be revised in early 2012. Operating costs are expected to rise 0.9% over the 2011 budget. The marginal costs associated with Commerce Street station are fully reimbursed by the city of Tacoma; however, they are included in calculating the performance statistics.

Tacoma Link’s cost per revenue vehicle hour is projected to be about \$428, a 0.9% increase from 2011. The cost per revenue vehicle mile is projected to rise 1.1% in 2012. This latter increase is attributable to trains running on slower intervals, now once every 12 minutes versus once every 10 minutes as in prior years.

Central Link Light Rail

Service Description

Central Link light rail went into service in July 2009, providing service between downtown Seattle and Tukwila, near Sea-Tac Airport. The agency extended service further south to Sea-Tac Airport in December 2009. Two-car trains depart roughly every 7 to 8 minutes during peak periods and every 10 to 15 minutes during midday and evening hours. The 15.6-mile ride between Sea-Tac Airport and downtown Seattle takes about 30 minutes. Single-car trains operate after 8 p.m. weekdays and on Sundays except when demand requires additional capacity, such as for sporting events and festivals in Seattle. We are not proposing any changes to service during 2012.

For 2012, we are forecasting 25,455 weekday boardings and 8.4 million annual boardings – both are less than 2% higher than the revised 2011 ridership budget. By 2020, Central Link is projected to carry more than 42,500 passengers each day.

Operations Overview

Sound Transit operates Central Link light rail out of its operations and maintenance facility in Seattle's SODO neighborhood. Operations and maintenance of the system are contracted to King County Metro; oversight is provided by Sound Transit staff dedicated to Central Link.

King County Metro employs 182 Central Link staff including control center personnel, service supervisors, maintenance of way personnel, maintenance technicians, facilities custodians and 56 operators. Sound Transit has a staffing plan of 7 Operations department FTEs and 8 Transit Systems division FTEs.

The Central Link fleet consists of 62 single-car vehicles including 27 vehicles added in 2011.

Central Link Light Rail Service Route



Central Link Light Rail Budget

<i>(in thousands)</i>	2010 Actual	2011 Adopted	2011 Actual	2012 Adopted
Salaries & Benefits				
Salaries	763	929	839	1,101
Benefits	383	514	444	597
Subtotal	1,146	1,444	1,283	1,698
Services				
Marketing and Rider Information	177	105	109	112
Fare Collection	887	1,366	918	1,335
Facilities Maintenance	707	483	495	578
Downtown Seattle Transit Tunnel	5,764	5,392	5,524	-
Security and Safety	7,480	7,921	7,576	8,183
Miscellaneous Services	167	765	228	427
Subtotal	15,182	16,032	14,850	10,635
Materials & Supplies	731	978	2,275	1,446
Purchased Transportation	20,405	22,488	22,752	24,597
Paratransit	1,789	1,736	1,951	1,999
Miscellaneous Expenses	224	252	242	258
Lease and Rentals	386	371	372	5,935
Other Expenses				
Utilities	1,526	1,748	1,875	1,816
Insurance	1,754	2,949	1,564	2,333
Taxes	203	264	290	302
Subtotal	3,484	4,960	3,730	4,451
Transfer of Agency Administration	2,618	3,270	3,604	3,172
Fully Allocated Transit Operations	45,964	51,531	51,058	54,189
Contingency	-	-	-	-
TOTAL	45,964	51,531	51,058	54,189

Budget

The budget for Central Link light rail increased 5.1%, to \$54.2 million from \$51.5 million. The primary drivers of this \$2.7 million rise stem from higher purchased transportation costs, use of the Downtown Seattle Transit Tunnel (DSTT), spare parts and supplies, and paratransit services.

Purchased transportation reflects the costs from King County, as determined by service levels and the Inter-governmental Agreement with King County Metro to provide operations and maintenance services for Central Link light rail. Purchased Transportation costs are \$2.1 million higher than the 2011 budget due to additional King County facilities and vehicle maintenance services staff that were requested in 2011 but not budgeted. In 2011 the light rail fleet increased from 35 vehicles to 62 vehicles, necessitating additional vehicle maintenance technicians. However, we asked King County to try and find the money by cutting expenses in other areas. As a result, they were able to cover half the increase and we were required to pay more in 2011 than we budgeted. In addition, Sound Transit has proposed additional supervisory staff to maintain service quality.

Budget for use of the Downtown Seattle Transit Tunnel (DSTT) is \$5.9 million which is up 10.1% from 2011. The DSTT budget was moved from services to leases and rentals effective in 2012.

In its third year of service, an increase in spare parts needed drives the materials and supplies budget up almost 50% to \$1.4 million as initial parts inventories are depleted and Central Link moves through its third year of service.

Paratransit service is budgeted 15% higher for 2012. This service is provided to people with disabilities who are unable to use a fixed route service. Paratransit costs are expected to steadily increase in 2012 and through 2016, due to increased use of paratransit services and a one-time permanent decrease in Medicare coverage for non-agency service options.

Central Link Light Rail Performance Statistics

Performance Statistics	2010 Actual	2011 Budget	2011 Actual	2012 Adopted	2012 v 2011 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated ⁽¹⁾	138,372	138,288	130,175	127,500	-7.8%
Revenue Vehicle Miles Operated ⁽¹⁾	2,602,138	2,824,763	2,448,346	2,375,000	-15.9%
Revenue Train Hours Operated	71,499	69,144	71,838	71,750	3.8%
Trips Operated	90,760	92,527	90,575	92,527	0.0%
Service Consumed					
Total Boardings	6,989,504	8,300,000 *	7,812,433	8,400,000	1.2%
Average Weekday Boardings	21,047	25,000 *	23,617	25,455	1.8%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Service Hour	51	60	60	66	9.8%
Total Boardings/Trip	77	90	86	91	1.2%
Percentage of Scheduled Trips Operated	99.1%	98.5%	99.6%	98.5%	0.0%
Headway management ⁽²⁾	91.7%	90.0%	92.9%	90.0%	0.0%
Complaints per 100,000 Boardings	6.3	15.0	4.0	15.0	0.0%
Preventable Accidents per 100,000 service miles ⁽³⁾	0	<1	0.07	<1	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation and excluding paratransit costs)⁽⁴⁾	\$44,175,087	\$49,794,513	\$49,106,753	\$52,190,677	4.8%
Cost / Revenue Vehicle Hour	\$319.25	\$360.08	\$377.24	\$409.34	13.7%
Cost / Revenue Vehicle Mile	\$16.98	\$17.63	\$20.06	\$21.98	24.7%
Cost / Revenue Train Hour	\$617.84	\$720.16	\$683.58	\$727.40	1.0%
Cost / Boarding	\$6.32	\$6.00	\$6.29	\$6.21	3.6%

Notes

* Ridership forecast for 2011 was revised in January 2011.

(1) Hours of operation assumed to be from 5:00 AM to 1:00 AM with 7-1/2 minute headways during peak rush hour times up to 15 minute headways during the early morning/late evening hours.

(2) For Central Link, On Time Performance is measured through Headway Management, or scheduled intervals between trips.

(3) A preventable accident is defined as an accident in which the operating employee(s) failed to do everything reasonable to prevent it. For Central Link, the standard is less than or equal to 1.0 per 30,000 service miles.

(4) For cost metrics, paratransit costs are not included in Link operating costs as they are a separate mode for NTD purposes.

Performance Statistics

The adopted 2012 budget anticipates 8.4 million boardings for Central Link, a 1.2% increase from the revised 2011 ridership budget. An additional 100,000 boardings are expected on paratransit. Neither the paratransit boardings nor expenses are included in the Central Link performance statistics. On a budget-to-budget basis, there is no planned change in trips operated for 2012.

Sound Transit is using single-car trains at night and on Sundays to better match rider demand. This cost savings measure was introduced in 2011 after the budget was adopted. In order to track this operations change we use a cost per revenue train hour. By switching to more single-car trains, the cost per revenue train hour has been held to a 1.0% increase in 2012. When you compare 2011 actual expenses to adopted 2012 budget for cost per revenue vehicle hour and revenue vehicle mile, the increases are 8.5% and 9.6%, respectively.

Sounder Commuter Rail

Service Description

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

South line commuter service, which began in 2000, offers nine daily round trips between Seattle and Tacoma. During fourth quarter 2012, Sound Transit will introduce additional service from Tacoma south to Lakewood with two stops. This new segment will offer four daily round trips. North line Sounder service, which began in 2003, offers four daily round trips between Everett and Seattle. There are no service additions scheduled for the northern corridor in 2012.

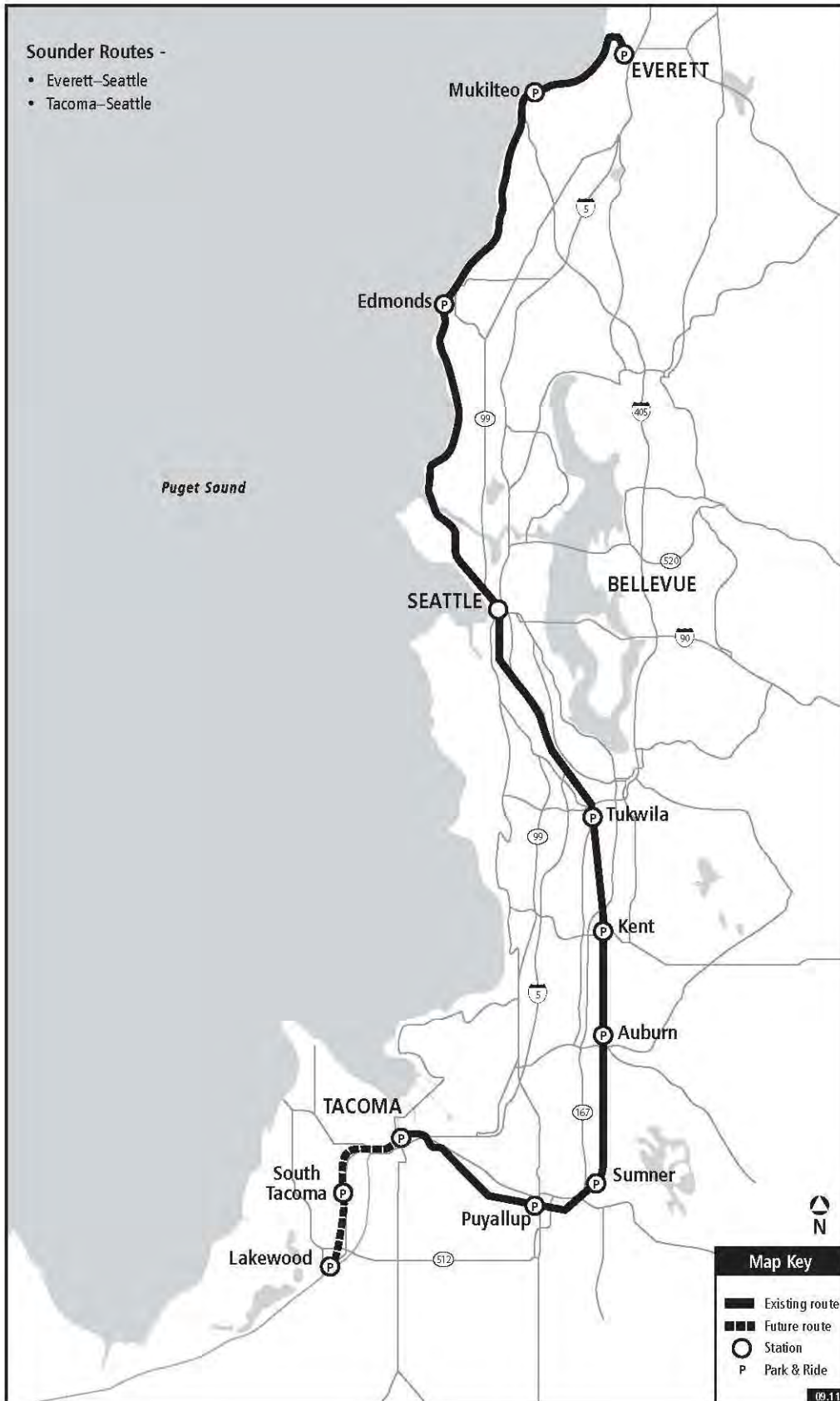
In 2012 we expect to deliver more than 45,000 service hours. The 2012 target for ridership is 2.6 million total boardings or 9,250 per weekday.

Operations Overview

Sounder operations staff includes one manager, three superintendents, and an administrative coordinator. Sounder also is supported by 2.5 full-time employees from the agency's transit systems division.

The Sounder fleet consists of 11 locomotives, 40 coaches, and 18 cab cars, the latter of which function like passenger cars but include an engineer's cab. During 2012, the agency will incorporate three additional locomotives into its fleet. All vehicles are maintained by Amtrak at their Holgate Yard in Seattle during the day, with overnight storage for the four North line train vehicles in Everett and the five South line vehicles in Tacoma. Sounder also benefits from numerous other supporting contracts, such as services for security, station agents, and facilities maintenance.

Sounder Commuter Rail Service Route



Sounder Commuter Rail Budget

<i>(in thousands)</i>	2010 Actual	2011 Adopted	2011 Actual	2012 Adopted
Salaries & Benefits				
Salaries	513	605	534	673
Benefits	266	346	298	378
	778	951	832	1,050
Services				
Marketing and Rider Information	816	878	809	871
Fare Collection	574	747	400	469
Maintenance of Vehicles	7,838	8,299	7,704	8,669
Facilities Maintenance	718	843	921	980
Maintenance of Way	194	255	166	506
Security and Safety	2,263	2,996	2,632	3,039
Miscellaneous Services	147	65	140	187
Subtotal	12,550	14,083	12,771	14,722
Materials & Supplies	6,117	4,560	5,646	7,373
Purchased Transportation	7,575	7,222	8,120	8,267
Miscellaneous Expenses	283	278	207	216
Lease and Rentals	185	355	193	305
Other Expenses				
Utilities	503	417	665	780
Insurance	679	1,223	746	1,168
Taxes	829	1,071	281	1,062
Subtotal	2,010	2,711	1,691	3,011
Transfer of agency admin.	3,154	2,687	2,874	2,790
Fully Allocated Transit Operations	32,652	32,848	32,334	37,734
Contingency	-	-	-	-
TOTAL	32,652	32,848	32,334	37,734

Budget

The adopted 2012 Sounder budget will rise to \$37.7 million in 2012, up 14.9% from \$32.8 million in 2011. The bulk of this increase results from higher fuel costs, included in the materials and supplies budget line. Materials and supplies costs will rise by \$2.9 million in 2012, with more than \$2 million of that directly linked to fuel expenses.

Aside from fuel costs, there are several other cost increases included in the 2012 Sounder service delivery budget. The agency will take delivery of three new locomotives in 2012. The increases in size, average age of the fleet, and contractual rates are all factors in driving vehicle maintenance costs higher by \$500,000. In addition, the agency has budgeted for roughly \$140,000 in additional facilities management costs in 2012, to repair and rehabilitate decade-old facilities. Utility costs will rise by nearly \$200,000 in 2012 due to the cost of locomotives re-charging overnight in Everett and Tacoma and costs to offer wireless internet access to passengers.

The annualized costs of the Tacoma to Lakewood service will show up in 2013 as its first full year of service. The cost of the new service for the fourth quarter of 2012 is \$983,450.

Sounder Commuter Rail Performance Statistics

Performance Statistics	2010 Actual	2011 Budget	2011 Actual	2012 Adopted	2012 v 2011 Budget
SUMMARY DATA					
Service Provided⁽¹⁾					
Revenue Vehicle Hours Operated	38,518	39,118	38,588	45,066	15.2%
Revenue Vehicle Miles Operated	1,506,922	1,525,609	1,498,423	1,650,670	8.2%
Trips Operated	6,763	6,782	6,695	6,782	0.0%
Service Consumed					
Total Boardings	2,364,290	2,800,000 *	2,543,955	2,600,000	-7.1%
Average Weekday Boardings	8,771	10,600 *	9,495	9,250	-12.7%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	61	72	66	58	-19.4%
Total Boardings/Trip	350	413	380	383	-7.1%
Percentage of Scheduled Trips Operated	99.2%	99.5%	98.6%	99.5%	0.0%
On-time Performance ⁽²⁾	97%	>95%	97%	>95%	0.0%
Complaints per 100,000 Boardings	12.5	15.0	13.7	15.0	0.0%
Preventable Accidents per 1,000,000 total miles ⁽³⁾	0	<1	0	<1	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)					
Operating costs (less depreciation)	\$32,651,933	\$32,848,051	\$32,334,605	\$37,734,103	14.9%
Cost / Revenue Vehicle Hour	\$847.71	\$839.72	\$837.94	\$837.31	-0.3%
Cost / Revenue Vehicle Mile	\$21.67	\$21.53	\$21.58	\$22.86	6.2%
Cost / Boarding	\$13.81	\$11.73	\$12.71	\$14.51	23.7%
Fuel Costs					
Fuel Costs	\$2,691,374	\$2,845,800	\$3,715,577	\$4,921,877	73.0%
Operating costs (less fuel and depreciation)					
Operating costs (less fuel and depreciation)	\$29,960,559	\$30,002,251	\$28,619,028	\$32,812,226	9.4%
Cost / Revenue Vehicle Hour	\$777.83	\$766.97	\$741.66	\$728.09	-5.1%
Cost / Revenue Vehicle Mile	\$19.88	\$19.67	\$19.10	\$19.88	1.1%
Cost / Boarding	\$12.67	\$10.72	\$11.25	\$12.62	17.8%

Notes

* Ridership forecast for 2011 was revised in January 2011.

(1) Service as of July 2011 is nine round trips on the South line and four round trips on the North line.

(2) Standard is 95%, monthly average of all trains arriving at terminus within seven minutes of schedule at least 19 out of 20 trips.

(3) Preventable accident is when the operating employee(s) failed to do everything reasonable to prevent it. For Sounder, the standard is less than or equal to 1.0 per 1,000,000 total miles.

Performance Statistics

The service plan for 2012 incorporates the addition of Tacoma-Lakewood service during fourth quarter. Sounder ridership is expected to rise slightly in 2012, to 2.6 million boardings. This new service drives an increase of 2.2% from 2011 actual expenses. Sounder cost per revenue vehicle hour fell slightly to \$837, down from \$840 in 2011. Sounder cost per revenue vehicle mile rose slightly to nearly \$23, up 6.2% from under \$22 in 2011.

Because substantial fuel cost increases have impacted service delivery budgets for our transit programs which use diesel fuel, this year we have also included performance statistics that highlight the impacts of changes in fuel prices. Excluding fuel cost hikes, costs per hour would be \$728, or 5.1% lower than the 2011 budget, and costs per mile would be just under \$20, or 1.1% higher than the 2011 budget.

ST Express Bus

Service Description

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

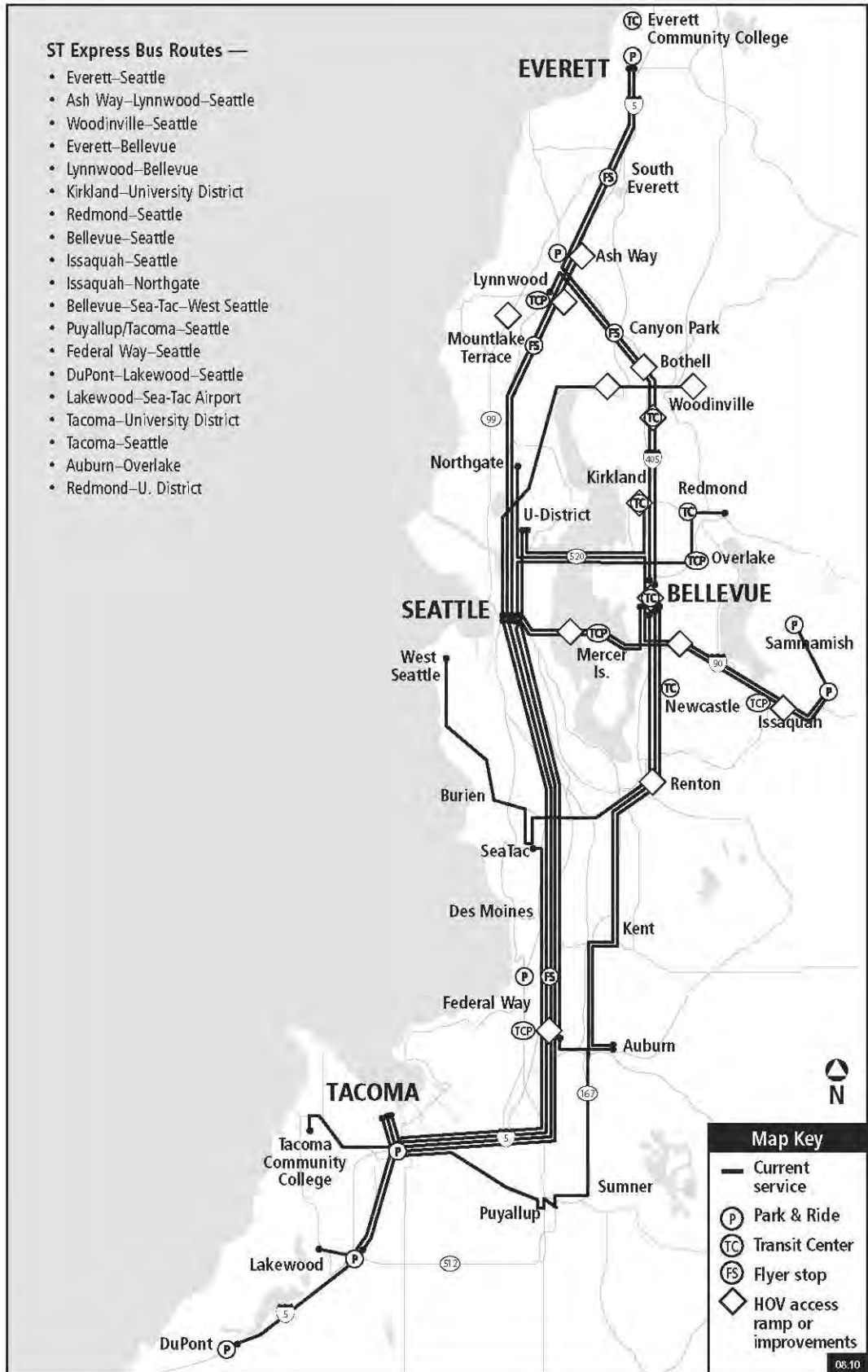
During 2012 we expect 13.8 million boardings, up 7.0% from the 12.9 million in the revised 2011 ridership budget and up less than 1% from 13.7 million in 2011 actual boardings.

Operations Overview

Sound Transit provides 261 buses to support ST Express service. The 2012 fleet plan in the TIP includes funding to increase this number to 268 to meet daily service needs. The bus fleet is maintained by transit partners King County Metro (108 buses), Pierce Transit (101 buses), and Community Transit (52 buses).

Sound Transit plans to provide about 700,000 service hours in 2012, or about a 1.6% drop from 2011. This reduction results from strategic service cuts enacted June 2011 as part of Sound Transit's response to the recession. During 2012 no further cuts to service hours are planned, though the agency may adjust service levels or hours on various routes within the hours budgeted.

ST Express Bus Service Route



ST Express Bus Budget

<i>(in thousands)</i>	2010 Actual	2011 Adopted	2011 Actual	2012 Adopted
Salaries & Benefits				
Salaries	170	223	228	249
Benefits	75	120	122	133
Subtotal	245	343	349	381
Services				
Marketing and Rider Information	203	354	134	241
Fare Collection	6	659	462	673
Maintenance of Vehicles	119	125	140	125
Facilities Maintenance	1,221	1,396	1,156	1,673
Downtown Seattle Transit Tunnel	4,032	3,975	4,183	-
Security and Safety	818	833	875	845
Miscellaneous Services	10	46		8
Subtotal	6,409	7,389	6,950	3,564
Materials & Supplies	168	132	82	162
Purchased Transportation	83,019	83,256	82,365	87,980
Miscellaneous Expenses	277	211	178	192
Lease and Rentals	129	126	219	4,459
Other Expenses				
Utilities	403	435	454	434
Insurance	37	25	30	19
Taxes	490	484	520	479
Subtotal	930	944	1,004	931
Transfer of Agency Administration	4,764	4,693	5,029	4,639
Fully Allocated Transit Operations	95,940	97,094	96,178	102,309
Contingency	-	-	-	-
TOTAL	95,940	97,094	96,178	102,309

Budget

ST Express's budget increases in 2012 to \$102.3 million, up 5.4% from \$97.1 million in 2011. The majority of this increase stems from \$4.7 million more in purchased transportation services, which include higher fuel expenses that are passed through to Sound Transit. In addition, facilities maintenance costs are expected to rise in 2012 due to aging properties. Materials and supplies costs are higher due to ORCA card issuance and ORCA card reader purchases.

Budget for use of the Downtown Seattle Transit Tunnel (DSTT) is \$4.4 million or up 10.3% from 2011. The DSTT budget was moved from services to leases and rentals effective in 2012.

ST Express Bus Performance Statistics

Performance Statistics	2010 Actual	2011 Budget	2011 Actual	2012 Adopted	2012 v 2011 Budget
SUMMARY DATA					
Service Provided					
Revenue Vehicle Hours Operated ⁽¹⁾	550,199	584,000	553,178	565,000	-3.3%
Revenue Vehicle Miles Operated	11,393,320	11,884,380	11,627,380	11,600,000	-2.4%
Trips Operated	445,839	455,409	454,619	445,000	-2.3%
Platform Hours ⁽²⁾	693,682	713,193	691,281	701,495	-1.6%
Service Consumed					
Total Boardings	12,494,546	12,900,000 *	13,664,664	13,800,000	7.0%
Average Weekday Boardings	42,519	42,700 *	47,078	49,050	14.9%
SERVICE PERFORMANCE MEASURES					
Total Boardings/Revenue Vehicle Hour	22.7	22.1	24.7	24.4	10.6%
Total Boardings/Trip	28.0	28.3	30.1	31.0	9.5%
Percentage of Scheduled Trips Operated	99.5%	99.8%	99.9%	99.8%	0.0%
On-time Performance ⁽³⁾	93.9%	85.0%	88.7%	85.0%	0.0%
Complaints per 100,000 Boardings	15.0	15.0	14.0	15.0	0.0%
Preventable Accidents per 100,000 revenue miles ⁽⁴⁾	0.71	< 0.80	0.60	< 0.80	0.0%
FINANCIAL PERFORMANCE MEASURES					
Operating costs (less depreciation)⁽⁵⁾	\$95,940,114	\$97,094,448	\$96,177,615	\$102,308,773	5.4%
Cost / Revenue Hour	\$174.37	\$166.26	\$173.86	\$181.08	8.9%
Cost / Platform Hour	\$138.31	\$136.14	\$139.13	\$145.84	7.1%
Cost / Boarding	\$7.68	\$7.53	\$7.04	\$7.41	-1.5%
Fuel Costs	\$7,331,809	\$7,968,226	\$10,050,369	\$11,805,256	48.2%
Operating costs (less fuel and depreciation)	\$88,608,305	\$89,126,222	\$86,127,246	\$90,503,517	1.5%
Cost / Revenue Hour	\$161.05	\$152.61	\$155.70	\$160.18	5.0%
Cost / Platform Hour	\$127.74	\$124.97	\$124.59	\$129.02	3.2%
Cost / Boarding	\$7.09	\$6.91	\$6.30	\$6.56	-5.1%

Notes

* Ridership forecast for 2011 was revised in January 2011.

(1) Revenue hours: The aggregation of time during which service is available to carry passengers.

(2) Platform hours: The aggregation of time during which a transit vehicle leaves the operating base, is available for service and returns to the operating base, including layover and deadhead time.

(3) Per the performance standards set in the service agreements with the transit partners, the standard is 90% or higher, defined as no later than 10 minutes of scheduled departure time.

(4) A preventable accident is defined as an accident in which the operating employee(s) failed to do everything reasonable to prevent it. Per the service agreements, the standard is less than or equal to 0.8 or 1.0 per 100,000 revenue miles during tunnel closure.

(5) Estimated operating costs for ST Express Bus are subject to change, based on the annual cost reconciliation process as specified in the service agreements with Sound Transit's operating partners.

Performance Statistics

ST Express performance measures are expected to hold relatively steady in 2012, with increases to operations costs resulting from a mix of higher fuel prices and the full year impact of reduced hours phased in throughout 2011. Service hours are down 1.6% in 2012 compared to the adopted 2011 budget. Boardings are expected to increase by about 7% from the revised 2011 ridership budget.

The measure of cost per vehicle hour is expected to rise 9% in 2012, to just over \$181. Stripping out high fuel costs, this cost would rise only 5%, to nearly \$160. This year key cost performance statistics are provided before depreciation as well as before depreciation and fuel costs to clearly separate out the impacts of changes in fuel prices.

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PROJECT DELIVERY

Sound Transit's two major voter-approved programs are Sound Move, approved in 1997, and Sound Transit 2 (ST2), approved in 2008. Transit infrastructure planning, design, and construction account for the majority of Sound Transit's annual budget.

Sound Transit continues to deliver on its commitment to improve and expand regional transit service in the Puget Sound region. In 2011, we opened the Kirkland Transit Center, Edmonds Station, and the Mountlake Terrace Freeway Station. Significant construction milestones included the start of tunneling for University Link, the light rail expansion from downtown Seattle to the University of Washington. Construction also began on the final Sounder commuter rail segment, D Street to M Street in Tacoma, which expands commuter rail service to South Tacoma and Lakewood.

The following section describes planned 2012 capital spending for Link light rail, Sounder commuter rail, Regional Express, and Service Delivery capital programs. Sound Transit capital projects include the cost of:

- Feasibility studies, preliminary design, and environmental investigation.
- Planning, design, and construction of transit facilities and equipment.
- Procurement of revenue vehicles and major equipment.
- Renovation and rehabilitation of existing facilities.
- Land acquisition and land improvements.

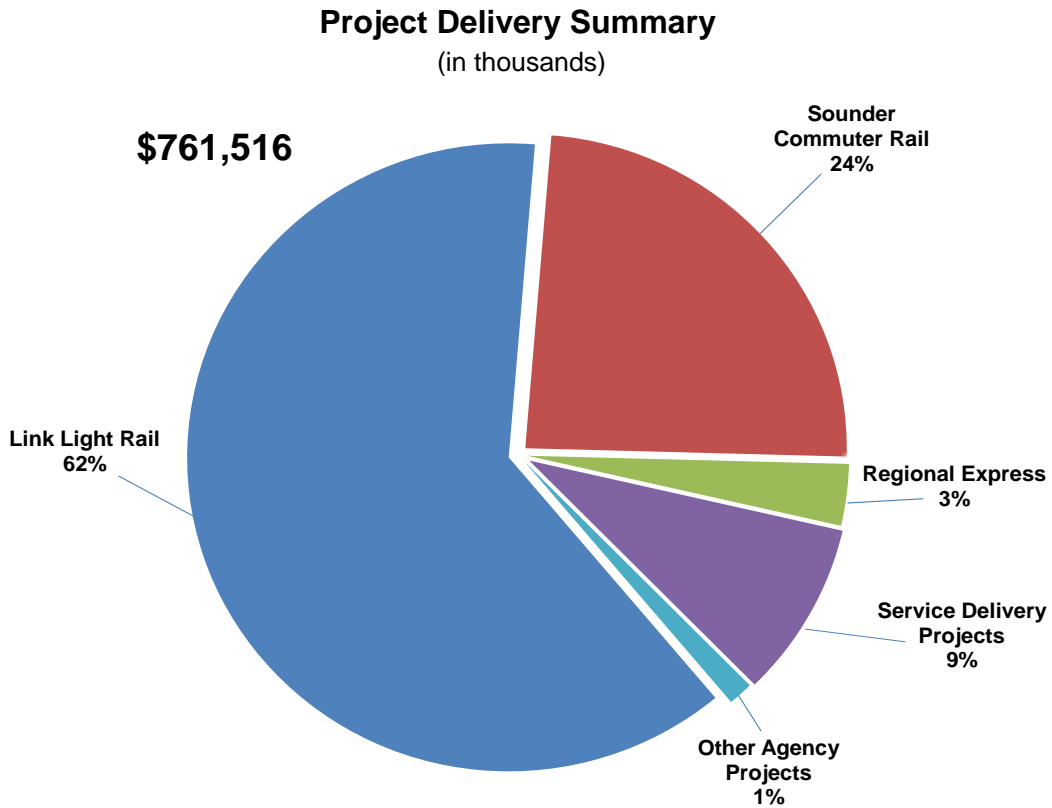
Also included are operating expenses and capital expenditures for other agency projects that are not mode specific. More detailed descriptions of these programs, including lifetime budgets and cash flows, can be found in the adopted 2012 Transit Improvement Plan (TIP).

The total project delivery budget for 2012 is \$761.5 million. Major budget elements include:

- Continue University Link construction of tunnels from the University of Washington to downtown, and the UW and Capitol Hill Stations.
- Begin final design of the East Link project.
- Perform final design, ROW acquisition, and early construction work (demolition, removal of hazardous materials and site preparation) on North Link, which will expand light rail north of the UW to Northgate.
- Begin draft environmental impact study on North Corridor – north of Northgate. Conduct environmental impact study and conceptual engineering to extend high capacity transit from Northgate to Lynnwood.
- Initiate construction of the Mukilteo Station south platform and permanent Tukwila Station.
- Select a design/build contractor to accelerate delivery of South Link, the light rail extension from Sea-Tac Airport to South 200th Street and begin final design work.
- Complete construction of the Sounder commuter rail track and signal project

between Tacoma and Lakewood and the layover facility in Lakewood.

- Study options to provide operations and maintenance facilities to support all our transport modes' future growth.
- Analyze alternatives in the South Corridor to extend high capacity transit from South 200th Street to Federal Way Transit Center.
- Conduct alternatives analysis of future development of high-capacity transit between Federal Way and Tacoma



Program	Adopted 2012 Budget
Link light rail	475,276
Sounder commuter rail	183,669
Regional Express	24,136
Service Delivery projects	68,926
Other Agency projects	9,510
Total	\$761,516

Project Delivery Budget by Program

Link Light Rail

Program History

Sound Transit's regional light rail service began in 2003 with the completion of Tacoma Link, a 1.6-mile light rail line between Tacoma Dome Station and downtown Tacoma. In 2009, a 13.9 mile light rail line between downtown Seattle and the city of Tukwila – known as the Initial Segment – opened for service. A 1.7-mile extension known as Airport Link from Tukwila to Sea-Tac International Airport was also completed in 2009. Today, Link trains carry roughly eight million passengers each year.

Major Activities

The adopted 2012 budget includes funding for these current major Link light rail activities:

- Just under \$230 million to continue construction of the extension from downtown Seattle to the University of Washington (UW).
- \$109.7 million to design two light rail extensions – north of the UW to Northgate and east to Bellevue and Redmond's Overlake neighborhood.
- \$37.2 million for a design-build contract to begin work to extend light rail south of the Airport to South 200th Street.
- \$54.5 million to fund development of a streetcar connector from Seattle's Capitol Hill to International District/Chinatown Station.
- \$18.4 million to complete project development work for light rail extensions south of South 200th and conduct an environmental review for the North Corridor from Northgate to Lynnwood.

Budget Elements

Capital budgets have been established for these light rail projects:

Initial Segment

The initial segment provides Link light rail service from Tukwila to Westlake Center in downtown Seattle.

The adopted 2012 budget funds follow-up work including resolution of systems and operational issues and property restoration.

Noise Abatement

Sound Transit continues to work actively with residents living near light rail facilities in Tukwila and the Rainier Valley to lessen noise residents experience from Link operations. To date, we have installed rail lubricators, performed rail grinding to improve vehicle contact with the rail, erected noise barriers, and retrofitted residential properties to reduce noise.

The adopted 2012 budget funds a Noise Abatement project that includes design and construction of a noise wall along the elevated guideway in Tukwila, and continuation of our Residential Sound Insulation Program (RSIP) in the Rainier Valley.

Airport Link – 154th St to 176th St

Airport Link connects the Tukwila International Boulevard Station to Sea-Tac International Airport.

The adopted 2012 budget funds follow-up work and resolution of outstanding systems and operational issues.

DSTT South Access Security

This project included design and construction of barriers and other deterrents, modification of train detection circuits, and traffic channeling to prevent unauthorized vehicles from accessing the south entrance of the DSTT.

The adopted 2012 budget funds completion of this project.

South Link – Airport to S 200th St

This project will extend light rail along an elevated track from Airport Station to an elevated station and park-and-ride facility at South 200th Street.

The adopted 2012 budget includes funds to procure the design-build contractor for the guideway and station elements of the project and to start final design.

South Corridor HCT – S 200th St to Federal Way Transit Center

The project extends from South 200th Street in SeaTac to the Federal Way Transit Center, a distance of 7.6 miles. The project scope includes alternatives analysis, draft and final environmental impact statements, and conceptual engineering to support the environmental analysis. Also included is preliminary engineering for the 2.3-mile segment from South 200th Street to Kent/Des Moines.

In 2012, we will begin alternatives identification and analyses within this corridor.

South Corridor Alternatives Planning

ST2 also envisioned right-of-way acquisition for future development of high-capacity transit between Federal Way and Tacoma. At this time we are proceeding with studies to identify and evaluate transit alternatives between Federal Way and Tacoma to support future transit development in the area.

The adopted 2012 budget funds transit planning in the south corridor between Federal Way and Tacoma.

University Link – Pine St Stub Tunnel to UW Station

University Link extends 3.15 miles from downtown Seattle to the UW. Construction began in early 2009, with service scheduled to start in 2016.

The adopted 2012 budget includes funds to continue tunnel construction between the University of Washington and downtown Seattle, and for construction of the UW and Capitol Hill Stations.

North Link – UW Station to Northgate

North Link extends 4.3-miles from UW Station north under the UW campus to underground stations at NE 45th Street (Brooklyn Station) and NE 65th Street (Roosevelt Station). The extension continues north to an elevated station in Northgate.

The adopted 2012 budget includes funds to advance final design, begin early construction work at station locations (demolition, removal of hazardous materials and site preparation) and acquire right-of-way.

North Corridor Transit Project

Planning efforts are ongoing for extension of light rail over eight miles north from Northgate to Lynnwood.

The adopted 2012 budget includes funds to perform conceptual engineering and draft environmental impact study.

East Link

East Link expands light rail to East King County via I-90, from downtown Seattle to the Overlake Transit Center in Redmond.

The adopted 2012 budget includes funds to acquire right-of-way and initiate final design.

Tacoma Link Alternatives Analysis

Sound Transit – in partnership with the city of Tacoma and Pierce Transit – is studying the potential to expand Tacoma Link. The study is being completed in accordance with Federal Transit Administration (FTA) guidelines to maintain eligibility for future grant funding consideration under FTA's Small Starts program.

The adopted 2012 budget funds alternatives analysis and preliminary engineering.

First Hill Streetcar

In partnership with the city of Seattle, Sound Transit is funding the planning, design, and construction of the First Hill Link Connector, which extends from Capitol Hill to the International District/Chinatown Station. The city of Seattle is the lead agency for this project. Sound Transit's financial contribution to the project is capped at \$150 million.

The adopted 2012 budget includes funds for our contribution toward advancing system planning and design.

Link Light Rail Maintenance and Storage

The ST2 program identified funds to review and evaluate current and future light rail storage and maintenance requirements. This project foresees development, design, and construction of future light rail operations, and maintenance facilities needed to support proposed system expansion.

The adopted 2012 budget includes funds to initiate preliminary design activities.

Light Rail Vehicle (LRV) Onboard Energy Storage

This is a new project funded by a Transportation Investment Generating Economic Recovery (TIGGER) grant awarded to Sound Transit in 2011 to design, procure, and install energy storage units for capturing and storing energy generated by vehicle braking that would otherwise dissipate as heat if not used immediately. Storing and reusing energy improves efficiency and is intended to lower energy consumption and result in reduced operating costs.

The adopted 2012 budget includes funds to design, procure, and install the LRV onboard energy storage units.

Link Project Budgets

(in thousands)

—		Adopted 2012
Number	Project Name	Budget
007	First Hill Streetcar	54,516
008	Tacoma Link Alternatives Analysis	1,264
009	Link Light Rail Maintenance and Storage	2,203
100	North Link - UW Station to Northgate	76,249
115	North Corridor Transit Project	12,230
200	University Link-Pine St Stub Tunnel to UW Station	229,969
210	LRV On Board Energy Storage	1,525
300	Initial Segment	12,808
320	DSTT South Access Security	122
340	Noise Abatement	6,350
400	Airport Link - 154th St to 176th St	1,252
420	South Link-Airport to 200th St	37,209
445	South Corridor HCT-S 200th St to Federal Way Transit Center	3,831
446	South Corridor Alternatives Planning	2,383
600	East Link	33,366
		Total:
		\$475,276

Souder Commuter Rail

Program History

Since its debut in 2000, Souder commuter rail service has grown to provide reliable daily and special event commuter service between Everett and Tacoma. Program elements included design and construction of 12 Souder stations. In partnership with Burlington Northern Santa Fe Railway (BNSF), track and signal systems along a 75-mile corridor between Everett and Tacoma were upgraded. The final 8.4 miles between Tacoma and Lakewood, which is owned by Sound Transit, will open in fourth quarter 2012.

Major Activities

Souder commuter rail projects funded in the adopted 2012 budget include:

- \$143.0 million for the acquisition of easements 3 and 4 from BNSF adding two additional round trips between Seattle and Tacoma and the completion of the track and signal project from D Street to M Street in Tacoma.
- \$5.4 million for implementation of a systemwide positive train control system necessary to ensure operational safety.
- \$21.9 million for planning, design, and construction of stations and station access improvements.
- \$4 million to complete track and signal improvements and launch Souder commuter rail service between Tacoma and Lakewood.
- \$8 million for an additional layover facility in Lakewood.
- \$1.4 million for planning and preliminary engineering of a Souder yard and shops facility needed for enhanced train maintenance and storage.

Budget Elements

Station Access and Demand Study

This study is being completed to develop a plan for comprehensive access improvements to eight Souder stations.

The adopted 2012 budget includes funds to continue ridership and traffic analyses, complete an environmental scan, conduct a transit-oriented and joint development study, perform conceptual engineering, and engage in community outreach to residents near Souder stations in Pierce and Snohomish counties.

Souder Yard and Shops Facilities

In 2011, we evaluated commuter rail vehicle storage and maintenance requirements and strategies, to identify cost-efficient ways to develop commuter rail operations and maintenance facilities.

The adopted 2012 budget includes funds to continue planning, analysis, environmental clearance, and preliminary engineering for yard and shop facilities.

Positive Train Control

The Positive Train Control (PTC) project involves design and implementation of an

integrated command-control-communications-information system. The system will control train movements with safety, security, precision, and efficiency. The federally-mandated system requires upgrades to the signal systems owned by Sound Transit along the Tacoma to Lakewood corridor, upgrades to train communications systems, and upgrades to the signal systems owned by BNSF along the Everett to Tacoma corridor. Completion is required by December 31, 2015.

The adopted 2012 budget includes funds for system engineering, permitting, and installation of the PTC system.

Puyallup Station Improvements

Sound Transit conducted a station accessibility study at commuter rail stations in Pierce and Snohomish counties. Preliminary findings identified the need for access improvements at this station.

The adopted 2012 budget includes funds for preliminary design of these station access improvements.

Sumner Station Improvements

Sound Transit conducted a station accessibility study at commuter rail stations in Pierce and Snohomish counties. Preliminary findings identified the need for access improvements at the Sumner Station.

The adopted 2012 budget includes funds for preliminary design of these station access improvements.

Lakewood Station Improvements

ST2 included a financial contribution to the city of Lakewood for creation of an aerial pedestrian crossing connecting Lakewood Station with the community northwest of the station. Construction of this connection is anticipated in 2012.

The adopted 2012 budget commits funds for our planned financial contribution for the pedestrian crossing.

M Street – Lakewood Track and Signal

Sound Transit recently completed reconstruction of approximately seven miles of existing track between M Street in Tacoma and Lakewood.

In 2012, we will restore the 66th Street Bridge and install the Centralized Train Control system, which enables coordinated scheduling and monitoring of train movements. The adopted 2012 budget funds completion of remaining project activities.

Permitting/Environmental Mitigation

Sound Transit is responsible for all environmental permitting and mitigation required for track and signal improvements between Everett and Seattle, per our agreement with BNSF.

The adopted 2012 budget includes funds to construct, monitor, and maintain required mitigation measures.

D Street – M Street Track and Signal

In 2010, Sound Transit began building this 1.2-mile rail connection between Tacoma Dome Station and M Street in Tacoma. This project will complete the extension of commuter rail service to Lakewood.

The adopted 2012 budget funds the completion of track and signal construction.

Layover

Sound Transit constructed facilities for overnight train layovers at Everett Station, King Street Station, and Tacoma's L Street yard.

The adopted 2012 budget provides funds to build a layover facility in Lakewood.

Mukilteo Station, South Platform

Construction of Mukilteo Station's south platform has been delayed by complexities associated with a required right-of-way transfer from the U.S. Air Force. In 2011 the Air Force agreed to lease the right-of-way to the Agency and allow construction of the south platform.

The adopted 2012 budget provides funds to advance the project to construction.

Tukwila Station

Sounder currently serves Tukwila at a temporary station. The initial design for a permanent station presented conflicts with an adjacent city-led roadway improvement project, and required costly relocation and protection of area utility systems. As a result, the board requested that the permanent station be redesigned. The project is presently being redesigned and is now scheduled for completion in 2013.

The adopted 2012 budget funds completion of design and start of construction.

South Tacoma Station

This station was completed in 2009. The station is currently served by Pierce Transit. Commuter rail service to the station will begin in 2012, upon the completion of the D Street – M Street Track and Signal project.

The adopted 2012 budget funds installation of signage and removal of boarding platform security enclosures in advance of initiation of commuter rail service.

Lakewood Station

The Lakewood Station was completed in 2008. The station is currently served by Pierce Transit and ST Express bus service. Commuter rail service to the station will begin in 2012, upon the completion of the D Street – M Street Track and Signal project.

The adopted 2012 budget funds installation of signage and removal of boarding platform security enclosures in advance of initiation of commuter rail service.

Souder South Expanded Service

This project includes easements, track and signal improvements, environmental permitting, and mitigation for four additional daily commuter rail service round trips between Seattle and Tacoma.

The adopted 2012 budget includes funds for easements 3 and 4 – as agreed to with BNSF – and related environmental activities.

Sounder Project Budgets

(in thousands)

—		Adopted 2012
Number	Project Name	Budget
001	Station Access & Demand Study	208
002	Eastside Rail Partnership	1
004	Sounder Yard & Shops Facility	1,369
011	Positive Train Control	5,353
017	Puyallup Station Improvements	389
018	Sumner Station Improvements	389
019	Lakewood Station Improvements	1,050
101	Willow Creek Environmental Mitigation	19
130	M Street-Lakewood Track & Signal	4,014
131	Permitting/Environmental Mitigation	1,613
135	D Street-M Street Track & Signal	41,283
140	Layover	7,970
206	Mukilteo Station, South Platform	5,261
209	Edmonds Station	793
236	Tukwila Station	12,039
251	South Tacoma Station	157
253	Lakewood Station	11
510	Sounder South Expanded Service	101,749
		Total:
		\$183,669

Regional Express

Program history

Regional Express refers to the capital projects for Sound Transit's bus program. ST bus service, known as ST Express, began in 1999, and today carries about 11.5 million passengers annually on 25 routes. Sound Transit has designed and constructed transit centers, park-and-ride lots, HOV direct access ramps on freeways, and other transit access improvements throughout the three county region to support express bus service.

Major Activities

Regional Express projects funded in the adopted 2012 budget include:

- \$11.3 million for design and construction of the Two-Way Transit & HOV Operations project over the I-90 bridge to mitigate traffic impacts as Link rail is built in the center roadway of the bridge.
- \$1.9 million for planning and preliminary design work on the ST Express Bus Base.
- \$7.1 million for projects with capped contributions led by other jurisdictions.

Budget elements

Much of the Regional Express capital program is complete. Remaining program elements include stages 2 and 3 of the I-90 Two Way Transit and HOV Operations projects as well as the ST Express Bus Base, which is part of the ST2 program, and a Mid-day Bus Storage facility. In addition, we financially support a number of projects led by third parties.

Regional Express projects to be completed include:

ST Express Bus Base

To evaluate and ultimately improve cost efficiency in ST Express bus operations and maintenance, we authorized planning and preliminary design for a bus operations and maintenance base.

The adopted 2012 budget funds preliminary engineering – including 30% of the needed design work – and determination of the project's environmental mitigation requirements.

Mid-day Bus Storage

To improve operational efficiencies, Sound Transit has adopted the practice of mid-day storage of long haul buses operated only during peak hours in downtown Seattle rather than returning (empty) to their base of origin following morning service and returning (empty) to Seattle for evening service. Presently, during the mid-day hours when these buses do not operate they are stored at the Link Operations and Maintenance facility (OMF). Upon the start of testing and revenue service for University Link, space presently used for bus storage at the OMF will be needed for operations employee parking. Since construction of the ST Express Bus Base (which is intended to include mid-day bus storage capacity) will not be completed at the time that University Link testing begins, Sound Transit is developing plans to accelerate construction of an alternative to the

planned mid-day bus storage facility associated with the bus base. This mid-day storage facility will be constructed on property already owned by Sound Transit.

The adopted 2012 budget provides funding for site investigations, preliminary design and permitting.

85th Corridor, Kirkland

Sound Transit is providing a financial contribution to the city of Kirkland for street widening, traffic signals, sidewalk improvements, and bus shelters to enhance transit connections and reliability.

The adopted 2012 budget includes our funding commitment for remaining right-of-way acquisition and construction.

Rainier Avenue Arterial Improvements

This project is being led by the city of Renton. It will add business and transit access lanes, sidewalks, and medians on Hardie Avenue between Rainier Avenue and Sunset Blvd. Sound Transit provides financial support.

The adopted 2012 budget includes Sound Transit's funding commitment for project construction.

Strander Boulevard Extension

Also led by the city of Renton, this project extends Strander Boulevard to a 5-lane arterial between East Valley Highway and West Valley Highway. Sound Transit's financial contribution is \$3.2 million.

The adopted 2012 budget includes our funding commitment for project design and construction.

Federal Way Transit Center/S 317th

The Federal Way Transit Center opened for service in 2006. Contractor claims associated with this project are under appeal.

The adopted 2012 budget includes funds for claims litigation and final tasks needed to close out this project.

I-90 Two-Way Transit & HOV Operations, Stage 2

This project is currently under construction. It provides HOV and transit operations capacity on eastbound I-90 between 80th Avenue SE on Mercer Island to Bellevue Way. We anticipate construction will be complete in 2012.

The adopted 2012 budget includes funds for construction.

I-90 Two-Way Transit & HOV Operations, Stage 3

This project provides two-way transit and HOV lanes eastbound and westbound, on I-90 between 80th Avenue SE on Mercer Island and Rainier Avenue/I-5 in Seattle. The project is currently in the design phase. The adopted 2012 budget funds final design work.

Projects to be closed in 2012

The following projects are complete and the adopted 2012 budget funds activities required to close out these projects. We retain responsibility for plant establishment and environmental monitoring, and maintenance for some of these projects:

Project No.	Project
105	Ash Way Transit Access/164th SW
125	Federal Way HOV Access/S 317th
140	Totem Lake Freeway Station/NE 128th
142	Kirkland Transit Center/3rd
160	Eastgate HOV Access/142nd Ave SE
312	Mountlake Terrace Freeway Station/236 th SW
319	S Everett Freeway Station/112 th SE
324	Canyon Park Freeway Station/I-406
326	Issaquah Transit Center/SR 900
328	Totem Lake Transit Center/Evergreen Medical Center
330	Newcastle Transit Improvements
354	Mercer Island Park-and-Ride/N Mercer Way
372	Bothell Branch Campus Access
374	Redmond Transit Center/NE 83rd
380	Sammamish Park-and-Ride/228 th SE
382	I -90 Two-Way Transit & HOV Opr, Stage 1
384	SR 522 HOV Enhancements/Kenmore

Regional Express Project Budgets

(in thousands)

— Number	Project Name	Adopted 2012 Budget
005	ST Express Bus Base	1,875
006	Burien Transit Center Parking Expansion	443
020	ST Express Mid-Day Bus Storage	414
105	Ash Way Transit Access/164th SW	179
125	Federal Way HOV Access/S 317th	31
140	Totem Lake Freeway Station/NE 128th	244
141	85th Corridor, Kirkland	1,126
142	Kirkland Transit Center/3rd	1,076
151	Rainier Avenue Arterial Improvements	2,015
152	Strander Boulevard Extension	3,199
312	Mountlake Terrace Freeway Station/236th SW	141
319	S Everett Freeway Station/112th SE	116
321	Federal Way Transit Center/S 317th	1,559
323	Canyon Park Freeway Station/I-406	49
326	Issaquah Transit Center/SR900	5
328	Totem Lake Transit Center/Evergreen Med Ctr	9
330	Newcastle Transit Improvements	12
354	Mercer Island Park-And-Ride/N Mercer Way	1
382	I-90 Two-Way Transit & HOV Opr, Stage 1	90
385	SR522 HOV Enhancements/Bothell	301
386	I-90 Two-Way Transit & HOV Opr, Stage 2	3,530
387	I-90 Two-Way Transit & HOV Opr, Stage 3	7,721
Total:		\$24,136

Service Delivery Projects

Program Description

The service delivery capital budget includes purchases of fleet vehicles and capital improvements associated with Sound Transit owned facilities already in service. These infrastructure improvement and acquisition projects include bus acquisition and replacement, bus maintenance facilities, Sounder vehicle procurement and overhaul, mobile communications, parking enhancements, security projects, and other capital projects.

Major Activities

Service delivery projects funded in the adopted 2012 budget include:

- \$34.6 million for bus ST Express fleet replacement.
- \$16.3 million for Sounder fleet expansion.
- \$4.1 million for ST Express mobile communications upgrades.

Budget Elements

Ticket Vending Machines

Ticket vending machines (TVMs) are installed at a number of our facilities. TVMs sell transit tickets and passes via an interactive touchscreen or through a keypad.

The adopted 2012 budget includes funds for installation of TVMs at various stations, as well as potential TVM software upgrades and enhancements.

Passenger Information System/CCTV

We are expanding station communications including CCTV and passenger information systems. System elements include CCTV connections between stations and our security office at Union Station, audible rail announcement capabilities, variable message signs, customer emergency stations, and onboard vehicle location system (similar to GPS).

The adopted 2012 budget includes station communications installation at Edmonds, Mukilteo, Everett, Lakewood and Tukwila commuter rail stations.

Bus Maintenance Facility

The bus maintenance facility budget contains funds to expand Sound Transit's fleet maintenance capacity through contributions to our service providers' maintenance facility projects. This program is distinct from ST2 funds provided for Sound Transit to build one or more of our own maintenance facilities. The budget for ST2 bus base expansion is noted in the Regional Express capital budget.

The adopted 2012 budget includes funds to complete expansion and modifications at two partner facilities – Community Transit's Kasch Park operating base and Pierce Transit's Lakewood maintenance base.

ST Express Fleet Replacement

Federal Transportation Administration guidelines allow buses to be replaced after either 12 years or 500,000 miles. Due to the unique services characteristics of the ST Express

fleet, Sound Transit buses typically are driven 500,000 miles within 10 years. Replacement decisions are informed by specific fleet performance in consultation with our operating partner agencies.

The adopted 2012 budget includes funds to replace 19 buses that went into service in 1999.

Small Works Program

This project creates a funding source for small capital replacement projects that have an estimated total cost of less than \$100,000.

The adopted 2012 budget includes funding for projects that are developed to address specific needs at new facilities or to replace major components at existing facilities.

Security Enhancements

This grant-funded project allows Sound Transit to upgrade its standard of networked video recorders to increase video storage capacity with high quality digital video capabilities. In addition, current security cameras will be upgraded to allow features such as video analytics, high-definition viewing, streamlined video administration, and video sharing capability.

The adopted 2012 budget includes completion of software upgrades at the central monitoring facility.

ST Express Mobile Communications Projects

Mobile communications are critical to the ST Express bus fleet, to ensure driver and passenger safety, enhance the customer service information, and improve information available for service planning. The existing mobile communications systems are aging and in need of upgrades. In addition, this investment creates compatibility between the ST Express bus fleet and partner communication systems.

The adopted 2012 budget includes funds for upgrades to the mobile communications systems on the Sound Transit fleet operated by King County Metro and Community Transit.

Tacoma Dome Station

This station was completed in 2002. By agreement with Pierce Transit, Sound Transit has maintained a capital budget for major improvements during the facility's useful life.

The adopted 2012 budget includes funds for station improvements.

Bike Locker Program

This project includes design, permitting, and installation of new bicycle parking at various rail stations and transit centers/park and rides. It also includes additional benches, lighting, signage, and other pedestrian and bicycle amenities at the commuter rail stations. In particular, the budget funds design and construction of a bicycle plaza adjacent to Columbia City light rail station.

The adopted 2012 budget includes funds for construction of bicycle and pedestrian accommodations for commuter rail stations at Tukwila, Kent, Auburn, Puyallup, and Sumner and light rail stations at Columbia City, Othello, and Rainer Beach.

Souder ST2 Fleet Expansion

The ST2 program included funds for fleet expansion to add additional trips between Seattle and Lakewood. Fleet additions include three locomotives and up to 17 coaches and cab cars. The exact number of coaches and cab cars procured will be determined based on ridership trends and forecasts.

The adopted 2012 budget includes funds to support locomotive procurement approved by the Board in mid-2011 for delivery in mid-2012. The project budget also includes engineering support and spare parts purchases for locomotives in service currently.

Tacoma Link Auxiliary Power Supply Replacement

This project funds replacement of the Tacoma Link light rail vehicle auxiliary power systems nearing the end of their service life.

The adopted 2012 budget funds the procurement and installation of a new auxiliary power supply system.

Radio Upgrade

Existing radio technology used on Link does not allow for seamless communication between the Link Control Center and non-Link staff who support the Downtown Seattle Transit Tunnel and joint bus/rail operations.

The adopted 2012 budget includes funds to procure and install an upgraded, fully-integrated radio system.

Souder Vehicle Maintenance Program

Major Locomotive Overhauls – this project will maintain, preserve, and extend the life of existing locomotives.

Engine Overhauls – currently there are 11 Souder locomotives in operation. Maintenance overhauls are required to ensure the locomotives' continued performance. The locomotives were purchased in 2000 and 2001 and have performed for 12 years without a major overhaul. Overhaul cost per locomotive is \$1.3 million. One overhaul will be completed in 2012.

Truck overhauls – this is a 5-year project, in which 58 cars will be overhauled at a rate of roughly 12 per year. The cost is \$36,000 per car, with 12 cars expected to be overhauled in 2012.

Door motor replacement – this project replaces passenger door motors at a rate of roughly 12 per year. The cost is \$7,500 per car for two motors per car, with 12 cars currently scheduled for motor replacement in 2012.

The adopted 2012 budget includes funds for engineering and design, as well as the construction phase for each of these tasks.

Station Midlife Maintenance

Some Sound Transit facilities have been in service for more than ten years, and are now reaching their midlife maintenance stage. This is a multi-location midlife program. The scope of the project includes painting shelters, repairing ADA handrails, roof caulking, replacing broken tiles, and repairing pavement.

The adopted 2012 budget includes funds for development and implementation of a mid-life maintenance program at Sounder stations including Auburn, Kent, Tukwila, King Street, Puyallup, and Sumner as well as South Hill park-and-ride and Kent Garage.

ST Express Security Camera Retrofit

Retrofit 17 ST Express Transit Coaches with Video Camera Systems.

This project is created to improve safety, security, and incident/accident investigations on ST Express buses by installing on-board video surveillance equipment in 17 coaches.

The adopted 2012 budget includes funds for engineering and design, as well as camera installations.

HVAC for Traction Power Sub Station (TPSS)

Air conditioning is required in the Traction Power Sub Station (TPSS) buildings and signal houses to cool electronic equipment, PCs, servers, and other TPSS equipment to prevent heat damage.

The adopted 2012 budget funds engineering, design, and construction of a heating-ventilation-air conditioning (HVAC) systems for traction power substation buildings.

Central Link HVAC – Instrument House and UPS Room

Air conditioning is required in the UPS rooms and signal houses to protect heat-sensitive switches, PCs, servers, and other electronic equipment from damage.

The adopted 2012 budget funds engineering, design, and construction of an HVAC system for the instrument house and UPS room.

Central Link Card Readers

This project installs card readers on all Central Link Stations' doors that did not receive card readers during initial construction. These card readers are required to ensure a secure premises, eliminate the need to issue keys to a large number of staff, and to ensure consistency in key control.

The adopted 2012 budget funds engineering, design, and construction of the additional card readers.

Central Link OMF UPS Room Improvement

During original construction it was discovered that flooring in the UPS room could not support the weight of the battery modules. The modules were moved from the server room to the third floor warehouse mezzanine. The relocation from an environmentally

controlled room to an open area with limited environmental control has shortened the batteries' expected life cycle.

Enclosing the battery modules in an environmentally controlled room will protect the life cycle of the batteries, control the battery charging vapors, and contain any corrosive chemical spills.

The adopted 2012 budget funds engineering, design, and construction of the enclosure.

Central Link Overhead Catenary System Tie Switch

This project will install mechanical tie switches to electrically bridge the OCS section insulators at roughly 34 locations throughout Central Link. These switches are required to maintain a continuous, bi-directional feed during TPSS inspections and maintenance. Currently, some small segments of track or crossovers on the main line are left without a feed during inspections and maintenance activities. Tie switch installation will allow electrical workers to conduct traction power substation inspections and maintenance much more efficiently.

The adopted 2012 budget funds engineering, design, and construction of the tie switches.

Benchtest Equipment

This project involves equipment purchases to support light rail vehicle maintenance. These purchases were originally included in the 2011 Central Link procurement budget, but their purchase was deferred.

The adopted 2012 budget funds the purchase and installation of the vehicle brake test equipment.

Security Radios

This project procures 800 megahertz radios for security officers to improve Sound Transit communications capabilities.

The adopted 2012 budget funds the purchase of the radios.

Service Delivery Capital Project Budgets

(in thousands)

Number	Project Name	Adopted 2012 Budget
212	Ticket Vending Machines	389
216	Passenger Information System/CCTV	631
261	Bus Maintenance Facility	380
356	Tacoma Dome Station	390
701	ST Express Fleet Replacement	34,597
740	Small Works Program	543
743	Security Enhancements	258
745	ST Express Mobile Communications Projects	4,064
746	Parking Enhancements	828
753	Bike Locker Program	602
755	Sounder ST2 Fleet Expansion	16,296
757	Tacoma Link Auxiliary Power Supply Replacement	324
758	Tacoma Link LRV Communications Upgrade	371
760	Link OMF Laydown Area Improvements	150
761	Network Phones at the Link Control Center	200
762	Link LRV Wash Bay Doors	315
763	Radio Upgrade	741
770	Sounder Vehicle Maintenance Program	1,973
771	Station Midlife Maintenance	1,750
772	ST Express Security Camera Retrofit	209
773	HVAC for Traction Power Sub Station (TPSS)	600
774	Central Link HVAC - Instrument House & UPS Room	420
775	Central Link Card Readers	373
776	Central Link OMF UPS Room Improvement	108
777	Central Link Overhead Catenary System Tie Switch	1,400
778	Benchtest Equipment	700
779	Security Radios	314
Total:		\$68,926

Other Agency Projects

Program Description

This section describes projects that are not part of a specific mode of transit or capital program, but are critical to the advancement of Sound Transit. These projects include fare administration, fare integration, research and technology, the Sound Transit Art Program (STart), and transit-oriented development of surplus land around transit facilities. These are all key components of our continued success.

Projects

ST3 Planning

ST3 Planning is a program to study future expansion of the regional transit system. This budget funds specific corridor studies as well as funding for planning and a potential vote on an additional system expansion.

In 2012, Sound Transit is partnering with the City of Seattle to conduct a study focused on routes between downtown and the Ballard neighborhood.

Fare Administration

The fare administration program manages fares and pricing for Sound Transit. The program also supports initiatives for generating earned revenue from other priced services such as parking and concessions. In addition, the program includes funds for ORCA ongoing maintenance and system upgrades.

In 2012, activities will include:

- Market development.
- Fare policy and pricing analysis.
- Onboard customer surveys.
- ORCA reporting and system enhancements.

Fare Integration

The fare integration is the Sound Move program developed to provide a uniform, single-ticket fare system and an integrated fare policy for seven of the region's public transit agencies. This new electronic fare system allows riders and employers providing transit benefits to reload payments onto reusable fare cards, eliminating the need for monthly paper pass purchases. The smart card system benefits transit agencies by speeding boardings and automatically tracking and distributing fare revenue among participating transit agencies.

In 2012, the regional system is expected to reach its final system acceptance milestone.

Research and Technology

The research and technology program established to assess transit technologies related to safety, security, passenger communications, and operational efficiency. The program evaluates current research and then funds implementation of new systems.

In 2012, activities will focus on rider information technology. Notable projects include:

- Rider-technology strategic planning.
- Regional real-time vehicle location.
- Regional mobile application development.
- Cell phone tunnel coverage.

STart

In 1998, Sound Transit's board endorsed a public art program with funding for artists, community members, and project staff to develop and maintain art installations at transit facilities. Each piece of art reflects the community served and contributes to a positive customer experience.

In 2010, the board adopted the STart Program budget for ST2, which added \$35.8 million to that program's lifetime budget. The board subsequently adopted a budget amendment transferring \$300,000 from the D Street to M Street Track & Signal project to integrate artwork into the project.

In 2012, the public art program will:

- Continue developing a master plan for artwork integration throughout the ST2 system.
- Continue art design development for projects in final design and construction.
- Continue to monitor the fabrication of artworks for University Link, including prototyping.
- Manage temporary artwork installations at construction sites.
- Develop remaining public art opportunities within the Sound Move program.
- Conduct preventative maintenance, cleaning, and repair of artworks systemwide.

Transit Oriented Development

The board established the Transit Oriented Development (TOD) program in 1997. Subsequent board action directed TOD to create transit-supportive development and communities at and around Sound Transit stations and other facilities by working with local jurisdictions, property owners, and public and private developers. Sound Transit's board also set policy and procedures for disposing of surplus property.

TOD Planning

TOD staff provides expert technical assistance to Sound Transit project teams.

In 2012, consulting resources will be used to help identify and shape TOD and joint development opportunities.

TOD Property Disposition

For properties that are no longer required for agency projects, TOD performs property due diligence, evaluates potential real estate opportunities, and makes property competitively available by creating partnerships with public and private sector entities.

This program is new in 2012 with a lifetime budget of \$5.6 million in funding through 2023, the anticipated completion date for ST2.

In 2012, TOD property disposition activities will continue current efforts to prepare land parcels near Capitol Hill Station for redevelopment. Program staff will also perform due diligence analysis of surplus properties at Mount Baker, Columbia City, and Beacon Hill stations. A nonprofit housing developer will begin construction on Sound Transit's first TOD project at Mount Baker Station in 2012.

Surplus Property Disposition

In addition to properties earmarked for transit-oriented development, there are a number of properties that due to the size or location are considered surplus and will be sold. A new four-year program is established in 2012 with a lifetime budget of \$1.1 million through 2015.

In 2012, the program is focused on the preparation and sale of properties near the Mount Baker and Columbia City stations.

Other Agency Project Budgets

(in thousands)

Number	Project Name	Adopted 2012 Budget
<i>Operating</i>		
902	ST3 Planning	2,000
405	Fare Administration	665
405A	Fare Integration	42
410	Research & Technology	300
x68	STart	110
341A	TOD Property Disposition	1,242
341B	TOD Planning	225
342	Surplus Property Disposition	295
		Subtotal : 4,879
<i>Capital</i>		
405	Fare Administration	60
405A	Fare Integration	467
410	Research & Technology	2,279
x68	STart	1,826
		Subtotal : 4,631
		Grand Total : 9,510

AGENCY ADMINISTRATION

Sound Transit's agency administration budget includes staff costs for all employees except service delivery staff, as well as other administrative costs. Service delivery staff costs are included in the Service Delivery budget. Also included are non-staff costs: administrative capital and IT program investments, debt service, and net non-operating expenses.

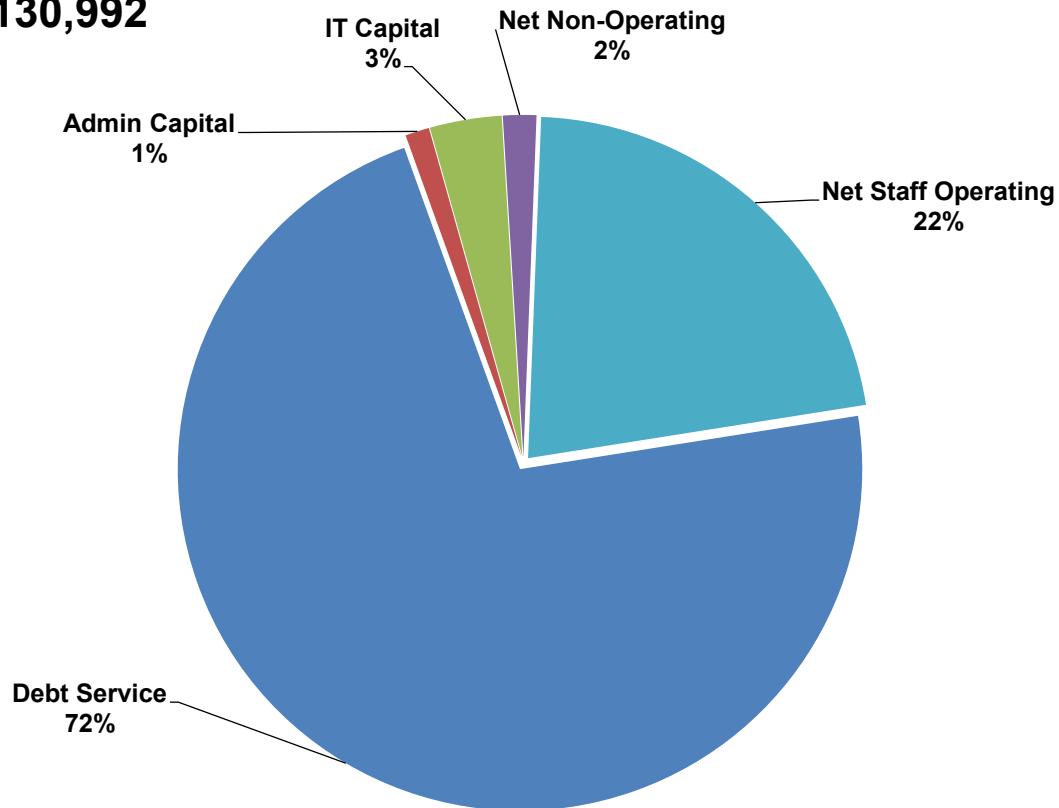
Our agency administration budget for 2012 totals \$131 million. In 2012, the budget for debt service now includes principal repayments of \$19.2 million in addition to the interest payments on debt of \$75.1 million. The staff budget is up \$7.9 million or 10% to \$87 million from 2011. The non-staff budget excluding reserves is up \$13.0 million or 14.5%.

For 2012, two types of reserve costs previously included in the administration budget, capital replacement and emergency/loss, were excluded. These items are recorded separately in this document so that financial information included here better represents actual administrative costs. Starting in 2012 the budget for IT investments is separate from administrative capital to improve IT project tracking and reporting.

Agency Administration Budget Summary

(in thousands)

\$130,992



Agency Administration Budget Summary

(in thousands)

	Adopted 2012 Budget
Staff Operating Costs	
Total Staff Operating Costs ¹	87,043
Less Direct Charges to Project Delivery	(26,657)
Less Allocations to Service Delivery	(11,285)
Less Allocations to capital assets	(20,429)
Net Staff Operating Costs	28,673
Non-Staff Budgets ²	
Debt Service	
Interest Expense	29,343
Capitalized Interest	45,782
Principal Repayment ³	19,195
Debt Service Total	94,320
Administrative Capital	1,489
Information Technology Program ⁴	4,449
Net Non-Operating Expenses	
Property management-inventory and surplus	926
Project costs-non-capital	1,136
Net Non-Operating Expenses Total	2,062
Total Non-Staff Budgets ²	102,319
Agency Administration Total	\$130,992

- 1 From 2012, staff operating costs includes ORCA ST Regional Services expenses. Reimbursements for these expenses are recorded as agency revenues in the miscellaneous revenue category. Also, staff operating costs for FIT and Operations department employees dedicated to transit operations are included in the Service Delivery section of this document.
- 2 From 2012, agency administration non-staff budgets do not include reserves for Capital Replacement and Emergency/Loss fund.
- 3 From 2012, the debt service budget includes principal repayments on debt in addition to interest payments on debt.
- 4 From 2012, Information Technology Program is a new project created as a standalone project from the Administrative Capital project of which it was a part of.

The staff operating budget includes salaries and benefits, training and travel, communications, materials and supplies, utilities, insurance, leases and rentals, temporary or consulting support, and other miscellaneous expenses. From the total staff budget, costs of staff working directly on capital projects are charged directly to project budgets. Additionally, portions of the budget are assigned to each of the service delivery mode budgets. Finally, administrative costs attributed to the development of transit assets are deducted and allocated to new assets. The remaining number is the net staff operating budget.

Agency Staff Budget Summary

(in thousands)	2010 Actuals	2011 Amended Budget	2011 Actuals	2012 Adopted Budget
Salaries and Benefits				
Salaries	30,218	36,011	33,667	40,085
Benefits	16,629	20,387	18,620	22,072
Subtotal	46,846	56,398	52,287	62,157
Services				
Consultant/Management	3,973	4,808	3,056	4,961
Inter-local Agreements	1,512	897	2,299	2,447
Software/Hardware Maintenance	1,160	1,644	1,580	1,830
Other Services	914	1,726	1,004	1,765
Accounting/Auditing	383	695	626	773
Maintenance	281	580	349	433
Marketing	264	488	263	482
Printing/Binding	321	454	259	458
Legal	212	769	146	474
Services	0	155	73	99
Subtotal	9,021	12,215	9,655	13,722
Materials and Supplies				
Small Equipment/Furniture	403	603	811	746
Other Materials/Supplies	411	565	507	664
Office Supplies	209	254	163	222
Postage	15	42	20	29
Subtotal	1,038	1,465	1,502	1,661
Miscellaneous Expense				
Other Misc.Expense	1,229	1,717	1,175	1,392
Dues/Memberships	249	342	303	372
Travel/Meetings	241	388	280	482
Training	175	230	170	249
Books/Subscriptions	129	117	107	86
Contingency	0	121	0	250
Subtotal	2,022	2,915	2,035	2,832
Leases and Rentals				
Admin.Facilities	2,253	2,544	2,661	3,112
Vehicles/Parking	336	300	264	288
Furniture/Equipment	160	123	129	171
Meeting Space	11	53	52	58
Subtotal	2,760	3,019	3,106	3,629
Other Expense				
Insurance	2,288	2,334	2,059	2,298
Utilities	498	741	599	741
Taxes	2	11	2	4
Interest	3	5	1	1
Subtotal	2,791	3,091	2,660	3,043
Total Staff Operating*	\$64,479	\$79,102	\$71,244	\$87,043

* Staff Operating figures include ORCA Regional expenses

Agency Staff Change Summary

(in thousands)	2011 Amended Budget	2012 Adopted Budget	\$ Change	% Change
Salaries and Benefits				
Salaries	36,011	40,085	4,074	11.3%
Benefits	20,387	22,072	1,685	8.3%
Subtotal	56,398	62,157	5,759	10.2%
Services				
Consultant/Management	4,808	4,961	153	3.2%
Other Services	1,726	1,765	39	2.3%
Software/Hardware Maintenance	1,644	1,830	186	11.3%
Inter-local Agreements	897	2,447	1,550	172.8%
Legal	769	474	-295	-38.3%
Accounting/Auditing	695	773	77	11.2%
Maintenance	580	433	-147	-25.3%
Marketing	488	482	-6	-1.2%
Printing/Binding	454	458	4	0.9%
Services	155	99	-56	-36.0%
Subtotal	12,215	13,722	1,507	12.3%
Materials and Supplies				
Small Equipment/Furniture	603	746	142	23.6%
Other Materials/Supplies	565	664	99	17.4%
Office Supplies	254	222	-32	-12.6%
Postage	42	29	-12	-29.2%
Subtotal	1,465	1,661	197	13.4%
Miscellaneous Expense				
Other Misc.Expense	1,717	1,392	-325	-18.9%
Travel/Meetings	388	482	94	24.2%
Dues/Memberships	342	372	30	8.8%
Training	230	249	19	8.4%
Contingency	121	250	129	107.3%
Books/Subscriptions	117	86	-31	-26.2%
Subtotal	2,915	2,832	-83	-2.8%
Leases and Rentals				
Admin.Facilities	2,544	3,112	568	22.3%
Vehicles/Parking	300	288	-11	-3.8%
Furniture/Equipment	123	171	48	39.1%
Meeting Space	53	58	5	10.1%
Subtotal	3,019	3,629	610	20.2%
Other Expense				
Insurance	2,334	2,298	-37	-1.6%
Utilities	741	741	0	0.0%
Taxes	11	4	-6	-59.7%
Interest	5	1	-5	-90.0%
Subtotal	3,091	3,043	-47	-1.5%
Total Staff Operating*	\$79,102	\$87,043	\$7,942	10.0%

* Staff Operating costs include ORCA Regional expenses

Staff Budget Changes

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

Staff Budget Changes by Department

(in thousands)

Department	Adopted 2011 Budget	Adopted 2012 Budget	\$ Change	% Change
Central Costs ¹	2,727	5,388	2,661	97.6
Communications and External Affairs	6,851	6,990	139	2.0
Design Engineering & Construction Mgmt	21,544	25,300	3,756	17.4
Executive	12,005	12,725	720	6.0
Finance and Information Technology ²	18,953	19,441	488	2.6
Legal	2,744	2,668	(76)	-2.8
Operations	8,099	8,484	385	4.8
Planning, Environment & Project Dev	6,179	6,047	(132)	-2.1
Total Staff Operating Budget	\$79,102	\$87,043	\$7,942	10.0

(1) Central Costs are agencywide expenses including rent for administrative facilities. In 2012, Central Costs include \$2.25 million for Dept. of Revenue tax collection fee. In 2011, this was budgeted in FIT department at \$700,000.

(2) Finance & IT staff budgets include budget for ORCA ST Regional Services expenses.

Staff Budget Changes by Expense Category

(in thousands)

Category	Adopted 2011 Budget	Adopted 2012 Budget	\$ Change	% Change
Salaries & Benefits	56,398	62,157	5,759	10.2
Services	12,215	13,722	1,507	12.3
Materials & Supplies	1,465	1,661	197	13.4
Miscellaneous Expenses	2,915	2,832	(83)	(2.8)
Leases & Rentals	3,019	3,629	610	20.2
Other Expenses	3,091	3,043	(47)	(1.5)
Total Staff Operating Budget ¹	\$79,102	\$87,043	\$7,942	10.0

(1) Staff Operating budgets include budget for ORCA ST Regional Services expenses.

Staffing Plan

Our staffing plan is driven substantially by capital project activities. Sound Transit tracks and forecasts long-term staffing needs – balancing increases to permanent employment with the use of consultants to ensure capital programs are adequately supported and affordable. Over half of our 28.75 new positions in 2012 will be added to the Design, Engineering, and Construction Management (DECM) department, which is tasked with the design and construction of the regional transit system.

Changes in the administrative staffing plan for 2012 are summarized below. Beginning in 2012, ORCA ST Regional Services' staff are included in Finance and Information Technology staffing plan and budget. The detailed 2012 staffing plan by department is shown in Appendix A. Also included below is a staffing plan summary table that identifies, by department, FTEs that are directly charged to projects.

Staff dedicated to operating our transit programs are discussed in the Service Delivery section.

Agency Administration Staffing Plan Summary

Agency Administration	2010 Staffing Plan	2011 Staffing Plan	Filled At End of Dec 2011	2012 Staffing Plan	New
Executive	67.00	86.00	78.00	87.50	1.50
Finance and Information Technology	88.75	94.00	86.00	101.00	7.00
Legal	15.00	15.00	12.00	15.00	-
Design Engineering & Construction Mgmt	149.00	186.00	172.00	202.00	16.00
Communications and External Affairs	34.75	32.75	32.75	35.00	2.25
Operations	51.60	57.00	54.00	60.00	3.00
Planning, Environment & Project Development	39.00	42.00	39.00	41.00	(1.00)
Agency Administration Total	445.10	512.75	473.75	541.50	28.75

Direct and Non-Direct Charge Staffing Plan Summary

Agency Administration	ORCA Regional Reimbursed	Direct Charge to Projects	Non-Direct Charge	2012 Staffing Plan
Executive	-	-	88.50	87.50
Finance and Information Technology	4.50	-	95.50	101.00
Legal	-	-	15.00	15.00
Design Engineering & Construction Mgmt	-	202.00	-	202.00
Communications and External Affairs	-	-	35.00	35.00
Operations	-	-	60.00	60.00
Planning, Environment & Project Development	-	19.00	22.00	41.00
Agency Administration Total	4.50	221.00	316.00	541.50

Adopted 2012 Staff Budget Compared to Adopted 2011 Staff Budget

In 2012, our staff operating budget increases by 10% to \$87 million. Below is a reconciliation and discussion of the changes.

Reconciliation of Adopted 2012 Staff Budget to Adopted 2011 Staff Budget

(in thousands)

Adopted 2011 Staff Budget ¹			79,102
Changes	% Change	\$ Change	
Delivery of the Capital Program	4.2%	3,360	
Delivery of Services	0.5%	369	
Support of the Larger Organization	1.1%	852	
Tax Collection Fee	2.0%	1,550	
New Initiatives	1.3%	1,056	
Changes to Base Costs	1.0%	754	
Total Change	10.0%		7,942 ²
Adopted 2012 Staff Budget			87,043

1 Adopted 2011 staff budget includes \$897,000 for ORCA ST Regional Services expenses to be comparable with the adopted 2012 staff budget which includes \$833,767 of expenses.

2 Numbers may not sum due to rounding.

Delivery of the Capital Program

Capital program activity is expected to increase dramatically in 2012 in three corridors. To respond to this increase, \$1.7 million is required to fund 19.5 new full-time equivalents (FTEs) and another \$1.6 million to cover the annualized cost of about 45 capital-related employees hired in 2011. Fifteen of the new FTEs to support capital projects will work in DECM and include positions in the civil and systems engineering, construction management, project control, and architecture divisions. Within the Executive department, there are new positions in construction safety, health and safety, and construction-related procurement for a total of 2.5 positions. Two additional positions in FIT will support grants and risk management for capital projects.

Delivery of Services

Within the Operations department, three new positions include a facilities project manager, senior facilities specialist, and customer service supervisor. In addition, an architect and IT systems analyst will each devote half their time to service delivery support. The cost of adding these new 4 FTEs in 2012 amounts to \$336,603. A portion of the annualized cost attributed to service delivery of 11 new hires in 2011 amounts to \$31,989.

Support of the Larger Organization

A total of 5.25 FTEs will support administration departments within Sound Transit as we continue rolling out the ST2 capital program and remaining Sound Move projects such as University Link. These positions include 2 FTEs in CEA to focus on the agency's new website and graphic design assignments; one website support person is moving from 75% time to full-time. In the FIT department, three new positions were approved, and an IT systems analyst will provide both agencywide and service delivery support. A new DECM project coordinator will focus half their time on administrative projects. Two positions are transfers of open positions from other departments. They include a property management specialist and a treasury senior analyst and a records management coordinator. The cost of the 5.25 new FTEs is \$601,739. A portion of the annualized cost attributed to agency administration of 26 employees hired in 2011 amounts to \$250,617.

Tax Collection Fee

Total non-salary and benefit costs are up \$2.2 million due in large part to a \$1,550,000 increase in the Washington state Department of Revenue tax collection fee. This expense was previously included in the FIT budget but is now accounted for in Central Costs.

New Initiatives

The staff budget includes approximately \$1.1 million in funding for a small number of new initiatives to:

- Improve customer satisfaction in order to drive ridership numbers on all modes.
- Enhance efficiency and productivity through process and technology-utilization improvements in order to minimize operating costs.
- Pursue opportunities to ensure environmental and economic sustainability so that Sound Transit can continue to provide safe and affordable regional transportation in the long term.
- Support our staff through training and wellness programs to maximize productivity and retain our best talent.

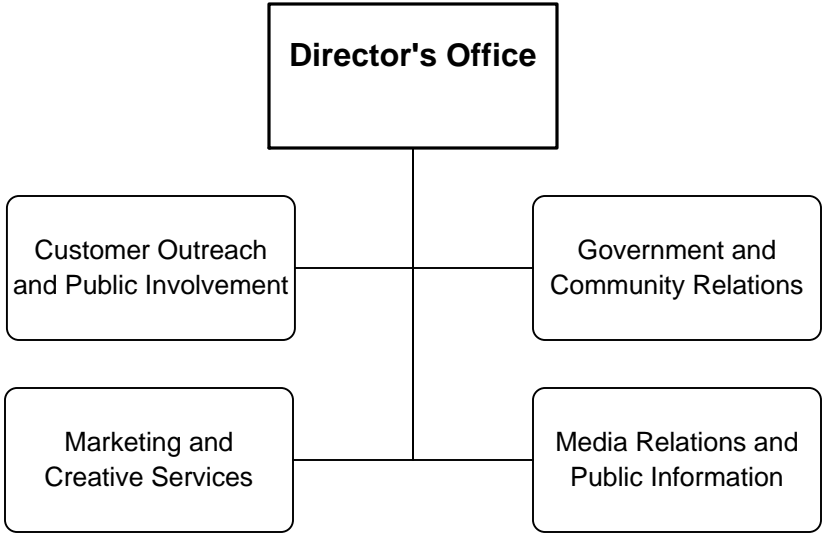
Changes to Base Costs

Beyond the changes outlined above, an increase in base costs of just over \$750,000 is a combination of increases in salaries and benefits paid in 2011 and an increase in office lease costs, which are partially offset by reductions in controllable costs such as advertising, consulting and temporary services staff, office supplies, telephone, meeting expenses, internet service, books and subscriptions, and insurance. Sound Transit employees do not have a defined benefit plan nor do we fund retiree healthcare benefits. Salary increases are tied to performance and employees contribute to health insurance premiums for dependents.

Central Costs

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Services				
Consultant/Management	75	200	54	0
Inter-local Agreements	0	0	0	2,250
Maintenance	3	0	13	20
Other Services	-20	0	0	0
Subtotal	58	200	67	2,270
Materials and Supplies				
Other Materials/Supplies	9	35	0	0
Small Equipment/Furniture	2	5	108	0
Subtotal	11	40	108	0
Miscellaneous Expense				
Other Misc.Expense	10	10	0	0
Subtotal	10	10	0	0
Leases and Rentals				
Admin.Facilities	2,213	2,466	2,626	3,078
Vehicles/Parking	11	12	9	0
Subtotal	2,224	2,477	2,635	3,078
Other Expense				
Taxes	0	0	0	0
Utilities	0	0	43	40
Insurance	0	0	-140	0
Interest	2	0	0	0
Subtotal	2	0	-97	40
Total Staff Operating	\$2,305	\$2,727	\$2,713	\$5,388

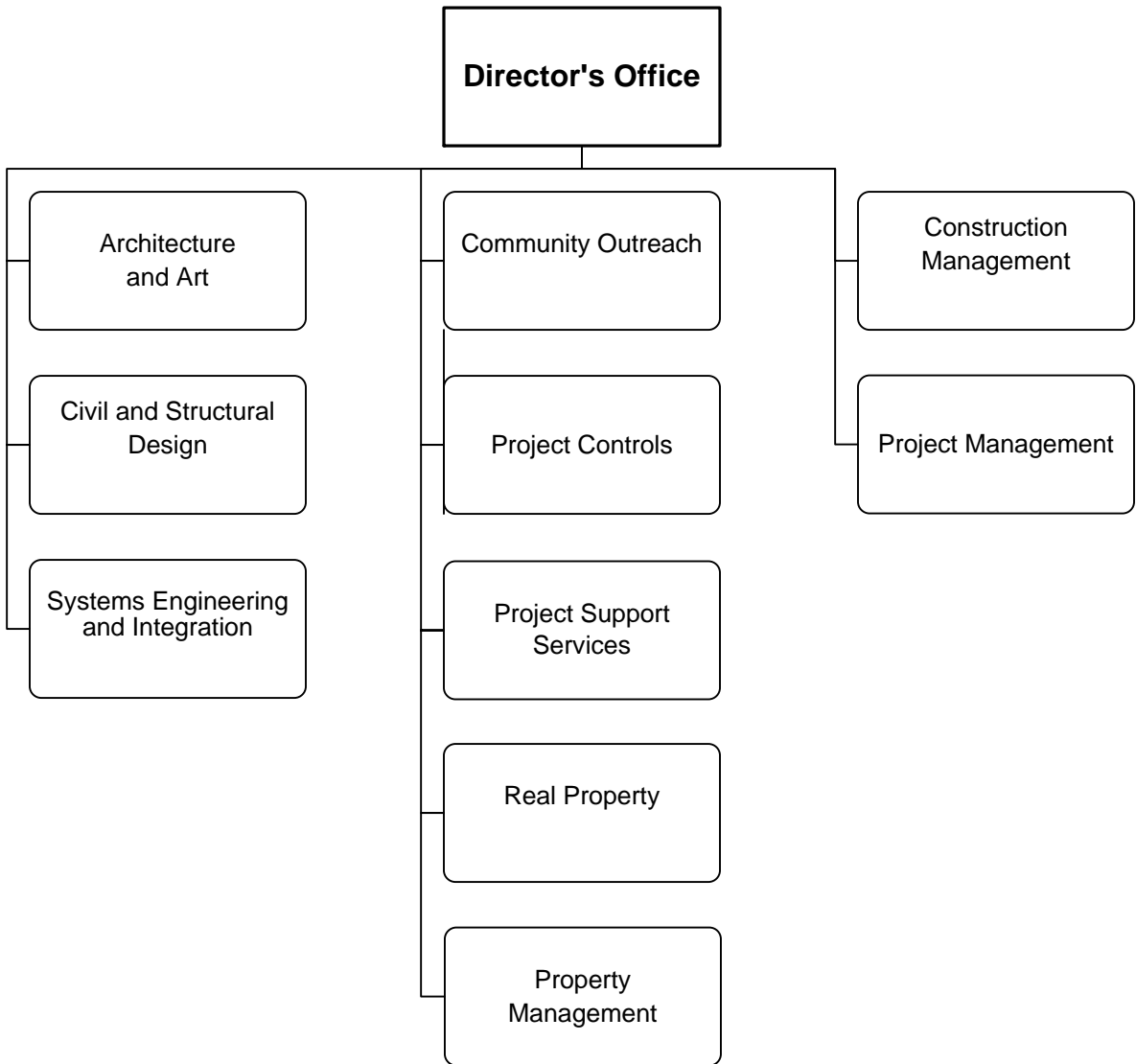
Communications and External Affairs



Communications and External Affairs

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	2,016	2,156	2,154	2,312
Benefits	1,189	1,332	1,245	1,376
Subtotal	3,205	3,488	3,399	3,688
Services				
Consultant/Management	748	853	732	927
Inter-local Agreements	189	197	190	197
Maintenance	0	6	0	7
Other Services	77	84	127	133
Printing/Binding	36	95	23	95
Marketing	264	481	263	480
Subtotal	1,314	1,715	1,335	1,839
Materials and Supplies				
Office Supplies	16	18	5	8
Other Materials/Supplies	6	25	7	49
Postage	0	1	0	0
Small Equipment/Furniture	8	36	1	30
Subtotal	30	79	13	87
Miscellaneous Expense				
Books/Subscriptions	2	7	8	12
Dues/Memberships	164	224	207	241
Other Misc.Expense	1,018	1,264	972	1,047
Training	3	10	7	12
Travel/Meetings	26	40	21	42
Subtotal	1,213	1,544	1,216	1,354
Leases and Rentals				
Furniture/Equipment	0	7	0	8
Meeting Space	1	2	0	1
Subtotal	1	8	0	9
Other Expense				
Utilities	17	16	15	14
Subtotal	17	16	15	14
Total Staff Operating	\$5,780	\$6,851	\$5,978	\$6,990

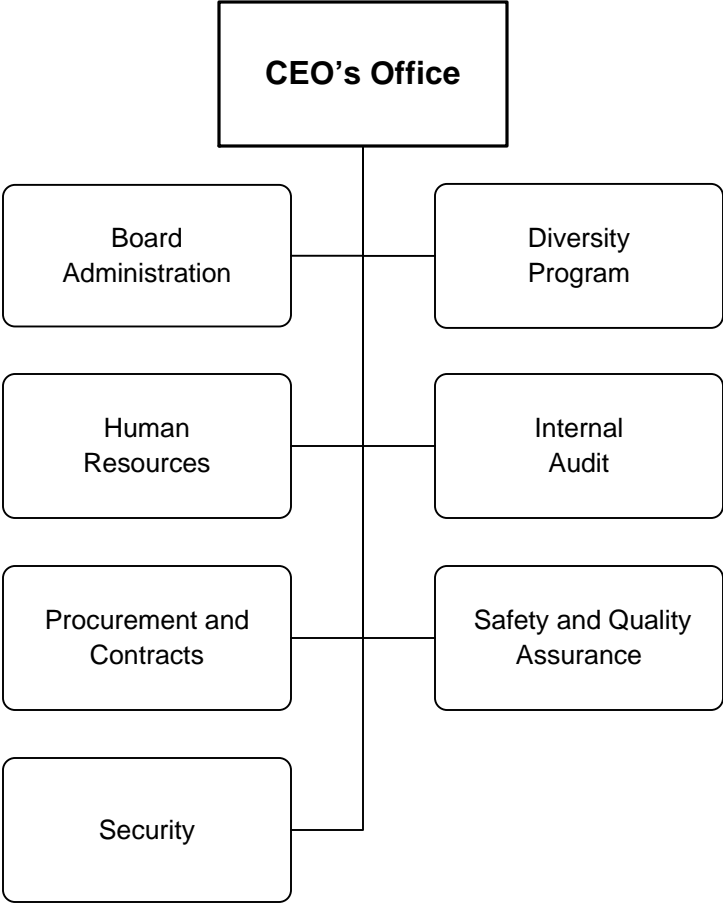
**Design, Engineering,
and Construction
Management
Department**



Design, Engineering & Construction Management

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	10,435	13,377	12,207	15,731
Benefits	5,733	7,475	6,777	8,591
Subtotal	16,168	20,853	18,984	24,322
Services				
Consultant/Management	50	145	10	380
Maintenance	0	0	0	0
Other Services	78	86	19	77
Printing/Binding	4	8	7	14
Software/Hardware Maintenance	0	0	0	0
Marketing	0	0	0	0
Subtotal	132	238	35	471
Materials and Supplies				
Office Supplies	19	37	23	46
Other Materials/Supplies	11	34	18	60
Postage	0	1	0	1
Small Equipment/Furniture	30	37	9	49
Subtotal	60	110	50	156
Miscellaneous Expense				
Books/Subscriptions	16	19	14	22
Dues/Memberships	14	24	18	29
Other Misc.Expense	13	3	4	4
Training	32	63	38	73
Travel/Meetings	52	111	62	152
Subtotal	127	219	137	280
Leases and Rentals				
Admin.Facilities	0	20	0	0
Meeting Space	0	3	1	5
Subtotal	0	23	1	5
Other Expense				
Utilities	46	101	48	66
Subtotal	46	101	48	66
Total Staff Operating	\$16,534	\$21,544	\$19,255	\$25,300

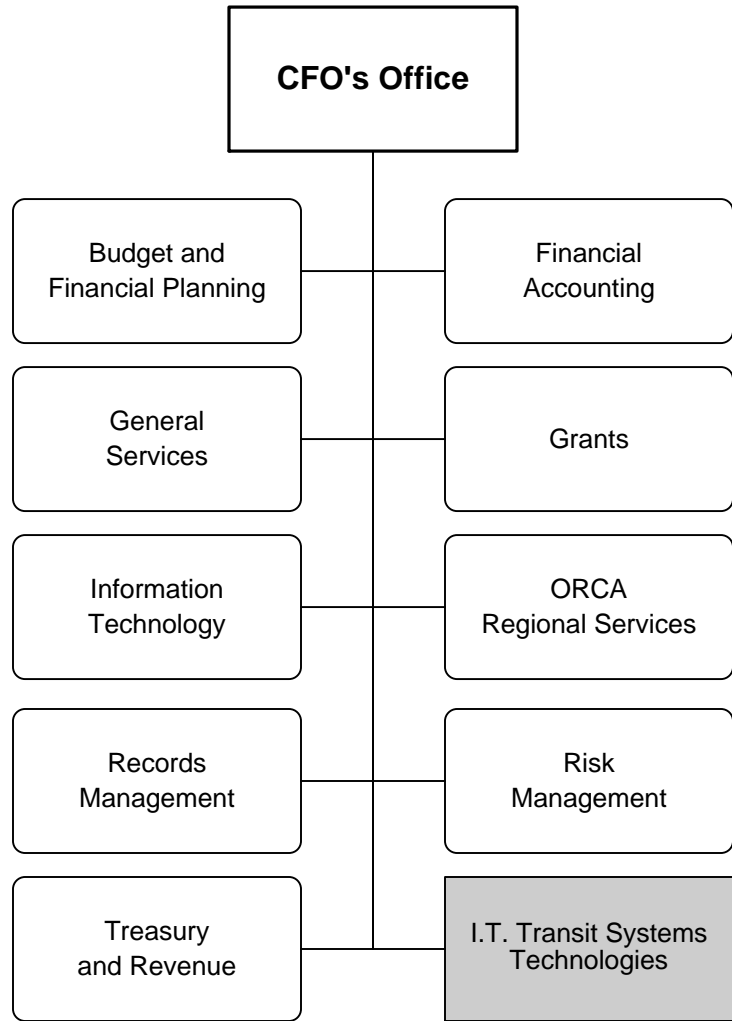
Executive Department



Executive

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	5,041	5,971	5,577	6,432
Benefits	2,752	3,315	3,221	3,470
Subtotal	7,793	9,286	8,798	9,902
Services				
Accounting/Auditing	0	200	157	250
Consultant/Management	697	825	391	775
Inter-local Agreements	0	0	0	0
Legal	0	0	0	60
Maintenance	0	2	1	2
Other Services	352	616	307	692
Printing/Binding	5	31	8	25
Software/Hardware Maintenance	1	1	0	13
Marketing	0	5	0	0
Subtotal	1,055	1,680	863	1,817
Materials and Supplies				
Office Supplies	31	26	23	25
Other Materials/Supplies	79	178	87	99
Postage	0	1	0	2
Small Equipment/Furniture	19	50	15	33
Subtotal	129	255	124	159
Miscellaneous Expense				
Books/Subscriptions	22	18	11	15
Contingency	0	121	0	250
Dues/Memberships	50	50	47	52
Other Misc.Expense	159	347	192	286
Training	43	58	38	41
Travel/Meetings	86	111	99	126
Subtotal	360	705	387	770
Leases and Rentals				
Admin.Facilities	0	0	0	0
Furniture/Equipment	1	0	1	0
Meeting Space	10	48	49	50
Vehicles/Parking	0	0	0	0
Subtotal	11	48	50	50
Other Expense				
Taxes	0	0	0	0
Utilities	40	30	30	28
Subtotal	40	30	30	28
Total Staff Operating	\$9,388	\$12,005	\$10,252	\$12,725

Finance and Information Technology Department

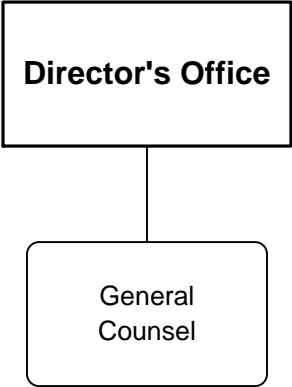


- = Staff costs included in Agency Administration section of Budget
- = Staff costs included in Service Delivery section of Budget

Finance and Information Technology

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	5,646	6,317	6,029	6,909
Benefits	3,218	3,677	3,218	3,891
Subtotal	8,865	9,994	9,247	10,801
Services				
Accounting/Auditing	383	495	469	523
Consultant/Management	1,987	1,700	1,203	1,949
Inter-local Agreements	1,323	700	2,109	0
Legal	0	254	1	79
Maintenance	18	33	34	36
Other Services	190	256	206	218
Printing/Binding	202	282	202	281
Software/Hardware Maintenance	1,159	1,643	1,580	1,817
Subtotal	5,262	5,363	5,804	4,903
Materials and Supplies				
Office Supplies	126	151	101	123
Other Materials/Supplies	30	30	50	97
Postage	15	36	20	25
Small Equipment/Furniture	308	396	576	574
Subtotal	479	612	748	819
Miscellaneous Expense				
Books/Subscriptions	44	36	38	-11
Dues/Memberships	8	16	10	23
Other Misc.Expense	7	15	5	42
Training	59	54	42	61
Travel/Meetings	39	57	49	65
Subtotal	158	178	144	180
Leases and Rentals				
Furniture/Equipment	124	110	104	135
Meeting Space	0	0	1	1
Subtotal	124	110	105	136
Other Expense				
Utilities	176	357	230	305
Insurance	2,289	2,334	2,226	2,298
Interest	1	5	1	1
Subtotal	2,465	2,697	2,457	2,604
Total Staff Operating	\$17,353	\$18,953	\$18,505	\$19,441

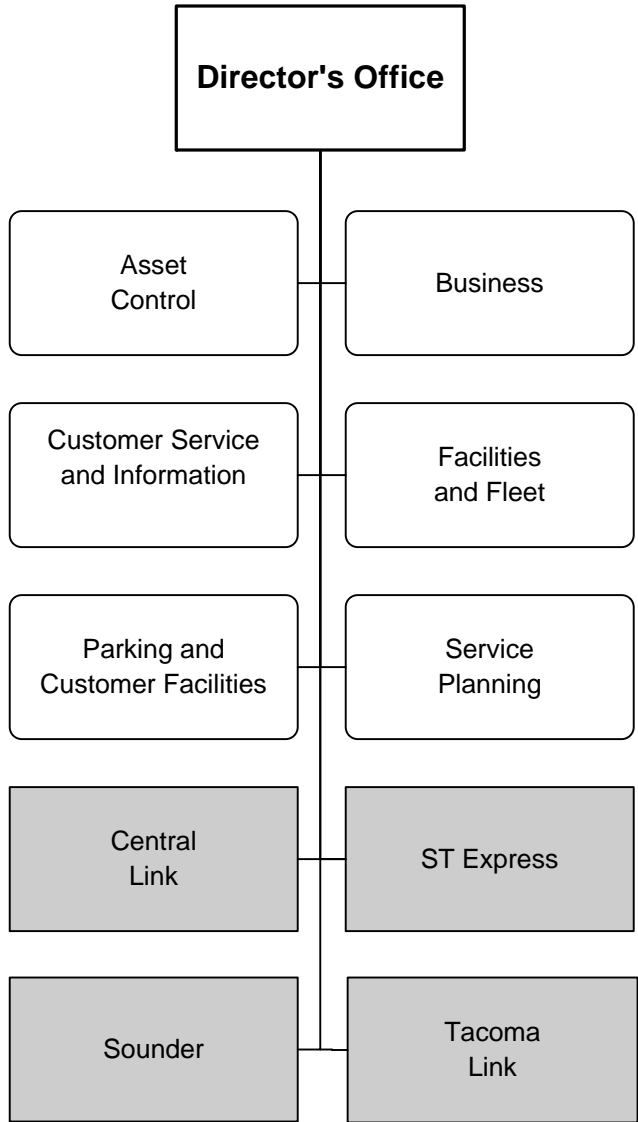
Legal Department



Legal

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	1,237	1,437	1,296	1,507
Benefits	587	724	597	746
Subtotal	1,824	2,161	1,893	2,253
Services				
Consultant/Management	1	0	0	3
Legal	181	515	145	335
Other Services	48	1	59	0
Printing/Binding	0	0	0	0
Subtotal	230	516	204	339
Materials and Supplies				
Office Supplies	2	3	1	3
Other Materials/Supplies	0	3	2	0
Postage	0	0	0	0
Small Equipment/Furniture	0	2	1	4
Subtotal	3	7	4	6
Miscellaneous Expense				
Books/Subscriptions	35	32	30	39
Dues/Memberships	6	6	6	8
Other Misc.Expense	0	0	0	0
Training	8	12	10	13
Travel/Meetings	3	6	1	4
Subtotal	52	56	47	64
Leases and Rentals				
Meeting Space	0	0	0	1
Subtotal	0	0	0	1
Other Expense				
Utilities	3	4	4	5
Subtotal	3	4	4	5
Total Staff Operating	\$2,111	\$2,744	\$2,151	\$2,668

Operations Department

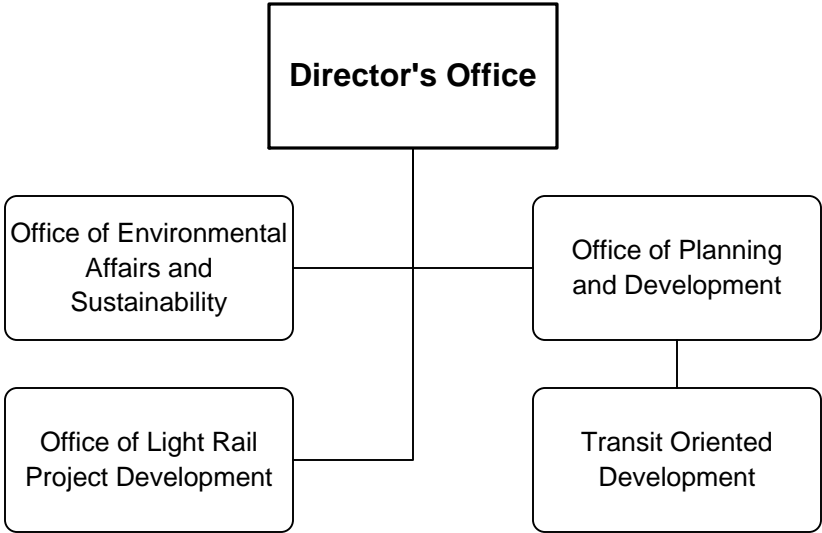


○ = Staff costs included in Agency Administration section of Budget
■ = Staff costs included in Service Delivery section of Budget

Operations

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	2,993	3,496	3,288	3,848
Benefits	1,637	2,035	1,875	2,163
Subtotal	4,630	5,530	5,162	6,010
Services				
Consultant/Management	180	260	239	316
Legal	0	0	0	0
Maintenance	259	540	301	368
Other Services	180	571	265	536
Printing/Binding	74	30	20	34
Services	0	155	73	99
Subtotal	694	1,555	898	1,354
Materials and Supplies				
Office Supplies	11	14	7	14
Other Materials/Supplies	274	258	341	353
Postage	0	1	0	1
Small Equipment/Furniture	29	57	98	40
Subtotal	315	331	446	408
Miscellaneous Expense				
Books/Subscriptions	7	4	5	7
Dues/Memberships	2	10	6	9
Other Misc.Expense	21	53	2	9
Training	20	17	29	29
Travel/Meetings	22	33	23	39
Subtotal	70	116	66	93
Leases and Rentals				
Admin.Facilities	39	59	34	34
Furniture/Equipment	35	6	24	28
Meeting Space	0	0	1	2
Vehicles/Parking	325	288	255	288
Subtotal	400	353	314	352
Other Expense				
Taxes	2	11	1	4
Utilities	204	203	218	263
Insurance	-1	0	-27	0
Subtotal	205	214	192	267
Total Staff Operating	\$6,314	\$8,099	\$7,079	\$8,484

**Planning, Environment,
and Project
Development
Department**



Planning, Environment & Project Development

(in thousands)	2010 Actual	2011 Amended Budget	2011 Actual	2012 Adopted Budget
Salaries and Benefits				
Salaries	2,849	3,257	3,116	3,345
Benefits	1,512	1,830	1,689	1,835
Subtotal	4,362	5,086	4,805	5,180
Services				
Consultant/Management	236	825	427	610
Inter-local Agreements	0	0	0	0
Legal	31	0	0	0
Other Services	8	113	21	110
Printing/Binding	1	9	0	9
Marketing	0	1	0	1
Subtotal	277	947	448	730
Materials and Supplies				
Office Supplies	3	5	5	3
Other Materials/Supplies	2	3	1	6
Postage	0	1	0	0
Small Equipment/Furniture	8	21	2	17
Subtotal	12	31	9	26
Miscellaneous Expense				
Books/Subscriptions	2	2	0	2
Dues/Memberships	6	13	8	11
Other Misc.Expense	0	26	0	5
Training	11	15	6	20
Travel/Meetings	13	30	25	53
Subtotal	31	86	39	91
Leases and Rentals				
Meeting Space	0	0	0	0
Subtotal	0	0	0	0
Other Expense				
Utilities	12	29	11	20
Subtotal	12	29	11	20
Total Staff Operating	\$4,694	\$6,179	\$5,311	\$6,047

Non-Staff Budgets

Program Description

Sound Transit also maintains separate budgets for programs that are not staff costs and are not directly related to service or project delivery. These include debt service, administrative capital, IT capital and net non-operating expenses. The table below summarizes these non-staff budgets.

Non-Staff Budgets Summary

(in thousands)

Non-Staff Budget ¹	Adopted 2012 Budget
Debt Service	
Interest Expense	29,343
Capitalized Interest	45,782
Principal Repayment ²	19,195
Debt Service Total	94,320
Administrative Capital	1,489
Information Technology Program ³	4,449
Net Non-Operating Expenses	
Property	926
Project	1,136
Net Non-Operating Expenses Total	2,062
Total Non-Staff Budgets	\$102,319

(1) From 2012, agency administration non-staff budgets do not include reserves for Capital Replacement and Emergency/Loss fund.

(2) From 2012, the debt service budget includes principal repayments in addition to interest payments on debt.

(3) From 2012, Information Technology Program is a new stand-alone project, developed out of the Administrative Capital project.

Debt Service

As of December 31, 2011, Sound Transit has \$1.5 billion of outstanding long-term bonds, the proceeds of which finance construction of capital projects. Interest on long-term debt can be capitalized to the extent that the underlying debt funds construction in progress, otherwise it is recognized as an expense. For more on the agency's debt status, see Appendix D.

For 2012, total project debt service is budgeted at \$94.3 million, which includes \$29.3 million in interest expense, \$45.8 million of capitalized interest, and \$19.2 million in principal repayment.

Administrative Capital

Purchases of equipment or other expenditures to support agency administration activities that total \$5,000 or more are capitalized and depreciated according to generally accepted accounting principles (GAAP). Items capitalized and depreciated within our budget include office furniture, non-revenue fleet automobiles, and other specialized equipment.

In 2012, the administrative capital budget was reduced by \$4.4 million to \$1.5 million to fund the new IT capital project described below.

Information Technology Program

In 2012, a new project for the Information Technology Program was created by transferring budget from the administrative capital project. This will enable better tracking and reporting of IT investments. Sound Transit has a technology governance team that reviews and prioritizes requests for new information systems.

In 2012, the IT program budget is \$4.4 million. This funds upgrades to improve productivity and ensure system integrity as well as to design and install new integrated agency systems for budgeting and asset management.

Net Non-Operating Expenses

Certain costs cannot be capitalized to projects but are instead expensed, in accordance with GAAP.

In 2012, total non-operating expenses are budgeted at \$2.1 million.

These costs fall under two non-operating expense categories:

Non-Operating Property Expenses

Non-operating property expenses include land held in inventory for use in projects and surplus land. Expenses in this category include operations and maintenance fees, such as property taxes, security, landscaping, cleaning, and other management services related to maintaining properties. Costs to prepare surplus property for sale (surveys, title, etc.) must also be expensed.

In 2012, non-operating property expenses are budgeted at \$0.9 million.

Non-Operating Project Expenses

These expenses include project expenditures that, according to GAAP, cannot be capitalized. These include insurance claim costs and premiums related to operations, taxes, operating leases, and rental depreciation and amortization. Maintenance of facilities completed but not yet in service must be expensed. Excess administration costs due to schedule extensions cannot be capitalized to the project. Costs related to project elements excluded from the final project build-out must also be expensed.

In 2012, non-operating project expenses are budgeted at \$1.1 million.

Reserves & Non-Cash Expenses

Program Description

Sound Transit maintains budgets for reserves and non-cash expenses. Because these budgets do not represent cash outlays they are not included in the spending authorization request. If reserved funds are to be used, the board's spending authorization is required.

Reserves

Additional monies are set aside in anticipation of future financial obligations. Sound Transit has reserves for capital replacement and emergency/loss. These amounts are included in this document but not as part of the agency administration budget since they are not an expense in the budget year.

Capital Replacement

The capital replacement reserve is a restricted sinking fund. The amount of the annual contribution to the fund is determined by a schedule of all asset costs and useful lives maintained the Agency's Financial Plan. Funds are held in long-term investments and their use is restricted to future asset replacement.

In 2012, the contribution is approximately \$49.9 million.

Emergency/Loss

Sound Transit has an emergency reserve to cover the retention/deductible in the event of an insured loss. This is a fund that is being accumulated at a rate of \$2 million a year.

In 2012, the contribution is \$2.0 million.

Non-Cash Expenses

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

Depreciation and Amortization

In 2012, the depreciation of service delivery assets is estimated at \$118.9 million and \$1.8 million for administrative assets.

Donations and Other Non-Cash Expenses

Sound Transit has a land bank agreement with WSDOT. We receive credits for funding highway improvement projects and use credits on projects located within the public highway right-of way. For example, we have an airspace lease from WSDOT allowing us to build light rail guideways over their property. In exchange, we build improvements to public highways such as HOV lanes. Funds for these projects are included in our capital budgets. When the projects are complete and put into service, we transfer the assets and record a donation. Also, included in this category are project costs that are being written off and depreciation related to non-operating agency assets.

In 2012, donations and other non-cash expenses are estimated to be \$65.1 million.

APPENDIX A

STAFFING PLAN SUMMARY AND DETAIL

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Service Delivery 2012 Staffing Plan

Service Delivery	Filled at end of Dec 2012	2011 Staffing Plan	Transfers	New	2012 Staffing Plan	Change from 2011
Transit Systems	9.00	11.00	0.00	1.00	12.00	1.00
Central Link	6.00	6.00	0.00	1.00	7.00	1.00
Souder	4.00	5.00	0.00	0.00	5.00	0.00
Regional Express	3.00	3.00	0.00	0.00	3.00	0.00
Tacoma Light rail	17.00	18.00	0.00	0.00	18.00	0.00
Service Delivery Total	39.00	43.00	0.00	2.00	45.00	2.00

Service Delivery 2012 Staffing Plan

	2011 Staffing Plan	Transfers	2012 New Staffing Plan	2012 Staffing Plan
Service Delivery				
Transit Systems				
Senior IT Systems Analyst	1.00	-1.00	0.00	0.00
Senior Systems Engineer	1.00	1.00	1.00	3.00
Transit Systems Electronic Supervisor	2.00	0.00	0.00	2.00
Transit Systems Electronic Technician	5.00	0.00	0.00	5.00
Transit Systems Engineer	2.00	2.00	0.00	2.00
Transit Systems Total	11.00	0.00	1.00	12.00
Central Link Light Rail				
Central Link Maintenance Manager	1.00	0.00	0.00	1.00
Central Link Maintenance Superintendent	1.00	1.00	0.00	2.00
Central Link Transportation Manager	1.00	0.00	0.00	1.00
Light Rail Transportation Superintendent	2.00	0.00	0.00	2.00
Senior Administrative Specialist	1.00	0.00	0.00	1.00
Central Link Light Rail Total	6.00	1.00	0.00	7.00
Sounder Commuter Rail				
Superintendent - ROW Maintenance	1.00	0.00	0.00	1.00
Commuter Rail Transportation Superintendent	1.00	0.00	0.00	1.00
Commuter Rail Coordinator	1.00	0.00	0.00	1.00
Commuter Rail Mechanical Superintendant	1.00	0.00	0.00	1.00
Commuter Rail Operations Manager	1.00	0.00	0.00	1.00
Sounder Commuter Rail Total	5.00	0.00	0.00	5.00
ST Express Bus				
Bus Maintenance Superintendent	1.00	0.00	0.00	1.00
Bus Operations Analyst	1.00	0.00	0.00	1.00
Bus Operations Manager	1.00	0.00	0.00	1.00
ST Express Bus Total	3.00	0.00	0.00	3.00
Tacoma Link Light Rail				
Light Rail Vehicle Operator	7.00	0.00	0.00	7.00
Maintenance Supervisor	1.00	0.00	0.00	1.00
Operations & Maintenance Supervisor	4.00	0.00	0.00	4.00
Operations & Maintenance Technician	3.00	0.00	0.00	3.00
Project Administration Specialist	1.00	0.00	0.00	1.00
Tacoma Link Light Rail Operations Manager	1.00	0.00	0.00	1.00
Tacoma Link Light Rail Assistant Operations Manager	1.00	0.00	0.00	1.00
Tacoma Link Light Rail Total	18.00	0.00	0.00	18.00
Service Delivery Total	43.00	2.00	0.00	45.00

Agency Administration 2012 Staffing Plan

	Filled at end of Dec 2011	2011 Staffing Plan	Transfers	New	2012 Staffing Plan	Change from 2011
Agency Administration						
COMMUNICATIONS & EXT AFFAIRS						
CEA Director's Office	2.00	2.00	0.00	0.00	2.00	0.00
Customer Outreach, Public Invl	5.00	5.00	0.00	0.00	5.00	0.00
Government Relations	5.00	5.00	0.00	0.00	5.00	0.00
Marketing	14.75	14.75	0.00	2.25	17.00	2.25
Media Relation & Public Info	6.00	6.00	0.00	0.00	6.00	0.00
CEA Total	32.75	32.75	0.00	2.25	35.00	2.25
DESIGN, ENG & CONST MGMT						
Architecture & Art	8.00	9.00	0.00	2.00	11.00	2.00
Civil & Structural Design	31.00	34.00	0.00	4.00	38.00	4.00
Community Outreach	14.00	16.00	0.00	0.00	16.00	0.00
Construction Management	20.00	22.00	0.00	2.00	24.00	2.00
DECM Director's Office	11.00	15.00	0.00	0.00	15.00	0.00
Project Control	35.00	35.00	0.00	3.00	38.00	3.00
Project Management	12.00	12.00	0.00	0.00	12.00	0.00
Project Support Services	8.00	8.00	0.00	1.00	9.00	1.00
Property Management	5.00	5.00	-5.00	0.00	0.00	-5.00
Real Property	9.00	11.00	5.00	0.00	16.00	5.00
Systems Engin. & Integration	19.00	19.00	0.00	4.00	23.00	4.00
DECM Total	172.00	186.00	0.00	16.00	202.00	16.00
EXECUTIVE						
Board Administration Staff	6.00	6.00	-1.00	0.00	5.00	-1.00
Chief Executive Officer	4.00	4.00	0.00	0.00	4.00	0.00
Diversity Program	8.00	8.00	0.00	0.00	8.00	0.00
Human Resources	9.00	11.00	0.00	0.00	11.00	0.00
Internal Audit	3.00	3.00	0.00	0.00	3.00	0.00
Procurement & Contracts	29.00	29.00	0.00	1.00	30.00	1.00
Quality Assurance	6.00	8.00	0.00	0.00	8.00	0.00
Safety	8.00	12.00	0.00	1.50	13.50	1.50
Safety/Sec/QA Administrative	2.00	2.00	0.00	0.00	2.00	0.00
Security	3.00	3.00	0.00	0.00	3.00	0.00
Executive Total	78.00	86.00	-1.00	2.50	87.50	1.50
FINANCE & INFO TECHNOLOGY						
Chief Financial Officer	3.00	3.00	-1.00	0.00	2.00	-1.00
Finance & Budget	12.00	12.00	0.00	0.00	12.00	0.00
Financial Accounting	21.00	22.00	0.00	0.00	22.00	0.00
Grants Division	2.00	2.00	0.00	1.00	3.00	1.00
GSC/Warehouse	2.00	2.00	0.00	0.00	2.00	0.00
Information Systems	32.50	38.50	-0.50	3.00	41.00	2.50
ORCA Regional Program Admin	2.00	2.00	0.00	0.00	2.00	0.00
ORCA ST Regional Services	3.75	3.75	0.75	0.00	4.50	0.75
Records Management	0.00	0.00	2.00	0.00	2.00	2.00
Risk Management	3.00	4.00	0.00	1.00	5.00	1.00
Treasury	4.75	4.75	0.75	0.00	5.50	0.75
FIT Total	86.00	94.00	2.00	5.00	101.00	7.00
LEGAL						
LEGAL GENERAL COUNSEL	12.00	15.00	0.00	0.00	15.00	0.00
Legal Total	12.00	15.00	0.00	0.00	15.00	0.00
OPERATIONS						
Asset Planning & Programming	3.00	4.00	0.00	0.00	4.00	0.00
Business Services	5.00	6.00	0.00	0.00	6.00	0.00
Customer Fac & Accessible Serv	5.00	6.00	0.00	0.00	6.00	0.00
Customer Services	10.00	10.00	0.00	1.00	11.00	1.00
Facilities & Fleet	18.00	18.00	0.00	2.00	20.00	2.00
OPS Director's Office	9.00	9.00	0.00	0.00	9.00	0.00
Service Planning & Development	4.00	4.00	0.00	0.00	4.00	0.00
Operations Total	54.00	57.00	0.00	3.00	60.00	3.00
PLANNING, ENV & PROJECT DEV						
Env Affairs & Sustainability	15.00	15.00	0.00	0.00	15.00	0.00
Light Rail Project Development	12.00	12.00	0.00	0.00	12.00	0.00
PEPD Director's Office	2.00	2.00	0.00	0.00	2.00	0.00
Planning & Development	8.00	11.00	-1.00	0.00	10.00	-1.00
Transit-Oriented Development	2.00	2.00	0.00	0.00	2.00	0.00
PEPD Total	39.00	42.00	-1.00	0.00	41.00	-1.00
Agency Administration Total	473.75	512.75	0.00	28.75	541.50	28.75

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Agency Administration				
Executive				
Board Administration				
Administrative Specialist	1.00	-	-	1.00
Board Administration Manager	1.00	-	-	1.00
Board Coordinator	2.00	-	-	2.00
Correspondence Management Coordinator	1.00	-	-	1.00
Records Management Coordinator	1.00	(1.00)	-	-
Board Administration Total	6.00	(1.00)	-	5.00
CEO's Office				
Chief Executive Officer	1.00	-	-	1.00
Deputy Chief Executive Officer	1.00	-	-	1.00
Executive Program Advisor	1.00	-	-	1.00
Senior Executive Assistant	1.00	-	-	1.00
CEO's Office Total	4.00	-	-	4.00
Diversity Program				
Diversity Program Director	1.00	-	-	1.00
Diversity Program Specialist	2.00	-	-	2.00
Diversity Technical Advisor	1.00	-	-	1.00
Labor Agreement Specialist	2.00	-	-	2.00
Lead Diversity Program Specialist	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Diversity Program Total	8.00	-	-	8.00
Human Resources				
Employee Relations Manager	1.00	-	-	1.00
Human Resources Director	1.00	-	-	1.00
Human Resources Specialist	1.00	-	-	1.00
Retirement & Benefits Analyst	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Senior HRIS/LMS Analyst	1.00	-	-	1.00
Senior Recruiter	3.00	-	-	3.00
Talent & Organization Development Manager	1.00	-	-	1.00
Total Rewards Manager	1.00	-	-	1.00
Human Resources Total	11.00	-	-	11.00
Internal Audit				
Internal Audit Director	1.00	-	-	1.00
Internal Auditor	1.00	-	-	1.00
Senior Internal Auditor	1.00	-	-	1.00
Internal Audit Total	3.00	-	-	3.00
Procurement & Contracts				
Administrative Specialist	2.00	-	-	2.00
Construction Contracts Manager	1.00	-	-	1.00
Construction Contracts Specialist	4.00	-	-	4.00
Contracts Manager	1.00	-	-	1.00
Contracts Systems Supervisor	1.00	-	-	1.00
Procurement & Contracts Director	1.00	-	-	1.00
Procurement/Contracts Assistant	3.00	-	-	3.00
Procurement/Contracts Coordinator	1.00	-	-	1.00
Senior Buyer Planner	1.00	-	-	1.00
Senior Construction Contracts Specialist	6.00	-	1.00	7.00
Senior Contracts Specialist	8.00	-	-	8.00
Procurement & Contracts Total	29.00	-	1.00	30.00
Quality Assurance				
Agency QA/QC Manager	1.00	-	-	1.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Project Administration Specialist	1.00	-	-	1.00
Quality Assurance Engineer	3.00	-	-	3.00
Senior Quality Assurance Assessor	1.00	-	-	1.00
Senior Quality Assurance Engineer	2.00	-	-	2.00
Quality Assurance Total	8.00	-	-	8.00
Safety				
Chief Safety Officer	1.00	-	-	1.00
Community Outreach Specialist	1.00	-	-	1.00
Construction Safety Manager	1.00	-	-	1.00
Construction Safety Specialist	1.00	-	1.00	2.00
Senior Construction Safety Specialist	2.00	-	-	2.00
Health & Safety Specialist	1.00	-	0.50	1.50
Project Administration Specialist	1.00	-	-	1.00
Rail Passenger Safety Manager	1.00	-	-	1.00
Senior Health & Safety Specialist	1.00	-	-	1.00
Senior System Safety & Assurance Specialist	1.00	-	-	1.00
System Safety & Assurance Specialist	1.00	-	-	1.00
Safety Total	12.00	-	1.50	13.50
Safety & Quality Assurance Director Office				
Director of Safety & Quality Assurance	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Safety & Quality Assurance Director Office Total	2.00	-	-	2.00
Security				
Chief Security Officer	1.00	-	-	1.00
Operational Security Specialist	1.00	-	-	1.00
Project Administration Specialist	1.00	-	-	1.00
Security Total	3.00	-	-	3.00
Executive Total	86.00	(1.00)	2.50	87.50
Finance and Information Technology				
CFO's Office				
Executive Assistant	1.00	-	-	1.00
Executive Director of Finance and IT	1.00	-	-	1.00
Records Manager	1.00	(1.00)	-	-
CFO's Office Total	3.00	(1.00)	-	2.00
Records Management				
Records Management Coordinator	-	1.00	-	1.00
Records Manager	-	1.00	-	1.00
Records Management Total	-	2.00	-	2.00
Finance & Budget				
Budget Supervisor	2.00	-	-	2.00
Director of Budget & Financial Planning	1.00	-	-	1.00
Finance & Budget Coordinator	1.00	-	-	1.00
Senior Financial Budget Analyst	6.00	-	-	6.00
Senior Financial Planner	2.00	-	-	2.00
Finance & Budget Total	12.00	-	-	12.00
Financial Accounting				
Accountant	4.00	-	-	4.00
Accountant - Asset Management	1.00	-	-	1.00
Accounting Manager	1.00	-	-	1.00
Accounting Supervisor	1.00	-	-	1.00
Accounts Payable Specialist	3.00	-	-	3.00
Accounts Payable Supervisor	1.00	-	-	1.00
Administrative Analyst	1.00	-	-	1.00
Assistant Controller	1.00	-	-	1.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Business Analyst	1.00	-	-	1.00
Business Process Administrator	1.00	-	-	1.00
Controller	1.00	-	-	1.00
Payroll Assistant	1.00	-	-	1.00
Payroll Coordinator	1.00	-	-	1.00
Senior Accountant	3.00	-	-	3.00
Senior Administrative Specialist	1.00	-	-	1.00
Financial Accounting Total	22.00	-	-	22.00
Grants Division				
Grants Administrator	1.00	-	-	1.00
Grants Manager	1.00	-	-	1.00
Grants Specialist	-	-	1.00	1.00
Grants Division Total	2.00	-	1.00	3.00
Gsc/Warehouse				
General Services Center Assistant	1.00	-	-	1.00
General Services Center Coordinator	1.00	-	-	1.00
Gsc/Warehouse Total	2.00	-	-	2.00
Information Technology				
Database Administrator	1.00	-	-	1.00
Deputy Chief Information Officer	1.00	-	-	1.00
Deputy Executive Director	1.00	-	-	1.00
GIS Analyst	1.00	-	-	1.00
GIS Specialist	1.00	-	-	1.00
Helpdesk Support Technician	2.00	-	-	2.00
Info Tech Systems Analyst	0.50	-0.50	0.00	-
IT Manager	3.00	-	-	3.00
IT Manager Research and Technology	-	-	1.00	1.00
IT Manager - PMO	1.00	-	-	1.00
IT Project Manager	3.00	-	-	3.00
IT Purchasing Coordinator	1.00	-	-	1.00
IT Services Desk Manager	1.00	-	-	1.00
IT Support Specialist	2.00	-	1.00	3.00
IT System Administrator	2.00	-	-	2.00
IT System Engineer	1.00	-	-	1.00
Network Engineer	1.00	-	-	1.00
Report Developer	1.00	-	-	1.00
Senior Client Systems Architect	1.00	-	-	1.00
Senior Database Administrator	1.00	-	-	1.00
Senior Enterprise Arch	1.00	(1.00)	-	-
Senior IT Enterprise Arch	-	1.00	-	1.00
Senior IT Project Manager	-	-	1.00	1.00
Senior IT Support Specialist	2.00	-	-	2.00
Senior IT Systems Analyst	3.00	-	-	3.00
Senior IT Systems Analyst -EAM	1.00	-	-	1.00
Senior IT Systems Engineer	2.00	-	-	2.00
Senior System ADM (SCADA)	1.00	(1.00)	-	-
Senior System Eng (SCADA)	-	1.00	-	1.00
Senior Network Engineer	1.00	-	-	1.00
Senior Network Eng, Net Des	-	1.00	-	1.00
Senior Network Eng, Net Design	1.00	(1.00)	-	-
Web Developer	1.00	-	-	1.00
Information Technology Total	38.50	(0.50)	3.00	41.00
ORCA Regional Services				
ORCA Regional Program Administrator	1.00	-	-	1.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
ORCA Regional Program Specialist	1.00	-	-	1.00
ORCA Regional Services Total	2.00	-	-	2.00
ORCA ST Regional Services				
Cash Accountant	0.25	0.75	-	1.00
Fiscal Agent - ORCA	1.00	-	-	1.00
Info Tech Systems Analyst	0.50	0.50	-	1.00
Revenue Analysis Manager	1.00	(0.50)	-	0.50
Senior Customer Service Representative	1.00	-	-	1.00
ORCA ST Regional Services Total	3.75	0.75	-	4.50
Risk Management				
Administrative Specialist	-	-	1.00	1.00
Director of Risk Management	1.00	-	-	1.00
Risk & Claims Analyst	2.00	-	-	2.00
Risk & Insurance Manager	1.00	-	-	1.00
Risk Management Total	4.00	-	1.00	5.00
Treasury & Revenue				
Cash Accountant	1.75	(0.75)	-	1.00
Cash/Investment Administrator	1.00	-	-	1.00
ORCA Site Administrator	1.00	-	-	1.00
Revenue Analysis Manager	-	0.50	-	0.50
Senior Finance Analyst	-	1.00	-	1.00
Treasurer	1.00	-	-	1.00
Treasury & Revenue Total	4.75	0.75	-	5.50
Finance & Information Technology Total	94.00	2.00	5.00	101.00
Legal				
General Counsel				
Administrative Specialist	1.00	-	-	1.00
Business Manager/Public Record Officer	1.00	-	-	1.00
Deputy General Counsel	1.00	-	-	1.00
General Counsel	1.00	-	-	1.00
Legal Secretary	1.00	-	-	1.00
Project Administration Specialist	1.00	-	-	1.00
Project Coordinator	1.00	-	-	1.00
Senior Legal Counsel	8.00	-	-	8.00
General Counsel Total	15.00	-	-	15.00
Legal Total	15.00	-	-	15.00
Design, Engineering & Construction Management				
Architecture & Art				
Architect	5.00	-	1.00	6.00
Architecture & Art Manager	1.00	-	-	1.00
Project Coordinator	-	-	1.00	1.00
Public Art Program Administrator	1.00	-	-	1.00
Public Art Program Coordinator	1.00	-	-	1.00
Senior Architect	1.00	-	-	1.00
Architecture & Art Total	9.00	-	2.00	11.00
Civil & Structural Design				
CAD Drafter Supervisor	1.00	-	-	1.00
Civil Engineer	4.00	-	1.00	5.00
Civil Engineer - ROW	1.00	-	-	1.00
Civil Engineer - Utilities	1.00	-	-	1.00
Civil Engineering Manager	1.00	-	-	1.00
Director Civil & Structural Design	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Senior CAD Drafter	4.00	-	1.00	5.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Senior Civil Engineer	12.00	-	1.00	13.00
Senior Structural Engineer	3.00	-	1.00	4.00
Specification Writer	1.00	-	-	1.00
Structural Engineer	4.00	-	-	4.00
Civil & Structural Design Total	34.00	-	4.00	38.00
Community Outreach				
Community Outreach Assistant	1.00	-	-	1.00
Community Outreach Coordinator	6.00	-	-	6.00
Community Outreach Corridor Lead	3.00	-	-	3.00
Community Outreach Corridor Supervisor	1.00	-	-	1.00
Community Outreach Director	1.00	-	-	1.00
Community Outreach Specialist	3.00	-	-	3.00
Senior Administrative Specialist	1.00	-	-	1.00
Community Outreach Total	16.00	-	-	16.00
Construction Management				
Construction Management Director	1.00	-	-	1.00
Construction Manager - DECM	9.00	-	1.00	10.00
Construction Project Specialist	1.00	-	-	1.00
Deputy Construction Manager	3.00	-	-	3.00
Engineering Systems Inspector	1.00	-	-	1.00
Principal Construction Manager	1.00	-	1.00	2.00
Project Coordinator - DECM	1.00	-	-	1.00
Project Manager	2.00	-	-	2.00
Senior Civil Engineer	2.00	-	-	2.00
Senior Project Coordinator	1.00	-	-	1.00
Construction Management Total	22.00	-	2.00	24.00
DECM Director's Office				
Chief of Staff	1.00	-	-	1.00
Deputy Executive Director - Business Services	1.00	-	-	1.00
Deputy Executive Director - Design & Engineering	1.00	-	-	1.00
Deputy Executive Director - Project & Construction Mgmt.	1.00	-	-	1.00
Executive Assistant	1.00	-	-	1.00
Executive Director - DECM	1.00	-	-	1.00
Executive Project Director	3.00	-	-	3.00
Project Coordinator - DECM	1.00	-	-	1.00
Project Director	2.00	-	-	2.00
Receptionist/Administrative Assistant	1.00	-	-	1.00
Senior Administrative Specialist	2.00	-	-	2.00
DECM Director's Office Total	15.00	-	-	15.00
Project Controls				
Configuration Coordinator	1.00	-	-	1.00
Cost Engineer	1.00	-	-	1.00
Courier	1.00	-	-	1.00
Document Control Coordinator	4.00	-	1.00	5.00
Project Control Assistant	2.00	-	-	2.00
Project Control Coordinator	2.00	-	-	2.00
Project Control Director	1.00	-	-	1.00
Project Control Manager, Configuration & Document Contrc	1.00	-	-	1.00
Project Control Manager, Cost Control & Reporting	1.00	-	-	1.00
Project Control Manager, Scheduling, Estimating, Risk	1.00	-	-	1.00
Project Control Specialist	8.00	-	-	8.00
Senior Administrative Specialist	1.00	-	-	1.00
Senior Cost Engineer	2.00	-	-	2.00
Senior Document Control Coordinator	2.00	-	-	2.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Senior Project Control Specialist	4.00	-	1.00	5.00
Senior Project Risk Engineer	1.00	-	-	1.00
Senior Scheduling Engineer	2.00	-	-	2.00
Senior Systems Cost Engineer	-	-	1.00	1.00
Project Controls Total	35.00	-	3.00	38.00
Project Management				
Project Coordinator - DECM	2.00	-	-	2.00
Project Management Director	1.00	-	-	1.00
Project Manager	8.00	-	-	8.00
Senior Project Coordinator	1.00	-	-	1.00
Project Management Total	12.00	-	-	12.00
Project Support Services				
Assistant Permits Administrator	2.00	-	-	2.00
Permits Administrator	1.00	-	-	1.00
Project Manager - DECM	3.00	-	-	3.00
Project Support Services Manager	1.00	-	-	1.00
Senior Project Coordinator - DECM	1.00	-	1.00	2.00
Project Support Services Total	8.00	-	1.00	9.00
Property Management				
Leasing Document Coordinator	1.00	(1.00)	-	-
Property Management Assistant	1.00	(1.00)	-	-
Property Management Assistant Manager	1.00	(1.00)	-	-
Property Management Manager	1.00	(1.00)	-	-
Senior Leasing Document Coordinator	1.00	(1.00)	-	-
Property Management Total	5.00	(5.00)	-	-
Real Property				
Director OF Real Property	1.00	-	-	1.00
Leasing Document Coordinator	-	1.00	-	1.00
Property Assistant	1.00	(1.00)	-	-
Property Coordinator	3.00	-	-	3.00
Property Management Assistant	-	1.00	-	1.00
Property Management Assistant Manager	-	1.00	-	1.00
Property Management Manager	-	1.00	-	1.00
Property Management Specialist	-	1.00	-	1.00
Property Records Research Technician	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Senior Leasing Document Coordinator	-	1.00	-	1.00
Senior Real Property Agent	4.00	-	-	4.00
Real Property Total	11.00	5.00	-	16.00
Systems Engineering & Integration				
Civil/Systems Integration Manager	1.00	-	-	1.00
Electrical Engineer	1.00	-	-	1.00
Mechanical Engineer	1.00	-	-	1.00
Project Coordinator	-	-	1.00	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Senior CAD Drafter	1.00	-	-	1.00
Senior Electrical Engineer	1.00	-	-	1.00
Senior Mechanical Engineer	1.00	-	-	1.00
Senior Systems Engineer	7.00	-	2.00	9.00
Systems Engineer	3.00	-	1.00	4.00
Systems Engineering & Integration Director	1.00	-	-	1.00
Systems Engineering Manager	1.00	-	-	1.00
Systems Engineering & Integration Total	19.00	-	4.00	23.00
Design, Engineering & Construction Management Total	186.00	-	16.00	202.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Communications & External Affairs				
CEA Director's Office				
Executive Assistant	1.00	-	-	1.00
Executive Director of Communications & External Affairs	1.00	-	-	1.00
CEA Director's Office Total	2.00	-	-	2.00
Customer Outreach				
Customer Outreach Assistant	1.00	-	-	1.00
Customer Outreach Coordinator	1.00	-	-	1.00
Customer Outreach Manager	1.00	-	-	1.00
Events Coordinator	1.00	-	-	1.00
Events Specialist	1.00	-	-	1.00
Customer Outreach Total	5.00	-	-	5.00
Government Relations				
Government & Community Relations Director	1.00	-	-	1.00
Government & Community Relations Officer	3.00	-	-	3.00
State Relations Officer	1.00	-	-	1.00
Government Relations Total	5.00	-	-	5.00
Marketing & Creative Services				
Communications Specialist	3.00	-	-	3.00
Graphic Designer	1.00	-	1.00	2.00
Lead Communications Specialist	1.00	-	-	1.00
Lead Graphic Designer	1.00	-	-	1.00
Marketing Coordinator	1.00	-	-	1.00
Marketing Specialist	1.00	-	-	1.00
Marketing/Creative Services Manager	1.00	-	-	1.00
Rider Information Specialist	1.00	-	-	1.00
Senior Graphic Designer	2.00	-	-	2.00
Video Producer	1.00	-	-	1.00
Video Production Technician	1.00	-	-	1.00
Web Program Manager	-	-	1.00	1.00
Web Site Specialist	0.75	-	0.25	1.00
Marketing & Creative Services Total	14.75	-	2.25	17.00
Media Relations and Public Information				
Information Center Specialist	1.00	-	-	1.00
Media Relations & Public Information Manager	1.00	-	-	1.00
Public Information Coordinator	1.00	-	-	1.00
Public Information Specialist	3.00	-	-	3.00
Media Relations and Public Information Total	6.00	-	-	6.00
Communications & External Affairs Total	32.75	-	2.25	35.00
Operations Department				
Asset Planning & Programming				
Asset Control Planner	1.00	-	-	1.00
Asset Planning & Programming Manager	1.00	-	-	1.00
Document Control Coordinator	1.00	-	-	1.00
Space Planning/CADD Operator	1.00	-	-	1.00
Asset Planning & Programming Total	4.00	-	-	4.00
Business Services				
Business Systems Analyst	1.00	-	-	1.00
Operations Business Coordinator	4.00	-	-	4.00
Operations Business Manager	1.00	-	-	1.00
Business Services Total	6.00	-	-	6.00
Customer Facilities & Accessible Services				
Accessibility Coordinator	1.00	-	-	1.00
Customer Facilities & Accessibility Services Manager	1.00	-	-	1.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Facilities Coordinator	1.00	-	-	1.00
Parking & Customer Facilities Coordinator	3.00	-	-	3.00
Customer Facilities & Accessible Services Total	6.00	-	-	6.00
Customer Services				
Customer Service Manager	1.00	-	-	1.00
Customer Service Representative	4.00	-	-	4.00
Customer Service Supervisor	1.00	-	1.00	2.00
Receptionist/Administrative Assistant	2.00	-	-	2.00
Senior Customer Service Representative	2.00	-	-	2.00
Customer Services Total	10.00	-	1.00	11.00
Facilities and Fleet				
Assistant Facilities Manager	1.00	-	-	1.00
Facilities Assistant	1.00	-	-	1.00
Facilities Coordinator	1.00	-	-	1.00
Facilities Maintenance Manager	1.00	-	-	1.00
Facilities Project Manager	3.00	-	-	3.00
Facilities Specialist	5.00	-	-	5.00
Project Manager	-	-	1.00	1.00
Senior Facilities Coordinator	1.00	-	-	1.00
Senior Facilities Specialist	5.00	-	1.00	6.00
Facilities and Fleet Total	18.00	-	2.00	20.00
Operations Director's Office				
Administrative Analyst	1.00	-	-	1.00
Deputy Executive Director Transportation & Maintenance	1.00	-	-	1.00
Executive Assistant	1.00	-	-	1.00
Executive Director of Operations	1.00	-	-	1.00
Facilities & Asset Control Director	1.00	-	-	1.00
Light Rail Operations Director	1.00	-	-	1.00
Operations Support Services Director	1.00	-	-	1.00
Project Administration Specialist	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Operations Director's Office Total	9.00	-	-	9.00
Service Planning & Development				
Assistant Service Planner	1.00	-	-	1.00
Service Planner	2.00	-	-	2.00
Service Planning Manager	1.00	-	-	1.00
Service Planning & Development Total	4.00	-	-	4.00
Operations Department Total	57.00	-	3.00	60.00
Planning, Environment & Project Development				
Environmental Affairs & Sustainability				
Associate Environmental Planner	1.00	-	-	1.00
Deputy Director of Environmental Affairs & Sustainability	1.00	-	-	1.00
Environmental Affairs & Sustainability Director	1.00	-	-	1.00
Environmental Analyst	1.00	-	-	1.00
Environmental Compliance Manager	1.00	-	-	1.00
Environmental Planner	2.00	-	-	2.00
Project Administration Specialist	1.00	-	-	1.00
Senior Administrative Specialist	1.00	-	-	1.00
Senior Environmental Analyst	2.00	-	-	2.00
Senior Environmental Planner	3.00	-	-	3.00
Sustainability Manager	1.00	-	-	1.00
Environmental Affairs & Sustainability Total	15.00	-	-	15.00
Office of Planning and Development				
Associate Planner	1.00	-	-	1.00

Agency Administration Staffing By Department

	2011 Staffing Plan	Transfer	New	2012 Staffing Plan
Business Account Representative	1.00	-	-	1.00
Planning & Development Director	1.00	-	-	1.00
Planning & Project Development Manager	1.00	-	-	1.00
Project Manager - Modeler	1.00	-	-	1.00
Research, Policy & Business Development Manager	1.00	-	-	1.00
Senior Administrative Specialist	1.00	(1.00)	-	-
Senior Policy Planner	1.00	-	-	1.00
Senior Transportation Planner	3.00	-	-	3.00
Office of Planning and Development Total	11.00	(1.00)	-	10.00
PEPD Director's Office				
Executive Assistant	1.00	-	-	1.00
Executive Director of Planning, Environment & Project Dev.	1.00	-	-	1.00
PEPD Director's Office Total	2.00	-	-	2.00
PEPD Link Development				
Light Rail Development Manager	3.00	-	-	3.00
Light Rail Project Development Director	1.00	-	-	1.00
Project Manager - Agreements	1.00	-	-	1.00
Project Manager - Light Rail	5.00	-	-	5.00
Senior Administrative Specialist	1.00	-	-	1.00
Transportation Planner	1.00	-	-	1.00
PEPD Link Development Total	12.00	-	-	12.00
Transit Oriented Development				
Senior TOD Specialist	1.00	-	-	1.00
Transit Oriented Development Manager	1.00	-	-	1.00
Transit Oriented Development Total	2.00	-	-	2.00
Planning, Environment & Project Development Total	42.00	(1.00)	-	41.00
Agency Administration Total	512.75	-	28.75	541.50

APPENDIX B

BUDGET PROCESS

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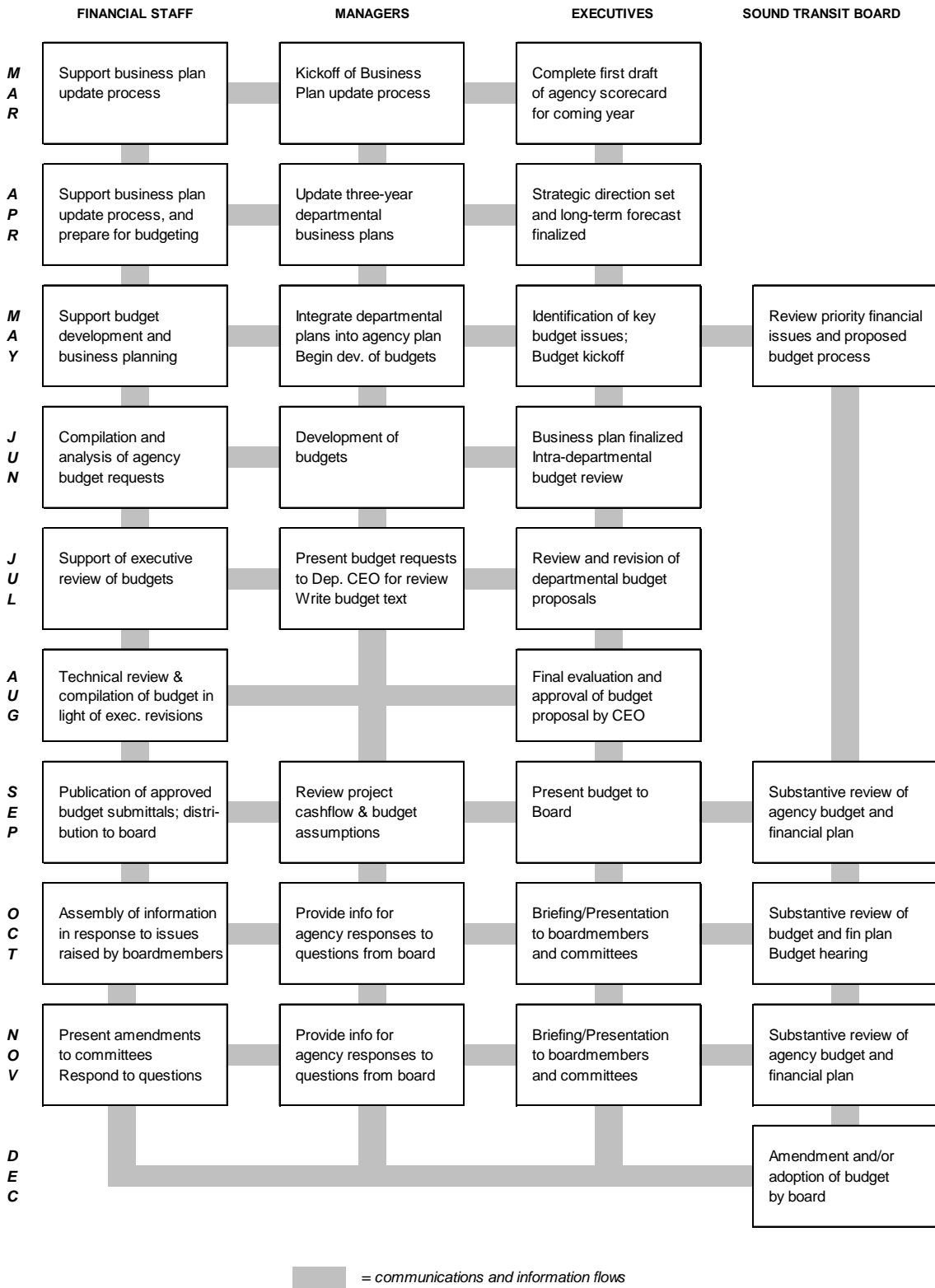
BUDGET PROCESS

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

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

The annual budget process begins with business planning beginning in March, budget development beginning in May and with budget adoption anticipated in December. Major phases of this process are outlined on the next page.

Sound Transit Budget Process Summary



APPENDIX C

SUBAREA ALLOCATIONS

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Subarea Allocations

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

This system is integrated into the agency's system of internal control over financial reporting, ensuring the integrity of the information reported and provides management, the board, and the citizen oversight panel required information to monitor progress against Sound Transit's subarea commitments to its voters.

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

This appendix provides the drivers that will be used to allocate sources and uses to subareas in 2011. Any projects that are new in 2012 will be added at the end of the year when subarea allocations are calculated.

Subarea Allocation Drivers

SOURCES

Description	Driver
Sales Tax	Department of Revenue Location Code
Motor Vehicle Excise Tax	Department of Licensing Zip Code Location
Rental Car Tax	Department of Revenue Location Code/ Rental Car Locations
Grants	Project Costs or Board Designation
Passenger Fare	(see next section)
Interest Earnings	Financial Policies – Systemwide
Other Revenue	Location
Bond Proceeds	Financial Plan

OPERATING GRANTS

Description	Driver
Accessible Services	Operating Uses by Mode

PASSENGER FARES

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

OPERATING USES

Sounder Commuter Rail Services Operating Uses

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

ST Express Bus Services Operating Uses

Description	Driver
Bus Operations	Platform Hours

Link Light Rail Services Operating Uses

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

Other Uses

Description	Driver
Art Maintenance	Facility Location
Other Expenses	Location or Board Designation

CAPITAL PROJECT USES

Souder Projects	Driver
Station Access & Demand Study	ST2 Adopted Financial Plan
Eastside Rail Partnership	Location
Souder Yard and Shop Facility	ST2 Adopted Financial Plan
Positive Train Control	Track Miles
STart Program	Location
Everett - Seattle Track & Signal	Location
Willow Creek Environmental Mitigation	Location
Seattle - Auburn Track & Signal	Location
Auburn - Tacoma Track & Signal	Location
M St. - Lakewood Track & Signal	Location
Permitting / Environmental Mitigation	Location
D Street - M Street Track & Signal	Location
Layover	Vehicle Miles
Everett Station	Location
Mukilteo Station North Platform	Location
Mukilteo Station South Platform	Location
Edmonds Station	Location
Tukwila Station	Location
South Tacoma Station	Location
Lakewood Station	Location
Souder South Expanded Service	ST2 Adopted Financial Plan

Regional Express Bus Projects	Driver
ST Express Bus Base	ST2 Adopted Financial Plan
Burien Transit Center Parking Expansion	Location
STart Program	Location
Ash Way Transit Access/164 th SW	Location
Federal Way HOV Access/S 317 th	Location
Totem Lake Freeway Station/NE 128th	Location

Regional Express Bus Projects	Driver
85 th Corridor, Kirkland	Location
Kirkland Transit Center/3rd	Location
Renton HOV Access/N 8 th	Location
Rainier Avenue Arterial Improvements	Location
Strander Boulevard Extension	Location
Eastgate HOV Access/142 nd Ave SE	Location
Lynnwood Transit Center/46 th Avenue W	Location
Mountlake Terrace Freeway Station/236 th SW	Location
S. Everett Freeway Station/112 th	Location
Federal Way Transit Center/S. 317 th	Location
Canyon Park Freeway Station/I-406	Location
Issaquah Transit Center/SR900	Location
Totem Lake Transit Center/Evergreen Med Ctr	Location
Newcastle Transit Improvements	Location
Mercer Island Park & Ride/N Mercer Way	Location
Bothell Branch Campus Access	Location
Redmond Transit Center/NE 83 ^d	Location
Sammamish Park & Ride/228 th SE	Location
I-90 Two-Way Transit & HOV Opr, Stage 1	Location
SR 522 HOV Enhancements/Kenmore	Location
SR 522 HOV Enhancements/Bothell	Location
I-90 Two-Way Transit & HOV Opr, Stage 2	Location
I-90 Two-Way Transit & HOV Opr, Stage 3	Location

Link Light Rail Projects	Driver
First Hill Streetcar	Location
Tacoma Link Alternatives Planning	Location
Link Light Rail Maintenance & Storage	ST2 Adopted Financial Plan
STart Program	Location
North Link – UW - Northgate	Location
North Corridor Transit Project	ST2 Adopted Financial Plan
University Link – Pine St. Stub Tunnel – UW Station	Location
Initial Segment	2009 Sound Move Reported Rules

Link Light Rail Projects	Driver
Central Link Switch Heaters	2009 Sound Move Reported Rules; Vehicle Maintenance
DSTT South Access Security	Location
Airport Link – 154 th St – 176 th St.	Location
Noise Abatement	Location
South Link – Airport to S. 200 th	Location
South Corridor HCT – S 200 th to Federal Way TC	Location
South Corridor Transit Plan	Track Miles
East Link	ST2 Adopted Financial Plan

Service Delivery Projects	Driver
Ticket Vending Machines	Number per Location
Passenger Information System/CCTV	Number per Location
Bus Maintenance Facility	Platform Hours
ST Express Fleet Replacement	Platform Hours
Souder Fleet Program	2009 Sound Move Reported Rules
ST Express Fleet Expansion	ST2 Adopted Financial Plan
Small Works Program	Location
Auburn Bus Loop Concrete Replacement	Location
King St. Station Platform Light	Location
Security Enhancements	Location
Talking Signs	Location
ST Express Mobile Communications Projects	Platform Hours
Parking Enhancements	Location
Sound Transit Police Office	Location
Bike Locker Program	Number of Stations / Phase
Souder ST2 Fleet Expansion	ST2 Adopted Financial Plan
Link OMF Laydown Area Improvements	Boardings/Track Miles
Link LRV Wash Bay Doors	Boardings/Track Miles
Radio Upgrade	Boardings/Track Miles

SYSTEMWIDE USES

Description	Driver
Agency Administration	Financial Policies
Administrative Capital	Financial Policies
Fare Integration	Financial Policies
Phase II Planning	Financial Policies
Research and Technology	Financial Policies
System Access Program	Financial Policies

Debt Service Uses

Description	Driver
2011 Debt Service	Financial Plan

Reserve Contributions

Description	Driver
2011 Capital Replacement Reserve	Financial Plan

APPENDIX D

STATUS OF DEBT

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Status of Debt

Although Sound Transit has no authority to levy property taxes, the agency is currently authorized to incur debt in an amount equal to 1.5% of the value of taxable property within the service area without securing voter approval for bonds. Under state law, issuance of bonds payable from any type of taxes is subject to statutory debt limitations. With approval of 60% of the region's voters, Sound Transit may incur aggregate indebtedness of up to 5% of the value of taxable property within the service area. Each county assessor in the service area is required to report to Sound Transit annually on the value of the property within its taxing district.

In December 1998, Sound Transit issued its first series of bonds totaling \$350 million with maturity dates falling between 2006 and 2028. In March 2005, the board approved an additional bond issue of \$423 million with maturities falling between 2011 and 2030. In 2009, \$25 million in bonds with maturity dates of 2015 and 2016 were refunded. In December 2007, the board approved a \$450 million bond issue with maturity dates ranging between 2008 and 2036. In September 2009, the board approved \$400 million worth of bonds issued with maturity dates falling between 2015 and 2039. From those reports, the agency's current debt capacity, taking account of the 1999, 2005, 2007 and 2009 bond issues has been calculated as shown below.

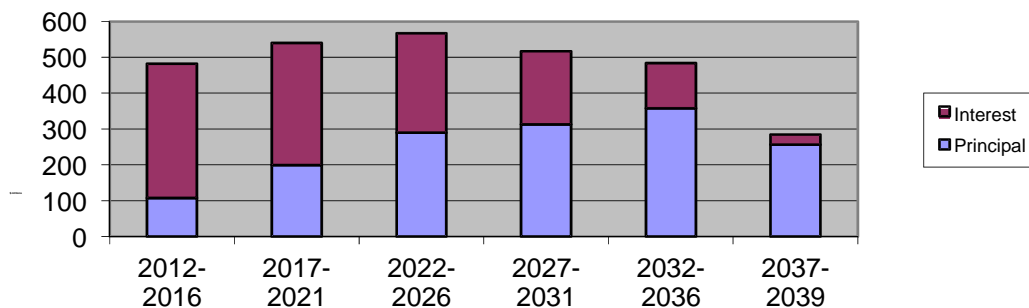
2011 Debt Capacity Status for Sound Transit

(in millions)

Assessed Valuation in 2010 for collection of taxes in 2011	\$418,235
Maximum non-voted debt (1.5% of assessed valuation)	\$6,274
Less: Series 1999, 2005A, 2007A, 2009 Bonds and Other Long-term debt	<u>\$1,524</u>
Non-voted debt capacity remaining	\$4,750
Maximum voted debt (5% of assessed valuation)	\$20,912
Less: Series 1999, 2005A, 2007A, 2009 Bonds and Other Long-term debt	<u>\$1,524</u>
Voted debt capacity remaining	\$19,388

Debt Service Requirements to Maturity for Long-Term Bonds

(in millions)



Five year increments

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APPENDIX E

RECONCILIATION OF ADOPTED BUDGET TO PROPOSED BUDGET

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RECONCILIATION OF ADOPTED BUDGET TO PROPOSED BUDGET

The proposed 2012 budget and proposed 2012 Transit Improvement Plan (TIP) were submitted for Board review in September 2011. By Resolution No. R2011-18, the board adopted the annual budget for the period January 1 through December 31, 2012. Consistent with budget policies, the resolution adopted the operating and capital plan contained in the proposed budget, and authorized Sound Transit to expend \$1043.3 million in the operating and capital program subject to changes identified in selected amendments.

Resolution No. R2011-18 also projected the collection of \$825.1 million which subject to operations amendment 3, increased the projected revenues by \$585,000 to \$825.7 million.

Adjustments to the Operating & Capital Budget for Fiscal Year 2012

Project cashflow projections are developed during the month of July. In order to include the most current information in the adopted budget, assumptions leading to these projections were reviewed during October and November. If changed circumstances warranted, cashflow projections were updated prior to board-adoption of the budget. These adjustments are identified in Capital Committee Amendment 7 and tables B2a thru B2s to the proposed budget.

After the close of fiscal year 2011, the adopted 2012 budget document was produced. Based on a comparison of the forecasted expenditures for 2011 contained in the proposed budget to actual expenditures, project budget cashflows are adjusted to reflect actual 2011 expenditures. These adjustments may result in offsetting adjustments to the 2012 fiscal year budget.

As part of the budget review process, board committees reviewed the proposed 2012 budget and added amendments before the final approval of the budget. These changes made by the board as part of the review process are included in the following reconciliation.

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

1. Budget amendments to the proposed budget that were adopted by the board, and
2. Updated project cashflows to reflect actual 2011 capital outlays.
3. Changes per Resolution No. R2011-18.

Subsequent to budget adoption, the Board also approved three additional budget amendments through the period February 23, 2012, which have also been included in the following reconciliation.

Consistent with budget policies and Resolution No. R2011-18, the following changes were made to the proposed 2012 budget. In total, these changes increased the operating & capital outlay budget for 2012 by \$49.0 million to a new total of \$1,092.3 million.

(thousands)

Proposed Operating & Capital Budget for 2012	\$1,043,333
1. Budget amendments	17,717
2. Cashflow changes	12,062
3. Other Changes per Resolution R2011-18	19,195
Adopted Operating & Capital Budget for 2012 *	\$1,092,307

* Numbers may not sum due to rounding.

1a. Changes to Budgets reflected in Amendments

Amendment #	Project Name or Description	2012 Change (\$000)	Comment
Operations # 4	ST Express Purchased Transportation Services	900	To relect higher hourly rates proposed by King County Metro and Community Transit for purchased tmasportation services.
Capital # 5	ST3 Planning (#1X902)	2,000	To allow for a partnership with the City of Seattle in a Street Car Planning Study focused on routes from downtown to the Ballard neighborhood.
Capital # 6	Noise Abatement (#340)	(300)	Reduces the 2012 Noise Abatement budget by \$300K to correct for a non-material error which increased the budget by \$620K in 2012 rather than \$320K.
Capital # 6	STart Program(#x68)	2	Reduces the 2012 STart operating budget by \$1.5K to correct for a non-material error.
Capital # 6	Bus Maintenance Facility (#261)	314	Increases the 2012 Bus Maintenance Facility budget by \$314K to correct for a non-material error which reduced the 2012 budget by \$314K; this results in no budget impact for 2012.
Capital # 7	Station Access & Demand Study (#001)	(190)	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	Souder Yard & Shops Facility (#004)	180	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	Positive Train Control (#011)	463	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	Permitting/Environmental Mitigation (#131)	(87)	Construction start has been delayed until 2012 due to issues with receiving permits.
Capital # 7	Mukilteo Station, South Platform (#206)	938	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	Tukwila Station (#236)	(967)	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	D St. - M St. Track & Signal (#135)	6,714	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	Regional Express Bus Base (#005)	218	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	I-90 Two-way Transit & HOV Enhancements, Stage 3 (#387)	1,477	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	Noise Abatement (#340)	620	Annual budget increased to reflect construction work to be completed in 2012.
Capital # 7	South Link - Airport to South 200th Street (#420)	2,963	Annual budget increased to reflect updated projections for work by third parties, and construction utility relocations.
Capital # 7	STart Program (#x68)	(150)	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 7	TOD Property Disposition (#341A)	341	Annual budget updated to reflect current cashflow forecasts prior to budget adoption.
Capital # 8	LRV Wash Bay Doors (#762)	146	To pay for the increased costs of building code changes required for this project. This is funded from the Small Works Program project.
Capital # 9	Small Works Program (#740)	(146)	To fund the increased costs of the LRV Wash Bay Doors project as described above.
Capital # 10	Security Radios (#779)	314	To purchase radios for security and fare enforcement officers. This is funded from project 261 bus maintenance facility.
Capital # 11	Bus Maintenance Facility (#261)	(314)	To fund Security Radios (#779) for security and fare enforcement officers.
Capital # 12	Information Technology Program (#001)	4,449	To establish a new project for the Information Technology program by transferring the IT related portion of the administrative capital project budget to this new project.
Capital # 13	Administrative Capital (#001)	(4,449)	To fund the newly created Information Technology program as described above.
Capital # 14	ST Express Mid-Day Bus Storage (#020)	414	Originally included in the scope of work for the ST Express Bus Base project, the current temporary mid-day storage area will become unavailable by 2014. This project will be funded by the reduction in ST Express Bus Base project cost estimate maintained in the agency's long-term financial plan.
Capital # 15	DSTT South Access Security (#320)	(171)	Annual budget decreased to reflect construction contract work advanced to 2011.
	Total	15,677	

1b. Subsequent Budget Amendments Adopted by the Board

The following budget amendments were adopted by the Board subsequent to budget adoption, on 2/23/12:

Project	Proposed 2012 Budget (thousands)	Revised 2012 Budget (thousands)	Change to Budget (thousands)	Notes
LRV On Board Energy Storage (# 210)	0	1,525	1,525	Per Resolution R2012-06, adopted by the ST Board 2/23/12.
South Corridor HCT - S200th St to Federal Way Transit Center (# 445)	2,577	3,831	1,254	Per Resolution R2012-07, adopted by the ST Board 2/23/12.
South Corridor Alternatives Planning (# 446)	3,122	2,383	(739)	Per Resolution R2012-07, adopted by the ST Board 2/23/12.
Total			2,040	

2. Updated Project Cashflows Based on Actual Expenditures in 2011

Project cashflows within the proposed 2012 budget document included a forecast for 2011 expenditures. As part of developing the adopted 2012 budget document, the proposed 2012 budget annual project cashflows are updated to reflect actual capital outlays for the preceding year (2011). Normally, adjustments are made so as not to change the projected cashflow for fiscal year 2012 by project as shown in the proposed 2012 budget. However, in certain limited instances, as a result of incorporating actual 2011 outlays, the fiscal year 2012 projected cashflow had to be adjusted from that shown in the proposed 2012 budget. In all such cases no changes were made to the total lifetime budget. The effect of this change is an increase of \$12.1 million for cashflow adjustments. The following projects' fiscal year 2012 projected cashflows were adjusted:

Project	Proposed 2012 (\$000)	Revised 2012 (\$000)	Difference (\$000)	Comments
Service Delivery				
Ticket Vending Machines (#212)	377	389	12	Underspending in 2011 results in a change to 2012 budget since the project is in service.
Security Enhancements (#743)	332	258	(74)	Overspending in 2011 results in a change to 2012 budget.
Parking Enhancements (#746)	0	828	828	Underspending in 2011 results in a change to 2012 budget since the project is in service.
Sounder ST2 Fleet Expansion (#755)	16,046	16,296	250	Underspending in 2011 results in a change to 2012 budget since the project is service.
Tacoma Link LRV Communication Upgrade (#758)	0	371	371	Underspending in 2011 results in a change to 2012 budget since the project is in service.
Link OMF Laydown Area Improvements (#760)	0	150	150	Underspending in 2011 results in a change to 2012 budget since the project is in service.
Network Phones at the Link Control Center (#761)	0	200	200	Underspending in 2011 results in a change to 2012 budget since the project is in service.
Link LRV Wash Bay Doors (#762)*	0	169	169	Underspending in 2011 results in a change to 2012 budget since the project is in service. This is in addition to the budget amendment of \$146K for increased costs due to building code changes.
Radio Upgrade (#763)	450	741	291	Underspending in 2011 results in a change to 2012 budget since the project is in service.
Regional Express				
Federal Way HOV Access/S 317th (#125)	0	31	31	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Canyon Park Freeway Station/I-406 (#324)	0	49	49	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Totem Lake TC/Evergreen Medical Center (#328)	0	9	9	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Newcastle Transit Improvements (#330)	0	12	12	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Mercer Island Park & Ride/N Mercer Way (#354)	0	1	1	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
SR522 HOV Enhancements/Bothell (#385)	0	301	301	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Burien Transit Center Parking Expansion (#006)	0	443	443	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Sounder				
Willow Creek Environmental Mitigation (#101)	0	19	19	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
Edmonds Station (#209)	0	793	793	Under spending in 2011 results in a change to the 2012 budget since the project is in service.
M St. - Lakewood Track & Signal (#130)	4,748	4,014	(734)	2011 spending was more than the annual budget resulting in a reduction to the 2012 annual budget which is the final year of the project.
Lakewood Station (#253)	14	11	(3)	2011 spending was more than the annual budget resulting in a reduction to the 2012 annual budget which is the final year of the project.
Eastside Rail Partnership (#002)	0	1	1	Under spending in 2011 results in a change to the 2012 budget since the project is being closed.
Link Light Rail				
Initial Segment - CPS to 154th Street (#300)	4,418	12,808	8,390	Under spending in 2011 results in an increase to the 2012 annual budget. The project is in service, and is expected to close in 2012.
DSTT South Access Security (#320)*	61	122	62	Capital Amendment #15 to R2011-18 reduced the 2012 annual budget by \$171.1K to \$60.6K* (see 2012 Annual Amendments). This reduction is partially offset by under spending in 2011 in the amount of \$61.9K, which was added to 2012, the final year of the project.
Airport Link - 154th Street to 176th Street (#400)	700	1,252	552	Under spending in 2011 results in an increase to the 2012 annual budget. The project is in service, and is expected to close in 2012.
Other Agency Projects				
Fare Integration (#405A)	527	467	(60)	This project is expected to close out in 2012 after reaching the final system acceptance milestone.
Total	9,941	19,866	12,062	

3. Other Changes per Resolution No. R2011-18

Resolution No. R2011-18, Section 1.a – debt service authorizes Sound Transit to incur \$19.2 million in principal payments in addition to \$75.1 million in interest expense, for total debt service of \$94.3 million on outstanding bonds.

Description	Proposed 2012 (thousands)	Adopted 2012 (thousands)	Difference (thousands)	Comments
Debt Service	75,125	94,320	19,195	Resolution No. R2011-18, section 1.a debt service, allows for principal repayments in addition to interest expense on debt.

APPENDIX F

RESOLUTION NO. R2011-18

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RESOLUTION NO. R2011-18
Proposed 2012 Budget

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Executive Committee	12/1/11	Recommendation to Board	Brian McCartan, Executive Director Finance & Information Technology	206-398-5100
Board	12/15/11	Final Action	Pete Rogness, Director, Budget and Financial Planning	206-398-5102

PROPOSED ACTION

Adopts an annual budget for the period from January 1 through December 31, 2012.

KEY FEATURES

The resolution approves the following operating expenditures for 2012:

- \$197.4 million for transit operations for Tacoma Link, Central Link, Sounder Commuter rail and ST Express Bus services
- \$87.0 million for staff operations
- \$2.5 million for Fare Administration, public art, Transit Oriented Development, ORCA, loss reserves, non-operating costs
- \$1.5 million for transit operations contingency
- \$94.3 million for payment of principal and interest on outstanding bonds
- \$185.9 million for depreciation and other non-cash expenses

In addition, the resolution authorizes the following capital outlays in 2012:

- \$176.5 million for Sounder
- \$461.1 million for Link Light Rail
- \$21.2 million for Regional Express projects
- \$66.4 million for Service Delivery capital
- \$10.8 million for the Public Art program, administrative capital, fare administration, fare integration and research and technology

The resolution also provides for the agency to add in 2012 to reserve funds for the following purposes:

- \$49.9 million for the Capital Replacement Fund
- \$2.0 million for the Emergency/Loss Fund.

The resolution also includes estimated revenues of:

- \$557.8 million from Retail Sales and Use Tax;
- \$72.6 million from Motor Vehicle Excise and Rental Car Taxes;
- \$131.3 million from federal grants;
- \$44.2 million from Farebox revenues;
- \$8.2 million in interest earnings; and
- \$11.0 million in miscellaneous revenues.

PROJECT DESCRIPTION

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

The Sound Transit Board endorses a Transit Improvement Plan (TIP) that identifies Board-adopted capital and operating expenditures for the construction and operation of the Sound Transit regional high-capacity transit system. The TIP also contains information on scope, budget, and risk as well as changes in budget and schedule for all active phases of both capital and operating programs. The TIP also includes full cost estimates for all capital projects that are funded in the agency's finance plan. Also included in the TIP are summary-level six-year forecasts for Service Delivery expenses by mode that reflect detailed service plans in the annual Service Implementation Plans.

FISCAL INFORMATION

Sound Transit's Proposed 2012 Budget requests funding authorization totaling \$1,043.3 million in operating expenditures and capital outlays. The agency's expenses and outlays will be funded by an estimated \$825.1 million in revenue and other financing sources (on an accrual basis) and by an estimated positive cash position in January 2012 of \$763.5 million. The Proposed 2012 Budget is fully affordable within the agency's existing revenue projections and financial policies.

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

BACKGROUND

For 2012 budget management, staff will continue providing quarterly briefings to the Audit and Reporting Committee on progress to date. Based on the outcome of these briefings, budget amendments will be prepared for Board approval when appropriate.

ENVIRONMENTAL COMPLIANCE

Jl 11/29/2011

PRIOR BOARD/COMMITTEE ACTIONS

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

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

TIME CONSTRAINTS

Budget adoption is required prior to the commencement of the fiscal year to provide authorization to expend funds. A one-month delay would postpone adoption of the Proposed 2012 Budget into the 2012 fiscal year.

PUBLIC INVOLVEMENT

The Sound Transit Board reviewed the proposed budget in public session in September, October and November. On November 3, 2011 a public hearing was held where testimony was taken from interested members of the public.

LEGAL REVIEW

JW 11/23/11

RESOLUTION NO. R2011-18

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority adopting an annual budget for the period from January 1 through December 31, 2012.

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

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

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

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

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

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

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

WHEREAS, the chief executive officer submitted a Proposed 2012 Budget for Board consideration; and

WHEREAS, the Proposed 2012 Budget is consistent with and affordable under Sound Transit Financial Policies as adopted by Resolution No. R2008-10 and is in compliance with the Budget Policies as adopted by Resolution No. R2002-08; and

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

WHEREAS a public hearing was held on November 3, 2011 to take testimony on the Proposed 2012 Budget; and

WHEREAS, at its November 10, 2011 meeting, the Capital Committee recommended the Proposed 2012 Project Delivery budget and amendments approved by the Committee to the Executive Committee; and

WHEREAS, at its November 10, 2011 meeting, the Operations and Administration Committee recommended the Proposed 2012 Service Delivery and Agency Administration budgets and amendments approved by the Committee to the Executive Committee; and

WHEREAS, the Executive Committee reviewed the overall Proposed 2012 Budget, incorporated the Capital and Operations and Administration Committees' recommended budgets, approved certain budget amendments, and recommended Board adoption of the Proposed 2012 Budget; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to adopt the 2012 Budget.

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

Section 1.a – Debt Service. Sound Transit is authorized to incur \$75,125,379 in interest expense on debt and \$19,195,000 in principal repayments for a total of \$94,320,379 for debt service on outstanding bonds, or such amounts as are contained in amendments to the Proposed 2012 Budget as adopted by the Board.

Section 1.b – Operating Expenses. Sound Transit is authorized to incur \$87,043,288 in staff operating expenses; \$665,000 for Fare Administration operating expenses; \$42,150 for Fare

Integration operating expenses, \$300,000 for the Research and Technology project expenses; \$225,000 for Transit Oriented Development planning expenses, \$901,306 for Transit Oriented Development property disposition expenses and \$294,958 for Non-Transit Oriented Development property disposal costs; \$2,061,616 for non-operating costs; \$108,000 for STart expenses; and \$185,912,976 for depreciation and other non-cash expenses or such amounts as are contained in amendments to the Proposed Budget as adopted by the Board.

In addition, Sound Transit is authorized to incur \$101,408,980 for ST Express service delivery expenses; \$4,112,307 for Tacoma Link operations expenses; \$54,189,294 for Central Link service delivery expenses; \$37,734,105 for Sounder service delivery expenses; and \$1,455,000 in service delivery contingency, or such amounts as are contained in amendments to the Proposed 2012 Budget as adopted by the Board. The service delivery contingency is authorized for use for any mode(s), with notification to the Operations and Administration Committee prior to expenditure of funds that would exceed the modal budget, even if such expenditures occur after the budget fiscal year.

Section 1.c – Capital Outlays. Sound Transit is authorized to incur \$738,573,810 in capital outlays (including allocations) comprised of \$21,181,346 in Regional Express; \$176,541,873 in Sounder; \$461,120,658 in Link; \$66,414,869 for Service Delivery capital; \$2,279,000 for the Research and Technology capital project; \$1,976,000 for the STart program capital; \$526,978 for Fare Integration program capital; \$60,000 for Fare Administration program capital and \$5,937,478 in administrative capital, or such amounts as are contained in amendments to the Proposed 2012 Budget as adopted by the Board.

Section 1.d – Reserves. Sound Transit is authorized to place in reserves \$49,886,412 for the Capital Replacement Fund and \$2,000,000 for the Emergency/Loss Fund.

Section 1.e – Revenues. The Adopted Budget projects the collection of \$825,068,375 in total revenues including \$557,780,823 in Sales and Use Tax and \$72,584,238 in Motor Vehicle

Excise Tax and Rental Car Tax, \$131,316,163 in federal grants, \$44,225,000 in farebox collections, \$8,162,295 in interest earnings and \$10,999,856 in miscellaneous revenues.

Section 2. The budget for the period January 1, 2012 to December 31, 2012 as set forth in Attachment A (Proposed 2012 Budget document) and the approved amendments to the Proposed 2012 Budget in Attachment B together constitute the Adopted 2012 Budget as adopted by this Resolution.

Section 3. The Adopted 2012 Budget is not an exclusive authorization of expenses, except as specified in Section 1a – Debt Service, as authorization of expenditures must be in compliance with Resolution No. 78-2.

Section 4. The chief executive officer is authorized to conform and reformat the budget document as necessary to uniformly present the information, to revise the Adopted 2012 Budget to correct nonmaterial errors and to update Appendix C: Subarea Allocations, to be consistent with Board actions.

Section 5. The chief executive officer is authorized to amend the Adopted 2012 Budget to allow for transfers between capital budgets and operating budgets with no net change in overall budgetary level, in order to comply with Generally Accepted Accounting Principles and Governmental Accounting Standards Board pronouncements. Staff will report any such changes to the Board on a quarterly basis.

Section 6. The chief executive officer is authorized to amend the fiscal year budget reflected in the published Adopted 2012 Budget to reflect actual expenditures for 2011, including shifting of budget authority between 2011 and 2012 for projects anticipated to be completed in 2012, provided the adopted total lifetime budget is not changed.

Section 7. The Proposed 2012 Transit Improvement Plan (Attachment C) is hereby endorsed. Such endorsement does not constitute capital project authorization under Section 8 of Resolution No. 78-2.

Section 8. The chief executive officer is directed to submit the Adopted 2012 Budget and the 2012 Transit Improvement Plan to the Board Chair to ensure any amendments are accurately reflected.

Section 9. The chief executive officer is directed to provide the Board with regular budget reports and such information as may be necessary to compare actual financial performance with the Adopted 2012 Budget and to ensure conformance with the Financial Policies.

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

Section 11. No later than September 2012, the CEO will submit to the Board for its consideration an action to determine whether fares should be charged for Tacoma Link or whether it should continue to be a fare-free service. This action will be coordinated with evaluation and analysis of parking policies at the Tacoma Dome Station and the Tacoma Link area in downtown Tacoma.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Sound Transit Board at a regular meeting thereof held on December 15, 2011.



Aaron Reardon
Board Chair

ATTEST:



Marcia Walker
Board Administrator

**Sound Transit
Resolution R2011-18**

**Amendments to the Proposed 2012 Budget
Approved as of December 1, 2011**

Approved by the Operations and Administration Committee:

Operations Committee Amendment No. 1	
Amendment	Amend the Proposed 2012 Budget and other related text and tables to reflect the impact of all Board-approved budget amendments and related resolutions. Amend the budget, if necessary, for depreciation, non-material corrections and substitutions.
Budget Impact	No budget impact.

Operations Committee Amendment No. 2	
Amendment	Amend the Proposed 2012 Service Delivery budgets to reclassify budget related to the Downtown Seattle Transit tunnel from the Services category to the Leases and Rentals Category. This change would be reflected in both the Central Link and the ST Express modes. This amendment would shift \$4,386,464 from ST Express Services to Leases and Rentals and \$5,934,627 from Central Link Services to Leases and Rentals. This aligns budget, cost recognition and internal and external reporting.
Budget Impact	No budget impact.

Operations Committee Amendment No. 3	
Amendment	Increase the Proposed 2012 Revenue Budget for Fare Revenue for Sounder and ST Express to reflect higher ridership by \$585,000.
Budget Impact	This action increases the ST Express fare revenue by \$525,000 and Sounder fare revenue by \$60,000.

Operations Committee Amendment No. 4	
Amendment	Increase the budget for Purchased Transportation Services by \$900,000 to reflect higher hourly rates proposed by King County Metro and Community Transit.
Budget Impact	This action will increase the 2012 STExpress purchased transportation services budget by \$900,000 for both King County Metro and Community Transit services contracts. The distribution between each provider is currently unknown pending the outcome of the on-going negotiations

Approved by the Capital Committee:

Capital Committee Amendment 5 – See Orange Paper

Capital Committee Amendment No. 6	
Amendment	Amend the Proposed 2012 Budget and other related text and tables to reflect the impact of all Board-approved budget amendments and related resolutions. Amend the budget, if necessary, for depreciation, non-material corrections and substitutions.
Budget Impact	No budget impact.

Capital Committee Amendment No. 7	
Amendment	Amend the annual budget and TIP for certain projects within Link Light Rail, ST Express, Sounder and Other Agency Administration capital programs to shift dollars between years and phases, resulting in a change in proposed budget spending in 2012, and updated subarea cost allocations with no change to total project costs. See tables B-2a through B2s for details.
Budget Impact	This action will increase the 2012 spending plan by a total of \$12,518,999 and will have no impact to the lifetime budget for each project.

Capital Committee Amendment No. 8	
Amendment	The LVR Wash Bay Doors project (#762) lifetime budget will increase by \$146,000. This increase will pay for the increase costs of building code changes required for the project. Funding for this increase will come through a corresponding reduction of the Small Works Program. See table B-3a for details.
Budget Impact	The 2012 budget is increased by \$146,000 (as well as the Lifetime budget) for the LVR Wash Bay Doors project.

Capital Committee Amendment No. 9	
Amendment	The Small Works Program project (#740) lifetime budget will decrease by \$146,000 to fund the increased cost of the LVR Wash Bay doors project. See table B-3b for details.
Budget Impact	The Lifetime and annual budgets for the Small Works Program project decreases by \$146,000 from the amount contained in the proposed budget book.

Capital Committee Amendment No. 10	
Amendment	The new Security Radios project amendment allows for the procurement of radios for security and fare enforcement officers. Establishes the ability of Sound Transit security staff to effectively communicate with each other as well as outside agencies in the event of an emergency or disaster. The total lifetime budget is \$314,000. The annual 2012 budget is also \$314,000. See table B-4a for details.
Budget Impact	The Security Radio project is \$314,000 in 2012 and will be funded by a corresponding reduction in Project 261 Bus Maintenance Facility.

Capital Committee Amendment No. 11	
Amendment	The Bus Maintenance Facility Project (#261) is amended to decrease the Annual and Lifetime Budgets by \$314,000 to fund the Security Radio project. See table B-4b for details.
Budget Impact	2012 Annual and Lifetime budgets reduced by \$314,000.

Capital Committee Amendment No. 12	
Amendment	This amendment creates a new Information Technology Program Project. Allows for this project to stand alone from the Administrative Capital Project. The creation of this project allows for more transparency in IT projects. This action is being offset by a corresponding reduction in the Administrative Capital Project. See table B-5a for details.
Budget Impact	This action will establish a 2012 Annual Budget for the Information Technology program of \$4,449,000 and Lifetime budget of \$32,235,000.

Capital Committee Amendment No. 13	
Amendment	Decrease the Proposed Annual 2012 Budget by \$4,449,000 and the lifetime budget by \$32,235,000 for Administrative Capital project (#001) to allow for the establishment of a separate Information Technology Program project. See table B-5b for details.
Budget Impact	This action decreases the Annual budget for administrative capital by \$4,449,000 and decreases the Lifetime Budget by \$32,235,000.

Capital Committee Amendment No. 14	
Amendment	Establish and create the Mid-Day Bus Storage project. This project was included in the scope of work for the ST Express Bus Base project but the temporary mid-day storage area currently being utilized will become unavailable at the end of 2014. This necessitates the acceleration of the project to commence in 2012. Funding for this project will be a reduction in the ST2 Express Bus Base Project cost estimate maintained within the agency's long-term financial plan. This amendment will establish a 2012 Annual Budget of \$413,500 and a \$777,000 in the Lifetime budget. See table B-6 for details.
Budget Impact	This action increases the Annual Budget by \$413,500 and the Lifetime budget by \$777,000 with an offsetting decrease in the planning estimate for the ST2 maintenance base.

Capital Committee Amendment No. 15	
Amendment	Increase the DSTT South Access Security project (#320) by \$50,000 to pay for scope of work initially thought to be denied through the permit process but later allowed to be accomplished. The Proposed budget reflects the reduced cost and scope of work and this amendment reduces the initial project savings of \$250,000 by \$50,000. See table B-7 for details.
Budget Impact	This action increases the 2012 Annual budget by \$50,000 and the Lifetime Budget by \$50,000 as well.

Table B-2a

Capital Amendment 7

Project: 500005 - Regional Express Bus Base

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 61	\$ 56	\$ 116	\$ 260	\$ 245	\$ 505
Preliminary Engr / Environmental Document	\$ 1,532	\$ 150	\$ 1,681	\$ 5,041	\$ (278)	\$ 4,763
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 64	\$ 13	\$ 77	\$ 168	\$ 33	\$ 201
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,656	\$ 218	\$ 1,875	\$ 5,469	\$ (0)	\$ 5,469

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2b

Capital Amendment 7

Project: 54387 - I-90 Two-way Transit & HOV Enhancements, Stage 3

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 323	\$ 227	\$ 550	\$ 3,385	\$ -	\$ 3,385
Preliminary Engr / Environmental Document	\$ -	\$ 46	\$ 46	\$ 1,595	\$ -	\$ 1,595
Final Design	\$ 5,846	\$ 1,194	\$ 7,040	\$ 23,000	\$ -	\$ 23,000
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 75	\$ 10	\$ 85	\$ 170	\$ -	\$ 170
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 36,072	\$ -	\$ 36,072
Total	\$ 6,244	\$ 1,477	\$ 7,721	\$ 64,222	\$ -	\$ 64,222

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2c

Capital Amendment 7

Project: 300001 - Station Access & Demand Study

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 19	\$ 5	\$ 24	\$ 56	\$ 34	\$ 90
Preliminary Engr / Environmental Document	\$ 72	\$ 111	\$ 183	\$ 809	\$ (34)	\$ 774
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ 306	\$ (306)	\$ -	\$ 306	\$ -	\$ 306
Total	\$ 397	\$ (190)	\$ 208	\$ 1,170	\$ -	\$ 1,170

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2d

Capital Amendment 7

Project: 300004 - Sounder Yard & Shops Facility

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 65	\$ 116	\$ 181	\$ 329	\$ 517	\$ 846
Preliminary Engr / Environmental Document	\$ 1,107	\$ 26	\$ 1,132	\$ 5,874	\$ (108)	\$ 5,766
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 17	\$ 38	\$ 55	\$ 105	\$ 195	\$ 300
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 604	\$ (604)	\$ -
Total	\$ 1,189	\$ 180	\$ 1,369	\$ 6,912	\$ -	\$ 6,912

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2e

Capital Amendment 7

Project: 300011 - Positive Train Control

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 250	\$ 24	\$ 274	\$ 2,045	\$ 193	\$ 2,238
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ 2,721	\$ 257	\$ 2,978	\$ 4,696	\$ 443	\$ 5,139
Third Party	\$ 968	\$ 91	\$ 1,059	\$ 5,800	\$ 548	\$ 6,348
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 526	\$ 50	\$ 576	\$ 21,550	\$ 2,035	\$ 23,585
Construction Management	\$ 426	\$ 40	\$ 466	\$ 1,750	\$ 165	\$ 1,915
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 3,384	\$ (3,384)	\$ -
Total	\$ 4,891	\$ 463	\$ 5,353	\$ 39,225	\$ -	\$ 39,225

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2f

Capital Amendment 7

Project: 300017 - Puyallup Station Improvements

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 19	\$ 61	\$ 79	\$ 28	\$ 96	\$ 124
Preliminary Engr / Environmental Document	\$ 370	\$ (61)	\$ 310	\$ 500	\$ (46)	\$ 454
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 50	\$ (50)	\$ -
Total	\$ 389	\$ -	\$ 389	\$ 578	\$ -	\$ 578

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2g

Capital Amendment 7

Project: 300018 - Sumner Station Improvements

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 19	\$ 61	\$ 79	\$ 28	\$ 96	\$ 124
Preliminary Engr / Environmental Document	\$ 370	\$ (61)	\$ 310	\$ 500	\$ (46)	\$ 454
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ 50	\$ (50)	\$ -
Total	\$ 389	\$ -	\$ 389	\$ 578	\$ -	\$ 578

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2h

Capital Amendment 7

Project: 31131 - Permitting/Environmental Mitigation

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 51	\$ 1	\$ 53	\$ 547	\$ 25	\$ 571
Preliminary Engr / Environmental Document	\$ 31	\$ 6	\$ 37	\$ 1,071	\$ -	\$ 1,071
Final Design	\$ 120	\$ 21	\$ 141	\$ 419	\$ -	\$ 419
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 35	\$ 2	\$ 37	\$ 1,461	\$ -	\$ 1,461
Construction	\$ 1,463	\$ (117)	\$ 1,346	\$ 3,180	\$ (25)	\$ 3,156
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,700	\$ (87)	\$ 1,613	\$ 6,679	\$ -	\$ 6,679

Construction was originally scheduled to begin in the 3rd quarter of 2011 but due to a delay in receiving permits construction will not begin until the first quarter of 2012.

Table B-2i

Capital Amendment 7

Project: 31206 - Mukilteo Station, South Platform

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 163	\$ 48	\$ 212	\$ 595	\$ 28	\$ 622
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ 341	\$ 341	\$ 1,422	\$ 591	\$ 2,013
Third Party	\$ -	\$ 247	\$ 247	\$ -	\$ 367	\$ 367
Row Acquisition and Permits	\$ 170	\$ 54	\$ 224	\$ 240	\$ 45	\$ 285
Construction	\$ 3,630	\$ 228	\$ 3,858	\$ 8,074	\$ (920)	\$ 7,153
Construction Management	\$ 360	\$ 19	\$ 380	\$ 800	\$ (110)	\$ 690
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 4,323	\$ 938	\$ 5,261	\$ 11,131	\$ 0	\$ 11,131

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2j

Capital Amendment 7

Project: 33236 - Tukwila Station

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 684	\$ (0)	\$ 684	\$ 2,391	\$ 209	\$ 2,600
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,101	\$ -	\$ 1,101
Final Design	\$ 1,019	\$ 269	\$ 1,288	\$ 4,481	\$ 18	\$ 4,499
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ 1,534	\$ 1,461	\$ 2,995	\$ 11,714	\$ (14)	\$ 11,700
Construction	\$ 9,066	\$ (2,747)	\$ 6,319	\$ 24,616	\$ (247)	\$ 24,369
Construction Management	\$ 703	\$ 50	\$ 753	\$ 1,666	\$ 34	\$ 1,700
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 13,006	\$ (967)	\$ 12,039	\$ 45,969	\$ (0)	\$ 45,969

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2k

Capital Amendment 7

Project: 35135 D St. - M St. Track & Signal

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 1,141	\$ 195	\$ 1,336	\$ 8,892	\$ 504	\$ 9,396
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 1,744	\$ (50)	\$ 1,694
Final Design	\$ -	\$ 2,686	\$ 2,686	\$ 12,873	\$ 5,739	\$ 18,612
Third Party	\$ -	\$ 423	\$ 423	\$ -	\$ 846	\$ 846
Row Acquisition and Permits	\$ 1,538	\$ 28	\$ 1,565	\$ 45,093	\$ -	\$ 45,093
Construction	\$ 31,875	\$ 380	\$ 32,255	\$ 83,710	\$ (13,532)	\$ 70,178
Construction Management	\$ -	\$ 2,727	\$ 2,727	\$ -	\$ 6,218	\$ 6,218
Vehicles	\$ -	\$ -	\$ -	\$ 8,953	\$ (0)	\$ 8,953
System Testing & Startup	\$ 16	\$ 275	\$ 291	\$ 16	\$ 275	\$ 291
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 34,569	\$ 6,714	\$ 41,283	\$ 161,281	\$ (0)	\$ 161,281

Project budget and expenses are being converted to use a work breakdown structure which will shift some budget between phases but will not change the project budget. In addition, the 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2l

Capital Amendment 7

Project: 200 University Link - Pine Street Stub Tunnel (PSST) to UW Station

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 13,424	\$ -	\$ 13,424	\$ 115,229	\$ -	\$ 115,229
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 24,349	\$ (88)	\$ 24,261
Final Design / Specifications	\$ 6,576	\$ (50)	\$ 6,526	\$ 87,633	\$ -	\$ 87,633
Construction Services	\$ 17,337	\$ 485	\$ 17,822	\$ 95,726	\$ 88	\$ 95,814
Third Party	\$ 2,340	\$ (115)	\$ 2,225	\$ 18,646	\$ -	\$ 18,646
Construction	\$ 185,953	\$ (420)	\$ 185,533	\$ 1,148,783	\$ -	\$ 1,148,783
Vehicles	\$ 2,500	\$ -	\$ 2,500	\$ 103,909	\$ -	\$ 103,909
ROW Acquisition and Permits	\$ 1,839	\$ -	\$ 1,839	\$ 152,332	\$ -	\$ 152,332
Testing and Start-up	\$ -	\$ 100	\$ 100	\$ 9,400	\$ -	\$ 9,400
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 229,969	\$ -	\$ 229,969	\$ 1,756,007	\$ -	\$ 1,756,007

This amendment revised the annual cash flow by phase without affecting the lifetime budget

Table B-2m

Capital Amendment 7

Project: 340 Noise Abatement Program

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 450	\$ -	\$ 450	\$ 1,000	\$ -	\$ 1,000
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ 60	\$ 60	\$ -	\$ 60	\$ 60
Construction Services	\$ 1,280	\$ 10	\$ 1,290	\$ 3,250	\$ (60)	\$ 3,190
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 4,300	\$ 550	\$ 4,850.00	\$ 8,750	\$ -	\$ 8,750
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 6,030	\$ 620	\$ 6,650	\$ 13,000	\$ -	\$ 13,000

This amendment revised the annual cash flow by phase without affecting the lifetime budget

Table B-2n

Capital Amendment 7

Project: 400 Airport Link

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 100	\$ -	\$ 100	\$ 10,859	\$ -	\$ 10,859
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ 3,691	\$ -	\$ 3,691
Final Design / Specifications	\$ 100	\$ -	\$ 100	\$ 15,924	\$ -	\$ 15,924
Construction Services	\$ -	\$ 50	\$ 50.0	\$ 15,539	\$ -	\$ 15,539
Third Party	\$ -	\$ -	\$ -	\$ 1,387	\$ -	\$ 1,387
Construction	\$ 500	\$ (50)	\$ 450	\$ 187,644	\$ -	\$ 187,644
Vehicles	\$ -	\$ -	\$ -	\$ 14,587	\$ -	\$ 14,587
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ 12,553	\$ -	\$ 12,553
Testing and Start-up	\$ -	\$ -	\$ -	\$ 917	\$ -	\$ 917
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 700	\$ -	\$ 700	\$ 263,100	\$ -	\$ 263,100

This amendment revised the annual cash flow by phase without affecting the lifetime budget

Table B-2o

Capital Amendment 7

Project: 420 South Link - Airport to South 200th Street

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 1,929	\$ 218	\$ 2,148	\$ 16,064	\$ -	\$ 16,064
Preliminary Engr / Environmental Review	\$ 169	\$ (122)	\$ 47	\$ 5,878	\$ -	\$ 5,878
Final Design / Specifications	\$ 3,533	\$ -	\$ 3,533	\$ 20,005	\$ -	\$ 20,005
Construction Services	\$ 649	\$ -	\$ 649	\$ 15,135	\$ -	\$ 15,135
Third Party	\$ 1,360	\$ 866	\$ 2,226	\$ 6,885	\$ -	\$ 6,885
Construction	\$ 6,193	\$ 2,000	\$ 8,193	\$ 273,936	\$ -	\$ 273,936
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ 20,414	\$ -	\$ 20,414	\$ 43,549	\$ -	\$ 43,549
Testing and Start-up	\$ -	\$ -	\$ -	\$ 1,789	\$ -	\$ 1,789
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 34,246	\$ 2,963	\$ 37,209	\$ 383,241	\$ -	\$ 383,241

This amendment revised the annual cash flow by phase without affecting the lifetime budget

Table B-2p

Capital Amendment 7

Project: 446 South Corridor Alternative Planning

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 1,160	\$ -	\$ 1,160	\$ 2,030	\$ -	\$ 2,030
Preliminary Engr / Environmental Review	\$ 1,962	\$ -	\$ 1,962	\$ 3,513	\$ -	\$ 3,513
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,122	\$ -	\$ 3,122	\$ 5,543	\$ -	\$ 5,543

This amendment revised the subarea allocation to reflect proper split between Pierce County and South King County

Table B-2q

Capital Amendment 7

Project: 009 LLR Maintenance and Storage

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 944	\$ (100)	\$ 844	\$ 3,337	\$ -	\$ 3,337
Preliminary Engr / Environmental Review	\$ 1,204	\$ -	\$ 1,204	\$ 5,710	\$ -	\$ 5,710
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ 55	\$ -	\$ 55	\$ 385	\$ -	\$ 385
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ 100	\$ 100	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,203	\$ -	\$ 2,203	\$ 9,432	\$ -	\$ 9,432

This amendment revised the annual cash flow by phase without affecting the lifetime budget

Table B-2r

Capital Amendment 7

START

Capital Expenditures

Subarea	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
1- Snohomish	194	(194)	0	5,137	0	5,137
2 - North King	462	(20)	443	12,265	0	12,265
3 - South King	373	240	613	9,907	0	9,907
4 - East King	804	(334)	470	21,334	0	21,334
5 - Pierce	142	158	300	3,774	0	3,774
Total	1,976	(150)	1,826	52,417	0	52,417

2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-2s

Capital Amendment 7

TOD Property Disposition

Capital Expenditures

Subarea	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
2 - North King	901	341	1,242	5,601	0	5,601
Total	901	341	1,242	5,601	0	5,601

2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-3a

Capital Amendment 8

Project: 762 - LRV Wash Bay Doors

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Amendment	Revised Project Budget	2012 Proposed Project Budget	Budget Amendment	Revised Project Budget
Agency Administration	\$ -	\$ 8	\$ 8	\$ -	\$ 8	\$ 8
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ 49	\$ 49	\$ -	\$ 49	\$ 49
ROW Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 69	\$ 69	\$ 200	\$ 69	\$ 269
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ 20	\$ 20	\$ -	\$ 20	\$ 20
Total	\$ -	\$ 146	\$ 146	\$ 200	146	\$ 346

The additional costs being requested by this action are needed to address scope that was not identified in the initial budgeting of the LRV bi-fold door project in our 2011 budget. The LRV wash bay door project started as automated bi-fold door installations at the North and South ends of the bay and a manually operated coiling door on the west side. The scope of work has evolved primarily as a result of an independent code analysis of the project that was performed as part of the design process. This analysis identified additional code-required work. The majority of project cashflows have been moved to 2012 to reflect the current project plan.

Table B-3b

Capital Amendment 9

Project: 740-Small Works Program

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Amendment	Revised Project Budget	2012 Proposed Project Budget	Budget Amendment	Revised Project Budget
Agency Administration	\$ 38	\$ (8)	\$ 30	\$ 280	\$ (8)	\$ 272
Preliminary Engr / Environmental Document	\$ 13	\$ -	\$ 13	\$ 101	\$ -	\$ 101
Final Design	\$ -	\$ (49)	\$ (49)	\$ 24	\$ (49)	\$ (25)
ROW Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 638	\$ (89)	\$ 549	\$ 4,740	\$ (89)	\$ 4,651
Vehicles	\$ -	\$ -	\$ -	\$ 99	\$ -	\$ 99
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 689	\$ (146)	\$ 543	\$ 5,244	\$ (146)	\$ 5,098

Transfer \$146k out of the Lifetime budget to fund project 762- LRV Wash Bay Doors. 2012 cashflow has been adjusted to reflect this change.

Table B-4a
Capital Amendment 10
Project: New - Security Radios

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 29	\$ 29	\$ -	\$ 29	\$ 29
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ 285	\$ 285	\$ -	\$ 285	\$ 285
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 314	\$ 314	\$ -	\$ 314	\$ 314

Create a new project to procure radios for security and fare enforcement personnel. The 800 Mhz Radio project modernizes Sound Transit's communications capabilities, by migrating to a system where Sound Transit can communicate amongst itself and with outside agencies in the event of an emergency or disaster. Beginning with Security and Station Agents; the 800 Mhz radio system is scalable to all departments and divisions within Sound Transit and is interoperable with the Central Link radio system. The project will provide Sound Transit with a response and situational awareness not achievable with the current and the currently planned cell phone push to talk system.

Table B-4b
Capital Amendment 11
Project: 261 - Bus Maintenance Facility

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ -	\$ -	\$ 559	\$ (29)	\$ 530
Preliminary Engr / Environmental Document	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ 8
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition	\$ -	\$ -	\$ -	\$ 59	\$ -	\$ 59
Construction	\$ 380	\$ -	\$ 380	\$ 21,720	(285)	\$ 21,435
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 380	\$ -	\$ 380	\$ 22,346	(314)	\$ 22,032

Reduce the lifetime budget to fund the creation of a new project for Security Radios

Table B-5a

**Capital Amendment 12
Information Technology**

Capital and Operating Expenditures

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Sustaining Infrastructure, Storage, Backups, Intrusion Detection	0	500	500		9,000	9,000
Enterprise Asset Management System	0	2,084	2,084	0	3,950	3,950
ST Network Project Phase 1- 3	0	875	875	0	2,500	2,500
E1 Upgrades	0	0	0	0	1,000	1,000
ST Network and Datacenter Design & Disaster Recovery	0	0	0	0	900	900
Budgeting System	0	440	440	0	800	800
Customer Relationship Mgmt - CRM Implementation	0	0	0	0	800	800
Production data center virtualization	0	0	0	0	700	700
SharePoint 2010 Upgrades	0	0	0	0	600	600
Call Center (ACD) and Unity Upgrade	0	0	0	0	300	300
Web re-design project	0	0	0	0	200	200
LiveLink Upgrade	0	0	0	0	200	200
Cabling (5th & Jackson 7th+8th Floor)	0	0	0	0	70	70
Miscellaneous	0	0	0	0	66	66
Non Allocated	0	550	550	0	11,149	11,149
Total	0	4,449	4,449	0	32,235	32,235

Information Technology is developed out of Administrative Capital Program as Stand Alone Program with Lifetime budget of \$32,235M of Capital and Operating expenditures. Also 2012 annual budget has been updated to reflect current cashflow forecasts.

Table B-5b

**Capital Amendment 13
Administrative Capital**

Capital and Operating Expenditures

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed	Budget	Revised	2012 Proposed	Budget	Revised
Admin Facilities/Equip/Furn	857	0	857	2,745	0	2,745
Non-Revenue Fleet	302	0	302	2,505	0	2,505
IT Hardware - Software	4,254	(4,254)	0	32,235	(32,235)	0
Other	500	(170)	330	7,759	0	7,759
Future Program Allocation	25	(25)	(25)	325	0	325
Total	5,938	(4,449)	1,464	45,569	(32,235)	13,334

Information Technology is developed out of Administrative Capital Program as Stand Alone Program with Lifetime budget of \$32,235M of Capital and Operating expenditures. Also 2012 annual budget has been updated to reflect current cashflow forecasts

Table B-6
 Capital Amendment 14
 Project: 500020 - Mid-day Bus Storage

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 49	\$ 49	\$ -	\$ 97	\$ 97
Preliminary Engr / Environmental Document	\$ -	\$ 240	\$ 240	\$ -	\$ 240	\$ 240
Final Design	\$ -	\$ 100	\$ 100	\$ -	\$ 390	\$ 390
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ 25	\$ 25	\$ -	\$ 50	\$ 50
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 414	\$ 414	\$ -	\$ 777	\$ 777

Information was developed this fall about sites under consideration for midday bus storage and the feasibility of using a Sound Transit-owned site at the west portal of the Beacon Hill tunnel was confirmed. The need for this project has been identified for mid-2014 to ensure that the stored buses are moved from the Link OMF employee parking site prior to U-Link light rail testing and start-up.

Table B-7
 Capital Amendment 15
 Project: 320 DSTT South Access Security

Phase	2012 Annual Budget			Lifetime Budget		
	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget	Proposed 2012 Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ 45	\$ (27)	\$ 18	\$ 165	\$ -	\$ 165
Preliminary Engr / Environmental Review	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Final Design / Specifications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ 187	\$ (144)	\$ 43	\$ 585	\$ 50	\$ 635
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Testing and Start-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 232	\$ (171)	\$ 61	\$ 750	\$ 50	\$ 800

Administration phase by \$27.3 thousand; and decrease the Construction phase by \$143.8 thousand to reflect construction contract work being advanced to 2011. The lifetime budget will be amended to increase the Construction phase by \$50.0 thousand to fund recently added work required by the Seattle Department of Transportation and King County Metro.

Sound Transit

Amendment to the Proposed 2012 Budget

Approved by the Operations and Administration Committee

(Offered by Vice Chair Butler)

Include the following as a separate Section of the Budget Resolution that the Executive Committee will forward to the Board for consideration at its December 15, 2011 meeting.

“No later than September 2012, the CEO will submit to the Board for its consideration an action to determine whether fares should be charged for Tacoma Link or whether it should continue to be a fare-free service. This action will be coordinated with evaluation and analysis of parking policies at the Tacoma Dome Station and the Tacoma Link area in downtown Tacoma.”

Sound Transit

Amendment to the Proposed 2012 Budget

Approved by the Capital Committee

(Offered by Boardmembers McGinn and Conlin)

Amendment	This amendment would adjust the cash flow in ST3 Planning project 1X902 to allow for a partnership with the City of Seattle in a Street Car Planning Study focused on the routes from downtown to the Ballard neighborhood. Sound Transit would contribute \$2.0M to the partnership. The ST3 Planning project has funds designated for HCT Corridor Planning which would be used for this Study. The amendment accelerates the use of the funds into 2012. See table B-1 for details.
Budget Impact	The 2012 annual budget would increase by \$2,000,000 and the lifetime would remain unchanged.

Amend the Proposed 2012 Budget and other related text and tables to reflect a partnership with the City of Seattle to co-fund and co-manage a study of the Ballard-to-Downtown (e.g., Westlake area or International District) HCT corridor -- a segment of the ST2-funded U-District-to-Ballard-to-Downtown HCT planning study. This work will coordinate with the City's Transit Master Plan and their recently received FTA AA grant for the City Center Transit Connector. Study will narrow the range of alternatives and modes, evaluate routes and station locations, include a preliminary environmental assessment, and position the Sound Transit Board to update the *Long-Range Plan* and establish priorities for the next phase of HCT system development. Sound Transit and City of Seattle will enter into a term sheet and an interlocal agreement to establish a minimum scope of work for the study, and to further define agency roles.

Table B-1
Capital Amendment 5
Project: 1X902 - ST3 Planning

Phase	2012 Annual Budget			Lifetime Budget		
	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget	2012 Proposed Project Budget	Budget Transfer	Revised Project Budget
Agency Administration	\$ -	\$ 140	\$ 140	\$ 4,970	\$ -	\$ 4,970
Preliminary Engr / Environmental Document	\$ -	\$ 1,660	\$ 1,660	\$ 58,930	\$ -	\$ 58,930
Final Design	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Row Acquisition and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Testing & Startup	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency	\$ -	\$ 200	\$ 200	\$ 7,100	\$ -	\$ 7,100
Total	\$ -	\$ 2,000	\$ 2,000	\$ 71,000	\$ -	\$ 71,000

This amendment would adjust the cash flow in the ST3 Planning Project to allow for a partnership with the City of Seattle in a Street Car Planning Study focused on routes in the Ballard Neighborhood to Downtown.

APPENDIX G

DEPARTMENT/DIVISION SCORECARDS

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MISSION STATEMENT

Strengthen the Sound Transit brand by improving the relationship with people who use our services; convincing more people to begin using our services; and, better educating the public and stakeholders about the benefits of Sound Transit.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

1. Achieve ST2 funding assumptions.
2. Achieve public policies that support Sound Transit’s mission.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Create new status report for federal audiences to demonstrate Sound Transit progress and nexus with federal policies and programs. ▪ Share survey data with federal, state, and local partners about Sound Transit issues. ▪ Identify possible revenue tools for ST3 and explore inclusion of Sound Transit in statewide revenue package. ▪ Develop model transit-supportive local land use plans that support agency project delivery and strong transit ridership. 	<ul style="list-style-type: none"> ▪ Receive FFGA payments. ▪ Provide report to federal partners every quarter. ▪ Inclusion of Sound Transit in statewide revenue package.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

Increase market share.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Research, develop, and implement programs aimed at the senior, disabled, and limited English proficiency communities. ▪ Develop marketing strategy and plan to build and retain ridership; leverage industry best practices. ▪ Develop mobile customer service technology for to bring customer services into communities; initially target transit-dependent/limited mobility populations (senior, disabled). ▪ Expand use of research to increase ridership and inform stakeholders (Elected Officials, Riders, Non-riders, and Impacted Communities). <ul style="list-style-type: none"> - Define market - Develop metrics 	<ul style="list-style-type: none"> ▪ Measure contacts and reaction of target populations to new outreach programs.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Renew Sound Transit as a regional agency. Enhance agency governance by supporting the Board of Directors.
2. Increase community support for transit investments and services.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Work with stakeholders and legislature to expand options for funding transit development and operations. ▪ Standardize the agency’s environmental and sustainability messaging. ▪ Integrate sustainability messaging into all applicable marketing, public, and community outreach materials. ▪ Improve accessibility of Sound Transit projects, plans, and financial management on website. ▪ Make Sound Transit realignment decisions transparent and understandable. 	<ul style="list-style-type: none"> ▪ Increase number of riders who rate the environment as a reason to ride transit. ▪ Favorability rating. ▪ Customer satisfaction scores. ▪ Use of website for projects, plans, and financial management information. ▪ Increase the percentage of people who are aware of Sound Transit’s financial challenges.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Increase Sound Transit employee awareness, support, and participation in achieving the priorities outlined in the agency's Communications Plan.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Internal education on customer service as agency value. ▪ Policy development regarding use of staff for customer service activities. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/management training.

MISSION STATEMENT

Design, construct and support light rail, commuter rail and regional express systems and facilities to improve mobility for Central Puget Sound.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

1. Improve Construction/Operational Safety.
2. Improve quality of design and construction efforts.
3. Design and construct cost effective capital projects within available budgets.
4. Achieve design and construction milestones to ensure on-time project delivery in accordance with published schedules.
5. Plan for and appropriately address risks to successful project delivery.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Identify and evaluate measures at each phase of a project to be incorporated into the safety certification program to enhance safety on capital projects. ▪ Implement readiness reviews with SQA department in accordance with department policies and procedures. ▪ Provide a minimum 32 hours of safety awareness training annually for each Agency construction manager. ▪ Review safety certification program requirements and formalize/update as appropriate in accordance with design and construction processes and practices. ▪ Develop and implement program to determine and regularly monitor and report on noncompliance to quality standards and incorporate resolution of noncompliance into lessons learned. 	<ul style="list-style-type: none"> ▪ The Recordable Injury Rate (RIR) on Sound Transit construction projects should be lower than the national average injury rate. ▪ 100% of construction projects will develop and implement an accepted site-specific safety plan consistent with Sound Transit standards. ▪ Implement safety certification program for all construction projects. ▪ Total value of all change orders classified as design errors and omission is less than 5% of the contract value. ▪ 100% of design and construction projects undergo quality audits. ▪ 100% of project design and construction projects will be completed within Board approved budget.

<ul style="list-style-type: none">▪ Formalize and implement Value Engineering and Constructability Review policy and procedure.▪ Research alternative project delivery methods for all projects as a potential means of reducing costs.▪ Develop “design to budget” contract provisions for design contracts; incorporate into contract specifications.▪ Participate in up to three (3) internal performance/compliance audits annually.▪ Develop contract packaging and procurement strategies early in design to respond to market conditions (competition, scale, bonding capacity).▪ Formally review risk mitigation strategies and approaches for applicability to all capital projects; incorporate findings into lessons learned program.	<ul style="list-style-type: none">▪ Cost Performance Index (CPI) for major professional services contracts should be 0.9 or greater.▪ Construction contracts will be completed on or below budget by not allowing contingency expenditures to exceed project progress. (Contingency Index 1.0 or greater). Construction contracts will be kept on or ahead of schedule (Schedule Performance Index (SPI) index of 0.95 or greater).▪ All projects will maintain positive schedule float throughout the life of the project.▪ Major projects will have a formal risk assessment that identifies and analyzes project cost and schedule risks, includes primary and secondary risk mitigation strategies and provides for adequate contingency assigned to mitigate registered risk.
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SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

Construct safe, accessible, and user-friendly transit facilities.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Ensure that safety considerations are addressed in design, construction, and operations of light rail and commuter rail facilities. ▪ Retain on-call ADA consultant to augment internal resources in ADA design and construction reviews/Inspections. 	<ul style="list-style-type: none"> ▪ System Safety Program Plan for all projects. ▪ System Security and Emergency Preparedness Plan for all projects. ▪ Complete Initial Segment follow-on work and obtain Certificate of Occupancy for all Central Link facilities. ▪ Continue the implementation of the <i>STart</i> program on remaining Sound Move projects and initiate program on ST2 projects.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Maximize procurement opportunities for participation of small minority disadvantaged and/or woman-owned businesses.
2. Ensure financial accountability in capital program expenditures.
3. Maintain/increase staffing to meet projected workload.
4. Integrate appropriate sustainability measures into design and construction efforts.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Evaluate potential improvements to increase budget accountability and monitor and control project budgets. ▪ Evaluate adequacy of staffing plan database and upgrade accordingly to improve variance reporting efficiencies. ▪ Integrate Sustainability into decision-making process. ▪ Incorporate sustainability measures including but not limited to irrigation and landscaping practices e.g., establishing low growth, low maintenance, native vegetation, into relevant guide specifications. ▪ Evaluate effectiveness of sustainability measures for the benefit and use for future projects. ▪ Develop and implement department specific strategies for resource conservation in day-to-day office activities. 	<ul style="list-style-type: none"> ▪ Meet contract specific SM/WOB subcontracting goal for all contracts. ▪ Achieve forecasted expenditure levels; annual project expenditures incurred to date should be within +/- 10% of the budgeted amounts. ▪ Ensure Staff operating budget is not over-spent. ▪ Meet FTA schedule requirements for publication of the Agency Progress Report. ▪ Provide project staff at the levels required to complete the projects on-time and within budget; actual DECM staff/consultant hours expended within +/- 10% of planned hours. ▪ Use the Sound Transit Sustainability checklist for all major projects to develop Project Sustainability Plans. ▪ Use low impact development technologies for all projects where applicable. ▪ Capital Projects over \$2M (construction) will establish project sustainability measures; these projects will have project specific sustainability plans. ▪ All buildings to be constructed to LEED Silver Standards.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Create an atmosphere/culture to enhance employee retention/development.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Provide adequate budgets to functional divisions to allow for training tailored to functional responsibilities and professional career track. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

To influence stakeholders so that Sound Transit improves mobility for Central Puget Sound in ways that include the diverse people of the region.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

1. Ensure all regulatory requirements are met (Title VI & DBE Program).
2. Fund Disparity Study.
3. Enhance and redefine Small Business Program.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Lead intra-agency team responsible and accountable for implementing FTA approved Title VI Program. ▪ Prepare Executive briefing on the value and benefits of conducting a Disparity Study. ▪ Enhance Sound Transit Small Business Program. 	<ul style="list-style-type: none"> ▪ All programs are in compliance with regulatory requirements, due dates are met, and applicable FTA approvals are received and up to date. ▪ Funding obtained for Disparity Study with WSDOT. <p>Implement enhance Small Business Program with Port of Seattle and King County.</p>

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

Promote transit service awareness and encourage ridership among stakeholders interacting with Diversity Program Office (DPO) (e.g., Building Trades members, Disadvantaged Business Enterprise (DBE) and DPO outreach events.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Develop and execute a comprehensive outreach strategy working collaboratively with the Building Trades, DBEs, Small Businesses, other agencies, and non-traditional riders to promote, increase awareness, and encourage ridership. 	<ul style="list-style-type: none"> ▪ Demonstrated plan developed and implemented with supportive promotional materials. ▪ Ridership awareness incorporated in all outreach events.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

Promote Contractors' and Sound Transit construction management staff's understanding of their rights, roles, and responsibilities under the PLA.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Conduct "PLA 101" Workshops for contractors and Sound Transit staff and working on construction projects under the PLA. 	<ul style="list-style-type: none"> ▪ 100% of all Prime contractors and Sound Transit staff working on construction projects under the PLA will attend "PLA 101" Workshop.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Sound Transit staff models understanding and valuing Diversity/Inclusion.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Launch agencywide Diversity/Inclusion training. 	<ul style="list-style-type: none"> ▪ Collaborate with HR to develop and deliver Diversity and Inclusion workshop for the Senior Leadership team. ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

Support Sound Transit's mission to build, plan and operate the regional transit system for the Central Puget Sound by providing timely , high quality, efficient financial, technology and risk management services to Sound Transit employees and Sound Transit customers.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

1. Maximize program funding.
2. Enhance financial and management data and reporting for capital projects.
3. Improve sustainability of agency assets and projects.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Identify and pursue new funding sources: public private partnerships and alternative financing mechanisms. ▪ Maximize federal grant receipts: <ul style="list-style-type: none"> – Close out initial segment. – Improve U-Link drawdowns. – Prepare for North Corridor FFGA (involve DECM, Communications and Federal Strategy Team). ▪ Develop new budget system. ▪ Standardize IT network by end of 2012 to improve system uptime and performance. 	<ul style="list-style-type: none"> ▪ 95% of agency revenue forecast met. ▪ 90% of vendors payments made within established time frames. ▪ 100% of agency projects in compliance with established phase gate policy. ▪ 100% of agency capital projects and assets insured or have a risk finance and risk management strategy.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

1. Provide accurate financial data and management systems for operations.
2. Identify areas to reduce operating expenses.
3. Manage ORCA and fare collection systems effectively.
4. Improve information to riders.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Develop approach for Risk Fund to lower long-term insurance costs. ▪ Implement all payment compliance audit findings (PCI). ▪ Begin implementation of R&T Plan to provide best practice transit technology to customers. 	<ul style="list-style-type: none"> ▪ National Transit Database (NTD) reporting complete by April 30, 2012. ▪ 99.9% uptime for critical IT and fare collection systems. ▪ 100% of annual insurance renewals 30-60 days prior to policy expiration date. ▪ ORCA payment card compliance (PCI) maintained. ▪ ORCA reports produced and invoices paid within established timeframes.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Intensify cost containment focus.
2. Increase productivity by improving business processes.
3. Support and promote data-driven decision-making.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Continue review and improvement of payment process. ▪ Procure, implement, and support new Enterprise Asset Management System. ▪ Implement three-year document management plan. 	<ul style="list-style-type: none"> ▪ Unqualified financial audit opinion with no reportable conditions/100%. ▪ IT security breaches/zero. ▪ Financial Plan developed by October 30, 2012. ▪ 100% of month-end closes within established timeframes. ▪ Investment returns at or above benchmarks and budgets.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Enhance employee productivity and develop backup for critical tasks.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Implement cross training for employees with closely related functions. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

Linking people, strategy, and organizational performance through effective design and management of innovative human capital programs and policies. Fostering a positive and inclusive culture of continuous learning and growth where talented people are proud to work towards a common mission.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities *(Combined Project Development and Delivery and Service Delivery Goals)*

1. Timely recruitment of qualified and diverse talent based agency needs and in line with budget.
2. Continue to provide Project Management training to enhance skills at varied levels and to facilitate agency project delivery goals.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Enhance the agency recruitment function and process to optimize candidate and hiring manager experience and shorten the recruitment cycle. ▪ Transition to electronic workflow, review FTA “best practices” for applicant screening. ▪ Develop a strategic partnership with Service and Project Delivery team to collaboratively develop the agency staffing plan. ▪ Develop a strategic partnership with Diversity team to highlight and promote agency diversity efforts and attract diverse talent. ▪ Continue to provide Project Management training to enhance skills at varied levels and to facilitate agency project delivery goals. 	<ul style="list-style-type: none"> ▪ “Time to fill” open requisitions reduced from 49 days (Q4 2011) to 38 days (by Q4 2012). ▪ “Offer acceptance rate” – at 95%. ▪ Establish a process for on-going “real time” review of diversity efforts. ▪ Establish a process for measuring progress towards AAP goals. ▪ Project management training offered on regular basis.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Review and establish “best practices” in administration of Pension and Benefits programs.
2. Review Human Resources (HR) recordkeeping practices for compliance and establish “best practice” approach for recordkeeping and retention.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ 2012-Review and optimize a billing reconciliation process for all benefit programs. ▪ Establish “best practice” approach for pension administration and transactions reconciliation (using ERISA framework). ▪ Establish a process for periodic service provider review and benchmarking (benefits and pension). 	<ul style="list-style-type: none"> ▪ Reconciliation process established; 100% internal audit of Health Plan billing is complete. ▪ Coverage verification completed for all ancillary lines of coverage, all discrepancies are resolved. ▪ A Process for periodic review of forfeiture activity (joint review by Finance and HR) is established. ▪ Complete an inventory of HR service agreements and establish a timeline for periodic review (and identify appropriate benchmarks). ▪ Document HR recordkeeping practices.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

1. Attract, retain, and motivate highly qualified talent to meet staff requirements for ST2 ramp up.
2. Solidify human resource processes, policies, and procedures.
3. Enhance and support meaningful relationships with Labor Unions, Consultants/Contractors, including local businesses and partner agencies.

Initiatives	Performance Indicators
<p>Initial design in stages.</p> <ul style="list-style-type: none"> ▪ Develop and implement Sound Transit University Program (STU) for all employees to maximize potential for individual and organizational success. Develop and implement a more robust on-boarding process. ▪ Develop an equitable and financially sustainable strategy to deliver meaningful Health and Welfare benefits to Sound Transit employees (in line with company strategic objectives and overall total rewards philosophy). ▪ Conduct review of all existing HR programs, policies, and procedures. Prioritize as necessary and take a phased approach to update as needed. ▪ Streamline and coordinate outreach with consistent messages; actively pursue partnering relationships. 	<p>Initial Design targets.</p> <p><u>STU initiative</u></p> <ul style="list-style-type: none"> ▪ Complete review of STU elements in alignment with employee life cycle (including mentorship/ transition into retirement program best practices). ▪ Complete curriculum design for new employee on-boarding program. ▪ Review on-line learning options. ▪ Establish relationships with local schools and identify internship opportunities. <p><u>Health and Welfare:</u></p> <ul style="list-style-type: none"> ▪ Complete Broker RFP search process. ▪ Articulate Agency Total Rewards philosophy. ▪ In collaboration with the Executive Leadership Team and Sound Transit employees develop a three-year strategy for Health and Welfare programs. ▪ Complete contract negotiations for the Health and welfare program.

Employee Relations and Policy review

- Review programs, policies, and procedures to ensure compliance with existing laws, regulations, and practices.
- A process for on-going periodic review is established.
- Review programs, policies, and procedures to identify opportunities to enhance job satisfaction and morale.
- Complete Compensation market update for the agency.

Stakeholder engagement and outreach:

- Identify opportunities for deepening the current relationships and possibly developing new ones.

Ongoing measures:

- Internal promotion rate at 20%
- 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date.
- 80% of employees receive at least 16 hours of training/professional development.
- 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

Provide assurance regarding the adequacy of internal controls to the Board of Directors and management through independent and objective audit and advisory services.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities *(Combined Project Development and Delivery, Service Delivery, and Stewardship of Resources)*

1. Identify opportunities to increase agency efficiency and effectiveness.
2. Identify risks to agency success, and evaluate appropriateness of internal controls in place to mitigate them.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Develop hotline report structure. ▪ Develop an agency “Enterprise Risk Management” strategy to evaluate all agency risk assessment and risk management activities under a single umbrella. 	<ul style="list-style-type: none"> ▪ Develop annual work plan by February 15, 2012. Report to Audit & Reporting Committee at March Meeting. ▪ Prepare Annual Report by January 31, 2012. Report to Audit & Reporting Committee at March Meeting. ▪ Management satisfaction survey results demonstrate Internal Audit Division is valued by management. ▪ At least 90% of planned audits completed. ▪ Minimum of one, third-party contract audit completed annually. ▪ Minimum of one performance audit completed annually.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

1. Build a robust internal audit function that meets professional internal auditing standards.
2. Enhance employee skill levels and work processes.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Enhance processes and procedures to ensure compliance with internal audit professional standards. ▪ Conduct divisional “self-review” in preparation for 2014 peer review. 	<ul style="list-style-type: none"> ▪ Provide required technical training to maintain professional certifications. ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

Support Sound Transit's mission to build and operate the regional transit system for the Central Puget Sound by providing high quality legal representation in order to minimize legal risk and keep the agency in the strongest possible legal position.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

Provide timely legal advice to avoid project delays.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Provide department-specific training to improve risk management. 	<ul style="list-style-type: none"> ▪ 90% of requests for legal services completed by date agreed by attorney and client. ▪ 100% of appeals successfully defended. ▪ 100% of all court-imposed deadlines met. ▪ 100% of challenges to Sound Transit project successfully defended. ▪ An attorney acknowledges all client requests within 48 hours.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

Provide high quality legal representation to support Sound Transit operations risk management.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Meet with all division managers at least once during the year to discuss the division’s general legal needs. 	<ul style="list-style-type: none"> ▪ No errors in legal analysis. ▪ 100% of law/regulatory changes that affect clients’ activities communicated to clients at least 30 days before effective date through education and training sessions or documents on recurring legal issues provided. ▪ Conduct at least 17 meetings per quarter.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Intensify cost containment.
2. Ensure legal compliance with discovery and public disclosure requirements.
3. Increase staff participation in sustainability initiatives.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Bring more legal work in-house. ▪ Evaluate E-Discovery: electronic tools for e-mail and other agency electronically stored information. ▪ Turn off all energy-consuming devices such as computers, office lights, and desk lamps each night, unless otherwise directed by IT. 	<ul style="list-style-type: none"> ▪ Maintain department/division spending within the approved 2012 staff/operating budget. ▪ Reduce average legal expense per hour. ▪ 100% of public disclosure requests are responded to on time. Ensure Staff operating budget is not over-spent. ▪ Meet FTA schedule requirements for publication of the Agency Progress Report. ▪ Provide project staff at the levels required to complete the projects on time and within budget; actual DECM staff/consultant hours expended within +/- 10% of planned hours.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Enhance legal expertise in handling matters relevant to Sound Transit business.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Provide professional growth opportunities for Legal Department employees. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training. ▪ All attorneys will remain in good standing with the Washington State Bar Association.

MISSION STATEMENT

The Sound Transit Operations Department mission is to ensure that the operation of Sound Transit's transit services is performed safely, reliably and efficiently and that all necessary operational support systems and processes are identified, developed, and implemented.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time and within budget.

Priorities

1. Evaluate all capital project design plans.
2. Develop a process to identify system assets to be operated and maintained.
3. Ensure that O&M manuals/plans are submitted.
4. Minimize cost of operations.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Review all capital project design plans to ensure operations and maintenance related issues are addressed. ▪ Develop operations and maintenance plans for all capital projects. 	<ul style="list-style-type: none"> ▪ 100% of design plans are assessed, issues identified, and comments provided within prescribed timeframe. ▪ 100% of capital projects have O&M plans at transition to Operations.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

1. Determine the most cost effective approach to operations.
2. Maximize useful life of capital assets.
3. Retain and/or increase ridership on all modes.
4. Provide quality service to all customers.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Complete Service Integration Plan for Sounder extension. ▪ Collect, consolidate, and/or develop preventative maintenance procedures for all equipment. ▪ Develop a capital improvement plan for all agency facilities and ensure connection with the capital reserve fund. ▪ Provide high quality service that is responsive to customer needs, including the region's special needs population. Ensure service is safe, accessible, reliable, cost effective, and efficient. 	<ul style="list-style-type: none"> ▪ Implement the Service Integration Plan for Sounder extension. ▪ Adopt preventative maintenance procedures for all equipment. ▪ Sound Transit facilities are 100% maintained in accordance with specified maintenance standards and schedules. ▪ Achieve systemwide ridership at or above 25.8 million as follows: <ul style="list-style-type: none"> - ST Express bus: 13.8 million - Sounder commuter rail: 2.6 million - Tacoma Link: 0.9 million - Central Link: 8.4 million - Paratransit: 0.1 million ▪ On-time performance: <ul style="list-style-type: none"> - ST Express bus: ≥ 85% - Sounder commuter rail: ≥ 95% - Tacoma Link: ≥ 98.5% - Central Link: ≥ 90% (Headway) ▪ Preventable accidents per 100k revenue miles: <ul style="list-style-type: none"> - ST Express bus: ≤ 0.8 - Sounder commuter rail: ≤ 1.0 - Tacoma Link: ≤ 1.7 - Central Link: ≤ 1.0 ▪ Customer complaints per 100,000 boardings on all modes: ≤ 15 ▪ Percentage of Scheduled Trips Operated: <ul style="list-style-type: none"> - ST Express bus: 99.8% - Sounder commuter rail: 99.5% - Tacoma Link: 98.5% - Central Link: 98.5% ▪ Maintain annual customer satisfaction rating greater than 3.5 on 4-point scale (Exclusive of items related to non-specific questions about desire for more service). ▪ 95% of facilities work orders are completed within the prescribed time frame

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

Operate services and maintain assets effectively.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Efficiently and effectively use resources to control costs and manage service levels. 	<ul style="list-style-type: none"> ▪ Meet agency 2012 budget target for cost per boarding as follows: <ul style="list-style-type: none"> - ST Express bus: \$7.41 - Sounder commuter rail: \$14.51 - Tacoma Link: \$4.52 - Central Link: \$6.21 ▪ Achieve agency 2012 farebox recovery targets: <ul style="list-style-type: none"> - ST Express bus: 24% - Sounder commuter rail: 21% - Central Link: 23% • For each mode, meet agency 2012 budget target for cost per hour as follows: <ul style="list-style-type: none"> - ST Express bus: \$146 - Sounder commuter rail: \$837 - Tacoma Link: \$428 - Central Link: \$409 ▪ Maintain department/division spending within the approved 2012 staff/operating budget.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Increase transit industry knowledge for employees.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Continue relevant leadership coaching and training. ▪ Manage, recognize, measure, and compensate performance that focuses on the mission, goals, and initiatives. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training. ▪ Partner with H/R to sponsor industry-specific training opportunities, e.g. Transportation Safety Institute (TSI) and National Transit Institute (NTI) training.

MISSION STATEMENT

The Planning, Environment, and Project Development department plans, develops, and designs regional transit projects and systems in a fiscally responsible and environmentally sustainable manner to foster livable, transit-supportive communities.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time and within budget.

Priorities

1. Ensure affordability of Sound Transit capital program through project development strategies.
2. Respond effectively to Board-level interest in TOD, parking management & policy, and long range planning issues.
3. Ensure compliance with environmental processes and requirements.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Meet agency milestones and individual project-level milestones. ▪ Fund environmental planner at FTA offices. 	<ul style="list-style-type: none"> ▪ Necessary environmental clearances obtained for all projects. ▪ No permit violations during construction that impact the environment. ▪ Environmental resources allocated to each project during final design and construction. Alternative Analysis initiated and well advanced for the Tacoma Link Expansion. ▪ Environmental phase initiated for ST Express O&M base(s). ▪ Environmental phase initiated for Sounder Yards & Shops. ▪ Develop Sounder station improvement priorities to enhance customer access. ▪ Complete North Corridor conceptual engineering for DEIS. ▪ Prepare North Corridor DEIS for publication in 2013.

	<ul style="list-style-type: none"> ▪ South Corridor Alternatives Plan initiated and well advanced. ▪ Procure consultant for South Corridor EIS/PE phase. ▪ Procure consultant team for Link OMF EIS/PE phase. ▪ Start environmental analysis and conceptual engineering on Link OMF.
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SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

1. Increase ridership and farebox revenue with a more diversified rider base.
2. Higher percentage of Sound Transit riders benefit from vendors/concessionaires.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Work with ST Board to review and update parking policy and parking management strategies. ▪ Update Board policy on concessions and incidental use of ST facilities. ▪ Support agency initiative to increase system ridership. 	<ul style="list-style-type: none"> ▪ Board direction given on parking policy ▪ Increased number of vendors/concessionaires active on Sound Transit facilities. ▪ Meet agency ridership goals (see Operations scorecard)

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Implement the TOD Strategic Plan for increasing HCT ridership and livable communities.
2. Lead adoption of Sustainability Plan initiatives throughout the agency.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Implement the Sustainability Plan initiatives assigned to PEPD (see Appendix of the Sustainability Plan: Table #1 – Sustainability Priorities and Initiatives by Department). ▪ Work with FIT to develop guidance on applying Total Cost of Ownership analysis to agency decision-making. ▪ Work ST Board to review and update ST TOD Policy and plans. ▪ Increase efforts to re-develop surplus parcels for TOD and/or joint development ▪ Incorporate TOD planning into the project development process. ▪ Participate in the PSRC “Sustainable Communities” program at the corridor level for urban centers TOD advocacy. 	<ul style="list-style-type: none"> ▪ 85% of Sustainability Plan targets met. ▪ Total Cost of Ownership guidance established. ▪ Board direction given on TOD policy and program implementation. ▪ Form partnerships to create exemplary TOD and joint development with appropriate surplus parcels. ▪ Provide support to North Corridor HCT and North Link for TOD opportunities. ▪ Integrate input from the PSRC Sustainable Communities initiative into Sound Transit project development.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Create an atmosphere/culture to enhance employee retention/development.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Project managers and other staff routinely develop negotiation strategies, and obtain appropriate buy-in throughout the Agency before engaging in the negotiations of agreements. ▪ Project/Agreement negotiating strategies identify Sound Transit objectives and bottom lines, protect Sound Transit's legitimate interests, and treat the other parties fairly and as true partners. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

Making a difference through exceptional procurement services

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time and within budget.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities *(Combined Project Development and Delivery and Service Delivery)*

1. Determine contracting strategy that best meets the needs of community, project, and Sound Transit.
2. Execute Contracts in a timely manner.
3. Reduce project costs.
4. Timely closeout of contracts.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Perform Agency and Business Outreach and provide training on procurement and contracting processes. ▪ Continuous cross-functional process improvement to respond to customer goals and expectations while providing exceptional customer service. 	<ul style="list-style-type: none"> ▪ 80% Micro and Small Purchase PO's (below \$100k) issued within 30 days of receipt of requisition. ▪ 75% formal contracts (over \$100k) executed within 160 days of receipt of requisition. ▪ 80% change orders issued within 60 days of receipt of Request for Change. ▪ Achieve 5% cost savings in contract award and change orders. ▪ 75% contract closeout processed within 90 days from date of final acceptance. ▪ Conduct quarterly internal customer outreach to provide training or address concerns and questions.

	<ul style="list-style-type: none"> ▪ Conduct or participate in five Business Outreach contracting events to promote opportunities with Sound Transit. ▪ Conduct or participate in two Process Improvement exercises.
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STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Increase productivity.
2. Provide transparency in procurement policies and actions.
3. Ensure contract language supports Sound Transit sustainability initiatives.
4. Ensure compliance to rules and regulations in pre & post contract award actions.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Increase use of P-Card. ▪ Explore and implement E-Commerce. ▪ Assist with development of sustainable procurement policies and procedures. ▪ Increase early involvement of the Procurement and Contracts division staff in procurements. 	<ul style="list-style-type: none"> ▪ 10% increase in number of P-Card transactions. ▪ Negligible audit findings. ▪ 75% Construction Change Orders are approved by Contracts Specialist prior to execution.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Priorities

Ensure availability of tactical and strategic skills.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Support efforts towards certification and professional development. ▪ Perform team-building exercises. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

The Sound Transit Security Division is dedicated to maintaining a safe, secure, and comfortable environment for the public and employees through the use of innovative technology, proactive analysis and reasoned response.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time, and within budget.

Priorities

Ensure facilities are designed to maximize security features and sense of security for riders while minimizing the total cost of ownership.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Adhere to effective project management techniques through control of scheduling, scope-of-work, and design. ▪ Participation with STart program (to ensure security concerns are considered). ▪ Develop process to mesh security (design review) comments with Ops Department's (comments). 	<ul style="list-style-type: none"> ▪ 100% of project designs meet established security criteria and quality checks before moving to next phase. ▪ 100% of security design reviews completed within DECM deadlines. ▪ 100% of DECM inquiries responded to within one business day.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

1. Maintain a safe and secure transit environment.
2. Increase rider confidence and comfort by improving the security and sense of security of our passengers.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Increase message of zero tolerance for all crimes including fare evasion. ▪ Work with Communications and Marketing to address security related questions about all modes of service in annual customer service survey. ▪ Update Post Orders, schedules and training program for transit security officers. ▪ 800 MHz Radio Project. 	<ul style="list-style-type: none"> ▪ Decrease in number of serious security-related incidents. ▪ Receive a grade of 3.4 or better in all security categories of annual customer service survey.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

Deploy the most effective and efficient combination of police and security forces to protect Sound Transit assets and minimize loss.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Develop an emphasis approach by focusing resources towards areas with higher numbers of security incidents based on crime levels and ridership by location. 	<ul style="list-style-type: none"> ▪ Decrease in graffiti, vandalism, and hygiene incidents.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud to work toward a common mission.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Provide adequate budgets to functional divisions to allow for training tailored to functional responsibilities and professional career track. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

MISSION STATEMENT

To provide systematic and comprehensive oversight, resources and guidance to promote a culture of safety and quality for Sound Transit and the community.

PROJECT DEVELOPMENT AND DELIVERY

Implement voter approved Sound Transit programs safely, on time and within budget.

Priorities

1. Uniformly communicate Safety and Quality Management goals to consultants, contractors and outside government agencies.
2. Integrate Safety and Quality Management programs into the project management processes for design and construction to develop a Safety Culture and strive for a quality commitment to become best in class.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Review and comment on safety aspects of all major design submittals. ▪ Provide critical safety comments to all safety-related construction submittals... ▪ Conduct weekly Safety Meetings with construction contractors. ▪ Quality submittal reviews performed on every significant design package. ▪ Conduct bi-weekly Quality meetings with designers and construction contractors. ▪ Incorporate quality and safety personnel requirements into RFPs. ▪ Conduct regular audits and surveillances to assure oversight. ▪ Audit each major design and construction contract at least annually. ▪ Conduct at least four surveillances on each significant design and construction contract per year. 	<ul style="list-style-type: none"> ▪ Specifications will include safety design review comments. ▪ Construction submittals will include all safety-related comments. ▪ Maintain a U-Link project recordable injury rate of one-half the state industry average. ▪ Assure 100% contractor compliance with Safety and Quality plans and documentation submittal requirements. ▪ Achieve 100% closeout of Safety and Quality audit and surveillance findings.

SERVICE DELIVERY

Provide safe, reliable, cost effective, attractive service to existing and new customers.

Priorities

1. Promote increase worksite and facilities safety awareness.
2. Conduct quality and safety audits, surveillances and assessments to determine the level of performance and service delivery of the agency.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Schedule and perform QA Design Audits on milestone submittals and annual audits on all major construction contracts. ▪ Monitor Sound Transit construction sites weekly for conformance to Safety and Quality requirements. ▪ Investigate, document, and issue reports on work site lost time accidents. ▪ Promote and monitor safety incentives to contractors. ▪ Ensure that safety-related requirements are included in all construction specifications. 	<ul style="list-style-type: none"> ▪ Perform 90% of all QA Audits within two weeks of scheduled date. ▪ Perform weekly site safety surveillance on 100% of all major construction projects, and daily oversight of tunneling. ▪ Assure complete investigation and mitigation following 100% of all lost-time injuries. ▪ Perform monthly safety incentive evaluations with contractors to status achievement of expectations and provide monetary feedback to workers.

STEWARDSHIP OF RESOURCES

Maintain public trust through responsible and sustainable deployment of financial, human, and environmental resources with clear, open accountability for all commitments.

Priorities

1. Provide pro-active safety program to protect Sound Transit employees.
2. Perform design and submittal reviews to document compliance of design and construction.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ All personnel have a job safety analysis and properly equipped with PPE. ▪ Zero lost time for Sound Transit employees. ▪ Follow-up and resolution of design review comments by next submittal. ▪ Electronic Safety Incident Tracking, Management, and Reporting System. 	<ul style="list-style-type: none"> ▪ Provide safety orientation and workstation evaluation to 100% of new employees. ▪ Perform at least 30 employee ergonomics evaluations per year. ▪ Conduct quarterly facility safety audits and safety meetings which result in 100% closeout of identified deficiencies.

ORGANIZATIONAL VIBRANCY

Foster a dynamic environment of inclusiveness where talented and dedicated people are proud and committed to work toward a common mission, goals, and objectives.

Priorities

1. Provide training to supervisors/managers on employee development and performance planning.
2. Provide a safe work environment.

Initiatives	Performance Indicators
<ul style="list-style-type: none"> ▪ Conduct SQA Employee Survey to Assist in Determining Opportunities for Education, Self Improvement and improving SQA processes. ▪ Develop an Action Plan Based on Employee Input. 	<ul style="list-style-type: none"> ▪ 80% of performance reviews are completed and submitted to HR within 30 days of the anniversary date. ▪ 80% of employees receive at least 16 hours of training/professional development. ▪ 50% of managers/supervisors will receive 32 hours of leadership/ management training.

APPENDIX H

FINANCIAL POLICIES

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Sound Transit Financial Policies

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

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

PURPOSE

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

LEGAL RESPONSIBILITIES

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

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

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

EQUITY

Definition of equity

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

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

IMPLEMENTATION POLICY

Subarea Reporting

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

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

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

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

Monitoring function

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

Adjustments to subarea projects and services

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

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

SYSTEM-WIDE EXPENDITURES

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

DEBT MANAGEMENT

Legal Definition of Sound Transit Debt Financing Capacity

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

Debt Service Coverage Requirements

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

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

Uses of Debt Financing

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

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

Allocation of Sound Transit Debt

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

SETTING PRIORITIES FOR EXPENDITURES

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

FINANCIAL MANAGEMENT

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

PUBLIC ACCOUNTABILITY

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

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

FUTURE PHASES

Voter Approval Requirement

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

Tax Rate Rollback

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

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

Financial Policies Review

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

APPENDIX I

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LIST OF CHARTS, MAPS, AND TABLES

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GLOSSARY

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GLOSSARY OF TERMS

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

ADA – Americans with Disabilities Act

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

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

BAT – Business and Transit Access

BCE – Baseline Cost Estimate

BNSF – Burlington Northern Santa Fe Railway

Board – The Sound Transit Board of Directors

Capital Asset – Assets costing \$5,000 or more and having useful lives greater than two years

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

Capital Projects – Projects that purchase or construct capital assets

CCTV – Closed circuit television

CEA – Communication and External Affairs Department

CEO – Sound Transit Chief Executive Officer

CFO – Sound Transit Chief Financial Officer

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

COP – Citizen Oversight Panel

CPI – Consumer Price Index

DBE – Disadvantaged Business Enterprise

Debt Service – Payment of interest and principal

DECM – Design, Engineering, and Construction Management Department

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

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

Division – Organizational sub-unit within departments

DPO – Diversity Program Office

DSTT – Downtown Seattle Transit Tunnel

EEO – Equal Employment Opportunity

EIS – Environmental Impact Statement

ELT – Executive Leadership Team

ERP – Enterprise Resource Planning

ESMS – Environmental Sustainability Management System

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

EXEC – Executive Department

FEIS – Final Supplemental Environmental Impact Statement

FFGA – Full Funding Grant Agreement

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

FIT – Finance and Information Technology Department

FTA – Federal Transit Administration

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

FY – Fiscal Year

GAAP – General Accepted Accounting Principles

GIS – Geographic Information Services

GMA – Growth Management Act

HCT – High Capacity Transit

HOV – High-Occupancy Vehicle

IT – Information Technology

KCM – King County Metro

LRV – Light Rail Vehicle

MMIS - Maintenance Management Information System

MVET – Motor Vehicle Excise Tax

NTD – National Transit Database

O&M – Operations and Maintenance

OCS - Overhead Contract System

OEM – Original Equipment Manufacturer

OMF – Operations Maintenance Facility

OPS – Operations Department

ORCA – One Regional Card for All

P-Card – Purchase Card

PCMCIA – Personal Computer Memory Card International Association

PE – Preliminary Engineering

PE/ED – Preliminary Engineering and Environmental Documentation

PEPD – Planning, Environment, and Project Development Department

PLA – Project Labor Agreement

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

PSST – Pine Street Stub Tunnel

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

REX – Regional Express

RFP – Request for Proposal

RIAS - Remote Infrared Audible Signage

ROD – Record of Decision

ROIP – Rail Operations Insurance Program

ROW – Right of Way

RSIP - Residential Sound Insulation Program

SIP – Service Implementation Plan

SODO – South of downtown Seattle

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

Sound Transit – The Central Puget Sound Regional Transit Authority

SPI - Schedule Performance Index

SR – State Route

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

STart – Sound Transit Art Program – Public Art

STU – Sound Transit University Program

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

TCO – Total Cost of Ownership

TIP – Transit Improvement Plan

TOD – Transit Oriented Development

TPSS – Traction Power Sub Station

TVM – Ticket Vending Machine

USB – Universal Serial Bus

UW – University of Washington

WSDOT – Washington State Department of Transportation

YOE – Year of Expenditure

To request accommodations for persons with disabilities or to receive information in alternative formats, please call 1-888-889-6368, TTY Relay 711 or e-mail accessibility@soundtransit.org